Disclaimer

This Hennepin County Annual Comprehensive Financial Report is historical information as of December 31, 2025. The information has not been updated for developments subsequent to the date of the independent auditor's report.

The County has taken reasonable security measures to protect the integrity of its website and information posted thereon. However, no web site can fully ensure against infiltration. Absent any unauthorized act that deletes, edits, or somehow manipulates the words or data, this publication represents the presentation of Hennepin County's Annual Comprehensive Financial Report dated December 31, 2025.

This online document has been formatted for two-sided printing

HENNEPIN COUNTY

MINNESOTA

2025 Annual Comprehensive Financial Report

Year Ended December 31, 2025



Hennepin

Hennepin County, Minnesota

Financial Highlights

		2025	2024	Percent Change
Government-wide:	Assets	$ 5,276,753,706	$ 5,056,267,945	4.4%
	Deferred Outflows of Resources	243,953,009	255,840,507	-4.6%
	Liabilities	(3,413,592,263)	(3,287,856,566)	3.8%
	Deferred Inflows of Resources	(430,666,065)	(504,489,977)	-14.6%
	Net Position	$ 1,676,448,387	$ 1,519,761,909	10.3%
Government-wide:	Program Expenses	$ 4,288,622,724	$ 4,166,844,851	2.9%
	Program Revenues	3,055,021,167	2,806,329,302	8.9%
	Net Program Expense	(1,233,601,557)	(1,360,515,549)	-9.3%
	General Revenues	1,390,288,035	1,359,554,028	2.3%
	Change in Net Position	$ 156,686,478	$ (961,521)	
	Expense Per Capita	$ 3,338	$ 3,272	2.0%

See Management's Discussion and Analysis, which begins on page 17 for explanations of the changes reflected above.

Funds Available for Investment at December 31:			
General Investible Funds	$ 1,510,829,148	$ 1,541,964,788	-2.0%
Bond Proceeds/Non-General Investible Funds	129,549,413	94,700,657	36.8%
Total Investible Funds	$ 1,640,378,561	$ 1,636,665,445	0.2%
Annual Daily Average of General Investible Funds	$ 1,733,378,821	$ 1,938,166,933	-10.6%
Average Investment Return for All Funds *	4.67%	4.37%	7.0%
Average Investment Yield for All Funds	2.93%	2.72%	7.4%

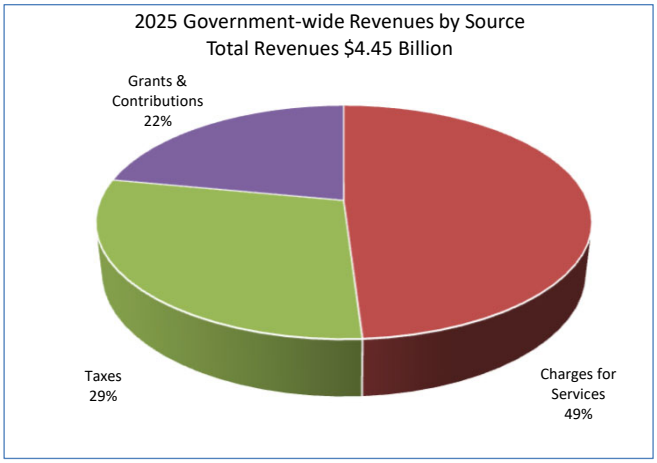
* Includes unrealized gain and loss on investments. In accordance with the GASB 31, the County has reported investments at fair value. Investment income for 2025 before recording the net change in fair value of investments was $54,021,474 as compared to $57,529,029 in 2024.

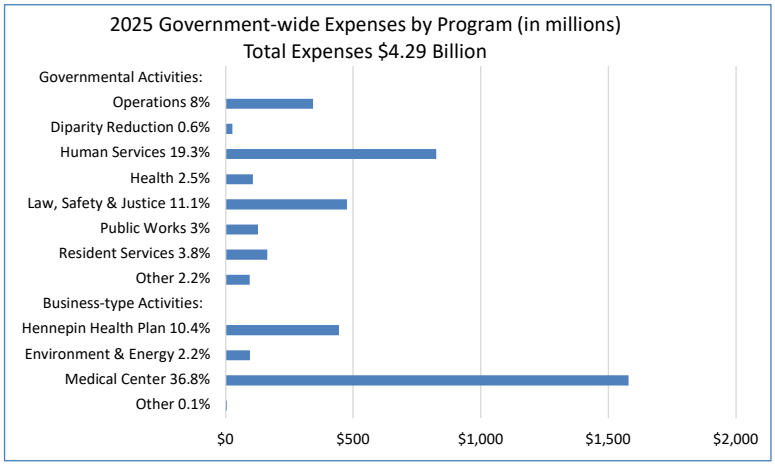
Total Outstanding G.O. Bonds and Commercial Paper*	$ 1,728,525,000	$ 1,573,330,000	9.9%
Average Interest Rate on G.O. Debt	4.80%	4.80%	-0.1%
Net G.O. Debt Per Capita	$ 1,284.19	$ 1,163.09	10.4%
Ratio of Net G.O. Debt to Property Market Value	0.65%	0.59%	9.6%
Long-term Bond Ratings:* S&P Global Ratings	AAA	AAA	
Fitch Ratings	AAA	AAA	

* Excludes revenue bonds issued for the Ballpark Project, which will be repaid with sales tax revenues. The outstanding commercial paper is rated A-1+ by S&P Global Ratings and F1+ by Fitch Ratings.

Net Tax Capacity*	$ 2,835,449,560	$ 2,859,451,218	-0.8%
Tax Capacity Rates:			
City of Minneapolis	37.083%	34.653%	7.0%
Suburban	37.083%	34.653%	7.0%
Estimated Market Value*	$ 249,449,375,000	$ 247,839,942,000	0.6%

* 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, 2025

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

Jodi Wentland

Prepared by Hennepin County Office of Budget and Finance – General Accounting
Available online at hennepincounty.gov/financial-reports


Hennepin

Hennepin County, Minnesota
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Hennepin

Introductory Section

HENNEPIN COUNTY
MINNESOTA

June 24, 2026

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, 2025.

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.

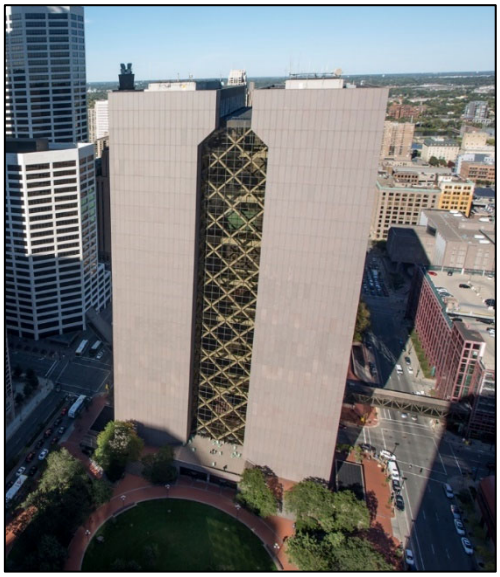
CliftonLarsonAllen LLP, has issued an unmodified ("clean") opinion on the County's financial statements for the year ended December 31, 2025. The independent auditor's report is located at the front of the financial section of this report.

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. With the Mississippi River defining its northeastern border, waterpower played a foundational role in the development of the County and the broader Twin Cities Metropolitan Area, fueling early milling and manufacturing industries that shaped the region's economic identity. That legacy of innovation and industrial strength continues today, as the County remains a major economic hub - home to diverse industries, a highly skilled workforce, and a thriving regional economy that builds on the momentum established in its earliest days. The County is governed by a seven-member Board of Commissioners (the Board), elected by district to serve 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 implementing the policies and resolutions of the Board, overseeing the County's day-to-day operations, and recommending department directors to the Board for appointments. The County has earned high marks for its governmental structure, integration of social services, strong debt management, advanced use of 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 607 square miles with 174 lakes and numerous parks and trails providing recreational opportunities for residents.

Hennepin County Facts	
Population*	***1,284,784***
Estimated Per Capita Income	***$100,352***
Number of Cities	***45***
2025 Original Budget (excluding blended component units)	***$3.10 billion***
Taxable Property Estimated Market Value	***$253.46 billion***

* *www.census.gov*

County Services

At the end of 2025, 9,293 employees were providing a full range of County services, and an additional 7,724 employees were supporting the activities of the Medical Center blended component unit. The following is a summary of the services each program provides, including 2025 department operating indicators.

Human Services

Number of Employees – 3,790

Human Services and Public Health strives to improve the outcomes of safety, stability, self-sufficiency, well-being and health for the residents of the County. Human Services serves residents through person centered supports, coordinating services from community providers and connecting people to financial assistance and resources. Health and racial equity are advanced through data-driven, prevention-focused public health policies, practices, and services. The framework protects and improves the health of residents by promoting physical well-being, preventing illness and injuries, and reducing chronic diseases through equitable, community-focused programs and services.



The Plus Program helps students graduate, earn a GED credential, prepare for college, explore careers, and build job skills

Over one-third of County residents are served, with approximately 518,000 people served annually, including:

- Economic Supports programs: 410,000 residents served
- Children in out-of-home placement in December: 974
- MnCHOICES assessments for long-term services and supports: 27,000
- At-risk households receiving homeless prevention assistance: 3,300
- Open Child Support cases in September: 36,000
- County mental health crisis response services: 22,500 residents served
- Public Health Clinical Services and Healthcare for the Homeless visits: 42,513
- Veterans Services programs: 4,217 residents served

County Services – continued

Health

Number of Employees – 397 (excluding the Medical Center blended component unit)



- NorthPoint Health & Wellness Center – 116,014 medical, behavioral and dental visits.
- Medical Examiner's Office – 9,416 total cases reported (including referrals), 1,379 scene visits and 1,277 autopsies performed.
- Hennepin Health – 29,057 enrolled in Prepaid Medical Assistance/Minnesota Care programs and 3,415 enrolled in the Special Needs Basic Care program.

Health 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; Community Healthcare; Health Administration; 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 – 2,428

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.



The Sheriff's Office collecting cold weather items to help neighbors in need

- County Attorney's Office – Evaluated over 14,132 adult and juvenile criminal cases; provided services to more than 5,000 people through the Domestic Abuse Service Center; received over 9,600 truancy referrals; provided over 1,000 child protection consultations; processed over 1,700 cases related to people with mental illness, chemical dependency, developmental disabilities, or to people who are deemed to be sexual predators; and provided comprehensive legal and advisory services to all County lines of business.
- Adult Representation Services – Provided consistently high-quality legal representation to nearly 11,000 indigent clients in matters involving parent representation, housing court, guardianship, and civil commitment.
- Public Defender – Handled 34,153 adult criminal, juvenile delinquency, and child protection cases.
- Sheriff's Office – Answered 759,321 calls for police/fire/medical dispatch services, provided 33,542 court security escorts, and responded to 1,194 crime scenes.
- Community Corrections and Rehabilitation – On any given day, more than 21,900 adults and juveniles are under supervision.

County Services – continued

Public Works

Number of Employees – 435



The County transportation system includes:

- 2,228 lane miles of roads maintained
- 831 miles of bikeways
- 789 traffic signal systems
- 150 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 manages a solid waste program, delivers clean energy, and protects the environment. In addition, Public Works provides staff support to the Hennepin County Regional Railroad Authority (RRA), a blended component unit, delivers fleet services to all County lines of business, and manages the Energy Center, which heats and cools buildings in downtown Minneapolis.

Resident Services

Number of Employees – 952

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, and Examiner of Titles.

- The 41 County library locations serve patrons by offering access to library facilities, materials, technology, and knowledgeable staff, while also providing a digital collection of over 525,000 eBooks and audiobooks.
- 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 Department of Natural Resources registrations are provided at seven Service Center locations in the County.



A Kids Book Club event at a County Library

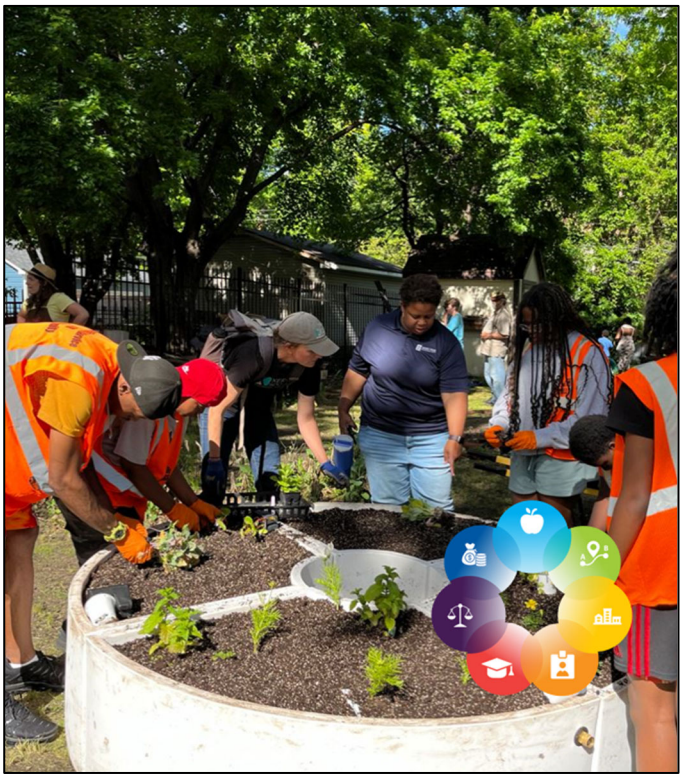
- Voting services are provided to over 850,000 eligible voters in over 400 polling places throughout the County.
- The Assessor's Office estimates market values of real property, determines the correct classification and applies eligible property tax benefits for every real estate parcel in the County.
- The Examiner of Titles supports the district court by examining titles, issuing reports and conducting hearings in court cases involving land registration problems or disputes, and also serves as legal advisor to the Registrar of Titles.

County Services – continued

Disparity Elimination

Number of Employees – 113

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



- Purchasing and Contract Services manages procurement for about 4,000 contracts each year totaling nearly $900 million, while ensuring that the County's purchasing and contracting processes are legal, fair, affordable, and open to all businesses.
- Broadband and Digital Inclusion directly supports residents through the Digital Navigation program, a national innovator in providing training, technology and connectivity to eligible residents to help enable life-changing educational, health and employment opportunities. 1,371 people were supported with digital navigation assistance in 2025.
- Climate and Resiliency's expanded urban agriculture initiative "Growing Communities" increases local access to fresh produce in food insecure areas, and communities with low-income, while reducing the urban heat island effect, and promoting green spaces.
- Workforce Development placed 913 individuals in full-time unsubsidized employment during 2025.
- Education and Support Services provides literacy and academic skill development for County connected students of all ages, serving more than 1,700 students since services began. Services to students support educational advocacy, school navigation, mentoring, and tutoring.
- The Outreach and Community Supports department envisions a long-term, sustainable, and coordinated approach to community engagement with strategies that are aligned, intentional, and supportive of the County's disparity elimination vision.



Connecting youth with opportunities to grow

County Services – continued

Operations

Number of Employees – 1,178



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 and state statutes, promotes interests with other agencies, and provides directions to departments to achieve County goals.
Compliance	Supports, promotes and oversees compliance with the rules and regulations that govern the County's work.
Strategic Planning & Initiatives	Facilitates and manages enterprise and departmental strategic planning processes and initiatives to ensure integration into County-wide strategies.
Budget & Finance	Performs budget preparation/analysis, revenue/expenditure forecasting, legislative analysis, treasury, accounting, payroll, and risk management services.
Communications	Offers strategic/creative services to help County business areas define goals and audiences, engaging with employees, community, media, and other partners.
Housing & Economic Development	Develops quality, affordable housing, providing transportation choices and community connections, attracting investment and creating jobs.
Facility Services	Identifies capital needs, manages new construction/renovations, manages all real estate functions, operates/maintains buildings and facilitates a safe environment.
Grants Management & Administration	Establishes County-wide grant efforts, designing/implementing processes, and supporting grant administration and management functions.
Central Information Technology	Provides information technology solutions to County departments, builds technical infrastructure to support the delivery of services, and ensures information security.
Integrated Data & Analytics	Develops integrated data, enterprise analytics, and data literacy to support decision making at all levels of the County.
Emergency Management	Leads County-wide efforts to promote disaster-ready families, foster whole community resilience and increase emergency responder capabilities.
Human Resources	Provides human resource programs and support services, strategies to retain employees, and provides benefits management.
Audit, Compliance & Investigation	Provides independent and objective assurance, consulting and investigation activities for county-wide risk management, audit compliance and digital forensics.
Operations Administration	Leads the Operations departments and Administration and Business Information Office to ensure effective, accessible delivery of resident and business services.
Digital Experience	Partners with lines of business to improve digital services and accessibility.
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. 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 118.

2025 Original Budget Focus

The 2025 original budget totaled $3.1 billion, with a 5.5% property tax levy increase when compared to 2024. The operating portion of this budget totaled $2.54 billion, an increase of $135 million from the adjusted 2024 budget. Development of the 2025 budget considered property tax challenges, staffing needs, increased demand for state-mandated services for those most in need, supporting critical safety net healthcare, and uncertainty about how obligations would be funded by the State of Minnesota (the State) in 2025. Departments were directed to keep their 2025 budget requests within 103% of their 2024 adjusted property tax requirement and include a prioritized plan to reduce that amount by an additional 2%. In preparing budgets, departments were asked to consider economic conditions and key County commitments, including property tax outlook, workforce trends, the end of Federal pandemic funding, long-term sustainability, racial equity, disparity elimination, and climate action. They were also expected to align their proposals with County values, strategic plans, partnerships, data-informed decision-making, community engagement, and opportunities for innovation or efficiency.

Major Initiatives and Achievements

Advanced Transportation Management System



The County's Advanced Transportation Management System (ATMS) is a key component of its modernized transportation infrastructure, designed to improve traffic safety, mobility, and coordination between state and local agencies. Efficient traffic signal operations are essential to achieving a safe and reliable transportation system. A major challenge for traffic signal operations is providing efficient signal timing while also monitoring, diagnosing, and resolving issues with traffic signal control devices. The County utilizes ATMS to address these challenges by integrating central control software with field traffic signal control devices through a fiber-optic network. This enables County staff to remotely receive, monitor, and proactively manage traffic signal operations in real-time. ATMS reduces response times for traffic issues, facilitates traffic safety and efficiency across various modes of transportation, and improves quality of life for residents. The ATMS initiative received national recognition in 2025 from several leading organizations, including the Digital Counties Survey, the National Association of County Information Officers, and the National Association of County Intergovernmental Relations Officials.

New Public Safety Services Headquarters

County leaders and partners gathered in June 2025 to celebrate the grand opening of the new $41 million Public Safety Services Headquarters, located in Plymouth. The new facility is adjacent to the 911 Communications Center on the same campus as the Adult Corrections Facility. The state-of-the-art building and its central location allow for a more efficient and speedy response from law enforcement and will provide improved public safety for residents for years to come. The project also reflects some of the county's highest priorities, including climate action and disparity elimination. The facility's sustainable technologies and systems reduce the County's carbon footprint and increase conservation. Features include rooftop solar panels, electric vehicle stations, a geothermal heating and cooling system, rainwater capture and recycling, and a green roof. The contracted workforce for this project was comprised of about 50% Black, Indigenous, and People of Color (BIPOC) and 10% female workers, and nearly 9% of the contractors were small, minority, and women-owned businesses. Additionally, the project partnered with a local non-profit workforce development agency that works primarily with justice-involved individuals to handle deconstruction of a 33,000 square foot building that previously sat on the site. The crews carefully took apart the building to recover reusable materials, diverting 33 tons of building materials from area landfills.

Major Initiatives and Achievements – continued

Reimagining Adult Shelter



The County continues to partner with other entities and private donors to invest in housing-focused crisis response and purpose-built facilities that help residents move quickly from homelessness to stable, supportive housing. Two recent projects—the Simpson Community Shelter & Apartments and The Valiance—demonstrate this shift from long-standing church basement shelter models to modern, integrated programs offering both emergency shelter and permanent supportive housing.The Simpson Community Shelter and Apartments redevelopment provides a 72-bed shelter and 42 units of affordable, supportive housing. The Valiance includes 50 permanent supportive housing units and a new 54 bed emergency shelter for women, plus 10 inclement-weather beds. Together, these projects exemplify the County's commitment to housing-first strategies and modern, service-rich shelters that strengthen long-term stability for residents experiencing homelessness.



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's population according to the US Census estimate of July 1, 2025. This is a 0.3% decline since the full US Census was conducted in 2020. The County's large economic sectors include health care services, manufacturing, professional and scientific services, finance/insurance and related services, government and information technology providing a diverse and strong employment and wage base in the County.

The economic outlook for Minnesota weakened slightly in 2025 compared to 2024, according to the Minnesota Management and Budget February 2026 Budget and Economic Forecast. The February 2026 forecast was prepared with substantial missing data due to the Federal government shutdown in October and November 2025, as well as the partial government shutdown that began in February 2026. The forecast estimates that once all missing data becomes available, Minnesota's payroll employment will have grown slightly by 0.2% (about 5,400 jobs) in 2025 compared to a 0.9% increase (26,000 jobs) experienced in 2024. Employment is expected to contract slightly in 2026 by about 2,000 jobs, before beginning a modest expansion of an estimated 9,000 jobs annually in 2027 through 2029. This slower payroll growth reflects structural factors that limit long-term labor force expansion: an aging population, declining birth rates, and lower projected levels of international immigration.

The State's unemployment rate rose steadily beginning March 2025, culminating in a 2025 rate of 3.8%. That figure is 1.1% higher than the December 2024 rate of 3.2% and represents the second-highest increase in rate among all U.S. states. The County's 2025 unemployment rate was 3.5%. Both the County and state unemployment rates remain below the national rate and there continue to be more job openings than unemployed workers in Minnesota, although that relationship has been tightening from about five workers for every available job earlier in 2025 to about eight workers for every available job later in the year.

Labor market trends vary across sectors. Employment growth remains robust in health care and social assistance, Minnesota's largest sector, which accounts for 18% of total state employment and grew at a rate of 4.9% (25,900 jobs) in December 2025, compared to one year ago. Over the same period, all other sectors combined added 8,200 jobs. The largest year-over-year decreases have occurred in the Federal government, educational services, information, wholesale trade, and finance and insurance.

Economic and Financial Condition – continued

A lower forecast for international immigration, declining birth rates, and the continuing retirements of Baby Boomers may limit the State's labor force and further constrain employment growth in the coming years. Without sustained worker inflows either from international immigration or domestic migration, State employers may struggle to fill jobs, potentially slowing the growth of total wage and salary disbursements and constraining the expansion of overall economic activity.

Excluding blended component units, the County budgeted $3.15 billion for 2026 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 $1.13 billion, a 7.8% increase over 2025.



The operating portion of the budget funds day-to-day services to residents and totals $2.78 billion, an increase of 9.0 percent or $229.0 million, from the 2025 adjusted budget.



The capital portion of the budget finances the County's long-term assets, including facilities, roads, bridges, transit, and other key infrastructure. The 2026 capital budget totals $374 million, a decrease of $194.0 million, or 34%, from the adjusted 2025 amount. Significant annual increases or decreases in the capital budget are common due to the ever-changing mix of capital projects, implementation schedules, and the varying revenue sources available to fund this work. The 2026 capital budget includes substantial investments in three projects: $38 million to continue construction activities at the New Southdale Library, $30 million for facility asset preservation needs at the Medical Center campus, and $50 million to continue work on the METRO Blue Line Extension Light Rail Transit project, managed by the Metropolitan Council.

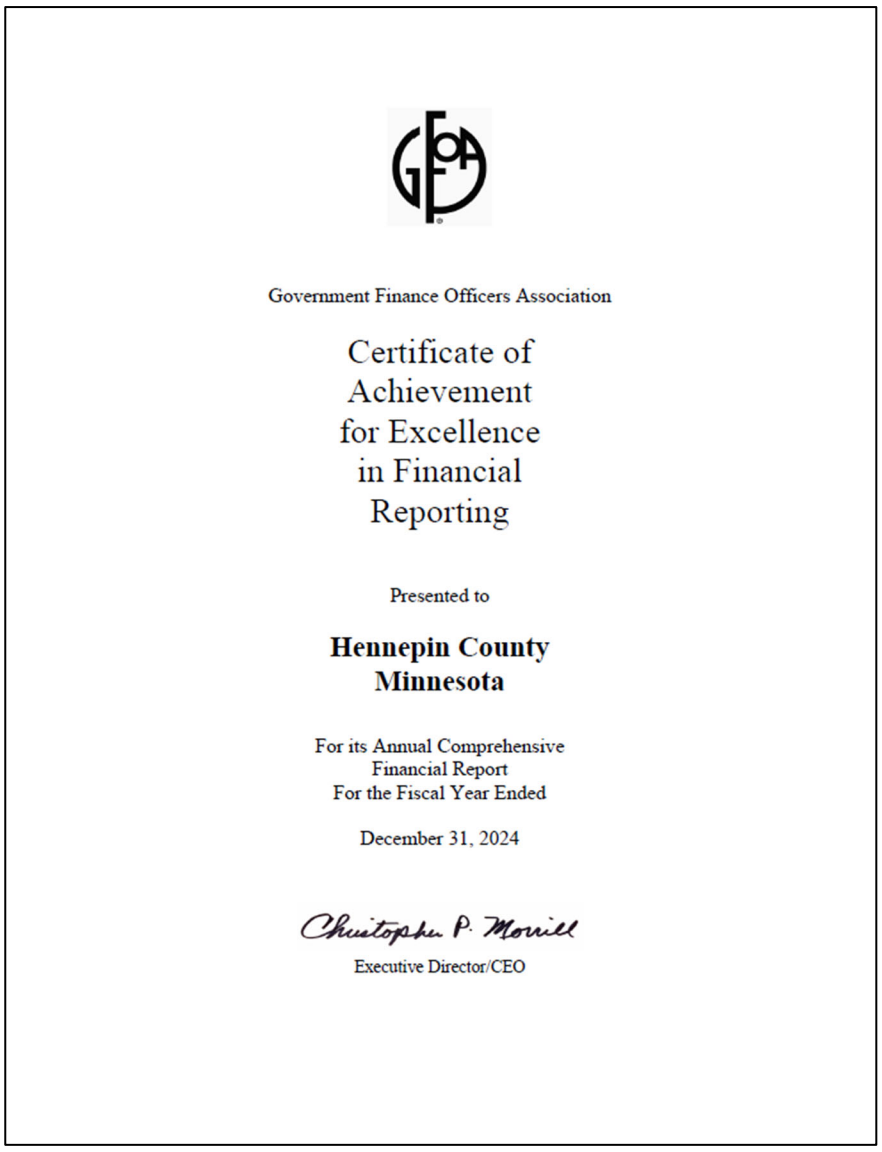
The County maintains strong financial management and continues to receive the highest possible credit rating. As in past years, the County's long-term general obligation debt received AAA from S&P Global Ratings and AAA from Fitch Ratings.

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 the fiscal year ended December 31, 2024. The County first marked this achievement in 1974, and this was the 51st consecutive year that the County has received this prestigious award.

A government must publish an easily readable and efficiently organized annual comprehensive financial report to be awarded a Certificate of Achievement for Excellence in Financial Reporting. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



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, 2024

Christopher P. Morrill

Executive Director/CEO

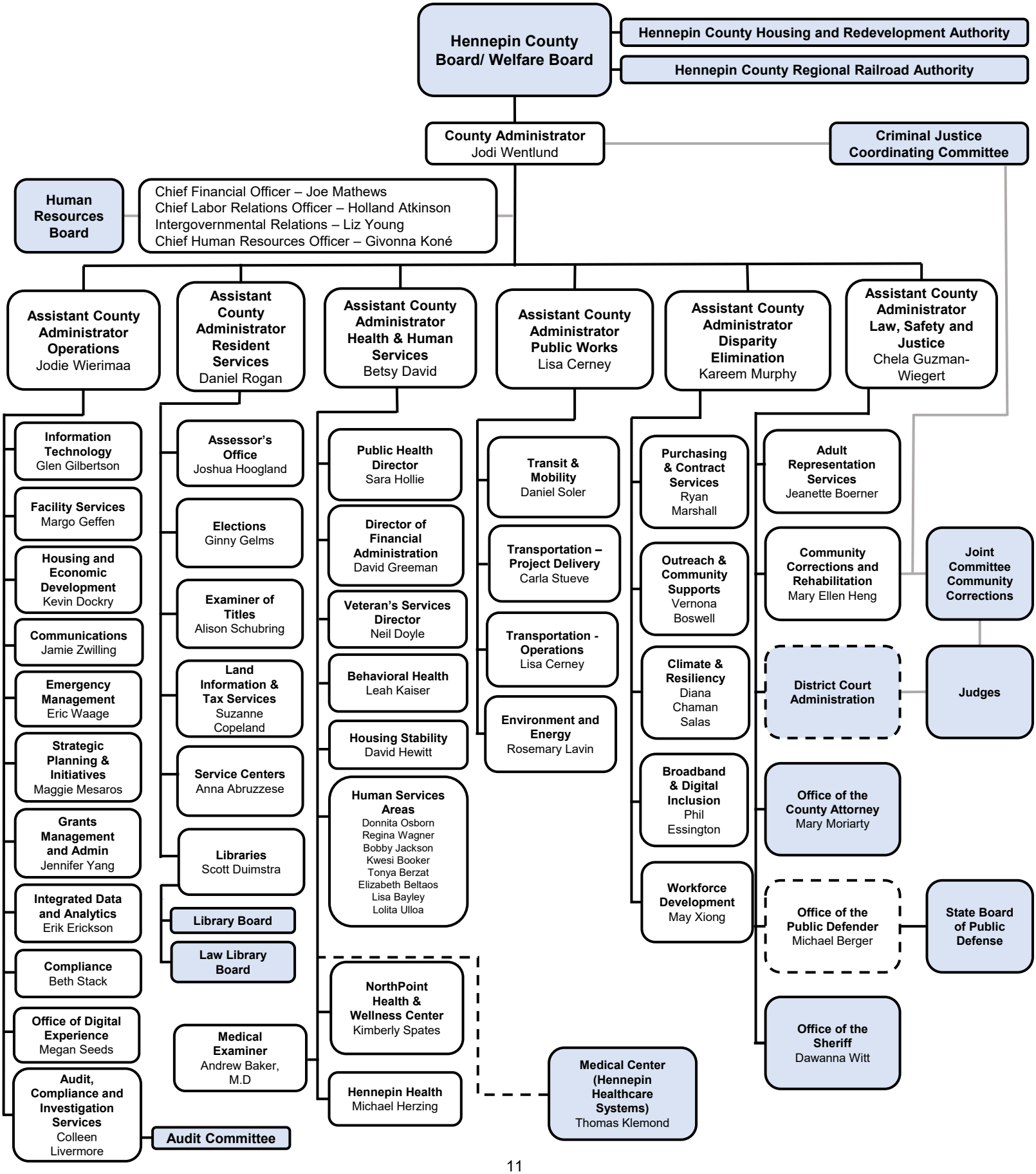
The preparation of this report could not have been accomplished without the dedicated services of the entire financial staff of the County. We would like to express appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given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

Jodi Wentland

Jodi Wentland
County Administrator

Joseph W. Mathews
Director of Budget and Finance

Organizational Chart on December 31, 2025



Principal Officials on December 31, 2025



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

Governmental Activities Programs - Departments and Directors

Operations
Audit, Compliance and Investigation Services: Colleen Livermore
Budget and Finance: Joe Mathews
Communications: Jamie Zwilling
Compliance: Beth Stack
Emergency Management: Eric Waage
Facility Services: Margo Geffen
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
Office of Digital Experience: Megan Seeds
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
Land Information and Tax Services: Suzanne Copeland
Libraries: Scott Duimstra
Service Centers: Anna Abruzzese

Disparity Elimination
Broadband & Digital Inclusion: Phil Essington
Climate & Resiliency: Diana Chaman Salas
Education Support Services: Christa Mims
Outreach & Community Supports: Vernona Boswell
Purchasing and Contract Services: Ryan Marshall
Workforce Development: May Xiong

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

Public Works
Transit & Mobility: Daniel Soler
Transportation – Operations: Lisa Cerney
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: David Greeman
Fraud Prevention and Program Integrity: Elizabeth Beltaos
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: Thomas Klemond

Financial Section

CliftonLarsonAllen LLP
CLAconnect.com

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 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, 2025, 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 accompanying 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, 2025, 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*.

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.

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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.

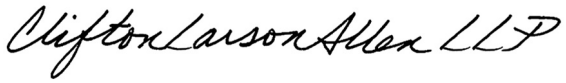
Other Information

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, 2026, 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.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 24, 2026

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, 2025. 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* that begins on page 51.

GOVERNMENT-WIDE FINANCIAL HIGHLIGHTS

At December 31, 2025, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows by $1.68 billion. Of this amount, $964.0 million was restricted by specific statutory requirements or external commitments. The County's net investment in capital assets was $1.33 billion. The County's net position increased $156.6 million during the year, which included a $72.8 million increase in governmental activities and an $83.8 million increase in business-type activities.

While the County is required to report net pension liability and related pension amounts, the County's actual contributions to pension plans are not impacted by the reporting requirement because the County is not legally liable for the amounts. 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. The County's net position is reported approximately $689.3 million lower under the reporting requirements, resulting in the $613.8 million deficit unrestricted net position for 2025.

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).

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 Elimination
- Human Services
- Health
- Law, Safety and Justice
- Public Works
- Resident Services
- Hennepin County Housing and Redevelopment Authority (HRA) blended component unit
- 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
- Golf Course
- Radio Communications

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 begin on page 42.

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 Custodial Fund and 3) the Other 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 102 of this report.

Required and Supplementary Information beginning on page 104 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

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 $1.68 billion on December 31, 2025. 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.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	$ 1,065.7	$ 1,110.3	$ 520.3	$ 481.8	$ 1,586.0	$ 1,592.1
Noncurrent Assets:						
Other assets	624.9	480.4	153.4	138.8	778.3	619.2
Net capital assets	2,345.2	2,294.5	567.3	550.5	2,912.5	2,845.0
Total Assets	4,035.8	3,885.2	1,241.0	1,171.1	5,276.8	5,056.3
Deferred Outflows of Resources	169.7	178.6	74.2	77.2	243.9	255.8
Other liabilities	461.6	329.8	313.9	265.8	775.5	595.6
Long-term liabilities	2,174.4	2,193.8	463.8	498.4	2,638.2	2,692.2
Total Liabilities	2,636.0	2,523.6	777.7	764.2	3,413.7	3,287.8
Deferred Inflows of Resources	278.0	321.5	152.6	183.0	430.6	504.5
Net Position:						
Net investment in capital assets	980.6	1,037.2	345.6	326.8	1,326.2	1,364.0
Restricted	744.0	665.0	220.0	193.5	964.0	858.5
Unrestricted (deficit)	(433.1)	(483.5)	(180.7)	(219.2)	(613.8)	(702.7)
Total Net Position	$ 1,291.5	$ 1,218.7	$ 384.9	$ 301.1	$ 1,676.4	$ 1,519.8

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS – CONTINUED

Changes in Net Position

As shown in the Changes in Net Position table on the following page, the County's total net position increased $156.6 million during 2025, a 10.3% increase. The increase included a $72.8 million increase in governmental activities and an $83.8 million increase in business-type activities.

The activities that primarily contributed to the $72.8 million increase in ***governmental activities'*** net position included increases related to:

- $34.5 million is unspent ballpark sales tax and related revenues that are restricted for future ballpark debt service and other prescribed uses.
- $22.3 million is unspent transportation sales tax restricted for transportation projects.
- Unspent operating contributions from sales taxes imposed by the Metropolitan Council totaling $20.7 million. These revenues are restricted for transportation and affordable housing projects.

The $83.8 million increase in net position for ***business-type*** **activities** was mainly due to a $16.7 million increase in the net position of the Hennepin Health Plan and a $65.1 million increase in the net position of the Medical Center blended component unit. The increase for the Hennepin Health Plan was primarily driven by higher membership, which led to increased premium revenue, along with the release of the $12.6 million Premium Deficiency Reserve from 2024.

The net position increase related to the Medical Center blended component unit was primarily driven by a $50.0 million reduction in pension expenses (operating expenses) due to a significantly lower actuarial estimate of pension liabilities in 2025. Excluding the impact of this actuarially determined reduction, the Medical Center experienced an operating loss of $38.1 million related to elevated uncompensated care costs. The remaining non-operating net position change is attributable to the Medical Center's receipt of $43.8 million of capital contributions, primarily from the County.

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	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program Revenues:						
Charges for services	$ 159.4	$ 163.8	$ 2,045.1	$ 1,798.5	$ 2,204.5	$ 1,962.3
Operating grants and contributions	714.6	633.6	119.5	129.1	834.1	762.7
Capital grants and contributions	16.5	81.4	-	-	16.5	81.4
General Revenues:						
Property taxes	1,019.8	985.7	-	0.3	1,019.8	986.0
Sales tax	231.6	229.1	-	-	231.6	229.1
Wheelage tax	20.8	22.0	-	-	20.8	22.0
Other taxes	3.3	2.9	-	-	3.3	2.9
Grants and contributions	48.2	47.7	-	-	48.2	47.7
Investment earnings	66.6	71.9	-	-	66.6	71.9
Total Revenues	2,280.8	2,238.1	2,164.6	1,927.9	4,445.4	4,166.0
EXPENSES						
Operations	400.3	346.4	-	-	400.3	346.4
Disparity elimination	26.8	27.9	-	-	26.8	27.9
Human services	805.5	835.8	-	-	805.5	835.8
Health	103.7	117.4	-	-	103.7	117.4
Law, safety and justice	457.9	441.9	-	-	457.9	441.9
Public works	123.2	129.6	-	-	123.2	129.6
Resident Services	152.6	172.6	-	-	152.6	172.6
HRA	24.1	35.4	-	-	24.1	35.4
RRA	22.2	16.4	-	-	22.2	16.4
Interest on long-term debt	48.0	44.9	-	-	48.0	44.9
Hennepin Health Plan	-	-	444.6	381.6	444.6	381.6
Environment and energy	-	-	95.4	83.6	95.4	83.6
Medical Center	-	-	1,579.2	1,528.1	1,579.2	1,528.1
Other enterprises	-	-	5.3	5.3	5.3	5.3
Total Expenses	2,164.3	2,168.3	2,124.5	1,998.6	4,288.8	4,166.9
Increase (Decrease) in Net Position Before Transfers	116.5	69.8	40.1	(70.7)	156.6	(0.9)
Transfers	(43.7)	(33.1)	43.7	33.1	-	-
Increase (Decrease) in Net Position	72.8	36.7	83.8	(37.6)	156.6	(0.9)
Net Position – Beginning	1,218.7	1,182.0	301.1	338.7	1,519.8	1,520.7
Net Position – Ending	$ 1,291.5	$ 1,218.7	$ 384.9	$ 301.1	$ 1,676.4	$ 1,519.8

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 $1.05 billion, which is a decrease of $28.1 million from the prior year's ending balances. The 15.1% of total governmental fund balance, or $158.5 million, 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 tax*** revenue increased $39.2 million, primarily due to the 5.5% property tax levy increase.

- ***Intergovernmental*** revenue increased $24.8 million. The $40.4 million intergovernmental revenue increase in the Human Services Fund was due to higher random moment study response and additional State funding. The Other Sales Tax Fund increased $27.1 million related to higher Metropolitan Council sales tax collections passed to the County. These increases were offset by the $44.6 million decrease in the General Fund, which was due to the conclusion of grants supporting COVID-19 pandemic emergency response initiatives.

- ***Charges for services*** revenue increased by $13.3 million, primarily driven by a $7.5 million increase in Human Services Fund clinic operations and a $2.4 million increase in the General Fund related to the NorthPoint Health and Wellness Center operations. These increases were due to medical assistance rate changes, shifts in patient mix, and increases in patient visits.

- ***Opioid settlement*** revenue totaled $4.2 million in 2025, a decrease of $8.3 million from 2024. The County receives payments subject to the Minnesota State-Subdivision Memorandum of Agreement, which provides that opioid settlement funds shall not be considered funds of the State or any participating local government until such time as each distribution is made. The receipts from the national opioid pharmaceutical lawsuit settlements are a portion of an estimated remaining $45.7 million that is expected to be received by the County over the next 13 years for use on eligible costs relating to the impacts of opioid addiction.

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – CONTINUED

Governmental Fund Revenues – continued

Revenues Classified by Source
Governmental Funds
(in millions)

	2025		2024		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Revenues by Source:						
Property taxes	$ 1,089.8	47.70%	$ 1,050.6	46.87%	$ 39.2	3.7%
Sales tax	209.2	9.20%	208.3	9.29%	0.9	0.4%
Wheelage tax	20.8	0.90%	22.0	0.98%	(1.2)	-5.5%
Sales tax	3.3	0.10%	2.9	0.13%	0.4	13.8%
Intergovernmental	705.0	30.80%	680.2	30.35%	24.8	3.6%
Investment earnings (losses)	73.2	3.20%	77.2	3.44%	(4.0)	5.2%
Charges for services	161.4	7.10%	148.1	6.61%	13.3	9.0%
Opioid settlements	4.2	0.20%	12.5	0.56%	(8.3)	-66.4%
Fines and forfeits	0.3	0.00%	0.7	0.03%	(0.4)	-57.1%
Licenses and permits	10.1	0.40%	9.5	0.42%	0.6	6.3%
Other	8.1	0.40%	29.5	1.32%	(21.4)	-72.5%
Total Revenues	$ 2,285.4	100%	$ 2,241.5	100%	$ 43.9	2.0%

Governmental Fund Expenditures. The table on the following page presents expenditures by function as well as increases or decreases from the prior year. In 2025, governmental fund expenditures increased $13.7 million compared to the 2024 expenditures. Expenditures that changed significantly from the prior year are explained below:

- ***Operations*** expenditures increased by $29.2 million, primarily due to a $14.2 million increase in contractual spending within the Housing and Economic Development area, largely driven by the implementation of the Repair and Grow program. The remaining increase is attributed to the $17.4 million increase in spending on Operations' capital projects, such as those related to the preservation and improvement of Medical Center capital assets and the purchase of land for future Medical Center operations.

- Expenditures for ***Law, Safety and Justice*** increased $34.1 million. This increase was largely due to a $14.5 million increase in the Sheriff's Office, which primarily related to filling 92 vacancies, a $1.9 million increase in healthcare costs, and general pay increases. Additionally, there was an $8.3 million increase in the Department of Community Corrections and Rehabilitation, and a $7.1 million increase in the County Attorney's Office, largely related to increased staffing expenditures.

- ***HRA*** expenditures decreased $13.8 million in 2025, primarily due to the expiration of COVID-19 funding in 2024.

- ***RRA*** expenditures increased $5.9 million. This change primarily related to a $3.3 million increase in contributions to the Bottineau Light Rail Transit project, a $1.2 million increase in contributions to the Midtown Bridges (1st Avenue) project, and $1.4 million in contributions to the Midtown Bridges Nicollet Avenue and 10th Avenue Bridge.

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – CONTINUED

Governmental Fund Expenditures – continued

- Expenditures for ***Debt Service Principal Retirement*** decreased by $7.2 million, primarily because there were no optional early redemptions in 2025. In contrast, $12.0 million of Series 2028B bonds were redeemed early in 2024. This decrease was partially offset by higher overall scheduled principal payments in 2025.

- ***Intergovernmental*** expenditures increased by $3.0 million due to the transfer of $3.0 million in General Obligation bonds and the related $0.3 million bond premium, to the Riley Purgatory Bluff Creek Watershed District (the District). The bonds were issued by Hennepin County on behalf of the District to help the district obtain more favorable financing terms.

- Expenditures for ***Capital Projects*** decreased $28.9 million, primarily due to the completion of major projects in 2025, such as a $19.0 million reduction associated with the Hennepin 1st Multimodal Project and a $9.4 million reduction following completion of the CSAH 112 (Wayzata Boulevard) reconstruction.

Expenditures by Function
Governmental Funds
(in millions)

	2025		2024		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Expenditures by Function:						
Operations	$ 368.1	15.1%	$ 338.9	14.0%	$ 29.2	8.6%
Disparity elimination	27.3	1.1%	28.5	1.2%	(1.2)	-4.2%
Human services	823.4	33.8%	816.2	33.7%	7.2	0.9%
Health	101.4	4.2%	110.2	4.6%	(8.8)	-8.0%
Law, safety and justice	454.1	18.7%	420.0	17.4%	34.1	8.1%
Public works	72.0	3.0%	77.3	3.2%	(5.3)	-6.9%
Resident services	138.8	5.7%	141.4	5.8%	(2.6)	-1.8%
HRA	21.4	0.9%	35.2	1.5%	(13.8)	-39.2%
RRA	22.0	0.9%	16.1	0.7%	5.9	36.6%
Debt service						
Principal retirement	84.6	3.5%	91.8	3.8%	(7.2)	-7.8%
Interest and fiscal charges	72.0	3.0%	69.9	2.9%	2.1	3.0%
Intergovernmental	3.0	0.1%	-	0.0%	3.0	100.0%
Capital outlay	243.9	10.0%	272.8	11.2%	(28.9)	-10.6%
Total Expenditures	$ 2,432.0	100%	$ 2,418.3	100%	$ 13.7	0.6%

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – CONTINUED

Fund Balances in Governmental Funds

The **General Fund** is the County's primary operating fund. At the end of 2025, total fund balance for the General Fund was $281.4 million and unassigned fund balance was $158.5 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 15.1% of the total governmental fund balance and represents 15.9% of the total General Fund expenditures. In 2024, the unassigned fund balance represented 14.0% of total governmental fund balances and 15.7% of General Fund expenditures. The General Fund ended the year with a decrease of $10.8 million in fund balance. This decrease was primarily due to the $15.4 million use of fund balance by the Sheriff's Office due to increased staffing costs for filled vacancies.

The $30.9 million decrease in fund balance in the **Human Services Fund** was primarily due to the planned use of fund balance, including $6.1 million for strategies to prevent and reduce the impacts of opioid addiction, and the remainder to support Human Services and Public Health program services and increased staffing expenditures.

The **Ballpark Sales Tax Fund's** fund balance increased $34.1 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.

Fund balance in the **Other Sales Tax Fund** increased $41.7 million. Of this amount, $20.7 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, $21.0 million increase relates to earned, but unspent transportation sales tax revenues, which are restricted for transportation projects.

Fund balance in the **HRA Fund** increased $5.8 million, largely due to postponed activities for approved projects.

The $7.8 million fund balance increase in the **RRA Fund** primarily related to postponed spending on approved projects.

The **RRA Debt Service Fund's** fund balance increased $0.3 million and the fund balance in the **General Debt Service Fund** increased $3.9 million, primarily due to a statutory requirement for property taxes to be levied in an amount equal to 105% of amount needed to pay principal and interest due on the outstanding bonds.

The **Capital Projects Fund** had a net fund balance decrease of $79.9 million due to the expected variances in project expenditures and the County's decision to issue short-term debt, rather than long-term debt, to support project expenditures.

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – CONTINUED

General Fund Variances Between the Final Budget and Actual Results

The overall General Fund 2025 budget did not change significantly between the time it was originally approved and when the amended budget was finalized. The Board supported personal services cost increases by transferring budget from the contingency allocation within the General County Purposes area to the other General Fund areas experiencing the increases.

In 2025, there were significant variances between the final budget and actual revenues and expenditures within specific areas of the General Fund, including the following.

Revenues:

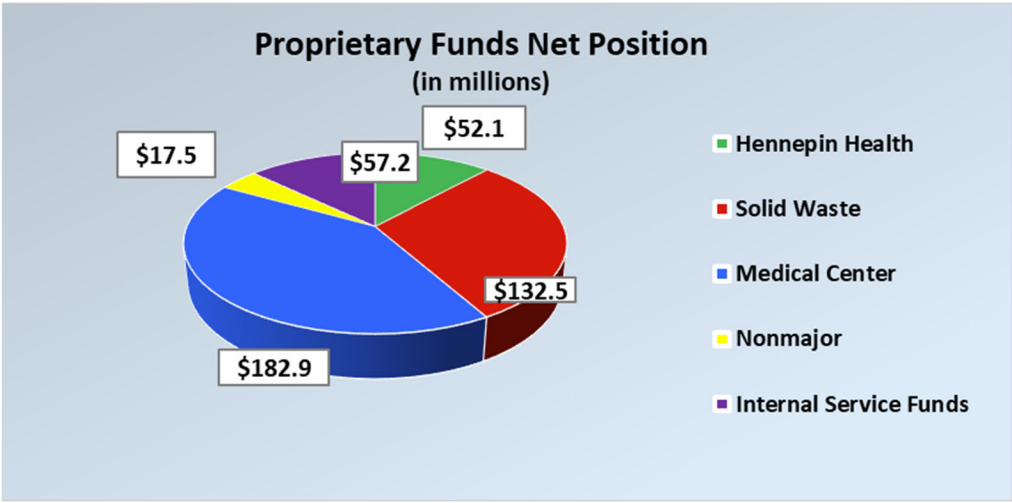
- ***Property tax*** revenues were $1.3 million higher than budgeted primarily due to improved collections.
- ***Intergovernmental*** revenues were $17.3 million lower than budgeted, primarily due to $10.0 million that was received but reported as unearned for the Blue Line Light Transit Extension Antidisplacement Community Prosperity Program (ACPP) in Disparity Elimination. Additionally, State reimbursements for public works projects were lower than budgeted due to longer timelines for project completion than anticipated.
- ***Investment earnings*** were $26.7 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.

Expenditures:

- ***Personal services*** expenditures were $27.9 million lower than budgeted, primarily due to strategic delays in filling vacancies, across functions.
- ***Contractual services*** expenditures were $37.2 million lower than budgeted. Of this amount, $21.5 million relate to Disparity Elimination including $10.0 million in postponed ACPP spending and $3.5 million in lower than anticipated workforce development spending.
- ***Other charges*** expenditures were $4.0 million below budget, primarily due to lower conference and business travel costs, as well as reduced expenditures for training and miscellaneous.

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:



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – CONTINUED

Proprietary Funds - continued

Enterprise Funds' total net position increased $83.8 million during 2025, primarily due to:

- A $16.7 million net position increase in the **Hennepin Health Fund** that was mainly driven by higher membership, which led to increased premium revenue, along with the release of the $12.6 million Premium Deficiency Reserve from 2024.

- A $65.1 million **Medical Center Fund** increase in net position was primarily driven by a $50.0 million reduction in pension expenses and the Medical Center's receipt of $43.8 million of capital contributions, primarily from the County.

- A **Solid Waste Fund** net position increase of $1.0 million due to the net change in fair value of investments (unrealized and realized gains) as a result of more favorable market conditions.

The total net position of ***Internal Service Funds*** decreased by $41.1 million. This decrease was primarily due to a $23.3 million decrease in the net position of the Information Technology Fund, largely resulting from the planned use of the fund balance for hardware, higher software costs, and other technology updates. The **Employee Health Plan Self Insurance Fund** decreased $9.6 million as a result of rising healthcare costs.

The **Other Employee Benefits Fund** experienced a $6.2 million decrease in net position related to the increasing compensated absences liability.

Fiduciary Funds

As previously noted, the County reports three separate fiduciary funds. The total net position in the Fiduciary Funds totaled $192.4 million, an 18.8% 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 $2.91 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	
	2025	2024	2025	2024	2025	2024
Art & historical treasures	$ 5.5	$ 5.3	$ 1.5	$ 1.4	$ 7.0	$ 6.7
Land	106.5	102.1	56.7	56.7	163.2	158.8
Construction in progress	91.2	194.1	64.8	28.5	156.0	222.6
Buildings	1,091.9	1,065.6	828.1	825.8	1,920.0	1,891.4
Equipment	198.4	190.2	384.1	410.7	582.5	600.9
Software	17.9	18.4	12.8	8.4	30.7	26.8
Library books and other materials	34.2	35.0	-	-	34.2	35.0
Leasehold improvements	14.6	14.6	29.1	28.7	43.7	43.3
Land improvements	34.5	34.5	1.9	1.9	36.4	36.4
Infrastructure	2,073.4	1,926.1	-	-	2,073.4	1,926.1
Right to use leased buildings	43.4	43.5	15.3	12.7	58.7	56.2
Right to use leased equipment	-	-	19.1	17.0	19.1	17.0
Right to use software subscriptions	10.7	8.9	68.9	52.0	79.6	60.9
Total Capital Assets	3,722.2	3,638.3	1,482.3	1,443.8	5,204.5	5,082.1
Less: accumulated depreciation and amortizations	(1,377.0)	(1,343.8)	(915.0)	(893.3)	(2,292.0)	(2,237.1)
Total Capital Assets, Net	$ 2,345.2	$ 2,294.5	$ 567.3	$ 550.5	$ 2,912.5	$ 2,845.0
Percent change from prior year	*2.2%*		*3.1%*		*2.4%*	

Governmental activities' net capital assets increased $50.7 million. The change is primarily related to $113.1 million of construction in progress additions, which were offset by various asset disposals and sales, along with a $33.2 million net change in accumulated depreciation and amortization.

The largest project additions during 2025 for construction in progress were:

- $11.5 million for reconstruction of Minnetonka Boulevard (CSAH 5) from Highway 100 to France Avenue in the cities of Minneapolis and St. Louis Park.
- $11.1 million for multimodal improvements along University Avenue SE (CSAH 36) and 4th Street SE (CSAH 37) from Interstate 35W to Oak Street SE in the City of Minneapolis.
- $10.3 million related to the beginning of construction of the $106.8 million replacement of the Southdale Library in Edina. Construction began with the demolition of the former facility, which was built in 1972.

Business-type activities' net capital assets increased $16.8 million. The change primarily related to the activities of the Medical Center blended component unit.

CAPITAL ASSET AND DEBT ADMINISTRATION - continued

Debt Administration

As shown in the following table, **G.O. bonds** increased by $11.8 million during 2025. Within governmental activities, the County issued $100.0 million of tax-exempt G.O. bonds at a premium of $13.6 million to finance capital improvements. This increase was partially offset by scheduled principal repayments and amortizations. In addition, the County issued $131.6 million of tax-exempt G.O. bonds at a premium of $17.5 million to refund $91.8 million of Series 2018B G.O. bonds, $19.4 million of Series 2010C G.O. bonds, and $37.4 million of Series 2010D G.O. bonds.

In addition, the County issued $150.0 million of **G.O. commercial paper** to finance capital improvements.

Hennepin County's Outstanding Debt
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
G.O. bonds	$ 1,624.1	$ 1,603.5	$ 179.3	$ 188.1	$ 1,803.4	$ 1,791.6
G. O. commercial paper	150.0	-	-	-	150.0	-
Revenue bonds	30.7	40.5	-	-	30.7	40.5
Lease and subscription payables	28.7	34.0	42.4	35.5	71.1	69.5
	$ 1,833.5	$ 1,678.0	$ 221.7	$ 223.6	$ 2,055.2	$ 1,901.6

Revenue bonds decreased $9.8 million during 2025, due to scheduled principal payments and amortizations.

Lease and subscription payables decreased by $5.3 million in *governmental activities,* primarily due to scheduled lease payments as well as lease modifications and terminations. In contrast, lease and subscription payables increased by $6.9 million in *business-type activities*, largely driven by software subscriptions associated with the Medical Center blended component unit.

In 2025, the General Debt Service Fund received $105.6 million of property tax revenues. 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 $1.65 billion outstanding net levy supported debt is significantly below the $7.60 billion statutory limit. The County's credit ratings on long-term G.O. bonds as of December 31, 2025 were:

S&P Global Ratings	AAA
Fitch Ratings	AAA

The County's credit ratings on the G.O. commercial paper certificates as of December 31, 2025 were:

S&P Global Ratings	A-1+
Fitch Ratings	F1+

Additional information on the County's debt can be found in Notes 9 and 10, which begin on page 75 of this report, and in the Schedule of Changes in Debt, located on pages 146-147.

Management's Discussion and Analysis

ECONOMIC FACTORS

In the State's February 2026 Budget and Economic Forecast, Minnesota is projected to end the 2026–2027 biennium with a General Fund balance of $3.7 billion, an improvement of $1.27 billion from earlier estimates. The forecast reflects higher revenue projections, driven largely by increases in the state's most volatile revenue sources, including capital gains, interest earnings, and corporate tax collections. The report also notes a structural deficit where spending growth continuously exceeds revenue growth, resulting in a structural projected deficit of $2.78 billion and $3.36 billion in the Fiscal Year 2026-2027 and 2028-2029, respectively. The report notes that Federal policy shifts may increase State costs, particularly for Medicaid. Specifically, the State risks losing Federal funding if it does not enact statutory changes to comply with HR1, including work requirements for Medicaid recipients. The State's report notes that Federal monetary and fiscal policy, as well as geopolitical conflict pose risks to the budget projections and overall economic outlook.

The County's 12-month average unemployment rate (not seasonally adjusted) for 2025 was 3.5%, an increase from the 2024 average of 2.9%. The County's average unemployment rate is slightly lower than the State's rate of 3.8% and significantly lower than the national 4.3% 12-month non-seasonally adjusted average.

H.R. 1 was signed into Federal law on July 4, 2025, implementing roughly $1.50 trillion in reductions to Federal health care spending over ten years. The impacts of H.R. 1 may have a broad impact on public health, health outcomes, and access to care for County residents. Beginning in late 2026 and compounding as the various changes occur, the County anticipates increased uncompensated care pressures the Medical Center and clinics, along with direct impacts on the County's managed care organization, Hennepin Health. The County's administrative burden will increase to comply with the additional eligibility requirements.

The law introduced:

- Immigration-based eligibility restrictions and caps existing provider taxes beginning October 2026.
- Beginning January 1, 2027, nondisabled adults ages 19 to 64 in Medicaid Expansion must complete at least 80 hours per month of work, education, training, or community service and will undergo eligibility redeterminations every six months with enhanced verification procedures.
- Retroactive Medicaid coverage is reduced to one month for expansion adults and two months for other groups beginning in 2027.
- Medicaid Disproportionate Share Hospital payments are reduced over three consecutive fiscal years, with the final cut in January 2027.
- Grandfathered State Directed Pay limits are reduced by 10% per year starting January 1, 2028 until reaching the new capped rate.
- Mandatory cost-sharing up to $35 per service for expansion enrollees above 100% of the Federal Poverty Level starts October 1, 2028, though primary care, mental health, substance-use disorder services, and visits to Certified Community Behavioral Health Clinics, Federally Qualified Health Centers, and Rural Health Clinics are exempt.

In addition to the impacts of H.R. 1, Federal enforcement measures against the State could reduce Medicaid funds available to the County if State compliance is not achieved. The Centers for Medicare & Medicaid Services (CMS) notified the State in early 2026 of multiple enforcement actions for noncompliance with Federal Medicaid requirements. CMS moved to withhold $515 million each quarter and CMS deferred additional Federal payments, including $259 million for fiscal year 2025 and $91.5 million in early 2026. The State has since requested a hearing, submitted a revised Corrective Action Plan, and entered a 120-day stay with CMS while it works toward compliance. Although the Federal actions remain in place, the withholding is currently paused.

Management's Discussion and Analysis

NEXT YEAR'S BUDGET

Excluding blended component units, the 2026 County budget is $3.15 billion, with a net property tax levy of $1.13 billion, which is a 7.8% increase over the 2025 budget. The ***operating*** portion of the budget totals $2.78 billion, an increase of $229.0 million, or 9.0% from the adjusted 2025 operating budget.

The 2026 budget includes funding for a total of 9,762.9 full-time equivalent (FTE) employees. The 2026 budgeted property tax revenues of $1.16 billion increased by $79.0 million due to a 7.8% levy increase from the 2025 budgeted property tax revenue of $1.03 billion. The significant expenditure increases and decreases in the operating budget primarily related to

- $21.4 million increase in Law, Safety and Justice, largely due personal services costs, including general salary increases with no increases to FTEs
- $209.3 million increase in Health, which includes a $4.6 million increase related to general salary adjustments and a $201.2 million increase primarily driven by higher anticipated medical costs. The rise in medical costs reflects the impact of Medicaid redeterminations, which are expected to result in a membership pool with higher average health care needs.
- $194.2 million decrease for Capital Improvements due to anticipated fluctuations in the mix of projects, schedules, and evolving revenue streams.

Significant budgeted 2026 revenue changes include:

- State revenues are budgeted at $349.7 million, or 11.1% of all County revenues. The budget for State revenues decreases by $39.9 million or 10.2% compared to the 2025 adjusted budget of $389.6 million. The decrease is primarily driven by a $13.5 million reduction in Human Services due to the expected changes in the mix of funding sources and the expiration or reduction in utilization of several grant programs; a $5.1 million decrease in the Public Defender's Office within Law, Safety, and Justice, reflecting a reduction in pass-through activities that were previously processed through the County's budget; and a $12.6 million decrease in Capital Improvements due to changes in capital project activities.
- Other revenues decreased by $207.1 million, primarily due to the $182.5 million budgeted use of fund balance in 2024, which was not included in the 2025 budget.
- General Obligations bonds proceeds budgeted for 2026 are $175.7 million, a decrease of $53.5 million from the 2025 budget, which is related to the reduction of the capital project activities.

The 2026 ***capital*** budget is $374.2 million, which is a $194.0 million decrease compared to the adjusted 2025 budget. Significant fluctuations in the capital project budget are routinely expected due to the mix of projects, schedules, and evolving revenue streams. The 2026 capital budget includes substantial investments in three projects: $38.0 million in continued construction of the new Southdale Library, $30 million for facility asset preservations needs at the Hennepin Health Medical Center, and $50 million to advance the work on the METRO Blue Line Extension Light Rail Transit project, managed by the Metropolitan Council.

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 hennepincounty.gov/financial-reports.

Basic Financial Statements


Hennepin

Hennepin County, Minnesota

Statement of Net Position

December 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
Current Assets:			
Cash and investments	$ 788,397,654	$ 200,383,182	$ 988,780,836
Receivables, net	253,107,216	284,406,531	537,513,747
Internal balances	(1,120,982)	1,120,982	-
Prepaids and supplies	24,830,963	20,073,538	44,904,501
Inventories	-	14,278,594	14,278,594
Notes receivable and other receivables	452,525	-	452,525
Total Current Assets	1,065,667,376	520,262,827	1,585,930,203
Noncurrent Assets:			
Cash and investments	126,723,729	28,783,466	155,507,195
Restricted cash and investments	457,483,033	109,417,463	566,900,496
Net pension asset	10,552,842	-	10,552,842
Land held for resale	11,360,902	-	11,360,902
Notes receivable and other receivables	18,786,925	15,207,600	33,994,525
Capital assets, nondepreciable	203,208,976	123,043,017	326,251,993
Capital asset, net of accumulated depreciation and amortization	2,142,034,956	444,220,594	2,586,255,550
Total Noncurrent Assets	2,970,151,363	720,672,140	3,690,823,503
Total Assets	4,035,818,739	1,240,934,967	5,276,753,706
Deferred Outflows of Resources:			
Pension-related	137,694,236	67,133,135	204,827,371
Postemployment healthcare related	27,229,668	7,072,888	34,302,556
Debt refunding related	4,823,082	-	4,823,082
Total Deferred Outflows of Resources	169,746,986	74,206,023	243,953,009
Total Assets and Deferred Outflows	$ 4,205,565,725	$ 1,315,140,990	$ 5,520,706,715
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Current Liabilities:			
Accounts and contracts payable	$ 113,145,475	$ 46,189,836	$ 159,335,311
Accrued interest payable	6,265,173	-	6,265,173
Accrued liabilities	70,424,105	187,642,920	258,067,025
General obligation commercial paper	150,000,000	-	150,000,000
Unearned revenue	13,458,054	41,092,508	54,550,562
Workers' compensation claims	4,400,000	5,700,000	10,100,000
Lease and subscription payables	5,137,826	16,765,238	21,903,064
General obligation bonds	76,274,019	9,145,981	85,420,000
Postemployment healthcare benefits	9,466,000	3,855,573	13,321,573
Compensated absences	13,000,000	3,399,383	16,399,383
Total Current Liabilities	461,570,652	313,791,439	775,362,091
Noncurrent Liabilities:			
Workers' compensation claims	11,826,500	10,200,000	22,026,500
Lease and subscription payables	23,608,022	25,627,980	49,236,002
Revenue bonds	30,677,372	-	30,677,372
General obligation bonds	1,547,858,196	170,133,036	1,717,991,232
Net pension	317,579,449	191,341,048	508,920,497
Postemployment healthcare benefits	103,475,576	15,827,045	119,302,621
Compensated absences	139,435,394	50,640,554	190,075,948
Total Noncurrent Liabilities	2,174,460,509	463,769,663	2,638,230,172
Total Liabilities	2,636,031,161	777,561,102	3,413,592,263

Hennepin County, Minnesota

Statement of Net Position

December 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Continued from previous page			
Deferred Inflows of Resources:			
Lease-related	6,023,926	-	6,023,926
Pension-related	252,087,846	143,634,542	395,722,388
Postemployment healthcare related	19,117,078	9,013,526	28,130,604
Debt refunding related	789,147	-	789,147
Total Deferred Inflows of Resources	278,017,997	152,648,068	430,666,065
Net Position:			
Net investment in capital assets	980,574,925	345,591,376	1,326,166,301
Restricted for:			
Grant and donor restrictions	31,039,273	1,332,995	32,372,268
Pension benefits	10,552,842	-	10,552,842
Debt service	52,046,286	-	52,046,286
Statutory requirements relating to:			
Housing and redevelopment	58,788,887	-	58,788,887
Regional Railroad Authority	110,629,830	-	110,629,830
Metropolitan health plan	-	50,801,197	50,801,197
Solid waste management	-	72,412,126	72,412,126
Transportation	388,418,831	-	388,418,831
Youth activities	83,551,234	-	83,551,234
County Recorder technology and other	9,022,003	-	9,022,003
Medical Center expendable	-	62,292,784	62,292,784
Medical Center nonexpendable	-	33,196,272	33,196,272
Unrestricted (deficit)	(433,107,544)	(180,694,930)	(613,802,474)
Total Net Position	1,291,516,567	384,931,820	1,676,448,387
Total Liabilities, Deferred Inflows and Net Position	$ 4,205,565,725	$ 1,315,140,990	$ 5,520,706,715

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

Hennepin County, Minnesota

Statement of Activities

For the Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	Program Expenses: All Other Direct Expenses	Program Expenses: Direct Depreciation and Amortization Expenses	Program Expenses: Total Direct Expenses	Indirect Expenses
Primary Government:				
Governmental Activities:				
Operations	$ 390,614,072	$ 9,669,742	$ 400,283,814	$ (57,194,597)
Disparity Reduction	26,785,368	-	26,785,368	-
Human Services	797,415,138	8,085,461	805,500,599	20,117,734
Health	100,298,883	3,416,408	103,715,291	3,576,300
Law, Safety and Justice	448,892,099	9,042,511	457,934,610	18,065,211
Public Works	87,522,583	35,651,066	123,173,649	3,700,278
Resident Services	140,465,354	12,109,586	152,574,940	11,199,370
Housing and Redevelopment Authority	23,906,066	145,195	24,051,261	189,990
Regional Railroad Authority	22,035,997	138,612	22,174,609	345,714
Interest on Long-term Debt	47,991,903	-	47,991,903	-
Total Governmental Activities	2,085,927,463	78,258,581	2,164,186,044	-
Business-type Activities:				
Hennepin Health Plan	444,051,370	528,474	444,579,844	-
Environment and Energy	84,363,060	11,026,956	95,390,016	-
Medical Center	1,526,135,478	53,071,818	1,579,207,296	-
Golf Course	1,139,030	12,042	1,151,072	-
Radio Communications	2,390,808	1,717,644	4,108,452	-
Total Business-type Activities	2,058,079,746	66,356,934	2,124,436,680	-
Total	$ 4,144,007,209	$ 144,615,515	$ 4,288,622,724	$ -

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
	$ 17,792,477	$ 48,177,000	$ -	$ (277,119,740)	$ -	$ (277,119,740)
	280,935	6,122,745	-	(20,381,688)	-	(20,381,688)
	71,200,851	406,218,964	-	(348,198,518)	-	(348,198,518)
	29,151,699	7,363,654	-	(70,776,238)	-	(70,776,238)
	16,713,550	51,385,146	-	(407,901,125)	-	(407,901,125)
	991,782	193,493,610	9,971,978	77,583,443	-	77,583,443
	19,200,044	1,518,636	-	(143,055,630)	-	(143,055,630)
	2,899,287	356,473	2,061,567	(18,923,924)	-	(18,923,924)
	1,123,460	(4,238)	4,505,174	(16,895,927)	-	(16,895,927)
	-	-	-	(47,991,903)	-	(47,991,903)
	159,354,085	714,631,990	16,538,719	(1,273,661,250)	-	(1,273,661,250)
	453,649,380	7,626,890	-	-	16,696,426	16,696,426
	84,046,710	12,343,723	-	-	1,000,417	1,000,417
	1,500,961,890	99,551,103	-	-	21,305,697	21,305,697
	1,431,242	-	-	-	280,170	280,170
	4,885,435	-	-	-	776,983	776,983
	2,044,974,657	119,521,716	-	-	40,059,693	40,059,693
	$ 2,204,328,742	$ 834,153,706	$ 16,538,719	(1,273,661,250)	40,059,693	(1,233,601,557)
	General Revenues:					
	Property taxes			1,019,804,265	-	1,019,804,265
	Sales tax			231,644,487	-	231,644,487
	Wheelage tax			20,751,112	-	20,751,112
	Other taxes			3,252,482	-	3,252,482
	Grants & contributions not restricted to specific programs			48,238,197	-	48,238,197
	Unrestricted investment earnings			66,597,492	-	66,597,492
	Transfers			(43,739,487)	43,739,487	-
	Total General Revenues and Transfers			1,346,548,548	43,739,487	1,390,288,035
	Change in Net Position			72,887,298	83,799,180	156,686,478
	Net Position - Beginning			1,218,629,269	301,132,640	1,519,761,909
	Net Position - Ending			$ 1,291,516,567	$ 384,931,820	$ 1,676,448,387

Hennepin County, Minnesota

Governmental Funds - Balance Sheets
December 31, 2025

	General	Human Services	Ballpark Sales Tax	Other Sales Tax
ASSETS				
Cash and investments	$ 307,333,492	$ 143,548,291	$ -	$ -
Delinquent taxes receivable, net	7,890,858	2,250,053	-	-
Due from other governmental agencies	11,817,875	80,504,888	13,486,051	44,805,062
Accrued investment interest	5,064,776	-	-	-
Interfund receivable	2,130,874	1,573,838	-	-
Other receivable	12,472,518	9,633,888	-	-
Prepaids and supplies	7,819,525	621,922	-	-
Land held for resale	-	-	-	-
Lease receivables	6,273,798	-	-	-
Notes receivable, net	63,450	-	-	-
Restricted cash and investments	6,082,451	-	105,113,008	344,017,015
Total Assets	$ 366,949,617	$ 238,132,880	$ 118,599,059	$ 388,822,077
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	$ 21,527,654	$ 39,908,472	$ 121,375	$ 403,246
Accrued liabilities	29,193,082	19,169,591	-	-
Interfund payable	7,086,554	311,958	-	-
Commercial paper	-	-	-	-
Unearned revenue	10,460,690	443,540	-	-
Total Liabilities	68,267,980	59,833,561	121,375	403,246
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	7,028,458	2,072,053	-	-
Unavailable revenue - intergovernmental	4,200,120	8,460,294	5,195,908	17,265,975
Lease related	6,023,926	-	-	-
Total Deferred Inflows of Resources	17,252,504	10,532,347	5,195,908	17,265,975
Fund Balances:				
Nonspendable	9,864,435	621,922	-	-
Restricted	23,297,026	17,777,048	113,281,776	371,152,856
Committed	-	149,368,002	-	-
Assigned	89,740,568	-	-	-
Unassigned	158,527,104	-	-	-
Total Fund Balances	281,429,133	167,766,972	113,281,776	371,152,856
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 366,949,617	$ 238,132,880	$ 118,599,059	$ 388,822,077

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
$	50,710,738	$ 112,048,698	$ 431,438	$ 12,029,337	$ 114,262,954	$ 740,364,948
	148,968	238,181	-	745,261	9,578	11,282,899
	-	1,270	-	-	59,539,991	210,155,137
	-	-	-	-	3,160	5,067,936
	-	-	-	-	-	3,704,712
	44,928	178,577	-	-	2,627,709	24,957,620
	34,487	-	-	-	1,120,618	9,596,552
	2,700,000	-	-	-	8,660,902	11,360,902
	-	-	-	-	-	6,273,798
	4,982,202	-	-	7,920,000	-	12,965,652
	1,380,912	634,905	-	254,742	-	457,483,033
$	60,002,235	$ 113,101,631	$ 431,438	$ 20,949,340	$ 186,224,912	$ 1,493,213,189
$	1,178,861	$ 2,378,510	$ -	$ 993,198	$ 41,689,258	$ 108,200,574
	-	-	-	-	-	48,362,673
	-	-	-	-	-	7,398,512
	-	-	-	-	150,000,000	150,000,000
	-	224,812	-	-	2,329,012	13,458,054
	1,178,861	2,603,322	-	993,198	194,018,270	327,419,813
	135,668	217,881	-	681,161	9,078	10,144,299
	9,467	-	-	7,920,000	53,802,248	96,854,012
	-	-	-	-	-	6,023,926
	145,135	217,881	-	8,601,161	53,811,326	113,022,237
	34,487	-	-	-	-	10,520,844
	58,643,752	110,280,428	431,438	11,354,981	-	706,219,305
	-	-	-	-	-	149,368,002
	-	-	-	-	-	89,740,568
	-	-	-	-	(61,604,684)	96,922,420
	58,678,239	110,280,428	431,438	11,354,981	(61,604,684)	1,052,771,139
$	60,002,235	$ 113,101,631	$ 431,438	$ 20,949,340	$ 186,224,912	$ 1,493,213,189

Hennepin County, Minnesota

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

December 31, 2025

Total governmental fund balances (page 39)	$	1,052,771,139
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.)		2,271,539,153
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.		106,998,311
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.		69,581,970
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.		(523,587,333)
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.		(1,685,786,673)
Net position of governmental activities (page 37)	$	1,291,516,567

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


Hennepin

Hennepin County, Minnesota

Governmental Funds - Statements of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2025

	General	Human Services	Ballpark Sales Tax	Other Sales Tax
REVENUES				
Property taxes	$ 635,563,131	$ 292,815,612	$ -	$ -
Sales taxes	-	-	48,358,866	160,823,738
Wheelage tax	18,581,112	-	-	-
Other taxes	3,056,705	143,577	-	-
Intergovernmental	142,662,702	411,202,728	-	66,829,031
Investment earnings (losses)	60,842,442	483,699	3,269,995	-
Charges for services	92,835,452	65,950,789	-	-
Opioid settlements	-	4,224,095	-	-
Fines and forfeits	338,648	-	-	-
Licenses and permits	7,716,800	2,426,490	-	-
Other	7,734,882	117,306	-	-
Total Revenues	969,331,874	777,364,296	51,628,861	227,652,769
EXPENDITURES				
Current:				
Operations	204,567,609	-	2,750,886	-
Disparity elimination	27,317,911	-	-	-
Human services	-	823,378,421	-	-
Health	101,392,402	-	-	-
Law, safety and justice	454,148,286	-	-	-
Public works	70,425,958	-	-	1,602,807
Resident services	138,766,359	-	-	-
Housing and Redevelopment Authority	-	-	-	-
Regional Railroad Authority	-	-	-	-
Debt service:				
Principal retirement	1,668,325	3,752,203	-	-
Interest and fiscal charges	228,841	363,053	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	998,515,691	827,493,677	2,750,886	1,602,807
Excess (Deficiency) of Revenues Over Expenditures	(29,183,817)	(50,129,381)	48,877,975	226,049,962
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	23,147,272	19,228,768	-	-
Transfers out	(4,786,042)	-	(14,750,772)	(184,345,694)
Sale of capital assets	-	-	-	-
Debt premiums	-	-	-	-
Total Other Financing Sources (Uses)	18,361,230	19,228,768	(14,750,772)	(184,345,694)
Net Change in Fund Balances	(10,822,587)	(30,900,613)	34,127,203	41,704,268
Fund Balances - Beginning	292,251,720	198,667,585	79,154,573	329,448,588
Fund Balances - Ending	$ 281,429,133	$ 167,766,972	$ 113,281,776	$ 371,152,856

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
$ 21,711,290	$ 24,208,126	$ 9,073,421	$ 105,580,209	$ 887,165	$ 1,089,838,954
-	-	-	-	-	209,182,604
-	-	-	-	2,170,000	20,751,112
-	-	-	51,753	447	3,252,482
358,288	-	-	2,072,125	81,923,461	705,048,335
2,061,567	4,505,174	-	232,491	1,768,865	73,164,233
1,534,400	1,062,426	-	-	29,762	161,412,829
-	-	-	-	-	4,224,095
-	-	-	-	-	338,648
-	-	-	-	-	10,143,290
55,421	61,534	-	-	128,301	8,097,444
25,720,966	29,837,260	9,073,421	107,936,578	86,908,001	2,285,454,026
-	-	-	-	160,811,672	368,130,167
-	-	-	-	-	27,317,911
-	-	-	-	-	823,378,421
-	-	-	-	-	101,392,402
-	-	-	-	-	454,148,286
-	-	-	-	-	72,028,765
-	-	-	-	-	138,766,359
21,377,547	-	-	-	-	21,377,547
-	22,035,997	-	-	-	22,035,997
-	-	4,965,000	74,219,044	-	84,604,572
-	-	3,847,250	67,602,584	-	72,041,728
-	-	-	2,958,304	-	2,958,304
-	-	-	-	243,845,659	243,845,659
21,377,547	22,035,997	8,812,250	144,779,932	404,657,331	2,432,026,118
4,343,419	7,801,263	261,171	(36,843,354)	(317,749,330)	(146,572,092)
-	-	-	134,360,000	100,000,000	234,360,000
-	-	-	(148,610,000)	-	(148,610,000)
901,997	-	-	37,212,284	124,263,328	204,753,649
(762,813)	-	-	-	-	(204,645,321)
1,300,000	-	-	-	-	1,300,000
-	-	-	17,737,922	13,596,695	31,334,617
1,439,184	-	-	40,700,206	237,860,023	118,492,945
5,782,603	7,801,263	261,171	3,856,852	(79,889,307)	(28,079,147)
52,895,636	102,479,165	170,267	7,498,129	18,284,623	1,080,850,286
$ 58,678,239	$ 110,280,428	$ 431,438	$ 11,354,981	$ (61,604,684)	$ 1,052,771,139

Hennepin County, Minnesota

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, 2025

Net change in governmental fund balances (page 43)	$	(28,079,147)
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.		49,032,145
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.		(4,936,402)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		20,914,323
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.		(31,511,730)
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).		109,099,995
The net revenue of certain activities of **internal service funds** is reported with governmental activities.		(41,631,886)
Change in net position of governmental activities (page 37)	$	72,887,298

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

Hennepin County, Minnesota

Statement of Net Position - Proprietary Funds
December 31, 2025

	Business-type Activities - Enterprise Funds					
	Hennepin Health	Solid Waste	Medical Center	Total Nonmajor	Total	Internal Service Funds
ASSETS & DEFERRED OUTFLOWS						
Current Assets:						
Cash and cash equivalents	$ 128,188,444	$ 54,882,297	$ 10,578,418	$ 6,734,023	$ 200,383,182	$ 174,756,435
Interfund receivable	-	-	7,398,512	28,014	7,426,526	4,372,818
Other receivables	38,783,332	9,354,933	235,870,497	397,769	284,406,531	1,643,624
Inventories	-	-	14,278,594	-	14,278,594	-
Prepaids and supplies	100,207	3,746,213	16,215,720	11,398	20,073,538	15,234,411
Total Current Assets	167,071,983	67,983,443	284,341,741	7,171,204	526,568,371	196,007,288
Noncurrent Assets:						
Investments	-	-	28,783,466	-	28,783,466	-
Restricted cash and cash equivalents	500,000	17,339,252	24,226,334	-	42,065,586	-
Restricted investments	-	-	67,351,877	-	67,351,877	-
Notes receivable and other	-	1,639,410	13,568,190	-	15,207,600	-
Capital assets, nondepreciable	357,000	13,601,211	108,099,714	985,092	123,043,017	12,314,674
Capital assets, net of accumulated depreciation and amortization	2,246,836	77,333,087	355,320,411	9,320,260	444,220,594	61,390,105
Total Noncurrent Assets	3,103,836	109,912,960	597,349,992	10,305,352	720,672,140	73,704,779
Total Assets	170,175,819	177,896,403	881,691,733	17,476,556	1,247,240,511	269,712,067
Deferred Outflows of Resources:						
Pension related	735,505	596,137	65,801,493	-	67,133,135	-
Postemployment healthcare related	107,171	165,012	6,800,705	-	7,072,888	675,351
Total Deferred Outflows of Resources	842,676	761,149	72,602,198	-	74,206,023	675,351
Total Assets and Deferred Outflows	$ 171,018,495	$ 178,657,552	$ 954,293,931	$ 17,476,556	$ 1,321,446,534	$ 270,387,418
LIABILITIES, DEFERRED INFLOWS AND NET POSITION						
Current Liabilities:						
Interfund payable	$ 1,341,068	$ -	$ 4,964,476	$ -	$ 6,305,544	$ 1,800,000
Accounts and contracts payable	3,555,032	5,845,099	36,770,694	19,011	46,189,836	4,944,901
Accrued expenses	63,827,503	520,891	123,294,526	-	187,642,920	22,061,432
Unearned revenue	41,092,508		-	-	41,092,508	-
Current portion of:						
Workers' compensation claims	-	-	5,700,000	-	5,700,000	4,400,000
Lease and subscription payables	386,077	-	16,379,161	-	16,765,238	337,179
General obligation bonds	-	1,945,507	7,200,474	-	9,145,981	1,089,591
Postemployment healthcare benefits	35,000	62,000	3,758,573	-	3,855,573	247,000
Compensated absences	140,000	170,000	3,089,383	-	3,399,383	13,000,000
Total Current Liabilities	110,377,188	8,543,497	201,157,287	19,011	320,096,983	47,880,103
Noncurrent Liabilities, Net of Current Portion:						
Workers' compensation claims	-	-	10,200,000	-	10,200,000	11,826,500
Lease and subscription payables	949,918	-	24,678,062	-	25,627,980	-
General obligation bonds	-	30,246,942	139,886,094	-	170,133,036	10,962,819
Net pension	3,074,679	3,072,081	185,194,288	-	191,341,048	-
Postemployment healthcare benefits	446,471	611,512	14,769,062	-	15,827,045	2,622,332
Compensated absences	1,535,854	1,565,758	47,538,942	-	50,640,554	139,435,394
Total Noncurrent Liabilities	6,006,922	35,496,293	422,266,448	-	463,769,663	164,847,045
Total Liabilities	116,384,110	44,039,790	623,423,735	19,011	783,866,646	212,727,148
Deferred Inflows of Resources:						
Pension related	2,487,054	2,015,790	139,131,698	-	143,634,542	-
Postemployment healthcare related	78,293	115,002	8,820,231	-	9,013,526	467,889
Total Deferred Inflows of Resources	2,565,347	2,130,792	147,951,929	-	152,648,068	467,889
Net Position:						
Net investment in capital assets	1,267,841	58,741,849	275,276,334	10,305,352	345,591,376	61,315,190
Restricted for:						
Statutory requirements relating to:						
Hennepin health plan	50,801,197	-	-	-	50,801,197	-
Solid waste management	-	72,412,126	-	-	72,412,126	-
Medical Center expendable	-	-	62,292,784	-	62,292,784	-
Medical Center nonexpendable	-	-	33,196,272	-	33,196,272	-
Brownfield assessment and cleanup	-	1,332,995	-	-	1,332,995	-
Unrestricted (deficit)	-	-	(187,847,123)	7,152,193	(180,694,930)	(4,122,809)
Total Net Position	52,069,038	132,486,970	182,918,267	17,457,545	384,931,820	57,192,381
Total Liabilities, Deferred Inflows and Net Position	$ 171,018,495	$ 178,657,552	$ 954,293,931	$ 17,476,556	$ 1,321,446,534	$ 270,387,418

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

Hennepin County, Minnesota

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds					
	Hennepin Health	Solid Waste	Medical Center	Total Nonmajor	Total	Internal Service Funds
OPERATING REVENUES						
Net charges for services	$ 453,649,380	$ 84,046,710	$ 1,500,961,890	$ 6,316,677	$ 2,044,974,657	$ 361,786,019
Intergovernmental	4,000,000	-	82,597,180	-	86,597,180	-
Total Operating Revenues	457,649,380	84,046,710	1,583,559,070	6,316,677	2,131,571,837	361,786,019
OPERATING EXPENSES						
Personal services	16,091,573	14,579,120	1,036,707,581	780,665	1,068,158,939	313,197,317
Commodities	11,626	246,143	393,320,168	245,850	393,823,787	15,578,678
Contractual services	427,880,954	59,711,979	76,097,078	2,265,523	565,955,534	53,165,591
Depreciation and amortization	528,474	11,026,956	53,071,818	1,729,686	66,356,934	16,860,838
Other	(19,765)	4,262,727	12,514,239	237,638	16,994,839	6,359,376
Total Operating Expenses	444,492,862	89,826,925	1,571,710,884	5,259,362	2,111,290,033	405,161,800
Operating Income (Loss)	13,156,518	(5,780,215)	11,848,186	1,057,315	20,281,804	(43,375,781)
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental	-	9,089,637	-	-	9,089,637	-
Investment earnings (losses)	3,626,890	3,254,086	16,953,923	-	23,834,899	805,809
Interest expense	(86,982)	(996,595)	(5,253,345)	-	(6,336,922)	(384,702)
Gain (Loss) on capital asset disposal	-	-	(2,243,067)	(162)	(2,243,229)	924,866
Other	-	(4,566,496)	-	-	(4,566,496)	-
Total Nonoperating Revenues (Expenses)	3,539,908	6,780,632	9,457,511	(162)	19,777,889	1,345,973
Income (Loss) Before Contributions and Transfers	16,696,426	1,000,417	21,305,697	1,057,153	40,059,693	(42,029,808)
Capital contributions	-	-	43,842,033	-	43,842,033	946,550
Transfers out	-	-	-	(102,546)	(102,546)	(5,782)
Net Contributions and Transfers	-	-	43,842,033	(102,546)	43,739,487	940,768
Change in Net Position	16,696,426	1,000,417	65,147,730	954,607	83,799,180	(41,089,040)
Total Net Position - Beginning	35,372,612	131,486,553	117,770,537	16,502,938	301,132,640	98,281,421
Total Net Position - Ending	$ 52,069,038	$ 132,486,970	$ 182,918,267	$ 17,457,545	$ 384,931,820	$ 57,192,381

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

Hennepin County, Minnesota

Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2025

	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	$ 496,829,911	$ 81,820,045	$ 1,438,440,451	$ 6,259,964	$ 2,023,350,371	$ 371,248,893
Operating grants	4,000,000	-	154,286,699	-	158,286,699	-
Payments to suppliers for goods and services	(439,051,412)	(64,008,866)	(478,278,604)	(2,752,137)	(984,091,019)	(65,998,413)
Payments to employees for services	(16,394,922)	(14,929,718)	(1,093,305,372)	(780,665)	(1,125,410,677)	(301,903,654)
Other operating disbursements	19,765	(4,262,727)	-	(237,638)	(4,480,600)	(6,359,376)
Net Cash Provided (Used) by Operating Activities	45,403,342	(1,381,266)	21,143,174	2,489,524	67,654,774	(3,012,550)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Net grants and contributions	-	4,554,595	1,605,802	-	6,160,397	-
Transfers out	-	-	-	(102,546)	(102,546)	(5,782)
Interfund loans	310,080	-	-	-	310,080	1,800,000
Net Cash Provided (Used) by Noncapital Financing Activities	310,080	4,554,595	1,605,802	(102,546)	6,367,931	1,794,218
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(1,796,315)	(7,067,276)	(27,861,304)	(1,990,173)	(38,715,068)	(21,085,457)
Interest paid	(86,982)	(996,595)	(5,253,345)	-	(6,336,922)	(384,702)
Debt issuance cost and principal payments	-	(1,888,079)	(6,923,384)	-	(8,811,463)	(1,129,493)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,883,297)	(9,951,950)	(40,038,033)	(1,990,173)	(53,863,453)	(22,599,652)
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment income (loss)	3,626,890	3,254,086	4,754,437	-	11,635,413	805,809
Purchase of investments	-	-	(6,152,009)	-	(6,152,009)	-
Sale of investments	-	-	3,005,918	-	3,005,918	-
Net Cash Provided (Used) by Investing Activities	3,626,890	3,254,086	1,608,346	-	8,489,322	805,809
Net increase in cash and cash equivalents	47,457,015	(3,524,535)	(15,680,711)	396,805	28,648,574	(23,012,175)
Cash and cash equivalents at beginning of year	81,231,429	75,746,084	50,485,463	6,337,218	213,800,194	197,768,610
Cash and Cash Equivalents at End of Year	$ 128,688,444	$ 72,221,549	$ 34,804,752	$ 6,734,023	$ 242,448,768	$ 174,756,435
CASH COMPONENTS:						
Cash and cash equivalents	$ 128,188,444	$ 54,882,297	$ 10,578,418	$ 6,734,023	$ 200,383,182	$ 174,756,435
Restricted cash and cash equivalents	500,000	17,339,252	24,226,334	-	42,065,586	-
Cash and Cash Equivalents at End of Year	$ 128,688,444	$ 72,221,549	$ 34,804,752	$ 6,734,023	$ 242,448,768	$ 174,756,435
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 13,156,518	$ (5,780,215)	$ 11,848,186	$ 1,057,315	$ 20,281,804	$ (43,375,781)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	528,474	11,026,956	53,071,818	1,729,686	66,356,934	16,860,838
(Increase) decrease in:						
Receivables and prepaid items	(10,302,345)	(2,328,926)	1,748,791	(53,264)	(10,935,744)	1,291,104
Inventories	-	-	(73,914)	-	(73,914)	-
Increase (decrease) in:						
Accounts payable and accrued expenses	1,420,742	(4,007,452)	4,171,238	(244,213)	1,340,315	22,139,929
Unearned revenue	41,092,508	-	-	-	41,092,508	-
Net pension liability	(345,744)	(280,230)	(22,483,753)	-	(23,109,727)	-
Deferred outflows	322,060	239,406	2,451,228	-	3,012,694	21,621
Deferred inflows	(468,871)	(250,805)	(29,590,420)	-	(30,310,096)	49,739
Net Cash Provided (Used) by Operating Activities	$ 45,403,342	$ (1,381,266)	$ 21,143,174	$ 2,489,524	$ 67,654,774	$ (3,012,550)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Contributions of capital assets	$ -	$ -	$ 43,842,033	$ -	$ 43,842,033	$ 946,550
Gain (loss) on disposal of capital assets	-	-	(2,243,067)	(162)	(2,243,229)	(72,143)
Increase (decrease) in fair value of investments	1,663,582	1,014,476	916,159	-	3,594,217	316,009

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

Hennepin County, Minnesota

Statement of Fiduciary Net Position - Fiduciary Funds

December 31, 2025

	Private Purpose Trust Fund	Custodial Funds: Non-trust External Investment Pool	Custodial Funds: Other Custodial
ASSETS			
Cash and investments	$ 651,514	$ 60,208,511	$ 39,634,230
Advances	-	-	53,162
Receivables, net	-	-	128,111,484
Total Assets	$ 651,514	$ 60,208,511	$ 167,798,876
LIABILITIES AND NET POSITION			
Liabilities:			
Accounts and contracts payable	$ -	$ -	$ 1,150,332
Due to other governments	-	-	35,091,860
Total Liabilities	-	-	36,242,192
Net Position			
Restricted for individuals, organizations, and other governments	651,514	60,208,511	131,556,684
Total Net Position	651,514	60,208,511	131,556,684
Total Liabilities and Net Position	$ 651,514	$ 60,208,511	$ 167,798,876

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, 2025

	Private Purpose Trust Fund	Custodial Funds: Non-trust External Investment Pool	Custodial Funds: Other Custodial
ADDITIONS			
Property taxes collected for other governments	$ -	$ -	$ 2,953,353,829
Fees collected for other governments	-	-	132,414,688
Other additions for other governments	-	116,685,600	46,609,370
Forfeitures collected for entities	-	-	830,216
Collections for individual beneficiaries	3,057,126	-	46,993,739
Total Additions	3,057,126	116,685,600	3,180,201,842
DEDUCTIONS			
Property tax distributions to other governments	-	-	2,953,353,829
Fees distributed to other governments	-	-	132,414,688
Other distributions to other governments	-	122,738,474	10,856,386
Forfeiture distributions to entities	-	-	568,727
Beneficiary payments to individuals	3,069,012	-	46,555,819
Total Deductions	3,069,012	122,738,474	3,143,749,449
Change in Net Position	(11,886)	(6,052,874)	36,452,393
Total Net Position - Beginning	663,400	66,261,385	95,104,291
Total Net Position - Ending	$ 651,514	$ 60,208,511	$ 131,556,684

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


Hennepin

Hennepin County, Minnesota

Notes to the Basic Financial Statements

December 31, 2025

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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 to 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.

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.

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 Fund. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

➢ **Fund Financial Statements – 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. Tax-exempt G.O. commercial paper issued as a short-term financing mechanism for the County's adopted capital improvement plan is reported as a liability in the Capital Projects Fund.

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.

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 of 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 are 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, 400.08, and 383B.236. Fund activities include the resource recovery facilities, transfer stations, recycling and household hazardous waste programs, contaminated lands programs, natural resources programs, and the environmental response fund program. All money received by the Solid Waste Fund is restricted for the purposes of providing activities, functions, and facilities related to reducing and responsibly managing solid waste, protecting and enhancing land, water, and natural resources, producing efficient energy, and promoting environmental stewardship.
- 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, the 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

- **Fund Financial Statements – 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.

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.

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 classified as 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 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

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 therefore 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.

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, as adjusted for payments made at or before the agreement commencement date and 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.

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 endowments).
- 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.

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.)	$ 3,526,770,217
Accumulated depreciation related to governmental activities	(1,255,231,064)
Total Capital Assets Reconciliation Item	$ 2,271,539,153

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

General obligation (G.O.) bonds payable	$ (1,399,245,983)
Net G.O. premiums and discounts (to be amortized as interest expense)	(224,886,232)
Revenue bonds	(25,615,000)
Revenue bond premiums (to be amortized as interest expense)	(5,062,372)
Lease and subscription payables	(28,745,848)
Accrued interest payable	(6,265,173)
Deferred charge on debt refunding	4,033,935
Total Long-Term Liabilities Reconciliation Item	$ (1,685,786,673)

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	$ 110,429,888
Less depreciation expense	(61,397,743)
Total Capital Outlays and Depreciation Reconciliation Item	$ 49,032,145

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

Issuance of debt	$ (236,560,485)
Bond premiums	(31,334,617)
Principal repayments – G.O. debt	71,743,537
Principal repayments – refunding bonds	148,610,000
Principal repayments – Ballpark revenue bonds	8,570,000
Principal repayments – lease and subscription payables	7,459,835
Total Long-term Debt Reconciliation Item	$ (31,511,730)

The reconciling item relating to expenses consists of the following:

Changes in accrued interest on long-term debt	$ (1,025,819)
Changes in pension liabilities and related deferred outflows and inflows of resources	82,502,073
Changes in OPEB liabilities and related deferred outflows and inflows of resources	2,476,853
Amortization of bond premiums and discounts and deferred amounts of refundings	25,146,888
Total Long-term Debt Reconciliation Item	$ 109,099,995

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 $24,346,098. 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 $23,312,202. County and fiduciary cash and investments are pooled.

Management of Investment Risk. At December 31, 2025, the County had the following investments:

Investments	Carrying Value	Effective Duration in Years
U.S. government and agency	$ 1,067,297,375	1.12
Municipal securities	25,564,204	0.31
Repurchase agreements	513,263,344	0.02
Money market funds	95,713,936	0.12
Total fair value	$ 1,701,838,859	
Effective duration		0.72

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 Aa1 by Moody's Investors Service (Moody's), with the exception of $25,115,750 of certain unrated U.S. government and agency issues. The County's investments in municipal securities and money market funds were rated AAA by S&P or Aaa by Moody's. The County's general investment policy is to apply the prudent-investor rule: investments are made as a prudent investor would be expected to act. County policy allows investment in all instruments authorized by State law (detailed in Note 1), with the exception of banker's acceptances, guaranteed investment contracts, and shares of investment companies.

Concentration of Credit Risk. The County primarily invests in U.S. government and agency issues and, therefore, places no limit on the amount that may be invested in any one issuer. More than 5.0% of the fair value of the County's total investments is in each of the following: 22% Federal Home Loan Bank and 12% Federal Farm Credit Banks Funding Corporation.

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

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 2025 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	$ 37,999,055	$ 22,843,387	$ 60,842,442
Special Revenue:			
Human Services	304,556	179,143	483,699
Ballpark Sales Tax	3,269,995	-	3,269,995
Housing and Redevelopment	1,384,128	677,439	2,061,567
Regional Railroad	3,067,848	1,437,326	4,505,174
Debt Service	232,491	-	232,491
Capital Projects	1,731,235	37,630	1,768,865
	47,989,308	25,174,925	73,164,233
Proprietary Funds:			
Enterprise:			
Hennepin Health	1,963,308	1,663,582	3,626,890
Solid Waste	2,239,610	1,014,476	3,254,086
Medical Center	1,339,448	1,249,306	2,588,754
Internal Service	489,800	316,009	805,809
	6,032,166	4,243,373	10,275,539
Total	$ 54,021,474	$ 29,418,298	$ 83,439,772

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 were 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.

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 31, 2025 (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, 2025. 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 Bills	$ 146,455,073	$ -	$ -	$ 146,455,073
U.S. Treasury Notes	207,566,850	-	-	207,566,850
U.S. Agency Debentures	-	713,275,450	-	713,275,450
Municipal Securities	-	25,564,204	-	25,564,204
	$ 354,021,923	$ 738,839,654	$ -	$ 1,092,861,577

Investment Pool Condensed Financial Statements. The County Treasurer's investment pool includes investments held for internal and external pool participants. The 2025 condensed financial statements of the pool are shown in the tables below.

Statement of Net Position – Investment Pool	
Net position held for pool participants	$ 1,701,838,859
Equity of external pool participants	50,204,246
Equity of internal pool participants	1,651,634,613
	$ 1,701,838,859
Statement of Changes in Net Position – Investment Pool	
Beginning net position	$ 1,634,538,102
Net change in investments	67,300,757
	$ 1,701,838,859

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 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, 2025, the Medical Center investments included $31,576,376 of fixed income mutual funds rated AAA - BB by Moody's and $64,558,967 of unrated equity mutual funds.

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 $14,365,169.

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, 2025.

	Fair Value Measurements at Report Date Using:		
Investments	**Level 1**	**Level 2**	**Level 3**
Mutual funds – fixed income	$31,576,376	$ -	$ -
Mutual funds – equities	64,558,967	-	-
Total Investments	$ 96,135,343	$ -	$ -

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 $5,853,007 restricted by agreements related to library donations, $229,444 held by Three Rivers Park District for contractual activities at Parkers Lake Golf Center.
- $105,113,008 of Ballpark Sales Tax Fund cash and $254,742 of General Debt Service Fund cash is restricted for purposes specified by Minnesota Statutes, section 473.757.
- $290,568,532, $42,242,280, and $11,206,203 of Other Sales Tax Fund cash is restricted for purposes specified by Minnesota Statutes, sections 297A.993, 174.49, and 477.36, respectively.
- $1,380,912 of HRA cash is held by the Minnesota Housing Finance Agency and is restricted for specific housing projects.
- $634,905 of RRA restricted cash is restricted because it is held for a separate legal entity.

Proprietary Funds:

- $500,000 Hennepin Health cash is restricted by Minnesota Statutes, section 62D.041 for protection in the event of insolvency.
- $16,006,257 of Solid Waste Fund Environmental Response Program cash is restricted for purposes specified by Minnesota Statutes, section 383B.81 and $1,332,995 is restricted for the Brownfield Cleanup Revolving Loan Fund.
- $91,578,211 of Medical Center cash and investments is restricted for purposes specified by donors and grantors.

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions and Transfers In	Deletions and Transfers Out	Balance December 31, 2025
Governmental Activities:				
Non-depreciable capital assets:				
Art & historical treasures	$ 5,330,773	$ 192,808	$ -	$ 5,523,581
Land	102,099,067	6,546,293	(2,112,608)	106,532,752
Construction in progress	194,122,599	106,325,749	(209,295,705)	91,152,643
	301,552,439	113,064,850	(211,408,313)	203,208,976
Depreciable or amortized capital assets:				
Buildings	1,065,595,224	39,343,464	(12,994,686)	1,091,944,002
Equipment	190,076,303	21,520,685	(13,167,696)	198,429,292
Software	18,427,653	-	(499,645)	17,928,008
Library books and materials	34,979,249	4,879,107	(5,626,279)	34,232,077
Leasehold improvements	14,634,716	-	-	14,634,716
Land improvements	34,482,466	-	-	34,482,466
Infrastructure	1,926,123,128	163,017,397	(15,700,862)	2,073,439,663
Right-to-use leased buildings	43,533,190	-	(176,003)	43,357,187
Right-to-use software subscriptions	8,873,009	2,882,184	(1,093,246)	10,661,947
	3,336,724,938	231,642,837	(49,258,417)	3,519,109,358
Less accumulated depreciation or amortization:				
Buildings	518,849,013	19,327,107	(12,578,775)	525,597,345
Equipment	129,709,495	17,467,233	(11,778,845)	135,397,883
Software	18,427,651	-	(499,645)	17,928,006
Library books and materials	19,888,369	4,890,297	(5,626,279)	19,152,387
Leasehold improvements	14,634,717	-	-	14,634,717
Land improvements	27,832,986	1,607,407	-	29,440,393
Infrastructure	602,286,052	27,740,618	(13,096,786)	616,929,884
Right-to-use leased buildings	8,680,779	5,039,376	-	13,720,155
Right-to-use software subscriptions	3,574,048	1,792,830	(1,093,246)	4,273,632
	1,343,883,110	77,864,868	(44,673,576)	1,377,074,402
Depreciable or amortized capital assets, net	1,992,841,828	153,777,969	(4,584,841)	2,142,034,956
Governmental activities capital assets, net	$ 2,294,394,267	$ 266,842,819	$ (215,993,154)	$ 2,345,243,932

5. CAPITAL ASSETS – continued

Capital asset activity for the year ended December 31, 2025 was as follows (continued):

	Balance January 1, 2025	Additions and Transfers In	Deletions and Transfers Out	Balance December 31, 2025
Business-type Activities:				
Non-depreciable capital assets:				
Art & historical treasures	$ 1,428,471	$ 77,250	$ -	$ 1,505,721
Land	56,749,593	-	-	56,749,593
Right-to-use software subscription WIP	-	357,000	-	357,000
Construction in progress	28,474,452	43,569,731	(7,613,480)	64,430,703
	86,652,516	44,003,981	(7,613,480)	123,043,017
Depreciable or amortized capital assets:				
Buildings	825,817,406	2,374,193	(137,662)	828,053,937
Equipment	410,714,650	12,469,126	(39,133,454)	384,050,322
Software	8,383,855	6,706,429	(2,333,629)	12,756,655
Leasehold improvements	28,676,035	408,615	(29,575)	29,055,075
Land improvements	1,893,908	-	-	1,893,908
Right-to-use leased buildings	12,659,707	2,626,404	-	15,286,111
Right-to-use leased equipment	16,969,851	2,462,214	(306,438)	19,125,627
Right-to-use software subscriptions	52,028,041	22,915,042	(6,063,568)	68,879,515
	1,357,143,453	49,962,023	(48,004,326)	1,359,101,150
Less accumulated depreciation or amortization:				
Buildings	514,817,447	22,657,272	(319,700)	537,155,019
Equipment	304,670,730	21,790,808	(38,128,488)	288,333,050
Software	6,944,519	921,493	(941,269)	6,924,743
Leasehold improvements	21,003,564	1,540,912	(1,634)	22,542,842
Land improvements	1,893,908	-	-	1,893,908
Right-to-use leased buildings	5,192,483	1,298,159	-	6,490,642
Right-to-use leased equipment	10,669,200	3,539,312	(302,918)	13,905,594
Right-to-use software subscriptions	28,141,292	14,608,978	(5,115,512)	37,634,758
	893,333,143	66,356,934	(44,809,521)	914,880,556
Depreciable or amortized capital assets, net	463,810,310	(16,394,911)	(3,194,805)	444,220,594
Business-type activities capital assets, net	550,462,826	27,609,070	(10,808,285)	567,263,611
Total Capital Assets, Net	$ 2,844,857,093	$294,451,889	$ (226,801,439)	$ 2,912,507,543

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 $6,625,859; Human Services $6,079,106; Health $3,177,183; Law, Safety and Justice $5,215,123; Public Works $28,436,319; Resident Services $11,580,346, RRA $138,612; and HRA $145,195.

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 Uncollectible	Total Net Receivables
General	$10,456,505	$ 11,817,875	$5,064,776	$ 12,472,518	$ (2,565,647)	$ 37,246,027
Human Services	3,467,606	80,504,888	-	9,633,888	(1,217,553)	92,388,829
Ballpark Sales Tax	-	13,486,051	-	-	-	13,486,051
Other Sales Tax	-	44,805,062	-	-	-	44,805,062
HRA	229,557	-	-	44,928	(80,589)	193,896
RRA	367,145	1,270	-	178,577	(128,964)	418,028
General Debt Service	1,148,712	-	-	-	(403,451)	745,261
Capital Projects	14,804	59,539,991	3,160	2,627,709	(5,226)	62,180,438
Hennepin Health	-	-	-	39,403,938	(620,606)	38,783,332
Solid Waste	-	-	-	9,354,933	-	9,354,933
Medical Center	-	-	-	317,475,797	(81,605,300)	235,870,497
Nonmajor Enterprise	-	-	-	397,769	-	397,769
Internal Service	-	-	-	1,824,519	(180,895)	1,643,624
Total	$15,684,329	$210,155,137	$5,067,936	$393,414,576	$(86,808,231)	$537,513,747

Property tax liens attach on the first Monday of the year following property assessment. Tax levies are certified to the county auditor five business days after December 20 of the year the property is assessed. The taxes levied are payable in the following year in two equal installments. The amounts and due dates for taxes on real property are half on or before May 15 and the balance on or before October 15. Personal property taxes are due in one installment on May 15. The amount of the allowance for uncollectible delinquent taxes is an estimate based on historical collection experience. Estimated uncollectible delinquent taxes total $4,401,430 in 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:

	2025
Gross patient charges	$ 4,054,717,959
Deductions from gross patient charges	(2,498,384,270)
Intergovernmental transfers	42,263,519
Uncompensated care reimbursements from County General Fund	38,000,000
Provision for bad debts	(232,081,310)
Net patient service revenue	$ 1,404,515,898

6. REVENUES AND RECEIVABLES – continued

Medical Center 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 considering 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 2025 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%	21%
Medicaid	33	44
Medicare	13	29
Self-pay	14	6
	100%	100%

Notes Receivable and Other Receivables reported by the County include:

- General Fund notes receivable related to lead abatement totaling $192,394 are reported at $63,450 after netting a $128,944 allowance for uncollectible amounts.
- General Fund lease receivables are reported at $6,273,798. Deferred inflows of resources associated with these leases totaling $6,023,926 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 $485,057 and interest revenue totaling $138,017 were recognized during 2025 related to the leases.
- HRA Fund notes receivable of $6,539,603 related to transit-oriented development and community asset transition fund loans are reported at $4,982,202 after netting a $1,557,401 allowance for uncollectible amounts.
- General Debt Service Fund notes receivable totaling $7,920,000 related to the County's provision of assistance to two watershed districts in obtaining more favorable financing terms. The County issued G.O. bonds and loaned the proceeds to the watershed districts. The watershed districts levy property taxes to repay the loans.
- Solid Waste Fund Brownfield Cleanup Revolving Loans total $1,639,410. Repayments of principal and interest are used to provide additional loans for this purpose.
- Other receivables of $13,568,190 are reported in the Medical Center Fund, including those related to the Hennepin Health Foundation.

6. REVENUES AND RECEIVABLES – CONTINUED

Opioid Settlement Revenues. 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 $45,688,097 over the next 13 years, and the revenues will be recognized in the year distribution is made. For the year ended December 31, 2025, the County received $4,224,095 related to the settlements. Unspent opioid settlement revenues are restricted in the Human Services Fund 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 $13,409,020 is outstanding at year-end for 673 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 382 HOME loans outstanding, with original terms ranging from 20 to 30 years. Loans totaling $9,839,447 will be forgiven at the end of the loan period if all program conditions are met. Loans totaling $34,311,660 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 181 loans outstanding, with original terms ranging from 10 to 55 years. Loans totaling $8,024,752 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 $59,915,456 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. Fifteen loans totaling $12,644,573 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 21 deferred loans outstanding, with original terms ranging from 50 to 55 years. Loans totaling $2,151,247 will be forgiven at the end of the loan period if all program conditions are met. Loans totaling $28,462,662 are expected to be repaid or refinanced with extended terms at their due date.

6. REVENUES AND RECEIVABLES – CONTINUED

Forgivable Loans and Deferred Long-term Loans Receivable – continued

The HRA is the administrator of the following loan programs – continued

- 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 four deferred loans totaling $10,700,000 outstanding, with original 30-year terms. The loans will be forgiven at the end of their loan period if all program conditions are met.
- The ***Homeownership Assistance Program*** offers deferred loans for affordable homeownership projects to include new construction, rehabilitation, and down payment assistance. As of December 31, there are two deferred loans totaling $276,750 that have original 35-year terms.
- The **Naturally Occurring Affordable Housing (NOAH)** program assists housing operators to finance the acquisition and preservation of existing affordable rental housing. The deferred loans have 20-year terms and are expected to be repaid or refinanced with extended terms at their due date. As of December 31, there are eight NOAH loans outstanding totaling $3,706,211.

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 $69,184,890 to the project and the remaining commitment is $80,415,110.
- $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 $999,521,063 to the project and the remaining commitment is $83,419,193.
- $530,100,000 for the Bottineau (METRO Blue Line Extension) light rail transit project capital costs. The County has contributed $102,198,291 to the project and the remaining commitment is $427,901,709.
- $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 to make certain payments related to the operation of the Hennepin Energy Recovery Center and the disposal of the facility's ash output. Payments are being made from Solid Waste Fund user charges. Future expenses are expected to total $49,591,793, payable as $5,676,705 in 2026, $5,818,484 in 2027, $5,963,862 in 2028, $6,112,935 in 2029, $6,265,798 in 2030, with the remaining $19,754,009 to be paid in 2031-2033.

8. INTERFUND BALANCES AND ACTIVITY

Interfund Balances on December 31, 2025, consisted of the following:

Fund Due From	Fund Due To	Purpose	Amount
Between Funds Within Governmental Activities:			
Internal Service	General	Short-term loan for operations	$ 1,800,000
Between Funds Within Business-type Activities:			
Medical Center	Nonmajor Enterprise	Radio communications services	28,014
Between Governmental Activities and Business-type Activities:			
General	Medical Center	Medical services, investment earnings and support of uncompensated care,	7,086,554
Human Services	Medical Center	Medical services	311,958
Hennepin Health	Human Services	Risk-share arrangement	1,341,068
Medical Center	General	Legal services, public safety services	330,874
Medical Center	Human Services	Human services	232,770
Medical Center	Internal Service	Provision of heat to buildings, workers' compensation, technology services	4,372,818
			$ 15,504,056

Interfund transfers during 2025 consisted of the following:

Fund Transferred From	Fund Transferred To	Purpose	Amount
Between Funds Within Governmental Activities:			
General	Human Services	Support personnel costs	$ 4,139,749
General	Capital Projects	Acquisition of land for future capital project	646,293
Ballpark Sales Tax	General	Sales tax support of youth activities	5,624,988
Ballpark Sales Tax	General Debt Service	Sales tax support of Ballpark debt service	9,125,784
Other Sales Tax	General	Metro area funding for affordable housing development	17,313,956
Other Sales Tax	Human Services	Metro area funding for eviction prevention	14,426,206
Other Sales Tax	HRA	Metro area funding for affordable rental and homeownership	901,997
Other Sales Tax	Capital Projects	Metro area funding for transportation project	13,441,265
Other Sales Tax	Capital Projects	Sales tax support area of transportation projects	110,175,770
Other Sales Tax	General Debt Service	Sales tax support of transportation project debt service	28,086,500
HRA	General	Assessment and marketing of destinations in the County	100,000
HRA	Human Services	Housing Services	662,813
Glen Lake Golf Course	General	Return unutilized support	102,546
Internal Service Fund	General	Withdrawals from leaseback program	5,782
			$204,753,649

9. LONG-TERM AND SHORT-TERM OBLIGATIONS

Changes in long-term and short-term obligations for the year ended December 31, 2025, are shown in the table below. Long-term liabilities of the internal service funds are included in governmental activities. The Schedule of Changes in Debt (page 146) provides additional detail on bonds.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
G.O. bonds – levy supported	$ 1,005,359,520	$231,625,000	$(201,433,537)	$1,035,550,983	$ 56,279,019
RRA limited authority G.O. bonds	76,945,000	-	(4,965,000)	71,980,000	5,225,000
G.O. bonds – non-levy supported	302,935,000	2,735,000	(13,955,000)	291,715,000	14,770,000
Unamortized premiums	218,276,190	31,334,617	(24,724,575)	224,886,232	-
G.O. bonds	1,603,515,710	265,694,617	(245,078,112)	1,624,132,215	76,274,019
Sales tax revenue bonds	34,185,000	-	(8,570,000)	25,615,000	-
Unamortized premiums	6,268,640	-	(1,206,268)	5,062,372	-
Revenue bonds	40,453,640	-	(9,776,268)	30,677,372	-
Bonds	1,643,969,350	265,694,617	(254,854,380)	1,654,809,587	76,274,019
G.O. commercial paper[1]	-	150,000,000	-	150,000,000	150,000,000
Lease payables	29,498,681	-	(4,803,703)	24,694,978	3,996,192
Subscription payables	4,506,517	658,756	(1,114,403)	4,050,870	1,141,634
Compensated absences[2]	142,013,571	10,421,823	-	152,435,394	13,000,000
Governmental Activities	1,819,988,119	426,775,196	(260,772,486)	1,985,990,829	244,411,845
Business-type Activities:					
G.O. bonds Solid Waste	34,080,528	-	(1,888,079)	32,192,449	1,945,507
G.O. bonds Medical Center	154,009,952	-	(6,923,384)	147,086,568	7,200,474
G.O. bonds – levy supported	188,090,480	-	(8,811,463)	179,279,017	9,145,981
Lease payables	19,372,617	2,105,860	(4,736,192)	16,742,285	5,158,753
Subscription payables	16,173,201	23,826,867	(14,349,135)	25,650,933	11,606,485
Compensated absences[1]	52,196,722	1,843,215	-	54,039,937	3,399,383
Business-type Activities	275,833,020	27,775,942	(27,896,790)	275,712,172	29,310,602
Government-wide	$2,095,821,139	$454,551,138	$(288,669,276)	$2,261,703,001	$273,722,447

1. Commercial Paper is reported as a short-term liability in the Capital Projects Fund.
2. Additions to compensated absences are net additions and reductions.

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, the following G.O. bond series were issued:

- Series 2025A $100,000,000 to finance the County's capital improvements.
- Series 2025B $2,735,000 to assist a watershed district with obtaining more favorable financing terms. The district is responsible for reimbursing the county for the debt service costs associated with the Series 2025B bonds for the duration of the bond term.
- Series 2025C $81,330,000 proceeds, together with the premium received, used to refund the $91,815,000 currently callable amount of series 2018B. The current refunding resulted in a $7,212,899 reduction in debt service payments over the next 13 years and an economic gain of $6,092,504.
- Series 2025D $50,295,000 proceeds, together with the premium received, used to refund the $56,795,000 currently callable amount of series 2010C and 2010D. The current refunding resulted in a $375,994 reduction in debt service payments over the next 10 years and an economic gain of $294,563.

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

At year-end, $32,788,250 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 $10,279,250 and pledged net sales tax revenues received were $47,876,873.

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, amateur sports and extended library hours.

10. DEBT SERVICE REQUIREMENTS – CONTINUED

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

	General Obligation Bonds		Sales Tax Revenue Bonds		
	Principal	Interest	Principal	Interest	Total
Governmental Activities:					
2026	$ 76,274,019	$ 72,260,030	$ -	$ 1,280,750	$ 149,814,799
2027	78,938,734	67,904,961	-	1,280,750	148,124,445
2028	81,366,808	63,835,912	-	1,280,750	146,483,470
2029	80,703,438	59,642,081	-	1,280,750	141,626,269
2030	78,398,941	55,474,928	11,750,000	1,280,750	146,904,619
2031-35	453,456,399	213,461,809	13,865,000	769,500	681,552,708
2036-40	415,290,670	91,792,937	-	-	507,083,607
2041-45	134,816,974	16,791,518	-	-	151,608,492
	1,399,245,983	641,164,176	25,615,000	7,173,250	2,073,198,409
Business-type Activities:					
2026 [1]	9,145,981	4,980,868	-	-	14,126,849
2027	9,436,266	4,723,588	-	-	14,159,854
2028	9,728,193	4,458,181	-	-	14,186,374
2029	10,036,562	4,184,597	-	-	14,221,159
2030	10,351,058	3,902,385	-	-	14,253,443
2031-35	56,818,601	14,961,654	-	-	71,780,255
2036-40	61,424,330	6,682,868	-	-	68,107,198
2041-45	12,338,026	336,616	-	-	12,674,642
	179,279,017	44,230,757	-	-	223,509,774
	$1,578,525,000	$ 685,394,933	$ 25,615,000	$ 7,173,250	$2,296,708,183

[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 G.O. 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 $76,274,019 shown in the table above for the year 2026.

10. DEBT SERVICE REQUIREMENTS – CONTINUED

Commercial paper may be issued by the County pursuant to the County Board-authorized $400,000,000 commercial paper program. Under the program, taxable commercial paper may be issued to be used as a liquidity instrument. Under the same program, the County may utilize tax-exempt commercial paper as a short-term financing mechanism for its adopted capital improvement plan. County commercial paper is issued with maturities not exceeding 270 days and accordingly is reported as short-term debt. At maturity, the County either liquidates the certificates or directs authorized dealers to remarket new certificates to replace those maturing. The use of commercial paper provides flexibility in timing project expenditures and has resulted in reduced borrowing costs compared to long-term G.O debt. During 2025, interest rates on outstanding G.O. commercial paper were significantly lower than the 5% interest rates on comparable G.O. bond series issued by the County, resulting in reduced debt service costs. Tax-exempt G.O. commercial paper was issued during 2025 for the capital improvement program as shown below:

Date of Issuance	Par Amount	Interest Rate	Maturity Date
October 2, 2025	$ 37,500,000	2.68%	November 4, 2025
October 2, 2025	$ 37,500,000	2.63%	December 2, 2025
October 2, 2025	$ 37,500,000	2.60%	January 6, 2026
October 2, 2025	$ 37,500,000	2.58%	February 3, 2026
November 4, 2025	$ 37,500,000	2.59%	March 4, 2026
December 2, 2025	$ 37,500,000	2.60%	March 31, 2026

The County has no standby liquidity agreements or takeout agreements related to the tax-exempt commercial paper issued in 2025. As of December 31, the outstanding balance is $150,000,000 in governmental activities and the total interest due in 2026 is $1,222,315.

Lease Payables. The County has lease obligations for various buildings, equipment, and vehicles. These liabilities are discounted at rates ranging from 0.41% to 5.90%. Annual debt service requirements relating to the minimum lease payments are as follows:

	Governmental Activities:		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	$ 3,996,192	$ 420,532	$ 5,158,753	$ 419,999
2027	1,875,630	366,024	2,862,385	300,102
2028	1,943,445	331,205	1,998,447	239,851
2029	1,767,975	297,942	1,728,308	184,143
2030	1,703,082	267,313	1,673,394	126,915
2031-2035	6,157,438	951,894	3,320,998	150,649
2036-2040	2,984,017	561,233	-	-
2041-2045	2,779,306	293,174	-	-
2046-2050	1,487,893	38,971	-	-
	$ 24,694,978	$ 3,528,288	$ 16,742,285	$ 1,421,659

10. DEBT SERVICE REQUIREMENTS – CONTINUED

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
2026	$ 1,141,635	$ 72,943	$ 11,606,485	$ 529,738
2027	816,292	53,280	9,073,168	289,600
2028	841,125	41,230	4,137,120	103,269
2029	301,685	30,670	834,160	23,845
2030	309,077	23,278	-	-
2031-2033	641,056	23,654	-	-
	$ 4,050,870	$ 245,055	$ 25,650,933	$ 946,452

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, 2025
Millworks Lofts, April 2016	$ 8,507,000	$ 7,604,931
East Town Apartments, December 2018	3,950,000	3,786,606
Redwell, September 2019	16,065,000	14,031,273
Parkview Apartments, September 2019	28,800,000	25,902,847
Elliot Twins, June 2020	26,500,000	11,411,281
Fort Snelling Upper Post, November 2020	35,261,000	34,818,060
Loring Towers, April 2021	25,000,000	23,460,219
Cornelia View, July 2022	16,700,000	16,556,571
Currie Commons, November 2022	29,912,000	29,912,000
Canvas Apartments, November 2022	34,000,000	34,000,000
Whittier Community Housing, July 2023	16,560,000	6,116,266
Olson Court Park Plaza, May 2024	35,635,000	27,504,865
Mpls Public Housing – Springs, July 2025	37,900,000	5,052,977
South Haven Summit Point, December 2025	20,546,000	20,546,000
	$335,336,000	$260,703,896

12. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

At year-end, the Capital Projects Fund reported deficit fund balance of $61,604,684 due to the County's choice to issue short-term G.O. commercial paper for capital projects, rather than issuing long-term debt. The deficit will be funded by future repayments of the short-term liabilities with property tax levies.

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.

	Classification and Amount at December 31, 2025			
Fund and Purpose	**Nonspendable**	**Restricted**	**Committed**	**Assigned**
General:				
Prepaids and supplies	$ 7,819,525			
Endowments	2,044,910			
Grant requirements		$ 6,131,710		
Statutory requirements - primarily relating to youth sports, extended library hours & County Recorder technology		12,079,711		
Donor requirements specific to media category or library location		5,085,605		
Subsequent year's budget - appropriation of fund balance including carryovers				$ 89,740,568
Human Services:				
Prepaids and supplies	621,922			
Grant requirements		10,854,458		
Opioid abatement		6,922,590		
Public assistance, poor relief, & categories under the federal Social Security Act			$ 149,368,002	
Ballpark Sales Tax:				
Debt service & statutory requirements		113,281,776		
Other Sales Tax:				
Transportation statutory requirements		359,946,653		
Affordable housing statutory requirements		11,206,203		
HRA:				
Prepaids and supplies	34,487			
Land held for resale		2,700,000		
HRA general expenditures		55,943,752		
RRA:				
RRA general expenditures		110,280,428		
RRA Debt Service:				
Debt service		431,438		
General Debt Service:				
Debt service		11,354,981		
Governmental Funds	$ 10,520,844	$ 706,219,305	$ 149,368,002	$ 89,740,568

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, 2025, as shown below:

Tax Abatement Program	Taxes Abated
Tax Increment Financing:	
City of Minneapolis	$ 2,227,477
City of Richfield	1,476,918
City of Eden Prairie	1,297,691
Bloomington Port Authority	1,193,513
City of Minnetonka	777,300
City of Dayton	758,375
Wayzata Housing & Redevelopment Authority	749,530
Thirteen other cities and authorities	2,540,033
	$ 11,020,837

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.

14. RISK MANAGEMENT – CONTINUED

A. Risk Management – Excluding the Medical Center – continued

Tort Claims - continued. Changes in estimated tort liabilities during the past two years are as follows:

	2025	2024
Estimated liability at beginning of year	$ 650,000	$ 650,000
Estimated incurred claims (including IBNR)	3,617,417	2,751,761
Claim payments	(3,617,417)	(2,751,761)
Estimated liability at end of year	$ 650,000	$ 650,000

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 2025, $5,790,968 in benefits and administrative costs were paid and charged to the workers' compensation liability account. The liability reported on December 31 was $16,226,500. 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:

	2025	2024
Estimated liability at beginning of year	$15,308,500	$ 13,450,000
Estimated incurred claims (including IBNR)	6,708,968	6,434,973
Claim payments and expenses	(5,790,968)	(4,576,473)
Estimated liability at end of year	$ 16,226,500	$ 15,308,500

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 2025.

The Hennepin Health Fund operates a nonprofit, state-certified health maintenance organization that contracts with the Minnesota Department of Human Services. Hennepin Health purchases reinsurance to mitigate financial risks from catastrophic medical claims. Reinsurance premiums paid are reported as reductions of premium revenue and reinsurance recoveries are reported as reductions of expenses. Hennepin Health remains contingently liable if the reinsurer is unable to meet obligations assumed under the reinsurance contract. Hennepin Health has reported reinsurance receivables of $1,036,008 and $1,154,084 as of December 31, 2025 and 2024, respectively.

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.

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:

	2025	2024
Estimated liability at beginning of year	$ 9,371,150	$ 4,982,303
Estimated incurred claims (including IBNR)	3,684,298	8,596,096
Claims payments and expenses	191,275	(4,207,249)
Estimated liability at end of year	$13,246,723	$ 9,371,150

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:

	2025	2024
Estimated liability at beginning of year	$15,300,000	$13,365,882
Estimated incurred claims (including IBNR)	4,916,724	6,470,283
Claims payments and expenses	(4,316,724)	(4,536,165)
Estimated liability at end of year	$15,900,000	$15,300,000

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.

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:

	2025	2024
Estimated liability at beginning of year	$ 8,761,221	$ 13,065,818
Estimated incurred claims (including IBNR)	208,442,840	182,506,957
Claim payments and expenses	(198,312,458)	(186,811,554)
Estimated liability at end of year	$ 18,891,603	$ 8,761,221

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, 2025 and 2024, the limits were $600,000 for specific claims and were $150,517,998 and $125,715,790 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:

	2025	2024
Estimated liability at beginning of year	$ 6,254,000	$ 6,999,621
Estimated incurred claims (including IBNR)	129,667,132	117,503,775
Claim payments and expenses	(130,017,811)	(118,249,396)
Estimated liability at end of year, net of imprest funds	$ 5,903,321	$ 6,254,000

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.

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 $7,645,411 in 2025. 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 $155,847,008. At the government-wide level, $3,411,614 is reported in business-type activities. The remaining amount of $152,435,394 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.

17. OTHER EMPLOYEE BENEFITS – CONTINUED

A. Other Employee Benefits – Excluding the Medical Center – 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 2025, the County paid eligible single premium amounts for the enrolled retirees described above, while these retirees contributed $32.40 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, 2025, the following employees were covered by the benefit terms:

	2025
Inactive employees or beneficiaries currently receiving benefit payments	473
Active employees	8,678
	9,151

Actuarial assumptions and other inputs. The total OPEB liabilities as of December 31, 2025 were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	2025
Reporting date	December 31, 2025
Measurement date	December 31, 2024
Actuarial valuation date	December 31, 2023
Discount rate [1]	4.08%
Salary increase rate [2]	PERA
Healthcare cost trend rate	**
Inflation rate	PERA
Actuarial cost method	Entry Age Normal
Amortization method	Straight Line
Amortization period	8.3 years

[1] The discount rate is based on the Bond Buyer G.O. 20-year Municipal Bond Index as of the measurement date.
[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, 2025 were based on actuarial assumptions similar to the PERA General Plan and the PERA Police and Fire Plan as of November 22, 2024. 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.

17. OTHER EMPLOYEE BENEFITS – CONTINUED

A. Other Employee Benefits – Excluding the Medical Center – Single-Employer Postemployment Healthcare Benefit Program – continued

Changes in Total OPEB Liability during 2025 were:

	2025
Total OPEB liability, beginning	$ 121,888,747
Changes for the year:	
Service cost	4,151,197
Interest	3,954,482
Liability Gains or Losses	-
Changes of assumptions or other inputs	(6,347,665)
Benefit payments	(9,550,202)
Total OPEB liability, ending	$ 114,096,559

Changes of assumptions or other inputs reflect a change in the discount rate from 3.26% as of December 31, 2024, to 4.08% as of December 31, 2025.

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 3.08%	Current Discount Rate 4.08%	1% Higher 5.08%
Total OPEB Liability	$120,207,784	$114,096,559	$108,186,943

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 5.9% decreasing to 2.7%	Current Trend Rate 6.9% decreasing to 3.7%	1% Higher 7.9% decreasing to 4.7%
Total OPEB Liability	$104,952,498	$114,096,559	$124,392,701

17. OTHER EMPLOYEE BENEFITS – CONTINUED

A. Other Employee Benefits – Excluding the Medical Center – Single-Employer Postemployment Healthcare Benefit Program – continued

OPEB expense and deferred outflow of resources and deferred inflows of resources related to OPEB. For the year ended December 31, 2025, the County recognized OPEB expenses of $7,272,269. At December 31, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,117,611	$ (3,759,574)
Changes of assumptions or other inputs	14,574,241	(15,550,800)
Employer contributions subsequent to the measurement date	9,810,000	-
	$ 27,501,852	$ (19,310,374)

Employer contributions subsequent to the measurement date of December 31, 2024 of $9,810,000, which are reported as deferred outflows of resources as of December 31, 2025, will be recognized as a reduction of the OPEB liability in the County's fiscal year ending December 31, 2026. Other amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2025, 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
2026	$ (385,958)
2027	(385,958)
2028	(224,895)
2029	(522,587)
2030	(119,515)
Thereafter	20,391
	$ (1,618,522)

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 $50,628,325.

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 2025, 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, 2025, the following employees were covered by the benefit terms:

	2025
Inactive employees or beneficiaries currently receiving benefit payments	75
Active employees	6,497
	6,572

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, 2025 were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	2025
Reporting date	December 31, 2025
Measurement date	December 31, 2024
Actuarial valuation date	December 31, 2023
Discount rate [1]	4.08%
Salary increase rate [2]	PERA
Healthcare cost trend rate	**
Inflation rate	PERA
Actuarial cost method	Entry Age Normal
Amortization method	Straight-Line
Amortization period	9.0 years

[1] The discount rate is based on the Fidelity G.O. 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 2025 were:

	2025
Total OPEB liability, beginning	$20,401,139
Changes for the year:	
Service cost	1,220,200
Interest	664,869
Liability Gains or Losses	-
Changes of assumptions or other inputs	(1,285,573)
Benefit payments	(2,473,000)
Total OPEB liability, ending	$ 18,527,635

Changes of assumptions or other inputs reflect a change in the discount rate from 3.26% as of December 31, 2024, to 4.08% as of December 31, 2025.

17. OTHER EMPLOYEE BENEFITS – CONTINUED

B. Other Employee Benefits – Medical Center – 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 3.08%	Current Discount Rate 4.08%	1% Higher 5.08%
Total OPEB Liability	$20,104,211	$18,527,635	$17,055,537

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	$16,412,219	$18,527,635	$21,068,622

OPEB expense and deferred outflow of resources and deferred inflows of resources related to OPEB. For the years ended December 31, 2025, the Medical Center recognized OPEB expense of $951,439. At December 31, 2025, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,693,343	$ (876,336)
Changes of assumptions or other inputs	1,654,347	(7,943,894)
Employer contributions subsequent to the measurement date	2,453,014	-
	$ 6,800,704	$ (8,820,230)

Employer contributions subsequent to the measurement date of December 31, 2024 of $2,453,014, which are reported as deferred outflows of resources as of December 31, 2025, will be recognized as a reduction of the OPEB liability in the Medical Center's fiscal year ending December 31, 2026.

17. OTHER EMPLOYEE BENEFITS – CONTINUED

B. Other Employee Benefits – Medical Center - continued

Single-Employer Postemployment Healthcare Benefit Program – continued

Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2025, will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

Years ending December 31:	2025
2026	$ (922,840)
2027	(916,328)
2028	(921,743)
2029	(720,755)
2030	(577,795)
Thereafter	(413,079)
	$ (4,472,540)

Total OPEB expenses for all County plans including the Medical Center for the years ended December 31, 2025 were $8,223,708.

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 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. **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. **Public Employees Police and Fire Retirement Plan (Police and Fire Plan).** Membership in the 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. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

3. **Public Employers Local Government Correctional Service Retirement Plan (Correctional Plan).** Membership includes correctional officers serving in county and regional adult and juvenile corrections facilities. Participants must be responsible for the security, custody, and control of the facilities and their inmates.

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 Plan requires three years of service to vest. 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 2025 annual increase was 1.25%. 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*** 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 increases 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.

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

Benefits Provided – continued

3. ***Correctional Plan*** 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 increases 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 years of service earned before July 1, 2025, and 2.2% of their highest average salary for years of service earned on or after July 1, 2025. 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 2025 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 Plan members were required to contribute 6.5% of their annual covered salary in 2025 and the County was required to contribute 7.5% for General Plan members. The County's contributions to the General Plan for the year ended December 31, 2025, were $95,727,412. The County's contributions were equal to the required contributions as set by State statute.

2. Police and Fire Plan 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 2025. The County's contributions to the Police and Fire Plan for the year ended December 31, 2025, were $12,210,297. The County's contributions were equal to the required contributions as set by State statute.

3. Correctional 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 Plan for the year ended December 31, 2025, were $4,638,693. 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, 2025, the County recognized a total pension expense reduction of $39,163,108 for all pension plans.

1. General Plan. At December 31, 2025, the County reported a liability of $456,850,708 for its proportionate share of the General Plan's net pension liability. The County's net pension liability reflected a reduction due to the State's contribution of $16,000,000. 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 $11,020,666.

County's proportionate share of the net pension liability	$ 456,850,708
State's proportionate share of the net pension liability associated with the County	11,020,666
Total	$ 467,871,374

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

Pension Costs – continued

1. General Plan – continued. The net pension liability was measured as of June 30, 2025, 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, 2024 through June 30, 2025 relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 13.8% at the end of the measurement period and 13.6% for the beginning of the period.

For the year ended December 31, 2025, the County recognized a pension expense reduction of $33,534,080 for its proportionate share of the General Plan's pension expense. In addition, the County recognized $1,690,415 as pension expense (and grant revenue) for its proportionate share of the State's contribution of $16,000,000 to the General Plan.

At December 31, 2025, the County reported 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	$ 43,527,874	$ -
Changes in actuarial assumptions	11,007,455	(105,119,768)
Net difference between projected and actual investment earnings	-	(181,785,255)
Changes in proportion	19,297,210	(2,089,852)
Contributions paid to PERA subsequent to measurement date	49,621,358	-
	$ 123,453,897	$ (288,994,875)

The $49,621,358 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, 2026. 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
2026	$ (43,835,527)
2027	(79,352,498)
2028	(59,500,763)
2029	(32,473,548)
	$ (215,162,336)

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

Pension Costs – continued

2. *Police and Fire Plan.* At December 31, 2025, the County reported a liability of $52,069,788 for its proportionate share of the Police and Fire Plan's net pension liability The net pension liability was measured as of June 30, 2025, 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, 2024 through June 30, 2025 relative to the total employer contributions received from all of PERA's participating employers. The County's proportionate share was 4.4% at the end of the measurement period and 4.4% for the beginning of the period.

The State of Minnesota contributed $18,000,000 to the Police and Fire Plan in the 2025 plan year, which ended June 30, 2025. The contribution consisted of $9,000,000 in direct state aid that meets the definition of a special funding situation and $9,000,000 in supplemental state aid that does not meet the definition of a special funding situation. The $9,000,000 direct state aid was paid on October 1, 2024. An additional direct State aid payment of $17,700,000 was paid after the 2025 plan year, on October 1, 2025. Thereafter, by October 1 of each year, the State will pay $26,700,000 to the Police and Fire Plan until the plan is 110% funded for a minimum of 3 consecutive years (on an actuarial value of assets basis). The $9,000,000 in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years (on an actuarial value of assets basis). The State's proportionate share of the net pension liability associated with the County totaled $1,804,997.

County's proportionate share of the net pension liability	$ 52,069,788
State's proportionate share of the net pension liability associated with the County	1,804,997
Total	$ 53,874,785

For the year ended December 31, 2025, the County recognized pension expense of $10,853,813 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized $873,346 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 State of Minnesota is not considered a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the $9,000,000 in supplemental state aid and this contribution was not considered to meet the definition of a special funding situation. The County recognized $1,186,572 for the year ended December 31, 2025 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 Police and Fire Fund.

At year end, the County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual economic experience	$ 24,057,897	$ -
Changes in actuarial assumptions	39,485,595	(65,241,268)
Net difference between projected and actual investment earnings	-	(23,239,473)
Changes in proportion	6,575,577	(1,463,234)
Contributions paid to PERA subsequent to measurement date	6,313,179	-
	$76,432,248	$ (89,943,975)

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

Pension Costs – continued

2. *Police and Fire Plan – continued.* The $6,313,179 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, 2026. 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
2026	$ 13,106,818
2027	(10,027,334)
2028	(24,381,164)
2029	(143,561)
2030	1,620,335
	$ (19,824,906)

3. *Correctional Plan.* At December 31, 2025, the County reported an asset of $10,552,842 for its proportionate share of the Correctional Plan's net pension asset. The net pension asset was measured as of June 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The County's proportion of the net pension asset was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025 relative to the total employer contributions received from all of PERA's participating employers.

The County's proportionate share was 16.0% at the end of the measurement period and 16.1% at the beginning of the period. For the year ended December 31, 2025, the County recognized pension contra expense of $19,046,603 for its proportionate share of the Correctional Plan's pension contra 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	$ 1,825,705	$ -
Changes in actuarial assumptions	-	(6,919,938)
Net difference between projected and actual investment earnings	-	(8,830,675)
Changes in proportion	494,850	(1,032,925)
Contributions paid to PERA subsequent to measurement date	2,620,671	-
	$ 4,941,226	$ (16,783,538)

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

Pension Costs – continued

3. *Correctional Plan Pension Costs – continued*

The $2,620,671 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, 2026. 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
2026	$ 2,354,571)
2027	(7,232,899)
2028	(3,346,381)
2029	(1,529,132)
	$ (14,462,983)

Long-Term Expected Return on Investment. 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%	

Actuarial Methods and Assumptions. The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan, Police & Fire Plan, and the Correctional Plan.
- Benefit increases after retirement are assumed to be 1.5% for the General Employees Plan, 1.0% for the Police & Fire Plan, and 2.0% for the Correctional Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3.0% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3% after 23 years of service. In the Correctional Plan, salary growth assumptions range in annual increments from 8% after one year of service to 3% after 19 years of service.

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

Actuarial Methods and Assumptions – continued. Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police & Fire Plan and the Correctional Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan and Correctional Plan were reviewed in 2024. The assumption changes were adopted by the board and became effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

1. ***General Plan***

Changes in actuarial assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.0% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.0% and 1.5%.
- The 1.0% additional employer contribution is eliminated when the plan reaches 98.0% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2. ***Police and Fire Plan***

Changes in Actuarial Assumptions:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.
- Continued used of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

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

Actuarial Methods and Assumptions – continued

2. Police and Fire Plan – continued

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1.0% to 3.0%; subsequent January 1 increases will be 1.0%.
- The threshold to end the $9,000,000 annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional $9,000,000 annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional $17,700,000 in direct State aid will be paid annually each October 1, beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

3. Correctional Plan

Changes in Actuarial Assumptions:

- Assumed rates of salary increases were reduced slightly and changed to service-based (vs. age based).
- Assumed rates of retirement were adjusted resulting in an overall increase in unreduced (full) retirements and reduced (early) retirements.
- Assumed rates of withdrawal were changed from age-based rates after three years of service to service-based for all years; the new rates result in an increase in predicted terminations for males and females.
- Minor changes were made to assumed rates of disability retirements.
- Continued use of the Pub-2010 Public Safety Mortality Table, with no adjustments.
- Minor changes were made to the assumed percent married, beneficiary age difference and form of payment assumptions for future retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load was changed from 35.0% to 9.0% for vested, terminated members, and from 1.0% to 119% for non-vested, terminated members.

Changes in Plan Provisions:

- The benefit payable to a member who qualifies for a duty disability benefit was changed to 47.5% of average salary plus, for each year of service in excess of 25 years, 1.9% for each year of allowable service before July 1, 2025, and 2.2% for each year of allowable service beginning after June 30, 2025.
- Actuarial equivalent factors were updated to reflect changes in assumptions.

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

Actuarial Methods and Assumptions – continued

Discount Rate. The discount rate used to measure the total pension liability in 2025 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General, 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 Plan		Police and Fire Plan		Correctional Plan	
1.0% lower	6.0%	$ 1,109,618,690	6.0%	$ 136,433,881	6.0%	$ 24,986,982
Current %	7.0%	456,850,708	7.0%	52,069,788	7.0%	(10,552,842)
1.0% higher	8.0%	(72,691,024)	8.0%	(17,206,445)	8.0%	(38,849,513)

Pension Plan Fiduciary Net Position. In 2025, 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 at www.mnpera.org.

Public Employees Defined Contribution Plan (Defined Contribution Plan)

Effective January 1, 2009, the Medical Center established a 401(a)-retirement plan, as a PERA alternative, for certain employees hired on or after that date. The plan requires a 6.0% employer contribution, which totaled approximately $4,438,681 and $3,568,462 in 2025 and 2024, 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 $11,237,065 and $11,547,946 in 2025 and 2024, respectively.

19. SUBSEQUENT EVENTS

The County has evaluated subsequent events through June 24, 2026, the date these financial statements were available to be issued.

Commercial Paper. During 2026, maturing tax-exempt commercial paper issued in 2025 was reissued for the County's capital improvement program as shown below:

Date of Issuance	Par Amount	Interest Rate	Maturity Date
January 6, 2026	$ 37,500,000	2.43%	May 6, 2026
February 3, 2026	$ 37,500,000	2.37%	June 3, 2026
March 4, 2026	$ 37,500,000	2.38%	July 7, 2026
March 31, 2026	$ 37,500,000	2.45%	August 5, 2026
May 6, 2026	$ 37,500,000	2.50%	September 3, 2026
June 3, 2026	$ 37,500,000	2.51%	October 6, 2026

Legislative Action Related to the Medical Center. After December 31, 2025, the Medical Center blended component unit experienced negative operating cash flow, exacerbated by the impacts of the UCare Minnesota rehabilitation. UCare was placed into rehabilitation by order of the District Court, Second Judicial District, County of Ramsey in December and the Court approved the Rehabilitation Plan in April 2026. UCare was the Medical Center's largest contracted payor of patient services. The County provided financial support to enable the Medical Center to meet its payment obligations and sustain operations. The financial support was repaid by the Medical Center as subsequent cash receipts were received. The Medical Center financial situation prompted a joint effort by the Medical Center and the County to seek legislative action to provide additional funding and stabilize operations at the Medical Center.

In May 2026, the State of Minnesota enacted a supplemental Health and Human Services finance and policy bill affecting healthcare providers primarily through modifications to Medicaid, reimbursement structures and regulatory oversight. Under Minnesota S.F. 4612, the Medical Center is a primary beneficiary of the Hospital Stabilization Program through both targeted funding and enhanced reimbursement for uncompensated care due to its role as a major safety-net provider with a high volume of Medicaid and uninsured patients. The Medical Center will receive one-time Stabilization Payments directly from the Minnesota Department of Health that are up to $50,000,000 and $55,000,000 for State fiscal year 2026 and 2027, respectively. These payments are intended to support operational stability, maintain high-quality patient care, and preserve access to essential services. Another State direct appropriation of $100,000,000 will go to the Minnesota Department of Human Services to cover 2027 Intergovernmental Transfers for directed payments under Medicaid. Additionally, the legislation created a $500,000,000 stabilization reserve fund to provide payments to eligible hospitals starting in July 2027. The Medical Center is eligible under the requirements.

This funding is meant to be available to prevent further Medical Center financial degradation if needed. The legislation also establishes new governance requirements. By January 15, 2027, the County Board must appoint a new Medical Center corporate board with a majority of the board members possessing expertise in hospital administration, finance, business management, law, health equity, or other experience relevant to operating a health system and a safety-net hospital. The County will be required to approve the Medical Center's budget as presented by the corporate board. In addition, an advisory task force on the governance and financing of the Medical Center will be established to develop recommendations for the Legislature regarding the ownership, governance structure, and financing model, including its integrated system of health care facilities and services.

Required Supplementary Information


Hennepin

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

Last Eight Measurement Periods

OPEB - Excluding the Medical Center	2024	2023	2022	2021
Service cost	$ 4,151,197	$ 3,616,925	$ 4,569,515	$ 5,298,701
Interest	3,954,482	4,093,765	2,438,301	2,647,731
Effect of liability gains and losses	-	(4,954,987)	-	1,938,322
Changes in assumptions or other inputs	(6,347,665)	17,044,887	(5,838,019)	(7,146,714)
Benefit payments	(9,550,202)	(8,606,155)	(8,496,883)	(8,576,868)
Net change in total OPEB liability	(7,792,188)	11,194,435	(7,327,086)	(5,838,828)
Total OPEB liability, beginning	121,888,747	110,694,312	118,021,398	123,860,226
Total OPEB liability, ending	$ 114,096,559	$ 121,888,747	$ 110,694,312	$ 118,021,398
Covered-employee payroll	$ 827,847,160	$ 760,310,560	$ 692,394,033	$ 662,898,997
Total OPEB liability as a percentage of covered-employee payroll	13.78%	16.03%	15.99%	17.80%

OPEB - Medical Center	2024	2023	2022	2021
Service cost	$ 1,220,200	$ 1,080,357	$ 1,444,201	$ 2,021,775
Interest	664,869	714,604	474,319	584,618
Effect of liability gains and losses	-	521,590	-	4,078,393
Changes in assumptions or other inputs	(1,285,574)	1,223,627	(2,680,685)	(7,866,559)
Benefit payments	(2,473,000)	(2,514,017)	(2,873,001)	(2,711,000)
Net change in total OPEB liability	(1,873,505)	1,026,161	(3,635,166)	(3,892,773)
Total OPEB liability, beginning	20,401,140	19,374,979	23,010,145	26,902,918
Total OPEB liability, ending	$ 18,527,635	$ 20,401,140	$ 19,374,979	$ 23,010,145
Covered-employee payroll	$ 475,092,255	$ 646,252,443	$ 595,717,946	$ 544,705,867
Total OPEB liability as a percentage of covered-employee payroll	3.90%	3.16%	3.25%	4.22%

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.

2020	2019	2018	2017
$ 4,640,136	$ 4,559,386	$ 4,943,170	$ 4,476,499
3,303,319	4,968,052	4,308,362	4,592,534
-	7,737,491	-	-
4,143,818	(9,589,746)	(4,708,874)	2,461,877
(8,236,293)	(8,472,026)	(8,005,202)	(8,484,000)
3,850,980	(796,843)	(3,462,544)	3,046,910
120,009,246	120,806,089	124,268,633	121,221,723
$ 123,860,226	$ 120,009,246	$ 120,806,089	$ 124,268,633
$ 650,305,219	$ 640,258,904	$ 627,819,446	$ 597,177,479
19.05%	18.74%	19.24%	20.81%

2020	2019	2018	2017
$ 1,756,507	$ 1,691,909	$ 1,775,119	$ 1,601,420
719,615	1,187,494	1,041,775	1,117,968
-	(2,324,832)	-	-
1,241,433	(589,612)	(1,233,262)	603,506
(2,625,195)	(2,823,146)	(2,824,000)	(2,751,000)
1,092,360	(2,858,187)	(1,240,368)	571,894
25,810,558	28,668,745	29,909,113	29,337,219
$ 26,902,918	$ 25,810,558	$ 28,668,745	$ 29,909,113
$ 519,523,050	$ 524,771,871	$ 499,684,001	$ 485,741,691
7.29%	7.00%	8.01%	8.56%

Hennepin County, Minnesota

Schedule of Defined Benefit Pension Plan Contributions

Last Ten 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:					
12/31/2016	$ 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%
12/31/2025	95,727,412	95,727,412	-	1,276,365,492	7.50%
Police and Fire Fund:					
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%
12/31/2025	12,210,297	12,210,297	-	68,984,731	17.70%
Correctional Fund:					
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%
12/31/2025	4,638,693	4,638,693		53,013,638	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.

Hennepin County, Minnesota

Schedule of County Proportionate Share of Defined Benefit Pension Plans

Last Ten 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:							
6/30/2016	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%
6/30/2025	13.7858%	456,850,708	11,020,666	467,871,374	1,248,407,145	37.5%	90.8%
Police and Fire Fund:							
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%
6/30/2025	4.4437%	52,069,788	1,804,997	53,874,785	68,733,212	78.4%	91.8%
Correctional Fund:							
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%
6/30/2025	15.9534%	(10,552,842)	-	(10,552,842)	51,287,434	-20.6%	105.2%

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

See notes to required supplementary information.

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2025

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 634,301,565	$ 634,301,565	$ 635,563,131	$ 1,261,566
Wheelage tax	18,930,000	18,930,000	18,581,112	(348,888)
Other taxes	2,731,100	2,731,100	3,056,705	325,605
Intergovernmental	156,493,660	159,971,295	142,662,702	(17,308,593)
Investment earnings (losses)	34,120,000	34,120,000	60,842,442	26,722,442
Charges for services	96,965,309	96,965,309	92,835,452	(4,129,857)
Fines and forfeits	271,000	271,000	338,648	67,648
Licenses and permits	7,908,568	7,908,568	7,716,800	(191,768)
Other	22,320,814	13,139,619	7,734,882	(5,404,737)
Total Revenues	974,042,016	968,338,456	969,331,874	993,418
EXPENDITURES - CURRENT				
Operations				
County Board:				
Personal services	3,780,658	3,813,796	3,580,767	233,029
Commodities	59,500	59,500	58,859	641
Contractual services	211,300	211,300	170,091	41,209
Other charges	357,155	357,155	82,689	274,466
	4,408,613	4,441,751	3,892,406	549,345
County Administration:				
Personal services	3,554,036	3,590,872	3,463,608	127,264
Commodities	7,500	7,500	26,162	(18,662)
Contractual services	1,282,940	1,349,283	1,488,637	(139,354)
Other charges	94,150	94,150	57,581	36,569
	4,938,626	5,041,805	5,035,988	5,817
Compliance:				
Personal services	193,042	267,005	272,351	(5,346)
Commodities	538	538	-	538
Contractual services	6,420	6,420	517	5,903
Other charges	-	-	305	(305)
	200,000	273,963	273,173	790
Strategic Planning & Initiatives:				
Personal services	2,803,900	2,831,057	2,382,197	448,860
Commodities	4,500	4,500	1,144	3,356
Contractual services	181,940	181,940	206,071	(24,131)
Other charges	36,900	36,161	8,519	27,642
	3,027,240	3,053,658	2,597,931	455,727
Budget & Finance:				
Personal services	15,642,269	15,806,749	14,537,700	1,269,049
Commodities	76,600	76,600	13,694	62,906
Contractual services	3,688,258	3,453,173	3,698,857	(245,684)
Other charges	307,250	307,176	140,587	166,589
	19,714,377	19,643,698	18,390,838	1,252,860
Communications:				
Personal services	7,739,827	7,831,631	7,780,873	50,758
Commodities	30,100	20,698	61,303	(40,605)
Contractual services	1,586,226	1,683,046	1,631,188	51,858
Capital outlay	139,050	139,050	-	139,050
Other charges	74,475	74,475	23,347	51,128
	9,569,678	9,748,900	9,496,711	252,189
Housing & Economic Development:				
Personal services	7,811,651	4,566,910	3,864,971	701,939
Commodities	18,950	18,950	9,367	9,583
Contractual services	27,280,214	28,935,214	29,057,841	(122,627)
Other charges	89,175	89,175	138,060	(48,885)
	35,199,990	33,610,249	33,070,239	540,010
Facility Services:				
Personal services	32,450,713	32,884,680	31,211,416	1,673,264
Commodities	1,561,241	1,701,178	1,515,052	186,126
Contractual services	41,396,625	41,822,145	37,702,579	4,119,566
Capital outlay	177,000	184,250	56,253	127,997
Other charges	1,669,084	1,470,617	1,489,605	(18,988)
	77,254,663	78,062,870	71,974,905	6,087,965
Grants Management & Administration:				
Personal services	2,265,247	2,288,091	1,993,955	294,136
Commodities	1,000	1,000	1,274	(274)
Contractual services	98,712	98,712	150,410	(51,698)
Other charges	20,750	20,750	7,316	13,434
	2,385,709	2,408,553	2,152,955	255,598
Central Information Technology				
Personal services	3,839,985	3,888,273	3,647,611	240,662
Commodities	26,348	34,555	93,480	(58,925)
Contractual services	1,743,744	1,354,209	1,398,878	(44,669)
Other charges	25,552	25,552	24,219	1,333
	5,635,629	5,302,589	5,164,188	138,401

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2025

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget
EXPENDITURES - CURRENT, continued				
Operations, continued				
Integrated Data & Analytics:				
Personal services	2,077,543	2,098,410	1,924,705	173,705
Commodities	4,325	4,325	4,706	(381)
Contractual services	322,154	322,154	240,438	81,716
Other charges	56,500	56,500	14,601	41,899
	2,460,522	2,481,389	2,184,450	296,939
Emergency Management:				
Personal services	1,911,506	1,929,519	1,605,825	323,694
Commodities	346,337	332,289	140,299	191,990
Contractual services	830,910	945,910	614,523	331,387
Capital outlay	70,000	70,000	10,000	60,000
Other charges	18,600	18,600	29,200	(10,600)
	3,177,353	3,296,318	2,399,847	896,471
Human Resources:				
Personal services	18,087,189	18,342,653	17,466,375	876,278
Commodities	38,175	38,175	34,326	3,849
Contractual services	3,053,050	3,059,157	2,539,636	519,521
Capital outlay	-	-	12,824	(12,824)
Other charges	989,950	989,950	696,473	293,477
	22,168,364	22,429,935	20,749,634	1,680,301
Audit, Compliance & Investigation Services:				
Personal services	3,807,601	3,849,947	3,750,320	99,627
Commodities	13,400	13,400	1,065	12,335
Contractual services	846,218	846,217	690,003	156,214
Other charges	67,250	67,250	64,745	2,505
	4,734,469	4,776,814	4,506,133	270,681
Operations Administration:				
Personal services	2,916,346	2,947,303	2,892,548	54,755
Commodities	3,700	(17,865)	31,608	(49,473)
Contractual services	318,769	306,478	333,191	(26,713)
Capital outlay	-	303,148	359,514	(56,366)
Other charges	83,700	83,700	5,879	77,821
	3,322,515	3,622,764	3,622,740	24
Digital Experience:				
Personal services	3,246,265	3,280,011	2,913,454.00	366,557
Commodities	4,100	4,385	6,632.00	(2,247)
Contractual services	255,462	505,462	666,688.00	(161,226)
Other charges	52,998	52,998	20,008.00	32,990
	3,558,825	3,842,856	3,606,782.00	236,074
General County Purposes:[1]				
Personal services	1,312,468	1,335,533	2,992,790.00	(1,657,257)
Commodities	44,750	53,950	60,916.00	(6,966)
Contractual services	11,085,096	11,059,749	7,607,509.00	3,452,240
Other charges	22,090,035	5,119,701	4,787,474.00	332,227
	34,532,349	17,568,933	15,448,689.00	2,120,244
Total Operations				
Personal services	113,440,246	111,552,440	106,281,466.00	5,270,974
Commodities	2,241,064	2,353,678	2,059,887.00	293,791
Contractual services	94,188,038	96,140,569	88,197,057.00	7,943,512
Capital outlay	386,050	696,448	438,591.00	257,857
Other charges	26,033,524	8,863,910	7,590,608.00	1,273,302
	236,288,922	219,607,045	204,567,609.00	15,039,436
Disparity Elimination				
Purchasing & Contract Services:				
Personal services	5,327,716	5,386,310	5,226,467.00	159,843
Commodities	169,450	169,450	133,893.00	35,557
Contractual services	317,925	317,925	305,205.00	12,720
Other charges	58,650	58,650	21,064.00	37,586
	5,873,741	5,932,335	5,686,629.00	245,706
Workforce Development:				
Personal services	1,856,385	1,890,250	2,023,654.00	(133,404)
Commodities	3,510	3,510	10,503.00	(6,993)
Contractual services	9,482,845	9,532,545	7,798,047.00	1,734,498
Other charges	29,500	29,500	7,872.00	21,628
	11,372,240	11,455,805	9,840,076.00	1,615,729
Disparity Elimination Administration:				
Personal services	2,847,721	2,876,830	2,739,872.00	136,958
Commodities	19,875	19,875	17,216.00	2,659
Contractual services	11,476,949	11,472,936	608,787.00	10,864,149
Other charges	25,550	25,550	75,559.00	(50,009)
	14,370,095	14,395,191	3,441,434.00	10,953,757
Broadband & Digital Inclusion:				
Personal services	1,683,737	1,700,693	1,320,126.00	380,567
Commodities	752,000	755,457	103,793.00	651,664
Contractual services	430,822	325,822	234,497.00	91,325
Other charges	12,000	12,000	17,745.00	(5,745)
	2,878,559	2,793,972	1,676,161.00	1,117,811

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2025

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget
EXPENDITURES - CURRENT, continued				
Disparity Elimination, continued				
Outreach & Community Supports:				
Personal services	1,617,713	1,637,273	1,060,531.00	576,742
Commodities	7,600	7,486	11,235.00	(3,749)
Contractual services	637,925	719,967	508,410.00	211,557
Capital outlay	-	-	47,572.00	(47,572)
Other charges	52,500	52,500	8,588.00	43,912
	2,315,738	2,417,226	1,636,336.00	780,890
Climate and Resiliency:				
Personal services	1,403,891	1,417,950	1,149,549.00	268,401
Commodities	5,000	5,000	30,126.00	(25,126)
Contractual services	8,930,767	9,427,985	1,016,758.00	8,411,227
Other charges	25,000	70,000	4,716.00	65,284
	10,364,658	10,920,935	2,201,149.00	8,719,786
Education Support Service:				
Personal services	2,354,144	2,377,766	2,032,958.00	344,808
Commodities	55,200	55,164	11,963.00	43,201
Contractual services	957,501	957,501	786,159.00	171,342
Other charges	3,000	1,522	5,046.00	(3,524)
	3,369,845	3,391,953	2,836,126.00	555,827
Total Disparity Elimination				
Personal services	17,091,307	17,287,072	15,553,157.00	1,733,915
Commodities	1,012,635	1,015,942	318,729.00	697,213
Contractual services	32,234,734	32,754,681	11,257,863.00	21,496,818
Capital outlay	-	-	47,572.00	(47,572)
Other charges	206,200	249,722	140,590.00	109,132
	50,544,876	51,307,417	27,317,911.00	23,989,506
Health				
NorthPoint Health & Wellness Center:				
Personal services	41,536,873	42,123,235	39,593,973	2,529,262
Commodities	3,879,853	3,942,708	3,566,830	375,878
Contractual services	8,440,245	8,448,435	8,030,638	417,797
Capital outlay	15,000	15,000	23,965	(8,965)
Other charges	796,760	796,760	533,240	263,520
	54,668,731	55,326,138	51,748,646	3,577,492
Medical Examiner:				
Personal services	9,140,688	9,328,768	8,713,669	615,099
Commodities	281,196	270,593	86,118	184,475
Contractual services	2,007,752	2,101,042	1,421,732	679,310
Other charges	145,600	145,600	59,576	86,024
	11,575,236	11,846,003	10,281,095	1,564,908
Community Healthcare:				
Contractual services	38,000,000	39,000,000	38,631,248	368,752
Health Administration & Support:				
Personal services	274,390	280,027	388,421	(108,394)
Commodities	200	134,875	136,735	(1,860)
Contractual services	10,000	223,333	147,582	75,751
Other charges	-	54,732	-	54,732
	284,590	692,967	672,738	20,229
Sexual Assault Resources Service:				
Contractual services	50,000	58,675	58,675	-
Total Health				
Personal services	50,951,951	51,732,030	48,696,063	3,035,967
Commodities	4,161,249	4,348,176	3,789,683	558,493
Contractual services	48,507,997	49,831,485	48,289,875	1,541,610
Capital outlay	15,000	15,000	23,965	(8,965)
Other charges	942,360	997,092	592,816	404,276
	104,578,557	106,923,783	101,392,402	5,531,381
Law, Safety and Justice				
Law, Safety & Justice Operations:				
Personal services	12,420,869	12,544,849	11,369,881	1,174,968
Commodities	81,301	81,301	33,312	47,989
Contractual services	3,290,094	3,641,386	2,237,622	1,403,764
Other charges	161,060	149,236	3,296	145,940
	15,953,324	16,416,772	13,644,111	2,772,661
County Attorney:				
Personal services	72,588,249	76,484,257	76,031,180	453,077
Commodities	598,701	272,405	294,714	(22,309)
Contractual services	10,797,842	11,081,527	9,850,888	1,230,639
Capital outlay	-	68	-	68
Other charges	167,975	172,742	194,939	(22,197)
	84,152,767	88,010,999	86,371,721	1,639,278
Adult Representation Services:				
Personal services	16,124,571	17,896,578	18,362,637	(466,059)
Commodities	36,900	36,642	41,167	(4,525)
Contractual services	3,154,629	2,848,798	2,411,999	436,799
Other charges	144,015	135,063	96,967	38,096
	19,460,115	20,917,081	20,912,770	4,311
Court Functions:				
Contractual services	186,532	186,532	60,879	125,653

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2025

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget
EXPENDITURES - CURRENT, continued				
Law, Safety and Justice, continued				
Public Defender:				
Personal services	3,862,283	4,036,176	3,881,814	154,362
Commodities	47,500	46,875	18,030	28,845
Contractual services	5,018,380	5,000,930	4,139,417	861,513
Capital outlay	-	-	102	(102)
Other charges	42,700	42,700	154,248	(111,548)
	8,970,863	9,126,681	8,193,611	933,070
Sheriff's Office:				
Personal services	133,088,011	150,080,339	151,217,473	(1,137,134)
Commodities	7,586,537	7,533,214	7,025,398	507,816
Contractual services	22,762,005	23,841,993	23,470,937	371,056
Capital outlay	1,382,807	1,515,592	425,969	1,089,623
Other charges	2,216,017	2,243,465	2,956,369	(712,904)
	167,035,377	185,214,603	185,096,146	118,457
Community Corrections and Rehabilitation:				
Personal services	116,813,532	118,269,411	113,241,474	5,027,937
Commodities	2,523,747	2,540,340	2,880,674	(340,334)
Contractual services	23,385,458	23,736,833	23,073,828	663,005
Capital outlay	15,000	20,891	396,620	(375,729)
Other charges	452,813	452,813	276,452	176,361
	143,190,550	145,020,288	139,869,048	5,151,240
Total Law, Safety and Justice				
Personal services	354,897,515	379,311,610	374,104,459	5,207,151
Commodities	10,874,686	10,510,777	10,293,295	217,482
Contractual services	68,594,940	70,337,999	65,245,570	5,092,429
Capital outlay	1,397,807	1,536,551	822,691	713,860
Other charges	3,184,580	3,196,019	3,682,271	(486,252)
	438,949,528	464,892,956	454,148,286	10,744,670
Public Works				
Total Public Works				
Personal services	47,201,697	41,971,166	36,093,322	5,877,844
Commodities	4,104,195	3,423,471	4,453,800	(1,030,329)
Contractual services	29,943,674	28,437,861	28,706,181	(268,320)
Capital outlay	238,822	485,926	774,662	(288,736)
Other charges	891,293	890,014	397,993	492,021
	82,379,681	75,208,438	70,425,958	4,782,480
Resident Services				
Libraries:				
Personal services	56,718,314	57,413,678	55,793,728	1,619,950
Commodities	1,431,950	1,510,958	921,535	589,423
Contractual services	15,082,780	15,042,218	14,618,478	423,740
Capital outlay	5,938,594	5,746,666	5,199,021	547,645
Other charges	1,057,200	1,057,200	769,809	287,391
	80,228,838	80,770,720	77,302,571	3,468,149
Land Information & Tax Services:				
Personal services	18,710,577	18,914,694	16,533,818	2,380,876
Commodities	88,310	91,132	84,625	6,507
Contractual services	5,658,704	4,173,508	3,051,614	1,121,894
Capital outlay	2,000	2,000	85	1,915
Other charges	132,125	132,125	73,041	59,084
	24,591,716	23,313,459	19,743,183	3,570,276
Service Centers:				
Personal services	12,331,979	12,460,828	11,328,361	1,132,467
Commodities	173,173	174,009	91,226	82,783
Contractual services	2,460,322	2,071,558	2,019,932	51,626
Other charges	47,604	47,604	23,589	24,015
	15,013,078	14,753,999	13,463,108	1,290,891
Elections:				
Personal services	4,242,954	4,285,050	4,115,260	169,790
Commodities	537,500	537,500	270,614	266,886
Contractual services	2,261,208	2,261,519	1,704,049	557,470
Capital outlay	30,000	30,000	-	30,000
Other charges	23,250	23,250	24,973	(1,723)
	7,094,912	7,137,319	6,114,896	1,022,423
Resident Services Administration:				
Personal services	8,641,658	8,728,743	8,050,491	678,252
Commodities	248,650	248,650	57,652	190,998
Contractual services	1,158,412	1,758,412	2,718,984	(960,572)
Other charges	1,832,072	1,816,552	46,764	1,769,788
	11,880,792	12,552,357	10,873,891	1,678,466
Assessor:				
Personal services	8,864,932	8,957,878	8,482,697	475,181
Commodities	339,130	339,130	345,648	(6,518)
Contractual services	1,171,880	1,171,880	983,238	188,642
Other charges	102,900	102,900	66,370	36,530
	10,478,842	10,571,788	9,877,953	693,835

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2025

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget
EXPENDITURES - CURRENT, continued				
Resident Services, continued				
Examiner of Titles:				
Personal services	1,596,873	1,612,939	1,319,864	293,075
Commodities	4,200	4,200	3,722	478
Contractual services	66,780	66,779	62,371	4,408
Capital outlay	1,000	1,000	-	1,000
Other charges	20,600	20,601	4,800	15,801
	1,689,453	1,705,519	1,390,757	314,762
Total Resident Services				
Personal services	111,107,287	112,373,810	105,624,219	6,749,591
Commodities	2,822,913	2,905,579	1,775,022	1,130,557
Contractual services	27,860,086	26,545,874	25,158,666	1,387,208
Capital outlay	5,971,594	5,779,666	5,199,106	580,560
Other charges	3,215,751	3,200,232	1,009,346	2,190,886
	150,977,631	150,805,161	138,766,359	12,038,802
TOTAL EXPENDITURES - CURRENT				
Personal services	694,690,003	714,228,128	686,352,686	27,875,442
Commodities	25,216,742	24,557,623	22,690,416	1,867,207
Contractual services	301,329,469	304,048,469	266,855,212	37,193,257
Capital outlay	8,009,273	8,513,591	7,306,587	1,207,004
Other charges	34,473,708	17,396,989	13,413,624	3,983,365
	1,063,719,195	1,068,744,800	996,618,525	72,126,275
EXPENDITURES - DEBT SERVICE				
Principal retirement	-	1,668,325	1,668,325	-
Interest and fiscal charges	-	228,841	228,841	-
	-	1,897,166	1,897,166	-
Total Expenditures	1,063,719,195	1,070,641,966	998,515,691	72,126,275
Excess (Deficiency) of Revenues Over Expenditures	(89,677,179)	(102,303,510)	(29,183,817)	73,119,693
OTHER FINANCING SOURCES (USES)				
Transfers in	25,039,429	23,539,429	23,147,272	(392,157)
Transfers out	-	(4,139,749)	(4,786,042)	(646,293)
Leases and subscriptions	300,000	300,000	-	(300,000)
Total Other Financing Sources (Uses)	25,339,429	19,699,680	18,361,230	(1,338,450)
Net Change in Fund Balance	(64,337,750)	(82,603,830)	(10,822,587)	$ 71,781,243
Fund Balance - Beginning	292,251,720	292,251,720	292,251,720	
Fund Balance - Ending	$ 227,913,970	$ 209,647,890	$ 281,429,133	

[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.

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Human Services Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 294,171,727	$ 294,171,727	$ 292,815,612	$ (1,356,115)
Other taxes	-	-	143,577	143,577
Intergovernmental	386,556,551	393,337,284	411,202,728	17,865,444
Investment earnings (losses)	-	-	483,699	483,699
Charges for services	63,972,051	63,972,051	65,950,789	1,978,738
Opioid settlements	4,224,095	4,224,095	4,224,095	-
Licenses and permits	2,301,500	2,301,500	2,426,490	124,990
Other	4,670,512	5,072,822	117,306	(4,955,516)
Total Revenues	755,896,436	763,079,479	777,364,296	14,284,817
EXPENDITURES				
Human Services:				
Personal services	471,866,490	480,600,102	484,222,782	(3,622,680)
Commodities	6,163,710	6,315,818	5,840,787	475,031
Contractual services	69,924,669	71,571,762	65,894,337	5,677,425
Public aid assistance	267,359,457	271,506,876	244,390,486	27,116,390
Capital outlay	100,000	100,000	118,500	(18,500)
Other	24,596,124	24,738,684	22,911,529	1,827,155
Debt Service:				
Principal retirement	-	-	3,752,203	(3,752,203)
Interest and fiscal charges	-	-	363,053	(363,053)
Total Expenditures	840,010,450	854,833,242	827,493,677	27,339,565
Excess (Deficiency) of Revenues Over Expenditures	(84,114,014)	(91,753,763)	(50,129,381)	41,624,382
OTHER FINANCING SOURCES				
Transfers in	14,000,000	19,639,749	19,228,768	(410,981)
Net Change in Fund Balance	(70,114,014)	(72,114,014)	(30,900,613)	$ 41,213,401
Fund Balance - Beginning	198,667,585	198,667,585	198,667,585	
Fund Balance - Ending	$ 128,553,571	$ 126,553,571	$ 167,766,972	

See notes to required supplementary information.

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Ballpark Sales Tax Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Sales tax	$ 51,400,000	$ 51,400,000	$ 48,358,866	$ (3,041,134)
Investment earnings (losses)	-	-	3,269,995	3,269,995
Total Revenues	51,400,000	51,400,000	51,628,861	228,861
EXPENDITURES				
Operations				
Contractual services	427,000	475,000	481,993	(6,993)
Grants	2,276,000	2,276,000	2,268,893	7,107
Total Expenditures	2,703,000	2,751,000	2,750,886	114
Excess of Revenues Over Expenditures	48,697,000	48,649,000	48,877,975	228,975
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,903,753)	(15,903,753)	(14,750,772)	1,152,981
Net Change in Fund Balance	32,793,247	32,745,247	34,127,203	$ 1,381,956
Fund Balance - Beginning	79,154,573	79,154,573	79,154,573	
Fund Balance - Ending	$ 111,947,820	$ 111,899,820	$ 113,281,776	

See notes to required supplementary information.

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Other Sales Tax Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Sales tax	$ 170,000,000	$ 170,000,000	$ 160,823,738	$ (9,176,262)
Intergovernmental	75,298,995	75,298,995	66,829,031	(8,469,964)
Total Revenues	245,298,995	245,298,995	227,652,769	(17,646,226)
EXPENDITURES				
Public Works				
Contractual services	1,603,000	1,603,000	1,602,807	193
Excess of Revenues Over Expenditures	243,695,995	243,695,995	226,049,962	(17,646,033)
OTHER FINANCING SOURCES (USES)				
Transfers out	(293,248,921)	(293,248,921)	(184,345,694)	108,903,227
Net Change in Fund Balance	(49,552,926)	(49,552,926)	41,704,268	$ 91,257,194
Fund Balance - Beginning	329,448,588	329,448,588	329,448,588	
Fund Balance - Ending	$ 279,895,662	$ 279,895,662	$ 371,152,856	

See notes to required supplementary information.

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing and Redevelopment Authority Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 21,798,273	$ 21,798,273	$ 21,711,290	$ (86,983)
Intergovernmental	320,000	320,000	358,288	38,288
Investment earnings (losses)	70,000	70,000	2,061,567	1,991,567
Charges for services	1,080,000	1,080,000	1,534,400	454,400
Other	217,087	217,087	55,421	(161,666)
Total Revenues	23,485,360	23,485,360	25,720,966	2,235,606
EXPENDITURES				
Housing and Redevelopment Authority:				
Personal services	-	3,923,463	3,323,469	599,994
Commodities	1,250	1,250	-	1,250
Contractual services	25,683,263	21,655,125	7,286,401	14,368,724
Other	32,580	32,580	24,802	7,778
Grants and contributions	13,645,000	13,645,000	10,742,875	2,902,125
Total Expenditures	39,362,093	39,257,418	21,377,547	17,879,871
Excess (Deficiency) of Revenues Over Expenditures	(15,876,733)	(15,772,058)	4,343,419	20,115,477
OTHER FINANCING SOURCES (USES)				
Transfers in	10,036,825	10,036,825	901,997	(9,134,828)
Transfers out	-	-	(762,813)	(762,813)
Sale of capital assets	-	-	1,300,000	1,300,000
Total Other Financing Sources (Uses)	10,036,825	10,036,825	1,439,184	(8,597,641)
Net Change in Fund Balance	(5,839,908)	(5,735,233)	5,782,603	$ 11,517,836
Fund Balance - Beginning	52,895,636	52,895,636	52,895,636	
Fund Balance - Ending	$ 47,055,728	$ 47,160,403	$ 58,678,239	

See notes to required supplementary information.

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Regional Railroad Authority Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 24,314,063	$ 24,314,063	$ 24,208,126	$ (105,937)
Investment earnings (losses)	1,000,000	1,000,000	4,505,174	3,505,174
Charges for services	10,000	10,000	1,062,426	1,052,426
Other	-	-	61,534	61,534
Total Revenues	25,324,063	25,324,063	29,837,260	4,513,197
EXPENDITURES				
Regional Railroad Authority:				
Personal services	-	2,996,898	2,687,628	309,270
Commodities	20,600	21,158	134,900	(113,742)
Contractual services	25,179,563	22,615,063	18,707,516	3,907,547
Other	123,900	86,696	505,953	(419,257)
Total Expenditures	25,324,063	25,719,815	22,035,997	3,683,818
Net Change in Fund Balance	-	(395,752)	7,801,263	$ 8,197,015
Fund Balance - Beginning	102,479,165	102,479,165	102,479,165	
Fund Balance - Ending	$ 102,479,165	$ 102,083,413	$ 110,280,428	

See notes to required supplementary information.

Notes to Required Supplementary Information
December 31, 2025

A. Stewardship, Compliance and Accountability

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

Year	Appropriated Budget	Actual Expenditures	Remaining Budget
Human Services:			
2022 and prior	$ 450,000	$ 403,014	$ 46,986
2023	2,436,833	2,436,591	242
2024	13,315,022	7,261,062	6,053,960
2025	9,800,661	10,783,791	(983,130)
	$ 26,002,516	$ 20,884,458	$ 5,118,058
HRA:			
2022 and prior	$115,402,997	$ 41,758,040	$ 73,644,957
2023	24,829,004	28,317,633	(3,488,629)
2024	22,614,731	30,907,561	(8,292,830)
2025	22,819,575	12,800,893	10,018,682
	$185,666,307	$113,784,127	$ 71,882,180
RRA:			
2022 and prior	$142,204,859	$ 46,903,298	$ 95,301,561
2023	12,092,775	3,398,500	8,694,275
2024	15,899,639	9,992,606	5,907,033
2025	15,498,648	15,598,669	(100,021)
	$185,695,921	$ 75,893,073	$109,802,848

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.

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

General Plan

2025 Changes

Changes in Actuarial Assumptions

The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.

The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions

The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75% , beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.

The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes

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.

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

General Plan – continued

2024 Changes – continued
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 7.00%.

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.

2021 Changes
Changes in Actuarial Assumptions
The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.

The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 Changes
Changes in Actuarial Assumptions
The price inflation assumption was decreased from 2.50% to 2.25%.

The payroll growth assumption was decreased from 3.25% to 3.00%.

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.

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

General Plan – continued

2020 Changes in Actuarial Assumptions – continued
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 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

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 1.0% 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 4.0% to 3.0%, beginning July 1, 2018.

Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Contribution stabilizer provisions were repealed.

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

General Plan – continued

2018 Changes in Plan Provisions – continued
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 1.0% 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 0.80% for active members and 60% for vested and non-vested deferred members. The revised CSA load are now 0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for non-vested deferred member liability.

The assumed annual increase rate was changed for 1.0% per year for all years to 1.0% per year through 2044 and 2.50% 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.

2016 Changes:
Changes in Actuarial Assumptions
The assumed annual increase rate was changed from 1% per year through 2035 and 2.50% per year thereafter to 1.0% per year for all years.

The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.

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 2.50% for inflation.

Police and Fire Plan

2025 Changes
Changes in Actuarial Assumptions
Assumed rates of salary increases were reduced slightly.

Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.

Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.

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

Police and Fire Plan – continued

2025 Changes in Actuarial Assumptions – continued

Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.

Continued used of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.

Percent married assumption for female retirees lowered from 70% to 65%.

Minor changes were made to form of payment assumptions for retirees.

Minor changes were made to assumptions made with respect to missing participant data.

The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in Plan Provisions

The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).

The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.

The threshold to end the $9,000,000 annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).

The threshold to end the additional $9,000,000 annual state aid contribution changed from the earlier of July 1, 20248 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).

An additional $17,700,000 in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.

Join and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024 Changes

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).

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

Police and Fire Plan – continued

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%.

Changes in Plan Provisions

Additional one-time direct state aid contribution of $19,400,000 will be contributed to the Plan on October 1, 2023.

Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.

A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.

The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes

Changes in Actuarial Assumptions

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

The single discount rate changed from 6.5% to 5.4%.

2021 Changes

Changes in Actuarial Assumptions

The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.

The inflation assumption was changed from 2.50% to 2.25%.

The payroll growth assumption was changed from 3.25% to 3.00%.

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 MP-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.

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

Police and Fire Plan – continued

2021 Changes in Actuarial Assumptions – continued

Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.

Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.

Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

2020 Changes

Changes in Actuarial Assumptions

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

2019 Changes

Changes in Actuarial Assumptions

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

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 1.00% 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 0.00%, 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.

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

Police and Fire Plan – continued

2017 Changes in Actuarial Assumptions – continued
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 2.0% for nonvested members.

The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
Assumed termination rates were decreased to 3.0% 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 1.00% for all years to 1.00 per year through 2064 and 2.5% thereafter.

The single discount rate was changed from 5.6% per annum to 7.5% per annum.

2016 Changes:
Changes in Actuarial Assumptions
The assumed annual benefit increase rate was changed from 1.0% per year through 2037 and 2.5% per year thereafter to 1.0% 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.

Correctional Plan

2025 Changes
Changes in Actuarial Assumptions
Assumed rates of salary increases were reduced slightly and changed to service-based (vs. age based).

Assumed rates of retirement were adjusted resulting in an overall increase in unreduced (full) retirements and reduced (early) retirements.

Assumed rates of withdrawal were changed from age-based rates after three years of service to service-based for all years; the new rates result in an increase in predicted terminations for males and females.

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

Correctional Plan – continued

2025 Changes in Actuarial Assumptions – continued
Minor changes were made to assumed rates of disability retirements.

Continued use of the Pub-2010 Public Safety Mortality Table, with no adjustments.

Minor changes were made to the assumed percent married, beneficiary age difference and form of payment assumptions for future retirees.

Minor changes were made to assumptions made with respect to missing participant data.

The combined service annuity load was changed from 35% to 9% for vested, terminated members, and from 1% to 119% for non-vested, terminated members.

Changes in Plan Provisions
The benefit payable to a member who qualifies for a duty disability benefit was changed to 47.5% of average salary plus, for each year of service in excess of 25 years, 1.9% for each year of allowable service before July 1, 2025, and 2.2% for each year of allowable service beginning after June 30, 2025.

Actuarial equivalent factors were updated to reflect changes in assumptions.

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 7.00%.

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.

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

Correctional Plan – continued

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 2.00% per annum to 2.00% per annum through December 31, 2054, and 1.50% per annum thereafter.

2021 Changes

Changes in Actuarial Assumptions

The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.

The inflation assumption was changed from 2.50% to 2.25%.

The payroll growth assumption was changed from 3.25% to 3.00%.

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 MP-2020.

The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).

Assumed rates of salary increase were modified as recommended in the July 10, 2020, experience study. The overall impact is a decrease in gross salary increase rates.

Assumed rates of retirement were changed as recommended in the July 10, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

Assumed rates of withdrawal were changed as recommended in the July 10, 2020, experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).

Assumed rates of disability lowered.

Assumed percent married for active members was lowered from 85% to 75%.

Minor changes to form of payment assumptions were applied.

2020 Changes

Changes in Actuarial Assumptions

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

2019 Changes

Changes in Actuarial Assumptions

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

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

Correctional Plan – continued

2018 Changes

Changes in Actuarial Assumptions

The single discount rate was changed from 5.96% per annum to 7.50% per annum.

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

The assumed annual increase was changed from 2.50% per year to 2.00% 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 4.00% to 3.00%, beginning July 1, 2018.

Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.

Annual increases were changed from 2.50% per year with a provision to reduce to 1.00% if the funding status declines to a certain level, to 100% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 2.50%, beginning January 1, 2019. If the funding status declines to 85.00% for two consecutive years or 80.00% for one year, the maximum increase will be lowered to 1.50%.

Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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 30.00% for vested and non-vested, deferred members. The CSA has been changed to 35.00% for vested members and 1.00% for non-vested members.

The single discount rate was changed from 5.31% per annum to 5.96% per annum.

2016 Changes:

Changes in Actuarial Assumptions

The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% 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.

Notes to Required Supplementary Information
December 31, 2025

C. 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.

2025 Changes
Changes in Actuarial Assumptions
Discount rate increased from 3.26% to 4.08%

The demographic assumptions for the general group were updated based on the most recent actuarial report completed for the PERA General 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.

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%

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.

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

OPEB – Excluding Medical Center – continued

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.

2025 Changes
Changes in Actuarial Assumptions
Discount rate decreased from 3.16% to 4.08%

2024 Changes
Changes in Actuarial Assumptions
Discount rate decreased from 3.72% to 3.16%

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%


Hennepin

Supplementary Information

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
RRA Debt Service Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 8,812,250	$ 8,812,250	$ 9,073,421	$ 261,171
EXPENDITURES				
Debt Service:				
Principal retirement	4,965,000	4,965,000	4,965,000	-
Interest and fiscal charges	3,847,250	3,847,250	3,847,250	-
Total Expenditures	8,812,250	8,812,250	8,812,250	-
Net Change in Fund Balance	-	-	261,171	$ 261,171
Fund Balance - Beginning	170,267	170,267	170,267	
Fund Balance - Ending	$ 170,267	$ 170,267	$ 431,438	

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Debt Service Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 108,000,000	$ 108,000,000	$ 105,580,209	$ (2,419,791)
Other taxes	-	-	51,753	51,753
Intergovernmental	2,525,666	2,525,666	2,072,125	(453,541)
Investment earnings	-	-	232,491	232,491
Total Revenues	110,525,666	110,525,666	107,936,578	(2,589,088)
EXPENDITURES				
Debt Service:				
Principal retirement	93,748,281	93,748,281	74,219,044	19,529,237
Interest and fiscal charges	59,617,371	60,146,989	67,602,584	(7,455,595)
Intergovernmental	-	2,958,304	2,958,304	-
Total Expenditures	153,365,652	156,853,574	144,779,932	12,073,642
Excess (Deficiency) of Revenues	(42,839,986)	(46,327,908)	(36,843,354)	9,484,554
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	134,360,000	134,360,000	-
Payment to refunded bond escrow agent	-	(148,610,000)	(148,610,000)	-
Transfers in	42,839,986	42,839,986	37,212,284	(5,627,702)
Debt premiums	-	17,737,922	17,737,922	-
Total Other Financing Sources (Uses)	42,839,986	46,327,908	40,700,206	(5,627,702)
Net Change in Fund Balance	-	-	3,856,852	$ 3,856,852
Fund Balance - Beginning	7,498,129	7,498,129	7,498,129	
Fund Balance - Ending	$ 7,498,129	$ 7,498,129	$ 11,354,981	

Hennepin County, Minnesota

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 902,000	$ 902,000	$ 887,165	$ (14,835)
Wheelage tax	2,170,000	2,170,000	2,170,000	-
Other taxes	-	-	447	447
Intergovernmental	101,161,881	105,291,881	81,923,461	(23,368,420)
Investment earnings	-	-	1,768,865	1,768,865
Charges for services	-	-	29,762	29,762
Other	1,619,000	1,619,000	128,301	(1,490,699)
Total Revenues	105,852,881	109,982,881	86,908,001	(23,074,880)
EXPENDITURES				
Operations	258,047,888	258,047,888	160,811,672	97,236,216
Capital outlay	310,259,881	314,414,881	243,845,659	70,569,222
Total Expenditures	568,307,769	572,462,769	404,657,331	167,805,438
Excess (Deficiency) of Revenues	(462,454,888)	(462,479,888)	(317,749,330)	144,730,558
OTHER FINANCING SOURCES (USES)				
Issuance of debt	229,190,000	229,190,000	100,000,000	(129,190,000)
Transfers in	233,264,888	233,289,888	124,263,328	(109,026,560)
Debt premiums	-	-	13,596,695	13,596,695
Total Other Financing Sources (Uses)	462,454,888	462,479,888	237,860,023	(224,619,865)
Net Change in Fund Balance	-	-	(79,889,307)	$ (79,889,307)
Fund Balance - Beginning	18,284,623	18,284,623	18,284,623	
Fund Balance (Deficit) - Ending	$ 18,284,623	$ 18,284,623	$ (61,604,684)	

Hennepin County, Minnesota

Combining Statement of Net Position - Nonmajor Enterprise Funds
December 31, 2025

	Glen Lake Golf Course	Radio Communications	Total
ASSETS			
Current Assets:			
Cash	$ 1,360,736	$ 5,373,287	$ 6,734,023
Interfund receivable	-	28,014	28,014
Other receivables	-	397,769	397,769
Prepaids and supplies	11,398	-	11,398
Total Current Assets	1,372,134	5,799,070	7,171,204
Noncurrent Assets:			
Capital assets, nondepreciable	985,092	-	985,092
Capital asset, net of accumulated depreciation/amortization	12,049	9,308,211	9,320,260
Total Noncurrent Assets	997,141	9,308,211	10,305,352
Total Assets	$ 2,369,275	$ 15,107,281	$ 17,476,556
LIABILITIES			
Current Liabilities:			
Accounts and contracts payable	$ 16,255	$ 2,756	$ 19,011
Total Current Liabilities	16,255	2,756	19,011
NET POSITION			
Net investment in capital assets	997,141	9,308,211	10,305,352
Unrestricted	1,355,879	5,796,314	7,152,193
Total Net Position	2,353,020	15,104,525	17,457,545
Total Liabilities and Net Position	$ 2,369,275	$ 15,107,281	$ 17,476,556

Hennepin County, Minnesota

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2025

	Glen Lake Golf Course	Radio Communications	Total
OPERATING REVENUES			
Charges for services	$ 1,431,242	$ 4,885,435	$ 6,316,677
OPERATING EXPENSES			
Personal services	780,665	-	780,665
Commodities	111,472	134,378	245,850
Contractual services	137,371	2,128,152	2,265,523
Depreciation	12,042	1,717,644	1,729,686
Other	109,522	128,116	237,638
Total Operating Expenses	1,151,072	4,108,290	5,259,362
Operating Income (Loss)	280,170	777,145	1,057,315
NONOPERATING REVENUES (EXPENSES)			
Gain (Loss) on capital asset disposal	-	(162)	(162)
Income (Loss) Before Transfers	280,170	776,983	1,057,153
Transfers out	(102,546)	-	(102,546)
Change in Net Position	177,624	776,983	954,607
Total Net Position - Beginning	2,175,396	14,327,542	16,502,938
Total Net Position-Ending	$ 2,353,020	$ 15,104,525	$ 17,457,545

Hennepin County, Minnesota

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2025

	Glen Lake Golf Course	Radio Communications	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 1,431,242	$ 4,828,722	$ 6,259,964
Payments to suppliers for goods and services	(249,793)	(2,502,344)	(2,752,137)
Payments to employees for services	(780,665)	-	(780,665)
Other operating disbursements	(109,522)	(128,116)	(237,638)
Net Cash Provided by Operating Activities	291,262	2,198,262	2,489,524
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(102,546)	-	(102,546)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	-	(1,990,173)	(1,990,173)
Net Increase in Cash	188,716	208,089	396,805
Cash at Beginning of Year	1,172,020	5,165,198	6,337,218
Cash at End of Year	$ 1,360,736	$ 5,373,287	$ 6,734,023
CASH COMPONENTS:			
Cash	$ 1,360,736	$ 5,373,287	$ 6,734,023
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ 280,170	$ 777,145	$ 1,057,315
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	12,042	1,717,644	1,729,686
(Increase) decrease in:			
Receivables and prepaid items	3,449	(56,713)	(53,264)
Increase (decrease) in:			
Accounts payable and accrued expenses	(4,399)	(239,814)	(244,213)
Net Cash Provided by Operating Activities	$ 291,262	$ 2,198,262	$ 2,489,524
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Loss on disposal of capital assets	$ -	$ (162)	$ (162)


Hennepin

Hennepin County, Minnesota

Combining Statement of Net Position - Internal Service Funds
December 31, 2025

	Fleet Services	Information Technology	Energy Center	Self Insurance
ASSETS & DEFERRED OUTFLOWS				
Current Assets:				
Cash	$ 15,974,191	$ 18,183	$ 4,921,844	$ 18,663,732
Interfund receivable	405,907	13,258	2,247,957	1,705,696
Receivables from users	431,685	104,100	271,342	836,497
Prepaids and supplies	177,460	14,991,755	62,271	2,925
Total Current Assets	16,989,243	15,127,296	7,503,414	21,208,850
Noncurrent Assets:				
Capital assets, nondepreciable	11,139,875	-	1,174,799	-
Capital asset, net of accumulated depreciation/amortization	37,148,132	11,205,015	13,036,958	-
Total Noncurrent Assets	48,288,007	11,205,015	14,211,757	-
Total Assets	65,277,250	26,332,311	21,715,171	21,208,850
Deferred Outflows of Resources:				
Postemployment healthcare related	19,382	639,214	423	755
Total Assets and Deferred Outflows	$ 65,296,632	$ 26,971,525	$ 21,715,594	$ 21,209,605
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
Current Liabilities:				
Interfund payable	$ -	$ 1,800,000	$ -	$ -
Accounts and contracts payable	1,385,400	947,119	971,851	1,564,500
Accrued expenses	121,181	2,571,375	5,595	69,157
Current portion of:				
Workers' compensation claims	-	-	-	4,400,000
Lease and subscription payables	-	337,179	-	-
General obligation bonds	-	-	1,089,591	-
Postemployment healthcare benefits	2,000	236,000	-	-
Compensated absences	70,000	550,000	10,000	20,000
Total Current Liabilities	1,578,581	6,441,673	2,077,037	6,053,657
Noncurrent Liabilities, Net of Current Portion:				
Workers' compensation claims	-	-	-	11,826,500
General obligation bonds	-	-	10,962,819	-
Postemployment healthcare benefits	100,735	2,481,858	-	1,899
Compensated absences	453,693	7,554,524	34,460	128,358
Total Noncurrent Liabilities	554,428	10,036,382	10,997,279	11,956,757
Total Liabilities	2,133,009	16,478,055	13,074,316	18,010,414
Deferred Inflows of Resources:				
Postemployment healthcare related	19,044	436,828	821	1,967
Net Position:				
Net investment in capital assets	48,288,007	10,867,836	2,159,347	-
Unrestricted (deficit)	14,856,572	(811,194)	6,481,110	3,197,224
Total Net Position	63,144,579	10,056,642	8,640,457	3,197,224
Total Liabilities, Deferred Inflows and Net Position	$ 65,296,632	$ 26,971,525	$ 21,715,594	$ 21,209,605

	Employee Health Plan Self Insurance		Other Employee Benefits		Total
$	20,008,072	$	115,170,413	$	174,756,435
	-		-		4,372,818
	-		-		1,643,624
	-		-		15,234,411
	20,008,072		115,170,413		196,007,288
	-		-		12,314,674
	-		-		61,390,105
	-		-		73,704,779
	20,008,072		115,170,413		269,712,067
	15,577				675,351
$	20,023,649	$	115,170,413	$	270,387,418
$	-	$	-	$	1,800,000
	76,031		-		4,944,901
	19,294,124		-		22,061,432
	-		-		4,400,000
	-		-		337,179
	-		-		1,089,591
	9,000		-		247,000
	10,000		12,340,000		13,000,000
	19,389,155		12,340,000		47,880,103
	-		-		11,826,500
	-		-		10,962,819
	37,840		-		2,622,332
	61,414		131,202,945		139,435,394
	99,254		131,202,945		164,847,045
	19,488,409		143,542,945		212,727,148
	9,229		-		467,889
	-		-		61,315,190
	526,011		(28,372,532)		(4,122,809)
	526,011		(28,372,532)		57,192,381
$	20,023,649	$	115,170,413	$	270,387,418

Hennepin County, Minnesota

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2025

	Fleet Services	Information Technology	Energy Center	Self Insurance
OPERATING REVENUES				
Charges for services	$ 19,392,317	$ 91,736,552	$ 12,268,581	$ 11,310,818
Total Operating Revenues	19,392,317	91,736,552	12,268,581	11,310,818
OPERATING EXPENSES				
Personal services	3,985,071	65,977,394	381,384	10,454,935
Commodities	3,322,622	5,967,899	6,198,781	86,921
Contractual services	2,582,983	34,963,362	2,862,924	1,426,597
Depreciation and amortization	10,420,827	4,717,498	1,722,513	-
Other charges	485,729	3,513,425	131,236	2,227,913
Total Operating Expenses	20,797,232	115,139,578	11,296,838	14,196,366
Operating Income (Loss)	(1,404,915)	(23,403,026)	971,743	(2,885,548)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (losses)	-	-	-	-
Interest expense	-	(14,313)	(370,389)	-
Gain (Loss) on capital asset disposal	997,009	(72,143)	-	-
Total Nonoperating Revenues (Expenses)	997,009	(86,456)	(370,389)	-
Income (Loss) Before Contributions	(407,906)	(23,489,482)	601,354	(2,885,548)
Capital contributions	750,443	196,107	-	-
Transfers out	-	(5,782)	-	-
Net Contributions and Transfers	750,443	190,325	-	-
Change in Net Position	342,537	(23,299,157)	601,354	(2,885,548)
Total Net Position - Beginning	62,802,042	33,355,799	8,039,103	6,082,772
Total Net Position - Ending	$ 63,144,579	$ 10,056,642	$ 8,640,457	$ 3,197,224

	Employee Health Plan Self Insurance		Other Employee Benefits		Total
$	210,507,331	$	16,570,420	$	361,786,019
	210,507,331		16,570,420		361,786,019
	209,585,457		22,813,076		313,197,317
	2,455		-		15,578,678
	11,329,725		-		53,165,591
	-		-		16,860,838
	1,073		-		6,359,376
	220,918,710		22,813,076		405,161,800
	(10,411,379)		(6,242,656)		(43,375,781)
	805,809		-		805,809
	-		-		(384,702)
	-		-		924,866
	805,809		-		1,345,973
	(9,605,570)		(6,242,656)		(42,029,808)
	-		-		946,550
	-		-		(5,782)
	-		-		940,768
	(9,605,570)		(6,242,656)		(41,089,040)
	10,131,581		(22,129,876)		98,281,421
$	526,011	$	(28,372,532)	$	57,192,381

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2025

	Fleet Services	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 19,379,881	$ 92,569,345
Payments to suppliers for goods and services	(4,817,388)	(39,533,764)
Payments to employees for services	(3,931,523)	(65,909,051)
Other operating disbursements	(485,729)	(3,513,425)
Net Cash Provided (Used) by Operating Activities	10,145,241	(16,386,895)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	-	(5,782)
Interfund loans	-	1,800,000
Net Cash Provided (Used) by Noncapital Financing Activities	-	1,794,218
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(15,703,380)	(5,382,077)
Interest paid	-	(14,313)
Debt issuance cost and principal payments	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(15,703,380)	(5,396,390)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income (loss)	-	-
Net Increase (Decrease) in Cash	(5,558,139)	(19,989,067)
Cash at Beginning of Year	21,532,330	20,007,250
Cash at End of Year	$ 15,974,191	$ 18,183
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$ (1,404,915)	$ (23,403,026)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	10,420,827	4,717,498
(Increase) decrease in:		
Receivables and prepaid items	110,253	2,798,990
Increase (decrease) in:		
Accounts payable and accrued expenses	1,014,135	(565,124)
Deferred outflows	4,121	16,022
Deferred inflows	820	48,745
Net Cash Provided (Used) by Operating Activities	$ 10,145,241	$ (16,386,895)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of capital assets	$ 750,443	$ 196,107
Gain (loss) on disposal of capital assets	-	(72,143)
Increase (decrease) in fair value of investments	-	-

	Energy Center	Self Insurance	Employee Health Plan Self-Insurance	Other Employee Benefits	Total
$	11,591,770	$ 10,244,450	$ 220,893,027	$ 16,570,420	$ 371,248,893
	(8,938,738)	(1,427,332)	(11,281,191)	-	(65,998,413)
	(410,670)	(9,522,229)	(209,587,717)	(12,542,464)	(301,903,654)
	(131,236)	(2,227,913)	(1,073)	-	(6,359,376)
	2,111,126	(2,933,024)	23,046	4,027,956	(3,012,550)
	-	-	-	-	(5,782)
	-	-	-	-	1,800,000
	-	-	-	-	1,794,218
	-	-	-	-	(21,422,636)
	-	-	-	-	337,179
	(370,389)	-	-	-	(384,702)
	(1,129,493)	-	-	-	(1,129,493)
	(1,499,882)	-	-	-	(22,599,652)
	-	-	805,809	-	805,809
	611,244	(2,933,024)	828,855	4,027,956	(23,012,175)
	4,310,600	21,596,756	19,179,217	111,142,457	197,768,610
$	4,921,844	$ 18,663,732	$ 20,008,072	$ 115,170,413	$ 174,756,435
$	971,743	$ (2,885,548)	$ (10,411,379)	$ (6,242,656)	$ (43,375,781)
	1,722,513	-	-	-	16,860,838
	(536,341)	(1,081,798)	-	-	1,291,104
	(48,675)	1,034,537	10,434,444	10,270,612	22,139,929
	2,134	210	(866)	-	21,621
	(248)	(425)	847	-	49,739
$	2,111,126	$ (2,933,024)	$ 23,046	$ 4,027,956	$ (3,012,550)
$	-	$ -	$ -	$ -	$ 946,550
	-	-	-	-	(72,143)
	-	-	316,009	-	316,009

Hennepin County, Minnesota

Schedule of Changes in Debt
For the Year Ended December 31, 2025

	Repayment Terms	Interest Rates	Amount of Original Issue
General Obligation - Levy Supported Bonds and Commercial Paper			
September 15, 2010 Series C, [1] Taxable	Fully paid in 2025.	4.0%	$ 41,060,000
September 15, 2010 Series D, [2] Recovery Zone Econ Development	Fully paid in 2025.	4.8% to 4.875%	37,375,000
July 13, 2016 Series A, AOSC	$3,635,000 in 2026, $3,820,000 in 2027, $4,010,000 in 2028 and $74,550,000 in various increment from 2029 through 2041	5.0%	104,285,000
October 19, 2016 Series B	$3,000,000 in 2026, 2027 and 2028, and $59,000,000 in various increments from 2029 through 2036	5.0%	95,000,000
October 19, 2016 Series C	$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	$2,100,000 in 2026, $2,185,000 in 2027, $2,270,000 in 2028 and $39,305,000 in various increments from 2029 through 2041	Variable - Est. 2.631%	60,000,000
August 29, 2017 Series C	$4,520,000 in 2026, $4,745,000 in 2027, $4,985,000 in 2028 and $57,715,000 in various increments from 2029 through 2037	5.0%	100,000,000
July 17, 2018 Series A	$4,545,000 in 2026, $4,770,000 in 2027, $5,010,000 in 2028 and $66,170,000 in various increments from 2029 through 2038	5.0%	100,000,000
November 1, 2018 Series B	Fully paid in 2025.	Variable - Est. 2.659%	163,485,000
September 11, 2019 Series C, Refunding	$4,235,000 in 2026, $4,445,000 in 2027, $4,670,000 in 2028 and $4,910,000 in 2029	5.0%	39,265,000
September 24, 2020 Series A	$3,730,000 in 2026, $3,920,000 in 2027, $4,115,000 in 2028 and $68,770,000 in various increments from 2029 through 2040	5.0%	100,000,000
September 24, 2020 Series B, Refunding	$2,355,000 in 2026, $2,470,000 in 2027, $2,595,000 in 2028 and $8,600,000 in various increments from 2029 through 2031	5.0%	37,795,000
September 30, 2021 Series A	$3,760,000 in 2026, $3,950,000 in 2027, $4,145,000 in 2028 and $76,145,000 in various increments from 2029 through 2041	4.0% to 5.0%	100,000,000
September 1, 2022 Series A	$2,105,000 in 2026, $2,180,000 in 2027, $2,255,000 in 2028 and $42,520,000 in various increments from 2029 through 2042	3.5% to 4.125%	55,000,000
October 27, 2022 Series B Refunding	$9,055,000 in 2026, $6,220,000 in 2027, $3,235,000 in 2028 and $48,265,000 in various increments from 2029 to 2039	5.0%	75,350,000
September 7, 2023 Series A	$3,370,000 in 2026, $3,540,000 in 2027, $3,715,000 in 2028 and $84,165,000 in various increments from 2029 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 in various increments $186,360,000 from 2029 to 2044	5.0%	200,000,000
November 18, 2025 Series A	$1,645,000 in 2027, $2,280,000 in 2028, $2,905,000 in 2029 and $93,170,000 in various increments from 2030 to 2045	5.0%	100,000,000
November 18, 2025 Series C *Refunding 2018B*	$6,605,000 in 2026, $6,280,000 in 2027, $6,800,000 in 2028 and $61,645,000 in various increments from 2029 to 2038	5.0%	81,330,000
November 18, 2025 Series D *Refunding 2010C & 2010D*	$3,585,000 in 2026, $3,870,000 in 2027, $4,060,000 in 2028 and $38,780,000 in various increments from 2029 to 2035	5.0%	50,295,000
October 2, 2025 Commercial Paper (Series C)	Four tranches expected to roll over in 120-day increments. Each roll is subject to market conditions.	2.6%	150,000,000
G.O. Non-Levy Supported Bonds			
January 29, 2013 Series B, Watershed District	$385,000 in 2026, $390,000 in 2027, $400,000 in 2028 and $1,720,000 in various increments from 2029 through 2032	2.0 to 3.0%	7,075,000
September 24, 2020 Series B, Watershed District Refunding	$365,000 in 2026, $380,000 in 2027, $405,000 in 2028 and $1,140,000 in various increments from 2029 to 2031	5.0%	3,825,000
September 5, 2019 Series B, SWLRT (Sales Tax Revenue)	$8,105,000 in 2026, $8,510,000 in 2027, $8,935,000 in 2028 and $133,310,000 in various increments from 2029 through 2039	5.0%	200,000,000
October 1, 2020, Series C, SWLRT (Sales Tax Revenue)	$5,790,000 in 2026, $6,080,000 in 2027, $6,385,000 in 2028 and $106,680,000 in various increments from 2029 through 2040	5.0%	150,000,000
November 18, 2025 Series B Riley Purgatory Watershed District	$125,000 in 2026, $135,000 in 2027, $140,000 in 2028 and $2,335,000 from 2029 to 2040	5.0%	2,735,000
Sales Tax Revenue Bonds			
Ballpark: January 30, 2017 Series A	$11,750,000 in 2030, $12,340,000 in 2031, and $1,525,000 in 2032.	5.0%	116,885,000
Limited Tax Bonds			
Regional Railroad Authority (RRA), March 12, 2019 Series A	$3,325,000 in 2026, $3,490,000 in 2027, $3,665,000 in 2028 and $48,380,000 in various increments from 2029 through 2038	5.0%	80,000,000
Regional Railroad Authority (RRA), September 11, 2019 Series D, Refunding	$1,900,000 in 2026, $2,005,000 in 2027, $2,120,000 in 2028 and $7,095,000 in various increments from 2029 to 2031	5.0%	22,345,000

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

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

	Principal Payable					Interest Payable	
	Balance Dec. 31, 2024	Additions	Payments	Balance Dec. 31, 2025	Due Within One Year	Total	Due Within One Year
General Obligation - Levy Supported Bonds and Commercial Paper							
September 15, 2010 Series C, [1] Taxable	$ 23,960,000	$ -	$ 23,960,000	$ -	$ -	$ -	$ -
September 15, 2010 Series D, [2] Recovery Zone Econ Development	37,375,000	-	37,375,000	-	-	-	-
July 13, 2016 Series A, AOSC	89,420,000	-	3,405,000	86,015,000	3,635,000	40,970,250	4,300,750
October 19, 2016 Series B	71,000,000	-	3,000,000	68,000,000	3,000,000	27,291,500	3,400,000
October 19, 2016 Series C	22,690,000	-	5,260,000	17,430,000	5,530,000	1,771,500	871,500
July 6, 2017 Series B, AOSC	47,880,000	-	2,020,000	45,860,000	2,100,000	11,254,522	1,206,424
August 29, 2017 Series C	76,270,000	-	4,305,000	71,965,000	4,520,000	25,470,250	3,598,250
July 17, 2018 Series A	84,825,000	-	4,330,000	80,495,000	4,545,000	30,904,250	4,024,750
November 1, 2018 Series B	99,095,000	-	99,095,000	-	-	-	-
September 11, 2019 Series C, Refunding	22,290,000	-	4,030,000	18,260,000	4,235,000	2,338,750	913,000
September 24, 2020 Series A	84,090,000	-	3,555,000	80,535,000	3,730,000	35,850,250	4,026,750
September 24, 2020 Series B Refunding	20,605,000	-	4,585,000	16,020,000	2,355,000	2,917,750	801,000
September 30, 2021 Series A	89,500,000	-	1,500,000	88,000,000	3,760,000	36,122,350	3,993,100
September 1, 2022 Series A	51,100,000	-	2,040,000	49,060,000	2,105,000	19,172,156	1,916,394
October 27, 2022 Series B Refunding	75,350,000	-	8,575,000	66,775,000	9,055,000	24,451,000	3,338,750
September 7, 2023 Series A	98,000,000	-	3,210,000	94,790,000	3,370,000	51,169,000	4,739,500
September 26, 2024 Series A	200,000,000	-	-	200,000,000	3,295,000	118,575,750	10,000,000
November 18, 2025 Series A	-	100,000,000	-	100,000,000	-	64,460,806	5,180,556
November 18, 2025 Series C Refunding 2018B	-	81,330,000	-	81,330,000	6,605,000	29,098,096	4,213,346
November 18, 2025 Series D Refunding 2010C & 2010D	-	50,295,000	-	50,295,000	3,585,000	15,344,560	2,605,560
October 2, 2025 Commercial Paper (Series C)	-	150,000,000	-	150,000,000	150,000,000	1,222,315	1,222,315
Total G.O. Levy Supported	**1,193,450,000**	**381,625,000**	**210,245,000**	**1,364,830,000**	**215,425,000**	**538,385,055**	**60,351,945**
G.O. Non-Levy Supported Bonds							
January 29, 2013 Series B, Watershed District	3,270,000	-	375,000	2,895,000	385,000	338,962	78,038
September 24, 2020 Series B Watershed District Refunding	2,635,000	-	345,000	2,290,000	365,000	394,750	114,500
September 5, 2019, Series B, SWLRT (Sales Tax Revenue)	166,580,000	-	7,720,000	158,860,000	8,105,000	65,822,000	7,943,000
October 1, 2020, Series C SWLRT (Sales Tax Revenue)	130,450,000	-	5,515,000	124,935,000	5,790,000	55,609,500	6,246,750
November 18, 2025 Series B Riley Purgatory Watershed District	-	2,735,000	-	2,735,000	125,000	1,070,730	129,980
Total G.O. Non-Levy Supported	**302,935,000**	**2,735,000**	**13,955,000**	**291,715,000**	**14,770,000**	**123,235,942**	**14,512,268**
Sales Tax Revenue Bonds							
Ballpark: January 30, 2017, Series A	34,185,000	-	8,570,000	25,615,000	-	7,173,250	1,280,750
Total Sales Tax Revenue	**34,185,000**	**-**	**8,570,000**	**25,615,000**	**-**	**7,173,250**	**1,280,750**
Limited Tax Bonds							
Regional Railroad Authority (RRA) March 12, 2019 Series A	62,025,000	-	3,165,000	58,860,000	3,325,000	22,596,000	2,943,000
Regional Railroad Authority (RRA) September 11, 2019 Series D Refunding	14,920,000	-	1,800,000	13,120,000	1,900,000	2,400,250	656,000
Total Limited Tax Bonds	**76,945,000**	**-**	**4,965,000**	**71,980,000**	**5,225,000**	**24,996,250**	**3,599,000**
Total Debt	**$ 1,607,515,000**	**$ 384,360,000**	**$ 237,735,000**	**$ 1,754,140,000**	**$ 235,420,000**	**$ 693,790,497**	**$ 79,743,963**


Hennepin

Statistical Section

Statistical Section

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Government-wide Net Position

Last Ten Years

	Governmental Activities Net Position [1]				Business-type	
Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total	Net Investment in Capital Assets	Restricted
2016	$ 1,219,864,333	55,598,868	(367,758,308)	$ 907,704,893	$ 395,059,037	100,921,673
	134.4 %	6.1	(40.5)	100.0 %	154.8 %	39.6
2017	$ 1,206,561,675	33,310,365	(416,536,711)	$ 823,335,329	$ 384,924,769	110,665,578
	146.6 %	4.0	(50.6)	100.0 %	151.0 %	43.4
2018	$ 1,262,978,840	107,904,209	(438,421,345)	$ 932,461,704	$ 357,743,028	113,076,467
	135.4 %	11.6	(47.0)	100.0 %	135.5 %	42.8
2019	$ 1,182,547,879	364,061,414	(605,345,730)	$ 941,263,563	$ 340,520,315	113,845,957
	125.6 %	38.7	(64.3)	100.0 %	138.3 %	46.3
2020	$ 1,140,681,933	325,286,070	(695,375,554)	$ 770,592,449	$ 334,564,780	140,821,957
	148.0 %	42.2	(90.2)	100.0 %	108.2 %	45.5
2021	$ 1,150,924,259	418,125,500	(546,857,995)	$ 1,022,191,764	$ 332,684,247	154,758,855
	112.6 %	40.9	(53.5)	100.0 %	91.8 %	42.7
2022	$ 1,162,226,972	509,294,932	(573,041,336)	$ 1,098,480,538	$ 321,901,627	180,797,095
	105.8 %	46.4	(52.2)	100.0 %	92.8 %	52.6
2023	$ 1,090,537,356	563,342,808	(471,907,833)	$ 1,181,972,331	$ 317,747,025	223,072,489
	92.2 %	47.7	(39.9)	100.0 %	93.8 %	65.9
2024	$ 1,037,159,117	664,983,175	(483,513,023)	$ 1,218,629,269	$ 326,826,528	193,537,848
	85.1 %	54.6	(39.7)	100.0 %	108.5 %	64.3
2025	$ 980,574,925	744,049,186	(433,107,544)	$ 1,291,516,567	$ 345,591,376	220,035,374
	75.9 %	57.6	(33.5)	100.0 %	89.7 %	57.2

[1] 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

Activities Net Position [1]				Total Primary Government Net Position					
Unrestricted	Total			Net Investment in Capital Assets		Restricted	Unrestricted	Total	
(240,873,069)	$ 255,107,641			$ 1,614,923,370		156,520,541	(608,631,377)	$ 1,162,812,534	
(94.4)	100.0	%		138.8	%	13.5	(52.3)	100.0	%
(240,740,842)	$ 254,849,505			$ 1,591,486,444		143,975,943	(657,277,553)	$ 1,078,184,834	
(94.4)	100.0	%		147.6	%	13.4	(61.0)	100.0	%
(206,832,888)	$ 263,986,607			$ 1,620,721,868		220,980,676	(645,254,233)	$ 1,196,448,311	
(78.3)	100.0	%		135.5	%	18.4	(53.9)	100.0	%
(208,288,661)	$ 246,077,611			$ 1,523,068,194		477,907,371	(813,634,391)	$ 1,187,341,174	
(84.6)	100.0	%		128.2	%	40.3	(68.5)	100.0	%
(166,177,272)	$ 309,209,465			$ 1,475,246,713		466,108,027	(861,552,826)	$ 1,079,801,914	
(53.7)	100.0	%		136.6	%	43.2	(79.8)	100.0	%
(125,131,930)	$ 362,311,172			$ 1,483,608,506		572,884,355	(671,989,925)	$ 1,384,502,936	
(34.5)	100.0	%		107.2	%	41.4	(48.6)	100.0	%
(159,048,896)	$ 343,649,826			$ 1,484,128,599		690,092,027	(732,090,232)	$ 1,442,130,364	
(45.4)	100.0	%		102.7	%	47.9	(50.6)	100.0	%
(202,068,415)	$ 338,751,099			$ 1,408,284,381		786,415,297	(673,976,248)	$ 1,520,723,430	
(59.7)	100.0	%		92.6	%	51.7	(44.3)	100.0	%
(219,231,736)	$ 301,132,640			$ 1,363,985,645		858,521,023	(702,744,759)	$ 1,519,761,909	
(72.8)	100.0	%		89.7	%	56.5	(46.2)	100.0	%
(180,694,930)	$ 384,931,820			$ 1,326,166,301		953,531,718	(603,249,632)	$ 1,676,448,387	
(46.9)	100.0	%		79.1	%	56.9	(36.0)	100.0	%

Hennepin County, Minnesota

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
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
2025	$ (1,273,661,250)	1,390,288,035	(43,739,487)	-	$ 72,887,298

[1] 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, 2023, 2024 and 2025 Net Program Expense amounts include $117,766,961, $117,790,152 and $110,175,770 respectively.

Unaudited

Business-type Activities Change in Net Position [1]				
Net Program Revenue (Expense)	General Revenue	Transfers In (Out)	Total	Total Change in Net Position
$ (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)
$ 40,059,693	-	43,739,487	83,799,180	$ 156,686,478

Government-wide Expenses by Function

Last Ten Years

Year		Governmental Activities						
		Operations [1]	Disparity Elimination	Human Services	Health	Law, Safety and Justice	Public Works	Resident Services
2016	$	148,352,078	-	578,786,579	66,712,310	348,219,386	95,340,184	122,365,162
	%	5.7	-	21.9	2.5	13.2	3.6	4.6
2017	$	155,836,533	-	606,245,245	68,619,425	347,612,537	116,853,788	125,114,046
	%	5.5	-	21.2	2.4	12.1	4.1	4.4
2018[2]	$	190,477,947	-	611,146,772	78,387,060	319,194,885	125,680,478	128,113,024
	%	6.8	-	21.1	2.7	11.0	4.3	4.4
2019	$	304,441,139	-	606,469,494	79,401,626	353,266,892	149,132,482	127,378,638
	%	9.7	-	19.3	2.5	11.3	4.7	4.1
2020	$	477,251,335	-	620,995,687	71,311,173	345,693,745	218,469,994	133,326,664
	%	13.6	-	17.9	2.1	10.0	6.3	3.8
2021	$	238,929,124	-	600,417,949	82,175,836	339,834,100	136,917,181	111,860,958
	%	7.5	-	18.8	2.6	10.7	4.3	3.5
2022[3]	$	327,405,797	12,925,386	671,470,503	88,818,746	401,991,998	123,466,469	124,238,989
	%	8.9	0.3	18.1	2.4	10.8	3.3	3.3
2023[4]	$	340,313,532	22,858,491	754,530,999	104,979,872	424,535,637	146,304,575	156,299,839
	%	8.4	0.6	18.7	2.6	10.5	3.6	3.9
2024[5]	$	346,414,582	27,878,090	835,774,445	117,447,753	441,764,363	129,621,686	172,634,584
	%	8.2	0.7	20.1	2.8	10.6	3.1	4.1
2025	$	343,089,217	26,785,368	825,618,333	107,291,591	475,999,821	126,873,927	163,774,310
	%	8.0	0.6	19.3	2.5	11.1	3.0	3.8

[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 2023, 2024 and 2025 Operations Expense amounts include $117,766,961, $117,790,152 and $110,175,770 respectively, relating to contributions to Metropolitan Council for light rail projects such as Southwest Light Rail Transit.

[2] 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.

[3] 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.

[4] 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.

[5] 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

Housing and Redevelopment Authority	Regional Railroad Authority	Interest on Long-term Debt	Business-type Activities: Hennepin Health Plan	Environment and Energy	Medical Center	Radio Communications	Glen Lake Golf Course	Total	
11,037,512	24,713,823	44,024,761	128,098,502	59,055,113	1,015,357,256	2,740,152	890,798	$ 2,645,693,616	
0.4	0.9	1.7	4.8	2.2	38.4	0.1	-	100.0	%
12,340,350	54,407,297	48,127,742	227,311,006	68,754,823	1,026,701,749	3,076,366	888,539	$ 2,861,889,446	
0.4	1.9	1.7	7.9	2.4	35.9	0.1	-	100.0	%
11,282,225	42,915,345	35,450,382	229,332,103	70,997,580	1,044,068,505	3,504,350	876,428	$ 2,891,427,084	
0.4	1.5	1.2	7.9	2.5	36.1	0.1	-	100.0	%
9,420,106	43,898,191	40,630,769	229,885,013	70,825,616	1,120,652,913	3,680,940	898,576	$ 3,139,982,395	
0.3	1.4	1.3	7.3	2.3	35.7	0.1	-	100.0	%
18,731,951	78,322,450	35,147,804	249,234,707	71,939,427	1,148,474,054	4,108,685	915,573	$ 3,473,923,249	
0.5	2.3	1.0	7.2	2.1	33.1	0.1	-	100.0	%
15,131,283	9,343,977	16,316,580	332,065,520	75,128,209	1,224,559,954	3,476,668	1,061,407	$ 3,187,218,746	
0.5	0.3	0.5	10.4	2.4	38.4	0.1	-	100.0	%
20,886,498	4,962,493	29,080,302	422,207,850	87,343,316	1,392,721,617	3,673,975	986,900	$ 3,712,180,839	
0.6	0.1	0.8	11.4	2.4	37.5	0.1	-	100.0	%
43,537,210	9,823,606	41,240,482	402,894,172	83,863,467	1,500,212,934	3,974,975	1,080,540	$ 4,036,450,331	
1.1	0.2	1.0	10.0	2.1	37.2	0.1	0.1	100.0	%
35,443,676	16,405,095	44,928,028	381,552,305	83,590,282	1,528,099,166	4,201,406	1,089,390	$ 4,166,844,851	
0.9	0.4	1.1	9.2	2.0	36.7	0.1	0.1	100.0	%
24,241,251	22,520,323	47,991,903	444,579,844	95,390,016	1,579,207,296	4,108,452	1,151,072	$ 4,288,622,724	
0.6	0.5	1.1	10.4	2.2	36.8	0.1	-	100.0	%

Government-wide Revenues

Last Ten Years

	2016	2017	2018	2019
Program Revenues				
Governmental Activities:				
Charges for services:				
Operations	$ 11,600,205	$ 12,115,471	$ 12,039,425	$ 16,827,669
Disparity Elimination	-	-	-	-
Human Services	47,896,357	52,685,114	58,597,385	57,141,476
Health	26,810,379	29,363,243	24,466,065	25,264,511
Law, Safety and Justice	18,586,084	19,546,765	19,582,140	18,880,557
Public Works	9,464,679	7,778,536	6,661,736	9,305,077
Resident Services	24,206,517	24,295,135	24,279,892	25,378,231
Housing and Redevelopment Authority	2,286,707	2,500,933	2,589,833	1,528,593
Regional Railroad Authority	768,950	713,873	488,816	547,719
Operating Grants and Contributions[1]	348,477,646	366,649,750	361,831,257	372,715,060
Capital Grants and Contributions	89,070,374	79,560,647	88,511,524	66,788,101
Total Governmental Activites	579,167,898	595,209,467	599,048,073	594,376,994
Business-type Activities:				
Charges for services:				
Hennepin Health Plan	127,883,397	231,003,831	234,468,514	213,812,696
Environment and Energy	52,352,065	53,834,305	50,812,125	58,364,153
Medical Center	912,560,574	939,043,280	981,700,323	1,021,757,979
Glen Lake Golf Course	985,509	942,191	887,859	890,118
Radio Communications	3,032,930	2,999,556	3,478,823	3,680,194
Operating Grants and Contributions	63,532,013	72,480,324	70,651,612	90,781,039
Capital Grants and Contributions	768,430	-	-	-
Total Business-type Activites	1,161,114,918	1,300,303,487	1,341,999,256	1,389,286,179
Total Program Revenues	1,740,282,816	1,895,512,954	1,941,047,329	1,983,663,173
General Revenues, Transfers, and Special Items				
Governmental Activities:				
Property Taxes	765,198,455	800,979,263	829,362,438	885,201,195
Sales Tax	36,468,191	57,266,835	170,834,314	177,893,004
Wheelage Tax	9,918,363	9,973,509	10,468,350	10,678,140
Other Taxes	3,514,045	3,344,822	3,514,521	3,523,549
Unrestricted Grants and Contributions	32,451,058	31,242,476	32,605,262	31,702,806
Unrestricted Investment Earnings (Losses)[2]	6,167,796	12,527,508	17,717,903	33,842,655
Transfers In (Out)	(17,323,096)	(8,396,008)	(11,776,368)	(14,377,147)
Insurance Recoveries	-	-	-	-
Total general revenues and transfers	836,394,812	906,938,405	1,052,726,420	1,128,464,202
Business-type Activities:				
Property Taxes	-	-	-	-
Other Taxes	3,647,892	3,743,368	4,140,444	4,370,736
Transfers In (Out)	17,323,096	8,396,008	11,776,368	14,377,147
Total Business-type Activities	20,970,988	12,139,376	15,916,812	18,747,883
Total General Revenues, Transfers, and Special Items	857,365,800	919,077,781	1,068,643,232	1,147,212,085
Total Revenues, Transfers, and Special Items	$ 2,597,648,616	$ 2,814,590,735	$ 3,009,690,561	$ 3,130,875,258

[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] 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

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2020	2021	2022	2023	2024	2025
$ 14,637,256	$ 19,273,459	$ 18,919,438	$ 20,778,110	$ 21,003,928	$ 17,792,477
-	-	-	-	12,943	280,935
55,734,790	48,991,682	48,587,795	54,915,367	65,081,206	71,200,851
20,031,597	24,573,788	25,066,712	25,844,636	27,323,038	29,151,699
14,597,641	13,930,470	14,715,003	16,559,558	17,184,645	16,713,550
7,546,082	6,608,286	5,668,180	6,591,785	7,075,967	991,782
21,398,488	23,141,127	22,572,328	21,127,376	23,543,591	19,200,044
3,575,190	4,871,872	3,600,239	2,303,010	1,795,040	2,899,287
487,523	577,727	1,262,583	473,791	826,024	1,123,460
508,172,728	490,060,818	515,115,629	654,800,235	633,545,106	714,631,990
56,341,420	55,931,772	74,429,704	27,292,105	81,402,657	16,538,719
702,522,715	687,961,001	729,937,611	830,685,973	878,794,145	890,524,794
256,562,245	327,212,725	445,078,043	424,734,106	325,602,300	453,649,380
60,138,047	70,787,987	78,528,112	75,043,827	80,254,356	84,046,710
955,633,560	1,143,140,548	1,243,721,190	1,336,672,421	1,386,561,521	1,500,961,890
1,100,321	1,297,735	1,208,513	1,330,849	1,407,260	1,431,242
3,707,218	4,026,753	4,077,007	4,158,428	4,574,025	4,885,435
237,071,865	113,850,864	98,554,053	129,588,614	129,135,695	119,521,716
-	-	-	-	-	-
1,514,213,256	1,660,316,612	1,871,166,918	1,971,528,245	1,927,535,157	2,164,496,373
2,216,735,971	2,348,277,613	2,601,104,529	2,802,214,218	2,806,329,302	3,055,021,167
915,936,953	903,936,662	948,263,013	958,383,810	985,716,837	1,019,804,265
158,887,776	180,764,048	209,171,559	215,208,804	229,054,413	231,644,487
19,305,219	20,294,603	19,719,096	20,096,378	22,008,074	20,751,112
3,667,703	5,182,898	3,905,780	2,765,762	2,868,188	3,252,482
35,914,968	36,043,078	44,292,862	36,563,432	47,717,515	48,238,197
11,214,769	(6,238,737)	(61,920,688)	74,856,837	71,898,117	66,597,492
(18,870,414)	(26,186,000)	(11,833,278)	(10,644,960)	(33,088,049)	(43,739,487)
-	768,750	-	-	-	-
1,126,056,974	1,114,565,302	1,151,598,344	1,297,230,063	1,326,175,095	1,346,548,548
-	-	-	261,246	258,284	-
4,720,630	2,890,853	5,272,116	4,692,910	32,600	-
18,870,414	26,186,000	11,833,278	10,644,960	33,088,049	43,739,487
23,591,044	29,076,853	17,105,394	15,599,116	33,378,933	43,739,487
1,149,648,018	1,143,642,155	1,168,703,738	1,312,829,179	1,359,554,028	1,390,288,035
$ 3,366,383,989	$ 3,491,919,768	$ 3,769,808,267	$ 4,115,043,397	$ 4,165,883,330	$ 4,445,309,202

Fund Balances - Governmental Funds

Last Ten Years

	General Fund				
Year	Nonspendable	Restricted	Assigned	Unassigned	Total
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%
2025	$ 9,864,435 3.5%	23,297,026 8.3%	89,740,568 31.9%	158,527,104 56.3%	281,429,133 100.0%

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

[2] the Capital Projects Fund reported deficit fund balance in 2025 due to the County's choice to issue short-term G.O. commercial paper for capital projects, rather than issuing long-term debt. The deficit will be funded by future repayment of the short-term liabilities.

Unaudited

All Other Governmental Funds				
Nonspendable	Restricted	Committed	Unassigned [2]	Total
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%
656,409 0.1%	682,922,279 88.5%	149,368,002 19.4%	(61,604,684) -8.0%	$ 771,342,006 100.0%

Hennepin County, Minnesota

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
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)
2025	$ (146,572,092)	85,750,000	204,753,649	(204,645,321)	-	1,300,000

[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 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 $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

Bond and Note Premiums	Insurance Recoveries		Total		Net Change in Fund Balances	Debt Service as a Percentage of Noncapital Expenditures [3]	
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	%
31,334,617	-	$	118,492,945	$	(28,079,147)	6.7	%

Governmental Fund Expenditures by Function

Last Ten Years

Year	Operations [1, 2]	Disparity Elimination	Human Services	Health	Law, Safety and Justice	Public Works	Resident Services
2016	$ 139,914,136	-	553,443,954	62,204,105	285,755,221	71,479,236	119,459,829
	8.5 %		33.7	3.8	17.4	4.4	7.3
2017 [3]	$ 139,086,773	-	590,273,036	70,618,049	304,342,954	69,273,932	122,723,437
	7.7 %		32.4	3.9	16.8	3.8	6.8
2018	$ 203,987,599	-	621,038,721	75,426,403	316,524,000	67,255,611	129,006,342
	11.0 %		33.5	4.1	17.0	3.6	6.9
2019	$ 322,041,481	-	604,984,913	74,255,063	327,864,150	75,470,618	126,299,163
	17.0 %		31.9	3.9	17.3	4.0	6.7
2020	$ 479,878,181	-	629,564,177	69,065,962	337,506,137	144,255,851	134,702,678
	21.5 %		28.3	3.1	15.1	6.5	6.0
2021 [4]	$ 272,371,516	-	618,690,968	75,092,172	335,476,036	66,120,765	114,976,808
	14.9 %		33.7	4.1	18.3	3.6	6.3
2022 [5]	$ 310,669,335	8,495,784	650,206,736	81,109,305	351,488,211	68,594,218	118,447,166
	15.9 %	0.4	33.2	4.1	18.0	3.5	6.1
2023	$ 305,427,156	22,743,059	731,481,852	98,758,897	379,807,463	70,714,642	124,712,984
	14.2 %	1.1	33.7	4.6	17.6	3.3	5.8
2024	$ 338,975,481	28,523,556	816,261,897	110,173,546	420,012,856	77,274,159	141,455,864
	14.0 %	1.2	33.6	4.6	17.4	3.2	5.8
2025	$ 368,130,167	27,317,911	823,378,421	101,392,402	454,148,286	72,028,765	138,766,359
	15.1 %	1.1	33.8	4.2	18.7	3.0	5.7

[1] Note that the Governmental Fund presentation of expenditures is very different from the Table 3 government-wide presentation of expenses, due to the different measurement focus.

[2] Operations expenditures 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 $117,766,961 in 2023, $117,790,152 in 2024 and $110,175,770 in 2025.

[3] The implementation of GASB 75 in 2018 changed the method for reporting expenditures 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.

[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 is not available.

[5] 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

Housing and Redevelopment Authority	Regional Railroad Authority	Capital Projects	Debt Service, Principal	Debt Service, Interest	Intergovernmental	Total
43,224,198	24,538,111	183,261,307	111,689,556	45,864,968	-	$ 1,640,834,621
2.6	1.5	11.2	6.8	2.8		100.0 %
36,471,605	54,902,255	172,583,098	185,409,020	55,981,166	13,738,566	$ 1,815,403,891
2.0	3.0	9.5	10.2	3.1	0.8	100.0 %
13,393,100	39,825,242	246,422,060	79,790,449	46,174,808	21,307,332	$ 1,860,151,667
0.7	2.1	13.2	4.3	2.5	1.1	100.0 %
8,711,659	43,710,690	158,190,495	80,125,800	51,531,000	21,098,166	$ 1,894,283,198
0.5	2.3	8.4	4.2	2.7	1.1	100.0 %
41,887,215	81,257,409	144,239,058	89,001,244	56,595,823	21,650,626	$ 2,229,604,361
1.9	3.6	6.5	4.0	2.5	1.0	100.0 %
13,746,587	11,129,473	141,189,533	97,562,837	64,181,129	23,356,858	$ 1,833,894,682
0.7	0.6	7.7	5.3	3.5	1.3	100.0 %
19,811,239	4,691,634	167,417,372	87,896,143	66,382,418	22,431,184	$ 1,957,640,745
1.0	0.2	8.6	4.5	3.4	1.1	100.0 %
32,026,315	9,476,228	181,409,491	116,025,335	68,260,880	16,674,514	$ 2,157,518,816
1.5	0.4	8.4	5.4	3.2	0.8	100.0 %
35,164,062	16,052,675	272,762,674	91,822,849	69,852,723	-	$ 2,418,332,342
1.5	0.7	11.3	3.8	2.9	-	100.0 %
21,377,547	22,035,997	243,845,659	84,604,572	72,041,728	2,958,304	$ 2,432,026,118
0.9	0.9	10.0	3.5	3.0	0.1	100.0 %

Governmental Fund Revenues by Source

Last Ten Years

Year		Property Taxes		Sales Tax	Wheelage Tax	Other Taxes	Inter-governmental	Charges for Services
2016	$	771,058,972		36,468,191	9,918,363	3,514,045	472,035,912	137,518,611
		52.5	%	2.5	0.7	0.2	32.1	9.4
2017 [2]	$	806,846,486		57,266,835	9,973,509	3,338,349	547,360,046	145,875,571
		49.9	%	3.5	0.6	0.2	33.8	9.1
2018	$	842,488,555		170,834,314	10,468,350	3,514,521	484,719,090	147,901,689
		49.2	%	10.0	0.6	0.2	28.3	8.5
2019	$	888,496,114		177,893,004	10,678,140	3,523,549	451,715,160	150,128,843
		50.5	%	10.1	0.6	0.2	25.7	8.5
2020 [3]	$	933,749,484		158,887,776	19,305,219	3,667,703	593,777,977	143,716,181
		49.2	%	8.4	1.0	0.2	31.3	7.7
2021 [3]	$	909,569,813		180,764,048	20,294,603	5,182,898	572,577,540	133,957,943
		49.1	%	9.8	1.1	0.3	30.9	7.3
2022 [3]	$	956,102,037		209,171,559	19,719,096	3,905,780	614,843,696	129,742,262
		50.1	%	11.0	1.0	0.2	32.2	6.8
2023 [3]	$	963,791,388		212,048,161	20,096,378	2,765,762	651,608,567	135,842,505
		45.9	%	10.1	1.0	0.1	31.0	6.4
2024 [3]	$	1,050,571,445		208,294,534	22,008,074	2,868,188	680,200,475	148,117,947
		46.9	%	9.3	1.0	0.1	30.3	6.7
2025	$	1,089,838,954		209,182,604	20,751,112	3,252,482	705,048,335	161,412,829
		47.7	%	9.2	0.9	0.1	30.8	7.1

[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 1 in Table 4 for details.

Unaudited

Fines and Forfeits	Licenses and Permits	Opioid Settlements	Investment Earnings [1]	Other	Total
1,627,304	7,978,466	-	6,337,260	22,832,926	$ 1,469,290,050
0.1	0.5	-	0.4	1.6	100.0 %
1,471,221	8,112,225	-	12,954,847	24,930,961	$ 1,618,130,050
0.1	0.5	-	0.8	1.5	100.0 %
1,075,264	8,310,952	-	18,146,864	24,962,916	$ 1,712,422,515
0.1	0.5	-	1.1	1.5	100.0 %
1,179,249	8,590,254	-	35,930,504	30,946,032	$ 1,759,080,849
0.1	0.5	-	2.0	1.8	100.0 %
369,143	6,630,582	-	12,022,313	25,443,852	$ 1,897,570,230
0.0	0.3	-	0.6	1.3	100.0 %
319,584	7,698,190	-	(6,527,334)	28,704,234	$ 1,852,541,519
0.0	0.4	-	-0.4	1.5	100.0 %
343,762	7,622,674	8,277,173	(64,707,357)	24,524,663	$ 1,909,545,345
0.0	0.4	0.4	-3.4	1.3	100.0 %
310,224	8,029,355	2,054,398	79,299,958	24,639,679	$ 2,100,486,375
0.0	0.4	0.1	3.8	1.2	100.0 %
666,876	9,455,960	12,505,575	77,181,022	29,512,554	$ 2,241,382,650
0.0	0.4	0.6	3.4	1.3	100.0 %
338,648	10,143,290	4,224,095	73,164,233	8,097,444	$ 2,285,454,026
0.0	0.4	0.2	3.2	0.4	100.0 %

Property Estimated Market Value (000s omitted) [1]

Last Ten Years

Year	Real Estate: Residential Property	Multiple Dwelling	Commercial & Industrial	Agricultural	Public Utilities & Miscellaneous	Exempt	Total Real Estate
2016	$ 105,538,203	15,110,310	31,057,471	626,311	37,624	21,249,594	173,619,513
	60.2 %	8.6	17.7	0.4	0.0	12.1	99.0
2017	$ 112,595,483	16,998,612	32,745,319	625,310	40,490	21,249,594	184,254,808
	60.5 %	9.1	17.6	0.4	0.0	11.4	99.0
2018	$ 121,055,934	19,169,684	34,298,045	609,956	39,389	29,293,485	204,466,493
	58.6 %	9.3	16.6	0.3	0.0	14.2	99.0
2019	$ 128,325,438	21,698,642	36,083,870	667,926	41,859	29,293,485	216,111,220
	58.8 %	9.9	16.5	0.3	0.0	13.4	99.0
2020	$ 133,004,321	24,449,210	38,388,183	704,655	51,000	29,807,594	226,404,963
	58.2 %	10.7	16.8	0.3	0.0	13.0	99.0
2021	$ 140,180,412	26,135,254	37,657,061	735,793	51,253	29,826,817	234,586,590
	59.4 %	11.0	15.9	0.3	0.0	12.6	99.2
2022	$ 161,754,523	29,108,360	40,067,014	858,481	53,914	32,694,206	264,536,498
	60.8 %	10.9	15.1	0.3	0.0	12.3	99.4
2023	$ 170,867,685	31,278,220	43,265,513	860,686	54,798	32,694,206	279,021,108
	61.0 %	11.1	15.4	0.3	0.0	11.7	99.5
2024	$ 173,016,739	31,154,637	42,608,982	888,606	86,080	32,694,206	280,449,250
	61.4 %	11.0	15.1	0.3	0.0	11.6	99.4
2025	$ 179,011,675	30,677,456	41,026,123	893,263	73,893	34,672,138	286,354,548
	62.3 %	10.6	14.2	0.3	0.0	12.0	99.4

[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

Personal Property	Total Estimated Market Value Including Exempt Property		Total Estimated Market Value	Total Direct Tax Rate [2]
1,750,967	$ 175,370,480		$ 154,120,886	46 %
1.0	100.0 %			
1,825,398	$ 186,080,206		$ 164,830,612	43 %
1.0	100.0 %			
1,993,722	$ 206,460,215		$ 177,166,730	42 %
1.0	100.0 %			
2,103,357	$ 218,214,577		$ 188,921,092	41 %
1.0	100.0 %			
2,187,136	$ 228,592,099		$ 198,784,505	38 %
1.0	100.0 %			
1,986,516	$ 236,573,106		$ 206,746,289	39 %
0.8	100.0 %			
1,473,804	$ 266,010,302		$ 233,316,096	35 %
0.6	100.0 %			
1,513,040	$ 280,534,148		$ 247,839,942	35 %
0.5	100.0 %			
1,694,331	$ 282,143,581		$ 249,449,375	37 %
0.6	100.0 %			
1,775,280	$ 288,129,828		$ 253,457,690	39 %
0.6	100.0 %			

Hennepin County, Minnesota

Property Tax Rates and Levies - Direct and Overlapping Governments

Last Ten Years

	Hennepin County Direct Taxes				
Payable Year	General Fund Rate	G.O. Debt Service Rate	Other	Total Direct Rates	Tax Levies
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
2025	23.880	4.491	10.871	39.242	4,112,556,945

[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		
Tax Rates		Tax Levies	Tax Rates		Tax Levies	Tax Rates		Tax Levies
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
1.134		29,643,737	0.567		16,174,415	0.328		9,257,238

Hennepin County, Minnesota

Principal Taxpayers [1]

Current Year and Nine Years Ago

Taxpayer	2025 Tax Capacity	2025 Rank	2025 Percentage of Total Tax Capacity	2016 Tax Capacity	2016 Rank	2016 Percentage of Total Tax Capacity
MOAC Mall Holdings	$ 15,599,250	1	0.54 %	$ 16,499,250	1	0.96 %
CenterPoint Energy	4,040,578	2	0.14			
90 7th Street South LLC	3,466,650	3	0.12	4,493,250	4	0.26
BRI 1855 IDS Center LLC	3,346,990	4	0.12	4,754,850	3	0.28
US Bank Corp	3,118,050	5	0.11	3,221,050	7	0.19
225 6th St Prop Owner LLC	2,949,750	6	0.10	4,384,650	5	0.26
Wells REIT	2,818,050	7	0.10	3,055,450	9	0.18
City Center 33 So Prop LLC	2,775,450	8	0.10	3,729,050	6	0.22
Delta Air Lines	2,759,220	9	0.10			
70th Street Properties LLC	2,699,250	10	0.09			
Best Buy Co Inc				3,203,690	8	0.19
Xcel Energy (NSP)				7,511,180	2	0.44
Hilton Hotels Corporation				2,783,250	10	0.16
Total	$ 43,573,238		1.52 %	$ 53,635,670		3.14 %

[1] Xcel Energy and Delta Air Lines include 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


Hennepin

Hennepin County, Minnesota

Tax Levies and Collections on Property Located Within the County

Last Ten Years

Year	Current Tax Levy: County	All Other Taxing Districts/Special Assessments	Current Year Adjustments[1]	Total	Current Tax Collections Net of Refunds	Percent of Levy Collected
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
2025	1,128,085,139	3,032,446,428	(47,974,622)	4,112,556,945	4,068,486,176	98.93

[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
(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
(16,208,222)	4,052,277,954	44,070,769	1.07

Hennepin County, Minnesota

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
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
2025	2,121,317,192	185,389,280,377	764,283,928	63,600,739,119

Unaudited

Table 13

Total			Percentage of Total County Net Tax Capacity	
Net Tax Capacity	Taxable Market Value	Net Tax Capacity to Taxable Market Value	Outside Minneapolis	Minneapolis
$ 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
2,885,601,120	248,990,019,496	1.2	73.5	26.5

Hennepin County, Minnesota

Tax Capacity of Taxable Property by Municipality [1]

Current Year Assessments

	Tax Capacity			Adjustment			
	Real Estate	Personal Property	Total	Fiscal Disparities	Tax Increment Financing/ Value Capture	Net Tax Capacity	Average Tax Rate [2]
Bloomington	$ 231,414,860	970,805	$ 232,385,665	$ (16,263,835)	(15,643,251)	$ 200,478,579	121 %
Brooklyn Center	38,029,463	267,822	38,297,285	6,484,024	(659,731)	44,121,578	137
Brooklyn Park	133,920,240	670,040	134,590,280	1,041,875	(167,038)	135,465,117	121
Champlin	39,109,214	220,590	39,329,804	2,661,678	(1,192,658)	40,798,824	104
Chanhassen (part)	2,454,920	11,888	2,466,808	(986,912)	-	1,479,896	92
Corcoran	23,513,922	615,676	24,129,598	97,836	-	24,227,434	113
Crystal	29,745,835	283,249	30,029,084	3,867,898	-	33,896,982	140
Dayton (part)	29,218,099	705,192	29,923,291	(1,773,419)	(1,837,473)	26,312,399	102
Deephaven	27,437,661	74,222	27,511,883	(90,647)	-	27,421,236	85
Eden Prairie	176,826,344	1,577,204	178,403,548	(11,354,380)	(4,501,163)	162,548,005	104
Edina	213,401,070	988,808	214,389,878	(11,390,939)	(5,537,929)	197,461,010	107
Excelsior	12,230,219	75,338	12,305,557	(1,052,409)	(464,870)	10,788,278	94
Fort Snelling	-	248,305	248,305	-	-	248,305	75
Golden Valley	68,956,521	408,532	69,365,053	(5,645,938)	(1,169,864)	62,549,251	133
Greenfield	8,597,095	234,658	8,831,753	(42,089)	-	8,789,664	102
Greenwood	7,784,192	78,810	7,863,002	(147,232)	-	7,715,770	79
Hanover (part)	1,335,937	3,636	1,339,573	(165)	-	1,339,408	103
Hopkins	36,401,480	161,928	36,563,408	(1,291,485)	(2,255,817)	33,016,106	145
Independence	13,381,148	226,914	13,608,062	(1,243)	-	13,606,819	98
International Airport	-	13,925,298	13,925,298	-	-	13,925,298	47
Long Lake	6,272,919	15,456	6,288,375	(640,080)	(144,522)	5,503,773	98
Loretto	1,118,406	3,614	1,122,020	15,029	-	1,137,049	138
Maple Grove	177,247,032	1,309,847	178,556,879	(8,396,845)	(3,697,557)	166,462,477	101
Maple Plain	3,915,225	20,878	3,936,103	(269,707)	-	3,666,396	119
Medicine Lake	1,742,951	15,306	1,758,257	(27,514)	-	1,730,743	109
Medina	34,413,430	321,830	34,735,260	(1,510,610)	-	33,224,650	90
Minneapolis	765,745,623	4,616,028	770,361,651	11,200,501	(17,278,224)	764,283,928	140
Minnetonka	165,475,015	827,603	166,302,618	(9,359,057)	(4,900,490)	152,043,071	111
Minnetonka Beach	7,931,938	3,234	7,935,172	(26,066)	-	7,909,106	89
Minnetrista	36,303,983	471,771	36,775,754	364,810	-	37,140,564	88
Mound	25,272,927	67,102	25,340,029	641,890	(1,441,225)	24,540,694	102
New Hope	35,179,000	250,285	35,429,285	3,555	(1,772,887)	33,659,953	139
Orono	62,958,962	230,604	63,189,566	(456,946)	(107,250)	62,625,370	83
Osseo	4,960,086	28,320	4,988,406	(198,296)	(154,012)	4,636,098	143
Plymouth	221,741,712	1,383,671	223,125,383	(14,327,902)	(1,821,017)	206,976,464	99
Richfield	56,308,085	296,757	56,604,842	4,124,664	(3,646,682)	57,082,824	132
Robbinsdale	18,818,062	119,888	18,937,950	2,900,661	(1,984,957)	19,853,654	136
Rockford	546,805	34,302	581,107	-	-	581,107	113
Rogers	48,186,374	610,992	48,797,366	(6,357,656)	(325,717)	42,113,993	109
St. Anthony (part)	10,047,990	56,964	10,104,954	570,435	(278,730)	10,396,659	148
St. Bonifacius	3,514,102	26,974	3,541,076	162,873	-	3,703,949	98
St. Louis Park	120,310,848	434,466	120,745,314	(5,701,337)	(10,973,667)	104,070,310	128
Shorewood	34,536,899	157,528	34,694,427	44,011	(246,852)	34,491,586	91
Spring Park	5,715,362	17,004	5,732,366	(210,162)	(148,363)	5,373,841	97
Tonka Bay	12,630,028	20,859	12,650,887	(92,699)	-	12,558,188	84
Wayzata	46,282,610	98,340	46,380,950	(4,008,445)	(5,428,656)	36,943,849	87
Woodland	6,685,211	15,654	6,700,865	-	-	6,700,865	78
Total	$ 3,007,619,805	$ 33,204,192	$ 3,040,823,997	$ (67,442,275)	$ (87,780,602)	$ 2,885,601,120	

[1] Tax capacity is for the 2025 assessment year, for taxes payable in 2026. 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.

Unaudited


Hennepin

Hennepin County, Minnesota

Ratios of Outstanding Debt by Type

Last Ten Years

	2016	2017 [2]	2018	2019
Debt by Type				
Governmental Activities:				
General Obligation Bonds	$ 984,173,168	$ 912,827,483	$ 1,005,692,157	$ 1,275,208,578
General Obligation Notes	6,525,000	3,320,000	2,240,000	1,130,000
General Obligation Commercial Paper	-	-	-	-
Revenue Bonds	236,295,534	204,901,559	185,985,139	161,313,719
Lease Payables[3]	-	-	-	-
Subscription Payables[3]	-	-	-	-
Notes Payable	4,862,828	4,344,736	3,826,644	3,308,552
Total Governmental Activites	1,231,856,530	1,125,393,778	1,197,743,940	1,440,960,849
Business-type Activities:				
General Obligation Bonds	73,356,771	162,455,247	206,307,769	209,942,201
Lease Payables[3]	-	-	-	-
Subscription Payables[3]	-	-	-	-
Total Business-type Activites	73,356,771	162,455,247	206,307,769	209,942,201
Total Primary Government:				
Total Outstanding Debt	1,305,213,301	1,287,849,025	1,404,051,709	1,650,903,050
Total Debt as a Percentage of Personal Income	1.64%	1.55%	1.58%	1.75%
Total Debt Per Capita[1]	1,067	1,045	1,121	1,311

[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 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

2020	2021	2022	2023	2024	2025
$ 1,512,635,323	$ 1,519,127,623	$ 1,454,609,000	$ 1,477,019,071	$ 1,603,515,710	$ 1,624,132,215
-	-	-	-	-	-
-	-	-	-	-	150,000,000
135,837,299	106,185,341	99,139,059	49,973,258	40,453,640	30,677,372
-	32,505,910	33,683,505	29,852,696	29,498,681	24,694,978
-	-	-	8,059,068	4,506,517	4,050,870
2,790,460	2,272,368	-	-	-	-
1,651,263,082	1,660,091,242	1,587,431,564	1,564,904,093	1,677,974,548	1,833,555,435
209,267,473	208,024,244	204,348,598	196,440,737	188,090,480	179,279,017
-	33,058,764	27,569,394	22,220,787	19,372,617	16,742,285
-	-	-	15,928,064	16,173,201	25,650,933
209,267,473	241,083,008	231,917,992	234,589,588	223,636,298	221,672,235
1,860,530,555	1,901,174,250	1,819,349,556	1,799,493,681	1,901,610,846	2,055,227,670
1.92%	1.87%	1.68%	1.59%	1.58%	1.61%
1,470	1,483	1,435	1,428	1,511	1,614

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] Total	Less Debt Not Supported by Tax Levy	Less Amount Available for Debt Service	Net	Property Estimated Market Value [2]	Population [3]	Net General Obligation Debt to Property Estimated Market Value	Net General Obligation Debt Per Capita
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
2025	1,953,411,232	291,715,000	11,786,419	1,649,909,813	253,457,690,000	1,284,784	0.65	1,284.19

[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] Total	Less Amount Available for Debt Service	Net	Property Estimated Market Value [2]	Population[3]	Net General Obligation Debt to Property Estimated Market Value	Net General Obligation Debt Per Capita
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
2025	1,953,411,232	11,786,419	1,941,624,813	253,457,690,000	1,284,784	0.77	1,511.25

[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, 2025

Governmental Unit	Debt [1] Total	Debt [1] Net	Percent Applicable To County [2]	Amount Applicable to County
Direct:				
Hennepin County	$ 1,364,830,000	$ 1,352,800,663	100.00 %	$ 1,352,800,663
Hennepin County Regional Railroad	71,980,000	71,548,562	100.00	71,548,562
Total Direct Debt	1,436,810,000	1,424,349,225		1,424,349,225
Overlapping:				
Metropolitan Council	1,159,185,118	426,134	44.58	189,971
Metro Transit	405,060,000	73,513,264	49.29	36,234,688
Metropolitan Airport Commission	1,981,755,000	-	-	-
Total Overlapping Debt	3,546,000,118	73,939,398		36,424,658
Underlying:				
School Districts	2,847,822,998	2,512,833,047	100.00	2,512,833,047
Municipalities	2,359,343,674	841,702,609	100.00	841,702,609
Three Rivers Park District	58,630,000	51,775,077	100.00	51,775,077
Miscellaneous (Watersheds,HRAs, EDAs,etc.) - Excludes RRA	19,335,000	8,488,808	100.00	8,488,808
Total Underlying Debt	5,285,131,672	3,414,799,541		3,414,799,541
Total	$ 10,267,941,790	$ 4,913,088,164		$ 4,875,573,424

[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.

Unaudited

Hennepin County, Minnesota

Direct, Overlapping, and Underlying Governmental Activities Debt

December 31, 2025

Governmental Unit	Debt Outstanding [1]	Estimated Percentage Applicable	Amount Applicable to County
Direct:			
Hennepin County	$ 1,761,575,435	100.00 %	$ 1,761,575,435
Hennepin County Regional Railroad	71,980,000	100.00	71,980,000
Total Direct Debt	1,833,555,435		1,833,555,435
Overlapping:			
Metropolitan Council	1,159,185,118	44.58	516,764,726
Metro Transit	405,060,000	49.29	199,654,074
Metropolitan Airport Commission	1,981,755,000	-	---
Total Overlapping Debt	3,546,000,118		716,418,800
Total Direct and Overlapping Debt	$ 5,379,555,553		$ 2,549,974,235
Underlying:			
School Districts	2,847,822,998	100.00	2,847,822,998
Municipalities	2,359,343,674	100.00	2,359,343,674
Three Rivers Park District	58,630,000	100.00	58,630,000
Miscellaneous (Watersheds,HRAs, EDAs,etc.) - Excludes RRA	19,335,000	100.00	19,335,000
Total Underlying Debt	$ 5,285,131,672		$ 5,285,131,672

[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
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%
2025	7,603,730,700	1,649,909,813	5,953,820,887	21.70%

Computation of 2025 Legal Debt Margin

2025 estimated market value of taxable property		$ 253,457,690,000
Debt limit, 3% of estimated market value		$ 7,603,730,700
Amount of levy supported debt	$ 1,661,696,232	
Less amount available for debt service	11,786,419	1,649,909,813
Legal Debt Margin		$ 5,953,820,887

[1] See MN Statute 475.53.

Unaudited


Hennepin

Sales Tax Revenue Bond and Note Coverage

Last Ten Years [1]

	2016	2017	2018
Net Revenues [2]	$ 36,013,974	$ 36,444,848	$ 37,696,559
First Lien Revenue Bond Coverage:			
First lien principal	$ 1,550,000	$ 4,370,000	$ 3,975,000
First lien interest	6,864,875	5,113,719	5,625,750
Total first lien debt service	$ 8,414,875	$ 9,483,719	$ 9,600,750
First lien coverage	4.28	3.84	3.93
First lien principal optionally redeemed using sales tax revenues	*$ -*	*$ 9,019,206*	*$ -*
Second Lien Revenue Bond Coverage:			
Total first lien debt service	$ 8,414,875	$ 9,483,719	$ 9,600,750
Second lien principal	4,280,000	4,655,000	-
Second lien interest	4,454,725	4,267,725	-
Total second lien debt service	8,734,725	8,922,725	-
Total first and second lien debt service	$ 17,149,600	$ 18,406,444	$ 9,600,750
Second lien coverage	2.10	1.98	N/A
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	$ 17,149,600	$ 18,406,444	$ 9,600,750
Third lien principal	-	-	13,600,000
Third lien interest	21,289	-	1,412,272
Third lien remarketing and liquidity provider fees	49,715	-	-
Total third lien debt service	71,004	-	15,012,272
Total first, second and third lien debt service	$ 17,220,604	$ 18,406,444	$ 24,613,022
Third lien coverage	2.09	1.98	1.53
Third lien principal optionally redeemed using sales tax revenues	*$ 7,000,000*	*$ -*	*$ -*
Total Sales Tax Revenue Bond and Note Coverage:			
Sales tax revenue bond and note principal	$ 5,830,000	$ 9,025,000	$ 17,575,000
Sales tax revenue bond and note interest	11,340,889	9,381,444	7,038,022
Fees	49,715	-	-
Total sales tax revenue bond and note debt service	$ 17,220,604	$ 18,406,444	$ 24,613,022
Total coverage	2.09	1.98	1.53
Total principal optionally redeemed using sales tax revenues	*$ 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

2019	2020	2021	2022	2023	2024	2025
$ 39,296,388	$ 35,200,993	$ 41,139,355	$ 47,541,530	$ 48,252,175	$ 45,212,241	$47,876,874
$ 4,230,000	$ 4,535,000	$ 4,900,000	$ 5,220,000	$ 7,495,000	$ 8,030,000	$ 8,570,000
5,427,000	5,215,500	4,988,750	4,743,750	4,482,750	2,110,750	1,709,250
$ 9,657,000	$ 9,750,500	$ 9,888,750	$ 9,963,750	$ 11,977,750	$ 10,140,750	$ 10,279,250
4.07	3.61	4.16	4.77	4.03	4.46	4.66
$ -	*$ -*	*$ -*	*$ -*	*$ 39,945,000*	*$ -*	*$ -*
$ 9,657,000	$ 9,750,500	$ 9,888,750	$ 9,963,750	$ 11,977,750	$ 10,140,750	$ 10,279,250
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-		-		-		
$ 9,657,000	$ 9,750,500	$ 9,888,750	$ 9,963,750	$ 11,977,750	$ 10,140,750	$ 10,279,250
N/A	N/A	N/A	N/A	N/A	N/A	N/A
$ -	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
$ 9,657,000	$ 9,750,500	$ 9,888,750	$ 9,963,750	$ 11,977,750	$ 10,140,750	$ 10,279,250
14,100,000	14,600,000	10,000,000	-	-	-	-
1,294,401	377,950	88,755	-	-	-	-
-	3,900	1,300	1,300	-	-	-
15,394,401	14,981,850	10,090,055	1,300	-	-	-
$ 25,051,401	$ 24,732,350	$ 19,978,805	$ 9,965,050	$ 11,977,750	$ 10,140,750	$ 10,279,250
1.57	1.42	2.06	4.77	N/A	N/A	N/A
$ 5,000,000	*$ 5,000,000*	*$ 9,855,000*	*$ -*	*$ -*	*$ -*	*$ -*
$ 18,330,000	$ 19,135,000	$ 14,900,000	$ 5,220,000	$ 7,495,000	$ 8,030,000	$ 8,570,000
6,721,401	5,593,450	5,077,505	4,743,750	4,482,750	2,110,750	1,709,250
-	3,900	1,300	1,300	1,430	1,430	-
$ 25,051,401	$ 24,732,350	$ 19,978,805	$ 9,965,050	$ 11,979,180	$ 10,142,180	$ 10,279,250
1.57	1.42	2.06	4.77	4.03	4.46	4.66
$ 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] Principal	Interest and Fiscal Charges	Total	Total Expenditures Governmental Funds	Debt Service Expenditures to Total Expenditures
2016	$ 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
2025	70,614,044	69,740,584	140,354,628	2,432,026,118	5.77

[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 $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%

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]	Unemployment Rate [5]
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	100,352	127,781,613,568	36.8	94.0	174,550	2.9
2025	1,284,784	N/A [6]	N/A [6]	N/A [6]	94.1	175,108	3.5

Sources:

[1] U.S. Census Bureau

[2] Bureau of Economic Analysis, County Table

[3] U.S. Census Bureau, U.S. Community Survey Estimates

[4] Fall registration for public schools - Minnesota State Department of Education

[5] 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

	Hennepin County		Metropolitan Area [1]		State		National	
Year	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate
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
2025	721,967	3.5	2,086,848	3.6	3,159,240	3.8	170,807,273	4.3

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

State of Minnesota Principal Employers	2025 [1] Employees (rounded to nearest 1,000)	Rank	Percentage of Total State Employment	2016 [2] Employees (rounded to nearest 1,000)	Rank	Percentage of Total County Employment
Mayo Foundation	50,035	1	1.61%	42,000	1	1.40%
State of Minnesota	41,344	2	1.33%	39,000	2	1.30%
Target Corporation	35,000	3	1.13%	27,000	4	0.90%
Fairview Health Services	33,094	4	1.07%			
United States Federal Government	32,897	5	1.06%	33,000	3	1.10%
Allina Health				26,000	5	0.87%
	192,370		6.20%	167,000		5.57%

[1] Source for 2025: Statewide information from the Minneapolis / St. Paul Business Journal.

[2] Source for 2016: Statewide information from Minnesota Department of Employment and Economic Development Top Employers Statewide. Data specific to Hennepin County is no longer available.

Unaudited

Employees by Function/Program

Last Ten Years

	2016	2017	2018
Governmental Activities:			
Operations	2,138	2,289	2,251
Human Services	3,482	3,586	3,506
Health	281	290	300
Law, Safety and Justice	2,313	2,369	2,386
Public Works	373	366	374
Resident Services [1]	N/A	N/A	N/A
Disparity Elimination [1]	N/A	N/A	N/A
Business-type Activities:			
Hennepin Health Plan	91	109	114
Environment and Energy	94	94	97
Medical Center	7,286	7,143	7,276
	16,058	16,246	16,304
Percent change from prior year, excluding Medical Center	*4.6%*	*3.8%*	*-0.8%*
Total Unionized Employees	10,275	10,404	10,507
Total Full-Time Equivalents	14,305	14,450	14,497

[1] Disparity Elimination and Resident Services were reported in Operations until 2022 and 2023, respectively.

Unaudited

Table 26

2019	2020	2021	2022	2023	2024	2025
2,257	2,184	2,039	2,227	1,220	1,219	1,178
3,274	3,260	3,151	3,361	3,714	3,872	3,790
303	278	269	292	297	278	279
2,426	2,410	2,153	2,365	2,332	2,300	2,428
372	360	361	319	341	324	337
N/A	N/A	N/A	N/A	1,107	936	952
N/A	N/A	N/A	88	86	108	113
106	103	99	103	109	111	118
99	93	93	96	103	96	98
7,246	7,334	7,167	7,050	7,349	7,705	7,724
16,083	16,022	15,332	15,901	16,658	16,949	17,017
-2.1%	*-1.7%*	*-6.0%*	*8.4%*	*5.2%*	*-0.7%*	*0.5%*
10,395	10,398	9,974	10,173	10,643	11,710	11,826
14,330	14,267	14,207	14,757	15,400	15,462	15,667

Hennepin County, Minnesota

Operating Indicators

Last Ten Years

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

2018	2019	2020 [2]	2021 [2]	2022[2]	2023	2024	2025
50,390	47,440	51,473	41,803	41,417	42,406	42,418	44,319
138,088	135,920	136,104	130,125	126,875	124,947	119,346	112,084
1,276	1,498	954	628	890	641	701	460
108,064	103,003	117,157	104,951	113,383	116,311	110,244	105,383
105,059	102,135	79,121	87,264	88,898	85,990	92,534	116,014
1,196	1,303	1,437	1,467	1,396	1,380	1,244	1,277
630	494	231	173	338	352	402	425
32,154	30,950	21,173	18,208	22,006	25,123	25,296	27,038
22.0%	23.0%	22.0%	16.0%	15.0%	15.0%	15.0%	15.8%
65%	60%	63%	62%	62%	56%	57%	57%
9:05	8:22	8:40	8:51	8:55	8:51	9:43	10:28
18.3	17.7	9.0	13.8	16.2	17.3	17.8	18.2
12.2	12.0	8.6	8.9	9.2	10.8	15.6	19.7
72,045	62,774	11,523	4,150	10,750	18,124	22,892	27,488
12.0%	11.6%	9.9%	8.5%	7.2%	7.3%	9.4%	10.4%
27,500	24,613	27,842	25,073	36,571	36,571	27,288	25,827
628,735	643,739	585,180	662,753	626,917	634,757	671,749	695,275
21,718	21,349	19,282	18,965	16,587	16,592	17,090	18,579
49.0%	49.0%	42.0%	39.0%	41.0%	43.0%	42.0%	44.0%

Capital Asset Statistics by Function/Program

Last Ten Years

	2016	2017	2018
Governmental Activities Capital Assets by Function/Program			
Operations			
Building square footage occupied by Operations	158,980	166,964	162,053
Human Services [1]			
Building square footage occupied by Human Services	337,666	288,858	397,514
Health			
Building square footage - NorthPoint Health & Wellness [2]	43,422	43,422	43,422
Building square footage - Medical Examiner	29,430	29,430	29,311
Law, Safety and Justice			
Building square footage - Public Safety Facility Cells/Sheriff's Jail	383,128	385,312	409,101
Building square footage occupied by the Corrections Department	571,879	571,878	565,448
Building square footage occupied by the Sheriff's Office (w/o Jail)	174,305	174,108	174,723
Public Works			
County roads and highways (center line miles)	570	570	570
Number of bridges	147	147	147
Resident Services			
Building square footage occupied by the Libraries [3]	1,041,136	1,074,505	1,072,901
Building square footage occupied by Resident Services	87,999	87,925	95,266
Size of Library collection (copies)	4,995,316	4,943,703	4,979,909
Business-type Activities Capital Assets by Function/Program			
Hennepin Health			
Building square footage occupied by Hennepin Health	32,957	25,574	25,574
Medical Center			
Building square footage occupied by the Medical Center	3,301,101	3,314,481	3,761,310
Environment and Energy			
Building square footage occupied by Environment and Energy	14,285	14,285	9,916

[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.

[3] Southdale and Westonka Libraries closed and under construction in 2025.

Sources: Various County departments

Unaudited

Table 28

2019	2020	2021	2022	2023	2024	2025
163,768	168,763	187,552	169,190	155,468	151,144	137,458
397,304	372,274	349,496	333,650	293,049	288,305	219,232
52,083	52,083	54,162	54,162	54,162	79,111	75,536
29,311	29,311	29,311	64,383	64,383	64,383	64,123
409,101	399,288	392,613	392,613	399,487	399,487	399,487
581,635	578,249	573,079	507,051	486,071	483,422	481,007
168,435	168,048	163,452	173,490	179,036	165,570	212,364
570	570	566	566	569	569	569
147	148	149	149	150	150	150
1,075,285	1,059,260	1,059,260	1,049,262	1,040,778	1,040,800	959,046
97,838	102,323	107,688	112,157	110,100	101,319	101,575
4,984,797	5,201,785	5,029,195	4,955,222	4,928,096	4,725,002	4,646,729
25,574	25,574	25,574	10,957	10,957	10,957	10,957
3,801,977	3,778,628	3,675,566	3,675,566	3,651,788	3,486,241	3,738,887
9,916	9,916	9,916	9,442	9,442	9,442	6,731

Selected Per Capita Measures of Financial Condition

Last Ten Years

	2016	2017	2018	2019
PROPERTY TAX LEVY				
County [1]	$ 640	658	680	709
% Change	3.7	2.7	3.5	4.2
County and other [2]	$ 2,328	2,363	2,469	2,588
% Change	3.8	1.5	4.5	4.8
REVENUES				
Total governmental funds [3]	$ 1,192	1,292	1,360	1,390
% Change	2.6	8.4	5.2	2.2
Intergovernmental	$ 383	437	385	357
% Change	5.2	14.1	(12.0)	(7.3)
EXPENDITURES				
Total governmental funds [3]	$ 1,331	1,450	1,477	1,496
% Change	8.9	8.9	1.9	1.3
Capital projects [4]	$ 149	138	196	125
% Change	20.9	(7.3)	41.9	(36.2)
LEVY-SUPPORTED GENERAL OBLIGATION DEBT				
Net direct [5]	$ 764	838	938	995
% Change	23.0	9.6	12.0	6.1
Net direct, overlapping, and underlying G.O.	$ 2,507	2,622	2,944	3,089
% Change	11.9	4.6	12.3	4.9
PROPERTY ESTIMATED MARKET VALUE [6]	$ 125,049	131,651	140,672	149,245
% Change	5.9	5.3	6.9	6.1
EMPLOYEES PER 10,000 CAPITA [7]	114.3	115.4	115.1	113.2
% Change	77.1	1.0	(0.3)	(1.6)

[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 maintainence, 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

2020	2021	2022	2023	2024	2025
729	738	767	794	842	878
2.9	1.1	4.0	3.5	6.0	4.3
2,656	2,692	2,793	2,932	3,058	3,201
2.6	1.4	3.8	4.9	4.3	4.7
1,481	1,462	1,515	1,669	1,760	1,779
6.5	(1.3)	3.7	10.1	5.5	1.1
463	452	488	518	534	549
29.8	(2.5)	8.0	6.1	3.2	2.8
1,740	1,447	1,554	1,714	1,899	1,893
16.3	(16.8)	7.4	10.3	10.8	(0.3)
113	111	133	144	214	190
(9.9)	(1.0)	19.3	8.5	48.6	(11.3)
1,053	1,079	1,047	1,064	1,163	1,284
5.8	2.5	(3.0)	1.6	9.3	10.4
3,255	3,317	3,365	3,390	3,878	3,795
5.4	1.9	1.5	0.7	14.4	(2.1)
155,111	163,124	185,154	196,899	195,903	197,276
3.9	5.2	13.5	6.3	(0.5)	0.7
111.3	112.1	117.1	122.3	121.4	121.9
(1.7)	0.7	4.5	4.5	(0.8)	0.4

Selected Ratio Measures of Financial Condition

Last Ten Years

	2016	2017	2018	2019
Debt service expenditures for property tax supported bonds to: [1]				
County property tax levy	15.9 %	13.4 %	11.8 %	11.3 %
Governmental fund expenditures	7.4	6.1	5.4	5.4
Net general obligation debt to:				
Property taxable market value	0.61	0.64	0.67	0.68
Legal debt margin	25.6	26.9	28.6	28.6
Direct, overlapping, and underlying net G.O. debt	30.5	31.9	31.9	32.2
Governmental fund revenues	64.1	64.8	69.0	71.6
General obligation debt due within ten years				
To total general obligation debt	55.0	58.0	58.0	58.0
Unassigned General Fund fund balance [2]				
To general fund expenditures	22.1	25.6	23.6	24.4

[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

2020		2021		2022		2023		2024		2025	
12.4	%	13.9	%	14.5	%	12.7	%	13.8	%	12.4	%
5.2		7.1		7.2		5.9		6.1		5.8	
0.69		0.67		0.57		0.55		0.60		0.66	
29.3		28.3		23.2		22.0		24.7		27.7	
32.4		32.5		31.1		31.4		30.0		33.8	
71.1		73.8		69.1		63.7		66.1		72.2	
51.3		52.6		54.7		56.7		57.4		70.0	
17.9		20.3		19.8		20.3		15.7		15.9	


Hennepin

Mission

To serve residents through transformative services that reduce disparities, eliminate inequities, and create opportunity for all.



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