

Disclaimer

This Hennepin County Annual Comprehensive Financial Report is historical information as of December 31, 2024. The information has not been updated for developments subsequent to the date of the independent auditor's report.

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HENNEPIN COUNTY
MINNESOTA

2024 Annual Comprehensive Financial Report

Year Ended December 31, 2024



Hennepin County, Minnesota

Financial Highlights

		2024	2023 (Restated)	Percent Change
Government-wide:	Assets	\$ 5,056,267,945	\$ 5,001,618,390	1.1%
	Deferred Outflows of Resources	255,840,507	365,981,392	-30.1%
	Liabilities	(3,287,856,566)	(3,421,937,166)	-3.9%
	Deferred Inflows of Resources	(504,489,977)	(424,939,186)	18.7%
	Net Position	\$ 1,519,761,909	\$ 1,520,723,430	-0.1%
Government-wide:	Program Expenses	\$ 4,166,844,851	\$ 4,036,450,331	3.2%
	Program Revenues	2,806,329,302	2,802,214,218	0.1%
	Net Program Expense	(1,360,515,549)	(1,234,236,113)	10.2%
	General Revenues	1,359,554,028	1,312,829,179	3.6%
	Change in Net Position	\$ (961,521)	\$ 78,593,066	
	Expense Per Capita	\$ 3,272	\$ 2,946	11.1%

See Management's Discussion and Analysis, which begins on page 17 for explanations of the changes reflected above. The adoption of GASB 101 in 2024 was applied retrospectively to the earliest period presented.

Funds Available for Investment at December 31:					
General Investible Funds	\$	1,541,964,788	\$	1,737,371,593	-11.2%
Bond Proceeds/Non-General Investible Funds		94,700,657		30,734,304	208.1%
Total Investible Funds	\$	<u>1,636,665,445</u>		<u>1,768,105,897</u>	-7.4%
Annual Daily Average of General Investible Funds	\$	1,938,166,933	\$	2,031,330,107	-4.6%
Average Investment Return for All Funds *		4.37%		4.64%	-5.9%
Average Investment Yield for All Funds		2.72%		2.29%	19.0%

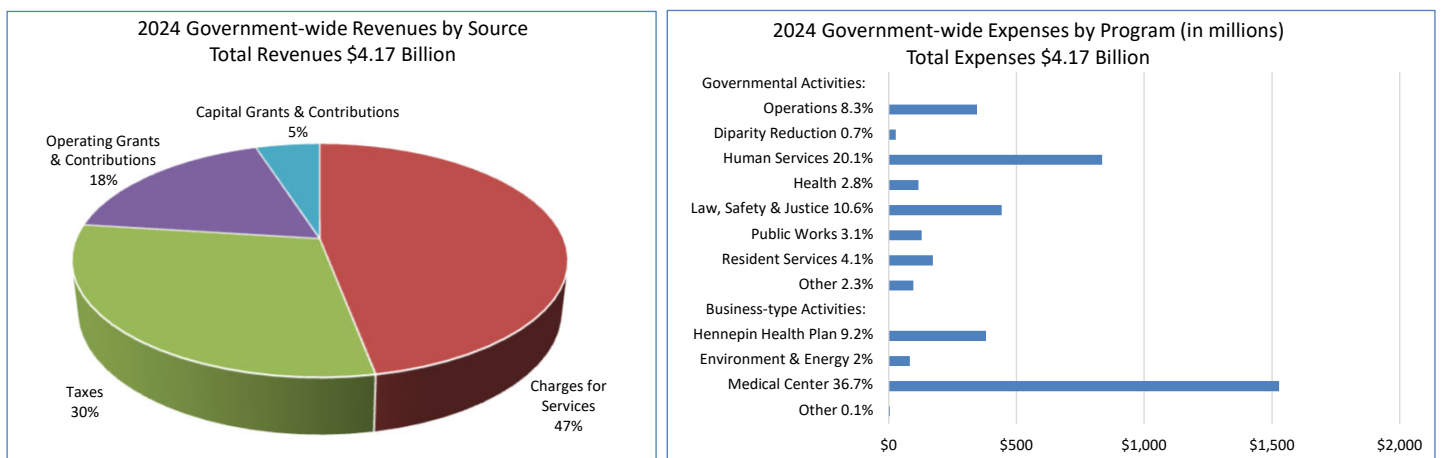
* Includes unrealized gain and loss on investments. In accordance with the GASB 31, the County has reported investments at fair value. Investment income for 2024 before recording the net change in fair value of investments was \$57,529,029 as compared to \$49,057,507 in 2023.

Total Outstanding Bonds*	\$ 1,573,330,000	\$ 1,463,265,000	7.5%
Average Interest Rate on General Obligation Debt	4.80%	4.70%	2.2%
Net General Obligation Debt Per Capita	\$ 1,163.09	\$ 1,063.79	9.3%
Ratio of Net General Obligation Debt to Property Market Value	0.59%	0.54%	9.9%
Long-term Bond Ratings:*	S&P Global Ratings AAA	AAA	
	Fitch Ratings AAA	AAA	

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

Net Tax Capacity*	\$ 2,859,451,218	\$ 2,672,668,521	7.0%
Tax Capacity Rates:			
City of Minneapolis	34.653%	34.542%	0.3%
Suburban	34.653%	34.542%	0.3%
Estimated Market Value*	\$ 247,839,942,000	\$ 233,316,096,000	6.2%

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



Hennepin County, Minnesota

Annual Comprehensive Financial Report **Year Ended December 31, 2024**

Hennepin County Board of Commissioners

Jeffrey Lunde, 1st District
Irene Fernando, Chair, 2nd District
Marion Greene, 3rd District
Angela Conley, 4th District
Debbie Goettel, Vice Chair, 5th District
Heather Edelson, 6th District
Kevin Anderson, 7th District

Hennepin County Administrator

David Hough





Hennepin County, Minnesota
2024 Annual Comprehensive Financial Report
Table of Contents

Introductory Section

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

Financial Section

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

Basic Financial Statements:

Government-wide Financial Statements:

- 34 Statement of Net Position
- 36 Statement of Activities

Fund Financial Statements:

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

Notes to the Basic Financial Statements:

- 51 Notes to the Basic Financial Statements

Required Supplementary Information:

- 103 Schedule of Changes in Total OPEB Liability and Related Ratios
- 104 Schedule of Defined Benefit Pension Plan Contributions
- 105 Schedule of County Proportionate Share of Defined Benefit Pension Plans

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

- 106 General Fund
- 111 Human Services Fund
- 112 Ballpark Sales Tax Fund
- 113 Other Sales Tax Fund
- 114 Housing and Redevelopment Authority Fund
- 115 Regional Railroad Authority Fund

Notes to Required Supplementary Information:

- 116 Notes to Required Supplementary Information

Hennepin County, Minnesota
2024 Annual Comprehensive Financial Report
Table of Contents

Financial Section – continued

Supplementary Information:

Governmental Funds

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

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

Enterprise Funds:

- 132 Combining Statement of Net Position – Nonmajor Enterprise Funds
- 133 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds
- 134 Combining Statement of Cash Flows – Nonmajor Enterprise Funds

Internal Service Funds:

- 136 Combining Statement of Net Position
- 138 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
- 140 Combining Statement of Cash Flows

Schedule of Changes in Long-term Debt:

- 142 Schedule of Changes in Long-term Debt

Hennepin County, Minnesota
2024 Annual Comprehensive Financial Report
Table of Contents

Statistical Section

Page Table

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

146	1. Government-wide Net Position
148	2. Government-wide Change in Net Position
150	3. Government-wide Expenses by Function
152	4. Government-wide Revenues
154	5. Fund Balances - Governmental Funds
156	6. Change in Fund Balances - Governmental Funds
158	7. Governmental Fund Expenditures by Function
160	8. Governmental Fund Revenues by Source

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

162	9. Property Estimated Market Value
164	10. Property Tax Rates and Levies - Direct and Overlapping Governments
166	11. Principal Taxpayers
168	12. Tax Levies and Collections on Property Located Within the County
170	13. Net Tax Capacity and Taxable Market Value of Property
172	14. Tax Capacity of Taxable Property by Municipality

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

174	15. Ratios of Outstanding Debt by Type
176	16. Ratio of Net Levy-supported General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita
177	17. Ratio of Net General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita
178	18. Direct, Overlapping, and Underlying Levy-supported General Obligation Debt
179	19. Direct, Overlapping, and Underlying Governmental Activities Debt
180	20. Legal Debt Margin Information
182	21. Sales Tax Revenue Bond Coverage
184	22. Ratio of Debt Service Expenditures for Property Tax Supported Bonds to Total Expenditures

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

185	23. Demographic and Economic Statistics
186	24. Labor Force Size and Unemployment Rate
187	25. Principal Employers

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

188	26. Employees by Function/Program
190	27. Operating Indicators
192	28. Capital Asset Statistics by Function/Program
194	29. Selected Per Capita Measures of Financial Condition
196	30. Selected Ratio Measures of Financial Condition



Introductory Section

HENNEPIN COUNTY

MINNESOTA

June 24, 2025

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

Minnesota Statutes require all counties to issue an annual report on their financial position and activity prepared in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the state auditor. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of Hennepin County (the County) for the fiscal year ended December 31, 2024.

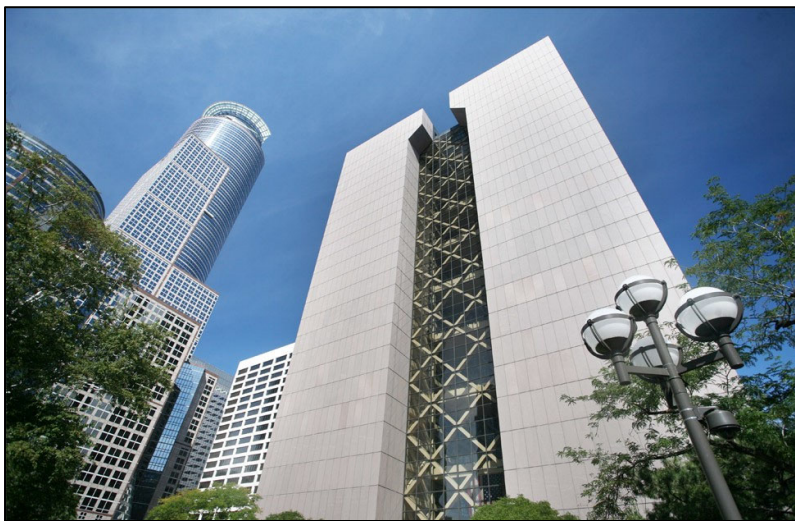
Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is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

CliftonLarsonAllen LLP, has issued an unmodified (“clean”) opinion on the County’s financial statements for the year ended December 31, 2024. The independent auditor’s report is located at the front of the financial section of this report.

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

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

Profile of the Government



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

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

Profile of the Government – continued

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

Hennepin County Facts	
Population*	1,273,334
Estimated Per Capita Income*	\$95,574
Number of Cities	45
2024 Original Budget (excluding blended component units)	\$2.68 billion
Taxable Property Estimated Market Value	\$249.45 billion

* www.census.gov

County Services

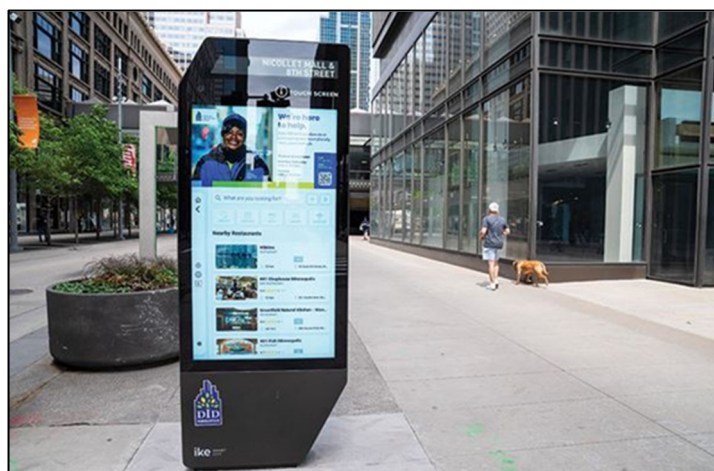
At the end of 2024, 9,244 employees were providing a full range of County services, and an additional 7,705 employees were supporting the activities of the Medical Center blended component unit. The following is a summary of the services each program provides, including 2024 department operating indicators.

Human Services

Number of Employees – 3,872

The Human Services and Public Health department strives to improve safety, stability, self-sufficiency, well-being and health for the residents of the County. Human Services does this by facilitating residents' access to services and resources, both by providing direct services and by coordinating with community providers. Public Health uses a health and racial equity framework to focus on improving and protecting health by promoting physical health, preventing illness and injury associated with communicable diseases and environmental conditions, and reducing chronic diseases. 2024 operating indicators include:

- Served over one-third of County residents, approximately 470,000 people served annually
- Economic Supports programs – 446,000 people served
- Children in out-of-home placement in December – 1,200
- MnCHOICES Assessments in Long-term Services and Supports – 24,000 assessments
- Transitioned from homelessness to housing – 700 people
- Open Child Support cases (in Federal Fiscal Year, October 2023 – September 2024) – 44,500
- Mental Health Center/COPE visits – 28,779
- Public Health Clinical Services and Healthcare for the Homeless visits – 42,962



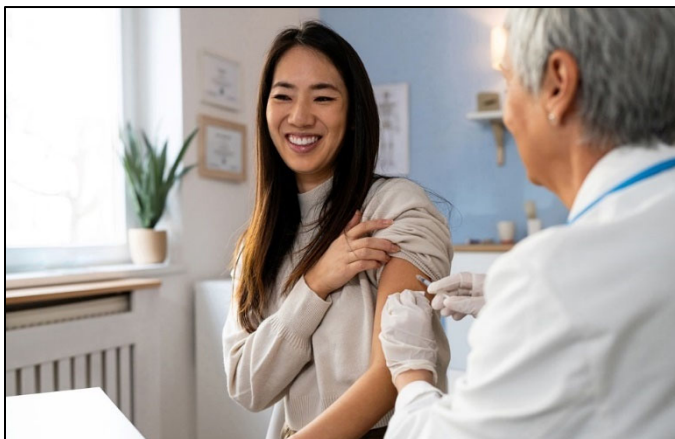
Human Services' digital access point kiosks are a fast and simple way to find services

County Services – continued

Health

Number of Employees – 389 (excluding the Medical Center blended component unit)

- NorthPoint Health & Wellness Center – 92,534 medical, behavioral and dental visits.
- Medical Examiner's Office – 9,193 total cases reported (including referrals), 1,311 scene visits and 1,244 autopsies performed.
- Hennepin Health – 22,218 enrolled in Prepaid Medical Assistance/Minnesota Care programs and 1,934 enrolled in the Special Needs Basic Care program.



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

Law, Safety and Justice

Number of Employees – 2,300

- County Attorney's Office – Evaluated over 13,990 adult and juvenile criminal cases; provided services to more than 5,000 people through the Domestic Abuse Service Center; received nearly 9,700 truancy referrals; provided almost 1,300 child protection consultations; filed over 1,700 petitions on cases related to people with mental illness, chemical dependency, developmental disabilities, or people who are deemed to be sexual predators; handled over 3,500 child support hearings; and provided comprehensive legal and advisory services to all of the County's lines of business.
- Adult Representation Services – Provided high-quality legal representation to more than 8,300 clients experiencing indigency in parent representation, housing court, guardianship, and civil commitment matters.
- Public Defender – Handled 31,691 adult criminal, juvenile delinquency, and child protection cases.
- Sheriff's Office – Answered 740,809 calls for police/fire/medical dispatch services.
- Community Corrections and Rehabilitation – On any given day, approximately 20,000 adults and 900 juveniles are on supervision.



The Sheriff's Office "Helping Others by Providing Education" program is a catalyst for positive change

The Law, Safety and Justice line of business includes law enforcement, criminal prosecution, and correctional programs, along with programs to provide legal representation for clients experiencing poverty. The departments contributing to this major line of business are Law, Safety & Justice Operations, the County Attorney's Office, Adult Representation Services, Court Functions, the Public Defender's Office, the Sheriff's Office, Community Corrections and Rehabilitation, and the Radio Communications Fund.

County Services – continued

Public Works

Number of Employees – 420

The County transportation system includes:

- 2,233 lane miles of road maintained
- 824 miles of bikeways
- 790 traffic signal systems
- 181 bridges

Public Works connects people to places through planning, designing, engineering, and constructing roads, bridges, and transit lines, while maintaining, operating, and preserving the County's highway system. Public works also manages the solid waste system, delivers clean energy, and protects the environment. In addition, Public Works provides staff support to the Hennepin

County Regional Railroad Authority (RRA) blended component unit, fleet services to all lines of business in the County and manages the Energy Center, which heats and cools buildings in downtown Minneapolis.

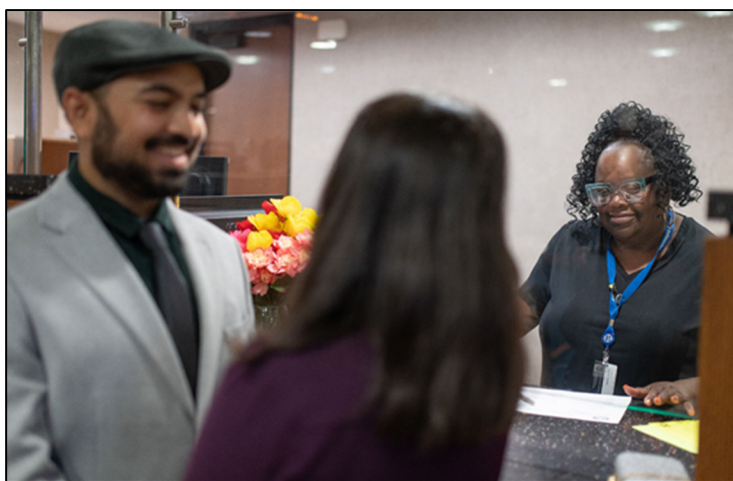


Resident Services

Number of Employees – 936

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

- The 41 County library locations serve patrons by providing access to library buildings and resources including materials, technology, and staff. In addition to a collection of almost 5 million physical books, CDs and DVDs, the libraries provide access to more than 400,000 eBooks and audiobooks.



The County Service Center Officiates Weddings

- The Land Information and Tax Services department includes five divisions: County Surveyor, County Recorder/Registrar of Titles, Property Taxation and Strategy and Support.
- Services relating to driver's licenses, motor vehicles, vital records and DNR registrations are provided at seven Service Center locations in the County.
- Voting services are provided to over one million eligible voters in over 400 polling places throughout the County.
- The Assessor's Office estimates market values of real property, determines the correct classification and applies eligible property tax benefits for every real estate parcel in the County.
- Examiner of Titles assists the district court by examining titles, issuing reports and conducting hearings in court cases involving the land registration problems or disputes, and also serves as legal adviser to the Registrar of Titles.

County Services – continued

Disparity Reduction

Number of Employees – 108

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

- Purchasing and Contract Services: \$71 million was expended through the end of 2024 with businesses owned by People of Color.
- To create digital connections, Disparity Reduction Administration, distributed devices to residents, partnered with cities to build broadband infrastructure, and offered digital safety and navigation support. 26,000 households received subsidized broadband service to bridge the expiring federal Affordable Connectivity program. New fiber-to-home broadband connectivity was constructed across multiple jurisdictions, now serving more than 3,700 households.



Providing broadband & digital services at the library

- Wireless connectivity was installed in 11 buildings across the County, providing service to more than 800 residents.
- Additionally, Disparity Reduction Administration placed 933 individuals in employment. On average, individuals who entered workforce development programs without wages and exit with wages exit the programs with a wage of \$21 per hour. Career pathways placements averaged \$27 per hour.
- Education Support Services has provided tutoring services to 1,013 students.
- The Outreach and Community Supports Department envisions a long-term, sustainable, and coordinated approach to community engagement with strategies that support the County's disparity reduction vision.



County Services – continued

Operations

Number of Employees – 1,219

Operations line of business encompasses the policy making, administrative support and staff services necessary for the efficient and effective management of county programs, comprised of the following departments:



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

Budget

Budget Process

Budgets are adopted on an annual basis consistent with generally accepted accounting principles. Appropriated budgets are adopted for the general, special revenue, debt service, and enterprise funds. All annual appropriations lapse at year-end to the extent that they have not been expended or encumbered. Project-length financial plans are adopted for all capital projects, as well as certain Human Services, Housing and Redevelopment Authority (HRA), and RRA projects. The budget process is described in more detail in the Notes to Required Supplementary Information on page 116.

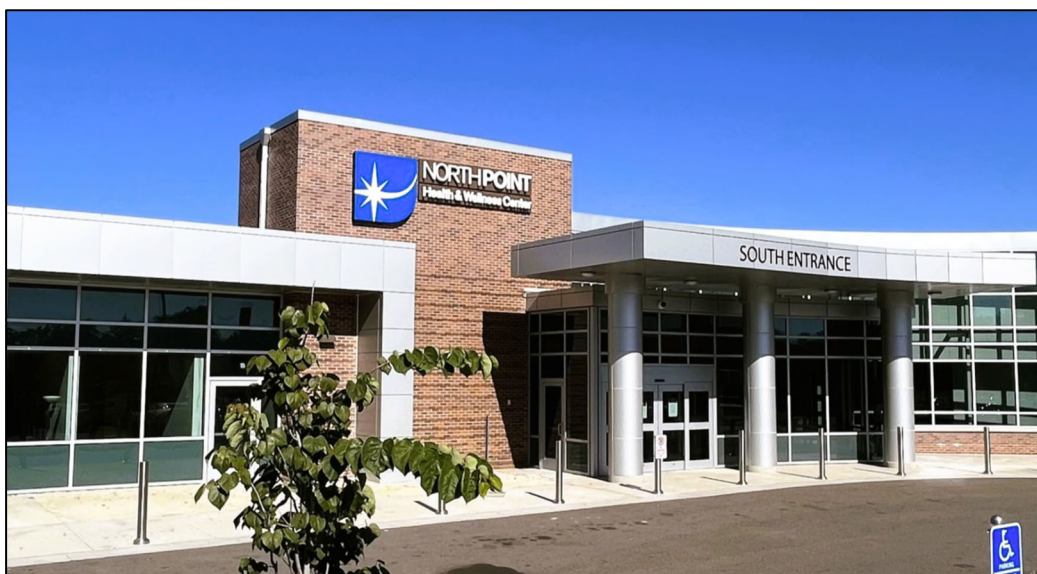
2024 Original Budget Focus

The 2024 original totaled \$2.68 billion, with a 6.5% property tax levy increase when compared to 2023. The operating portion of this budget totaled \$2.33 billion, a decrease of \$5.4 million from the adjusted 2023 budget. Development of the 2024 budget considered property tax challenges, the transition from federal pandemic relief funding, as well as the important work on organizational priorities of climate action and disparity reduction. Other issues that departments considered included customer service, the uncertainty of Federal and State funding levels, and uneven growth in property values. Departments were encouraged to identify new sources of revenue and to right size programs to ensure long-term sustainability. Department decisions support the County's core values of continuous improvement, customer service, diversity and inclusion, employee engagement and workforce development.

Major Initiatives and Achievements

NorthPoint Health & Wellness Center Expansion Project

NorthPoint Health & Wellness Center has been providing healthcare and social services to the North Minneapolis community since 1968. NorthPoint accomplishes its mission of “partnering to create a healthier community” by offering multi-specialty medical, dental, behavioral health, and human services in a historically underserved area. One of NorthPoint's values is diversity and inclusion which includes providing culturally specific services through use of interpreters, diverse staff, and programming tailored to meet the needs of our community. With services to more than 30,000 residents annually, NorthPoint embarked on a state-of-the-art expansion project beginning in 2021, which doubled the footprint of the building to 130,300 square feet. Supported by a County investment of \$87.15 million. The procurement process emphasized inclusion of North Minneapolis-based, minority-owned small businesses, and a multi-phase construction process allowed the facility to remain open throughout the project. The additional square footage has allowed NorthPoint to consolidate locations into a “one stop shop” for the community. On-site offerings have been expanded to include a food shelf, dental specialty services, a drop-in childcare center, a spirituality center, a café, and a community courtyard. The NorthPoint Health and Wellness Center Expansion Project received an Achievement Award for from the National Association of Counties (NACo) in 2024.



Major Initiatives and Achievements – continued

Helping Others by Providing Education (HOPE) Program

The County Sheriff's Office "Helping Others by Providing Education" (HOPE) program, which received a National Association of Counties award in 2024, provides education and resources to people in the County jail. The Sheriff's Office developed the program with the belief that jail can be a catalyst for positive change in an individual's life. Since the program launched in 2021 there have been 8 GED recipients and 37 high school diploma recipients.



The HOPE Program's First Female Graduate

The program also offers a wide range of enrichment opportunities, including recreational activities, like gym time, yoga and video games, and professional services, like Veteran Affairs, social workers, and chaplains. The Sheriff's Office works with more than 180 external volunteers who come to the jail and offer additional services, including substance abuse support groups, personal development, faith-based activities and post-release job resources.

Additionally, the HOPE program makes use of virtual reality systems to teach jail residents trade skills like carpentry, plumbing and painting.

Economic and Financial Condition

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

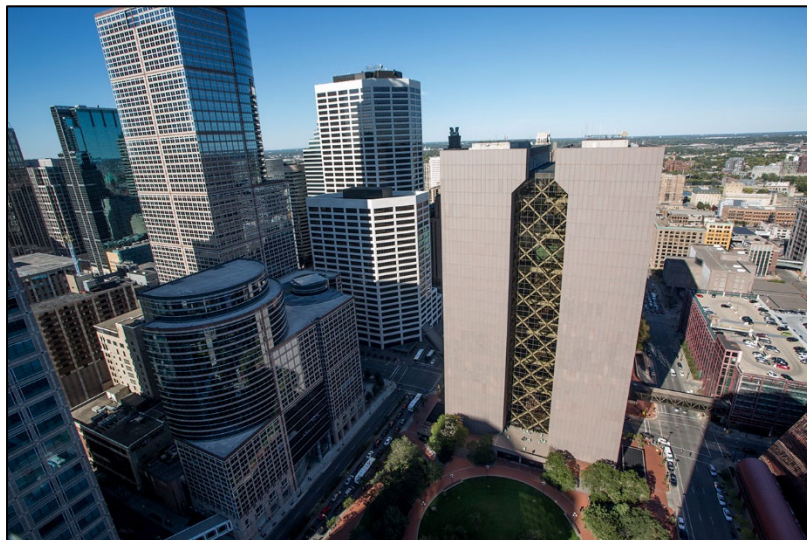
Encompassing the City of Minneapolis (the County seat) and several of its northern and western inner-ring suburbs, the County is at the core of one of the largest economic centers in the upper Midwest. The County is home to 22% of the State of Minnesota's population according to the US Census estimate of July 1, 2024. This is a 0.6% decline since the full US Census was conducted in 2020. The County's large economic sectors include trade, transportation and utilities, education and health related entities, professional and business services, government, manufacturing, leisure and hospitality and financial services providing a diverse and strong employment and wage base in the County.

The economic outlook for Minnesota weakened in 2024 compared to 2023, with employment growth slowing from 1.8% in 2023 to an estimated 1.0% in 2024. Employment in the state's largest sector, healthcare and social assistance, continues to expand at 7.7% annually, but there have been job losses in several key sectors, including manufacturing, professional and business services, financial services, retail trade, and wholesale trade. The County's 12-month average unemployment rate for 2024 increased to 2.8% compared to the 2023 12-month average unemployment rate of 2.5%. The County's 2024 average unemployment rate of 2.8% was below both the 3.0% State of Minnesota average rate and the 4.0% US 12-month average.

Minnesota continues to have a very tight labor market. According to the Minnesota Management & Budget (MMB) February 2025 Budget and Economic Forecast, broader labor market indicators suggest softening conditions, with long-term unemployment (those unemployed for more than 27 weeks) more than doubling year-over-year and a growing number of part-time workers unable to find full-time employment. A lower forecast for international immigration, declining birth rates, and the ongoing retirement of older workers is expected to limit labor force growth and further constrain employment growth in the coming years. Without sustained worker inflows either from international immigration or domestic migration, employers may struggle to fill jobs, potentially slowing wage growth and overall economic activity.

Economic and Financial Condition – continued

According to MMB's February 2025 forecast, a slowdown in the U.S. economy is expected as tight monetary conditions due to elevated inflation and constrained growth, and Minnesota's economy will likely follow a similar path. While higher inflation is expected to drive higher nominal wage growth, MMB projects that increases in real (inflation-adjusted) wages will be limited.



Excluding blended component units, the County budgeted \$3.10 billion for 2025 to provide essential services and to make strategic investments for the future. The adopted budget supports the County's vision of a community where all people are healthy, all people are valued, and all people thrive.

The budget includes a net property tax levy of \$1.05 billion, a 5.5% increase over 2024. The property tax levy is a 5.5% increase over 2024, with 4.5% of the increase dedicated to County operations and 1.0% of the increase supporting the

Medical Center blended component unit. The Medical Center is a level one trauma center that serves as a safety net hospital for the County and the State. The County's 2025 operating budget funds day-to-day services to residents, with an approved budget amount of \$2.54 billion, an increase of 5.6% or \$135 million from the adjusted 2024 operating budget.

The capital budget for 2025 is \$568 million, which is an increase of \$116 million, or 25.7%, from the adjusted 2024 capital budget. Significant annual increases or decreases in the capital budget are common due to the ever-changing mix of capital projects, implementation schedules, and revenue sources available to fund this work. The 2025 increase is primarily driven by \$15 million for initial planning and design of a new Behavioral Healthcare Facility in downtown Minneapolis, and by a \$90 million contribution to the METRO Green Line Extension Light Rail Transit project, managed by the Metropolitan Council.



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

Financial Reporting Award and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its annual comprehensive financial report for each of the County's annual comprehensive financial reports for the years 1974 through 2023.

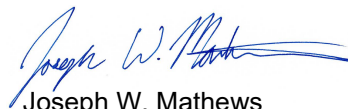
To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe the current annual comprehensive financial report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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



David J. Hough
County Administrator



Joseph W. Mathews
Director of Budget and Finance



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Hennepin County
Minnesota**

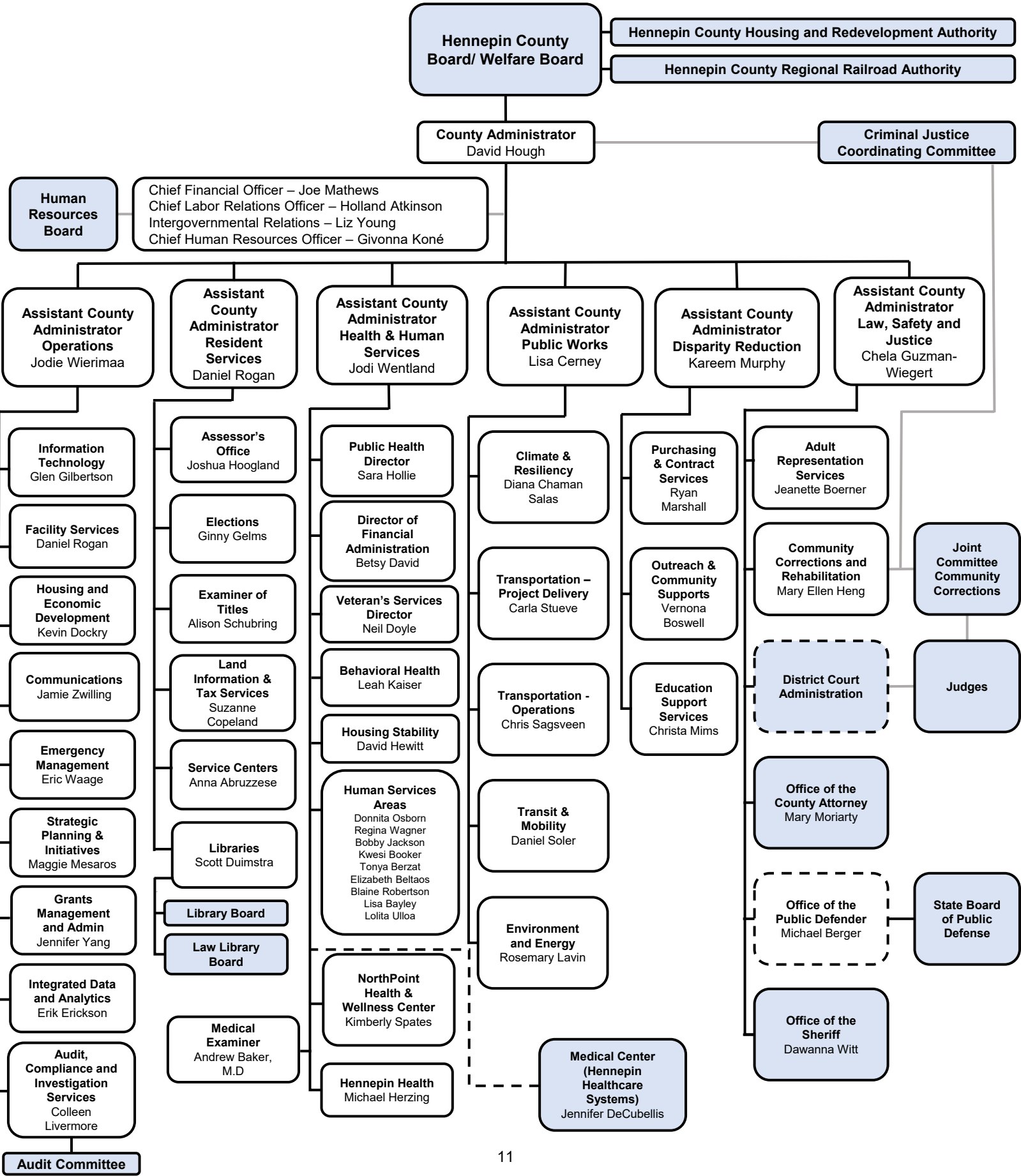
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

Organizational Chart on December 31, 2024





Hennepin County Commissioners:

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

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

Governmental Activities Programs - Departments and Directors

Operations

Audit, Compliance and Investigation Services: Colleen Livermore
Budget and Finance: Joe Mathews
Communications: Jamie Zwilling
Emergency Management: Eric Waage
Facility Services: Daniel Rogan
Grants Management and Admin: Jennifer Yang
Housing and Economic Development: Kevin Dockry
Human Resources: Givonna Koné
Information Technology: Glen Gilbertson
Integrated Data and Analytics: Erik Erickson
Strategic Planning & Initiatives: Maggie Mesaros

Law Safety and Justice

Adult Representation Services: Jeanette Boerner
Community Corrections and Rehabilitation: Mary Ellen Heng
County Attorney's Office: Mary Moriarty
Public Defender: Michael Berger
Sheriff's Office: Dawanna Witt

Resident Services

Assessor's Office: Joshua Hoogland
Elections: Ginny Gelms
Examiner of Titles: Alison Schubring
Libraries: Scott Duimstra
Land Information and Tax Services: Suzanne Copeland
Service Centers: Anna Abruzzese

Disparity Reduction

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

Health

Medical Examiner: Andrew Baker, M.D.
NorthPoint Health & Wellness Center: Kimberly Spates

Public Works

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

Human Services

Access, Aging and Disability Services: Donnita Osborn
Behavioral Health: Leah Kaiser
Child Support and Well-Being: Tonya Berzat
Children and Family Services: Kwesi Booker
Economic Supports: Regina Wagner
Financial Administration: Betsy David
Fraud Prevention and Program Integrity: Elizabeth Beltaos
Health and Human Services BIO: Blaine Robertson
Housing Stability: David Hewitt
Internal Services: Bobby Jackson
Public Health: Sara Hollie
Safe Communities: Lisa Bayley
System Design: Lolita Ulloa
Veteran's Services: Neil Doyle

Business-type Activities Programs - Departments and Directors

Hennepin Health Plan

Hennepin Health: Michael Herzing

Environment & Energy

Solid Waste: Rosemary Lavin

Medical Center

Hennepin Healthcare Systems: Jennifer DeCubellis

Financial Section



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Hennepin County
Hennepin County, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hennepin County, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Hennepin County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, major fund, and the aggregate remaining fund information of Hennepin County, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hennepin County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Hennepin Health Fund were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter – Adoption of New Accounting Standard

As discussed in Note 19 to the financial statements, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during the year ended December 31, 2024. As a result of this implementation, the beginning net position was restated to reflect the cumulative effect of applying the new standard retroactively. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hennepin County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hennepin County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hennepin County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in total other postemployment benefits liability and related ratios, schedule of defined benefit pension plan contributions, schedule of County proportionate share of defined benefit pension plans, and budgetary comparison schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hennepin County's basic financial statements. The combining and individual fund statements and schedules and the schedule of changes in long-term debt are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules and the schedule of changes in long-term debt are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises financial highlights, the introductory, and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025, on our consideration of Hennepin County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hennepin County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hennepin County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 24, 2025

Management's Discussion and Analysis

This discussion and analysis provides financial statement readers with a financial overview and narrative analysis of the financial position and activities of Hennepin County and its blended component units for the year ended December 31, 2024. The information provided here should be read in conjunction with the *Transmittal Letter* that begins on page 1 and the *Notes to the Basic Financial Statements* on pages 51 to 101.

GOVERNMENT-WIDE FINANCIAL HIGHLIGHTS

Throughout 2024, the County continued responding to community needs arising from the COVID-19 pandemic in accordance with the American Rescue Plan Act's State and Local Fiscal Recovery Fund (ARPA-SLFRF) provisions. During the year, the County utilized the remaining \$50.1 million of the \$245.9 million ARPA-SLFRF advance, which had been distributed to the County in two equal installments in 2021 and 2022.

At December 31, 2024, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$1.52 billion. Of this amount, \$858.5 million was restricted by specific statutory requirements or external commitments. The County's net investment in capital assets was \$1.36 billion. The County's net position decreased \$0.9 million during the year, which included a \$36.7 million increase in governmental activities offset by a \$37.6 million decrease in business-type activities.

While the County is required to report net pension liability and related pension amounts, the County is not legally liable for these amounts. Therefore, the County's actual contributions to pension plans are not impacted by this reporting requirement. The County's net position is reported to be approximately \$858.7 million lower under the reporting requirements, resulting in the \$702.7 million deficit unrestricted net position for 2024. Only the Minnesota State legislature (the State) has the authority to change pension contribution rates. The reported net pension liability is the County's proportionate share of the difference between total pension liability (the present value of projected benefit payments to employees based on their past service) and the fair value of pension assets set aside in a trust run by the State to pay pension benefits. Historically, pension rate increases have been for both employer and employee contributions, and the legislature has at times required special funding from the State. However, for reporting purposes, the net pension liability is measured as if only the employer would bear the burden of a potential future funding shortfall.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Both of the government-wide financial statements, which are found on pages 34 to 37 of this report, distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the County include:

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

The business-type activities of the County include:

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

Fund Financial Statements

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided to facilitate this comparison between governmental funds and governmental activities. Also, detailed information on the differences in measurement focus, basis of accounting, and financial statement presentation of the fund statements compared to the government-wide statements can be found on pages 52 to 57 of the *Notes to the Basic Financial Statements*.

The County maintains the following governmental fund types: the General Fund, special revenue funds, debt service funds, and capital projects funds. The County has five special revenue funds: Human Services Fund, Ballpark Sales Tax Fund, Other Sales Tax Fund, and the funds for blended component units: the RRA and the HRA. Information is presented separately in the governmental fund statements for each of these funds. The basic governmental fund financial statements can be found on pages 42 to 44.

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS – CONTINUED

Fund Financial Statements (continued)

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

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

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

The basic proprietary fund financial statements can be found on pages 45 to 47 of this report. Individual fund data for the nonmajor enterprise funds, as well as for the internal service funds, is provided in the form of combining statements in the supplementary information section of this report.

- **Fiduciary funds** are used to account for assets that the County holds for others, including client trust fund amounts, cash held for inmates, revenues collected on behalf of other governmental units related to property taxes, and other governmental agency amounts that are held in the custody of the County. The County reports three separate fiduciary funds: 1) the Private Purpose Trust Fund, 2) Non-trust External Investment Pool Fund and 3) the Custodial Fund. Fiduciary funds are not reflected in government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting method used for fiduciary funds is the same as the method used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 48 to 49 of this report.

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes can be found on pages 51 to 101 of this report.

Required and Supplementary Information beginning on page 103 includes additional information relating to the retiree health and pension plans, certain budget-to-actual comparisons, the *Notes to Required Supplementary Information*, and various other combining statements and summarized comparative schedules.

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS – CONTINUED

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As shown in the table below, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$1.52 billion on December 31, 2024. The largest portion of the County's net position reflects the net investment in capital assets (e.g., land, buildings, equipment, roads, and bridges net of any related debt used to acquire those assets that is still outstanding). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The 2024 balances have been restated due to the implementation of GASB Statement No. 101, *Compensated Absences* – see Notes 17 and 19 for details.

Summary of Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)
Current assets	\$ 1,110.3	\$ 1,175.5	\$ 481.8	\$ 554.0	\$ 1,592.1	\$ 1,729.5
Noncurrent Assets:						
Other assets	480.4	387.2	138.8	117.8	619.2	505.0
Net capital assets	2,294.5	2,214.5	550.5	552.6	2,845.0	2,767.1
Total Assets	3,885.2	3,777.2	1,171.1	1,224.4	5,056.3	5,001.6
Deferred Outflows of Resources	178.6	240.1	77.2	125.9	255.8	366.0
Other liabilities	329.8	332.8	265.8	257.7	595.6	590.5
Long-term liabilities	2,193.8	2,221.6	498.4	609.8	2,692.2	2,831.4
Total Liabilities	2,523.6	2,554.4	764.2	867.5	3,287.8	3,421.9
Deferred Inflows of Resources	321.5	280.9	183.0	144.1	504.5	425.0
Net Position:						
Net investment in capital assets	1,037.2	1,090.5	326.8	317.7	1,364.0	1,408.2
Restricted	665.0	563.3	193.5	223.0	858.5	786.3
Unrestricted (deficit)	(483.5)	(471.8)	(219.2)	(202.0)	(702.7)	(673.8)
Total Net Position	\$ 1,218.7	\$ 1,182.0	\$ 301.1	\$ 338.7	\$ 1,519.8	\$ 1,520.7

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS – CONTINUED

Changes in Net Position

As shown in the Changes in Net Position table on the following page, the County's total net position decreased \$0.9 million during 2024, a 0.1% decrease. The decrease included a \$36.7 million increase in governmental activities and a \$37.6 million decrease in business-type activities.

The activities that primarily contributed to the \$36.7 million increase in **governmental activities'** net position included increases related to:

- \$75.6 million in unspent sales tax revenues. Of this amount, \$35.2 million is unspent ballpark sales tax, which are restricted for future ballpark debt service, MN Ballpark Authority operating costs and capital improvements, youth activities, and extended operating hours at the County libraries. Additionally, \$40.4 million is unspent transportation tax, which is restricted for transportation projects.
- Unspent operating contributions totaling \$24.3 million resulting from sales taxes imposed by the Metropolitan Council. These revenues are restricted for transportation and housing projects.
- \$13.0 million increase in property taxes revenues due to the improved collection factor.
- \$14.1 million of postponed spending Regional Railroad Authority capital projects.

The increases discussed above were partially offset by decreases related to:

- \$27.2 million decrease in net position related to the planned use of prior year net position for Human Services, primarily related to filling 200 vacant positions, higher healthcare insurance costs, and increased local contribution to the State for adult direct care and treatment services.
- \$26.8 million decrease in net position due to the planned use of unspent prior year revenues for hardware and other technology updates
- \$12.1 million decrease in net position, primarily due to \$6.1 million in planned use of fund balance across various functions/programs, and \$6.0 million in unplanned use in Law, Safety and Justice that was largely due to staff overtime costs.
- \$10.7 million decrease in net position primarily due to increased expenses for compensated absences resulting from the implementation of GASB Statement No. 101, *Compensated Absences*. Under the new guidance, the County recognizes additional liabilities and expenses for certain earned leave hours that employees have earned and may use, however, they will not receive compensation for unused hours upon termination.
- \$15.8 million decrease in net position in governmental activities, primarily related to depreciation, pension liabilities, and retiree health costs, which are required to be reported in government-wide financial statements to reflect the economic resources measurement focus and accrual basis of accounting.

The \$37.6 million decrease in net position for **business-type** activities was mainly due to a \$50.2 million decrease in the net position of the Hennepin Health Plan, which was offset by a \$9.8 million increase in the net position of the Medical Center blended component unit. The decrease for the Hennepin Health Plan resulted from higher medical utilization per member, a \$12.6 million premium deficiency reserve increase to meet statutory requirements related to commitments in the next year, and lower than expected membership enrollment. The increase for the Medical Center blended component unit was primarily due to a \$15.2 million reduction in pension expenses resulting from a lower actuarial estimate of pension liabilities in 2024, an \$11.5 million increase in contributions from Hennepin County, offset by losses related to operations.

Additionally, the Environment and Energy function experienced a \$2.1 million increase in net position due to postponed projects and related consulting services.

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS – CONTINUED

Changes in Net Position – continued

	Changes in Net Position (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)
REVENUES						
Program Revenues:						
Charges for services	\$ 163.8	\$ 148.5	\$ 1,798.5	\$ 1,841.9	\$ 1,962.3	\$ 1,990.4
Operating grants and contributions	553.6	654.8	129.1	129.6	682.7	784.4
Capital grants and contributions	161.4	27.3	-	-	161.4	27.3
General Revenues:						
Property taxes	985.7	958.4	0.3	0.3	986.0	958.7
Sales tax	229.1	215.2	-	-	229.1	215.2
Wheelage tax	22.0	20.1	-	-	22.0	20.1
Other taxes	2.9	2.8	-	4.7	2.9	7.5
Grants and contributions	47.7	36.6	-	-	47.7	36.6
Investment earnings	71.9	74.9	-	-	71.9	74.9
Total Revenues	2,238.1	2,138.6	1,927.9	1,976.5	4,166.0	4,115.1
EXPENSES						
Operations	346.4	340.4	-	-	346.4	340.4
Disparity reduction	27.9	22.9	-	-	27.9	22.9
Human services	835.8	754.6	-	-	835.8	754.6
Health	117.4	105.0	-	-	117.4	105.0
Law, safety and justice	441.9	424.5	-	-	441.9	424.5
Public works	129.6	146.3	-	-	129.6	146.3
Resident Services	172.6	156.3	-	-	172.6	156.3
HRA	35.4	43.5	-	-	35.4	43.5
RRA	16.4	9.8	-	-	16.4	9.8
Interest on long-term debt	44.9	41.2	-	-	44.9	41.2
Hennepin Health Plan	-	-	381.6	402.9	381.6	402.9
Environment and energy	-	-	83.6	83.8	83.6	83.8
Medical Center	-	-	1,528.1	1,500.2	1,528.1	1,500.2
Other enterprises	-	-	5.3	5.1	5.3	5.1
Total Expenses	2,168.3	2,044.5	1,998.6	1,992.0	4,166.9	4,036.5
Increase (Decrease) in Net Position Before Transfers	69.8	94.1	(70.7)	(15.5)	(0.9)	78.6
Transfers	(33.1)	(10.6)	33.1	10.6	-	-
Increase (Decrease) in Net Position	36.7	83.5	(37.6)	(4.9)	(0.9)	78.6
Net Position – Beginning	1,182.0	1,098.5	338.7	343.6	1,520.7	1,442.1
Net Position – Ending	\$ 1,218.7	\$ 1,182.0	\$ 301.1	\$ 338.7	\$ 1,519.8	\$ 1,520.7

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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

The County's governmental funds reported combined ending fund balances of \$1.08 billion, which is an increase of \$62.3 million from the prior year's ending balances. The 14.0% of total governmental fund balance, or \$151.4 million, that is included in the unassigned (residual) classification for the General Fund, has not been restricted, committed, or assigned to specific purposes. The remainder of fund balance in the governmental funds is either in non-spendable form or is classified as restricted, committed, or assigned based on the spending constraints that are in place.

Governmental Fund Revenues. The table on the following page presents the revenues reported in the governmental funds by source, as well as increases or decreases from the prior year.

Revenues that changed significantly from the prior year are explained below:

- **Property taxes** revenue increased \$86.8 million, primarily due to the 6.5% property tax levy increase and improved collections
- **Intergovernmental** revenue increased \$28.6 million, primarily related to the increases in construction projects in the Capital Projects Fund that are largely funded by State and federal revenues
- **Charges for Services** increased \$12.3 million, primarily due to the increases in the Human Services Fund. The increases include \$3.7 million for behavioral health services, \$1.8 million associated with Federally Qualified Health Center rate increases, and \$4.3 million related to the expanded 340B Pharmacy program and patient fees.
- **Opioid settlement** revenue totaled \$12.5 million in 2024, an increase of \$10.4 million from 2023 resulting from delayed receipt of scheduled 2023 settlement amounts. The County receives payments subject to the Minnesota State-Subdivision Memorandum of Agreement, which provides that opioid settlement funds shall not be considered funds of the State or any participating local government until such time as each distribution is made. The receipts from the national opioid pharmaceutical lawsuit settlements are a portion of an estimated remaining \$49.9 million that is expected to be received by the County over the next 14 years for use on eligible costs relating to the impacts of opioid addiction.
- **Other** revenue increased by \$4.8 million, primarily due to a \$2.4 million increase in general reimbursements. This increase reflects additional funding for the 2024 election and settlements from tax-forfeited land, which were delayed due to legislative changes affecting prior years. Additionally, the Human Services Fund received \$1.2 million to support expanding programs at city police stations.

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – CONTINUED

Governmental Fund Revenues – continued

	Revenues Classified by Source Governmental Funds (in millions)					
	2024		2023		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Revenues by Source:						
Property taxes	\$ 1,050.6	47.00%	\$ 963.8	45.8%	\$ 86.8	9.0%
Sales tax	208.3	9.30%	212.0	10.1%	(3.7)	-1.7%
Wheelage tax	22.0	1.00%	20.1	1.0%	1.9	9.5%
Sales tax	2.9	0.10%	2.8	0.1%	0.1	3.6%
Intergovernmental	680.2	30.30%	651.6	31.0%	28.6	4.4%
Investment earnings (losses)	77.2	3.40%	79.3	3.8%	(2.1)	2.6%
Charges for services	148.1	6.60%	135.8	6.5%	12.3	9.1%
Opioid settlements	12.5	0.60%	2.1	0.1%	10.4	495.2%
Fines and forfeits	0.7	0.00%	0.3	0.0%	0.4	133.3%
Licenses and permits	9.5	0.40%	8.0	0.4%	1.5	18.8%
Other	29.5	1.30%	24.7	1.2%	4.8	19.4%
Total Revenues	<u>\$ 2,241.5</u>	100%	<u>\$ 2,100.5</u>	100%	<u>\$ 141.0</u>	6.7%

Governmental Fund Expenditures. The table on page 26 presents expenditures by function as well as increases or decreases from the prior year. In 2024, governmental fund expenditures increased \$260.8 million compared to the 2023 expenditures. Expenditures that changed significantly from the prior year are explained below:

- **Operations** expenditures increased by \$33.5 million, primarily due to a \$22.7 million increase in contributions to capital projects related to the preservation and capital improvements of assets for the Medical Center, a \$4.2 million increase in healthcare costs, and general salary increases in filled vacancies.
- Expenditures for **Disparity Reduction** increased \$5.8 million primarily due to a \$3.5 million increase in workforce and connectivity programs contractual services along with an additional \$1.1 million in personal services due to filled 24 vacancies.
- **Human Services** expenditures increased \$84.7 million in 2024 compared to 2023. Of this amount, a \$53.2 million increase in personal services was primarily due to filling 200 vacant positions, standard salary increases, and a \$18.3 million increase in healthcare insurance costs. Additionally, a \$35.0 million increase in contracted services related to housing stability, emergency shelter, and County's increased local contribution to the State for Adult Direct Care and Treatment services.
- **Health** expenditures increased \$11.4 million in 2024, primarily due to the County's support of the Medical Center. The increase in contributions to the Medical Center included a \$7.3 million increase in uncompensated care costs along with \$4.2 million to offset higher employer expenses for employee healthcare.

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – CONTINUED

Governmental Fund Expenditures – continued

- Expenditures for **Law, Safety and Justice** increased \$40.2 million. This increase was largely due to a \$23.8 million increase in the Sheriff's Office and a \$7.3 million increase in the County Attorney's Office. An additional \$5.6 million increase was in personal services in Community Corrections and Rehabilitation. The increase in the Sheriff's Office was primarily due to a \$16.6 million increase in personal services. This included a \$3.1 million increase in workers' compensation, a \$2.6 million increase in healthcare costs, a \$1.7 million increase in overtime costs, and a \$5.2 million increase due to 52 filled vacancies and general pay increases. The County Attorney's Office had a \$6.8 million increase in personal services costs, primarily due to a \$2.1 million rise in healthcare expenses and a \$3.5 million increase for filled vacancies and general pay increases. The Community Corrections and Rehabilitation's increase was due to a \$3.4 million rise in healthcare costs, \$2.9 million increase related to 19 filled vacancies and general pay increases, partially offset by lower workers' compensation costs.
- Expenditures for **Resident Services** increased \$16.7 million largely due to an \$8.3 million increase in expenditures for temporary staffing and supplies related to the 2024 elections, along with a \$6.0 million increase in Resident Services Administration related to filled vacancies.
- **HRA** expenditures increased \$3.2 million in 2024, primarily due the start of new affordable housing and supportive housing programs.
- **RRA** expenditures increased \$6.6 million. This change primarily related to a \$4.7 million increase in contributions to the Bottineau Light Rail Transit project.
- Expenditures for **Debt Service Principal Retirement** decreased by \$24.2 million, primarily due to a smaller optional early redemption in 2024 compared to 2023. Specifically, in 2024, \$12.0 million of Series 2018B bonds were redeemed, whereas in 2023 \$39.9 million of Series 2017A bonds were redeemed. This decrease was offset by the scheduled reduction in overall debt service principal payments in 2024.
- **Intergovernmental** expenditures decreased \$16.7 million, which was primarily due to the termination of previously required County financial support for metropolitan transit operations, resulting in no such expenditures in 2024.
- Expenditures for **Capital Projects** increased \$91.4 million due to improved conditions for construction/acquisition related to approved projects that had previously been postponed. Specifically, the increase relates to the construction associated with the \$31.0 million expended for the new Sheriff's Office patrol headquarters, a \$23.6 million increase for maintaining and preserving the Medical Center campus, a \$14.5 million increase in consulting fees for the blue line light rail extension project, and a \$21.5 million increase in construction activity as a result of increased federal aid.

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – CONTINUED

Governmental Fund Expenditures – continued

Expenditures by Function Governmental Funds (in millions)						
	2024		2023		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Expenditures by Function:						
Operations	\$ 338.9	14.0%	\$ 305.4	14.2%	\$ 33.5	11.0%
Disparity reduction	28.5	1.2%	22.7	1.1%	5.8	100.0%
Human services	816.2	33.7%	731.5	33.8%	84.7	11.6%
Health	110.2	4.6%	98.8	4.6%	11.4	11.5%
Law, safety and justice	420.0	17.4%	379.8	17.6%	40.2	10.6%
Public works	77.3	3.2%	70.7	3.3%	6.6	9.3%
Resident services	141.4	5.8%	124.7	5.8%	16.7	13.4%
HRA	35.2	1.5%	32.0	1.5%	3.2	10.0%
RRA	16.1	0.7%	9.5	0.4%	6.6	69.5%
Debt service						
Principal retirement	91.8	3.8%	116.0	5.4%	(24.2)	-20.9%
Interest and fiscal charges	69.9	2.9%	68.3	3.2%	1.6	2.3%
Intergovernmental	-	0.0%	16.7	0.8%	(16.7)	-100.0%
Capital outlay	272.8	11.2%	181.4	8.4%	91.4	50.4%
Total Expenditures	\$ 2,418.3	100%	\$ 2,157.5	100%	\$ 260.8	12.1%

Fund Balances in Governmental Funds

The **General Fund** is the County's primary operating fund. At the end of 2024, total fund balance for the General Fund was \$292.3 million and unassigned fund balance was \$151.4 million. Comparing the unassigned fund balance and total fund balance to total fund expenditures can be used as a measure of liquidity. The General Fund unassigned fund balance represents 14.0% of the total governmental fund balances and represents 15.7% of the total General Fund expenditures. In 2023, the unassigned fund balance represented 17.4% of total governmental fund balances and 20.3% of General Fund expenditures. The General Fund ended the year with a decrease of \$12.1 million in fund balance. This decrease was primarily due to \$6.1 million in planned use of fund balance across various departments, and \$6.0 million in unplanned use of fund balance by the Sheriff's Office that was largely due to staff overtime costs.

The \$27.2 million decrease in the **Human Services Fund** balance was primarily due to the planned use of fund balance to fill 200 vacant positions. This included higher healthcare insurance costs and an increased local contribution to the State for adult direct care and treatment services.

The **Ballpark Sales Tax Fund's** fund balance increased \$30.4 million due to unspent sales tax proceeds that are restricted for future ballpark debt service, MN Ballpark Authority operating and capital improvement costs, youth activities, and extended operating hours at the County libraries.

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – CONTINUED

Fund Balances in Governmental Funds – continued

Fund balance in the **Other Sales Tax Fund** increased \$48.7 million. Of this amount, \$24.3 million relates to unspent intergovernmental revenue derived from sales taxes imposed by the Metropolitan Council and subsequently distributed to participating counties. These revenues are restricted for transportation and housing projects. Additionally, \$24.4 million increase relates to earned, but unspent transportation sales tax revenues, which are restricted for transportation projects.

The \$14.1 million fund balance increase in the **RRA Fund** primarily related to postponed spending on capital projects.

The **RRA Debt Service Fund's** fund balance decreased \$0.9 million due to a budgeted use of fund balance to comply with federal tax rules for bona fide debt service funds.

The **General Debt Service Fund** balance decreased \$9.7 million, primarily related to a \$12.0 million optional early redemption of G.O. bonds.

The **Capital Projects Fund** had a net fund balance increase of \$18.3 million due to the expected variances in project expenditures and the timing of debt issuance in support of those expenditures.

General Fund Variances Between the Final Budget and Actual Results

The General Fund 2024 budget changed significantly between the time of original approval and the time the amended budget was finalized. The expenditure budget increased \$52.6 million, primarily due to the provision of \$50.1 million of additional budget for revenues and expenditures related to activities funded by ARPA-SLFRF. Significant variances between the final budget and actual revenues and expenses, included:

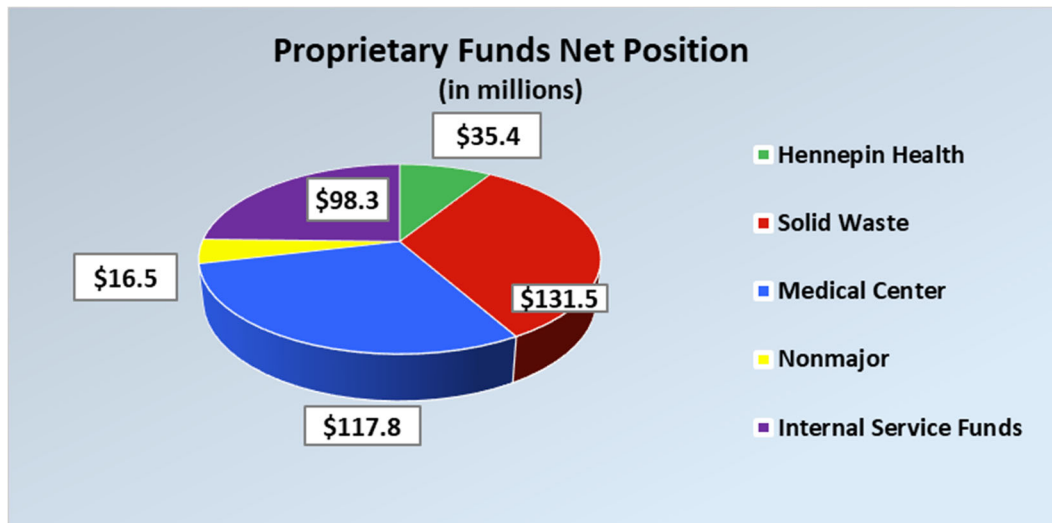
- Property taxes were \$10.4 million higher than budgeted primarily due to improved collections.
- Investment earnings were \$26.8 million higher than budgeted, largely due to the net change in fair value of investments (unrealized and realized gains) due to more favorable market conditions.
- Actual charges for services revenues were \$11.5 million lower than budget primarily due to the \$10.1 million decrease in charges for services for the NorthPoint Health & Wellness Center than budgeted. The decrease was largely due to the increased number of uninsured patients and the reduced overall number of patient visits.
- Personal services were \$25.6 million lower than budgeted, primarily due to unfilled vacancies, along with delays in filling vacancies, across functions.
- Contractual services were \$19.5 million lower than budgeted, with \$10 million due to the early termination of an agreement with North Memorial Health in recognition of changing strategic direction; a \$3.8 million reduction in NorthPoint Health & Wellness Center resulting from the use of internal staff rather than contracted services; and a \$3.9 million decrease in Housing & Economic Development following the sunset of one-time ARPA-funded programs.
- Other charges were \$28.7 million below budget, primarily due to reduced activity related to the COVID-19 pandemic. This included an \$11.3 million decrease in Disparity Reduction, a \$4.3 million decrease in Information Technology Operations, and a \$5.5 million reduction in Housing and Economic Development. Additionally, a \$4.3 decrease in Elections resulted from lower-than-expected needs related to other charges during the election process.

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – CONTINUED

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

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



Enterprise Funds' total net position decreased \$37.6 million during 2024, primarily due to:

- A \$50.2 million net position decrease in the **Hennepin Health Fund** that was mainly driven by higher medical utilization per member, a \$12.6 million premium deficiency reserve increase to meet statutory requirements, and lower membership enrollment.
- A \$9.8 million **Medical Center Fund** increase due to a \$15.2 million reduction in pension expenses resulting from a lower actuarial estimate of pension liabilities in 2024, an \$11.5 million increase in contributions from Hennepin County, offset by losses related to operations.
- A **Solid Waste Fund** net position increase of \$2.1 million due to postponed projects and related consulting services.

The total net position of *Internal Service Funds* decreased by \$31.3 million. This decrease was primarily due to a \$26.8 million decrease in the net position of the Information Technology Fund, largely resulting from the planned use of the fund balance for hardware and other technology updates. The **Other Employee Benefits Fund** experienced a \$10.8 million decrease in net position, primarily due to increased costs for compensated absences resulting from the implementation of GASB Statement No. 101, *Compensated Absences*. These decreases were partially offset by a \$3.9 million increase in the net position of the **Employee Health Plan Self Insurance Fund**, as higher health insurance premiums began improving the fund's reserve balance, which had dropped due to rising healthcare costs.

Fiduciary Funds

As previously noted, the County reports three separate fiduciary funds. The total net position in the Fiduciary Funds totaled \$162.0 million, a 54.3% increase from the prior year. The increase in net position increase is primarily due to the activities of the Property Assessed Clean Energy (PACE) program.

Management's Discussion and Analysis

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As shown in the following table, the County's net capital assets for both governmental and business-type activities totals approximately \$2.84 billion at year-end. Additional information on the County's capital assets can be found in Note 5 on pages 68 to 69 of this report.

Hennepin County's Capital Assets (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Art & historical treasures	\$ 5.3	\$ 5.3	\$ 1.4	\$ 1.1	\$ 6.7	\$ 6.4
Land	102.1	102.1	56.7	56.7	158.8	158.8
Construction in progress	194.1	134.0	28.5	18.1	222.6	152.1
Buildings	1,065.6	1,065.0	825.8	815.8	1,891.4	1,880.8
Equipment	190.2	181.5	410.7	429.3	600.9	610.8
Software	18.4	18.4	8.4	8.4	26.8	26.8
Library books and other materials	35.0	36.1	-	-	35.0	36.1
Leasehold improvements	14.6	14.6	28.7	28.6	43.3	43.2
Land improvements	34.5	34.4	1.9	1.9	36.4	36.3
Infrastructure	1,926.1	1,862.8	-	-	1,926.1	1,862.8
Right to use leased buildings	43.5	41.5	12.7	15.8	56.2	57.3
Right to use leased equipment	-	1.6	17.0	17.8	17.0	19.4
Right to use software subscriptions	8.9	14.4	52.0	40.8	60.9	55.2
Total Capital Assets	3,638.3	3,511.7	1,443.8	1,434.3	5,082.1	4,946.0
Less: accumulated depreciation and amortizations	(1,343.9)	(1,297.3)	(893.3)	(881.6)	(2,237.2)	(2,178.9)
Total Capital Assets, Net	\$ 2,294.4	\$ 2,214.4	\$ 550.5	\$ 552.7	\$ 2,844.9	\$ 2,767.1
Percent change from prior year	3.6%		-0.4%		2.8%	

Governmental activities' net capital assets increased \$80.0 million. The change is primary related to a \$60.1 million of net construction in progress and infrastructure additions, which were offset by a \$46.6 million increase in accumulated depreciation/amortization. The largest project additions for construction in progress were:

- \$31.4 million for new Sheriff's Public Safety headquarters
- \$20.4 million for road improvements along Hennepin and 1st Avenues (CSAH 52) from Main Street SE (CSAH 23) to 8th Street SE in the City of Minneapolis
- \$10.6 million for reconstruction of Wayzata Boulevard (CSAH 112) from 0.5 miles east of CSAH 6 to Willow Drive in the Cities of Long Lake and Orono

Infrastructure additions included the following completed projects:

- \$12.5 million for improving Penn Avenue (CSAH 2) at various locations between I-394 and 44th Avenue (CSAH 152) in the City of Minneapolis
- \$19.1 million for replacing three bridges along West Broadway Avenue (CSAH 81) over Lowry Avenue N (CSAH 153) in the Cities of Robbinsdale and Minneapolis
- \$27.6 million for reconstruction of Bottineau Boulevard from CSAH 8 to TH 169

Business-type activities' net capital assets did not change significantly. The change was a decrease of \$2.2 million, primarily related to the activities of the Medical Center blended component unit.

Management's Discussion and Analysis

CAPITAL ASSET AND DEBT ADMINISTRATION - continued

As shown in the following table, **G.O. bonds** increased by \$118.2 million during 2024. In governmental activities, \$200.0 million of nontaxable G.O bonds were issued at a premium of \$32.5 million. This increase was offset by scheduled principal payments, premium amortizations, and a \$12.0 million optional early redemption of Series 2018B G.O bonds.

Revenue bonds decreased \$9.5 million during 2024, due to scheduled principal payments and amortizations.

Lease and Subscription payables decreased \$3.9 million in governmental activities and \$2.6 million in business-type activities, primarily due to scheduled lease payments, and to lease agreement modifications/terminations.

	Hennepin County's Outstanding Debt (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
G.O. bonds	\$ 1,603.5	\$ 1,477.0	\$ 188.1	\$ 196.4	\$ 1,791.6	\$ 1,673.4
Revenue bonds	40.5	50.0	-	-	40.5	50.0
Lease and Subscription Payables	34.0	37.9	35.5	38.1	69.5	76.0
	<u>\$ 1,678.0</u>	<u>\$ 1,564.9</u>	<u>\$ 223.6</u>	<u>\$ 234.5</u>	<u>\$ 1,901.6</u>	<u>\$ 1,799.4</u>

In 2024, the General Debt Service Fund received \$99.7 million of levy support. State law limits the amount of levy supported debt that counties can issue to an amount equal to 3.0% of the estimated market value of property. The County's \$1.48 billion outstanding net levy supported debt is significantly below the \$7.48 billion statutory limit. The County's credit ratings on long-term G.O. bonds as of December 31, 2024 were:

S&P Global Ratings	AAA
Fitch Ratings	AAA

Additional information on the County's long-term debt can be found in Notes 9 and 10 on pages 75 to 77 of this report and on the Schedule of Changes in Long-term Debt, located on pages 142-143.

ECONOMIC FACTORS

In the State's February 2025 Budget and Economic Forecast, the overall economic outlook for 2026-2027 was less favorable than November 2024 estimates. Key factors contributing to less favorable projections related to spending growing faster than revenue, with inflation increasing costs. The State forecasts positive but limited growth in employment. The State's 2026-2027 fiscal year budget anticipates spending of \$67.8 billion, adjusted for inflation, and \$64.5 billion in forecast revenues. The forecast projects that inflationary cost pressures will increase base-level appropriations by \$1.15 billion - \$219 million more than previous estimates - due to higher projected inflation rates. The State's 2028-2029 fiscal year deficit is now expected to reach \$6.00 billion, worsening by \$852.0 million. The State anticipated that ongoing Federal policy shifts may increase State costs, particularly in Medicaid funding. The State's report notes that federal monetary and fiscal policy, as well as geopolitical conflict pose risk to the budget projections and overall economic outlook.

The County's 12-month average unemployment rate (not seasonally adjusted) for 2024 was 2.9%, an increase from the 2023 average of 2.7%. The County's average unemployment rate is slightly lower than the State's rate of 3.2% and significantly lower than the national 4.0% 12-month non-seasonally adjusted average.

Management's Discussion and Analysis

NEXT YEAR'S BUDGET

Excluding blended component units, the 2025 County budget is \$3.10 billion, with a net property tax levy of \$1.05 billion, which is a 5.5% increase over the 2024 budget. The tax levy includes 1.0% that is used to support the Medical Center blended component unit, which is a level one trauma center that serves as a safety net hospital for the County and the State. The operating portion of the budget totals \$2.54 billion, an increase of \$135.0 million, or 5.6% from the adjusted 2024 operating budget.

The 2025 budget includes funding for a total of 9,995.6 full-time equivalent employees. The 2025 budgeted property tax revenues of \$1.03 billion increased \$51.2 million due to a 5.5% levy increase from the 2024 budgeted property tax revenue of \$977.2 million. The expenditure increases in the operating budget primarily related to increases in the following major programs:

- \$21.1 million increase in Health, largely due to the higher medical costs driven by the increase in anticipated enrollment with the Minnesota Medicaid auto-renewal rates at Hennepin Health.
- \$20.8 million increase in Human Services, primarily due to increases in personnel costs, including \$16.9 additional FTEs and general salary increases
- \$35.1 million increase in Operations, primarily related to a \$15.0 million increase for General County purposes, a \$7.0 million increase in Housing and Economic Development, and a \$6.0 million increase in scheduled debt retirement payments.

Budgeted 2025 revenues increases were from various sources, including the following:

- Sales and Other Taxes are budgeted at \$245.2 million, or 7.9% of total 2025 budget revenue, with the major components being \$170.0 million in County Transportation Sales Tax revenue for transit projects; \$51.4 million in Ballpark Sales Tax revenue which is used to pay debt service on the ballpark bonds and other uses as allowed by legislation; and \$18.9 million from a Wheelage Tax that is used for the preservation, efficiency, safety and modernization of bridges, roads, and equipment.
- State revenues are budgeted at \$384.7 million, or 12.4% of all County revenues. The budget for State revenues increased by \$118.2 million or 44.3% compared to the 2024 adjusted budget of \$266.5 million. The increase is primarily due to a \$32.2 million increase in grant revenue for Public Works, and the remainder due to the full year collections of the new regional sales taxes (0.75% Sales Tax Metro Area Transportation and 0.25% Sales Tax Metro Area Housing) that were approved by legislature in 2023.
- Budgeted investment earnings for 2025 decreased \$3.4 million in expectation of slightly less favorable market conditions.
- General Obligations bonds proceeds budgeted for 2025 are \$229.2 million, an increase of \$33.7 million from the 2024, which is related to the expansion of the capital project activities.

Additionally, the 2025 budget allocates \$182.1 million from fund balance, enabling the County to leverage prior years' earned revenues and unspent reserves. This approach aligns with the County's fiscal management practice of optimizing revenue sources while actively monitoring current-year revenues and expenditures.

The 2025 capital budget is \$568.3 million, which is a \$116.0 million increase, or 25.7%, compared to the adjusted 2024 budget. Significant fluctuations in the capital project budget are routinely expected due to the mix of projects, schedules, and evolving revenue streams. The \$116.0 million increase for 2025 is largely due to two projects: \$15.0 million for initial planning and design of a new Behavioral Healthcare Facility in downtown Minneapolis and \$90.0 million for the County's contribution to the Metro Green Line Extension Light Rail Transit Project, managed by the Metropolitan Council.

Local governments across the country are experiencing economic uncertainties related to Federal revenues due to various United States federal executive orders, related legal challenges, and court-ordered injunctions. This may impact the financial position, results of operations, and cash flows of the County. The County is monitoring and responding to changing interpretations, requirements, and timelines, but has not yet experienced material impacts from revenue disruptions in 2025.

Management's Discussion and Analysis

REQUESTS FOR INFORMATION

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

Basic Financial Statements



Hennepin County, Minnesota

Statement of Net Position

December 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
Current Assets:			
Cash and investments	\$ 861,079,108	\$ 172,639,279	\$ 1,033,718,387
Receivables, net	222,484,506	279,794,599	502,279,105
Internal balances	953,255	(953,255)	-
Prepays and supplies	25,393,059	16,117,327	41,510,386
Inventories	-	14,204,680	14,204,680
Notes receivable and other receivables	435,860	-	435,860
Total Current Assets	1,110,345,788	481,802,630	1,592,148,418
Noncurrent Assets:			
Cash and investments	76,797,066	26,845,727	103,642,793
Restricted cash and investments	383,878,546	96,579,635	480,458,181
Land held for resale	2,700,000	-	2,700,000
Notes receivable and other receivables	17,058,288	15,403,172	32,461,460
Capital assets, nondepreciable	301,552,439	86,652,516	388,204,955
Capital asset, net of accumulated depreciation and amortization	1,992,841,828	463,810,310	2,456,652,138
Total Noncurrent Assets	2,774,828,167	689,291,360	3,464,119,527
Total Assets	3,885,173,955	1,171,093,990	5,056,267,945
Deferred Outflows of Resources:			
Pension-related	141,900,648	69,274,158	211,174,806
Postemployment healthcare related	30,679,575	7,944,559	38,624,134
Debt refunding related	6,041,567	-	6,041,567
Total Deferred Outflows of Resources	178,621,790	77,218,717	255,840,507
Total Assets and Deferred Outflows	\$ 4,063,795,745	\$ 1,248,312,707	\$ 5,312,108,452
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Current Liabilities:			
Accounts and contracts payable	\$ 137,278,251	\$ 72,534,754	\$ 209,813,005
Accrued interest payable	5,168,112	381,125	5,549,237
Accrued liabilities	60,182,754	164,113,709	224,296,463
Unearned revenue	15,653,566	-	15,653,566
Workers' compensation claims	4,200,000	5,100,000	9,300,000
Lease and subscription payables	5,592,130	11,692,542	17,284,672
Revenue bonds	8,570,000	-	8,570,000
General obligation bonds	71,743,537	8,811,463	80,555,000
Postemployment healthcare benefits	9,292,000	847,800	10,139,800
Compensated absences	12,100,000	2,325,875	14,425,875
Total Current Liabilities	329,780,350	265,807,268	595,587,618
Noncurrent Liabilities:			
Workers' compensation claims	11,108,500	10,200,000	21,308,500
Lease and subscription payables	28,413,068	23,853,276	52,266,344
Revenue bonds	31,883,640	-	31,883,640
General obligation bonds	1,531,772,173	179,279,017	1,711,051,190
Net pension	349,373,995	214,450,775	563,824,770
Postemployment healthcare benefits	111,389,366	20,760,720	132,150,086
Compensated absences	129,913,571	49,870,847	179,784,418
Total Noncurrent Liabilities	2,193,854,313	498,414,635	2,692,268,948
Total Liabilities	2,523,634,663	764,221,903	3,287,856,566

Hennepin County, Minnesota

Statement of Net Position

December 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<i>Continued from previous page</i>			
Deferred Inflows of Resources:			
Lease-related	6,508,983	-	6,508,983
Pension-related	296,448,943	173,482,344	469,931,287
Postemployment healthcare related	17,350,209	9,475,820	26,826,029
Debt refunding related	1,223,678	-	1,223,678
Total Deferred Inflows of Resources	321,531,813	182,958,164	504,489,977
Net Position:			
Net investment in capital assets	1,037,159,117	326,826,528	1,363,985,645
Restricted for:			
Grant and donor restrictions	37,136,328	1,251,360	38,387,688
Capital projects	15,458,397	-	15,458,397
Debt service	57,094,573	-	57,094,573
Statutory requirements relating to:			
Housing and redevelopment	52,975,004	-	52,975,004
Regional Railroad Authority	102,600,610	-	102,600,610
Metropolitan health plan	-	35,372,612	35,372,612
Solid waste management	-	69,421,743	69,421,743
Transportation	345,378,597	-	345,378,597
Youth activities	40,406,312	-	40,406,312
County Recorder technology and other	13,933,354	-	13,933,354
Medical Center expendable	-	69,657,956	69,657,956
Medical Center nonexpendable	-	17,834,177	17,834,177
Unrestricted (deficit)	(483,513,023)	(219,231,736)	(702,744,759)
Total Net Position	1,218,629,269	301,132,640	1,519,761,909
Total Liabilities, Deferred Inflows and Net Position	\$ 4,063,795,745	\$ 1,248,312,707	\$ 5,312,108,452

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

Statement of Activities

For the Year Ended December 31, 2024

FUNCTIONS/PROGRAMS	Program Expenses			
	All Other Direct Expenses	Direct Depreciation and Amortization Expenses	Total Direct Expenses	Indirect Expenses
Primary Government:				
Governmental Activities:				
Operations	\$ 390,256,424	\$ 10,603,635	\$ 400,860,059	\$ (54,445,477)
Disparity Reduction	27,878,090	-	27,878,090	-
Human Services	810,672,323	5,608,285	816,280,608	19,493,837
Health	110,681,496	3,371,786	114,053,282	3,394,471
Law, Safety and Justice	416,544,600	7,986,162	424,530,762	17,233,601
Public Works	94,156,845	32,558,244	126,715,089	2,906,597
Resident Services	149,381,936	12,181,580	161,563,516	11,071,068
Housing and Redevelopment Authority	35,164,062	147,519	35,311,581	132,095
Regional Railroad Authority	16,052,675	138,612	16,191,287	213,808
Interest on Long-term Debt	44,928,028	-	44,928,028	-
Total Governmental Activities	<u>2,095,716,479</u>	<u>72,595,823</u>	<u>2,168,312,302</u>	<u>-</u>
Business-type Activities:				
Hennepin Health Plan	381,552,305	-	381,552,305	-
Environment and Energy	73,018,254	10,572,028	83,590,282	-
Medical Center	1,476,039,174	52,059,992	1,528,099,166	-
Other Enterprises	3,562,596	1,728,200	5,290,796	-
Total Business-type Activities	<u>1,934,172,329</u>	<u>64,360,220</u>	<u>1,998,532,549</u>	<u>-</u>
Total	<u>\$ 4,029,888,808</u>	<u>\$ 136,956,043</u>	<u>\$ 4,166,844,851</u>	<u>\$ -</u>

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

Program Revenues			Net Revenue (Expense) and Changes in Net Position		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 21,003,928	\$ 64,236,709	\$ -	\$ (261,173,945)	\$ -	\$ (261,173,945)
12,943	17,763,244	-	(10,101,903)	-	(10,101,903)
65,081,206	384,927,950	-	(385,765,289)	-	(385,765,289)
27,323,038	8,122,511	162,982	(81,839,222)	-	(81,839,222)
17,184,645	52,841,041	-	(371,738,677)	-	(371,738,677)
7,075,967	16,416,188	155,919,764	49,790,233	-	49,790,233
23,543,591	8,107,256	-	(140,983,737)	-	(140,983,737)
1,795,040	288,712	1,784,296	(31,575,628)	-	(31,575,628)
826,024	878,501	3,498,609	(11,201,961)	-	(11,201,961)
-	-	-	(44,928,028)	-	(44,928,028)
163,846,382	553,582,112	161,365,651	(1,289,518,157)	-	(1,289,518,157)
325,602,300	5,745,146	-	-	(50,204,859)	(50,204,859)
80,254,356	10,773,472	-	-	7,437,546	7,437,546
1,386,561,521	112,617,077	-	-	(28,920,568)	(28,920,568)
5,981,285	-	-	-	690,489	690,489
1,798,399,462	129,135,695	-	-	(70,997,392)	(70,997,392)
\$ 1,962,245,844	\$ 682,717,807	\$ 161,365,651	(1,289,518,157)	(70,997,392)	(1,360,515,549)
General Revenues:					
Property taxes			985,716,837	258,284	985,975,121
Sales tax			229,054,413	-	229,054,413
Wheelage tax			22,008,074	-	22,008,074
Other taxes			2,868,188	32,600	2,900,788
Grants & contributions not restricted to specific programs . .			47,717,515	-	47,717,515
Unrestricted investment earnings.			71,898,117	-	71,898,117
Transfers			(33,088,049)	33,088,049	-
Total General Revenues and Transfers			1,326,175,095	33,378,933	1,359,554,028
Change in Net Position			36,656,938	(37,618,459)	(961,521)
Net Position - Beginning, as Restated			1,181,972,331	338,751,099	1,520,723,430
Net Position - Ending			\$ 1,218,629,269	\$ 301,132,640	\$ 1,519,761,909

Hennepin County, Minnesota

Governmental Funds - Balance Sheets

December 31, 2024

	General	Human Services	Ballpark Sales Tax	Other Sales Tax
ASSETS				
Cash and investments	\$ 308,091,871	\$ 189,744,894	\$ -	\$ -
Delinquent taxes receivable, net	7,027,364	2,094,564	-	-
Due from other governmental agencies	11,139,412	70,539,903	13,017,472	43,007,910
Accrued investment interest	7,716,333	-	-	-
Interfund receivable	515,201	1,725,684	-	-
Other receivable	10,914,528	7,458,742	-	-
Prepays and supplies	7,084,527	649,350	-	-
Land held for resale	-	-	-	-
Lease receivables	6,709,658	-	-	-
Notes receivable, net	203,237	-	-	-
Restricted cash and investments	6,803,593	-	71,040,659	302,614,388
Total Assets	\$ 366,205,724	\$ 272,213,137	\$ 84,058,131	\$ 345,622,298
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 22,509,596	\$ 42,423,244	\$ 73,688	\$ 243,701
Accrued liabilities	31,615,530	17,058,097	-	-
Interfund payable	4,154,569	669,668	-	-
Unearned revenue	95,436	252,527	-	-
Total Liabilities	58,375,131	60,403,536	73,688	243,701
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	6,303,064	2,007,164	-	-
Unavailable revenue - intergovernmental	2,766,826	11,134,852	4,829,870	15,930,009
Lease related	6,508,983	-	-	-
Total Deferred Inflows of Resources	15,578,873	13,142,016	4,829,870	15,930,009
Fund Balances:				
Nonspendable	9,130,716	649,350	-	-
Restricted	30,390,073	22,952,119	79,154,573	329,448,588
Committed	-	175,066,116	-	-
Assigned	101,325,891	-	-	-
Unassigned	151,405,040	-	-	-
Total Fund Balances	292,251,720	198,667,585	79,154,573	329,448,588
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 366,205,724	\$ 272,213,137	\$ 84,058,131	\$ 345,622,298

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

	Housing and Redevelopment Authority (HRA)		Regional Railroad Authority (RRA)		RRA Debt Service		General Debt Service		Capital Projects		Total
\$	45,154,450	\$	103,446,714	\$	170,267	\$	6,877,426	\$	86,621,942	\$	740,107,564
	121,402		221,782		-		671,882		16,591		10,153,585
	50,690		-		-		-		46,427,647		184,183,034
	-		-		-		-		335,655		8,051,988
	-		-		-		-		-		2,240,885
	60,094		255,429		-		4,228		12,474		18,705,495
	36,534		-		-		-		7,702		7,778,113
	2,700,000		-		-		-		-		2,700,000
	-		-		-		-		-		6,709,658
	4,676,253		-		-		5,905,000		-		10,784,490
	1,283,619		610,571		-		1,175,716		350,000		383,878,546
\$	54,083,042	\$	104,534,496	\$	170,267	\$	14,634,252	\$	133,772,011	\$	1,375,293,358
\$	1,071,504	\$	1,764,759	\$	-	\$	589,541	\$	64,022,638	\$	132,698,671
	-		-		-		-		-		48,673,627
	-		-		-		-		-		4,824,237
	-		18,790		-		-		15,286,813		15,653,566
	1,071,504		1,783,549		-		589,541		79,309,451		201,850,101
	115,902		211,782		-		641,582		7,891		9,287,385
	-		60,000		-		5,905,000		36,170,046		76,796,603
	-		-		-		-		-		6,508,983
	115,902		271,782		-		6,546,582		36,177,937		92,592,971
	36,534		-		-		-		-		9,816,600
	52,859,102		102,479,165		170,267		7,498,129		18,284,623		643,236,639
	-		-		-		-		-		175,066,116
	-		-		-		-		-		101,325,891
	-		-		-		-		-		151,405,040
	52,895,636		102,479,165		170,267		7,498,129		18,284,623		1,080,850,286
\$	54,083,042	\$	104,534,496	\$	170,267	\$	14,634,252	\$	133,772,011	\$	1,375,293,358

**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position**
December 31, 2024

Total governmental fund balances (page 39)	\$	1,080,850,286
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. (The capital assets of the internal service funds that serve governmental activities are included in a separate reconciling item.)		2,227,443,410
Certain assets are not available to pay for current-period expenditures and, therefore, are not reported as revenues in the current period, but instead are deferred in the funds.		86,083,988
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds that primarily serve governmental activities are included in governmental activities in the statement of net position. This reconciling item includes the adjustment to eliminate internal service fund surpluses and deficits.		111,142,616
Net pension and postemployment healthcare benefit liabilities and related deferred inflows and deferred outflows are not reported in the funds because the liabilities are not due and payable in the current period.		(608,566,260)
Long-term liabilities and related deferred outflows are not reported in the funds because the liabilities are not due and payable in the current period.		(1,678,324,771)
Net position of governmental activities (page 37)	\$	<u>1,218,629,269</u>

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



Governmental Funds - Statements of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2024

	General	Human Services	Ballpark Sales Tax	Other Sales Tax
REVENUES				
Property taxes	\$ 609,864,920	\$ 287,442,633	\$ -	\$ -
Sales tax	-	-	45,460,534	162,834,000
Wheelage tax	17,838,074	-	-	-
Other taxes	2,688,380	132,517	-	-
Intergovernmental	187,306,390	370,823,796	-	39,764,199
Investment earnings (losses)	64,830,199	344,329	2,405,849	-
Charges for services	87,750,232	58,482,794	-	-
Opioid settlements	-	12,505,575	-	-
Fines and forfeits	666,876	-	-	-
Licenses and permits	7,175,281	2,280,679	-	-
Other	22,839,171	4,317,733	-	-
Total Revenues	1,000,959,523	736,330,056	47,866,383	202,598,199
EXPENDITURES				
Current:				
Operations	185,515,291	-	2,452,163	-
Disparity reduction	28,523,556	-	-	-
Human services	-	816,261,897	-	-
Health	110,173,546	-	-	-
Law, safety and justice	420,012,856	-	-	-
Public works	76,495,233	-	-	778,926
Resident Services	141,455,864	-	-	-
Housing and Redevelopment Authority	-	-	-	-
Regional Railroad Authority	-	-	-	-
Debt service:				
Principal retirement	1,720,372	1,674,491	-	-
Interest and fiscal charges	268,150	329,816	-	-
Capital outlay	-	-	-	-
Total Expenditures	964,164,868	818,266,204	2,452,163	778,926
Excess (Deficiency) of Revenues Over Expenditures	36,794,655	(81,936,148)	45,414,220	201,819,273
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Transfers in	6,132,067	48,967,408	-	-
Transfers out	(54,856,293)	-	(15,022,503)	(153,133,299)
Leases and subscriptions	-	5,799,111	-	-
Loss on lease termination	(134,262)	-	-	-
Debt premiums	-	-	-	-
Total Other Financing Sources (Uses)	(48,858,488)	54,766,519	(15,022,503)	(153,133,299)
Net Change in Fund Balances	(12,063,833)	(27,169,629)	30,391,717	48,685,974
Fund Balances - Beginning	304,315,553	225,837,214	48,762,856	280,762,614
Fund Balances - Ending	\$ 292,251,720	\$ 198,667,585	\$ 79,154,573	\$ 329,448,588

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

Housing and Redevelopment Authority	Regional Railroad Authority	RRA Debt Service	General Debt Service	Capital Projects	Total
\$ 17,828,112	\$ 24,971,068	\$ 7,930,960	\$ 99,699,034	\$ 2,834,718	\$ 1,050,571,445
-	-	-	-	-	208,294,534
-	-	-	-	4,170,000	22,008,074
-	-	-	45,977	1,314	2,868,188
290,170	821,195	-	1,231,731	79,962,994	680,200,475
1,784,296	3,498,609	-	274,478	4,043,262	77,181,022
1,058,897	826,024	-	-	-	148,117,947
-	-	-	-	-	12,505,575
-	-	-	-	-	666,876
-	-	-	-	-	9,455,960
736,143	-	-	-	1,619,507	29,512,554
21,697,618	30,116,896	7,930,960	101,251,220	92,631,795	2,241,382,650
-	-	-	-	151,008,027	338,975,481
-	-	-	-	-	28,523,556
-	-	-	-	-	816,261,897
-	-	-	-	-	110,173,546
-	-	-	-	-	420,012,856
-	-	-	-	-	77,274,159
-	-	-	-	-	141,455,864
35,164,062	-	-	-	-	35,164,062
-	16,052,675	-	-	-	16,052,675
-	-	4,720,000	83,707,986	-	91,822,849
-	-	4,083,250	65,171,507	-	69,852,723
-	-	-	-	272,762,674	272,762,674
35,164,062	16,052,675	8,803,250	148,879,493	423,770,701	2,418,332,342
(13,466,444)	14,064,221	(872,290)	(47,628,273)	(331,138,906)	(176,949,692)
-	-	-	-	200,000,000	200,000,000
14,031,332	-	-	37,951,921	119,984,719	227,067,447
-	-	-	-	(3,000,000)	(226,012,095)
-	-	-	-	-	5,799,111
-	-	-	-	-	(134,262)
-	-	-	-	32,496,468	32,496,468
14,031,332	-	-	37,951,921	349,481,187	239,216,669
564,888	14,064,221	(872,290)	(9,676,352)	18,342,281	62,266,977
52,330,748	88,414,944	1,042,557	17,174,481	(57,658)	1,018,583,309
\$ 52,895,636	\$ 102,479,165	\$ 170,267	\$ 7,498,129	\$ 18,284,623	\$ 1,080,850,286

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

For the Year Ended December 31, 2024

Net change in governmental fund balances (page 43)	\$	62,266,977
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported by governmental funds as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		85,601,779
The net effect of capital asset disposals, sales, and donations is to decrease net position in the Statement of Activities. These amounts are not reported in the governmental funds because they do not affect current financial resources. Governmental funds only report proceeds from the sale of capital assets.		(6,716,569)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		5,336,995
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of the issuance and repayment of long-term debt.		(138,975,160)
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds (i.e. interest on long-term debt, the amortization of long-term debt discount, and certain pension and post-employment healthcare expenses).		62,138,824
The net revenue of certain activities of internal service funds is reported with governmental activities.		(32,995,908)
Change in net position of governmental activities (page 37)	\$	<u>36,656,938</u>

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

Statement of Net Position - Proprietary Funds

December 31, 2024

	Business-type Activities - Enterprise Funds					Internal
	Hennepin Health	Solid Waste	Medical Center	Total Nonmajor	Total	Service Funds
ASSETS & DEFERRED OUTFLOWS						
Current Assets:						
Cash and cash equivalents.	\$ 80,731,429	\$ 57,374,020	\$ 28,196,612	\$ 6,337,218	\$ 172,639,279	\$ 197,768,610
Interfund receivable.	-	-	4,824,237	70,570	4,894,807	3,536,607
Other receivables.	27,963,721	7,068,741	244,463,637	298,500	279,794,599	1,390,404
Inventories.	-	-	14,204,680	-	14,204,680	-
Prepays and supplies.	617,473	3,703,479	11,781,528	14,847	16,117,327	17,614,946
Total Current Assets	109,312,623	68,146,240	303,470,694	6,721,135	487,650,692	220,310,567
Noncurrent Assets:						
Investments.	-	-	26,845,727	-	26,845,727	-
Restricted cash and cash equivalents.	500,000	18,372,064	22,288,851	-	41,160,915	-
Restricted investments.	-	-	55,418,720	-	55,418,720	-
Notes receivable and other.	-	1,670,864	13,732,308	-	15,403,172	-
Capital assets, nondepreciable.	-	11,772,577	73,894,847	985,092	86,652,516	7,567,627
Capital assets, net of accumulated depreciation and amortization.	-	83,121,401	371,628,974	9,059,935	463,810,310	59,383,230
Total Noncurrent Assets	500,000	114,936,906	563,809,427	10,045,027	689,291,360	66,950,857
Total Assets	109,812,623	183,083,146	867,280,121	16,766,162	1,176,942,052	287,261,424
Deferred Outflows of Resources:						
Pension related.	1,055,146	819,017	67,399,995	-	69,274,158	-
Postemployment healthcare related.	109,590	181,538	7,653,431	-	7,944,559	696,972
Total Deferred Outflows of Resources	1,164,736	1,000,555	75,053,426	-	77,218,717	696,972
Total Assets and Deferred Outflows	\$ 110,977,359	\$ 184,083,701	\$ 942,333,547	\$ 16,766,162	\$ 1,254,160,769	\$ 287,958,396
LIABILITIES, DEFERRED INFLOWS AND NET POSITION						
Current Liabilities:						
Interfund payable.	\$ 1,030,988	\$ -	\$ 5,198,199	\$ -	\$ 6,229,187	\$ -
Accounts and contracts payable.	15,231,130	9,853,109	47,187,291	263,224	72,534,754	4,579,580
Accrued expenses.	50,919,869	461,364	112,732,476	-	164,113,709	11,509,127
Unearned revenue.	-	-	-	-	-	-
Current portion of:						
Workers' compensation claims.	-	-	5,100,000	-	5,100,000	4,200,000
Lease and subscription payables.	-	-	11,692,542	-	11,692,542	-
General obligation bonds.	-	1,888,079	6,923,384	-	8,811,463	1,129,493
Postemployment healthcare benefits.	22,000	57,000	768,800	-	847,800	177,000
Compensated absences.	130,000	120,000	2,075,875	-	2,325,875	12,100,000
Total Current Liabilities	67,333,987	12,379,552	191,678,567	263,224	271,655,330	33,695,200
Noncurrent Liabilities, Net of Current Portion:						
Workers' compensation claims.	-	-	10,200,000	-	10,200,000	11,108,500
Lease and subscription payables.	-	-	23,853,276	-	23,853,276	-
General obligation bonds.	-	32,192,449	147,086,568	-	179,279,017	11,731,702
Net pension.	3,420,423	3,352,311	207,678,041	-	214,450,775	-
Postemployment healthcare benefits.	468,825	659,556	19,632,339	-	20,760,720	2,809,852
Compensated absences.	1,347,294	1,631,683	46,891,870	-	49,870,847	129,913,571
Total Noncurrent Liabilities	5,236,542	37,835,999	455,342,094	-	498,414,635	155,563,625
Total Liabilities	72,570,529	50,215,551	647,020,661	263,224	770,069,965	189,258,825
Deferred Inflows of Resources:						
Pension related.	2,963,838	2,277,218	168,241,288	-	173,482,344	-
Postemployment healthcare related.	70,380	104,379	9,301,061	-	9,475,820	418,150
Total Deferred Inflows of Resources	3,034,218	2,381,597	177,542,349	-	182,958,164	418,150
Net Position:						
Net investment in capital assets.	-	60,813,450	255,968,051	10,045,027	326,826,528	54,089,662
Restricted for:						
Statutory requirements relating to:						
Hennepin health plan.	35,372,612	-	-	-	35,372,612	-
Solid waste management.	-	69,421,743	-	-	69,421,743	-
Medical Center expendable.	-	-	69,657,956	-	69,657,956	-
Medical Center nonexpendable.	-	-	17,834,177	-	17,834,177	-
Brownfield assessment and cleanup.	-	1,251,360	-	-	1,251,360	-
Unrestricted (deficit).	-	-	(225,689,647)	6,457,911	(219,231,736)	44,191,759
Total Net Position	35,372,612	131,486,553	117,770,537	16,502,938	301,132,640	98,281,421
Total Liabilities, Deferred Inflows and Net Position	\$ 110,977,359	\$ 184,083,701	\$ 942,333,547	\$ 16,766,162	\$ 1,254,160,769	\$ 287,958,396

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

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

For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds					
	Hennepin Health	Solid Waste	Medical Center	Total Nonmajor	Total	Internal Service Funds
OPERATING REVENUES						
Net charges for services.	\$ 325,602,300	\$ 80,254,356	\$ 1,386,561,521	\$ 5,981,285	\$ 1,798,399,462	\$ 344,065,251
Intergovernmental.	-	-	99,635,458	-	99,635,458	-
Total Operating Revenues	325,602,300	80,254,356	1,486,196,979	5,981,285	1,898,034,920	344,065,251
OPERATING EXPENSES						
Personal services.	15,607,182	11,977,003	1,006,014,105	2,446,297	1,036,044,587	284,515,068
Commodities.	22,349	349,388	374,895,764	335,050	375,602,551	19,728,419
Contractual services.	342,581,741	55,339,509	70,536,259	573,228	469,030,737	51,405,963
Depreciation and amortization.	-	10,572,028	52,059,992	1,728,200	64,360,220	15,414,909
Other.	23,041,166	4,300,026	13,343,300	171,101	40,855,593	5,022,273
Total Operating Expenses	381,252,438	82,537,954	1,516,849,420	5,253,876	1,985,893,688	376,086,632
Operating Income (Loss)	(55,650,138)	(2,283,598)	(30,652,441)	727,409	(87,858,768)	(32,021,381)
NONOPERATING REVENUES (EXPENSES)						
Property taxes.	-	258,284	-	-	258,284	-
Intergovernmental.	200,357	8,047,938	-	-	8,248,295	-
Investment earnings (losses).	5,544,789	2,725,534	12,981,619	-	21,251,942	806,404
Interest expense.	(26,338)	(1,052,328)	(5,699,473)	-	(6,778,139)	(392,005)
Gain (Loss) on capital asset disposal.	(273,529)	-	-	(36,920)	(310,449)	660,755
Other.	-	(5,550,273)	32,600	-	(5,517,673)	-
Total Nonoperating Revenues (Expenses)	5,445,279	4,429,155	7,314,746	(36,920)	17,152,260	1,075,154
Income (Loss) Before Contributions	(50,204,859)	2,145,557	(23,337,695)	690,489	(70,706,508)	(30,946,227)
Capital contributions.	-	-	33,088,049	-	33,088,049	691,218
Transfers in.	-	-	-	-	-	92,429
Transfers out.	-	-	-	-	-	(1,147,781)
Net Contributions and Transfers	-	-	33,088,049	-	33,088,049	(364,134)
Change in Net Position	(50,204,859)	2,145,557	9,750,354	690,489	(37,618,459)	(31,310,361)
Total Net Position - Beginning, as Restated	85,577,471	129,340,996	108,020,183	15,812,449	338,751,099	129,591,782
Total Net Position - Ending	\$ 35,372,612	\$ 131,486,553	\$ 117,770,537	\$ 16,502,938	\$ 301,132,640	\$ 98,281,421

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

Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds					
	Hennepin Health	Solid Waste	Medical Center	Total Nonmajor	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users.	\$ 327,623,813	\$ 82,909,841	\$ 1,307,703,597	\$ 6,009,367	\$ 1,724,246,618	\$ 338,800,995
Operating grants.	-	-	143,582,934	-	143,582,934	-
Payments to suppliers for goods and services.	(333,779,319)	(54,439,030)	(421,796,600)	(730,764)	(810,745,713)	(78,919,119)
Payments to employees for services.	(15,995,176)	(12,228,870)	(1,044,856,655)	(2,446,297)	(1,075,526,998)	(269,970,324)
Other operating disbursements.	(23,041,166)	(4,300,026)	-	(171,101)	(27,512,293)	(5,022,273)
Net Cash Provided (Used) by Operating Activities	(45,191,848)	11,941,915	(15,366,724)	2,661,205	(45,955,452)	(15,110,721)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Other taxes.	-	258,284	-	-	258,284	-
Net grants and contributions.	200,357	2,603,045	476,540	-	3,279,942	-
Transfers in.	-	-	-	-	-	92,429
Transfers out.	-	-	-	-	-	(1,147,781)
Interfund loans.	(988,132)	-	-	-	(988,132)	(2,179,192)
Net Cash Provided (Used) by Noncapital Financing Activities	(787,775)	2,861,329	476,540	-	2,550,094	(3,234,544)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets.	-	(4,751,153)	(22,226,648)	(3,895,597)	(30,873,398)	(15,785,390)
Lease and subscription payments.	-	-	(1,571,867)	-	(1,571,867)	-
Interest paid.	(26,338)	(1,052,328)	(5,699,473)	-	(6,778,139)	(392,005)
Contributed capital from other funds.	-	-	-	-	-	109,049
Debt issuance cost and principal payments.	-	(1,832,347)	(6,517,910)	-	(8,350,257)	(1,186,755)
Net Cash Provided (Used) by Capital and Related Financing Activities	(26,338)	(7,635,828)	(36,015,898)	(3,895,597)	(47,573,661)	(17,255,101)
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment income (loss).	5,544,789	2,725,534	4,997,504	-	13,267,827	806,404
Purchase of investments.	-	-	(2,952,163)	-	(2,952,163)	-
Net Cash Provided (Used) by Investing Activities	5,544,789	2,725,534	2,045,341	-	10,315,664	806,404
Net increase in cash and cash equivalents	(40,461,172)	9,892,950	(48,860,741)	(1,234,392)	(80,663,355)	(34,793,962)
Cash and cash equivalents at beginning of year	121,692,601	65,853,134	99,346,204	7,571,610	294,463,549	232,562,572
Cash and Cash Equivalents at End of Year	\$ 81,231,429	\$ 75,746,084	\$ 50,485,463	\$ 6,337,218	\$ 213,800,194	\$ 197,768,610
CASH COMPONENTS:						
Cash and cash equivalents.	\$ 80,731,429	\$ 57,374,020	\$ 28,196,612	\$ 6,337,218	\$ 172,639,279	\$ 197,768,610
Restricted cash and cash equivalents.	500,000	18,372,064	22,288,851	-	41,160,915	-
Cash and Cash Equivalents at End of Year	\$ 81,231,429	\$ 75,746,084	\$ 50,485,463	\$ 6,337,218	\$ 213,800,194	\$ 197,768,610
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss).	\$ (55,650,138)	\$ (2,283,598)	\$ (30,652,441)	\$ 727,409	\$ (87,858,768)	\$ (32,021,381)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization.	-	10,572,028	52,059,992	1,728,200	64,360,220	15,414,909
(Increase) decrease in:						
Receivables and prepaid items.	6,823,360	(1,131,212)	(27,899,959)	13,235	(22,194,576)	(6,314,973)
Inventories.	-	3,622,141	(2,099,054)	9,678	1,532,765	786,020
Increase (decrease) in:						
Accounts payable and accrued expenses.	4,175,037	1,695,132	10,963,942	182,683	17,016,794	9,222,259
Unearned revenue.	-	(36,390)	-	-	(36,390)	(1,979,911)
Net pension liability.	(2,048,062)	(1,612,856)	(102,675,496)	-	(106,336,414)	-
Deferred outflows.	732,059	454,192	47,474,517	-	48,660,768	(241,959)
Deferred inflows.	775,896	662,478	37,461,775	-	38,900,149	24,315
Net Cash Provided (Used) by Operating Activities	\$ (45,191,848)	\$ 11,941,915	\$ (15,366,724)	\$ 2,661,205	\$ (45,955,452)	\$ (15,110,721)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Contributions of capital assets.	\$ -	\$ -	\$ 33,088,049	\$ -	\$ 33,088,049	\$ 691,218
Gain (loss) on disposal of capital assets.	-	-	(1,985,916)	(36,920)	(2,022,836)	(507,890)
Increase (decrease) in fair value of investments.	2,932,467	873,805	(1,512,436)	-	2,293,836	281,186
Initiation of leases and subscriptions.	-	-	14,462,445	-	14,462,445	-
Early termination of leases and subscriptions.	(1,031,166)	-	-	-	-	(578,951)

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

Statement of Fiduciary Net Position - Fiduciary Funds

December 31, 2024

		Custodial Funds		
		Private Purpose Trust Fund	Non-trust External Investment Pool	Other Custodial
ASSETS				
Cash and investments	\$	663,400	\$ 66,261,385	\$ 39,601,255
Receivables, net		-	-	92,962,599
Total Assets	\$	663,400	\$ 66,261,385	\$ 132,563,854
LIABILITIES AND NET POSITION				
Liabilities:				
Accounts and contracts payable	\$	-	\$ -	\$ 163,028
Due to other governments.		-	-	37,296,535
Total Liabilities		-	-	37,459,563
Net Position				
Restricted for individuals, organizations, and other governments		663,400	66,261,385	95,104,291
Total Net Position		663,400	66,261,385	95,104,291
Total Liabilities and Net Position	\$	663,400	\$ 66,261,385	\$ 132,563,854

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

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

For the Year Ended December 31, 2024

		Custodial Funds	
	Private Purpose Trust Fund	Non-trust External Investment Pool	Other Custodial
ADDITIONS			
Property taxes collected for other governments.	\$ -	\$ -	\$ 2,835,343,846
Fees collected for other governments.	-	-	137,057,845
Other additions for other governments.	-	109,259,980	81,411,743
Forfeitures collected for entities.	-	-	1,190,320
Collections for individual beneficiaries	3,242,754	-	50,572,934
Total Additions	3,242,754	109,259,980	3,105,576,688
DEDUCTIONS			
Property tax distributions to other governments.	-	-	2,839,005,558
Fees distributed to other governments.	-	-	137,057,845
Other distributions to other governments.	-	111,836,011	18,256,657
Forfeiture distributions to entities.	-	-	1,189,856
Beneficiary payments to individuals.	3,183,005	-	50,572,934
Total Deductions	3,183,005	111,836,011	3,046,082,849
Change in Net Position	59,749	(2,576,030)	59,493,839
Total Net position	603,651	68,837,415	35,610,453
Total Net Position - Ending	\$ 663,400	\$ 66,261,385	\$ 95,104,291

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



Notes to the Basic Financial Statements

December 31, 2024

INDEX TO NOTES	PAGE
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	52
2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS	63
3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS	64
4. RESTRICTED CASH AND INVESTMENTS	67
5. CAPITAL ASSETS	68
6. REVENUES AND RECEIVABLES	70
7. COMMITMENTS	73
8. INTERFUND BALANCES AND ACTIVITY	74
9. LONG-TERM OBLIGATIONS	75
10. DEBT SERVICE REQUIREMENTS	75
11. HOUSING AND REDEVELOPMENT AUTHORITY CONDUIT FINANCING	78
12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS	79
13. PROPERTY TAX ABATEMENTS	80
14. RISK MANAGEMENT	81
15. SELF-INSURED EMPLOYEE HEALTH PLANS	82
16. CONTINGENCIES	83
17. OTHER EMPLOYEE BENEFITS	84
18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS ...	85
19. NEW ACCOUNTING PRONOUNCEMENTS	100
20. SUBSEQUENT EVENTS	101

Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

Hennepin County (the County) was established in 1852 as an organized county having powers, duties, and privileges granted counties by Minnesota Statutes. The County is governed by a seven-member Hennepin County Board of Commissioners (County Board) elected from districts within the County. As required by accounting principles generally accepted in the United States of America (U.S. GAAP), these financial statements present the activities of the County and its blended component units.

While legally separate entities, the blended component units discussed below are included as part of the primary government, due to their governance structure and the significance of their operational and financial relationships with the County. Each component unit has a December 31 year end.

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

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

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

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

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

Notes to the Basic Financial Statements

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

➤ Government-wide Financial Statements

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

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

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

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

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

Notes to the Basic Financial Statements

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

➤ Fund Financial Statements

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

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

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

The County reports the following governmental funds:

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

Notes to the Basic Financial Statements

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

➤ Fund Financial Statements – continued

Governmental Funds – continued.

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

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

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

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

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

Notes to the Basic Financial Statements

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

➤ Fund Financial Statements – continued

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

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

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

- The *Hennepin Health Fund* provides health care coverage to County residents who are enrolled in Minnesota health care programs, including a Prepaid Medical Assistance Plan, MinnesotaCare, and Special Needs Basic Care. Hennepin Health is a nonprofit, state-certified health maintenance organization that contracts with the Minnesota Department of Human Services.
- The *Solid Waste Fund* is used to account for the management of the solid waste system pursuant to Hennepin County Ordinance 15 and Minnesota Statutes, sections 473.811 and 400.08. Fund activities include the resource recovery facilities, transfer stations, recycling and household hazardous waste programs, and the environmental response fund program. All money received by the Solid Waste Fund is restricted for the purposes of providing solid waste activities, functions, and facilities.
- The *Medical Center Fund*, a blended component unit, is used to account for the integrated system that includes the Medical Center, Level 1 trauma center services, a large outpatient clinic and specialty center, a network of primary care clinics, and more. In furtherance of its charitable purpose, the Medical Center provides a wide variety of benefits to the community, including community-based social service programs such as free clinics, health screenings, training for emergency service personnel, crisis intervention, and transportation to and from the hospital campus. Additionally, a large number of health-related education programs are provided for the benefit of the community, including health enhancements and wellness, classes on specific conditions, medical education, telephone information services, and other programs designed to improve the general standard of the health in the community. The Medical Center also provides medical care without charge or at reduced cost to certain residents of the community through the provision of charity care.

Notes to the Basic Financial Statements

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

➤ Fund Financial Statements – continued

Proprietary Funds – continued

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

The County's internal service funds include the following:

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

Notes to the Basic Financial Statements

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

➤ Fund Financial Statements – continued

Fiduciary Funds. The County reports three separate Fiduciary Funds in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The Fiduciary Funds are used to account for assets that the County holds for others.

- The *Private Purpose Trust Fund* is used to account for representative payee collections and beneficiary payments.
- The *Non-trust External Investment Pool Custodial Fund* is used for amounts on deposit with the County that are invested on behalf of other governmental entities.
- The *Other Custodial Fund* is used to account for assets controlled by the County that are for the benefit of individuals, governments, and other external entities. The activities primarily include property taxes collected on behalf of other governmental units. Service Center collections for the State, and inmates' funds.

The Fiduciary Funds use the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the fund net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Cash and Investments. The County maintains an investment pool for cash and investments. Each fund's portion of the pool is reported as "cash" or "restricted cash." For County funds that receive investment earnings, the allocation of those earnings is based on average monthly balances of cash and investments. Investments are stated at fair value or at cost. The fair value of investments is based on quoted market prices or inputs other than quoted prices that are observable for the investment, either directly or indirectly. Certain money market funds that have a maturity of one year or less at the time of purchase are reported at amortized cost. Certain nonparticipating interest-earning contracts (repurchase agreements) that have a maturity of one year or less at the time of purchase are reported at cost.

State law authorizes the County to invest in the following instruments: U.S. government and agency issues; repurchase agreements; reverse repurchase agreements; certificates of deposit; money market funds; general obligations of state, local, and housing finance agencies that are rated "A" or better by a national bond rating service; revenue obligations of any state or local government that are rated "AA" or better by a national bond rating service; bankers acceptances; commercial paper; futures contracts; guaranteed investment contracts; options; and shares of certain investment companies. Limited additional long-term equity investment authority exists pursuant to MN Statutes 118A.09 and County Board Resolution 18-0175R1. The Medical Center also holds investments separately from the pool.

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

Notes to the Basic Financial Statements

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

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

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

Excluding the Medical Center, capitalization thresholds are:

- \$5,000 for equipment
- \$1,000,000 for intangible right-to-use assets (leases and subscription-based IT arrangements)
- \$250,000 for improvements and software
- \$500,000 for land, buildings, and infrastructure.
- All library collection items are capitalized

The Medical Center capitalization thresholds are:

- \$600,000 for building leases
- \$300,000 for equipment leases
- \$250,000 for subscription-based IT arrangements
- \$5,000 for all other assets

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

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

Notes to the Basic Financial Statements

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

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

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

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

Notes to the Basic Financial Statements

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Leases and Subscriptions. The County is a lessee for the noncancellable lease of buildings and equipment, and the County is a subscriber for noncancellable subscription-based IT arrangements. The County recognizes lease and subscription liabilities and right-to-use lease and subscription assets in the government-wide and proprietary fund financial statements. The County recognizes the liabilities with initial individual values exceeding the thresholds provided in Note 1C. At the commencement of leases and subscriptions, the County measures the liabilities at the present value of payments expected to be made during the agreement term. Subsequently, liabilities are reduced by the principal portion of lease and subscription payments made. The intangible right-to-use lease and subscription assets are initially measured using the amount of the liability, adjusted for payments made at or before the agreement commencement date, plus certain initial direct costs. Subsequently, the lease and subscription assets are amortized on a straight-line basis over the expected agreement term.

Key estimates and judgments related to leases where the County is a lessee and related to the County's subscriptions include how the County determines 1) the discount rate it uses to discount the expected payments to present value, 2) the agreement term, and 3) payment amounts. The County uses the interest rate charged as the discount rate. When the interest rate charged is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate. The agreement term includes the noncancellable period of the agreement. Payments included in the measurement of the liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require a remeasurement and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. Lease and subscription assets are reported with other capital assets. Lease and subscription liabilities are reported with long-term debt on the statement of net position.

The County is a lessor for the noncancellable lease of land and buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases where the County is a lessor include how the County determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee. The County monitors changes in circumstances that would require remeasurement of its lease and remeasures the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Notes to the Basic Financial Statements

December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

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

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

D. Use of Estimates

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

Notes to the Basic Financial Statements

December 31, 2024

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

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

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

Capital assets used in governmental activities (note that the capital assets of the internal service funds that serve governmental activities are included in a separate reconciling item.)	\$ 3,454,179,618
Accumulated depreciation related to governmental activities	(1,226,736,208)
Total Capital Assets Reconciliation Item	<u>\$ 2,227,443,410</u>

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

General obligation (G.O.) bonds payable	\$ (1,385,239,520)
Net G.O. premiums and discounts (to be amortized as interest expense)	(218,276,190)
Revenue bonds	(34,185,000)
Revenue bond premiums (to be amortized as interest expense)	(6,268,640)
Lease and subscription payables	(34,005,198)
Accrued interest payable	(5,168,112)
Deferred charge on debt refunding	4,817,889
Total Long-Term Liabilities Reconciliation Item	<u>\$ (1,678,324,771)</u>

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

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

Capital outlay	\$ 142,782,693
Less depreciation expense	(57,180,914)
Total Capital Outlays and Depreciation Reconciliation Item	<u>\$ 85,601,779</u>

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

Issuance of debt	\$ (205,799,111)
Bond premiums	(32,496,468)
Principal repayments – G.O. debt	81,584,742
Principal repayments – Ballpark revenue bonds	8,030,000
Principal repayments – lease and subscription payables	9,705,677
Total Long-term Debt Reconciliation Item	<u>\$ (138,975,160)</u>

The reconciling item relating to expenses consists of the following:

Changes in accrued interest on long-term debt	\$ (264,764)
Changes in pension liabilities and related deferred outflows and inflows of resources	35,169,243
Changes in OPEB liabilities and related deferred outflows and inflows of resources	2,044,886
Amortization of bond premiums and discounts and deferred amounts of refundings	25,189,459
Total Long-term Debt Reconciliation Item	<u>\$ 62,138,824</u>

Notes to the Basic Financial Statements

December 31, 2024

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

Deposits with Financial Institutions. It is the County's policy to follow Minnesota Statute 118A.03, which states that to the extent that funds deposited are in excess of available federal deposit insurance, the County must require the financial institution to furnish collateral security, an irrevocable standby letter of credit, or a corporate surety bond. All collateral must be placed in safekeeping in a restricted account at a Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution not owned/controlled by the financial institution furnishing the collateral. At year end, the bank balance was \$23,940,389. The bank balance was covered by either federal depository insurance, surety bonds, an irrevocable standby letter of credit, or by collateral held by the County's agent in the County's name. The carrying amount of deposits at year end was \$14,507,443. County and fiduciary cash and investments are pooled.

Management of Investment Risk. At December 31, 2024, the County had the following investments:

<u>Investments</u>	<u>Carrying Value</u>	<u>Effective Duration in Years</u>
U.S. government and agency	\$ 1,397,054,726	1.70
Repurchase agreements	175,238,000	0.01
Money market funds	62,245,376	0.10
Total fair value	<u>\$ 1,634,538,102</u>	
Effective duration		1.46

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

Credit Risk. While the County's investments in the bonds of U.S. government and agencies are not required by Minnesota law to be rated, these investments generally carry the following ratings: AA+ by S&P Global Ratings (S&P) or Aaa by Moody's Investors Service (Moody's) or AAA by Fitch Ratings (Fitch), with the exception of \$24,973,750 of certain unrated U.S. government and agency issues. The County's investments in money market funds were rated AAAm by S&P or Aaa-mf by Moody's or AAAMmf by Fitch. The County's general investment policy is to apply the prudent-investor rule: investments are made as a prudent investor would be expected to act. County policy allows investment in all instruments authorized by State law (detailed in Note 1), with the exception of banker's acceptances, guaranteed investment contracts, and shares of investment companies.

Concentration of Credit Risk. The County primarily invests in U.S. government and agency issues and, therefore, places no limit on the amount that may be invested in any one issuer. More than 5.0% of the fair value of the County's total investments is in each of the following: 36.0% Federal Home Loan Bank, 19.0% Federal Farm Credit Banks Funding Corporation, 12.0% Federal Home Loan Mortgage Corporation, and 7% Federal National Mortgage Association.

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

Notes to the Basic Financial Statements

December 31, 2024

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

Investment Income, Realized Gains and Losses, and Unrealized Gains and Losses. Cash from funds is pooled for deposit and investment purposes. Certain funds also hold non-pooled deposits and investments, with the related investment earnings reported in those funds. In accordance with legal restrictions, investment earnings from pooled deposits and investments are recorded in the funds shown in the table below. Investment earnings are allocated based on average monthly cash and investment balances. The net change in the fair value of investments is reported as a component of total investment earnings. The detail, by fund type, of this activity for 2024 is as follows:

Fund	Investment Income and Realized Gains and Losses	Net Change in the Fair Value of Investments	Total Investment Earnings (Losses)
Governmental Funds:			
General	\$ 39,772,903	\$ 25,057,296	\$ 64,830,199
Special Revenue:			
Human Services	304,922	39,408	344,330
Ballpark Sales Tax	2,405,849	-	2,405,849
Housing and Redevelopment	1,208,988	575,308	1,784,296
Regional Railroad	2,597,969	900,640	3,498,609
Debt Service	274,478	-	274,478
Capital Projects	4,043,262	-	4,043,262
	<u>50,608,371</u>	<u>26,572,652</u>	<u>77,181,023</u>
Proprietary Funds:			
Enterprise:			
Hennepin Health	2,612,322	2,932,467	5,544,789
Solid Waste	1,851,729	873,805	2,725,534
Medical Center	1,931,389	1,615,834	3,547,223
Internal Service	525,218	281,186	806,404
	<u>6,920,658</u>	<u>5,703,292</u>	<u>12,623,950</u>
Total	<u>\$ 57,529,029</u>	<u>\$ 32,275,944</u>	<u>\$ 89,804,973</u>

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

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

Notes to the Basic Financial Statements

December 31, 2024

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

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

- Level 1: Inputs for quoted prices (unadjusted) for the identical investment in active markets that the County can directly observe and access on the date of measurement, December 30, 2024 (the last active market day of the year).
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the investment but perhaps not on the date of measurement or can be determined by third parties such as a pricing service using accepted methodologies. The Level 2 investments were valued by a pricing service that uses matrix pricing.
- Level 3: Inputs that are unobservable for an investment.

The following table summarizes financial investments according to the fair value hierarchy and observable or determinable value, as of December 31, 2024. Investments that have a maturity of one year or less at the time of purchase, and that are allowed to be reported at cost, are excluded from the table below.

	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	\$154,371,200	\$ -	\$ -	\$ 154,371,200
U.S. Agency Debentures	-	1,242,683,526	-	1,242,683,526
	\$ 154,371,200	\$ 1,242,683,526	\$ -	\$ 1,397,054,726

Investment Pool Condensed Financial Statements. The County Treasurer's investment pool includes investments held for internal and external pool participants. The 2024 condensed financial statements of the pool are shown in the tables below.

Statement of Net Position – Investment Pool

Net position held for pool participants	\$ 1,634,538,102
Equity of external pool participants	46,584,336
Equity of internal pool participants	1,587,953,766
	<u>\$ 1,634,538,102</u>

Statement of Changes in Net Position – Investment Pool

Beginning net position	\$ 1,707,399,927
Net change in investments	(72,861,825)
	<u>\$ 1,634,538,102</u>

B. Investments Held Separately by the Medical Center

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

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

Credit Risk. At December 31, 2024, the Medical Center investments included \$25,650,583 of fixed income mutual funds rated AAA - BB by Moody's and \$56,613,864 of unrated equity mutual funds.

Notes to the Basic Financial Statements

December 31, 2024

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – CONTINUED**B. Investments Held Separately by the Medical Center – continued**

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

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

Investment Income. In addition to the Medical Center's investment income from the pooled investments discussed in Note 3A, the Medical Center earned investment income from non-pooled investments totaling \$14,338,077.

Fair Value Measurements. The following table summarizes the Medical Center's financial investments according to the fair value hierarchy and observable or determinable value, as of December 31, 2024.

<u>Investments</u>	<u>Fair Value Measurements at Report Date Using:</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds – fixed income	\$ 25,650,583	\$ -	\$ -
Mutual funds – equities	56,613,864	-	-
Total Investments	<u>\$ 82,264,447</u>	<u>\$ -</u>	<u>\$ -</u>

4. RESTRICTED CASH AND INVESTMENTS

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

Governmental Funds:

- General Fund restricted cash includes \$5,784,459 restricted by agreements related to library donations, \$856,367 held by an escrow agent for housing projects, and \$162,767 held by Three Rivers Park District for contractual activities at Parkers Lake Golf Center.
- \$71,040,659 of Ballpark Sales Tax Fund cash and \$1,175,716 of General Debt Service Fund cash is restricted for purposes specified by Minnesota Statutes, section 473.757.
- \$302,614,388 of Other Sales Tax Fund cash is restricted for purposes specified by Minnesota Statutes, section 297A.993.
- \$1,283,619 of HRA cash is held by the Minnesota Housing Finance Agency and is restricted for specific housing projects.
- \$610,571 of RRA restricted cash is restricted because it is held for a separate legal entity.
- \$350,000 of Capital Projects Fund cash is held by an escrow agent related to agreements to purchase properties.

Proprietary Funds:

- \$500,000 Hennepin Health cash restricted by Minnesota Statutes, section 62D.041 for protection in the event of insolvency.
- \$18,372,064 Solid Waste Fund Environmental Response Program cash restricted for purposes specified by Minnesota Statutes, section 383B.81.
- \$77,707,571 Medical Center cash and investments restricted for purposes specified by donors and grantors.

Notes to the Basic Financial Statements

December 31, 2024

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions and Transfers In	Deletions and Transfers Out	Balance December 31, 2024
Governmental Activities:				
Non-depreciable capital assets:				
Art & historical treasures	\$ 5,314,333	\$ 16,440	\$ -	\$ 5,330,773
Land	102,099,067	-	-	102,099,067
Construction in progress	134,000,928	140,120,640	(79,998,969)	194,122,599
	<u>241,414,328</u>	<u>140,137,080</u>	<u>(79,998,969)</u>	<u>301,552,439</u>
Depreciable or amortized capital assets:				
Buildings	1,064,950,493	644,731	-	1,065,595,224
Equipment	181,542,895	21,786,809	(13,253,401)	190,076,303
Software	18,427,653	-	-	18,427,653
Library books and materials	36,058,551	5,065,966	(6,145,268)	34,979,249
Leasehold improvements	14,634,716	-	-	14,634,716
Land improvements	34,407,004	75,462	-	34,482,466
Infrastructure	1,862,773,686	66,899,181	(3,549,739)	1,926,123,128
Right-to-use leased buildings	41,459,893	5,799,111	(3,725,814)	43,533,190
Right-to-use leased equipment	1,573,291	-	(1,573,291)	-
Right-to-use software subscriptions	14,447,903	-	(5,574,894)	8,873,009
	<u>3,270,276,085</u>	<u>100,271,260</u>	<u>(33,822,407)</u>	<u>3,336,724,938</u>
Less accumulated depreciation or amortization:				
Buildings	498,466,522	20,382,491	-	518,849,013
Equipment	127,236,429	15,706,875	(13,233,809)	129,709,495
Software	18,427,651	-	-	18,427,651
Library books and materials	21,036,601	4,997,036	(6,145,268)	19,888,369
Leasehold improvements	14,634,717	-	-	14,634,717
Land improvements	26,229,551	1,603,435	-	27,832,986
Infrastructure	579,478,377	25,381,139	(2,573,464)	602,286,052
Right-to-use leased buildings	7,181,637	3,076,612	(1,577,470)	8,680,779
Right-to-use leased equipment	367,914	-	(367,914)	-
Right-to-use software subscriptions	4,236,571	1,448,235	(2,110,758)	3,574,048
	<u>1,297,295,970</u>	<u>72,595,823</u>	<u>(26,008,683)</u>	<u>1,343,883,110</u>
Depreciable or amortized capital assets, net	<u>1,972,980,115</u>	<u>27,675,437</u>	<u>(7,813,724)</u>	<u>1,992,841,828</u>
Governmental activities capital assets, net	\$ 2,214,394,443	\$ 167,812,517	\$ (87,812,693)	\$ 2,294,394,267

Within governmental activities, land valued at \$2,015,105 and building value at \$10,003,182 was transferred from the HRA (blended component unit) function to Human Services.

Notes to the Basic Financial Statements

December 31, 2024

5. CAPITAL ASSETS – continued

Capital asset activity for the year ended December 31, 2024 was as follows (continued):

	Balance January 1, 2024	Additions and Transfers In	Deletions and Transfers Out	Balance December 31, 2024
Business-type Activities:				
Non-depreciable capital assets:				
Art & historical treasures	\$ 1,119,486	\$ 308,985	\$ -	\$ 1,428,471
Land	56,749,593	-	-	56,749,593
Construction in progress	18,084,212	15,052,026	(4,661,786)	28,474,452
	<u>75,953,291</u>	<u>15,361,011</u>	<u>(4,661,786)</u>	<u>86,652,516</u>
Depreciable or amortized capital assets:				
Buildings	815,805,585	15,397,969	(5,386,148)	825,817,406
Equipment	429,188,655	23,719,251	(42,193,256)	410,714,650
Software	8,436,892	798,863	(851,900)	8,383,855
Leasehold improvements	28,597,120	1,566,503	(1,487,588)	28,676,035
Land improvements	1,893,908	-	-	1,893,908
Right-to-use leased buildings	15,756,593	-	(3,096,886)	12,659,707
Right-to-use leased equipment	17,805,932	1,170,269	(2,006,350)	16,969,851
Right-to-use software subscriptions	40,804,036	13,891,764	(2,667,759)	52,028,041
	<u>1,358,288,721</u>	<u>56,544,619</u>	<u>(57,689,887)</u>	<u>1,357,143,453</u>
Less accumulated depreciation or amortization:				
Buildings	494,898,421	24,068,897	(4,149,871)	514,817,447
Equipment	323,071,353	22,307,975	(40,708,598)	304,670,730
Software	7,017,620	654,323	(727,424)	6,944,519
Leasehold improvements	20,696,140	1,420,999	(1,113,575)	21,003,564
Land improvements	1,893,908	-	-	1,893,908
Right-to-use leased buildings	4,347,959	1,315,006	(470,482)	5,192,483
Right-to-use leased equipment	9,940,791	2,734,759	(2,006,350)	10,669,200
Right-to-use software subscriptions	19,693,224	11,858,261	(3,410,193)	28,141,292
	<u>881,559,416</u>	<u>64,360,220</u>	<u>(52,586,493)</u>	<u>893,333,143</u>
Depreciable or amortized capital assets, net	<u>476,729,305</u>	<u>(7,815,601)</u>	<u>(5,103,394)</u>	<u>463,810,310</u>
Business-type activities capital assets, net	<u>552,682,596</u>	<u>7,545,410</u>	<u>(9,765,180)</u>	<u>550,462,826</u>
Total Capital Assets, Net	<u>\$ 2,767,077,039</u>	<u>\$175,357,927</u>	<u>\$ (97,577,873)</u>	<u>\$ 2,844,857,093</u>

Depreciation and amortization expenses for each governmental function, including the relevant Internal Service Fund amounts, are shown in a separate column in the government-wide statement of activities. The governmental activities programs' depreciation and amortization expenses, excluding the Internal Service Funds' amounts, are Operations \$7,590,099; Human Services \$3,899,662; Health \$3,171,299; Law, Safety and Justice \$4,470,523; Public Works \$26,066,315; Resident Services \$11,696,885, RRA \$138,612; and HRA \$147,519.

Notes to the Basic Financial Statements

December 31, 2024

6. REVENUES AND RECEIVABLES

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

Fund	Delinquent Taxes Receivable	Due from Other Government Agencies	Accrued Investment Interest	Other Receivable	Allowance for Uncollectibles	Total Net Receivables
General	\$9,007,314	\$ 11,139,412	\$7,716,333	\$ 10,914,528	\$ (1,979,950)	\$ 36,797,637
Human Services	3,059,856	70,539,903	-	7,458,742	(965,292)	80,093,209
Ballpark Sales Tax	-	13,017,472	-	-	-	13,017,472
Other Sales Tax	-	43,007,910	-	-	-	43,007,910
HRA	177,178	50,690	-	60,094	(55,776)	232,186
RRA	322,504	-	-	255,429	(100,722)	477,211
General Debt Service	978,772	-	-	4,228	(306,890)	676,110
Capital Projects	24,444	46,427,647	335,655	12,474	(7,853)	46,792,367
Hennepin Health	-	-	-	28,427,079	(463,358)	27,963,721
Solid Waste	-	-	-	7,068,741	-	7,068,741
Medical Center	-	-	-	340,841,295	(96,377,658)	244,463,637
Nonmajor Enterprise	-	-	-	298,500	-	298,500
Internal Service	-	-	-	1,390,404	-	1,390,404
Total	\$13,570,068	\$184,183,034	\$8,051,988	\$396,731,514	\$(100,257,499)	\$502,279,105

Property tax liens attach on the first Monday of the year following property assessment. Tax levies are certified to the county auditor five business days after December 20 of the year the property is assessed. The taxes levied are payable in the following year in two equal installments. The amounts and due dates for taxes on real property are half on or before May 15 and the balance on or before October 15. Personal property taxes are due in one installment on May 15. The amount of the allowance for uncollectible delinquent taxes is an estimate based on historical collection experience. Estimated uncollectible delinquent taxes total \$3,416,483 in the governmental funds.

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

	2024
Gross patient charges	\$ 3,660,634,312
Deductions from gross patient charges	(2,141,344,339)
Intergovernmental transfers	36,320,675
Uncompensated care reimbursements from County General Fund	38,000,000
Provision for bad debts	(255,694,676)
Net patient service revenue	\$ 1,337,915,972

Notes to the Basic Financial Statements

December 31, 2024

6. REVENUES AND RECEIVABLES – continued

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

The Medical Center's gross 2024 patient charges and related year-end receivables by payor category as a percent of totals were approximately as follows:

	Accounts Receivable	Gross Charges
Commercial/other	40%	20%
Medicaid	31	43
Medicare	15	28
Self-pay	14	9
	<u>100%</u>	<u>100%</u>

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

- General Fund notes receivable related to lead abatement totaling \$225,819 are reported at \$203,237 after netting a \$22,582 allowance for uncollectible amounts.
- General Fund lease receivables are reported at \$6,709,658. Deferred inflows of resources associated with these leases totaling \$6,508,983 will be recognized as revenue over the remaining lease periods. The General Fund leases land and buildings to third parties with various terms and interest rates. Lease revenue totaling \$623,371 and interest revenue totaling \$168,116 were recognized during 2024 related to the leases.
- HRA Fund notes receivable of \$6,235,004 related to transit-oriented development and community asset transition fund loans are reported at \$4,676,253 after netting a \$1,558,751 allowance for uncollectible amounts.
- General Debt Service Fund notes receivable related to the County's provision of assistance to the Minnehaha Watershed District in obtaining more favorable financing terms total \$5,905,000. The County issued G.O. bonds and loaned the proceeds to the Watershed District. The Watershed levies property taxes for repayment.
- Solid Waste Fund Brownfield Cleanup Revolving Loans total \$1,670,864. Repayments of principal and interest are used to provide additional loans for this purpose.
- Other receivables of \$13,732,308 are reported in the Medical Center Fund, including those related to the Hennepin Health Foundation.

Notes to the Basic Financial Statements

December 31, 2024

6. REVENUES AND RECEIVABLES – CONTINUED

Opioid Settlements. The County is a participating government in opioid settlements with pharmaceutical manufacturers, distributors, and pharmacy chains. The County will receive payments subject to the Minnesota State-Subdivision Memorandum of Agreement, which provides that opioid settlement funds shall not be considered funds of the State or any participating local government until each distribution is made. Therefore, the County does not report receivables related to the settlements. The County is expecting to receive approximately \$49,912,192 over the next 14 years, and the revenues will be recognized in the year distribution is made. For the year ended December 31, 2024, the county received \$12,505,575 related to the settlements. Unspent opioid settlement revenues will be restricted for future eligible costs relating to the impacts of opioid addiction.

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

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

- A total of \$12,990,913 is outstanding at year-end for 646 single-family home rehabilitation projects funded under the federal **Community Development Block Grant (CDBG)** deferred loan program. The original terms of these loans generally range from 10 to 30 years, and the loans will be forgiven and become grants if the homeowners remain in their homes for the full term of the loan.
- The **Home Investments Partnership (HOME)** federal program focuses on meeting affordable housing needs by funding certain rental housing development and home ownership activities. As of December 31, there are 367 deferred HOME loans outstanding, with original terms ranging from 20 to 30 years. Loans totaling \$9,263,224 will be forgiven at the end of the loan period if all program conditions are met. Loans totaling \$33,291,660 are expected to be repaid or refinanced with extended terms at their due date.

The HRA is the administrator of the following loan programs:

- The **Affordable Housing Incentive Fund Program** assists municipalities, government and nonprofit agencies, private and nonprofit housing developers, and lenders in the development of affordable housing. As of December 31, there are 168 loans outstanding, with original terms ranging from 10 to 55 years. Loans totaling \$7,677,706 are underwritten with no interest payments and will be forgiven at the end of the loan period if all program conditions are met. Deferred loans totaling \$52,058,749 are expected to be repaid or refinanced with extended terms at their due date.
- **Supportive Housing Program** deferred loans have original terms ranging from 40 to 50 years. Fourteen loans totaling \$11,267,511 provide targeted capital assistance to client-focused housing. These loans are expected to be repaid or refinanced with extended terms at their due date.
- The **Equitable Housing Recovery Program** increases affordable multifamily housing production, increases properties supporting affordable housing along the housing continuum, and provides homebuyer assistance to targeted populations that were disproportionately impacted by the COVID-19 public health emergency. As of December 31, there are 20 deferred loans outstanding, with original terms ranging from 50 to 55 years. Loans totaling \$1,024,250 will be forgiven at the end of the loan period if all program conditions are met. Loans totaling \$27,789,366 are expected to be repaid or refinanced with extended terms at their due date.
- The **Single Room Occupancy Program** assists housing operators in the provision of affordable rent to the County's most vulnerable populations. As of December 31, there are two deferred loans totaling \$9,400,000 outstanding, with original 30-year terms. The loans will be forgiven at the end of their loan period if all program conditions are met.

Notes to the Basic Financial Statements

December 31, 2024

6. REVENUES AND RECEIVABLES – CONTINUED

Property Assessed Clean Energy (MinnPACE) Loan Program. The County has entered into an agreement with the Saint Paul Port Authority to facilitate the implementation and administration of the MinnPACE loan program. Through this program, qualifying commercial building owners within the County can receive loans from the Port Authority for the purpose of financing energy efficiency and conservation building improvement projects. While the County is not liable for the repayment of the loans in any manner, it does have certain responsibilities under the agreement. By participating, the County has agreed to: (1) levy assessments against the related properties in accordance with the loan agreements between the Port Authority and property owners, (2) collect scheduled assessment payments, and (3) transfer all collections to the Port Authority. The County has met those responsibilities for 2024, and at year-end the County Fiduciary Fund reports outstanding MinnPACE loans totaling \$63,696,175.

7. COMMITMENTS

Light Rail, Commuter Rail, and Bus Rapid Transit. Commitments for the capital costs of light rail and bus rapid transit projects will be paid from future property tax revenues received by the RRA, as well as debt with debt service paid from future RRA Fund property tax revenues.

As of December 31, the RRA has committed to expend:

- \$149,600,000 for the Bottineau (METRO Blue Line Extension) light rail transit project capital costs. The RRA has contributed \$57,775,930 to the project and the remaining commitment is \$91,824,070.
- \$12,790,000 for the Orange Line bus rapid transit project capital costs. The RRA has contributed \$4,750,000 to the project and the remaining commitment is \$8,040,000.

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

As of December 31, the County has committed to expend:

- \$1,082,940,256 for the Southwest (METRO Green Line Extension) light rail transit project capital costs. The County has contributed \$870,441,203 to the project and the remaining commitment is \$212,499,053.
- \$530,100,000 for the Bottineau (METRO Blue Line Extension) light rail transit project capital costs. The County has contributed \$56,562,451 to the project and the remaining commitment is \$473,537,549.
- \$24,868,488 for the Orange Line bus rapid transit project capital costs. The County has contributed \$21,479,489 to the project and the total remaining commitment is \$3,388,999.

Solid Waste Facilities. The County is obligated under service agreements to make certain payments and supply solid waste to seven solid waste facilities. Payments are being made from Solid Waste Fund user charges. Future expenses are expected to be \$17,198,402 in 2025, \$11,431,739 in 2026, and \$7,821,545 in each year beginning in 2027 through 2033.

Notes to the Basic Financial Statements

December 31, 2024

8. INTERFUND BALANCES AND ACTIVITY**Interfund Balances** on December 31, 2024, consisted of the following:

Fund Due From	Fund Due To	Purpose	Amount
Between Funds Within Business-type Activities:			
Medical Center	Nonmajor Enterprise	Radio communications services	70,570
Between Governmental Activities and Business-type Activities:			
General	Medical Center	Medical services, investment earnings and support of uncompensated care,	4,154,569
Human Services	Medical Center	Medical services	669,668
Hennepin Health	Human Services	Risk-share arrangement	1,030,988
Medical Center	General	Legal services, public safety services	515,201
Medical Center	Human Services	Human services	694,696
Medical Center	Internal Service	Provision of heat to buildings, workers' compensation, technology services	3,536,607
			<u>\$10,672,299</u>

Interfund transfers during 2024 consisted of the following:

Fund Transferred From	Fund Transferred To	Purpose	Amount
Between Funds Within Governmental Activities:			
General	Human Services	Pandemic recovery programs	\$ 43,310,402
General	HRA	Pandemic recovery programs	11,031,332
General	Capital Projects	Pandemic recovery programs	422,130
General	Internal Service Fund	Pandemic recovery programs	92,429
Ballpark Sales Tax	General	Sales tax support of youth sports	5,152,082
Ballpark Sales Tax	General Debt Service	Sales tax support of Ballpark debt service	9,870,421
Other Sales Tax	Capital Projects	Sales tax support of transportation projects	117,790,151
Other Sales Tax	General Debt Service	Sales tax support of debt service	28,081,500
Other Sales Tax	Capital Projects	Metro area funding for transportation projects	1,772,438
Other Sales Tax	Human Services	Metro area funding for eviction prevention	5,489,210
Capital Projects	HRA	Support of the HRA Community Asset Transition Fund	3,000,000
Internal Service Fund	General	Withdrawals from leaseback program	979,985
Internal Service Fund	Human Services	Withdrawals from leaseback program	167,796
			<u>\$227,159,876</u>

Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2024

9. LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended December 31, 2024, are shown in the table below. Long-term liabilities of the internal service funds are included in governmental activities. The Schedule of Changes in Long-term Debt (page 134) provides additional detail on bonds.

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
G.O. bonds – levy supported RRA limited authority	\$ 868,924,263	\$200,000,000	\$(63,564,743)	\$1,005,359,520	\$ 52,823,536
G.O. bonds	81,665,000	-	(4,720,000)	76,945,000	4,965,000
G.O. bonds – non-levy supported	316,235,000	-	(13,300,000)	302,935,000	13,955,000
Unamortized premiums	210,194,808	32,496,468	(24,415,086)	218,276,190	-
G.O. bonds	1,477,019,071	232,496,468	(105,999,829)	1,603,515,710	71,743,536
Sales tax revenue bonds	42,215,000	-	(8,030,000)	34,185,000	8,570,000
Unamortized premiums	7,758,258	-	(1,489,618)	6,268,640	-
Revenue bonds	49,973,258	-	(9,519,618)	40,453,640	8,570,000
G.O. & revenue bonds	1,526,992,329	232,496,468	(115,519,447)	1,643,969,350	80,313,536
Lease payables	29,852,696	5,799,111	(6,153,126)	29,498,681	4,799,304
Subscription payables	8,059,068	-	(3,552,551)	4,506,517	792,826
Compensated absences ¹	129,470,163	12,543,408	-	142,013,571	12,100,000
Governmental Activities	1,694,374,256	250,838,987	(125,225,124)	1,819,988,119	98,005,666
Business-type Activities:					
G.O. bonds Solid Waste	35,912,875	-	(1,832,347)	34,080,528	1,888,079
G.O. bonds Medical Center	160,527,862	-	(6,517,910)	154,009,952	6,923,384
G.O. bonds – levy supported	196,440,737	-	(8,350,257)	188,090,480	8,811,464
Lease payables	22,220,787	1,570,879	(4,419,049)	19,372,617	4,543,734
Subscription payables	15,928,064	12,891,566	(12,646,429)	16,173,201	7,148,808
Compensated absences ¹	49,815,324	2,381,398	-	52,196,722	2,325,875
Business-type Activities	284,404,912	16,843,843	(25,415,735)	275,833,020	22,829,881
Government-wide	\$1,978,779,168	\$267,682,830	\$(150,640,859)	\$2,095,821,139	\$120,835,546

¹. The compensated absences additions shown above are the net changes.

10. DEBT SERVICE REQUIREMENTS

General obligation (G.O.) bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as 20-year serial bonds with varying amounts of principal maturing each year. The County issues G.O. bonds to provide funds for the acquisition and construction of major capital facilities included in the County's annual five-year capital improvement program. During the year, \$200,000,000 of series 2024A G.O. bonds were issued to finance the County's capital improvements.

Sales tax revenue bonds are issued when sales tax revenue is the sole source of funding pledged to pay debt service. Pledged revenue derived from a 0.15% Hennepin County sales tax is used to pay the debt service of the County's Ballpark Revenue Bonds. The revenue bonds were issued for the construction of Target Field in Minneapolis, the home of the Minnesota Twins. Target Field is owned by the Minnesota Ballpark Authority, which is not a County agency or component unit.

Notes to the Basic Financial Statements

December 31, 2024

10. DEBT SERVICE REQUIREMENTS – CONTINUED

Sales tax revenue bonds (continued). At year-end, \$43,067,500 of total remaining Ballpark Revenue Bond principal and interest was expected to be paid from future sales tax collections through 2032. The principal and interest paid during the current year totaled \$10,140,750 and pledged net sales tax revenues received were \$45,212,241. To the extent that sales tax revenues are available each year after payment of debt service, other allowable payments may occur. In addition to use for debt service and for sales tax collection fees, the sales tax revenues may be used 1) to pay for certain operating costs of the Ballpark Authority, 2) to establish and annually fund a reserve fund for capital improvements to the Ballpark, and 3) to make certain expenditures and grants for youth activities and amateur sports and extended library hours.

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

G.O. Bonds			Sales Tax Revenue Bonds		
	Principal	Interest	Principal	Interest	Total
Governmental Activities:					
2025	\$ 71,743,536	\$ 69,817,978	\$ 8,570,000	\$ 1,709,250	\$ 151,840,764
2026	78,349,020	66,279,779	-	1,280,750	145,909,549
2027	79,003,734	62,407,264	-	1,280,750	142,691,748
2028	80,706,808	58,484,072	-	1,280,750	140,471,630
2029	79,323,438	54,476,280	-	1,280,750	135,080,468
2030-34	411,978,816	213,259,822	25,615,000	2,050,250	652,903,888
2035-39	438,155,319	100,792,965	-	-	538,948,284
2040-44	145,978,849	18,438,439	-	-	164,417,288
	1,385,239,520	643,956,599	34,185,000	8,882,500	2,072,263,619
Business-type Activities:					
2025	8,811,464	5,603,197	-	-	14,414,661
2026 ¹	9,145,980	5,339,493	-	-	14,485,473
2027	9,436,266	5,065,791	-	-	14,502,057
2028	9,728,193	4,783,298	-	-	14,511,491
2029	10,036,562	4,491,962	-	-	14,528,524
2030-34	55,091,183	17,754,333	-	-	72,845,516
2035-39	61,409,681	9,054,847	-	-	70,464,528
2040-44	24,431,151	1,086,584	-	-	25,517,735
	188,090,480	53,179,505	-	-	241,269,985
	\$1,573,330,000	\$ 697,136,104	\$ 34,185,000	\$ 8,882,500	\$2,313,533,604

¹ Interest on variable rate debt is computed using the interest rate effective on December 31. Interest rates on the County's variable rate debt are set by the remarketing agent and are reset weekly. The standby bond purchase agreement that supports the general obligation variable bonds series 2017B expires October 1, 2026. If renewal or substitution efforts are unsuccessful and the bonds are mandatorily redeemed under the terms of the liquidity facility, 2026 debt service for governmental activities' G.O. bond principal will be \$122,109,020 rather than the \$78,349,020 shown in the table above for the year 2026. The standby bond purchase agreement that supports the general obligation variable rate bonds series 2018B expires October 30, 2026. If renewal or substitution efforts are unsuccessful and the bonds are mandatorily redeemed under the terms of the liquidity facility, 2026 debt service for governmental activities' G.O. bond principal will be \$162,434,020 rather than the \$78,349,020 shown in the table above for the year 2026.

Notes to the Basic Financial Statements

December 31, 2024

10. DEBT SERVICE REQUIREMENTS – CONTINUED

Commercial paper. Taxable commercial paper may be issued by the County to be used as a liquidity instrument pursuant to the County Board-authorized \$250,000,000 commercial paper program. Under the same Board-authorized program, tax-exempt commercial paper may also be issued to provide short-term financing of the adopted capital improvement plan. During 2024, tax-exempt commercial paper was issued as shown below:

Date of Issuance	Par Amount	Interest Rate	Maturity Date
March 5, 2024	\$ 40,000,000	3.55%	June 4, 2024
March 7, 2024	\$ 40,000,000	3.55%	June 6, 2024
June 4, 2024	\$ 55,000,000	3.60%	September 5, 2024
June 6, 2024	\$ 55,000,000	3.58%	September 12, 2024
September 5, 2024	\$ 55,000,000	3.18%	December 10, 2024
September 12, 2024	\$ 55,000,000	3.30%	December 17, 2024

Lease Payables. The County has lease obligations for various buildings, equipment, and vehicles. These liabilities are discounted at rates ranging from 0.41% to 3.90%. Annual debt service requirements relating to the minimum lease payments are as follows:

	Governmental Activities:		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 4,799,304	\$ 520,118	\$ 4,543,734	\$ 509,599
2026	4,000,593	420,994	4,368,369	383,055
2027	1,873,547	365,932	2,376,101	273,918
2028	1,941,339	331,136	1,503,219	222,611
2029	1,765,845	297,896	1,586,719	175,712
2030-2034	6,932,041	1,067,538	4,994,476	277,564
2035-2039	3,386,115	621,705	-	-
2040-2044	2,724,345	348,135	-	-
2045-2049	2,075,552	75,182	-	-
	<u>\$ 29,498,681</u>	<u>\$ 4,048,636</u>	<u>\$ 19,372,617</u>	<u>\$ 1,842,459</u>

Subscription Payables. The County has entered into various subscription-based IT arrangements for software. The liabilities related to these agreements are discounted at rates ranging from 0.20% to 3.60%. Annual debt service requirements related to the minimum subscription payments are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 792,826	\$ 76,746	\$ 7,148,808	\$ 383,769
2026	804,455	65,117	4,591,397	238,080
2027	816,292	53,280	2,086,480	135,687
2028	841,125	41,230	1,717,124	80,210
2029	301,685	30,670	629,393	33,983
2030-2033	950,133	46,932	-	-
	<u>\$ 4,506,516</u>	<u>\$ 313,975</u>	<u>\$ 16,173,202</u>	<u>\$ 871,729</u>

Notes to the Basic Financial Statements

December 31, 2024

11. HOUSING AND REDEVELOPMENT AUTHORITY CONDUIT FINANCING

In support of housing, the HRA has issued, or acted as an agent for, various debt instruments (e.g., revenue bonds, refunding bonds, notes) for which the HRA has no legal obligation to make principal and interest payments. These conduit financings do not constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation. Conduit financings are special limited obligations of the HRA payable solely from amounts pledged by the agencies shown in the table below.

Conduit Financing, Agreement Date	Agreement(s) Not to Exceed	Balance December 31 2023	Balance December 31, 2024
Ebenezer York November 2015	\$14,385,000	\$ 11,029,876	\$ 10,543,297
Millworks Lofts April 2016	24,946,367	7,881,879	7,746,321
East Town Apartments December 2018	9,835,637	3,824,341	3,824,341
Redwell September 2019	16,065,000	14,465,472	14,253,148
Parkview Apartments September 2019	28,800,000	26,868,011	26,410,217
Fort Snelling Upper Post November 2020	88,000,000	88,000,000	35,153,621
Loring Towers April 2021	25,000,000	24,378,662	23,925,610
Peregrine Apartments December 2021	28,500,000	28,500,000	-
Stonehouse Square December 2021	14,042,600	13,923,924	-
Cornelia View July 2022	16,700,000	16,700,000	16,700,000
Currie Commons November 2022	29,912,000	29,572,998	29,912,000
Canvas Apartments November 2022	34,000,000	34,000,000	34,000,000
Oakland-Talmage June 2023	11,000,000	5,015,765	-
Whittier Community Housing July 2023	16,560,000	2,041,446	6,867,966
Labor Retreat October 2023	9,525,000	9,525,000	-
Olson Court Park Plaza May 2024	35,635,000	-	9,876,711
	<u>\$402,906,604</u>	<u>\$315,727,374</u>	<u>\$219,213,232</u>

Notes to the Basic Financial Statements

December 31, 2024

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

In addition to unassigned fund balance, governmental fund balance classifications and the constraints imposed on the uses of those resources are shown in the table below. Fund balance classifications are described in greater detail in the Fund Balance and Net Position section of Note 1.

Fund and Purpose	Classification and Amount at December 31, 2024			
	Nonspendable	Restricted	Committed	Assigned
General:				
Inventories	\$ 2,658,064			
Endowments	2,046,729			
Prepays	4,425,923			
Grant requirements		\$ 7,399,713		
Statutory requirements - primarily relating to youth sports, extended library hours & County Recorder technology		18,252,053		
Donor requirements specific to media category or library location		4,738,307		
Subsequent year's budget - appropriation of fund balance including carryovers				\$ 101,325,891
Human Services:				
Prepays	649,350			
Grant requirements		9,953,533		
Opioid Settlement		12,998,586		
Public assistance, poor relief, & categories under the federal Social Security Act			\$ 175,066,116	
Ballpark Sales Tax:				
Debt service & statutory requirements		79,154,573		
Other Sales Tax:				
Transportation statutory requirements		319,042,465		
Affordable Housing statutory requirements		10,406,123		
HRA:				
Prepays	36,534			
Land held for resale		2,700,000		
HRA general expenditures		50,159,102		
RRA:				
RRA general expenditures		102,479,165		
RRA Debt Service:				
Debt service		170,267		
General Debt Service:				
Debt service		7,498,129		
General Capital Projects:				
Bond requirements		18,284,623		
Governmental Funds	<u>\$ 9,816,600</u>	<u>\$ 643,236,639</u>	<u>\$ 175,066,116</u>	<u>\$ 100,325,891</u>

Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2024

13. PROPERTY TAX ABATEMENTS

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

In the case of the County, TIF agreements of other local governments may have resulted in reductions of County property tax revenues for the year ended December 31, 2024, as shown below:

<u>Tax Abatement Program</u>	<u>Taxes Abated</u>
Tax Increment Financing:	
City of Minneapolis	\$ 2,923,587
City of Richfield	1,230,588
City of Eden Prairie	1,184,899
Bloomington Port Authority	1,127,251
Wayzata Housing & Redevelopment Authority	982,682
City of Minnetonka	762,818
Thirteen other cities and authorities	2,650,668
	<u>\$ 10,862,493</u>

14. RISK MANAGEMENT

A. Risk Management – Excluding the Medical Center

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

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

Outstanding and incurred but not reported (IBNR) tort claims are evaluated through a combination of case-by-case reviews and application of historical experience. Estimated tort liabilities totaling \$650,000 are reported in accounts and contracts payable in the Self Insurance fund at year-end. This estimated amount is expected to be paid within one year. In addition to the estimated tort liability, the County has determined that it is reasonably possible that other claims may result in approximately \$1,750,000 of adverse judgments against the County. Because of the uncertainty of their outcome, no loss has been accrued for these claims.

Notes to the Basic Financial Statements

December 31, 2024

14. RISK MANAGEMENT – CONTINUED**A. Risk Management – Excluding the Medical Center – continued**

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

	<u>2024</u>	<u>2023</u>
Estimated liability at beginning of year	\$ 650,000	\$ 500,000
Estimated incurred claims (including IBNR)	2,751,761	1,504,680
Claim payments	<u>(2,751,761)</u>	<u>(1,354,680)</u>
Estimated liability at end of year	<u>\$ 650,000</u>	<u>\$ 650,000</u>

Workers' Compensation Claims. The County is self-insured for workers' compensation. The County carries reinsurance for claims in excess of \$2,000,000 per occurrence. During 2024, \$4,576,473 in benefits and administrative costs were paid and charged to the workers' compensation liability account. The liability reported on December 31, 2024 was \$15,308,500. The liability amount is between the high and low actuarial estimates of the remaining ultimate claim costs. Outstanding and IBNR claims are evaluated through a combination of case-by-case reviews and application of historical experience. The estimate of outstanding and IBNR claims is reviewed by an independent actuary.

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

	<u>2024</u>	<u>2023</u>
Estimated liability at beginning of year	\$13,450,000	\$ 12,876,000
Estimated incurred claims (including IBNR)	6,434,973	9,702,773
Claim payments and expenses	<u>(4,576,473)</u>	<u>(9,128,773)</u>
Estimated liability at end of year	<u>\$ 15,308,500</u>	<u>\$ 13,450,000</u>

Property Claims. Commercial property insurance is carried for the County and Medical Center's buildings and contents, subject to deductible amounts. Settled claims from insured losses did not exceed commercial insurance coverage in 2024.

B. Risk Management – Medical Center

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

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

Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2024

14. RISK MANAGEMENT – continued

B. Risk Management – Medical Center – continued

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

	<u>2024</u>	<u>2023</u>
Estimated liability at beginning of year	\$ 4,982,303	\$ 4,589,479
Estimated incurred claims (including IBNR)	8,596,096	1,984,950
Claims payments and expenses	<u>(4,207,249)</u>	<u>(1,592,126)</u>
Estimated liability at end of year	<u>\$ 9,371,150</u>	<u>\$ 4,982,303</u>

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

	<u>2024</u>	<u>2023</u>
Estimated liability at beginning of year	\$ 13,365,882	\$ 16,655,515
Estimated incurred claims (including IBNR)	6,470,283	2,153,173
Claims payments and expenses	<u>(4,536,165)</u>	<u>(5,442,806)</u>
Estimated liability at end of year	<u>\$ 15,300,000</u>	<u>\$ 13,365,882</u>

15. SELF-INSURED EMPLOYEE HEALTH PLANS

A. Employee Health Plan – Excluding the Medical Center

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

Notes to the Basic Financial Statements

December 31, 2024

15. SELF-INSURED EMPLOYEE HEALTH PLANS – continued**A. Employee Health Plan – Excluding the Medical Center – continued**

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

	<u>2024</u>	<u>2023</u>
Estimated liability at beginning of year	\$ 13,065,818	\$ 15,416,751
Estimated incurred claims (including IBNR)	182,506,956	160,590,140
Claim payments and expenses	<u>(186,811,554)</u>	<u>(162,941,073)</u>
Estimated liability at end of year	<u>\$ 8,761,221</u>	<u>\$ 13,065,818</u>

B. Employee Health Plan –Medical Center

Employee Health and Dental Claims are self-insured. The accrual for estimated claims includes estimates of the ultimate cost for IBNR claims and are based upon estimated cost of settlement. The Medical Center purchases reinsurance on a specific-case basis in order to reduce its liability on individual risks. All reinsurance contracts are excess-of-loss contracts, which indemnify the Medical Center for losses in excess of stated reinsurance policy limits. As of December 31, 2024 and 2023, the limits were \$600,000 for specific claims and were \$125,700,000 and \$120,577,810 for claims in the aggregate, respectively. A liability was recorded at year-end for estimated open and IBNR claims. Outstanding and IBNR claims are evaluated through a review of current year claims paid as well as claims paid subsequent to year-end. Changes in the employee health plan liability during the past two years are as follows:

	<u>2024</u>	<u>2023</u>
Estimated liability at beginning of year	\$ 6,999,621	\$ 5,385,943
Estimated incurred claims (including IBNR)	117,503,775	125,743,153
Claim payments and expenses	<u>(118,249,396)</u>	<u>(124,129,475)</u>
Estimated liability at end of year, net of imprest funds	<u>\$ 6,254,000</u>	<u>\$ 6,999,621</u>

16. CONTINGENCIES

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

Notes to the Basic Financial Statements

December 31, 2024

17. OTHER EMPLOYEE BENEFITS

A. Other Employee Benefits – Excluding the Medical Center

Compensated Absences. Under certain conditions, employees are compensated upon termination of employment for accumulated unpaid vacation, sick leave, and/or paid time off up to a maximum of 1,280 hours based on status/hire date. Payments to terminating employees for accumulated compensated absences totaled \$7,355,759 in 2024. The Other Employee Benefits internal service fund is used to account for these benefits and to liquidate the liability for the governmental funds. As of December 31, the liability for accumulated compensated absences totaled \$145,242,548. At the government-wide level, \$3,228,977 is reported in business-type activities. The remaining amount of \$142,013,571 is reported in governmental activities. The County has chosen the option of using an Internal Service Fund to account for the cost and liquidation of the governmental funds' compensated absences. As a result, the County reports these estimated earned and unused benefits on a full accrual basis. The liability related to compensated absences is based on accumulated balances that are more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Single-Employer Postemployment Healthcare Benefit Program

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

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

Benefits Provided. While they are under age 65, retirees may participate in the County's group health coverage program with access to the same health plan (and benefit levels) available to active employees. Qualifying retirees who were hired or rehired on or before January 1, 2008 receive a County contribution toward their health plan premium (an amount equal to that contributed to an active employee electing employee-only health coverage) until they reach age 65. Examples of qualifying criteria include requirements relating to hire date, age, length of service requirements, approval for a full retirement payment from an approved public sector retirement program, and other factors. If an employee was hired prior to July 1, 1989, they are eligible for retirement when the sum of their age and service equals 90.

This benefit is not available to non-organized employees beginning County employment after January 1, 2007, or to organized employees beginning County employment after January 1, 2008, except for former employees of the Minneapolis Public Library who became county employees on January 1, 2008. Additionally, this benefit is not available to employees who traded their eligibility for the retiree healthcare benefit for participation in a Health Care Savings Program (HCSP) through a one-time opt-out offered to organized employees hired prior to January 1, 2008.

Notes to the Basic Financial Statements

December 31, 2024

17. OTHER EMPLOYEE BENEFITS – continued**A. Other Employee Benefits – Excluding the Medical Center – continued****Single-Employer Postemployment Healthcare Benefit Program – continued**

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

Funding Policy. Assets for the postemployment healthcare benefits are not accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan. In 2024, the County paid eligible single premium amounts for the enrolled retirees described above, while these retirees contributed \$30.19 per month to the County for the benefit. Eligible retiree family members, as well as ineligible retirees, may pay their full premium to obtain coverage.

Employees Covered by Benefit Terms. At December 31, 2024 and 2023, the following employees were covered by the benefit terms:

	<u>2024</u>	<u>2023</u>
Inactive employees or beneficiaries currently receiving benefit payments	473	473
Active employees	<u>8,678</u>	<u>8,678</u>
	<u>9,151</u>	<u>9,151</u>

Actuarial assumptions and other inputs. The total OPEB liabilities as of December 31, 2024 and December 31, 2023 were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	<u>2024</u>	<u>2023</u>
Reporting date	December 31, 2024	December 31, 2023
Measurement date	December 31, 2023	December 31, 2022
Actuarial valuation date	December 31, 2023	December 31, 2021
Discount rate ¹	3.26%	3.72%
Salary increase rate ²	PERA	PERA
Healthcare cost trend rate	**	**
Inflation rate	PERA	PERA
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Straight Line	Straight Line
Amortization period	8.3 years	8.2 years

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

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

** A healthcare cost trend rate of 6.9%, decreasing to an ultimate rate of 3.7% in 2074 was used.

The OPEB liabilities as of December 31, 2024 and December 31, 2023 were based on the results of an actuarial experience study for the period of June 27, 2019 and July 14, 2020 for the PERA General and PERA Police and Fire Plans, respectively. Actuarial valuations include assumptions of future event and if the actual events differ from the assumptions made, the actual cost of the OPEB plan would change.

Notes to the Basic Financial Statements

December 31, 2024

17. OTHER EMPLOYEE BENEFITS – CONTINUED**A. Other Employee Benefits – Excluding the Medical Center – continued****Single-Employer Postemployment Healthcare Benefit Program – continued**

Changes in Total OPEB Liability during 2024 and 2023 were:

	<u>2024</u>	<u>2023</u>
Total OPEB liability, beginning	\$ 110,694,312	\$ 118,021,398
Changes for the year:		
Service cost	3,616,925	4,569,515
Interest	4,093,765	2,438,301
Liability Gains or Losses	(4,954,987)	-
Changes of assumptions or other inputs	17,044,887	(5,838,019)
Benefit payments	(8,606,155)	(8,496,883)
Total OPEB liability, ending	<u>\$ 121,888,747</u>	<u>\$ 110,694,312</u>

Changes of assumptions or other inputs reflect a change in the discount rate from 3.72% as of December 31, 2023, to 3.26% as of December 31, 2024.

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

	1% Lower	Current	1% Higher
	2.26%	Discount Rate	4.26%
	3.26%		
Total OPEB Liability	\$128,361,041	\$121,888,747	\$115,570,742

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

	1% Lower	Current	1% Higher
	5.9%	Trend Rate	7.9%
	decreasing to	6.9%	decreasing
	2.7%	decreasing to	to 4.7%
	3.7%		
Total OPEB Liability	\$112,687,822	\$121,888,747	\$132,247,865

Notes to the Basic Financial Statements

December 31, 2024

17. OTHER EMPLOYEE BENEFITS – CONTINUED**A. Other Employee Benefits – Excluding the Medical Center – continued****Single-Employer Postemployment Healthcare Benefit Program – continued**

OPEB expense and deferred outflow of resources and deferred inflows of resources related to OPEB. For the years ended December 31, 2024 and 2023, the County recognized OPEB expenses of \$7,614,129 and \$5,445,176, respectively. At December 31, 2024 and 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,289,922	(4,357,280)	\$ 5,462,231	\$ -
Changes of assumptions or other inputs	17,130,781	(13,167,688)	2,876,368	(16,629,325)
Employer contributions subsequent to the measurement date	9,550,000	-	8,606,000	-
	<u>\$ 30,970,703</u>	<u>\$ (17,524,968)</u>	<u>\$ 16,944,599</u>	<u>\$ (16,629,325)</u>

Employer contributions subsequent to the measurement date of December 31, 2023 of \$9,550,000, which are reported as deferred outflows of resources as of December 31, 2024, will be recognized as a reduction of the OPEB liability in the County's fiscal year ending December 31, 2025. Other amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2024, will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

Years ending December 31:	OPEB Expense Amount
2025	\$ (67,709)
2026	379,743
2027	379,743
2028	540,806
2029	243,114
Thereafter	2,420,038
	<u>\$ 3,895,735</u>

B. Other Employee Benefits – Medical Center

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

Compensated Absences. Medical Center compensated absences, including vacation and sick time, are reported as an expense and an accrued liability as the benefits are earned and expected to be paid. At December 31, the liability for accumulated compensated absences for all Medical Center employees totaled \$48,967,745.

17. OTHER EMPLOYEE BENEFITS – CONTINUED

B. Other Employee Benefits – Medical Center – Continued

Single-Employer Postemployment Healthcare Benefit Program

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

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

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

Funding policy. Retiree health care benefits are funded on a pay-as-you-go basis. Either the Medical Center’s Board or the County Board may change the funding policy at any time. In 2024, the Medical Center paid eligible single premium amounts for the enrolled retirees described above. Eligible retiree family members, as well as ineligible retirees, may pay their full premium to obtain coverage.

Employees Covered by Benefit Terms. At December 31, 2024 and 2023, the following employees were covered by the benefit terms:

	2024	2023
Inactive employees or beneficiaries currently receiving benefit payments	84	96
Active employees	6,395	6,096
	<u>6,479</u>	<u>6,192</u>

Notes to the Basic Financial Statements

December 31, 2024

17. OTHER EMPLOYEE BENEFITS – CONTINUED**B. Other Employee Benefits – Medical Center - continued****Single-Employer Postemployment Healthcare Benefit Program – continued**

Actuarial assumptions and other inputs. The total OPEB liabilities as of December 31, 2024 and December 31, 2023 were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	2024	2023
Reporting date	December 31, 2024	December 31, 2023
Measurement date	December 31, 2023	December 31, 2022
Actuarial valuation date	December 31, 2023	December 31, 2022
Discount rate ¹	3.26%	3.72%
Salary increase rate ²	PERA	PERA
Healthcare cost trend rate	**	**
Inflation rate	PERA	PERA
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Straight-Line	Straight-Line
Amortization period	9.0 years	9.1 years

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

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

** A healthcare cost trend rate of 7.1% decreasing to an ultimate rate of 3.8% in 2074 was used.

Changes in Total OPEB Liability during 2024 and 2023 were:

	2024	2023
Total OPEB liability, beginning	\$19,374,979	\$ 23,010,145
Changes for the year:		
Service cost	1,080,357	1,444,201
Interest	714,603	474,319
Liability Gains or Losses	521,590	-
Changes of assumptions or other inputs	1,223,627	(2,680,685)
Benefit payments	(2,514,017)	(2,873,001)
Total OPEB liability, ending	<u>\$ 20,401,139</u>	<u>\$ 19,374,979</u>

Changes of assumptions or other inputs reflect a change in the discount rate from 3.72% as of December 31, 2023, to 3.26% as of December 31, 2024.

Notes to the Basic Financial Statements

December 31, 2024

17. OTHER EMPLOYEE BENEFITS – CONTINUED**B. Other Employee Benefits – Medical Center - continued****Single-Employer Postemployment Healthcare Benefit Program – continued**

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

	1% Lower 2.26%	Current Discount Rate 3.26%	1% Higher 4.26%
Total OPEB Liability	\$21,954,373	\$20,401,139	\$18,932,575

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

	1% Lower 6.1% decreasing to 2.8%	Current Trend Rate 7.1% decreasing to 3.8%	1% Higher 8.1% decreasing to 4.8%
Total OPEB Liability	\$18,350,206	\$20,401,139	\$22,856,074

OPEB expense and deferred outflow of resources and deferred inflows of resources related to OPEB. For the years ended December 31, 2024 and 2023, the Medical Center recognized OPEB expense of \$1,004,172 and \$1,915,949, respectively. At December 31, 2024 and 2023, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$3,198,980	\$ (1,117,752)	\$ 3,183,027	\$ (1,359,168)
Changes of assumptions or other inputs	1,981,436	(8,183,309)	1,084,898	(9,565,407)
Employer contributions subsequent to the measurement date	2,473,015	-	2,514,017	-
	<u>\$7,653,431</u>	<u>\$ 9,301,061</u>	<u>\$ 6,781,942</u>	<u>\$ (10,924,575)</u>

Notes to the Basic Financial Statements

December 31, 2024

17. OTHER EMPLOYEE BENEFITS – CONTINUED**B. Other Employee Benefits – Medical Center - continued****Single-Employer Postemployment Healthcare Benefit Program – continued**

Employer contributions subsequent to the measurement date of December 31, 2023 of \$2,473,015, which are reported as deferred outflows of resources as of December 31, 2024, will be recognized as a reduction of the OPEB liability in the Medical Center's fiscal year ending December 31, 2025. Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2024, will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

<u>Years ending December 31:</u>	<u>2024</u>
2025	\$ (790,789)
2026	(779,999)
2027	(773,487)
2028	(778,902)
2029	(577,914)
Thereafter	(419,554)
	<u>\$ (4,120,645)</u>

The total OPEB expenses for all County plans including the Medical Center for the years ended December 31, 2024 and 2023 were \$8,618,301 and \$7,361,125, respectively.

18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS

Plan Description. The County participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

- 1. The General Employees Retirement Plan (General Plan)** Membership in the plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.
- 2. The Public Employees Police and Fire Retirement Plan (Police and Fire Plan)** includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service.
- 3. The Local Government Correctional Service Retirement Plan (Correctional Plan)** was established for correctional officers serving in county and regional corrections facilities. Eligible participants must be responsible for the security, custody, and control of the facilities and their inmates.

Notes to the Basic Financial Statements

December 31, 2024

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

Benefits Provided. PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the State Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is “vested,” they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

1. General Employees Plan Benefits are based on a member’s highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service.

For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989, or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

2. Police and Fire Plan Benefits members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a prorated increase.

Notes to the Basic Financial Statements

December 31, 2024

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

Benefits Provided (continued)

3. **Correctional Plan** Benefits members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Correctional Plan members receive 1.9% of highest average salary for each year of service. Correctional Plan members receive a full retirement benefit when they are age 55 and vested or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement begins at age 50 with an actuarial reduction applied to the benefit. Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100% of the COLA announced by SSA, with a minimum increase of 1% and a maximum of 2.5%. The 2024 annual increase was 2.5%. If the plan's funding status declines to 85% or below for two consecutive years or 80% for one year, the maximum will be lowered from 2.5% to 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

Contributions. Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

1. **General Employees Fund Contributions.** Plan members were required to contribute 6.5% of their annual covered salary in 2024 and the County was required to contribute 7.5% for General Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2024, were \$89,793,725. The County's contributions were equal to the required contributions as set by State statute.
2. **Police and Fire Fund Contributions.** Police and Fire members were required to contribute 11.8% of their annual covered salary and the County was required to contribute 17.7% of pay for plan members in 2024. The County's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$11,430,233. The County's contributions were equal to the required contributions as set by State statute.
3. **Correctional Fund Contributions.** Plan members were required to contribute 5.83% of their annual covered salary and the County was required to contribute 8.75% of pay for plan members in 2024. The County's contributions to the Correctional Fund for the year ended December 31, 2024, were \$3,597,314. The County's contributions were equal to the required contributions as set by State statute.

Pension Costs. As detailed in the three sections below, for the year ended December 31, 2024, the County recognized total pension expense of \$114,148,956 for all pension plans.

1. **General Employees Fund Pension Costs.** At December 31, 2024, the County reported a liability of \$501,636,114 for its proportionate share of the General Employees Fund's net pension liability. The County's net pension liability reflected a proportionate share of a reduction that was the result of the State's contribution of \$16,000,000 to the fund in 2024. The State is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State's proportionate share of the net pension liability associated with the County totaled \$12,971,282. For the year ended December 31, 2024, the County recognized pension expense of \$85,210,283 for its proportionate share of the General Employees Plan's pension expense.

Notes to the Basic Financial Statements

December 31, 2024

18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED**Pension Costs (continued)****General Employees Fund Pension Costs (continued)**

In addition, the County recognized an additional \$347,752 as pension expense (and grant revenue) for its proportionate share of the State's contribution of \$16,000,000 to the General Employees Fund. During the plan year that ended June 30, 2024, the State contributed \$170,093,000 to the General Employees Fund. The State is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170,093,000 in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The County recognized \$23,079,911 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024 relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 13.6% at the end of the measurement period and 13.3% for the beginning of the period.

County's proportionate share of the net pension liability	\$ 501,636,114
State's proportionate share of the net pension liability associated with the County	<u>12,971,282</u>
Total	<u>\$ 514,607,396</u>

At December 31, 2024, the County reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual economic experience	\$ 46,894,363	\$ -
Changes in actuarial assumptions	2,398,528	(187,546,680)
Net difference between projected and actual investment earnings	-	(146,100,875)
Changes in proportion	16,409,976	(4,841,955)
Contributions paid to PERA subsequent to measurement date	46,467,598	-
	<u>\$ 112,170,465</u>	<u>\$ (338,489,510)</u>

The \$46,467,598 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (contra expense) as follows:

Year Ended December 31	Pension Expense Amount
2025	\$ (152,585,977)
2026	(23,732,889)
2027	(58,020,373)
2028	(38,447,404)
	<u>\$ (272,786,643)</u>

Notes to the Basic Financial Statements

December 31, 2024

18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED**Pension Costs (continued)**

2. **Police and Fire Fund Pension Costs.** At December 31, 2024, the County reported a liability of \$57,288,585 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024 relative to the total employer contributions received from all of PERA's participating employers. The County's proportion share was 4.4% at the end of the measurement period and 4.0% for the beginning of the period.

The State of Minnesota contributed \$37,397,000 to the Police and Fire Fund in the 2024 plan year. The contribution consisted of \$9,000,000 in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19,397,000, and \$9,000,000 in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9,000,000 supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the State will pay \$9,000,000 to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9,000,000 in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90.0% funded, whichever occurs later. The State's proportionate share of the net pension liability associated with the County totaled \$2,183,819.

County's proportionate share of the net pension liability	\$ 57,288,585
State's proportionate share of the net pension liability associated with the County	<u>2,183,819</u>
Total	<u>\$ 59,472,404</u>

For the year ended December 31, 2024, the County recognized pension expense of \$20,957,400 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$244,260 as pension expense (and grant revenue) for its proportionate share of the State's contribution of \$9,000,000 in direct state aid that meets the definition of a special funding situation.

The County also recognized \$1,236,556 as revenue with an offsetting reduction of net pension liability for its proportionate share of the State's \$28,397,000 in supplemental aid that does not meet the definition of a special funding situation. At year end, the County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual economic experience	\$ 21,078,861	\$ -
Changes in actuarial assumptions	58,053,319	(83,792,008)
Net difference between projected and actual investment earnings	-	(17,822,434)
Changes in proportion	7,181,598	(4,414,896)
Contributions paid to PERA subsequent to measurement date	5,950,756	-
	<u>\$92,264,534</u>	<u>\$ (106,029,338)</u>

Notes to the Basic Financial Statements

December 31, 2024

18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED**Pension Costs (continued)*****Police and Fire Fund Pension Costs (continued)***

The \$5,950,756 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (contra expense) as follows:

Year Ended December 31	Pension Expense Amount
2025	\$ (1,941,218)
2026	13,597,044
2027	(7,220,481)
2028	(20,257,247)
2029	(3,893,658)
	<u>\$ (19,715,560)</u>

1. **Correctional Plan Pension Costs.** At December 31, 2024, the County reported a liability of \$4,900,071 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024 relative to the total employer contributions received from all of PERA's participating employers.

The County's proportionate share was 16.1% at the end of the measurement period and 17.0% at the beginning of the period. The County recognized \$845,027 as revenue with an offsetting reduction of net pension liability for its proportionate share of the State's \$5,256,000 in direct aid that does not meet the definition of a special funding situation.

For the year ended December 31, 2024, the County recognized pension expense of \$7,389,261 for its proportionate share of the Correctional Plan's pension expense. At year end the County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual economic experience	\$ 3,552,244	\$ -
Changes in actuarial assumptions	-	(17,511,692)
Net difference between projected and actual investment earnings	-	(7,493,783)
Changes in proportion	1,396,623	(406,964)
Contributions paid to PERA subsequent to measurement date	1,790,939	-
	<u>\$ 6,739,806</u>	<u>\$ (25,412,439)</u>

Notes to the Basic Financial Statements

December 31, 2024

18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED**Pension Costs – continued.*****Correctional Plan Pension Costs – continued.***

The \$1,790,939 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (contra expense) as follows:

Year Ended December 31	Pension Expense Amount
2025	\$ (18,480,133)
2026	2,489,631
2027	(2,641,612)
2028	(1,831,458)
	<u>\$ (20,463,572)</u>

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions:

	General Employees Fund	Police and Fire Fund	Correctional Fund
Inflation	2.25%	2.25%	2.25%
Benefit Increases after retirement	1.25%	1.0%	2.0%
Investment Rate of Return	7.0%	7.0%	7.0%

The total pension liability in the June 30, 2024 actuarial valuation was determined using an individual entry-age normal actuarial cost method. Salary increases were based on a service-related table. Salary growth assumptions in the General Employees Plan range in annual increments from 11.25% after one year of service to 3.00% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.00% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.00% at age 20 to 3.0% at age 60.

Mortality rates for active members, retirees, survivors, and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan and Pub-2010 Public Safety Mortality table for the Police and Fire Plan and the Correctional Plan. The tables are adjusted slightly to fit PERA's experience.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

Notes to the Basic Financial Statements

December 31, 2024

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

Actuarial Assumptions – continued

The following changes in actuarial assumptions and plan provisions occurred in 2024:

1. *General Employees Fund*

Changes in actuarial assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions

2. *Police and Fire Fund*

Changes in Plan Provisions:

- The State contribution of \$9,000,000 per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9,000,000 contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).
-

3. *Correctional Fund.*

Changes in plan provisions:

- Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.
- Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.
- The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.

Notes to the Basic Financial Statements

December 31, 2024

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
	100.0%	

Discount Rate. The discount rate used to measure the total pension liability in 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, Police and Fire, and Correctional Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of Net Pension Liability (Asset) at Different Discount Rates (in thousands)						
	General Employees Fund		Police and Fire Fund		Correctional Fund	
1.0% lower	6.0%	\$ 1,095,654,003	6.0%	\$ 135,384,113	6.0%	\$ 39,819,061
Current %	7.0%	501,636,114	7.0%	57,288,585	7.0%	4,900,071
1.0% higher	8.0%	13,002,218	8.0%	(6,844,188)	8.0%	(22,918,337)

Pension Plan Fiduciary Net Position.

In 2024, County governmental activities' pension liabilities were liquidated at a rate of approximately 59.0% General Fund, 36.0% Human Services Fund, and 5.0% Internal Service Funds.

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

Notes to the Basic Financial Statements

December 31, 2024

18. EMPLOYEE RETIREMENT SYSTEMS – PERA DEFINED BENEFIT PENSION PLANS – CONTINUED**Public Employees Defined Contribution Plan (Defined Contribution Plan)**

Effective January 1, 2009, the Medical Center established a 401(a)-retirement plan, as a PERA alternative, for certain employees hired on or after that date. The plan requires a 6.0% employer contribution, which totaled approximately \$3,568,462 and \$4,032,277 in 2024 and 2023, respectively. Effective January 1, 2012, a 401(a)-retirement plan was made available to certain physicians. Contributions are based upon a percentage of eligible employees' compensation and totaled approximately \$11,547,946 and \$10,066,379 in 2024 and 2023, respectively.

19. NEW ACCOUNTING PRONOUNCEMENTS**Accounting Standards Adopted in the Current Year**

GASB Statement No. 99, *Omnibus 2022* requirements relating to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, was adopted by the County on January 1, 2024 and there was no impact on previously reported net position or fund balance.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, establishing consistent requirements for these accounting and financial reporting situations, was adopted by the County on January 1, 2024 and there was no impact on previously reported net position or fund balance.

GASB Statement No. 101, *Compensated Absences*, updated recognition and measurement guidance for compensated absences, and was adopted by the County on January 1, 2024. The implementation resulted in the recognition of liabilities for certain leave hours that employees have earned and may use, however, they will not receive compensation for unused hours upon termination. Prior to the new accounting requirements, no liability was reported for these hours. As a result of the adoption, previously reported compensated absences liabilities were restated for the Hennepin Health Fund, Solid Waste Fund, Medical Center Fund and business-type activities with a \$1,642,399 total increase in the liabilities. Previously reported compensated absences liabilities were restated for the internal service funds and governmental activities, with a \$15,504,680 total increase in the liabilities. The impact on previously reported net position relating to the year ended December 31, 2023 for each affected opinion unit is shown below.

	Net Position		
	Previously Reported	Adjustment	As Restated
Governmental Activities	\$ 1,197,477,011	\$ (15,504,680)	\$ 1,181,972,331
Internal Service Funds	145,096,462	(15,504,680)	129,591,782
Business-type Activities	340,393,498	(1,642,399)	338,751,099
Hennepin Health Fund	85,663,847	(86,376)	85,577,471
Solid Waste Fund	129,490,062	(149,066)	129,340,996
Medical Center Fund	109,427,140	(1,406,957)	108,020,183

As discussed in Note 17, the County has chosen the option of using an Internal Service Fund to account for the cost and liquidation of the governmental funds' compensated absences. As a result, the County reports these estimated earned and unused benefits on a full accrual basis. Due to the implementation of GASB Statement No. 101, the Other Employee Benefits internal service fund reports a \$22,129,876 negative net position.

Hennepin County, Minnesota

Notes to the Basic Financial Statements

December 31, 2024

20. SUBSEQUENT EVENTS

The County has evaluated subsequent events through June 24, 2025, the date these financial statements were available to be issued.



Required Supplementary Information

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

<u>OPEB - Excluding the Medical Center</u>	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 3,616,925	\$ 4,569,515	\$ 5,298,701	\$ 4,640,136	\$ 4,559,386	\$ 4,943,170	\$ 4,476,499
Interest	4,093,765	2,438,301	2,647,731	3,303,319	4,968,052	4,308,362	4,592,534
Effect of liability gains and losses	(4,954,987)	-	1,938,322	-	7,737,491	-	-
Changes in assumptions or other inputs	17,044,887	(5,838,019)	(7,146,714)	4,143,818	(9,589,746)	(4,708,874)	2,461,877
Benefit payments	(8,606,155)	(8,496,883)	(8,576,868)	(8,236,293)	(8,472,026)	(8,005,202)	(8,484,000)
Net change in total OPEB liability	11,194,435	(7,327,086)	(5,838,828)	3,850,980	(796,843)	(3,462,544)	3,046,910
Total OPEB liability, beginning	110,694,312	118,021,398	123,860,226	120,009,246	120,806,089	124,268,633	121,221,723
Total OPEB liability, ending	\$ 121,888,747	\$ 110,694,312	\$ 118,021,398	\$ 123,860,226	\$ 120,009,246	\$ 120,806,089	\$ 124,268,633
Covered-employee payroll	\$ 760,310,560	\$ 692,394,033	\$ 662,898,997	\$ 650,305,219	\$ 640,258,904	\$ 627,819,446	\$ 597,177,479
Total OPEB liability as a percentage of covered-employee payroll	16.03%	15.99%	17.80%	19.05%	18.74%	19.24%	20.81%

<u>OPEB - Medical Center</u>	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 1,080,357	\$ 1,444,201	\$ 2,021,775	\$ 1,756,507	\$ 1,691,909	\$ 1,775,119	\$ 1,601,420
Interest	714,604	474,319	584,618	719,615	1,187,494	1,041,775	1,117,968
Effect of liability gains and losses	521,590	-	4,078,393	-	(2,324,832)	-	-
Changes in assumptions or other inputs	1,223,627	(2,680,685)	(7,866,559)	1,241,433	(589,612)	(1,233,262)	603,506
Benefit payments	(2,514,017)	(2,873,001)	(2,711,000)	(2,625,195)	(2,823,146)	(2,824,000)	(2,751,000)
Net change in total OPEB liability	1,026,161	(3,635,166)	(3,892,773)	1,092,360	(2,858,187)	(1,240,368)	571,894
Total OPEB liability, beginning	19,374,979	23,010,145	26,902,918	25,810,558	28,668,745	29,909,113	29,337,219
Total OPEB liability, ending	\$ 20,401,140	\$ 19,374,979	\$ 23,010,145	\$ 26,902,918	\$ 25,810,558	\$ 28,668,745	\$ 29,909,113
Covered-employee payroll	\$ 646,252,443	\$ 595,717,946	\$ 544,705,867	\$ 519,523,050	\$ 524,771,871	\$ 499,684,001	\$ 485,741,691
Total OPEB liability as a percentage of covered-employee payroll	3.16%	3.25%	4.22%	7.29%	7.00%	8.01%	8.56%

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

See notes to required supplementary information.

Hennepin County, Minnesota

Schedule of Defined Benefit Pension Plan Contributions

Last Nine Calendar Years

Year Ended	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
General Employees Fund:					
12/31/2015	\$ 59,766,423	\$ 59,766,423	\$ -	\$ 796,885,637	7.50%
12/31/2016	61,729,416	61,729,416	-	823,058,880	7.50%
12/31/2017	65,213,219	65,213,219	-	869,509,587	7.50%
12/31/2018	67,962,777	67,962,777	-	906,170,360	7.50%
12/31/2019	69,641,908	69,641,908	-	928,558,773	7.50%
12/31/2020	70,155,574	70,155,574	-	935,407,563	7.50%
12/31/2021	73,192,473	73,192,473	-	975,899,638	7.50%
12/31/2022	77,400,913	77,400,913	-	1,032,012,168	7.50%
12/31/2023	83,394,969	83,394,969	-	1,111,932,918	7.50%
12/31/2024	89,793,725	89,793,725	-	1,197,249,672	7.50%
Police and Fire Fund:					
12/31/2015	\$ 6,263,212	\$ 6,263,212	\$ -	\$ 38,661,801	16.20%
12/31/2016	6,394,335	6,394,335	-	39,471,204	16.20%
12/31/2017	6,917,586	6,917,586	-	42,701,148	16.20%
12/31/2018	7,087,821	7,087,821	-	43,751,982	16.20%
12/31/2019	7,365,803	7,365,803	-	43,456,065	16.95%
12/31/2020	8,036,421	8,036,421	-	45,403,508	17.70%
12/31/2021	8,829,581	8,829,581	-	49,884,641	17.70%
12/31/2022	8,971,352	8,971,352	-	50,685,607	17.70%
12/31/2023	10,045,530	10,045,530	-	56,754,408	17.70%
12/31/2024	11,430,233	11,430,233	-	64,577,585	17.70%
Correctional Fund:					
12/31/2015	\$ 2,752,592	\$ 2,752,592	\$ -	\$ 31,458,191	8.75%
12/31/2016	2,904,599	2,904,599	-	33,195,417	8.75%
12/31/2017	2,994,280	2,994,280	-	34,220,343	8.75%
12/31/2018	3,150,059	3,150,059	-	36,000,678	8.75%
12/31/2019	3,252,067	3,252,067	-	37,166,482	8.75%
12/31/2020	3,355,646	3,355,646	-	38,350,234	8.75%
12/31/2021	3,233,626	3,233,626	-	36,955,721	8.75%
12/31/2022	3,187,852	3,187,852	-	36,432,591	8.75%
12/31/2023	3,572,925	3,572,925	-	40,833,428	8.75%
12/31/2024	3,597,314	3,597,314	-	41,112,158	8.75%

Note 18 in the Notes to the Basic Financial Statements presents additional information relating to pension plans

See notes to required supplementary information.

Schedule of County Proportionate Share of Defined Benefit Pension Plans

Last Nine Measurement Dates

Fiscal Year Ended	The County's Proportion of the Net Pension Liability	The County's Proportionate Share of the Net Pension Liability (Asset) (a)	The State's Proportionate Share of the Net Pension Liability Associated with the County (b)	Combined Proportionate Share of the Net Pension Liability (Asset) Associated With the County (a+b)	The County's Covered Payroll (c)	The County's Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll ((a+b)/c)	The Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
General Employees Fund:							
6/30/2015	12.7199%	\$ 659,211,482	\$ -	\$ 659,211,482	\$ 748,386,350	88.1%	78.2%
6/30/2016	12.9213%	1,049,141,410	13,702,696	1,062,844,106	802,521,842	132.4%	68.9%
6/30/2017	13.6448%	871,075,027	10,951,853	882,026,880	880,985,965	100.1%	75.9%
6/30/2018	13.2375%	734,362,227	24,088,367	758,450,594	891,568,889	85.1%	79.5%
6/30/2019	12.9958%	718,508,673	22,332,030	740,840,703	921,354,489	80.4%	80.2%
6/30/2020	13.0160%	780,368,683	24,063,673	804,432,356	928,253,320	86.7%	79.6%
6/30/2021	13.2950%	567,756,062	17,338,093	585,094,155	971,916,665	60.2%	87.0%
6/30/2022	13.2885%	1,052,453,588	30,854,610	1,083,308,198	1,012,285,987	107.0%	76.7%
6/30/2023	13.3425%	746,097,655	20,567,311	766,664,966	1,059,300,787	72.4%	83.1%
6/30/2024	13.5689%	501,636,114	12,971,282	514,607,396	1,142,921,966	45.0%	89.1%
Police and Fire Fund:							
6/30/2015	4.1430%	\$ 47,074,163	\$ -	\$ 47,074,163	\$ 38,106,826	123.5%	86.6%
6/30/2016	4.0100%	160,928,278	-	160,928,278	38,679,130	416.1%	63.9%
6/30/2017	4.1170%	55,584,399	-	55,584,399	42,503,612	130.8%	85.4%
6/30/2018	4.0950%	43,648,482	-	43,648,482	43,274,743	100.9%	88.8%
6/30/2019	4.0958%	43,603,928	-	43,603,928	43,195,250	100.9%	89.3%
6/30/2020	4.1104%	54,179,470	1,276,392	55,455,862	46,039,657	120.5%	87.2%
6/30/2021	3.8828%	29,971,101	1,347,396	31,318,497	46,963,386	66.7%	93.7%
6/30/2022	4.0743%	177,297,443	7,745,357	185,042,800	50,775,921	364.4%	70.5%
6/30/2023	4.0038%	69,140,421	2,784,975	71,925,396	53,623,555	134.1%	86.5%
6/30/2024	4.3545%	57,288,585	2,183,819	59,472,404	62,203,102	95.6%	90.2%
Correctional Fund:							
6/30/2015	17.0900%	\$ 2,642,146	\$ -	\$ 2,642,146	\$ 30,694,935	8.6%	97.0%
6/30/2016	17.2300%	62,943,603	-	62,943,603	42,770,433	147.2%	58.2%
6/30/2017	17.3400%	49,419,174	-	49,419,174	34,650,138	142.6%	67.9%
6/30/2018	17.2486%	2,836,910	-	2,836,910	35,245,309	8.0%	97.6%
6/30/2019	17.1100%	2,368,714	-	2,368,714	36,509,152	6.5%	98.2%
6/30/2020	17.3952%	4,720,013	-	4,720,013	37,851,303	12.5%	96.7%
6/30/2021	17.2917%	(2,840,581)	-	(2,840,581)	38,275,286	-7.4%	101.6%
6/30/2022	15.8432%	52,662,797	-	52,662,797	34,803,817	151.3%	74.6%
6/30/2023	16.9826%	7,676,985	-	7,676,985	40,005,399	19.2%	95.9%
6/30/2024	16.0774%	4,900,071	-	4,900,071	41,562,937	11.8%	97.5%

Note 18 in the Notes to the Basic Financial Statements presents additional information relating to pension plans

See notes to required supplementary information.

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

For the Year Ended December 31, 2024

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 599,475,806	\$ 599,475,806	\$ 609,864,920	\$ 10,389,114
Wheelage tax	16,630,000	16,630,000	17,838,074	1,208,074
Other taxes	2,924,100	2,924,100	2,688,380	(235,720)
Intergovernmental	140,745,132	193,228,307	187,306,390	(5,921,917)
Investment earnings (losses)	38,060,000	38,060,000	64,830,199	26,770,199
Charges for services	99,241,120	99,241,120	87,750,232	(11,490,888)
Fines and forfeits	287,500	1,067,500	666,876	(400,624)
Licenses and permits	7,536,119	7,536,119	7,175,281	(360,838)
Other	23,193,203	23,193,203	22,839,171	(354,032)
Total Revenues	928,092,980	981,356,155	1,000,959,523	19,603,368
EXPENDITURES - CURRENT				
Operations				
County Board:				
Personal services	3,449,501	3,449,501	3,327,264	122,237
Commodities	59,500	59,500	59,912	(412)
Contractual services	211,300	211,300	178,455	32,845
Other charges	357,155	357,155	73,956	283,199
	4,077,456	4,077,456	3,639,587	437,869
County Administration:				
Personal services	2,963,876	2,963,876	3,361,800	(397,924)
Commodities	15,500	15,500	8,184	7,316
Contractual services	1,184,625	1,543,297	1,125,209	418,088
Other charges	81,500	99,101	84,745	14,356
	4,245,501	4,621,774	4,579,938	41,836
Strategic Planning & Initiatives:				
Personal services	2,446,363	2,446,363	2,169,389	276,974
Commodities	15,000	15,000	2,599	12,401
Contractual services	175,635	175,635	230,441	(54,806)
Other charges	39,882	39,882	23,700	16,182
	2,676,880	2,676,880	2,426,129	250,751
Budget & Finance:				
Personal services	14,203,290	14,203,290	13,777,253	426,037
Commodities	50,600	50,650	27,655	22,995
Contractual services	3,663,571	3,380,574	1,883,257	1,497,317
Capital outlay	-	-	-	-
Other charges	307,250	(91,682)	175,751	(267,433)
	18,224,711	17,542,832	15,863,916	1,678,916
Communications:				
Personal services	7,168,934	7,168,934	7,165,065	3,869
Commodities	26,401	75,095	128,224	(53,129)
Contractual services	1,410,659	2,064,375	1,630,540	433,835
Capital outlay	135,000	135,000	336,871	(201,871)
Other charges	71,784	72,284	51,340	20,944
	8,812,778	9,515,688	9,312,040	203,648
Housing & Economic Development:				
Personal services	5,900,086	6,900,086	5,679,496	1,220,590
Commodities	18,950	18,950	27,451	(8,501)
Contractual services	9,732,666	18,677,666	14,818,192	3,859,474
Other charges	89,175	6,033,163	503,717	5,529,446
	15,740,877	31,629,865	21,028,856	10,601,009
Facility Services:				
Personal services	31,115,928	31,115,928	29,530,022	1,585,906
Commodities	1,737,177	1,599,147	1,405,908	193,239
Contractual services	39,560,524	39,336,911	37,194,044	2,142,867
Capital outlay	-	548,612	29,160	519,452
Other charges	1,647,804	1,651,907	1,325,491	326,416
	74,061,433	74,252,505	69,484,625	4,767,880
Grants Management & Administration:				
Personal services	451,870	1,128,870	1,082,691	46,179
Commodities	1,000	1,000	1,690	(690)
Contractual services	31,300	31,300	85,634	(54,334)
Other charges	10,000	10,000	1,053	8,947
	494,170	1,171,170	1,171,068	102
Information Technology Operations:				
Personal services	3,724,468	3,724,468	4,415,321	(690,853)
Commodities	51,348	11,781	445,633	(433,852)
Contractual services	1,664,259	1,824,847	4,943,746	(3,118,899)
Other charges	25,552	4,289,824	34,261	4,255,563
	5,465,627	9,850,920	9,838,961	11,959

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

For the Year Ended December 31, 2024

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget
EXPENDITURES - CURRENT, continued				
Operations, continued				
Integrated Data & Analytics:				
Personal services	1,625,185	1,625,185	1,852,018	(226,833)
Commodities	9,000	9,000	12,389	(3,389)
Contractual services	93,704	86,909	280,915	(194,006)
Other charges	16,000	1,046,050	50,874	995,176
	<u>1,743,889</u>	<u>2,767,144</u>	<u>2,196,196</u>	<u>570,948</u>
Emergency Management:				
Personal services	1,808,488	1,808,488	1,840,068	(31,580)
Commodities	326,826	394,719	290,983	103,736
Contractual services	799,337	809,336	460,735	348,601
Capital outlay	60,000	60,000	216,596	(156,596)
Other charges	25,501	25,501	38,770	(13,269)
	<u>3,020,152</u>	<u>3,098,044</u>	<u>2,847,152</u>	<u>250,892</u>
Human Resources:				
Personal services	17,745,156	17,745,706	17,351,008	394,698
Commodities	45,250	45,250	88,873	(43,623)
Contractual services	3,289,950	3,284,052	2,720,057	563,995
Other charges	1,090,700	1,056,782	758,263	298,519
	<u>22,171,056</u>	<u>22,131,790</u>	<u>20,918,201</u>	<u>1,213,589</u>
Audit, Compliance & Investigation Services:				
Personal services	3,615,024	3,615,024	3,670,052	(55,028)
Commodities	14,150	14,150	2,135	12,015
Contractual services	796,488	793,710	772,714	20,996
Other charges	66,000	178,880	31,827	147,053
	<u>4,491,662</u>	<u>4,601,764</u>	<u>4,476,728</u>	<u>125,036</u>
Operations Administration:				
Personal services	4,660,861	4,660,861	5,321,277	(660,416)
Commodities	12,050	11,765	62,544	(50,779)
Contractual services	897,693	648,072	921,838	(923,766)
Capital outlay	-	(18,148)	635,830	(653,978)
Other charges	147,596	1,960,337	86,829	1,873,508
	<u>5,718,200</u>	<u>7,262,887</u>	<u>7,028,318</u>	<u>234,569</u>
General County Purposes: ¹				
Personal services	1,222,866	1,213,666	1,598,009	(384,343)
Commodities	35,300	53,672	53,672	-
Contractual services	11,943,153	11,998,525	6,273,042	5,725,483
Other charges	10,347,911	3,311,590	2,778,853	532,737
	<u>23,549,230</u>	<u>16,577,453</u>	<u>10,703,576</u>	<u>5,873,877</u>
Total Operations				
Personal services	102,101,896	103,770,246	102,140,733	1,629,513
Commodities	2,418,052	2,375,179	2,617,852	(242,673)
Contractual services	75,454,864	84,866,509	73,518,819	11,347,690
Capital outlay	195,000	725,464	1,218,457	(492,993)
Other charges	14,323,810	20,040,774	6,019,430	14,021,344
	<u>194,493,622</u>	<u>211,778,172</u>	<u>185,515,291</u>	<u>26,262,881</u>
Disparity Reduction				
Purchasing & Contract Services:				
Personal services	5,216,964	5,216,964	4,692,126	524,838
Commodities	137,022	137,022	171,848	(34,826)
Contractual services	302,925	302,925	307,872	(4,947)
Other charges	45,750	67,583	32,583	35,000
	<u>5,702,661</u>	<u>5,724,494</u>	<u>5,204,429</u>	<u>520,065</u>
Disparity Reduction Administration:				
Personal services	3,704,444	3,706,944	4,300,647	(593,703)
Commodities	337,431	333,974	105,237	228,737
Contractual services	6,149,344	6,225,431	13,501,478	(7,276,047)
Other charges	31,700	9,573,977	100,717	9,473,260
	<u>10,222,919</u>	<u>19,840,326</u>	<u>18,008,079</u>	<u>1,832,247</u>
Outreach & Community Supports:				
Personal services	1,369,470	1,369,470	1,311,026	58,444
Commodities	3,600	3,600	92,658	(89,058)
Contractual services	128,298	(45,255)	1,018,414	(1,063,669)
Other charges	30,500	1,625,618	53,238	1,572,380
	<u>1,531,868</u>	<u>2,953,433</u>	<u>2,475,336</u>	<u>478,097</u>
Education Support Service:				
Personal services	1,945,883	1,945,883	1,976,387	(30,504)
Commodities	89,444	89,501	16,651	72,850
Contractual services	694,841	694,841	837,342	(142,501)
Other charges	9,100	246,454	5,332	241,122
	<u>2,739,268</u>	<u>2,976,679</u>	<u>2,835,712</u>	<u>140,967</u>
Total Disparity Reduction				
Personal services	12,236,761	12,239,261	12,280,186	(40,925)
Commodities	567,497	564,097	386,394	177,703
Contractual services	7,275,408	7,177,942	15,665,106	(8,487,164)
Other charges	117,050	11,513,632	191,870	11,321,762
	<u>20,196,716</u>	<u>31,494,932</u>	<u>28,523,556</u>	<u>2,971,376</u>

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

For the Year Ended December 31, 2024

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget
EXPENDITURES - CURRENT, continued				
Health				
NorthPoint Health & Wellness Center:				
Personal services	41,589,533	41,693,114	39,822,337	1,870,777
Commodities	2,890,328	2,956,402	3,967,280	(1,010,878)
Contractual services	10,557,520	10,584,192	6,766,373	3,817,819
Capital outlay	22,000	37,184	38,337	(1,153)
Other charges	774,837	1,214,411	703,277	511,134
	<u>55,834,218</u>	<u>56,485,303</u>	<u>51,297,604</u>	<u>5,187,699</u>
Medical Examiner:				
Personal services	8,864,857	8,864,857	8,147,315	717,542
Commodities	49,306	44,642	51,732	(7,090)
Contractual services	1,657,789	1,850,544	1,205,292	645,252
Other charges	90,100	129,661	69,171	60,490
	<u>10,662,052</u>	<u>10,889,704</u>	<u>9,473,510</u>	<u>1,416,194</u>
Community Healthcare:				
Contractual services	60,000,000	59,000,000	49,026,191	9,973,809
Health Administration & Support:				
Personal services	562,657	562,657	264,480	298,177
Commodities	200	200	-	200
Contractual services	10,000	10,000	19,285	(9,285)
Other charges	-	-	2,426	(2,426)
	<u>572,857</u>	<u>572,857</u>	<u>286,191</u>	<u>286,666</u>
Sexual Assault Resources Service:				
Contractual services	750,000	748,750	90,050	658,700
Total Health				
Personal services	51,017,047	51,120,628	48,234,132	2,886,496
Commodities	2,939,834	3,001,244	4,019,012	(1,017,768)
Contractual services	72,975,309	72,193,486	57,107,191	15,086,295
Capital outlay	22,000	37,184	38,337	(1,153)
Other charges	864,937	1,344,072	774,874	569,198
	<u>127,819,127</u>	<u>127,696,614</u>	<u>110,173,546</u>	<u>17,523,068</u>
Law, Safety and Justice				
Law, Safety & Justice Operations:				
Personal services	11,853,985	11,853,985	11,224,083	629,902
Commodities	78,592	78,592	19,776	58,816
Contractual services	3,106,074	2,989,243	2,464,210	525,033
Other charges	159,560	158,545	86,514	72,031
	<u>15,198,211</u>	<u>15,080,365</u>	<u>13,794,583</u>	<u>1,285,782</u>
County Attorney:				
Personal services	66,803,767	66,909,371	67,397,168	(487,797)
Commodities	594,826	758,899	460,118	298,781
Contractual services	10,604,614	11,564,055	10,840,036	724,019
Capital outlay	-	218,229	244,531	(26,302)
Other charges	152,449	210,383	326,203	(115,820)
	<u>78,155,656</u>	<u>79,660,937</u>	<u>79,268,056</u>	<u>392,881</u>
Adult Representation Services:				
Personal services	12,184,779	15,387,779	11,861,350	3,526,429
Commodities	23,500	32,209	55,518	(23,309)
Contractual services	2,570,170	3,241,030	2,833,121	407,909
Other charges	110,586	135,871	107,489	28,382
	<u>14,889,035</u>	<u>18,796,889</u>	<u>14,857,478</u>	<u>3,939,411</u>
Court Functions:				
Contractual services	181,099	181,099	83,755	97,344
Public Defender:				
Personal services	4,876,148	4,876,148	4,035,953	840,195
Commodities	47,500	47,500	104,008	(56,508)
Contractual services	4,382,675	4,382,675	5,626,893	(1,244,218)
Capital outlay	-	300,000	-	300,000
Other charges	44,700	505,670	38,173	467,497
	<u>9,351,023</u>	<u>10,111,993</u>	<u>9,805,027</u>	<u>306,966</u>
Sheriff's Office:				
Personal services	128,143,834	136,192,584	136,016,472	176,112
Commodities	7,156,564	7,296,699	7,565,649	(268,950)
Contractual services	21,622,637	22,941,923	21,752,694	1,189,229
Capital outlay	1,893,200	2,346,706	1,140,124	1,206,582
Other charges	1,841,506	1,837,006	4,117,364	(2,280,358)
	<u>160,657,741</u>	<u>170,614,918</u>	<u>170,592,303</u>	<u>22,615</u>
Community Corrections and Rehabilitation:				
Personal services	111,555,005	111,744,359	107,722,353	4,022,006
Commodities	2,154,665	2,158,895	2,340,315	(181,420)
Contractual services	22,580,056	22,776,269	21,019,736	1,756,533
Capital outlay	15,000	58,210	133,468	(75,258)
Other charges	431,881	58,232	395,782	(337,550)
	<u>136,736,607</u>	<u>136,795,965</u>	<u>131,611,654</u>	<u>5,184,311</u>
Total Law, Safety and Justice				
Personal services	335,417,518	346,964,226	338,257,379	8,706,847
Commodities	10,055,647	10,372,794	10,545,384	(172,590)
Contractual services	65,047,325	68,076,294	64,620,445	3,455,849
Capital outlay	1,908,200	2,923,145	1,518,123	1,405,022
Other charges	2,740,682	2,905,707	5,071,525	(2,165,818)
	<u>415,169,372</u>	<u>431,242,166</u>	<u>420,012,856</u>	<u>11,229,310</u>

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

For the Year Ended December 31, 2024

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget
EXPENDITURES - CURRENT, continued				
Public Works				
Total Public Works				
Personal services	46,496,354	46,496,354	39,948,573	6,547,781
Commodities	4,033,059	3,864,387	4,562,512	(698,125)
Contractual services	30,034,743	29,860,559	31,019,499	(1,158,940)
Capital outlay	107,322	19,082	498,755	(479,673)
Other charges	631,335	707,546	465,894	241,652
	<u>81,302,813</u>	<u>80,947,928</u>	<u>76,495,233</u>	<u>4,452,695</u>
Resident Services				
Libraries:				
Personal services	53,066,979	53,066,979	53,308,638	(241,659)
Commodities	1,446,325	1,372,850	1,072,629	300,221
Contractual services	14,349,247	14,526,976	15,185,748	(658,772)
Capital outlay	5,854,884	6,575,549	6,155,835	419,714
Other charges	984,166	1,859,069	782,628	1,076,441
	<u>75,701,601</u>	<u>77,401,423</u>	<u>76,505,478</u>	<u>895,945</u>
Land Information & Tax Services:				
Personal services	17,911,993	17,911,993	15,407,705	2,504,288
Commodities	95,470	91,001	121,021	(30,020)
Contractual services	4,105,839	4,195,815	3,291,035	904,780
Capital outlay	7,000	7,000	128,567	(121,567)
Other charges	131,556	131,556	1,970,260	(1,838,704)
	<u>22,251,858</u>	<u>22,337,365</u>	<u>20,918,588</u>	<u>1,418,777</u>
Service Centers:				
Personal services	11,663,997	11,663,997	11,016,641	647,356
Commodities	137,149	137,788	95,686	42,102
Contractual services	2,283,856	2,318,929	1,908,221	410,708
Other charges	59,925	(366,890)	50,427	(417,317)
	<u>14,144,927</u>	<u>13,753,824</u>	<u>13,070,975</u>	<u>682,849</u>
Elections:				
Personal services	6,756,127	6,756,127	5,774,633	981,494
Commodities	710,000	710,000	1,142,111	(432,111)
Contractual services	3,599,240	3,921,014	5,835,364	(1,914,350)
Capital outlay	100,000	100,000	-	100,000
Other charges	33,350	4,350,929	48,901	4,302,028
	<u>11,198,717</u>	<u>15,838,070</u>	<u>12,801,009</u>	<u>3,037,061</u>
Resident Services Administration:				
Personal services	8,059,502	8,059,502	6,719,923	1,339,579
Commodities	249,450	249,450	65,609	183,841
Contractual services	1,822,296	1,222,296	836,720	385,576
Other charges	1,527,398	1,527,398	24,370	1,503,028
	<u>11,658,646</u>	<u>11,058,646</u>	<u>7,646,622</u>	<u>3,412,024</u>
Assessor:				
Personal services	8,199,662	8,199,662	7,717,315	482,347
Commodities	309,613	309,613	304,560	5,053
Contractual services	1,117,452	1,117,452	950,882	166,570
Other charges	91,300	126,078	67,927	58,151
	<u>9,718,027</u>	<u>9,752,805</u>	<u>9,040,684</u>	<u>712,121</u>
Examiner of Titles:				
Personal services	1,515,454	1,515,454	1,406,831	108,623
Commodities	4,200	4,200	89	4,111
Contractual services	66,480	66,479	61,077	5,402
Capital outlay	1,000	1,000	-	1,000
Other charges	20,600	20,599	4,511	16,088
	<u>1,607,734</u>	<u>1,607,732</u>	<u>1,472,508</u>	<u>135,224</u>
Total Resident Services				
Personal services	107,173,714	107,173,714	101,351,686	5,822,028
Commodities	2,952,207	2,874,902	2,801,705	73,197
Contractual services	27,344,410	27,368,961	28,069,047	(700,086)
Capital outlay	5,962,884	6,683,549	6,284,402	399,147
Other charges	2,848,295	7,648,739	2,949,024	4,699,715
	<u>146,281,510</u>	<u>151,749,865</u>	<u>141,455,864</u>	<u>10,294,001</u>
TOTAL EXPENDITURES - CURRENT				
Personal services	654,443,290	667,764,429	642,212,689	25,551,740
Commodities	22,966,296	23,052,603	24,932,859	(1,880,256)
Contractual services	278,132,059	289,543,751	270,000,107	19,543,644
Capital outlay	8,195,406	10,388,424	9,558,074	830,350
Other charges	21,526,109	44,160,470	15,472,617	28,687,853
	<u>985,263,160</u>	<u>1,034,909,677</u>	<u>962,176,346</u>	<u>72,733,331</u>

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

For the Year Ended December 31, 2024

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget
EXPENDITURES - DEBT SERVICE				
Principal retirement	-	1,720,372	1,720,372	-
Interest and fiscal charges	-	268,150	268,150	-
	-	1,988,522	1,988,522	-
Total Expenditures	985,263,160	1,036,898,199	964,164,868	72,733,331
Excess (Deficiency) of Revenues Over Expenditures	(57,170,180)	(55,542,044)	36,794,655	92,336,699
OTHER FINANCING SOURCES (USES)				
Transfers in	20,731,871	30,731,871	6,132,067	(24,599,804)
Transfers out	-	(21,288,370)	(54,856,293)	(33,567,923)
Leases and subscriptions	300,000	300,000	-	(300,000)
Loss on lease termination	-	-	(134,262)	(134,262)
Total Other Financing Sources (Uses)	21,031,871	9,743,501	(48,858,488)	(58,601,989)
Net Change in Fund Balance	(36,138,309)	(45,798,543)	(12,063,833)	\$ 33,734,710
Fund Balance - Beginning	304,315,553	304,315,553	304,315,553	
Fund Balance - Ending	\$ 268,177,244	\$ 258,517,010	\$ 292,251,720	

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

See notes to required supplementary information.

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Human Services Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 283,704,357	\$ 283,704,357	\$ 287,442,633	\$ 3,738,276
Other taxes	-	-	132,517	132,517
Intergovernmental	371,877,834	379,137,166	370,823,796	(8,313,370)
Investment earnings (losses)	-	-	344,329	344,329
Charges for services	52,556,217	52,556,217	58,482,794	5,926,577
Opioid settlements	9,248,750	13,656,250	12,505,575	(1,150,675)
Licenses and permits	2,265,000	2,265,000	2,280,679	15,679
Other	3,833,369	3,833,369	4,317,733	484,364
Total Revenues	723,485,527	735,152,359	736,330,056	1,177,697
EXPENDITURES				
Human Services:				
Personal services	437,617,429	440,632,061	450,571,085	(9,939,024)
Commodities	3,990,444	4,205,805	6,025,632	(1,819,827)
Contractual services	60,686,547	63,439,061	67,709,729	(4,270,668)
Public aid assistance	242,947,092	258,634,624	263,120,315	(4,485,691)
Capital outlay	-	-	6,047,927	(6,047,927)
Other	23,266,639	66,663,834	22,787,209	43,876,625
Debt Service:				
Principal retirement	-	-	1,674,491	(1,674,491)
Interest and fiscal charges	-	-	329,816	(329,816)
Total Expenditures	768,508,151	833,575,385	818,266,204	15,309,181
Excess (Deficiency) of Revenues Over Expenditures	(45,022,624)	(98,423,026)	(81,936,148)	16,486,878
OTHER FINANCING SOURCES				
Transfers in	5,000,000	48,800,402	48,967,408	167,006
Transfers out	(7,500,000)	(7,500,000)	-	7,500,000
Leases and subscriptions	-	-	5,799,111	5,799,111
Total Other Financing Sources (Uses)	(2,500,000)	41,300,402	54,766,519	13,466,117
Net Change in Fund Balance	(47,522,624)	(57,122,624)	(27,169,629)	\$ 29,952,995
Fund Balance - Beginning	225,837,214	225,837,214	225,837,214	
Fund Balance - Ending	\$ 178,314,590	\$ 168,714,590	\$ 198,667,585	

See notes to required supplementary information.

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Ballpark Sales Tax Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Sales tax	\$ 48,300,000	\$ 48,300,000	\$ 45,460,534	\$ (2,839,466)
Investment earnings (losses)	-	-	2,405,849	2,405,849
Total Revenues	48,300,000	48,300,000	47,866,383	(433,617)
EXPENDITURES				
Operations				
Contractual services	655,000	655,000	248,293	406,707
Grants	2,203,870	2,203,870	2,203,870	-
Total Expenditures	2,858,870	2,858,870	2,452,163	406,707
Excess of Revenues Over Expenditures	45,441,130	45,441,130	45,414,220	(26,910)
OTHER FINANCING SOURCES (USES)				
Transfers out	(17,290,082)	(17,290,082)	(15,022,503)	2,267,579
Net Change in Fund Balance	28,151,048	28,151,048	30,391,717	\$ 2,240,669
Fund Balance - Beginning	48,762,856	48,762,856	48,762,856	
Fund Balance - Ending	\$ 76,913,904	\$ 76,913,904	\$ 79,154,573	

See notes to required supplementary information.

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

For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Sales tax	\$ 170,000,000	\$ 170,000,000	\$ 162,834,000	\$ (7,166,000)
Intergovernmental	10,828,006	21,318,006	39,764,199	18,446,193
Total Revenues	180,828,006	191,318,006	202,598,199	11,280,193
EXPENDITURES				
Public Works				
Contractual services	2,950,000	2,950,000	778,926	2,171,074
Excess of Revenues Over Expenditures	177,878,006	188,368,006	201,819,273	13,451,267
OTHER FINANCING SOURCES (USES)				
Transfers out	(94,650,290)	(205,140,290)	(153,133,299)	52,006,991
Net Change in Fund Balance	83,227,716	(16,772,284)	48,685,974	\$ 65,458,258
Fund Balance - Beginning	280,762,614	280,762,614	280,762,614	
Fund Balance - Ending	\$ 363,990,330	\$ 263,990,330	\$ 329,448,588	

See notes to required supplementary information.

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing and Redevelopment Authority Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 17,640,360	\$ 17,640,360	\$ 17,828,112	\$ 187,752
Intergovernmental	320,000	320,000	290,170	(29,830)
Investment earnings (losses)	125,000	125,000	1,784,296	1,659,296
Charges for services	995,000	995,000	1,058,897	63,897
Other	162,087	998,660	736,143	(262,517)
Total Revenues	19,242,447	20,079,020	21,697,618	1,618,598
EXPENDITURES				
Housing and Redevelopment Authority:				
Commodities	1,250	1,250	-	1,250
Contractual services	11,708,313	13,012,072	5,027,576	7,984,496
Other	32,580	869,153	17,048	852,105
Grants and contributions	13,198,795	13,198,795	30,119,438	(16,920,643)
Total Expenditures	24,940,938	27,081,270	35,164,062	(8,082,792)
Excess (Deficiency) of Revenues Over Expenditures	(5,698,491)	(7,002,250)	(13,466,444)	(6,464,194)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	14,031,332	14,031,332
Sale of capital assets	-	1,300,000	-	(1,300,000)
Total Other Financing Sources (Uses)	-	1,300,000	14,031,332	12,731,332
Net Change in Fund Balance	(5,698,491)	(5,702,250)	564,888	\$ 6,267,138
Fund Balance - Beginning	52,330,748	52,330,748	52,330,748	
Fund Balance - Ending	\$ 46,632,257	\$ 46,628,498	\$ 52,895,636	

See notes to required supplementary information.

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Regional Railroad Authority Fund
For the Year Ended December 31, 2024

	Budgeted Amounts				Variance with Final Budget
	Original	Final	Actual		
REVENUES					
Property taxes	\$ 24,591,947	\$ 25,893,887	\$ 24,971,068	\$	(922,819)
Intergovernmental	50,000	50,000	821,195		771,195
Investment earnings (losses)	-	-	3,498,609		3,498,609
Charges for services	310,000	310,000	826,024		516,024
Total Revenues	24,951,947	26,253,887	30,116,896		3,863,009
EXPENDITURES					
Regional Railroad Authority:					
Commodities	21,100	36,936	38,625		(1,689)
Contractual services	24,808,847	26,202,392	15,477,170		10,725,222
Other	122,000	122,000	536,880		(414,880)
Total Expenditures	24,951,947	26,361,328	16,052,675		10,308,653
Net Change in Fund Balance	-	(107,441)	14,064,221	\$	14,171,662
Fund Balance - Beginning	88,414,944	88,414,944	88,414,944		
Fund Balance - Ending	\$ 88,414,944	\$ 88,307,503	\$ 102,479,165		

See notes to required supplementary information.

Notes to Required Supplementary Information

December 31, 2024

A. Stewardship, Compliance and Accountability

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

<u>Year</u>	<u>Appropriated Budget</u>	<u>Actual Expenditures</u>	<u>Remaining Budget</u>
<u>Human Services:</u>			
2022	\$ 450,000	\$ 403,014	\$ 46,986
2023	2,436,833	2,436,591	242
2024	13,315,022	7,261,062	6,053,960
	<u>\$ 16,201,855</u>	<u>\$ 10,100,667</u>	<u>\$ 6,101,188</u>
<u>HRA:</u>			
2021 and prior	\$135,374,525	\$ 82,616,382	\$ 52,758,143
2022	58,994,844	14,740,420	44,254,424
2023	24,829,004	28,317,633	(3,488,629)
2024	22,614,731	30,907,561	(8,292,830)
	<u>\$241,813,104</u>	<u>\$156,581,996</u>	<u>\$ 85,231,108</u>
<u>RRA:</u>			
2021 and prior	\$141,816,554	\$ 52,184,696	\$ 89,631,858
2022	13,088,305	(32,021)	13,120,326
2023	12,092,775	3,398,500	8,694,275
2024	15,899,639	9,992,606	5,907,033
	<u>\$182,897,273</u>	<u>\$ 65,543,781</u>	<u>\$117,353,492</u>

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

In approximately July of each year, County departments submit budget requests for the following year to the County Administrator. The budget is prepared by fund and department and includes information on the past year, current year estimates, and requested appropriations. The County Administrator reviews the budget requests, makes modifications to the requests, and submits the total budget to the County Board. The County Board must adopt a proposed maximum property tax levy by September 30. The Board holds public hearings, makes modifications to the budget, and legally enacts the budget by passage of a resolution. The final levy must be certified to the County Auditor by December 20. Expenditures may not legally exceed budgeted appropriations at the departmental level.

The County Administrator may adjust budgets between accounts within a department. The Board has delegated authority to the Deputy or Assistant County Administrators for Public Works and Human Services to transfer budgeted amounts between departments within those respective program areas. The Board has delegated authority to the County Controller to 1) establish supplemental appropriations for grants accepted under authority delegated by the Board to the County Administrator, and 2) establish supplemental appropriations for certain lease contracts and subscription-based IT arrangements where non-cash amounts related to the entire term of the agreement must be reported as revenues and expenditures. The County Board may authorize all other changes in the budget, including the transfer of budgeted amounts between all departments.

Notes to Required Supplementary Information

December 31, 2024

B. Internal Service Fund Long-Term Obligations

In December 2024, \$80,160 of G.O. bond liabilities, along with the related capital assets, were transferred to the Energy Center Internal Service Fund, as the Energy Center Fund activities will be used to pay the annual debt service requirements of these G.O. bonds.

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

General Employees Fund

2024 Changes

Changes in Actuarial Assumptions

The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023):

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170,100,000 will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

Notes to Required Supplementary Information

December 31, 2024

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

General Employees Fund (continued)

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- None.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020, through December 31, 2023, and 0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Notes to Required Supplementary Information

December 31, 2024

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

General Employees Fund (continued)

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31,000,000 to \$21,000,000 per year. The State's special funding contribution was changed prospectively, requiring \$16,000,000 due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA load is now 0% for active member liability, 15% for vested deferred member liability, and 3% for non-vested deferred member liability.
- The assumed annual increase rate was changed for 1% per year for all years to 1% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018 and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

Notes to Required Supplementary Information

December 31, 2024

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

General Employees Fund (continued)

2016 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- None

2015 Changes:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by approximately \$892,000,000. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6,000,000, which meets the special funding situation definition, was due September 2015.

Police and Fire Plan

2024 Changes

Changes in Actuarial Assumptions

- None

Changes in Plan Provisions

- The State contribution of \$9,000,000 per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9,000,000 contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 Changes

Changes in Actuarial Assumptions

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

Notes to Required Supplementary Information

December 31, 2024

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

Police and Fire Plan (continued)

2023 Changes (continued)

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$19,400,000 be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50.0% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- None.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5%, for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.

Notes to Required Supplementary Information

December 31, 2024

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

Police and Fire Plan (continued)

2021 Changes (continued)

Changes in Actuarial Assumptions (continued)

- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- None

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- None.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- None.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Annual increases were changed to 1.0% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9,000,000 state contribution.
- New annual state aid will equal \$4,500,000 in fiscal years 2019 and 2020, and \$9,000,000 thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019, and 11.8% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.2% to 16.95% of pay, effective January 1, 2019, and 17.7% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.
- Deferred augmentation was changed to 0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30% for vested and non-vested, deferred members. The CSA has been changed to 33% for vested members and 2% for nonvested members.

Notes to Required Supplementary Information

December 31, 2024

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

Police and Fire Plan (continued)

2017 Changes (continued)

Changes in Actuarial Assumptions (continued)

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed annual benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- None.

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- None.

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

Notes to Required Supplementary Information

December 31, 2024

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

Correctional Plan

2024 Changes

Changes in Plan Provisions

- Employee contribution rates will increase from 5.83% of pay to 6.83% of pay, effective July 1, 2025.
- Employer contribution rates will increase from 8.75% of pay to 10.25% of pay, effective July 1, 2025.
- The benefit multiplier changed from 1.9% to 2.2% for service earned after June 30, 2025.

2023 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$5,300,000 will be contributed to the Plan on October 1, 2023.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum calendar year 2024 by March 31, 2024.
- The maximum benefit increase will revert back to 2.5%. The maximum increase is 1.5% and the Plan's funding ratio improves to 85% for two consecutive years on a market value of assets basis.

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.42%.
- The benefit increase assumption was changed from 2.0% per annum to 2.0% per annum through December 31, 2054, and 1.5% per annum thereafter.

Changes in Plan Provisions

- None.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5%, for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 10, 2020, experience study. The overall impact is a decrease in gross salary increase rates.

Notes to Required Supplementary Information

December 31, 2024

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

Correctional Plan (continued)

2021 Changes

Changes in Actuarial Assumptions (continued)

- Assumed rates of retirement were changed as recommended in the July 10, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020, experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability lowered.
- Assumed percent married for active members was lowered from 85% to 75%.
- Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- None.

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- None.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- None.

2018 Changes

Changes in Actuarial Assumptions

- The single discount rate was changed from 5.96% per annum to 7.5% per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed annual increase was changed from 2.5% per year to 2.0% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Annual increases were changed from 2.5% per year with a provision to reduce to 1.0% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 2.5%, beginning January 1, 2019. If the funding status declines to 85.0% for two consecutive years or 80.0% for one year, the maximum increase will be lowered to 1.5%.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

Notes to Required Supplementary Information

December 31, 2024

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

Correctional Plan (continued)

2017 Changes

Changes in Actuarial Assumptions

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).
- The combined service annuity (CSA) load was 30.0% for vested and non-vested, deferred members. The CSA has been changed to 35.0% for vested members and 1.0% for non-vested members.
- The single discount rate was changed from 5.31% per annum to 5.96% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- None.

2015 Changes

Changes in Actuarial Assumptions

- None.

Changes in Plan Provisions

- None

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

OPEB – Excluding Medical Center

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

2024 Changes

Changes in Actuarial Assumptions

- Discount rate decreased from 3.72% to 3.26%
- The participation rate for employees eligible for County paid coverage at retirement has been updated from 100% to 95% based on recent and expected future experience.
- The medical costs and trend rates were updated based on recent and expected future experience.

Notes to Required Supplementary Information

December 31, 2024

D. Notes to Schedule of Changes in Net OPEB Liabilities and Related Ratios (continued)

OPEB – Excluding Medical Center (continued)

2023 Changes

Changes in Actuarial Assumptions

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

2022 Changes

Changes in Actuarial Assumptions

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

2021 Changes

Changes in Actuarial Assumptions

- Discount rate decreased from 2.74% to 2.12%

2020 Changes

Changes in Actuarial Assumptions

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

2020 Changes

Changes in Actuarial Assumptions

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

2019 Changes

Changes in Actuarial Assumptions

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

OPEB – Medical Center

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

2024 Changes

Changes in Actuarial Assumptions

- Discount rate decreased from 3.72% to 3.16%

Notes to Required Supplementary Information

December 31, 2024

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

OPEB – Medical Center (continued)

2023 Changes

Changes in Actuarial Assumptions

- Discount rate increased from 2.06% to 3.72%

2022 Changes

Changes in Actuarial Assumptions

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

2021 Changes

Changes in Actuarial Assumptions

- Discount rate decreased from 2.74% to 2.12%

2020 Changes

Changes in Actuarial Assumptions

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

2019 Changes

Changes in Actuarial Assumptions

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

Supplementary Information

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
RRA Debt Service Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 8,033,556	\$ 8,033,556	\$ 7,930,960	\$ (102,596)
EXPENDITURES				
Debt Service:				
Principal retirement	4,720,000	4,720,000	4,720,000	-
Interest and fiscal charges	4,083,250	4,083,250	4,083,250	-
Total Expenditures	8,803,250	8,803,250	8,803,250	-
Net Change in Fund Balance	(769,694)	(769,694)	(872,290)	\$ (102,596)
Fund Balance - Beginning	1,042,557	1,042,557	1,042,557	
Fund Balance - Ending	\$ 272,863	\$ 272,863	\$ 170,267	

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Debt Service Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 100,000,000	\$ 100,000,000	\$ 99,699,034	\$ (300,966)
Other taxes	-	-	45,977	45,977
Intergovernmental	1,294,435	1,294,435	1,231,731	(62,704)
Investment earnings	-	-	274,478	274,478
Total Revenues	101,294,435	101,294,435	101,251,220	(43,215)
EXPENDITURES				
Debt Service:				
Principal retirement	88,062,378	92,862,378	83,707,986	9,154,392
Interest and fiscal charges	53,281,328	58,081,328	65,171,507	(7,090,179)
Total Expenditures	141,343,706	150,943,706	148,879,493	2,064,213
Excess (Deficiency) of Revenues	(40,049,271)	(49,649,271)	(47,628,273)	2,020,998
OTHER FINANCING SOURCES (USES)				
Transfers in	44,849,271	44,849,271	37,951,921	(6,897,350)
Net Change in Fund Balance	4,800,000	(4,800,000)	(9,676,352)	\$ (4,876,352)
Fund Balance - Beginning	17,174,481	17,174,481	17,174,481	
Fund Balance - Ending	\$ 21,974,481	\$ 12,374,481	\$ 7,498,129	

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

For the Year Ended December 31, 2024

	Budgeted Amounts				Variance with Final Budget
	Original	Final	Actual		
REVENUES					
Property taxes	\$ 2,795,000	\$ 2,795,000	\$ 2,834,718	\$	39,718
Wheelage tax	4,170,000	4,170,000	4,170,000		-
Other taxes	-	-	1,314		1,314
Intergovernmental	75,834,611	83,099,532	79,962,994		(3,136,538)
Investment earnings	-	-	4,043,262		4,043,262
Other	352,000	5,852,000	1,619,507		(4,232,493)
Total Revenues	83,151,611	95,916,532	92,631,795		(3,284,737)
EXPENDITURES					
Operations	218,000,000	218,000,000	151,008,027		66,991,973
Capital outlay	124,419,635	253,184,556	272,762,674		(19,578,118)
Total Expenditures	342,419,635	471,184,556	423,770,701		47,413,855
Excess (Deficiency) of Revenues	(259,268,024)	(375,268,024)	(331,138,906)		44,129,118
OTHER FINANCING SOURCES (USES)					
Issuance of debt	195,508,024	195,508,024	200,000,000		4,491,976
Transfers in	63,760,000	182,760,000	119,984,719		(62,775,281)
Transfers out	-	(3,000,000)	(3,000,000)		-
Debt premiums	-	32,496,468	32,496,468		-
Total Other Financing Sources (Uses)	259,268,024	407,764,492	349,481,187		(58,283,305)
Net Change in Fund Balance	-	32,496,468	18,342,281	\$	(14,154,187)
Fund Balance - Beginning	(57,658)	(57,658)	(57,658)		
Fund Balance (Deficit) - Ending	\$ (57,658)	\$ 32,438,810	\$ 18,284,623		

Hennepin County, Minnesota

Combining Statement of Net Position - Nonmajor Enterprise Funds

December 31, 2024

	Glen Lake Golf Course	Radio Communications	Total
ASSETS			
Current Assets:			
Cash. \$	1,172,020	\$ 5,165,198	\$ 6,337,218
Interfund receivable.	-	70,570	70,570
Other receivables.	-	298,500	298,500
Prepays and supplies.	14,847	-	14,847
Total Current Assets	1,186,867	5,534,268	6,721,135
Noncurrent Assets:			
Capital assets, nondepreciable.	985,092	-	985,092
Capital asset, net of accumulated depreciation/amortization.	24,091	9,035,844	9,059,935
Total Noncurrent Assets	1,009,183	9,035,844	10,045,027
Total Assets	\$ 2,196,050	\$ 14,570,112	\$ 16,766,162
LIABILITIES			
Current Liabilities:			
Accounts and contracts payable. \$	20,654	\$ 242,570	\$ 263,224
Total Current Liabilities	20,654	242,570	263,224
NET POSITION			
Net investment in capital assets.	1,009,183	9,035,844	10,045,027
Unrestricted.	1,166,213	5,291,698	6,457,911
Total Net Position	2,175,396	14,327,542	16,502,938
Total Liabilities and Net Position	\$ 2,196,050	\$ 14,570,112	\$ 16,766,162

Hennepin County, Minnesota

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Nonmajor Enterprise Funds

For the Year Ended December 31, 2024

	Glen Lake Golf Course	Radio Communications	Total
OPERATING REVENUES			
Charges for services.	\$ 1,407,260	\$ 4,574,025	\$ 5,981,285
OPERATING EXPENSES			
Personal services.	722,965	1,723,332	2,446,297
Commodities.	134,101	200,949	335,050
Contractual services.	176,704	396,524	573,228
Depreciation.	12,046	1,716,154	1,728,200
Other.	43,574	127,527	171,101
Total Operating Expenses	1,089,390	4,164,486	5,253,876
Operating Income (Loss)	317,870	409,539	727,409
NONOPERATING REVENUES (EXPENSES)			
Gain (Loss) on capital asset disposal.	-	(36,920)	(36,920)
Change in Net Position	317,870	372,619	690,489
Total Net Position - Beginning	1,857,526	13,954,923	15,812,449
Total Net Position-Ending	\$ 2,175,396	\$ 14,327,542	\$ 16,502,938

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2024

	Glen Lake Golf Course	Radio Communications	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users.	\$ 1,407,260	\$ 4,602,107	\$ 6,009,367
Payments to suppliers for goods and services.	(309,335)	(421,429)	(730,764)
Payments to employees for services.	(722,965)	(1,723,332)	(2,446,297)
Other operating disbursements.	(43,574)	(127,527)	(171,101)
Net Cash Provided by Operating Activities	331,386	2,329,819	2,661,205
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets.	-	(3,895,597)	(3,895,597)
Net Increase in Cash	331,386	(1,565,778)	(1,234,392)
Cash at Beginning of Year	840,634	6,730,976	7,571,610
Cash at End of Year	\$ 1,172,020	\$ 5,165,198	\$ 6,337,218
CASH COMPONENTS:			
Cash.	\$ 1,172,020	\$ 5,165,198	\$ 6,337,218
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss).	\$ 317,870	\$ 409,539	\$ 727,409
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization.	12,046	1,716,154	1,728,200
(Increase) decrease in:			
Receivables and prepaid items.	(14,847)	28,082	13,235
Inventories.	9,678	-	9,678
Increase (decrease) in:			
Accounts payable and accrued expenses.	6,639	176,044	182,683
Net Cash Provided by Operating Activities	\$ 331,386	\$ 2,329,819	\$ 2,661,205
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Loss on disposal of capital assets.	\$ -	\$ (36,920)	\$ (36,920)



Combining Statement of Net Position - Internal Service Funds

December 31, 2024

	Fleet Services	Information Technology	Energy Center	Self Insurance
ASSETS & DEFERRED OUTFLOWS				
Current Assets:				
Cash	\$ 21,532,330	\$ 20,007,250	\$ 4,310,600	\$ 21,596,756
Interfund receivable	794,105	266,655	1,559,239	916,608
Receivables from users	17,439	543,662	285,831	543,472
Prepays and supplies	313,761	17,097,786	200,159	3,240
Total Current Assets	22,657,635	37,915,353	6,355,829	23,060,076
Noncurrent Assets:				
Capital assets, nondepreciable	6,479,552	-	1,088,075	-
Capital asset, net of accumulated depreciation/amortization	34,778,450	10,079,293	14,525,487	-
Total Noncurrent Assets	41,258,002	10,079,293	15,613,562	-
Total Assets	63,915,637	47,994,646	21,969,391	23,060,076
Deferred Outflows of Resources:				
Postemployment healthcare related	23,503	655,236	2,557	965
Total Assets and Deferred Outflows	\$ 63,939,140	\$ 48,649,882	\$ 21,971,948	\$ 23,061,041
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
Current Liabilities:				
Interfund payable	\$ -	\$ -	\$ -	\$ -
Accounts and contracts payable	433,484	1,655,653	986,772	1,478,629
Accrued expenses	107,569	2,431,541	8,177	53,412
Current portion of:				
Workers' compensation claims	-	-	-	4,200,000
General obligation bonds	-	-	1,129,493	-
Notes payable	-	-	-	-
Postemployment healthcare benefits	2,000	168,000	-	-
Compensated absences	60,000	480,000	-	20,000
Total Current Liabilities	603,053	4,735,194	2,124,442	5,752,041
Noncurrent Liabilities, Net of Current Portion:				
Workers' compensation claims	-	-	-	11,108,500
General obligation bonds	-	-	11,731,702	-
Postemployment healthcare benefits	99,741	2,660,770	618	1,631
Compensated absences	416,080	7,510,036	75,014	113,705
Total Noncurrent Liabilities	515,821	10,170,806	11,807,334	11,223,836
Total Liabilities	1,118,874	14,906,000	13,931,776	16,975,877
Deferred Inflows of Resources:				
Postemployment healthcare related	18,224	388,083	1,069	2,392
Net Position:				
Net investment in capital assets	41,258,002	10,079,293	2,752,367	-
Unrestricted (deficit)	21,544,040	23,276,506	5,286,736	6,082,772
Total Net Position	62,802,042	33,355,799	8,039,103	6,082,772
Total Liabilities, Deferred Inflows and Net Position	\$ 63,939,140	\$ 48,649,882	\$ 21,971,948	\$ 23,061,041

Employee Health Plan Self Insurance	Other Employee Benefits	Total
\$ 19,179,217	\$ 111,142,457	\$ 197,768,610
-	-	3,536,607
-	-	1,390,404
-	-	17,614,946
19,179,217	111,142,457	220,310,567
-	-	7,567,627
-	-	59,383,230
-	-	66,950,857
19,179,217	111,142,457	287,261,424
14,711	-	696,972
\$ 19,193,928	\$ 111,142,457	\$ 287,958,396
\$ -	\$ -	\$ -
25,042	-	4,579,580
8,908,428	-	11,509,127
-	-	4,200,000
-	-	1,129,493
-	-	-
7,000	-	177,000
10,000	11,530,000	12,100,000
8,950,470	11,530,000	33,695,200
-	-	11,108,500
-	-	11,731,702
47,092	-	2,809,852
56,403	121,742,333	129,913,571
103,495	121,742,333	155,563,625
9,053,965	133,272,333	189,258,825
8,382	-	418,150
-	-	54,089,662
10,131,581	(22,129,876)	44,191,759
10,131,581	(22,129,876)	98,281,421
\$ 19,193,928	\$ 111,142,457	\$ 287,958,396

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2024

	Fleet Services	Information Technology	Energy Center	Self Insurance
OPERATING REVENUES				
Charges for services.	\$ 17,173,162	\$ 89,729,751	\$ 11,642,747	\$ 14,513,037
Total Operating Revenues	17,173,162	89,729,751	11,642,747	14,513,037
OPERATING EXPENSES				
Personal services.	2,876,578	62,519,123	175,839	11,230,551
Commodities.	4,167,072	9,759,933	5,711,394	86,379
Contractual services.	2,340,416	34,659,069	3,337,844	529,002
Depreciation and amortization	9,359,417	4,284,462	1,771,030	-
Other charges.	512,706	3,770,607	138,784	178,604
Total Operating Expenses	19,256,189	114,993,194	11,134,891	12,024,536
Operating Income (Loss)	(2,083,027)	(25,263,443)	507,856	2,488,501
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (losses).	-	-	-	-
Interest expense.	-	-	(392,005)	-
Gain (Loss) on capital asset disposal.	1,168,647	(507,892)	-	-
Total Nonoperating Revenues (Expenses)	1,168,647	(507,892)	(392,005)	-
Income (Loss) Before Contributions	(914,380)	(25,771,335)	115,851	2,488,501
Capital contributions.	582,169	109,049	-	-
Transfers in.	92,429	-	-	-
Transfers out.	-	(1,147,781)	-	-
Net Contributions and Transfers	674,598	(1,038,732)	-	-
Change in Net Position	(239,782)	(26,810,067)	115,851	2,488,501
Total Net Position - Beginning, as Restated	63,041,824	60,165,866	7,923,252	3,594,271
Total Net Position - Ending	\$ 62,802,042	\$ 33,355,799	\$ 8,039,103	\$ 6,082,772

Employee Health Plan Self Insurance	Other Employee Benefits	Total
\$ 197,562,910	\$ 13,443,644	\$ 344,065,251
197,562,910	13,443,644	344,065,251
183,525,979	24,186,998	284,515,068
3,641	-	19,728,419
10,539,632	-	51,405,963
-	-	15,414,909
421,572	-	5,022,273
194,490,824	24,186,998	376,086,632
3,072,086	(10,743,354)	(32,021,381)
806,404	-	806,404
-	-	(392,005)
-	-	660,755
806,404	-	1,075,154
3,878,490	(10,743,354)	(30,946,227)
-	-	691,218
-	-	92,429
-	-	(1,147,781)
-	-	(364,134)
3,878,490	(10,743,354)	(31,310,361)
6,253,091	(11,386,522)	129,591,782
\$ 10,131,581	\$ (22,129,876)	\$ 98,281,421

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2024

	Fleet Services	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users.	\$ 17,231,752	\$ 90,289,654
Payments to suppliers for goods and services.	(7,641,250)	(50,985,033)
Payments to employees for services.	(2,904,289)	(61,631,689)
Other operating disbursements.	(512,706)	(3,770,607)
Net Cash Provided (Used) by Operating Activities	6,173,507	(26,097,675)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in.	92,429	-
Transfers out.	-	(1,147,781)
Interfund loans.	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	92,429	(1,147,781)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets.	(11,622,860)	(4,162,530)
Interest paid.	-	-
Contributed capital from other funds	-	109,049
Debt issuance cost and principal payments.	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(11,622,860)	(4,053,481)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income (loss).	-	-
Net Increase (Decrease) in Cash	(5,356,924)	(31,298,937)
Cash at Beginning of Year	26,889,254	51,306,187
Cash at End of Year	\$ 21,532,330	\$ 20,007,250
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss).	\$ (2,083,027)	\$ (25,263,443)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization.	9,359,417	4,284,462
(Increase) decrease in:		
Receivables and prepaid items.	(362,740)	(6,122,281)
Inventories.	248,591	166,853
Increase (decrease) in:		
Accounts payable and accrued expenses.	(979,762)	1,056,075
Unearned revenue.	-	-
Deferred outflows.	(8,655)	(243,950)
Deferred inflows.	(317)	24,609
Net Cash Provided (Used) by Operating Activities	\$ 6,173,507	\$ (26,097,675)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of capital assets.	\$ 582,169	\$ 109,049
Loss on disposal of capital assets.	-	(507,890)
Increase (decrease) in fair value of investments.	-	-
Early termination of leases and subscriptions.	-	(578,951)

	Energy Center		Self Insurance		Employee Health Plan Self-Insurance		Other Employee Benefits		Total
\$	11,500,805	\$	13,616,472	\$	192,718,668	\$	13,443,644	\$	338,800,995
	(8,852,294)		(910,861)		(10,529,681)		-		(78,919,119)
	(175,570)		(9,361,824)		(183,540,208)		(12,356,744)		(269,970,324)
	(138,784)		(178,604)		(421,572)		-		(5,022,273)
	<u>2,334,157</u>		<u>3,165,183</u>		<u>(1,772,793)</u>		<u>1,086,900</u>		<u>(15,110,721)</u>
	-		-		-		-		92,429
	-		-		-		-		(1,147,781)
	-		-		-		(2,179,192)		(2,179,192)
	<u>-</u>		<u>-</u>		<u>-</u>		<u>(2,179,192)</u>		<u>(3,234,544)</u>
	-		-		-		-		(15,785,390)
	(392,005)		-		-		-		(392,005)
	-		-		-		-		109,049
	(1,186,755)		-		-		-		(1,186,755)
	<u>(1,578,760)</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>(17,255,101)</u>
	-		-		806,404		-		806,404
	755,397		3,165,183		(966,389)		(1,092,292)		(34,793,962)
	<u>3,555,203</u>		<u>18,431,573</u>		<u>20,145,606</u>		<u>112,234,749</u>		<u>232,562,572</u>
\$	<u>4,310,600</u>	\$	<u>21,596,756</u>	\$	<u>19,179,217</u>	\$	<u>111,142,457</u>	\$	<u>197,768,610</u>
\$	507,856	\$	2,488,501	\$	3,072,086	\$	(10,743,354)	\$	(32,021,381)
	1,771,030		-		-		-		15,414,909
	(344,833)		(908,705)		1,423,586		-		(6,314,973)
	<u>370,576</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>786,020</u>
	27,706		1,568,861		(4,280,875)		11,830,254		9,222,259
	-		-		(1,979,911)		-		(1,979,911)
	2,062		17,010		(8,426)		-		(241,959)
	<u>(240)</u>		<u>(484)</u>		<u>747</u>		<u>-</u>		<u>24,315</u>
\$	<u>2,334,157</u>	\$	<u>3,165,183</u>	\$	<u>(1,772,793)</u>	\$	<u>1,086,900</u>	\$	<u>(15,110,721)</u>
\$	-	\$	-	\$	-	\$	-	\$	691,218
	-		-		-		-		(507,890)
	-		-		281,186		-		281,186
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>(578,951)</u>

Schedule of Changes in Long-term Debt

For the Year Ended December 31, 2024

	Repayment Terms	Interest Rates	Amount of Original Issue
General Obligation -			
<u>Levy Supported Bonds and Notes</u>			
September 15, 2010 Series C, ¹ Taxable	\$4,540,000 in 2025, \$4,660,000 in 2026, \$4,785,000 in 2027, and \$9,975,000 in various increments from 2028 through 2029	4.0% to 4.5%	\$ 41,060,000
September 15, 2010 Series D, ² Recovery Zone Econ Development	\$5,665,000 in 2030, \$5,950,000 in 2031, \$6,145,000 in 2032, and \$19,615,000 in various increments from 2033 through 2035	4.8% to 4.875%	37,375,000
July 13, 2016 Series A, AOSC	\$3,405,000 in 2025, \$3,635,000 in 2026, \$3,820,000 in 2027 and \$78,560,000 in various increment from 2028 through 2041	5.0%	104,285,000
October 19, 2016 Series B	\$3,000,000 in 2025, 2026 and 2027, and \$62,000,000 in various increments from 2028 through 2036	5.0%	95,000,000
October 19, 2016 Series C	\$5,260,000 in 2025, \$5,530,000 in 2026, \$5,800,000 in 2027 and \$6,100,000 in 2028	5.0%	59,865,000
July 6, 2017 Series B, AOSC	\$2,020,000 in 2025, \$2,100,000 in 2026, \$2,185,000 in 2027 and \$41,575,000 in various increments from 2028 through 2041	Variable - Est. 3.413%	60,000,000
August 29, 2017 Series C	\$4,305,000 in 2025, \$4,520,000 in 2026, \$4,745,000 in 2027 and \$62,700,000 in various increments from 2028 through 2037	5.0%	100,000,000
July 17, 2018 Series A	\$4,330,000 in 2025, \$4,545,000 in 2026, \$4,770,000 in 2027 and \$71,180,000 in various increments from 2028 through 2038	5.0%	100,000,000
November 1, 2018 Series B	\$7,280,000 in 2025, \$7,730,000 in 2026, \$7,210,000 in 2027 and \$76,875,000 in various increments from 2028 through 2038	Variable - Est. 3.397%	163,485,000
September 11, 2019 Series C, Refunding	\$4,030,000 in 2025, \$4,235,000 in 2026, \$4,445,000 in 2027 and \$9,580,000 in various increments from 2028 through 2029	5.0%	39,265,000
September 24, 2020 Series A	\$3,555,000 in 2025, \$3,730,000 in 2026, \$3,920,000 in 2027 and \$72,885,000 in various increments from 2028 through 2040	5.0%	100,000,000
September 24, 2020 Series B, Refunding	\$4,585,000 in 2025, \$2,355,000 in 2026, \$2,470,000 in 2027 and \$11,195,000 in various increments from 2028 through 2031	5.0%	37,795,000
September 30, 2021 Series A	\$1,500,000 in 2025, \$3,760,000 in 2026, \$3,950,000 in 2027 and \$80,290,000 in various increments from 2028 through 2041	4.0% to 5.0%	100,000,000
September 1, 2022 Series A	\$2,040,000 in 2025, \$2,105,000 in 2026, \$2,180,000 in 2027 and \$44,775,000 in various increments from 2028 through 2042	3.5% to 4.125%	55,000,000
October 27, 2022 Series B Refunding	\$8,575,000 in 2025, \$9,055,000 in 2026, \$6,220,000 in 2027 and \$51,500,000 in various increments from 2028 to 2039	5.0%	75,350,000
September 7, 2023 Series A	\$3,210,000 in 2025, \$3,370,000 in 2026, \$3,540,000 in 2027 and \$87,880,000 from 2028 to 2043	5.0%	100,000,000
September 26, 2024 Series A	\$3,295,000 in 2026, \$4,545,000 in 2027, \$5,800,000 in 2028, and \$186,360,000 from 2029 to 2044	5.0%	200,000,000
<u>G.O. Non-Levy Supported Bonds</u>			
January 29, 2013 Series B, Watershed District	\$375,000 in 2025, \$385,000 in 2026, \$390,000 in 2027 and \$2,120,000 in various increments from 2028 through 2032	2.0 to 3.0%	7,075,000
September 24, 2020 Series B, Watershed District Refunding	\$345,000 in 2025, \$365,000 in 2026, \$380,000 in 2027 and \$1,545,000 in various increments from 2028 to 2031	5.0%	3,825,000
September 5, 2019 Series B, SWLRT (Sales Tax Revenue)	\$7,720,000 in 2025, \$8,105,000 in 2026, \$8,510,000 in 2027 and \$142,245,000 in various increments from 2028 through 2039	5.0%	200,000,000
October 1, 2020, Series C, SWLRT (Sales Tax Revenue)	\$5,515,000 in 2025, \$5,790,000 in 2026, \$6,080,000 in 2027 and \$113,065,000 in various increments from 2028 through 2040	5.0%	150,000,000
<u>Sales Tax Revenue Bonds</u>			
Ballpark: January 30, 2017 Series A	\$8,570,000 in 2025, \$11,750,000 in 2030, \$12,340,000 in 2031 and \$1,525,000 in 2032	5.0%	116,885,000
<u>Limited Tax Bonds</u>			
Regional Railroad Authority (RRA), March 12, 2019 Series A	\$3,165,000 in 2025, \$3,325,000 in 2026, \$3,490,000 in 2027 and \$52,045,000 in various increments from 2028 through 2038	5.0%	80,000,000
Regional Railroad Authority (RRA), September 11, 2019 Series D, Refunding	\$1,800,000 in 2025, \$1,900,000 in 2026, \$2,005,000 in 2027 and \$9,215,000 in various increments from 2028 to 2031	5.0%	22,345,000

¹Bonds were issued as Build America Bonds - Direct Payment to Issuer, whereby the County receives a 35 percent annual interest rate subsidy from the U.S. Treasury for the life of the bonds²Bonds were issued as Recovery Zone Economic Development Bonds - Direct Payment to Issuer, whereby the County receives a 45 percent annual interest rate subsidy from the U.S. Treasury for the life of the bonds.

	Principal Payable					Interest Payable		
	Balance Dec. 31, 2023	Additions	Payments	Balance Dec. 31, 2024	Due Within One Year	Total	Due Within One Year	
General Obligation -								
<u>Levy Supported Bonds and Notes</u>								
September 15, 2010 Series C, ¹ Taxable	\$ 28,390,000	\$ -	\$ 4,430,000	\$ 23,960,000	\$ 4,540,000	\$ 3,189,185	\$ 1,024,705	
September 15, 2010 Series D, ² Recovery Zone Econ Development	37,375,000	-	-	37,375,000	-	15,310,127	1,780,009	
July 13, 2016 Series A, AOSC	92,475,000	-	3,055,000	89,420,000	3,405,000	45,441,250	4,471,000	
October 19, 2016 Series B	74,000,000	-	3,000,000	71,000,000	3,000,000	30,841,500	3,550,000	
October 19, 2016 Series C	27,700,000	-	5,010,000	22,690,000	5,260,000	2,906,000	1,134,500	
July 6, 2017 Series B, AOSC	49,820,000	-	1,940,000	47,880,000	2,020,000	16,234,058	1,633,985	
August 29, 2017 Series C	80,370,000	-	4,100,000	76,270,000	4,305,000	29,283,750	3,813,500	
July 17, 2018 Series A	88,945,000	-	4,120,000	84,825,000	4,330,000	35,145,500	4,241,250	
November 1, 2018 Series B	117,940,000	-	18,845,000	99,095,000	7,280,000	31,027,384	3,773,344	
September 11, 2019 Series C, Refunding	26,130,000	-	3,840,000	22,290,000	4,030,000	3,453,250	1,114,500	
September 24, 2020 Series A	87,475,000	-	3,385,000	84,090,000	3,555,000	40,054,750	4,204,500	
September 24, 2020 Series B Refunding	25,100,000	-	4,495,000	20,605,000	4,585,000	3,948,000	1,030,250	
September 30, 2021 Series A	91,000,000	-	1,500,000	89,500,000	1,500,000	40,190,450	4,068,100	
September 1, 2022 Series A	53,075,000	-	1,975,000	51,100,000	2,040,000	21,170,150	1,997,994	
October 27, 2022 Series B Refunding	75,350,000	-	-	75,350,000	8,575,000	28,218,500	3,767,500	
September 7, 2023 Series A	100,000,000	-	2,000,000	98,000,000	3,210,000	56,069,000	4,900,000	
September 26, 2024 Series A	-	200,000,000	-	200,000,000	-	128,575,750	10,000,000	
Total G.O. Levy Supported	1,065,365,000	200,000,000	71,915,000	1,193,450,000	61,635,000	531,058,604	56,505,137	
<u>G.O. Non-Levy Supported Bonds</u>								
January 29, 2013 Series B, Watershed District	3,640,000	-	370,000	3,270,000	375,000	424,500	85,538	
September 24, 2020 Series B Watershed District Refunding	2,965,000	-	330,000	2,635,000	345,000	526,500	131,750	
September 5, 2019, Series B, Sales Tax Revenue (SWLRT)	173,930,000	-	7,350,000	166,580,000	7,720,000	74,151,000	8,329,000	
October 1, 2020, Series C SWLRT (Sales Tax Revenue)	135,700,000	-	5,250,000	130,450,000	5,515,000	62,132,000	6,522,500	
Total G.O. Non-Levy Supported	316,235,000	-	13,300,000	302,935,000	13,955,000	137,234,000	15,068,788	
<u>Sales Tax Revenue Bonds</u>								
Ballpark: January 30, 2017, Series A	42,215,000	-	8,030,000	34,185,000	8,570,000	8,882,500	1,709,250	
Total Sales Tax Revenue	42,215,000	-	8,030,000	34,185,000	8,570,000	8,882,500	1,709,250	
<u>Limited Tax Bonds</u>								
Regional Railroad Authority (RRA) March 12, 2019 Series A	65,040,000	-	3,015,000	62,025,000	3,165,000	25,697,250	3,101,250	
Regional Railroad Authority (RRA) September 11, 2019 Series D Refunding	16,625,000	-	1,705,000	14,920,000	1,800,000	3,146,250	746,000	
Total Limited Tax Bonds	81,665,000	-	4,720,000	76,945,000	4,965,000	28,843,500	3,847,250	
Total Long-Term Debt	\$ 1,505,480,000	\$ 200,000,000	\$ 97,965,000	\$ 1,607,515,000	\$ 89,125,000	\$ 706,018,604	\$ 77,130,425	



Statistical Section

Statistical Section

Page Table

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

146	1. Government-wide Net Position
148	2. Government-wide Change in Net Position
150	3. Government-wide Expenses by Function
152	4. Government-wide Revenues
154	5. Fund Balances - Governmental Funds
156	6. Change in Fund Balances - Governmental Funds
158	7. Governmental Fund Expenditures by Function
160	8. Governmental Fund Revenues by Source

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

162	9. Property Estimated Market Value
164	10. Property Tax Rates and Levies - Direct and Overlapping Governments
166	11. Principal Taxpayers
168	12. Tax Levies and Collections on Property Located Within the County
170	13. Net Tax Capacity and Taxable Market Value of Property
172	14. Tax Capacity of Taxable Property by Municipality

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

174	15. Ratios of Outstanding Debt by Type
176	16. Ratio of Net Levy-supported General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita
177	17. Ratio of Net General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita
178	18. Direct, Overlapping, and Underlying Levy-supported General Obligation Debt
179	19. Direct, Overlapping, and Underlying Governmental Activities Debt
180	20. Legal Debt Margin Information
182	21. Sales Tax Revenue Bond Coverage
184	22. Ratio of Debt Service Expenditures for Property Tax Supported Bonds to Total Expenditures

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

185	23. Demographic and Economic Statistics
186	24. Labor Force Size and Unemployment Rate
187	25. Principal Employers

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

188	26. Employees by Function/Program
190	27. Operating Indicators
192	28. Capital Asset Statistics by Function/Program
194	29. Selected Per Capita Measures of Financial Condition
196	30. Selected Ratio Measures of Financial Condition

Government-wide Net Position

Last Ten Years

Year	Governmental Activities Net Position ¹				Business-type	
	Net Investment in Capital Assets	Restricted	Unrestricted	Total	Net Investment in Capital Assets	Restricted
2015	\$ 1,115,088,507 107.8 %	60,073,851 5.8	(140,552,867) (13.6)	\$ 1,034,609,491 100.0 %	\$ 125,124,499 71.0 %	46,195,638 26.2
2016	\$ 1,219,864,333 134.4 %	55,598,868 6.1	(367,758,308) (40.5)	\$ 907,704,893 100.0 %	\$ 395,059,037 154.8 %	100,921,673 39.6
2017	\$ 1,206,561,675 146.6 %	33,310,365 4.0	(416,536,711) (50.6)	\$ 823,335,329 100.0 %	\$ 384,924,769 151.0 %	110,665,578 43.4
2018	\$ 1,262,978,840 135.4 %	107,904,209 11.6	(438,421,345) (47.0)	\$ 932,461,704 100.0 %	\$ 357,743,028 135.5 %	113,076,467 42.8
2019	\$ 1,182,547,879 125.6 %	364,061,414 38.7	(605,345,730) (64.3)	\$ 941,263,563 100.0 %	\$ 340,520,315 138.3 %	113,845,957 46.3
2020	\$ 1,140,681,933 148.0 %	325,286,070 42.2	(695,375,554) (90.2)	\$ 770,592,449 100.0 %	\$ 334,564,780 108.2 %	140,821,957 45.5
2021	\$ 1,150,924,259 112.6 %	418,125,500 40.9	(546,857,995) (53.5)	\$ 1,022,191,764 100.0 %	\$ 332,684,247 91.8 %	154,758,855 42.7
2022	\$ 1,162,226,972 105.8 %	509,294,932 46.4	(573,041,336) (52.2)	\$ 1,098,480,538 100.0 %	\$ 321,901,627 92.8 %	180,797,095 52.6
2023	\$ 1,090,537,356 92.2 %	563,342,808 47.7	(471,907,833) (39.9)	\$ 1,181,972,331 100.0 %	\$ 317,747,025 93.8 %	223,072,489 65.9
2024	\$ 1,037,159,117 85.1 %	664,983,175 54.6	(483,513,023) (39.7)	\$ 1,218,629,269 100.0 %	\$ 326,826,528 108.5 %	193,537,848 64.3

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

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

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

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

The County adopted the provisions of GASB 101 in 2024, which changed the liabilities and expenses related to compensated absences. Net position for governmental activities and business-type activities was restated as of January 1, 2023, resulting in a \$15,504,680 decrease and \$1,642,399 decrease, respectively. Periods prior to 2023 were not restated because the information is not available.

Unaudited

Table 1

Activities Net Position ¹			Total Primary Government Net Position			
Unrestricted	Total		Net Investment in Capital Assets	Restricted	Unrestricted	Total
4,927,906 2.8	\$ 176,248,043 100.0 %		\$ 1,240,213,006 102.4 %	106,269,489 8.8	(135,624,961) (11.2)	\$ 1,210,857,534 100.0 %
(240,873,069) (94.4)	\$ 255,107,641 100.0 %		\$ 1,614,923,370 138.8 %	156,520,541 13.5	(608,631,377) (52.3)	\$ 1,162,812,534 100.0 %
(240,740,842) (94.4)	\$ 254,849,505 100.0 %		\$ 1,591,486,444 147.6 %	143,975,943 13.4	(657,277,553) (61.0)	\$ 1,078,184,834 100.0 %
(206,832,888) (78.3)	\$ 263,986,607 100.0 %		\$ 1,620,721,868 135.5 %	220,980,676 18.4	(645,254,233) (53.9)	\$ 1,196,448,311 100.0 %
(208,288,661) (84.6)	\$ 246,077,611 100.0 %		\$ 1,523,068,194 128.2 %	477,907,371 40.3	(813,634,391) (68.5)	\$ 1,187,341,174 100.0 %
(166,177,272) (53.7)	\$ 309,209,465 100.0 %		\$ 1,475,246,713 136.6 %	466,108,027 43.2	(861,552,826) (79.8)	\$ 1,079,801,914 100.0 %
(125,131,930) (34.5)	\$ 362,311,172 100.0 %		\$ 1,483,608,506 107.2 %	572,884,355 41.4	(671,989,925) (48.6)	\$ 1,384,502,936 100.0 %
(159,048,896) (45.4)	\$ 343,649,826 100.0 %		\$ 1,484,128,599 102.7 %	690,092,027 47.9	(732,090,232) (50.6)	\$ 1,442,130,364 100.0 %
(202,068,415) (59.7)	\$ 338,751,099 100.0 %		\$ 1,408,284,381 92.6 %	786,415,297 51.7	(673,976,248) (44.3)	\$ 1,520,723,430 100.0 %
(219,231,736) (72.8)	\$ 301,132,640 100.0 %		\$ 1,363,985,645 89.7 %	858,521,023 56.5	(702,744,759) (46.2)	\$ 1,519,761,909 100.0 %

Government-wide Change in Net Position

Last Ten Years

Governmental Activities Change in Net Position ¹					
Year	Net Program Expense	General Revenue	Transfers In (Out)	Insurance Recoveries	Total
2015	\$ (743,751,041)	859,497,012	1,043,430	-	\$ 116,789,401
2016	\$ (860,383,897)	853,717,908	(17,323,096)	-	\$ (23,989,085)
2017	\$ (939,947,496)	915,334,413	(8,396,008)	-	\$ (33,009,091)
2018	\$ (943,600,045)	1,064,502,788	(11,776,368)	-	\$ 109,126,375
2019	\$ (1,119,662,343)	1,142,841,349	(14,377,147)	-	\$ 8,801,859
2020	\$ (1,296,728,088)	1,144,927,388	(18,870,414)	-	\$ (170,671,114)
2021	\$ (862,965,987)	1,139,982,552	(26,186,000)	768,750	\$ 251,599,315
2022	\$ (1,075,309,570)	1,163,431,622	(11,833,278)	-	\$ 76,288,774
2023	\$ (1,213,738,270)	1,307,875,023	(10,644,960)	-	\$ 83,491,793
2024	\$ (1,289,518,157)	1,359,263,144	(33,088,049)	-	\$ 36,656,938

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

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

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

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

The implementation of GASB 101 in 2024 changed the method of reporting expenses related to compensated absences. 2023 was restated for comparison purposes but periods prior to 2023 were not restated because the information is not available.

Governmental Activities' Net Program Expense amounts include contributions to Metropolitan Council for light rail projects such as Southwest Light Rail Transit. For example, 2022, 2023 and 2024 Net Program Expense amounts include \$127,171,043, \$117,766,961 and \$117,790,152 respectively.

Unaudited

Table 2

Business-type Activities Change in Net Position ¹				
Net Program Revenue (Expense)	General Revenue	Transfers In (Out)	Total	Total Change in Net Position
\$ (10,480,718)	3,677,095	(1,043,430)	(7,847,053)	\$ 108,942,348
\$ (45,026,903)	3,647,892	17,323,096	(24,055,915)	\$ (48,045,000)
\$ (26,428,996)	3,743,368	8,396,008	(14,289,620)	\$ (47,298,711)
\$ (6,779,710)	4,140,444	11,776,368	9,137,102	\$ 118,263,477
\$ (36,656,879)	4,370,736	14,377,147	(17,908,996)	\$ (9,107,137)
\$ 39,540,810	4,720,630	18,870,414	63,131,854	\$ (107,539,260)
\$ 24,024,854	2,890,853	26,186,000	53,101,707	\$ 304,701,022
\$ (35,766,740)	5,272,116	11,833,278	(18,661,346)	\$ 57,627,428
\$ (20,497,843)	4,954,156	10,644,960	(4,898,727)	\$ 78,593,066
\$ (70,997,392)	290,884	33,088,049	(37,618,459)	\$ (961,521)

Government-wide Expenses by Function

Last Ten Years

Year	Governmental Activities						
	Operations ¹	Disparity Reduction	Human Services	Health	Law, Safety and Justice	Public Works	Resident Services
2015 ²	\$ 138,704,676 8.9 %	- -	518,754,330 34.3	72,266,334 4.8	290,419,591 19.2	90,238,102 6.0	111,549,487 7.4
2016	\$ 148,352,078 5.7 %	- -	578,786,579 21.9	66,712,310 2.5	348,219,386 13.2	95,340,184 3.6	122,365,162 4.6
2017 ³	\$ 155,836,533 5.5 %	- -	606,245,245 21.2	68,619,425 2.4	347,612,537 12.1	116,853,788 4.1	125,114,046 4.4
2018 ⁴	\$ 190,477,947 6.7 %	- -	611,146,772 21.1	78,387,060 2.7	319,194,885 11.0	125,680,478 4.3	128,113,024 4.4
2019	\$ 304,441,139 9.7 %	- -	606,469,494 19.3	79,401,626 2.5	353,266,892 11.3	149,132,482 4.7	127,378,638 4.1
2020	\$ 477,251,335 13.6 %	- -	620,995,687 17.9	71,311,173 2.1	345,693,745 10.0	218,469,994 6.3	133,326,664 3.8
2021	\$ 238,929,124 7.5 %	- -	600,417,949 18.8	82,175,836 2.6	339,834,100 10.7	136,917,181 4.3	111,860,958 3.5
2022 ⁵	\$ 327,405,797 8.9 %	12,925,386 0.3	671,470,503 18.1	88,818,746 2.4	401,991,998 10.8	123,466,469 3.3	124,238,989 3.3
2023 ⁶	\$ 340,313,532 8.4 %	22,858,491 0.6	754,530,999 18.7	104,979,872 2.6	424,535,637 10.5	146,304,575 3.6	156,299,839 3.9
2024 ⁷	\$ 346,414,582 8.2 %	27,878,090 0.7	835,774,445 20.1	117,447,753 2.8	441,764,363 10.6	129,621,686 3.1	172,634,584 4.1

¹ Note that the Government-wide presentation of Operations expenses is very different from the Table 7 governmental fund presentation. For example, Table 3 differs from Table 7 in that Table 3 does not include certain expenses such as those for capital assets and debt principal payments due to the different measurement focus. The 2022, 2023 and 2024 Operations Expense amounts include \$127,171,043, \$117,766,961 and \$117,790,152 respectively, relating to contributions to Metropolitan Council for light rail projects such as Southwest Light Rail Transit.

² The implementation of GASB 68 in 2015 required the County and its discretely presented component unit to report a net pension liability, as well as related revenues and expenses. The years prior to implementation were not restated above because that information is not available.

³ The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit in business-type activities, rather than a discretely presented component unit. 2016 was restated for comparison purposes but data is not available for prior years.

⁴ The implementation of GASB 75 in 2018 changed the method for reporting expenses relating to postemployment benefits. 2017 was restated for comparison purposes but periods prior to 2017 were not restated because the information is not available.

⁵ The implementation of GASB 87 in 2022 changed the method for reporting leases. 2021 expenses in various activities were restated for comparison purposes but periods prior to 2021 were not restated because the information is not available.

⁶ The implementation of GASB 96 in 2023 established new reporting requirements for subscription-based IT arrangements. 2022 was restated for comparison purposes but periods prior to 2022 were not restated because the information is not available.

⁷ The implementation of GASB 101 in 2024 changed the method for reporting expenses relating to compensated absences. 2023 was restated for comparison purposes but periods prior to 2023 were not restated because the information is not available.

Unaudited

Table 3

Housing and Redevelopment Authority	Regional Railroad Authority	Interest on Long-term Debt	Business-type Activities				Total
			Hennepin Health Plan	Environment and Energy	Medical Center	Other Enterprises	
10,170,173 0.7	23,908,644 1.6	43,205,097 2.9	148,124,869 9.8	63,285,558 4.2	0 -	3,339,214 0.2	\$ 1,513,966,075 100.0 %
11,037,512 0.4	24,713,823 0.9	44,024,761 1.7	128,098,502 4.8	59,055,113 2.2	1,015,357,256 38.4	3,630,950 0.1	\$ 2,645,693,616 100.0 %
12,340,350 0.4	54,407,297 1.9	48,127,742 1.7	227,311,006 7.9	68,754,823 2.4	1,026,701,749 35.9	3,964,905 0.1	\$ 2,861,889,446 100.0 %
11,282,225 0.4	42,915,345 1.5	35,450,382 1.2	229,332,103 7.9	70,997,580 2.5	1,044,068,505 36.1	4,380,778 0.2	\$ 2,891,427,084 100.0 %
9,420,106 0.3	43,898,191 1.4	40,630,769 1.3	229,885,013 7.3	70,825,616 2.3	1,120,652,913 35.7	4,579,516 0.1	\$ 3,139,982,395 100.0 %
18,731,951 0.5	78,322,450 2.3	35,147,804 1.0	249,234,707 7.2	71,939,427 2.1	1,148,474,054 33.1	5,024,258 0.1	\$ 3,473,923,249 100.0 %
15,131,283 0.5	9,343,977 0.3	16,316,580 0.5	332,065,520 10.4	75,128,209 2.4	1,224,559,954 38.4	4,538,075 0.1	\$ 3,187,218,746 100.0 %
20,886,498 0.6	4,962,493 0.1	29,080,302 0.8	422,207,850 11.4	87,343,316 2.4	1,392,721,617 37.5	4,660,875 0.1	\$ 3,712,180,839 100.0 %
43,537,210 1.1	9,823,606 0.2	41,240,482 1.0	402,894,172 10.0	83,863,467 2.1	1,500,212,934 37.2	5,055,515 0.1	\$ 4,036,450,331 100.0 %
35,443,676 0.9	16,405,095 0.4	44,928,028 1.1	381,552,305 9.2	83,590,282 2.0	1,528,099,166 36.7	5,290,796 0.1	\$ 4,166,844,851 100.0 %

Government-wide Revenues

Last Ten Years

	2015	2016	2017	2018
Program Revenues				
<u>Governmental Activities:</u>				
Charges for services:				
Operations	\$ 14,872,214	\$ 11,600,205	\$ 12,115,471	\$ 12,039,425
Disparity Reduction	-	-	-	-
Human Services	47,429,213	47,896,357	52,685,114	58,597,385
Health	25,494,025	26,810,379	29,363,243	24,466,065
Law, Safety and Justice	18,144,638	18,586,084	19,546,765	19,582,140
Public Works	8,377,004	9,464,679	7,778,536	6,661,736
Resident Services	23,626,002	24,206,517	24,295,135	24,279,892
Housing and Redevelopment Authority	2,269,562	2,286,707	2,500,933	2,589,833
Regional Railroad Authority	685,494	768,950	713,873	488,816
Operating Grants and Contributions ¹	338,658,128	348,477,646	366,649,750	361,831,257
Capital Grants and Contributions	75,909,113	89,070,374	79,560,647	88,511,524
Total Governmental Activities	555,465,393	579,167,898	595,209,467	599,048,073
<u>Business-type Activities:</u>				
Charges for services:				
Hennepin Health Plan	144,120,318	127,883,397	231,003,831	234,468,514
Environment and Energy	50,713,519	52,352,065	53,834,305	50,812,125
Medical Center ²	-	912,560,574	939,043,280	981,700,323
Other Enterprises	3,842,304	4,018,439	3,941,747	4,366,682
Operating Grants and Contributions	5,592,782	63,532,013	72,480,324	70,651,612
Capital Grants and Contributions	-	768,430	-	-
Total Business-type Activities	204,268,923	1,161,114,918	1,300,303,487	1,341,999,256
Total Program Revenues	759,734,316	1,740,282,816	1,895,512,954	1,941,047,329
General Revenues, Transfers, and Special Items				
<u>Governmental Activities:</u>				
Property Taxes	736,107,711	765,198,455	800,979,263	829,362,438
Sales Tax	35,769,164	36,468,191	57,266,835	170,834,314
Wheelage Tax	9,965,015	9,918,363	9,973,509	10,468,350
Other Taxes	3,470,495	3,514,045	3,344,822	3,514,521
Unrestricted Grants and Contributions	32,451,058	32,451,058	31,242,476	32,605,262
Unrestricted Investment Earnings (Losses) ³	8,350,369	6,167,796	12,527,508	17,717,903
Transfers In (Out)	1,043,430	(17,323,096)	(8,396,008)	(11,776,368)
Change in Equity Interest in Component Unit ²	33,383,200	-	-	-
Insurance Recoveries	-	-	-	-
Total general revenues and transfers	860,540,442	836,394,812	906,938,405	1,052,726,420
<u>Business-type Activities:</u>				
Property Taxes	-	-	-	-
Other Taxes	3,677,095	3,647,892	3,743,368	4,140,444
Transfers In (Out)	(1,043,430)	17,323,096	8,396,008	11,776,368
Total Business-type Activities	2,633,665	20,970,988	12,139,376	15,916,812
Total General Revenues, Transfers, and Special Items	863,174,107	857,365,800	919,077,781	1,068,643,232
Total Revenues, Transfers, and Special Items	\$ 1,622,908,423	\$ 2,597,648,616	\$ 2,814,590,735	\$ 3,009,690,561

¹ Federal grant revenues totaling \$198,827,485 relating to the COVID-19 pandemic were received in 2020 to mitigate some of the economic disruption caused by the COVID-19 pandemic. Sales tax revenues and investment earnings decreased due to economic impacts of the pandemic. Federal grant revenues totaling \$181,494,303, \$134,231,668, \$122,504,075, and \$51,476,566 related to pandemic recovery were received in 2021, 2022, 2023, and 2024, respectively.

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

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

Unaudited

Table 4

	2019	2020	2021	2022	2023	2024
\$	16,827,669	\$ 14,637,256	\$ 19,273,459	\$ 18,919,438	\$ 20,778,110	\$ 21,003,928
	-	-	-	-	-	12,943
	57,141,476	55,734,790	48,991,682	48,587,795	54,915,367	65,081,206
	25,264,511	20,031,597	24,573,788	25,066,712	25,844,636	27,323,038
	18,880,557	14,597,641	13,930,470	14,715,003	16,559,558	17,184,645
	9,305,077	7,546,082	6,608,286	5,668,180	6,591,785	7,075,967
	25,378,231	21,398,488	23,141,127	22,572,328	21,127,376	23,543,591
	1,528,593	3,575,190	4,871,872	3,600,239	2,303,010	1,795,040
	547,719	487,523	577,727	1,262,583	473,791	826,024
	372,715,060	508,172,728	490,060,818	515,115,629	654,800,235	553,582,112
	66,788,101	56,341,420	55,931,772	74,429,704	27,292,105	161,365,651
	<u>594,376,994</u>	<u>702,522,715</u>	<u>687,961,001</u>	<u>729,937,611</u>	<u>830,685,973</u>	<u>878,794,145</u>
	213,812,696	256,562,245	327,212,725	445,078,043	424,734,106	325,602,300
	58,364,153	60,138,047	70,787,987	78,528,112	75,043,827	80,254,356
	1,021,757,979	955,633,560	1,143,140,548	1,243,721,190	1,336,672,421	1,386,561,521
	4,570,312	4,807,539	5,324,488	5,285,520	5,489,277	5,981,285
	90,781,039	237,071,865	113,850,864	98,554,053	129,588,614	129,135,695
	-	-	-	-	-	-
	<u>1,389,286,179</u>	<u>1,514,213,256</u>	<u>1,660,316,612</u>	<u>1,871,166,918</u>	<u>1,971,528,245</u>	<u>1,927,535,157</u>
	<u>1,983,663,173</u>	<u>2,216,735,971</u>	<u>2,348,277,613</u>	<u>2,601,104,529</u>	<u>2,802,214,218</u>	<u>2,806,329,302</u>
	885,201,195	915,936,953	903,936,662	948,263,013	958,383,810	985,716,837
	177,893,004	158,887,776	180,764,048	209,171,559	215,208,804	229,054,413
	10,678,140	19,305,219	20,294,603	19,719,096	20,096,378	22,008,074
	3,523,549	3,667,703	5,182,898	3,905,780	2,765,762	2,868,188
	31,702,806	35,914,968	36,043,078	44,292,862	36,563,432	47,717,515
	33,842,655	11,214,769	(6,238,737)	(61,920,688)	74,856,837	71,898,117
	(14,377,147)	(18,870,414)	(26,186,000)	(11,833,278)	(10,644,960)	(33,088,049)
	-	-	-	-	-	-
	-	-	768,750	-	-	-
	<u>1,128,464,202</u>	<u>1,126,056,974</u>	<u>1,114,565,302</u>	<u>1,151,598,344</u>	<u>1,297,230,063</u>	<u>1,326,175,095</u>
	-	-	-	-	261,246	258,284
	4,370,736	4,720,630	2,890,853	5,272,116	4,692,910	32,600
	14,377,147	18,870,414	26,186,000	11,833,278	10,644,960	33,088,049
	<u>18,747,883</u>	<u>23,591,044</u>	<u>29,076,853</u>	<u>17,105,394</u>	<u>15,599,116</u>	<u>33,378,933</u>
	<u>1,147,212,085</u>	<u>1,149,648,018</u>	<u>1,143,642,155</u>	<u>1,168,703,738</u>	<u>1,312,829,179</u>	<u>1,359,554,028</u>
\$	<u>3,130,875,258</u>	<u>\$ 3,366,383,989</u>	<u>\$ 3,491,919,768</u>	<u>\$ 3,769,808,267</u>	<u>\$ 4,115,043,397</u>	<u>\$ 4,165,883,330</u>

Fund Balances - Governmental Funds

Last Ten Years

Year	General Fund				
	Nonspendable	Restricted	Assigned	Unassigned	Total
2015	\$ 3,786,580 1.9%	14,538,052 7.4%	39,060,573 19.9%	138,845,323 70.8%	196,230,528 100.0%
2016	\$ 3,634,594 1.9%	15,085,450 7.9%	42,751,107 22.6%	128,298,246 67.6%	189,769,397 100.0%
2017	\$ 3,711,556 1.7%	14,439,209 6.7%	39,704,269 18.6%	156,228,977 73.0%	214,084,011 100.0%
2018	\$ 2,447,895 1.2%	15,051,095 7.4%	37,305,151 18.3%	149,347,465 73.1%	204,151,606 100.0%
2019	\$ 2,442,985 1.1%	15,336,277 6.9%	46,121,699 20.7%	158,941,880 71.3%	222,842,841 100.0%
2020	\$ 3,100,646 1.4%	16,040,900 7.3%	61,861,604 28.3%	137,559,210 63.0%	218,562,360 100.0%
2021 ¹	\$ 6,998,271 2.9%	22,658,602 9.4%	50,561,810 20.9%	162,090,016 66.8%	242,308,699 100.0%
2022	\$ 6,732,134 2.9%	22,478,070 9.5%	49,452,252 21.0%	156,859,427 66.6%	235,521,883 100.0%
2023	\$ 7,434,349 2.4%	40,043,324 13.2%	79,232,031 26.0%	177,605,849 58.4%	304,315,553 100.0%
2024	\$ 9,130,716 3.1%	30,390,073 10.4%	101,325,891 34.7%	151,405,040 51.8%	292,251,720 100.0%

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

Unaudited

Table 5

All Other Governmental Funds				
Nonspendable	Restricted	Committed	Unassigned	Total
9,807,491 6.9%	164,488,646 44.1%	167,233,245 49.0%	-	\$ 341,529,382 100.0%
10,772,803 2.7%	234,651,766 58.2%	157,639,040 39.1%	-	\$ 403,063,609 100.0%
3,784,193 1.1%	177,485,513 51.4%	164,038,954 47.5%	-	\$ 345,308,660 100.0%
3,612,832 0.9%	252,841,007 64.3%	136,894,323 34.8%	-	\$ 393,348,162 100.0%
3,906,490 0.6%	449,017,383 76.4%	134,809,172 22.9%	-	\$ 587,733,045 100.0%
3,704,937 0.7%	420,856,843 71.6%	162,847,915 27.7%	-	\$ 587,409,695 100.0%
397,683 0.1%	515,311,119 72.2%	198,195,438 27.7%	-	\$ 713,904,240 100.0%
212,475 0.0%	513,652,819 69.8%	222,408,168 30.2%	-	\$ 736,273,462 100.0%
540,446 0.1%	504,020,540 70.6%	209,764,428 29.3%	(57,658) 0.0%	\$ 714,267,756 100.0%
685,884 0.1%	612,846,566 77.7%	175,066,116 22.2%	-	\$ 788,598,566 100.0%

Change in Fund Balances - Governmental Funds

Last Ten Years

Year	Excess (Deficiency) of Revenues Over Expenditures ¹	Other Financing Sources (Uses)				
		Bond Proceeds Net of Payments to Refund Bonds	Transfers In	Transfers Out	Leases and Subscriptions ²	Sale of Capital Assets
2015	\$ (73,545,921)	-	91,512,238	(90,386,342)	-	1,483,608
2016	\$ (171,544,571)	160,908,146	62,603,156	(62,603,156)	-	483,806
2017	\$ (197,273,841)	52,254,866	78,973,598	(78,973,598)	-	9,316,350
2018	\$ (147,729,152)	157,452,035	107,969,676	(107,969,676)	-	10,502,804
2019	\$ (135,202,349)	265,415,000	126,781,860	(126,781,860)	-	-
2020	\$ (332,034,131)	239,955,000	97,711,411	(97,711,411)	-	398,640
2021	\$ 18,646,837	100,000,000	71,385,348	(71,385,348)	189,280	3,448,774
2022	\$ (48,095,400)	46,517,413	175,945,001	(175,945,001)	8,104,555	13,374
2023	\$ (57,032,441)	100,000,000	259,531,410	(272,931,410)	5,090,655	-
2024	\$ (176,949,692)	200,000,000	227,067,447	(226,012,095)	5,799,111	(134,262)

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

² The implementation of GASB 87 in 2022 changed the method for reporting leases. 2021 was restated for comparison purposes but periods prior to 2021 were not restated because the information is not available. The implementation of GASB 96 in 2023 established new reporting requirements for subscription-based IT arrangements. 2022 was restated for comparison purposes but periods prior to 2022 were not restated because the information is not available.

³ Governmental Funds' optional payments for early redemption of outstanding bond issues are included in the debt service amount used to calculate this percentage. This includes early redemptions of \$24,800,000 in 2015, \$22,000,000 in 2016, \$127,822,940 in 2017, \$15,000,000 in 2018, \$11,165,000 in 2019, \$15,000,000 in 2020, \$21,855,000 in 2021, \$12,000,000 in 2022, \$39,945,000 in 2023, and \$12,000,000 in 2024. The ratio would be lower if it was based only on required debt service expenditures. For example, 2022 would be 7.2%, 2023 would be 6.9%, and 2024 would be 6.6%.

Unaudited

Table 6

Bond and Note Premiums	Insurance Recoveries	Total	Net Change in Fund Balances	Debt Service as a Percentage of Noncapital Expenditures ³
-	-	\$ 2,609,504	\$ (70,936,417)	9.5 %
65,225,715	-	\$ 226,617,667	\$ 55,073,096	8.0 %
42,409,439	-	\$ 103,980,655	\$ (93,293,186)	13.7 %
17,881,410	-	\$ 185,836,249	\$ 38,107,097	7.6 %
82,863,467	-	\$ 348,278,467	\$ 213,076,118	7.3 %
87,076,660	-	\$ 327,430,300	\$ (4,603,831)	6.8 %
27,187,243	768,750	\$ 131,594,047	\$ 150,240,884	9.1 %
9,042,464	-	\$ 63,677,806	\$ 15,582,406	8.4 %
12,129,750	-	\$ 103,820,405	\$ 46,787,964	8.8 %
32,496,468	-	\$ 239,216,669	\$ 62,266,977	7.1 %

Governmental Fund Expenditures by Function

Last Ten Years

Year	Operations ^{1,2}	Disparity Reduction	Human Services	Health	Law, Safety and Justice	Public Works	Resident Services
2015	\$ 144,168,683 9.6 %	-	515,973,604 34.5	70,720,068 4.7	266,219,052 17.8	67,495,212 4.5	111,517,176 7.5
2016 ³	\$ 139,914,136 8.5 %	-	553,443,954 33.7	62,204,105 3.8	285,755,221 17.4	71,479,236 4.4	119,459,829 7.3
2017 ⁴	\$ 139,086,773 7.7 %	-	590,273,036 32.4	70,618,049 3.9	304,342,954 16.8	69,273,932 3.8	122,723,437 6.8
2018	\$ 203,987,599 11.0 %	-	621,038,721 33.5	75,426,403 4.1	316,524,000 17.0	67,255,611 3.6	129,006,342 6.9
2019	\$ 322,041,481 17.0 %	-	604,984,913 31.9	74,255,063 3.9	327,864,150 17.3	75,470,618 4.0	126,299,163 6.7
2020	\$ 479,878,181 21.5 %	-	629,564,177 28.3	69,065,962 3.1	337,506,137 15.1	144,255,851 6.5	134,702,678 6.0
2021 ⁵	\$ 272,371,516 14.9 %	-	618,690,968 33.7	75,092,172 4.1	335,476,036 18.3	66,120,765 3.6	114,976,808 6.3
2022 ⁶	\$ 310,669,335 15.9 %	8,495,784 0.4	650,206,736 33.2	81,109,305 4.1	351,488,211 18.0	68,594,218 3.5	118,447,166 6.1
2023	\$ 305,427,156 14.2 %	22,743,059 1.1	731,481,852 33.7	98,758,897 4.6	379,807,463 17.6	70,714,642 3.3	124,712,984 5.8
2024	\$ 338,975,481 14.0 %	28,523,556 1.2	816,261,897 33.6	110,173,546 4.6	420,012,856 17.4	77,274,159 3.2	141,455,864 5.8

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

² Operations expenditure include any large contributions to other governments for capital projects where the resulting capital assets will not be owned by the County. For example, contributions to the Metropolitan Council for light rail transit projects totaled \$127,171,043 in 2022, \$117,766,961 in 2023, and \$117,790,152 in 2024.

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

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

⁵ The implementation of GASB 87 in 2022 changed the method for reporting leases. 2021 was restated for comparison purposes but periods prior to 2021 were not restated because the information is not available.

⁶ The implementation of GASB 96 in 2023 established new reporting requirements for subscription-based IT arrangements. 2022 was restated for comparison purposes but periods prior to 2022 were not restated because the information is not available.

Unaudited

Table 7

Housing and Redevelopment Authority	Regional Railroad Authority	Capital Projects	Debt Service, Principal	Debt Service, Interest	Intergovernmental	Total
13,003,451 0.9	23,768,353 1.6	150,822,026 10.1	83,567,824 5.6	47,073,271 3.2	-	\$ 1,494,328,720 100.0 %
43,224,198 2.6	24,538,111 1.5	183,261,307 11.2	111,689,556 6.8	45,864,968 2.8	-	\$ 1,640,834,621 100.0 %
36,471,605 2.0	54,902,255 3.0	172,583,098 9.5	185,409,020 10.2	55,981,166 3.1	13,738,566 0.8	\$ 1,815,403,891 100.0 %
13,393,100 0.7	39,825,242 2.1	246,422,060 13.2	79,790,449 4.3	46,174,808 2.5	21,307,332 1.1	\$ 1,860,151,667 100.0 %
8,711,659 0.5	43,710,690 2.3	158,190,495 8.4	80,125,800 4.2	51,531,000 2.7	21,098,166 1.1	\$ 1,894,283,198 100.0 %
41,887,215 1.9	81,257,409 3.6	144,239,058 6.5	89,001,244 4.0	56,595,823 2.5	21,650,626 1.0	\$ 2,229,604,361 100.0 %
13,746,587 0.7	11,129,473 0.6	141,189,533 7.7	97,562,837 5.3	64,181,129 3.5	23,356,858 1.3	\$ 1,833,894,682 100.0 %
19,811,239 1.0	4,691,634 0.2	167,417,372 8.6	87,896,143 4.5	66,382,418 3.4	22,431,184 1.1	\$ 1,957,640,745 100.0 %
32,026,315 1.5	9,476,228 0.4	181,409,491 8.4	116,025,335 5.4	68,260,880 3.2	16,674,514 0.8	\$ 2,157,518,816 100.0 %
35,164,062 1.5	16,052,675 0.7	272,762,674 11.3	91,822,849 3.8	69,852,723 2.9	-	\$ 2,418,332,342 100.0 %

Governmental Fund Revenues by Source

Last Ten Years

Year	Property Taxes	Sales Tax	Wheelage Tax	Other Taxes	Inter- governmental	Charges for Services
2015	\$ 746,943,774 52.6 %	35,769,164 2.5	9,965,015 0.7	3,470,495 0.2	444,999,327 31.3	139,607,449 9.9
2016	\$ 771,058,972 52.5 %	36,468,191 2.5	9,918,363 0.7	3,514,045 0.2	472,035,912 32.1	137,518,611 9.4
2017 ²	\$ 806,846,486 49.9 %	57,266,835 3.5	9,973,509 0.6	3,338,349 0.2	547,360,046 33.8	145,875,571 9.1
2018	\$ 842,488,555 49.2 %	170,834,314 10.0	10,468,350 0.6	3,514,521 0.2	484,719,090 28.3	147,901,689 8.5
2019	\$ 888,496,114 50.5 %	177,893,004 10.1	10,678,140 0.6	3,523,549 0.2	451,715,160 25.7	150,128,843 8.5
2020 ³	\$ 933,749,484 49.2 %	158,887,776 8.4	19,305,219 1.0	3,667,703 0.2	593,777,977 31.3	143,716,181 7.7
2021 ³	\$ 909,569,813 49.1 %	180,764,048 9.8	20,294,603 1.1	5,182,898 0.3	572,577,540 30.9	133,957,943 7.3
2022	\$ 956,102,037 50.1 %	209,171,559 11.0	19,719,096 1.0	3,905,780 0.2	614,843,696 32.2	129,742,262 6.8
2023	\$ 963,791,388 45.9 %	212,048,161 10.1	20,096,378 1.0	2,765,762 0.1	651,608,567 31.0	135,842,505 6.4
2024	\$ 1,050,571,445 46.9 %	208,294,534 9.3	22,008,074 1.0	2,868,188 0.1	680,200,475 30.3	148,117,947 6.7

¹ See footnote 1 on Table 4 for information regarding the inclusion of unrealized gains and losses in investment earnings.

² Intergovernmental revenues increased \$89.9 million in 2017 when, as a condition of the dissolution of the CTIB joint venture, the County received revenues for the defeasance of the remaining outstanding G.O. debt relating to bonds that had been issued in 2010 to assist CTIB. The bonds were fully defeased and the County's related note receivable from CTIB was eliminated. A new transportation sales tax was effective beginning in late 2017.

³ Governmental Funds received significant intergovernmental revenues in 2020 through 2024 to mitigate some of the economic disruption caused by the COVID-19 pandemic. See footnote 3 in Table 4 for details.

Unaudited

Table 8

Fines and Forfeits	Licenses and Permits	Opioid Settlements	Investment Earnings ¹	Other	Total
1,767,015 0.1	7,816,949 0.6	- -	8,631,414 0.6	21,812,197 1.5	\$ 1,420,782,799 100.0 %
1,627,304 0.1	7,978,466 0.5	- -	6,337,260 0.4	22,832,926 1.6	\$ 1,469,290,050 100.0 %
1,471,221 0.1	8,112,225 0.5	- -	12,954,847 0.8	24,930,961 1.5	\$ 1,618,130,050 100.0 %
1,075,264 0.1	8,310,952 0.5	- -	18,146,864 1.1	24,962,916 1.5	\$ 1,712,422,515 100.0 %
1,179,249 0.1	8,590,254 0.5	- -	35,930,504 2.0	30,946,032 1.8	\$ 1,759,080,849 100.0 %
369,143 0.0	6,630,582 0.3	- -	12,022,313 0.6	25,443,852 1.3	\$ 1,897,570,230 100.0 %
319,584 0.0	7,698,190 0.4	- -	(6,527,334) -0.4	28,704,234 1.5	\$ 1,852,541,519 100.0 %
343,762 0.0	7,622,674 0.4	8,277,173 0.4	(64,707,357) -3.4	24,524,663 1.3	\$ 1,909,545,345 100.0 %
310,224 0.0	8,029,355 0.4	2,054,398 0.1	79,299,958 3.8	24,639,679 1.2	\$ 2,100,486,375 100.0 %
666,876 0.0	9,455,960 0.4	12,505,575 0.6	77,181,022 3.4	29,512,554 1.3	\$ 2,241,382,650 100.0 %

Property Estimated Market Value (000s omitted) ¹

Last Ten Years

Real Estate

Year	Residential Property	Multiple Dwelling	Commercial & Industrial	Agricultural	Public Utilities & Miscellaneous	Exempt
2015	\$ 100,213,026 60.5 %	12,777,974 7.7	29,127,324 17.6	653,729 0.4	33,007 0.0	21,249,594 12.8
2016	\$ 105,538,203 60.2 %	15,110,310 8.6	31,057,471 17.7	626,311 0.4	37,624 0.0	21,249,594 12.1
2017	\$ 112,595,483 60.5 %	16,998,612 9.1	32,745,319 17.6	625,310 0.4	40,490 0.0	21,249,594 11.4
2018	\$ 121,055,934 58.6 %	19,169,684 9.3	34,298,045 16.6	609,956 0.3	39,389 0.0	29,293,485 14.2
2019	\$ 128,325,438 58.8 %	21,698,642 9.9	36,083,870 16.5	667,926 0.3	41,859 0.0	29,293,485 13.4
2020	\$ 133,004,321 58.2 %	24,449,210 10.7	38,388,183 16.8	704,655 0.3	51,000 0.0	29,807,594 13.0
2021	\$ 140,180,412 59.4 %	26,135,254 11.0	37,657,061 15.9	735,793 0.3	51,253 0.0	29,826,817 12.6
2022	\$ 161,754,523 60.8 %	29,108,360 10.9	40,067,014 15.1	858,481 0.3	53,914 0.0	32,694,206 12.3
2023	\$ 170,867,685 61.0 %	31,278,220 11.1	43,265,513 15.4	860,686 0.3	54,798 0.0	32,694,206 11.7
2024	\$ 173,016,739 61.4 %	31,154,637 11.0	42,608,982 15.1	888,606 0.3	86,080 0.0	32,694,206 11.6

¹ Property estimated market value is for the assessment year indicated. Applicable taxes are collectible in the subsequent year.

² The tax rate is applied to tax capacity, which is determined by multiplying the taxable market value of each property by the statutory class rates for the specific use(s) on the property.

Source: Hennepin County Property Information System.

Unaudited

Table 9

Total Real Estate	Personal Property	Total Estimated Market Value Including Exempt Property	Total Estimated Market Value	Total Direct Tax Rate ²
164,054,654 99.0	1,604,661 1.0	\$ 165,659,315 100.0 %	\$ 144,409,721	45 %
173,619,513 99.0	1,750,967 1.0	\$ 175,370,480 100.0 %	\$ 154,120,886	46 %
184,254,808 99.0	1,825,398 1.0	\$ 186,080,206 100.0 %	\$ 164,830,612	43 %
204,466,493 99.0	1,993,722 1.0	\$ 206,460,215 100.0 %	\$ 177,166,730	42 %
216,111,220 99.0	2,103,357 1.0	\$ 218,214,577 100.0 %	\$ 188,921,092	41 %
226,404,963 99.0	2,187,136 1.0	\$ 228,592,099 100.0 %	\$ 198,784,505	38 %
234,586,590 99.2	1,986,516 0.8	\$ 236,573,106 100.0 %	\$ 206,746,289	39 %
264,536,498 99.4	1,473,804 0.6	\$ 266,010,302 100.0 %	\$ 233,316,096	35 %
279,021,108 99.5	1,513,040 0.5	\$ 280,534,148 100.0 %	\$ 247,839,942	35 %
280,449,250 99.4	1,694,331 0.6	\$ 282,143,581 100.0 %	\$ 249,449,375	37 %

Property Tax Rates and Levies - Direct and Overlapping Governments

Last Ten Years

Payable Year	Hennepin County Direct Taxes					Tax Levies
	General Fund Rate	G.O. Debt Service Rate	Other	Total Direct Rates		
2015	20.710 %	5.400 %	19.220 %	45.330 %	\$	2,743,541,472
2016	20.144	5.016	20.570	45.730		2,869,712,621
2017	19.857	4.878	18.033	42.768		2,958,325,463
2018	19.640	4.523	17.643	41.806		3,109,776,988
2019	19.240	4.238	17.557	41.035		3,275,426,285
2020	21.750	3.959	12.480	38.189		3,403,480,198
2021	22.455	4.034	12.024	38.513		3,412,246,511
2022	20.508	3.600	10.434	34.542		3,519,955,301
2023	20.988	3.499	10.194	34.681		3,689,919,162
2024	22.593	3.830	10.658	37.081		3,894,157,634

¹ The Metropolitan Airport Commission, an overlapping government, receives all of its revenue from sources other than property taxes.

Unaudited

Table 10

Metropolitan Transit Commission Tax		Metropolitan Council Tax		Metropolitan Mosquito Control District Tax	
<u>Tax Rates</u>	<u>Tax Levies</u>	<u>Tax Rates</u>	<u>Tax Levies</u>	<u>Tax Rates</u>	<u>Tax Levies</u>
1.523 % \$	21,820,724	0.976 % \$	14,656,486	0.507 % \$	7,623,950
1.491	22,787,462	0.925	14,881,601	0.483	7,767,028
1.463	23,980,023	0.883	15,228,763	0.475	8,170,878
1.383	24,308,615	0.844	15,562,741	0.456	8,405,155
1.456	27,329,788	0.659	13,329,568	0.427	8,490,764
1.433	28,854,952	0.616	13,078,674	0.412	8,723,923
1.256	27,307,385	0.631	14,198,800	0.381	8,658,865
1.201	26,785,331	0.659	15,275,522	0.377	8,793,964
1.066	27,141,537	0.576	15,544,175	0.331	8,929,216
0.927	25,207,035	0.614	17,464,805	0.312	8,955,045

Hennepin County, Minnesota

Principal Taxpayers ¹

Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
MOAC Mall Holdings	\$ 15,279,250	1	0.54 %	\$ 12,984,250	1	0.81 %
BRI 1855 IDS Center LLC	5,137,250	2	0.18	4,198,650	3	0.26
225 6th St Prop Owner LLC	5,067,050	3	0.18	3,758,250	5	0.23
90 7th Street South LLC	4,527,250	4	0.16	3,864,850	4	0.24
City Center 33 So Prop LLC	4,146,050	5	0.15	2,775,650	9	0.17
US Bank Corp	3,490,250	6	0.12	2,890,450	7	0.18
CenterPoint Energy	3,466,272	7	0.12			
Wells REIT	3,430,250	8	0.12	2,911,250	6	0.18
South Sixth Office LLC	2,987,050	9	0.11			
C/O Spear Street Capital	2,718,350	10	0.10			
Xcel Energy (NSP)				5,407,372	2	0.34
Hilton Hotels Corporation				2,659,250	10	0.17
Best Buy Co Inc				2,783,670	8	0.17
Total	\$ 50,249,022		1.78 %	\$ 44,233,642		2.75 %

¹ Xcel Energy includes both real and personal property tax capacity. All others are based on the tax capacity of individual parcels, with the exception of utilities.

Source: Hennepin County Property Information System.

Unaudited



Tax Levies and Collections on Property Located Within the County

Current Tax Levy

Year	County	All Other Taxing Districts/Special Assessments	Current Year Adjustments ¹	Total	Current Tax Collections Net of Refunds	Percent of Levy Collected
2015	\$ 754,696,348	\$ 1,994,826,865	\$ (5,981,741)	\$ 2,743,541,472	\$ 2,732,383,895	99.59 %
2016	788,618,398	2,091,614,243	(10,520,020)	2,869,712,621	2,863,352,382	99.78
2017	823,315,723	2,157,324,318	(22,314,578)	2,958,325,463	2,948,159,290	99.66
2018	856,817,660	2,265,626,291	(12,666,963)	3,109,776,988	3,090,563,442	99.38
2019	897,233,940	2,391,597,844	(13,405,499)	3,275,426,285	3,258,252,595	99.48
2020	934,876,350	2,482,052,643	(13,448,795)	3,403,480,198	3,393,176,814	99.70
2021	934,965,405	2,490,473,709	(13,192,603)	3,412,246,511	3,392,788,559	99.43
2022	966,419,216	2,567,829,418	(14,293,333)	3,519,955,301	3,494,911,949	99.29
2023	999,425,600	2,719,481,560	(28,987,998)	3,689,919,162	3,651,678,433	98.96
2024	1,072,069,753	2,867,398,532	(45,310,651)	3,894,157,634	3,859,155,802	99.10

¹ Adjustments include abatements, cancellations, and increases to the current year levy.

Unaudited

Table 12

Prior Year Collections Net of Refunds	Total Tax Collections	Uncollected Current Tax Levy	Percent of Current Tax Levy Uncollected
2,373,939	\$ 2,734,757,834	\$ 11,157,577	0.41 %
(1,470,007)	2,861,882,375	6,360,239	0.22
(4,870,907)	2,943,288,383	10,166,173	0.34
(851,579)	3,089,711,863	19,213,546	0.62
1,913,671	3,260,166,266	17,173,690	0.52
12,302,883	3,405,479,697	10,303,384	0.30
9,226,024	3,402,014,583	19,457,952	0.57
2,964,617	3,497,876,566	25,043,352	0.71
(13,177,950)	3,638,500,483	38,240,729	1.04
6,239,750	3,865,395,552	35,001,832	0.90

Net Tax Capacity and Taxable Market Value of Property

Last Ten Years

Assessment Year	Property Outside the City of Minneapolis		Minneapolis	
	Net Tax Capacity	Taxable Market Value	Net Tax Capacity	Taxable Market Value
2015	\$ 1,147,830,415	\$ 100,627,634,030	\$ 454,641,259	\$ 38,952,721,161
2016	1,225,469,292	106,688,710,677	493,479,516	42,812,588,043
2017	1,304,690,419	113,730,370,808	533,535,674	46,774,230,040
2018	1,392,585,502	121,532,445,186	586,430,142	51,664,025,894
2019	1,487,545,247	129,895,715,054	625,162,153	55,348,967,846
2020	1,563,969,055	136,857,875,524	697,098,964	58,391,790,384
2021	1,631,381,661	143,141,564,535	704,727,774	59,717,760,945
2022	1,911,697,254	166,949,089,587	760,971,267	63,788,249,391
2023	2,052,772,775	177,218,629,896	806,678,443	66,635,499,909
2024	2,073,090,874	181,038,874,345	762,358,686	63,873,441,986

Unaudited

Table 13

Total		Net Tax Capacity to Taxable Market Value	Percentage of Total County Net Tax Capacity	
Net Tax Capacity	Taxable Market Value		Outside Minneapolis	Minneapolis
\$ 1,602,471,674	\$ 139,580,355,191	1.1 %	71.6 %	28.4 %
1,718,948,808	149,501,298,720	1.1	71.3	28.7
1,838,226,093	160,504,600,848	1.1	71.0	29.0
1,979,015,644	173,196,471,080	1.1	70.4	29.6
2,112,707,400	185,244,682,900	1.1	70.4	29.6
2,261,068,019	195,249,665,908	1.2	69.2	30.8
2,336,109,435	202,859,325,480	1.2	69.8	30.2
2,672,668,521	230,737,338,978	1.2	71.5	28.5
2,859,451,218	243,854,129,805	1.2	71.8	28.2
2,835,449,560	244,912,316,331	1.2	73.1	26.9

Hennepin County, Minnesota

Tax Capacity of Taxable Property by Municipality¹

Current Year Assessments

	Tax Capacity			Adjustment			Average Tax Rate ²
	Real Estate	Personal Property	Total	Fiscal Disparities	Tax Increment Financing/ Value Capture	Net Tax Capacity	
Bloomington	\$ 230,475,007	859,868	\$ 231,334,875	\$ (15,031,547)	(14,931,580)	\$ 201,371,748	113 %
Brooklyn Center	38,281,883	257,230	38,539,113	6,247,785	(690,489)	44,096,409	131
Brooklyn Park	132,308,839	648,288	132,957,127	1,803,183	(1,270,973)	133,489,337	118
Champlin	38,798,578	229,594	39,028,172	2,803,289	(1,198,529)	40,632,932	100
Chanhassen (part)	2,455,520	12,014	2,467,534	(949,367)	-	1,518,167	89
Corcoran	20,713,629	570,808	21,284,437	159,886	-	21,444,323	109
Crystal	29,423,580	280,549	29,704,129	4,013,058	(282,587)	33,434,600	130
Dayton (part)	26,880,572	668,396	27,548,968	(815,840)	(2,254,972)	24,478,156	100
Deephaven	25,396,575	62,930	25,459,505	(41,152)	-	25,418,353	83
Eden Prairie	175,817,368	1,386,627	177,203,995	(11,164,139)	(4,308,535)	161,731,321	99
Edina	210,612,725	857,239	211,469,964	(11,897,360)	(4,937,752)	194,634,852	102
Excelsior	11,498,197	65,061	11,563,258	(878,543)	(285,007)	10,399,708	91
Fort Snelling	-	260,566	260,566	-	-	260,566	72
Golden Valley	68,940,953	391,051	69,332,004	(6,425,835)	(1,288,418)	61,617,751	129
Greenfield	8,191,547	207,132	8,398,679	48,937	-	8,447,616	99
Greenwood	6,882,506	64,420	6,946,926	(119,044)	-	6,827,882	77
Hanover (part)	1,319,202	3,446	1,322,648	(169)	-	1,322,479	103
Hopkins	37,383,330	163,274	37,546,604	(1,044,125)	(2,927,427)	33,575,052	136
Independence	12,754,566	219,482	12,974,048	84,954	-	13,059,002	96
International Airport	-	13,242,645	13,242,645	-	-	13,242,645	45
Long Lake	6,099,723	14,992	6,114,715	(599,639)	(300,095)	5,214,981	98
Loretto	1,117,841	3,628	1,121,469	16,228	-	1,137,697	135
Maple Grove	171,243,738	1,207,749	172,451,487	(7,858,041)	(2,664,608)	161,928,838	97
Maple Plain	3,841,922	17,218	3,859,140	(269,080)	-	3,590,060	117
Medicine Lake	1,794,253	15,384	1,809,637	(21,807)	-	1,787,830	103
Medina	33,009,868	319,886	33,329,754	(1,224,940)	-	32,104,814	86
Minneapolis	780,259,691	4,684,092	784,943,783	(4,044,136)	(18,540,961)	762,358,686	134
Minnetonka	161,921,526	732,039	162,653,565	(9,733,279)	(4,837,752)	148,082,534	106
Minnetonka Beach	6,918,778	3,253	6,922,031	(18,490)	-	6,903,541	86
Minnetrista	33,761,280	449,991	34,211,271	572,817	-	34,784,088	86
Mound	24,362,968	54,224	24,417,192	732,352	(1,231,923)	23,917,621	99
New Hope	34,922,831	250,379	35,173,210	249,103	(1,789,588)	33,632,725	135
Orono	59,098,971	188,920	59,287,891	(303,113)	(114,850)	58,869,928	81
Osseo	5,028,230	28,583	5,056,813	(165,827)	(616,987)	4,273,999	138
Plymouth	219,359,426	1,343,893	220,703,319	(14,261,501)	(1,788,565)	204,653,253	94
Richfield	56,686,629	266,428	56,953,057	3,742,100	(5,644,400)	55,050,757	128
Robbinsdale	18,899,154	116,468	19,015,622	2,901,543	(2,099,581)	19,817,584	128
Rockford	538,351	34,322	572,673	-	-	572,673	108
Rogers	46,061,726	557,752	46,619,478	(6,160,701)	(724,352)	39,734,425	106
St. Anthony (part)	10,038,338	55,900	10,094,238	601,762	(256,140)	10,439,860	141
St. Bonifacius	3,381,752	26,832	3,408,584	195,444	-	3,604,028	97
St. Louis Park	120,762,859	406,100	121,168,959	(6,396,054)	(14,165,903)	100,607,002	124
Shorewood	32,904,879	151,350	33,056,229	111,746	(256,177)	32,911,798	88
Spring Park	5,468,503	11,876	5,480,379	(164,700)	(152,162)	5,163,517	96
Tonka Bay	12,162,670	14,745	12,177,415	(74,581)	-	12,102,834	81
Wayzata	43,598,621	92,066	43,690,687	(3,481,022)	(5,287,812)	34,921,853	85
Woodland	6,264,031	15,704	6,279,735	-	-	6,279,735	75
Total	\$ 2,977,643,136	\$ 31,514,394	\$ 3,009,157,530	\$ (78,859,845)	\$ (94,848,125)	\$ 2,835,449,560	

¹ Tax capacity is for the 2024 assessment year, for taxes payable in 2025. Tax capacity is the County's tax base after the State-determined tax classification rates are applied to taxable market value. Tax capacity acts as one of the major determinants of tax incidence, a measure of which properties bear the burden of the property tax levy. For example, residential properties valued under \$500,000 convert to tax capacity at a rate of 1.0% of estimated market value (EMV), while commercial properties convert at a rate of 2.0% of EMV in excess of \$150,000.

² Tax rates are expressed as percentages of total tax capacity.



Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities				
	General Obligation Bonds	General Obligation Notes	Revenue Bonds	Lease and Subscription Payables ⁴	Notes Payable
2015	\$ 868,376,433	\$ 9,276,778	\$ 249,497,753	\$ -	\$ 5,380,920
2016 ³	984,173,168	6,525,000	236,295,534	-	4,862,828
2017 ²	912,827,483	3,320,000	204,901,559	-	4,344,736
2018	1,005,692,157	2,240,000	185,985,139	-	3,826,644
2019	1,275,208,578	1,130,000	161,313,719	-	3,308,552
2020	1,512,635,323	-	135,837,299	-	2,790,460
2021	1,519,127,623	-	106,185,341	32,505,910	2,272,368
2022	1,454,609,000	-	99,139,059	33,683,505	-
2023	1,477,019,071	-	49,973,258	37,911,764	-
2024	1,603,515,710	-	40,453,640	34,005,198	-

¹ See Table 23 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

² In 2010, the County assisted the Counties Transit Improvement Board (CTIB) in obtaining more favorable financing terms by issuing \$102.8 million of general obligation sales tax revenue bonds and loaning the proceeds to CTIB. In 2017, CTIB repaid the County in full, which allowed the County to defease the bonds.

³ The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit rather than a discretely presented component unit. 2016 was restated for comparison purposes, but data is not available for prior years due to the Medical Center's own implementation of GASB 80 that added two blended component units to Medical Center financial statements in 2016.

⁴ The implementation of GASB 87 in 2022 changed the method for reporting leases. 2021 was restated for comparison purposes but periods prior to 2021 were not restated because the information was not available. The implementation of GASB 96 in 2023 established new reporting requirements for subscription-based IT arrangements. 2022 was restated for comparison purposes but periods prior to 2022 were not restated because the information was not available.

Note: Details regarding the County's outstanding debt can be found in the Notes to the Basic Financial Statements.

Unaudited

Table 15

Business-type Activities		Total Primary Government		
General Obligation Bonds	Lease and Subscription Payables ⁴	Total Outstanding Debt	Total Debt as a Percentage of Personal Income ¹	Total Debt Per Capita ¹
\$ 825,000	\$ -	\$ 1,133,356,884	1.44%	\$ 927
73,356,771	-	1,305,213,301	1.64%	1,067
162,455,247	-	1,287,849,025	1.55%	1,045
206,307,769	-	1,404,051,709	1.58%	1,121
209,942,201	-	1,650,903,050	1.75%	1,311
209,267,473	-	1,860,530,555	1.92%	1,470
208,024,244	33,058,764	1,901,174,250	1.87%	1,483
204,348,598	27,569,394	1,819,349,556	1.68%	1,435
196,440,737	38,148,851	1,799,493,681	1.59%	1,428
188,090,480	35,545,818	1,901,610,846	1.58%	1,511

Hennepin County, Minnesota

Ratio of Net Levy-supported General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita
Last Ten Years

Year	Net General Obligation Debt ¹				Property Estimated Market Value ²	Population ³	Net General Obligation Debt to Property Estimated Market Value	Net General Obligation Debt Per Capita
	Total	Less Debt Not Supported by Tax Levy	Less Amount Available for Debt Service	Net				
2015	\$ 878,478,211	\$ 101,195,000	\$ 17,702,437	\$ 759,580,774	\$ 144,409,721,000	1,223,149	0.53 %	\$ 621.00
2016	1,064,054,939	96,250,000	26,697,045	941,107,894	154,120,886,000	1,232,483	0.61	763.59
2017	1,078,602,730	11,630,000	18,219,325	1,048,753,405	164,830,612,000	1,252,024	0.64	837.65
2018	1,214,239,926	10,965,000	21,718,920	1,181,556,006	177,166,730,000	1,259,428	0.67	938.17
2019	1,486,280,779	210,275,000	16,559,894	1,259,445,885	188,921,092,000	1,265,843	0.67	994.95
2020	1,721,902,796	352,475,000	19,795,307	1,349,632,489	198,784,505,000	1,281,565	0.68	1,053.11
2021	1,727,151,867	341,000,000	18,288,232	1,367,863,635	206,746,289,000	1,267,416	0.66	1,079.25
2022	1,658,957,598	328,910,000	11,191,051	1,318,856,547	233,316,096,000	1,260,121	0.57	1,046.61
2023	1,673,459,808	316,235,000	18,217,038	1,339,007,770	247,839,942,000	1,258,713	0.54	1,063.79
2024	1,791,606,190	302,935,000	7,668,396	1,481,002,794	249,449,375,000	1,273,334	0.59	1,163.09

¹ Debt that is secured in whole or part by the authority to levy taxes on real estate. See Table 17 for similar information relating to all G.O. debt, including G.O. debt not supported by tax levies. Per M.S. 475.51, net general obligation debt is determined by deducting from the total general obligation debt the cash available for servicing the debt and debt intended to be financed primarily by means other than a real estate tax levy. The debt of the Regional Railroad Authority is included, which is a limited tax obligation of the Regional Railroad Authority.

² Estimated market value is for the assessment year indicated and is per the Hennepin County Land Information and Tax Services Department. Applicable taxes are collectible in the subsequent year.

³ Source: U.S. Census Bureau.

Unaudited

Hennepin County, Minnesota

Ratio of Net General Obligation Debt to Property Estimated Market Value, and Net Debt Per Capita
 Last Ten Years

Year	Net General Obligation Debt ¹			Property Estimated Market Value ²	Population ³	Net General Obligation Debt to Property Estimated Market Value	Net General Obligation Debt Per Capita
	Total	Less Amount Available for Debt Service	Net				
2015	\$ 878,478,211	\$ 17,702,437	\$ 860,775,774	\$ 144,409,721,000	1,223,149	0.60 %	\$ 703.74
2016	1,064,054,939	26,697,045	1,037,357,894	154,120,886,000	1,232,483	0.67	841.68
2017	1,078,602,730	18,219,325	1,060,383,405	164,830,612,000	1,252,024	0.64	846.94
2018	1,214,239,926	21,718,920	1,192,521,006	177,166,730,000	1,259,428	0.67	946.88
2019	1,486,280,779	16,559,894	1,469,720,885	188,921,092,000	1,265,843	0.78	1,161.06
2020	1,721,902,796	19,795,307	1,702,107,489	198,784,505,000	1,281,565	0.86	1,328.15
2021	1,727,151,867	18,288,232	1,708,863,635	206,746,289,000	1,267,416	0.83	1,348.31
2022	1,658,957,598	11,191,051	1,647,766,547	233,316,096,000	1,260,121	0.71	1,307.63
2023	1,673,459,808	18,217,038	1,655,242,770	247,839,942,000	1,258,713	0.67	1,315.03
2024	1,791,606,190	7,668,396	1,783,937,794	249,449,375,000	1,273,334	0.72	1,401.00

¹ See Table 16 for similar information that is only for levy-supported G.O. debt. The debt of the Regional Railroad Authority, which is a limited tax obligation of the Regional Railroad Authority, is included in both tables.

² Estimated market value is for the assessment year indicated and is per the Hennepin County Land Information and Tax Services Department. Applicable taxes are collectible in the subsequent year.

³ Source: U.S. Census Bureau.

Unaudited

Hennepin County, Minnesota

Direct, Overlapping, and Underlying Levy-supported General Obligation Debt

December 31, 2024

Governmental Unit	Debt ¹		Percent Applicable To County ²	Amount Applicable to County
	Total	Net		
Direct:				
Hennepin County	\$ 1,193,450,000	\$ 1,186,572,574	100.00 %	\$ 1,186,572,574
Hennepin County Regional Railroad	76,945,000	76,774,733	100.00	76,774,733
Total Direct Debt	1,270,395,000	1,263,347,307		1,263,347,307
Overlapping:				
Metropolitan Council ³	1,558,153,207	40,609,929	46.04	18,696,811
Metropolitan Airport Commission	2,071,540,000	-	-	-
Total Overlapping Debt	3,629,693,207	40,609,929		18,696,811
Underlying:				
School Districts	3,105,856,998	2,817,298,757	100.00	2,817,298,757
Municipalities	2,224,893,664	738,345,024	100.00	738,345,024
Three Rivers Park District	60,050,000	48,916,041	100.00	48,916,041
Miscellaneous (Watersheds, HRAs, EDAs, etc.) - Excludes RRA	1,575,468,056	51,067,369	100.00	51,067,369
Total Underlying Debt	6,966,268,718	3,655,627,191		3,655,627,191
Total	\$ 11,866,356,925	\$ 4,959,584,427		\$ 4,937,671,309

¹ Debt that is secured in whole or part by the authority to levy taxes on real estate. See Table 19 for similar information relating to all G.O. debt, including G.O. debt not supported by levies. Per M.S. 475.51, net general obligation debt is determined by deducting from the total general obligation debt the cash available for servicing the debt, and debt that is intended to be financed primarily by means other than a real estate tax levy.

² The percentages reflect the portion of the general obligation debt secured by taxable real estate located within the County.

³ Includes Metropolitan Council Transit Operations debt.

Unaudited

Hennepin County, Minnesota

Direct, Overlapping, and Underlying Governmental Activities Debt

December 31, 2024

Governmental Unit	Debt Outstanding ¹	Estimated Percentage Applicable	Amount Applicable to County
Direct:			
Hennepin County	\$ 1,601,029,548	100.00 %	\$ 1,601,029,548
Hennepin County Regional Railroad	76,945,000	100.00	76,945,000
Total Direct Debt	1,677,974,548		1,677,974,548
Overlapping:			
Metropolitan Council	1,558,153,207	46.04	717,373,737
Metropolitan Airport Commission	2,071,540,000	46.04	953,737,016
Total Overlapping Debt	3,629,693,207		1,671,110,753
Total Direct and Overlapping Debt	\$ 5,307,667,755		\$ 3,349,085,301
Underlying:			
School Districts	3,105,856,998	100.00	3,105,856,998
Municipalities	2,224,893,664	100.00	2,224,893,664
Three Rivers Park District	60,050,000	100.00	60,050,000
Miscellaneous (Watersheds, HRAs, EDAs, etc.) - Excludes RRA	1,575,468,056	100.00	1,575,468,056
Total Underlying Debt	\$ 6,966,268,718		\$ 6,966,268,718

¹ See Table 18 for similar information that is only for levy-supported G.O. debt.

Unaudited

Hennepin County, Minnesota

Legal Debt Margin Information

Last Ten Years

Year	Debt Limit ¹	Total Net Debt Applicable to Limit	Legal Debt Margin	Net Debt Applicable to Limit as a Percentage of Debt Limit
2015	\$ 4,332,291,618	\$ 759,580,774	\$ 3,572,710,844	17.53%
2016	4,623,626,544	941,107,894	3,682,518,650	20.35%
2017	4,944,918,369	1,048,753,405	3,896,164,964	21.21%
2018	5,315,001,888	1,181,556,006	4,133,445,882	22.23%
2019	5,667,632,760	1,259,445,885	4,408,186,875	22.22%
2020	5,963,535,150	1,349,632,489	4,613,902,661	22.63%
2021	6,202,388,670	1,367,863,635	4,834,525,035	22.05%
2022	6,999,482,880	1,318,856,547	5,680,626,333	18.84%
2023	7,435,198,260	1,339,007,770	6,096,190,490	18.01%
2024	7,483,481,250	1,481,002,794	6,002,478,456	19.79%

Computation of 2024 Legal Debt Margin

2024 estimated market value of taxable property		<u>\$ 249,449,375,000</u>
Debt limit, 3% of estimated market value		\$ 7,483,481,250
Amount of levy supported debt	\$ 1,488,671,190	
Less amount available for debt service	<u>7,668,396</u>	<u>1,481,002,794</u>
Legal Debt Margin		<u>\$ 6,002,478,456</u>

¹ See MN Statute 475.53.

Unaudited



Sales Tax Revenue Bond and Note CoverageLast Ten Years ¹

	2015	2016	2017
Net Revenues ²	\$ 35,294,545	\$ 36,013,974	\$ 36,444,848
First Lien Revenue Bond Coverage:			
First lien principal	\$ 1,400,000	\$ 1,550,000	\$ 4,370,000
First lien interest	6,934,875	6,864,875	5,113,719
Total first lien debt service	<u>\$ 8,334,875</u>	<u>\$ 8,414,875</u>	<u>\$ 9,483,719</u>
First lien coverage	4.23	4.28	3.84
First lien principal optionally redeemed using sales tax revenues	\$ -	\$ -	\$ 9,019,206
Second Lien Revenue Bond Coverage:			
Total first lien debt service	<u>\$ 8,334,875</u>	<u>\$ 8,414,875</u>	<u>\$ 9,483,719</u>
Second lien principal	3,930,000	4,280,000	4,655,000
Second lien interest	4,616,925	4,454,725	4,267,725
Total second lien debt service	<u>8,546,925</u>	<u>8,734,725</u>	<u>8,922,725</u>
Total first and second lien debt service	<u>\$ 16,881,800</u>	<u>\$ 17,149,600</u>	<u>\$ 18,406,444</u>
Second lien coverage	2.09	2.10	1.98
Second lien principal optionally redeemed using sales tax revenues	\$ -	\$ -	\$ 18,822,940
Third Lien Revenue Bond and Note Coverage:			
Total first and second lien debt service	<u>\$ 16,881,800</u>	<u>\$ 17,149,600</u>	<u>\$ 18,406,444</u>
Third lien principal	800,000	-	-
Third lien interest	6,676	21,289	-
Third lien remarketing and liquidity provider fees	93,937	49,715	-
Total third lien debt service	<u>900,613</u>	<u>71,004</u>	<u>-</u>
Total first, second and third lien debt service	<u>\$ 17,782,413</u>	<u>\$ 17,220,604</u>	<u>\$ 18,406,444</u>
Third lien coverage	1.98	2.09	1.98
Third lien principal optionally redeemed using sales tax revenues	\$ 10,900,000	\$ 7,000,000	\$ -
Total Sales Tax Revenue Bond and Note Coverage:			
Sales tax revenue bond and note principal	\$ 6,130,000	\$ 5,830,000	\$ 9,025,000
Sales tax revenue bond and note interest	11,558,476	11,340,889	9,381,444
Fees	93,937	49,715	-
Total sales tax revenue bond and note debt service	<u>\$ 17,782,413</u>	<u>\$ 17,220,604</u>	<u>\$ 18,406,444</u>
Total coverage	1.98	2.09	1.98
Total principal optionally redeemed using sales tax revenues	\$ 10,900,000	\$ 7,000,000	\$ 27,842,146

¹ Initial first lien sales tax revenue bonds were issued in 2007, and refunded in 2017 with first lien sales tax refunding revenue bonds. Initial third lien sales tax revenue bonds were issued in 2008 and prepaid in 2016. Second lien sales tax revenue notes were issued in 2008 and refunded in 2017. The second lien bonds were reissued as third lien sales tax revenue bonds in December 2017. There are currently no second lien bonds.

² The amounts reported as net revenues equal revenues received from the State less administrative fees on a modified accrual basis. The State remits sales tax to the County in the third month after the tax is initially collected and net amounts received within the County's availability period (i.e., within 60 days of year-end) are reported as net revenues.

Unaudited

Table 21

2018	2019	2020	2021	2022	2023	2024
<u>\$ 37,696,559</u>	<u>\$ 39,296,388</u>	<u>\$ 35,200,993</u>	<u>\$ 41,139,355</u>	<u>\$ 47,541,530</u>	<u>\$ 48,252,175</u>	<u>\$ 45,212,241</u>
\$ 3,975,000	\$ 4,230,000	\$ 4,535,000	\$ 4,900,000	\$ 5,220,000	\$ 7,495,000	\$ 8,030,000
5,625,750	5,427,000	5,215,500	4,988,750	4,743,750	4,482,750	2,110,750
<u>\$ 9,600,750</u>	<u>\$ 9,657,000</u>	<u>\$ 9,750,500</u>	<u>\$ 9,888,750</u>	<u>\$ 9,963,750</u>	<u>\$ 11,977,750</u>	<u>\$ 10,140,750</u>
3.93	4.07	3.61	4.16	4.77	4.03	4.46
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,945,000	\$ -
<u>\$ 9,600,750</u>	<u>\$ 9,657,000</u>	<u>\$ 9,750,500</u>	<u>\$ 9,888,750</u>	<u>\$ 9,963,750</u>	<u>\$ 11,977,750</u>	<u>\$ 10,140,750</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 9,600,750</u>	<u>\$ 9,657,000</u>	<u>\$ 9,750,500</u>	<u>\$ 9,888,750</u>	<u>\$ 9,963,750</u>	<u>\$ 11,977,750</u>	<u>\$ 10,140,750</u>
N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 9,600,750</u>	<u>\$ 9,657,000</u>	<u>\$ 9,750,500</u>	<u>\$ 9,888,750</u>	<u>\$ 9,963,750</u>	<u>\$ 11,977,750</u>	<u>\$ 10,140,750</u>
13,600,000	14,100,000	14,600,000	10,000,000	-	-	-
1,412,272	1,294,401	377,950	88,755	-	-	-
-	-	3,900	1,300	1,300	-	-
15,012,272	15,394,401	14,981,850	10,090,055	1,300	-	-
<u>\$ 24,613,022</u>	<u>\$ 25,051,401</u>	<u>\$ 24,732,350</u>	<u>\$ 19,978,805</u>	<u>\$ 9,965,050</u>	<u>\$ 11,977,750</u>	<u>\$ 10,140,750</u>
1.53	1.57	1.42	2.06	4.77	N/A	N/A
\$ -	\$ 5,000,000	\$ 5,000,000	\$ 9,855,000	\$ -	\$ -	\$ -
\$ 17,575,000	\$ 18,330,000	\$ 19,135,000	\$ 14,900,000	\$ 5,220,000	\$ 7,495,000	\$ 8,030,000
7,038,022	6,721,401	5,593,450	5,077,505	4,743,750	4,482,750	2,110,750
-	-	3,900	1,300	1,300	1,430	1,430
<u>\$ 24,613,022</u>	<u>\$ 25,051,401</u>	<u>\$ 24,732,350</u>	<u>\$ 19,978,805</u>	<u>\$ 9,965,050</u>	<u>\$ 11,979,180</u>	<u>\$ 10,142,180</u>
1.53	1.57	1.42	2.06	4.77	4.03	4.46
\$ -	\$ 5,000,000	\$ 5,000,000	\$ 9,855,000	\$ -	\$ 39,945,000	\$ -

Hennepin County, Minnesota

Ratio of Debt Service Expenditures for Property Tax Supported Bonds to Total Expenditures Last Ten Years

Year	Debt Service Expenditures ^{1, 2}			Total Expenditures Governmental Funds	Debt Service Expenditures to Total Expenditures
	Principal	Interest and Fiscal Charges	Total		
2015	\$ 62,382,824	\$ 31,175,502	\$ 93,558,326	\$ 1,494,328,720	6.26 %
2016 ³	56,414,556	30,857,794	87,272,350	1,640,834,621	5.32
2017	71,920,587	38,354,557	110,275,144	1,815,403,891	6.07
2018	62,215,449	39,136,786	101,352,235	1,860,151,667	5.45
2019	56,795,800	44,809,599	101,605,399	1,894,283,198	5.36
2020	64,866,244	51,002,373	115,868,617	2,229,604,361	5.20
2021	70,993,002	58,625,891	129,618,893	1,833,894,682	7.07
2022	79,407,966	61,065,434	140,473,400	1,957,640,745	7.18
2023	63,462,100	63,150,600	126,612,700	2,157,518,816	5.87
2024	80,397,986	67,142,577	147,540,563	2,418,332,342	6.10

¹ Includes principal and interest payments for governmental fund bonds and notes. The debt of the Regional Railroad Authority is included, which is a limited tax obligation of the Regional Railroad Authority. The debt service expenditures for sales tax revenue bonds are excluded.

² The County's optional payments for early redemption of outstanding property tax supported bond issues, including \$13,970,000 in 2015, \$15,000,000 in 2016, \$34,414,206 in 2017, \$15,000,000 in 2018, \$6,165,000 in 2019, \$10,000,000 in 2020, \$12,000,000 in 2021, \$12,000,000 in 2022, and \$12,000,000 in 2024, are included in the debt service expenditures above. The percentage in the last column above would be lower if it was based only on required debt service expenditures. For example, 2021 would be 6.41%, 2022 would be 6.71%, and 2024 would be 5.6%

³ The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit rather than a discretely presented component unit. As described in footnote 2 in Table 2, 2016 was restated for comparison, which resulted in the restatement (reduction) of certain offsetting Capital Projects Fund operations expenditures and issuance of debt inflows in 2016. Debt service expenditures for principal were updated to exclude the \$38,125,000 current refunding.

Unaudited

Hennepin County, Minnesota

Demographic and Economic Statistics

Last Ten Years

Year	Population ¹	Per Capita Income ²	Total Income	Median Age ³	Persons 25 years and older who are high school graduates ¹	PK-12 School Enrollment ⁴	Unemploy- ment Rate ⁵
2015	1,223,149	\$ 65,231	\$ 79,787,232,419	36.1	92.7 %	166,106	3.3 %
2016	1,232,483	67,427	83,102,631,241	36.2	92.6	168,629	3.4
2017	1,252,024	71,067	88,977,589,608	36.5	92.8	170,683	3.2
2018	1,259,428	74,698	94,076,752,744	36.5	93.0	177,653	2.5
2019	1,265,843	76,552	96,902,813,336	36.8	93.2	178,657	2.8
2020	1,281,565	79,183	101,478,161,395	36.7	93.3	173,481	6.2
2021	1,267,416	85,505	108,370,405,080	37.4	93.6	171,453	3.6
2022	1,260,121	89,851	113,223,131,971	37.7	93.9	170,899	2.5
2023	1,258,713	95,574	120,300,236,262	37.8	93.8	171,344	2.7
2024	1,273,334	N/A ⁶	N/A ⁶	N/A ⁶	94.0	174,550	2.9

Sources:

¹ U.S. Census Bureau² Bureau of Economic Analysis, County Table³ U.S. Census Bureau, U.S. Community Survey Estimates⁴ Fall registration for public schools - Minnesota State Department of Education⁵ Minnesota Department Of Employment And Economic Development (12-month average of figures not seasonally adjusted)⁶ Information not available at time of publication.

Unaudited

Hennepin County, Minnesota

Labor Force Size and Unemployment Rate

Last Ten Years

Year	Hennepin County		Metropolitan Area ¹		State		National	
	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate
2015	679,549	3.3 %	1,938,858	3.4 %	3,010,367	3.7 %	157,129,917	5.3 %
2016	679,285	3.4	1,938,642	3.6	3,001,131	3.9	159,106,500	4.9
2017	694,060	3.2	1,979,780	3.3	3,046,697	3.6	160,319,750	4.4
2018	707,209	2.5	2,016,208	2.7	3,099,006	2.9	162,075,000	3.9
2019	711,530	2.8	2,023,566	3.0	3,113,673	3.3	163,538,667	3.7
2020 ²	706,189	6.2	2,005,559	6.0	3,075,445	5.8	160,742,333	8.1
2021	693,226	3.6	1,973,734	3.6	3,024,835	3.6	161,298,000	5.4
2022	703,572	2.5	2,009,050	2.6	3,077,500	2.7	164,287,167	3.7
2023	708,690	2.7	2,025,415	2.8	3,099,923	2.8	167,116,417	3.6
2024	703,160	2.9	2,012,564	3.1	3,098,276	3.2	168,106,167	4.0

Source: Minnesota Department Of Employment And Economic Development (12-month average of figures not seasonally adjusted)

¹ Labor statistics for the metropolitan area include Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, St. Croix, Washington and Wright counties.² Unemployment rates reflect adverse impacts of the COVID-19 pandemic.

Unaudited

Hennepin County, Minnesota

Principal Employers

Current Year and Nine Years Ago

	2024 ²			2015 ¹		
	Employees (rounded to nearest 1,000)	Rank	Percentage of Total State Employment	Employees (rounded to nearest 1,000)	Rank	Percentage of Total County Employment
<u>State of Minnesota Principal Employers</u>						
Mayo Foundation	51,000	1	1.65%	40,000	1	1.33%
State of Minnesota	37,000	2	1.19%	37,000	2	1.23%
Fairview Health Services	37,000	3	1.19%			
Target Corporation	35,000	4	1.13%	30,000	4	1.00%
Allina Health	29,000	5	0.94%	26,000	5	0.86%
United States Federal Government				31,000	3	1.03%
	<u>189,000</u>		<u>6.10%</u>	<u>164,000</u>		<u>5.45%</u>

¹ 2015 Statewide information from Minnesota Department of Employment and Economic Development Top Employers Statewide. Data specific to Hennepin County is no longer available.

² Source for 2024: Statewide information from the Minneapolis / St. Paul Business Journal.

Unaudited

Employees by Function/Program

Last Ten Years

	2015	2016	2017	2018
<u>Governmental Activities:</u>				
Operations	2,073	2,138	2,289	2,251
Human Services	3,264	3,482	3,586	3,506
Health	280	281	290	300
Law, Safety and Justice	2,245	2,313	2,369	2,386
Public Works	367	373	366	374
Resident Services ²	N/A	N/A	N/A	N/A
Disparity Reduction ²	N/A	N/A	N/A	N/A
<u>Business-type Activities:</u>				
Hennepin Health Plan	70	91	109	114
Environment and Energy	90	94	94	97
Medical Center ¹	N/A	7,286	7,143	7,276
	<u>8,389</u>	<u>16,058</u>	<u>16,246</u>	<u>16,304</u>
<i>Percent change from prior year, excluding Medical Center</i>	<i>3.5%</i>	<i>4.6%</i>	<i>3.8%</i>	<i>-0.8%</i>
Total Unionized Employees	5,504	10,275	10,404	10,507
Total Full-Time Equivalents	7,890	14,305	14,450	14,497

¹ The implementation of GASB 80 in 2017 required the County to report the Medical Center as a blended component unit rather than a discretely presented component unit, and employee information was restated for 2016 for comparison. Periods prior to 2016 were not restated because the information is not available due to the Medical Center's own implementation of GASB 80 that added two blended component units to Medical Center financial statements in 2016.

² Disparity Reduction and Resident Services were reported in Operations until 2022 and 2023, respectively.

Unaudited

Table 26

2019	2020	2021	2022	2023	2024
2,257	2,184	2,039	2,227	1,220	1,219
3,274	3,260	3,151	3,361	3,714	3,872
303	278	269	292	297	278
2,426	2,410	2,153	2,365	2,332	2,300
372	360	361	319	341	324
N/A	N/A	N/A	N/A	1,107	936
N/A	N/A	N/A	88	86	108
106	103	99	103	109	111
99	93	93	96	103	96
7,246	7,334	7,167	7,050	7,349	7,705
16,083	16,022	15,332	15,901	16,658	16,949
-2.1%	-1.7%	-6.0%	8.4%	5.2%	-0.7%
10,395	10,398	9,974	10,173	10,643	11,710
14,330	14,267	14,207	14,757	15,400	15,462

Operating Indicators

Last Ten Years

	2015	2016	2017
<u>Governmental Activities Operating Indicators by Function/Program</u>			
<u>Human Services</u>			
Usage of cash assistance programs	N/A	52,273	51,609
Children, custodial and non-custodial parents in child support system	N/A	145,080	132,602
Usage of emergency assistance programs	N/A	1,437	1,179
Usage of food support or MFIP food portion	N/A	117,026	111,901
<u>Health</u>			
NorthPoint Health & Wellness Center patient statistics:			
Medical, Behavioral & Dental Visits	96,962	95,345	104,054
Medical Examiner			
Number of Autopsies Performed	1,176	1,288	1,310
<u>Law, Safety and Justice</u>			
Sheriff's Office:			
Number of mortgage foreclosure sales	1,545	1,054	809
Number of jail bookings	34,343	31,554	32,154
Community Corrections:			
Percent of client recidivism	20.0%	24.3%	20.4%
<u>Public Works</u>			
Present pavement serviceability rating (portion rated good or better)	60%	66%	63%
Hours to plow urban and rural (hours:minutes)	N/A	N/A	8:49
<u>Resident Services</u>			
Library items circulated (millions)	16.0	16.0	15.1
eLibrary visits (millions)	20.0	20.0	12.8
Number of library volunteer hours supplementing service	100,000	100,000	75,076
<u>Business-type Activities Operating Indicators by Function/Program</u>			
<u>Hennepin Health</u>			
Administrative Cost Ratio	15.5%	15.0%	10.4%
Enrollment ¹	13,734	12,144	25,529
<u>Medical Center</u>			
Number of clinic visits	N/A	620,781	628,037
Number of Medical Center inpatient discharges	N/A	23,051	22,050
<u>Environment and Energy</u>			
Recycling rate	45.0%	51.0%	50.0%

¹ In 2017, Hennepin Health added 21,000 new enrollees previously served by a different HMO.² Impacts of the COVID-19 pandemic resulted in temporary library closures that decreased library indicators, increased Hennepin Health enrollments, and decreased Medical Center visits for medical concerns that were unrelated to the pandemic.

Sources: Various County departments

Unaudited

Table 27

2018	2019	2020 ²	2021 ²	2022 ²	2023	2024
50,390	47,440	51,473	41,803	41,417	42,406	42,418
138,088	135,920	136,104	130,125	126,875	124,947	119,346
1,276	1,498	954	628	890	641	701
108,064	103,003	117,157	104,951	113,383	116,311	110,244
105,059	102,135	79,121	87,264	88,898	85,990	92,534
1,196	1,303	1,437	1,467	1,396	1,380	1,244
630	494	231	173	338	352	402
32,154	30,950	21,173	18,208	22,006	25,123	25,296
22.0%	23.0%	22.0%	16.0%	15.0%	15.0%	15.0%
65%	60%	63%	62%	62%	56%	57%
9:05	8:22	8:40	8:51	8:55	8:51	9:21
18.3	17.7	9.0	13.8	16.2	17.3	17.8
12.2	12.0	8.6	8.9	9.2	10.8	15.6
72,045	62,774	11,523	4,150	10,750	18,124	22,892
12.0%	11.6%	9.9%	8.5%	7.2%	7.3%	10.7%
27,500	24,613	27,842	25,073	36,571	36,571	27,441
628,735	643,739	585,180	662,753	626,917	634,757	671,749
21,718	21,349	19,282	18,965	16,587	16,592	17,090
49.0%	49.0%	42.0%	39.0%	41.0%	43.0%	44.0%

Capital Asset Statistics by Function/Program

Last Ten Years

	2015	2016	2017
<u>Operations</u>			
Building square footage occupied by Operations	145,961	158,980	166,964
<u>Human Services</u> ¹			
Building square footage occupied by Human Services	421,624	337,666	288,858
<u>Health</u>			
Building square footage - NorthPoint Health & Wellness ²	39,964	43,422	43,422
Building square footage - Medical Examiner	29,430	29,430	29,430
<u>Law, Safety and Justice</u>			
Building square footage - Public Safety Facility Cells/Sheriff's Jail	383,128	383,128	385,312
Building square footage occupied by the Corrections Department	571,792	571,879	571,878
Building square footage occupied by the Sheriff's Office (w/o Jail)	174,229	174,305	174,108
<u>Public Works</u>			
County roads and highways (center line miles)	570	570	570
Number of bridges	146	147	147
<u>Resident Services</u>			
Building square footage occupied by the Libraries	1,017,502	1,041,136	1,074,505
Building square footage occupied by Resident Services	87,723	87,999	87,925
Size of Library collection (copies)	4,995,316	4,995,316	4,943,703
<u>Business-type Activities Capital Assets by Function/Program</u>			
<u>Hennepin Health</u>			
Building square footage occupied by Hennepin Health	32,957	32,957	25,574
<u>Medical Center</u>			
Building square footage occupied by the Medical Center	N/A	3,301,101	3,314,481
<u>Environment and Energy</u>			
Building square footage occupied by Environment and Energy	13,366	14,285	14,285

¹ Square footage excludes common areas.² The \$100 million NorthPoint campus expansion project had limited access to various spaces throughout 2023 and then the expanded space was available in 2024.

Sources: Various County departments

Unaudited

Table 28

2018	2019	2020	2021	2022	2023	2024
162,053	163,768	168,763	187,552	169,190	155,468	151,144
397,514	397,304	372,274	349,496	333,650	293,049	288,305
43,422	52,083	52,083	54,162	54,162	54,162	79,111
29,311	29,311	29,311	29,311	64,383	64,383	64,383
409,101	409,101	399,288	392,613	392,613	399,487	399,487
565,448	581,635	578,249	573,079	507,051	486,071	483,422
174,723	168,435	168,048	163,452	173,490	179,036	165,570
570	570	570	566	566	569	569
147	147	148	149	149	150	150
1,072,901	1,075,285	1,059,260	1,059,260	1,049,262	1,040,778	1,040,800
95,266	97,838	102,323	107,688	112,157	110,100	101,319
4,979,909	4,984,797	5,201,785	5,029,195	4,955,222	4,928,096	4,725,002
25,574	25,574	25,574	25,574	10,957	10,957	10,957
3,761,310	3,801,977	3,778,628	3,675,566	3,675,566	3,651,788	3,486,241
9,916	9,916	9,916	9,916	9,442	9,442	9,442

Selected Per Capita Measures of Financial Condition

Last Ten Years

	2015	2016	2017	2018
PROPERTY TAX LEVY				
County ¹	\$ 617	640	658	680
% Change	1.5	3.7	2.7	3.5
County and other ²	\$ 2,243	2,328	2,363	2,469
% Change	1.0	3.8	1.5	4.5
REVENUES				
Total governmental funds ³	\$ 1,162	1,192	1,292	1,360
% Change	(2.1)	2.6	8.4	5.2
Intergovernmental	\$ 364	383	437	385
% Change	(12.1)	5.2	14.1	(12.0)
EXPENDITURES				
Total governmental funds ³	\$ 1,222	1,331	1,450	1,477
% Change	2.2	8.9	8.9	1.9
Capital projects ⁴	\$ 123	149	138	196
% Change	9.1	20.9	(7.3)	41.9
LEVY-SUPPORTED GENERAL OBLIGATION DEBT				
Net direct ⁵	\$ 621	764	838	938
% Change	(9.1)	23.0	9.6	12.0
Net direct, overlapping, and underlying G.O.	\$ 2,240	2,507	2,622	2,944
% Change	0.1	11.9	4.6	12.3
PROPERTY ESTIMATED MARKET VALUE ⁶	\$ 118,064	125,049	131,651	140,672
% Change	6.2	5.9	5.3	6.9
EMPLOYEES PER 10,000 CAPITA ⁷	64.5	114.3	115.4	115.1
% Change	2.7	77.1	1.0	(0.3)

¹ The levy includes state-paid aids and credits such as Homestead and Agricultural Credit Aid, Agricultural Preserve Credit, Disparity Aid, and Equalization Aid. The levy does not include County Program Aid or Education Aid.

² Includes the County, municipalities, school districts, watershed districts, and other taxing jurisdictions.

³ 2017 revenues and expenditures include the \$83.6 million received upon the dissolution of the Counties Transit Improvement Board (CTIB) joint venture. The revenues were used for the early defeasance of bonds the County had issued in 2010 to assist the CTIB in obtaining more favorable financing terms.

⁴ Capital Project expenditures increase \$91.4 million in 2024 due to improved conditions for construction and acquisitions. Projects included the new Sheriff's Office patrol headquarters, Medical Center campus maintenance, blue line light rail extension project, along with construction activities related to increased federal aid.

⁵ Includes only debt secured in whole or part by the authority to levy taxes on real estate. Therefore, revenue bonds are excluded.

⁶ The overall net change in the estimated market value of county properties in 2024 was down slightly (-0.5%) from 2023 on a net basis. The reduction was largely driven by a shrinking of the commercial assessment between 2023 and 2024. However, the addition of \$3.8 billion in new construction results in an overall 1.1% gross growth statistic between 2023 and 2024.

⁷ Includes full-time and part-time employees converted to full-time equivalents. The employee count was restated in 2016 to include Medical Center employees due to the blending of the Medical Center, which had been a discretely presented component unit previously.

Unaudited

Table 29

2019	2020	2021	2022	2023	2024
709	729	738	767	794	842
4.2	2.9	1.1	4.0	3.5	6.0
2,588	2,656	2,692	2,793	2,932	3,058
4.8	2.6	1.4	3.8	4.9	4.3
1,390	1,481	1,462	1,515	1,669	1,760
2.2	6.5	(1.3)	3.7	10.1	5.5
357	463	452	488	518	534
(7.3)	29.8	(2.5)	8.0	6.1	3.2
1,496	1,740	1,447	1,554	1,714	1,899
1.3	16.3	(16.8)	7.4	10.3	10.8
125	113	111	133	144	214
(36.2)	(9.9)	(1.0)	19.3	8.5	48.6
995	1,053	1,079	1,047	1,064	1,163
6.1	5.8	2.5	(3.0)	1.6	9.3
3,089	3,255	3,317	3,365	3,390	3,878
4.9	5.4	1.9	1.5	0.7	14.4
149,245	155,111	163,124	185,154	196,899	195,903
6.1	3.9	5.2	13.5	6.3	(0.5)
113.2	111.3	112.1	117.1	122.3	121.4
(1.6)	(1.7)	0.7	4.5	4.5	(0.8)

Selected Ratio Measures of Financial Condition

Last Ten Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt service expenditures for property tax supported bonds to: ¹				
County property tax levy	12.4 %	15.9 %	13.4 %	11.8 %
Governmental fund expenditures	6.3	7.4	6.1	5.4
Net general obligation debt to:				
Property taxable market value	0.53	0.61	0.64	0.67
Legal debt margin	21.3	25.6	26.9	28.6
Direct, overlapping, and underlying net G.O. debt	27.7	30.5	31.9	31.9
Governmental fund revenues	53.5	64.1	64.8	69.0
General obligation debt due within ten years				
To total general obligation debt	61.7	55.0	58.0	58.0
Unassigned General Fund fund balance ²				
To general fund expenditures	24.6	22.1	25.6	23.6

¹ In years when the County made optional payments for early redemption of outstanding bond issues, the optional amounts are included for the calculation of the debt service ratios. The County's optional payments for early redemption of outstanding property tax supported bond issues were \$13,970,000 in 2015, \$15,000,000 in 2016, \$34,414,206 in 2017, \$15,000,000 in 2018, \$6,165,000 in 2019, \$10,000,000 in 2020, \$12,000,000 in 2021, \$12,000,000 in 2022, and \$12,000,000 in 2024

Unaudited

Table 30

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
11.3 %	12.4 %	13.9 %	14.5 %	12.7 %	13.8 %
5.4	5.2	7.1	7.2	5.9	6.1
0.68	0.69	0.67	0.57	0.55	0.60
28.6	29.3	28.3	23.2	22.0	24.7
32.2	32.4	32.5	31.1	31.4	30.0
71.6	71.1	73.8	69.1	63.7	66.1
58.0	51.3	52.6	54.7	56.7	57.4
24.4	17.9	20.3	19.8	20.3	15.7



Mission

The mission of Hennepin County is to enhance the health, safety and quality of life of our residents and communities in a respectful, efficient and fiscally responsible way.



Hennepin County does not discriminate and provides equal access to employment, programs and services without regard to race, color, creed, religion, age, sex (except when sex is a bona fide occupational qualification), disability, marital status, sexual orientation, public assistance status, socio-economic status, education, ethnicity and/or national origin. If you believe you have been discriminated against, contact the Human Resources Department, A-400 Government Center, 300 S. Sixth St., Minneapolis MN 55487, or call 612-348-2163. (9/09)

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