

Disclaimer

This Comprehensive Annual Financial Report (CAFR) of the Hennepin County Regional Railroad Authority (HCRRA) contained on the County's web pages is historical information as of December 31, 2014. The information in the CAFR 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 the HCRRA's CAFR dated December 31, 2014.

This online document has been formatted for two-sided printing.



HENNEPIN COUNTY REGIONAL RAILROAD AUTHORITY
A Component Unit of Hennepin County, Minnesota

Comprehensive Annual Financial Report

Year Ended December 31, 2014





Introductory Section



Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
2014 Comprehensive Annual Financial Report
Table of Contents

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
Principal Officials	10
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	13
Management's Discussion and Analysis	15
Basic Financial Statements	
Governmental Fund Balance Sheets and Statement of Net Position	20
Statements of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities	21
Notes to the Basic Financial Statements	23
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual – General Fund	32
Notes to Required Supplementary Information	33
Supplementary Information	
Balance Sheet – General Fund	34
Balance Sheet – Debt Service Fund	35
Balance Sheet – Capital Projects Fund	36
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual – Debt Service Fund	37
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual – Capital Projects Fund	38
<u>STATISTICAL SECTION</u>	39





July 20, 2015

The Honorable Members of the Hennepin County Regional Railroad Authority Board:

Minnesota Statutes require all governmental agencies to issue an annual report on its financial position and activity prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 comprehensive annual financial report of the Hennepin County Regional Railroad Authority (HCRRA) for the fiscal year ended December 31, 2014.

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.

McGladrey LLP, Certified Public Accountants, has issued an unmodified (“clean”) opinion on HCRRA financial statements for the year ended December 31, 2014. The independent auditor’s report is located at the front of the financial section of this report.

Management’s 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. MD&A complements this letter of transmittal and should be read in conjunction with the letter.

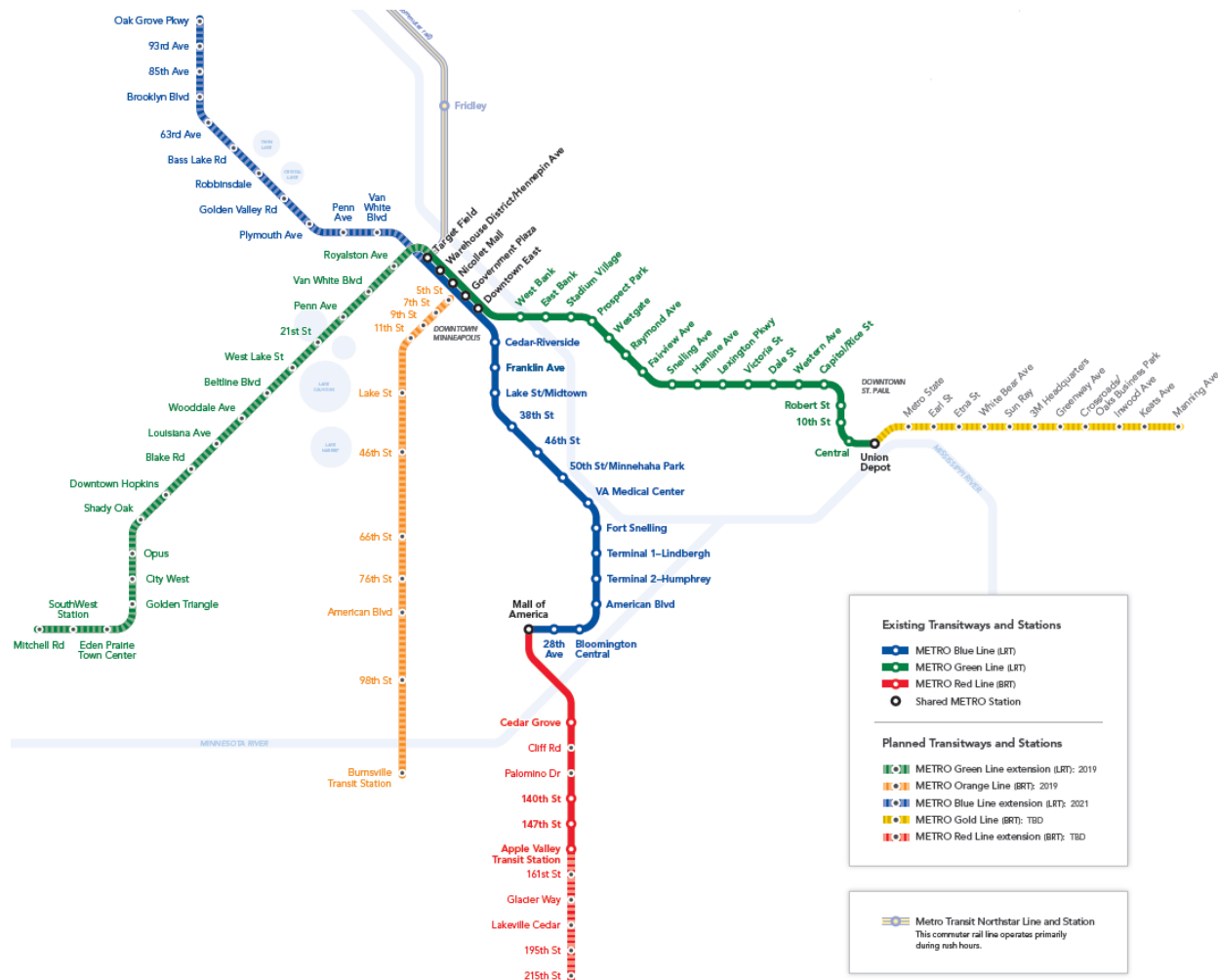
Profile of the Government

The HCRRA was established in 1980 as a political subdivision and local government unit of Minnesota. It was established for the purpose of preservation, improvement, and implementation of local rail service in accordance with the powers and authorities granted in Laws of Minnesota Chapter 616. The HCRRA advises and participates with the Metropolitan Council Metro Transit Division, the Minnesota Department of Transportation, and the Counties Transit Improvement Board (CTIB) in the development of rail transit in Hennepin County. Together, Hennepin, Anoka, Dakota, Ramsey, and Washington counties comprise CTIB. The Minnesota Legislature authorized this joint powers board to impose a 0.25% sales and use tax, and an excise tax on sales of motor vehicles. The taxes are used to provide grants to fund capital improvements and some operating costs of the transit system.

Although it is a legally separate entity, the HCRRA is in substance part of the operations of Hennepin County. Therefore, the HCRRA’s activity is combined with financial information of Hennepin County and reported as a special revenue fund within the County’s Comprehensive Annual Financial Report.

The HCRRA Board, which includes the seven members of the Hennepin County Board of Commissioners, is responsible, among other things, for adopting the annual budget. Budgets are adopted on a basis consistent with GAAP. Beginning in approximately August of each year a budget is prepared and includes information on the past year, current year estimates, and requested appropriations. The Board legally enacts the budget by passage of a resolution no later than December 31. A budget to actual comparison for the general fund is presented in the Required Supplementary Information section of this report.

Below is a map of the METRO system. The projects that the HCRRA has participated in or been financially involved in are shown in the map and described in more detail in the following pages.



METRO System Map provided by Metrotransit

METRO Blue Line – Light Rail Transit



METRO Blue Line at Target Field Station Photo © Morgan Sheff 2014

The 19-station METRO Blue Line runs 12 miles of light rail transit between the Mall of America in Bloomington and Target Field Station in downtown Minneapolis. The line is served by two park and ride lots that provide more than 2,600 parking spaces to commuters. Ridership in 2014 totaled 9.5 million, and the route had an average weekday ridership of 27,600. The Target Field Station provides a direct connection to the Northstar Commuter Rail Line. Three-car trains are used on weekdays, as well as for Twins and Vikings games.

Metro Transit operates the light rail, commuter rail, and most of the buses in the Twin Cities. The METRO Blue Line accounted for about 11.2% of Metro Transit's total ridership in 2014. The METRO Blue Line operates with a fleet of 39 vehicles.

METRO Green Line – Light Rail Transit

The METRO Green Line is 9.8 miles of light rail transit between downtown St. Paul and downtown Minneapolis. This line opened in June 2014 with 18 new stations, as well as five stations shared with the METRO Blue Line. It links five major centers of activity in the Twin Cities region – downtown Minneapolis, the University of Minnesota, the Midway area, the State Capitol complex and downtown St. Paul. It connects to the METRO Blue Line at the Downtown East Station. For the partial year of operation in 2014, total ridership was 6.5 million with average weekday ridership of 34,500.

The Metropolitan Council was responsible for the design, construction and operations of the METRO Green Line. The HCRRA's share of the METRO Green Line Project was \$28.3 million or 3%. A total of 47 Light Rail Vehicles are assigned to the Green Line.



METRO Green Line at Prospect Park Station Photo © Drew Kerr, Metrotransit

Target Field Station Regional Multimodal Facility

Target Field Station involved development of a site adjacent to the current downtown Minneapolis Target Field Stadium to provide connections between bus routes, the Cedar Lake Bike Trail, and the existing and future light rail and commuter rail lines. This station will initially focus on light rail transit enhancements relating to the METRO Blue and Green Lines. The Target Field Station grand opening for the transit hub, the 286-space underground parking, and the great lawn/cascade public space was held in May 2014.

The facility is designed to accommodate future light rail transit services to Eden Prairie (METRO Green Line Extension) and Brooklyn Park (METRO Blue Line Extension.) The Station provides improved pedestrian and bicycle access to Target Field from the North Loop neighborhood, and has safe, spacious queueing areas for light rail passengers after events at Target Field. The Great Lawn and video screen were used to broadcast Team USA matches during the 2014 World Cup as free-to-the-public events.

Target Field Station is a catalyst for development in the North Loop Area. Development activity includes the renovation of the historic Ford Center office building, the opening of the 182-unit Junction Flats Apartments, construction of the 78-unit District 600 Apartments, and construction of the new 240,000 square feet Be the Match headquarters. In 2014, United Properties announced plans to build a 10-story office building on a parcel adjacent to the station.



Target Field Station Opening Day Photo © Morgan Sheff 2014

METRO Red Line – Bus Rapid Transit

The METRO Red Line provides service linking the Apple Valley Transit Station with Mall of America Transit Station. Bus rapid transit has the speed and reliability of light rail at a lower cost. In 2014, the service provided 266,000 rides. Plans are underway to renovate Mall of America Transit Station, which will provide a better connection between the METRO Red Line and METRO Blue Line, and provide faster entry and exit for buses. Studies are underway to determine the feasibility of adding more stations along the route.

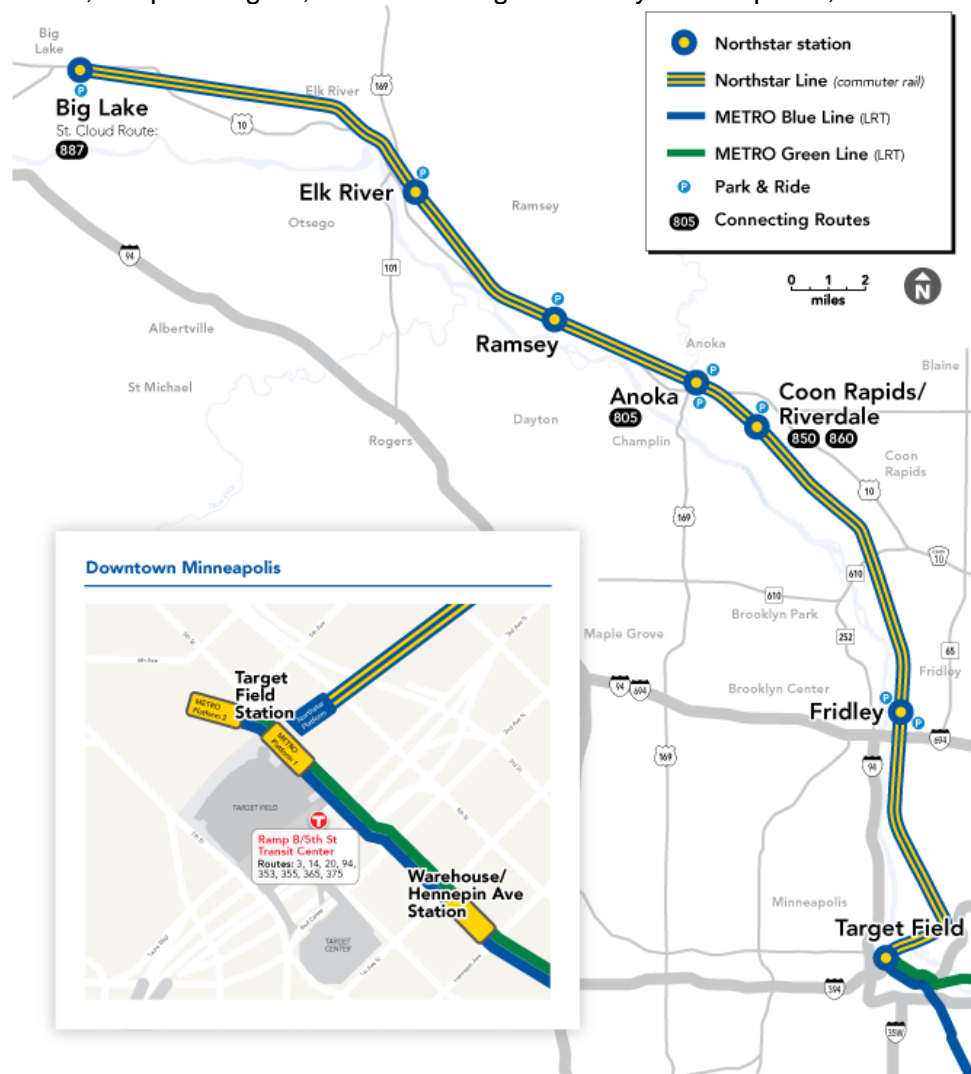


METRO Red Line Stations map provided by Metrotransit

Northstar Commuter Rail Line

Northstar Commuter Rail service between Big Lake and downtown Minneapolis is on a 40-mile segment of Burlington Northern Santa Fe (BNSF) railroad tracks along Highways 10 and 47. The Northstar stations are located in Big Lake, Elk River, Ramsey, Anoka, Coon Rapids, Fridley, and in downtown Minneapolis where Target Field Station provides a direct connection to the METRO Blue Line.

Northstar rail service has five peak-direction trips on weekdays, with one reverse-commute trip. Three round trips are scheduled for Saturday and Sunday. Northstar serves all Minnesota Twins and Vikings home games as well as select special events in downtown. In 2014 the Northstar Line carried 721,000 passengers, with an average weekday ridership of 2,500.



Northstar Commuter Rail Line Stations (map provided by Metrotransit)

Additional Projects

The HCRRA also participates in the planning and design of other rail projects, including:

- **METRO Green Line Extension – Light Rail Transit**
The METRO Green Line Extension (Southwest Corridor) is a planned 16-mile light rail transit line between Eden Prairie and downtown Minneapolis. When built, the line will be combined with the METRO Green Line, to create a continuous service from Eden Prairie to downtown St. Paul. In 2014, municipal approval was received from each of the five cities as well as Hennepin County on the preliminary design plans. Consultant work continued on a supplemental draft environmental impact statement as well as the final environmental impact statement. The Metropolitan Council secured a consultant team to provide advanced design services for the project.

- **METRO Blue Line Extension– Light Rail Transit**
The METRO Blue Line Extension (Bottineau Corridor) is a 13-mile transitway corridor extending from downtown Minneapolis through North Minneapolis, Golden Valley, Robbinsdale, Crystal, and Brooklyn Park. In 2014, the draft environmental impact statement was completed. The project was admitted into the Project Development phase by the Federal Transit Administration. The project was transitioned from Hennepin County leadership to the Metropolitan Council. Consultant teams were hired to complete the Final Environmental Impact Statement and Project Development activities.

- **Red Rock Corridor – Bus Rapid Transit**
The Red Rock Corridor transit proposals have focused on a 30-mile corridor from Hastings through St. Paul, and then to Minneapolis. In December 2013, the Red Rock Corridor Commission completed their draft update to the alternative analysis study. The Commission recommended Bus Rapid Transit (BRT) in the corridor from Hastings to downtown St. Paul, amending the original recommendation for commuter rail. Activities in 2014 have focused on an implementation plan for BRT within the corridor.

- **Northern Lights Express – Minneapolis to Duluth/Superior Passenger Rail**
The HCRRA, in partnership with the regional railroad authorities for St. Louis and Lake County, Isanti County, Pine County; and the Mille Lacs Band of Ojibwe, the cities of Duluth and Minneapolis, and the Minnesota Department of Transportation (MnDOT) have been studying the potential for the intercity passenger rail between Minneapolis and Duluth/Superior. In 2014, MnDOT hired several consultants to study ridership projections, develop railroad/roadway safety guidelines, and investigate station, terminal, and facility locations. Coordination efforts continue with BNSF Railway regarding train modeling and engineering issues along the 155 mile corridor.

Interim Use of Properties Acquired for Future Projects

The HCRRA currently owns 55 miles of rail corridor; 11 sites suitable for future park and ride lots or stations; and 2 railroad depots; for a total of 83 acres. Although acquired for future transportation needs, recreational trails have been constructed on these corridors as an interim use.

Economic and Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the HCRRA operates.

Local economy. Hennepin County, the geographic area in which the HCRRA is established, has longstanding characteristics of strength and diversity in comparison to outstate, regional and even the national economy as shown in measurements of income and employment. Healthcare, medical device manufacturing, retail sales, financial services and insurance, high tech, and food processing are significant economic sectors providing a strong employment and wage base in the County. Many large international companies maintain their headquarters in Hennepin County. At year-end 2014, the County unemployment rate of 3.7% was lower than the previous year's rate of 4.7%, continuing a 5-year improvement trend. Again in 2014, the County unemployment rate remained lower than the State rate of 4.1% and the national rate of 6.2%.

Long-term Financial Planning. The overall economic environment relating to the 2015 budget was improved compared to recent years. The State of Minnesota's budget was in substantially better shape than in the recent past, with a forecasted \$1.2 billion surplus for the biennium ending on June 30, 2015. Continued growth in employment and income contributed to the increase in the state's forecasted revenues. On the national side, regular economic momentum contributed to an improved economic outlook, as well. Economic activity is expected to grow through 2015 as a result of an upturn in consumer spending, an improved housing market, and increased capital equipment and infrastructure investment, resulting in less uncertainty for long-term financial planning.

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

Respectfully submitted,



David J. Hough
Executive Director

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Principal Officials 2014

Board of Commissioners:

Peter McLaughlin, Chair
Jan Callison, Vice Chair
Linda Higgins, Secretary
Marion Greene, Treasurer
Mike Opat
Randy Johnson
Jeff Johnson

Executive Director:

David J. Hough

Financial Section





Independent Auditor's Report

Hennepin County Regional Railroad Authority
Hennepin County, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of Hennepin County Regional Railroad Authority (HCRRA), a component unit of Hennepin County, Minnesota, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise HCRRA's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of HCRRA as of December 31, 2014, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America for state and local governments require that the management's discussion and analysis, budgetary comparison information, and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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, which consisted of primarily of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise HCRRA's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and other information, such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 2014 supplementary 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the 2014 supplementary information is fairly stated, in all material respects, in relation to the 2014 basic financial statements taken as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, HCRRA's 2013 basic financial statements (not presented herein) and have issued our report dated July 3, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities and the major funds. The accompanying supplementary information, as listed in the table of contents, as of and for the year ended December 31, 2013, is presented for purposes of additional analysis and is 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 2013 basic financial statements. The accompanying supplementary information has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements, or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 supplementary information is fairly stated, in all material respects, in relation to the 2013 basic financial statements taken as a whole.

The introductory section and statistical section, as listed in the table of contents, have not been subjected to the auditing procedures applied to the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

McGladrey LLP

Minneapolis, Minnesota
July 20, 2015

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Management's Discussion and Analysis

This discussion and analysis is intended to provide financial statement readers with a financial overview and narrative analysis of the financial position and activities of the Hennepin County Regional Railroad Authority (HCRRA), a component unit of Hennepin County (the County) for the year ended December 31, 2014. This information should be considered in conjunction with the information contained in the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-Wide

- At December 31, 2014, the assets of the HCRRA exceeded its liabilities by \$36,056,816. Of the total net position, \$39,720,154 was the net investment in capital assets, \$2,436,320 was restricted for transit projects, and \$204,551 was restricted for debt service. The remainder consisted of negative unrestricted net position of \$6,304,209. Negative unrestricted net position exists because the HCRRA has \$37,294,876 of debt outstanding relating to bond proceeds that were contributed to the Metropolitan Council in 2002 for the METRO Blue Line. Future property tax revenues are expected to be sufficient to offset long-term liabilities as they come due.
- HCRRA total net position, as reported in the Statement of Activities, increased by \$8,454,734 during 2014. This increased net position is primarily the result of \$1,990,000 contributed from the Minnesota Twins for the Interchange project plaza, and due to the Southwest and Bottineau light rail projects progressing slower than expected.

Fund Level

- At the end of the fiscal year, the HCRRA's governmental funds reported total ending fund balances of \$30,273,901, an increase of \$33,558,816 from the prior year balance of negative \$3,284,915. The increase in fund balance is primarily related to the \$28,474,955 of intergovernmental revenues that were received in 2014 to reimburse costs incurred for the construction of Target Field Station in 2013.
- Total fund balance for the General Fund was \$27,518,889, or approximately 227% of total general fund expenditures for the year ended December 31, 2014, compared to \$24,323,517 and 185% for 2013.

Long-Term Debt

- The HCRRA's total long term debt decreased \$1,533,334 in 2014, primarily due to principal repayments.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the HCRRA basic financial statements, which are comprised of two components: 1) combined government-wide and fund financial statements, and 2) notes to the basic 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 HCRRA finances, in a manner similar to a private-sector business. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the

OVERVIEW OF THE FINANCIAL STATEMENTS – CONTINUED

HCRRA as a whole 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 HCRRA 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. There are two government-wide statements.

- *The Statement of Net Position* presents the HCRRA's assets and deferred outflows of resources, which are equal to the reported liabilities and *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the HCRRA is improving or deteriorating.
- *The Statement of Activities* presents information showing how the HCRRA 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).

In both statements, HCRRA activities are reported as *governmental activities*, which are defined as functions that are principally supported by taxes and intergovernmental revenues.

Fund Financial Statements

The fund financial statements provide detailed information about the HCRRA major funds. 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. HCRRA activity is reported in three major governmental funds, the General Fund, Debt Service Fund, and the Capital Projects Fund. 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. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting. The fund statements provide a detailed short-term view of HCRRA finances that assists in determining whether there will be adequate financial resources available to meet current needs.

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 HCRRA's near-term financing decisions. Both the governmental funds balance sheets and the governmental funds statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*. The reconciliations are presented in the adjustments column in each of the basic financial statements.

Notes to the Basic Financial Statements

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve as an indicator of a government's financial position. In the case of the HCRRA, assets and deferred outflows of resources exceeded liabilities by \$36,056,816 at December 31, 2014. The largest portion of HCRRA net position, \$39,720,154, reflects its net investment in capital assets (primarily land and rail corridor). The HCRRA uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. An additional portion of the HCRRA's net position, \$2,640,871, represents resources that are subject to external restrictions on how they may be used. The remainder consisted of negative unrestricted net position of \$6,304,209. Negative unrestricted net position exists because the HCRRA has \$37,294,876 of debt outstanding relating to bond proceeds that were contributed to the Metropolitan Council in 2002 for the Hiawatha Avenue Light Rail Transit project. Future property tax revenues are expected to be sufficient to offset long-term liabilities as they come due.

Summary of Net Position		
	2014	2013
Current assets	\$ 36,228,725	\$ 55,219,081
Noncurrent assets - Capital assets	39,720,154	39,761,958
	75,948,879	94,981,039
Deferred Outflows of Resources	1,507,294	1,594,885
Current liabilities	5,614,481	31,615,632
Noncurrent liabilities	35,784,876	37,358,210
	41,399,357	68,973,842
Net investment in capital assets	39,720,154	39,761,958
Restricted	2,640,871	225,024
Unrestricted	(6,304,209)	(12,384,900)
	\$ 36,056,816	\$ 27,602,082

Changes in Net Position

As shown in the table below, HCRRA net position increased by \$8,454,734 during 2014. This increase is primarily the result of \$1,990,000 contributed from the Minnesota Twins for the Interchange project plaza, and due to the Southwest and Bottineau light rail projects progressing slower than expected.

Changes in Net Position		
	Governmental Activities	
	2014	2013
Revenues:		
Program revenues:		
Charges for services	\$ 788,761	\$ 737,357
Operating grants and contributions	16,027,438	29,089,665
Capital grants and contributions	-	338,332
General revenues:		
Property taxes	23,754,226	20,959,619
Investment earnings (losses)	367,944	(114,498)
	40,938,369	51,010,475
Expenses:		
HCRRA	31,062,728	52,329,389
Interest on long-term debt	1,420,907	1,449,665
	32,483,635	53,779,054
Change in net position	8,454,734	(2,768,579)
Net position - beginning	27,602,082	30,370,661
Net position - ending	\$ 36,056,816	\$ 27,602,082

FUND FINANCIAL ANALYSIS

Changes in Fund Balance

The focus of the *governmental funds* is to provide information on near-term inflows, near-term outflows, and balances of net resources. At the end of the fiscal year, the HCRRA's governmental funds reported total ending fund balances of \$30,273,901, an increase of \$33,558,816 from the prior year. The increase is primarily related to the \$28,474,955 of intergovernmental revenues that were received in 2014 to reimburse costs incurred for the construction of Target Field Station in 2013. Of the ending fund balance, \$27,518,889 constitutes General Fund total fund balance, which may be used to meet the HCRRA's ongoing obligations in accordance with contractual agreements and fiscal policies. The remainder of fund balance is restricted for the payment of debt service and capital projects.

Budgetary Highlights

At year-end, actual General Fund expenditures of \$12,115,579 were lower than the final \$17,904,029 budget. Contractual services expenditures were \$3,693,857 less than budgeted due to the Southwest and Bottineau light rail projects progressing slower than expected.

Capital Projects Fund non-lapsing budgets carried over from prior years totaled \$16,666,095, which when combined with the newly appropriated project budgets for 2014 totaled \$26,566,095. The 2014 actual Capital Projects Fund expenditures of \$18,905,345 were \$7,660,750 lower than the \$26,566,095 remainder of non-lapsing project budgets.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

HCRRA capital assets as of December 31, 2014 totals \$39,720,154 (net of accumulated depreciation). The investment in capital assets consists of land (including rail corridor) and buildings. The HCRRA's net investment in capital assets decreased \$41,804 from the prior year's balance. Additional information on HCRRA capital assets can be found in Note 4 on page 28 of this report.

Debt administration

At the end of the current fiscal year, the HCRRA had total long-term levy supported bonds outstanding of \$37,294,876 (including unamortized premium).

The HCRRA's credit ratings on outstanding bonds as of December 31, 2014 were:

Standard and Poor's Corporation	AAA
Fitch IBCA, Inc.	AAA

Additional information on HCRRA long-term debt can be found in Note 5 on page 28 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2015 General Fund budget is \$9,459,926 less than the final 2014 budget. In 2015, work will continue on several high priority projects. The General Fund is budgeting consulting expenditures of \$800,000 for the Bottineau Corridor and \$1,065,000 for the Midtown Corridor Bridges in 2015.

The Debt Service Fund budget for 2015 was approved at \$2,879,700, a small increase over the final 2014 budget. The Capital Projects Fund budget for 2015 was approved at \$31,800,000, a \$21,900,000 increase over 2014, with land acquisition/preliminary engineering budgets of \$10,600,000 for the Bottineau Light Rail Transit project and \$21,200,000 for the Southwest Light Rail Transit project.

REQUESTS FOR INFORMATION

This financial report is designed to provide an overview for those interested in the HCRRA'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 Regional Railroad Authority, A-2301 Government Center, Minneapolis, MN 55487-0231.

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Governmental Fund Balance Sheets and Statement of Net Position
December 31, 2014

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 1)	Statement of Net Position
ASSETS						
Current assets:						
Interest in Hennepin County investment pool	\$ 28,764,875	\$ 318,692	\$ 4,628,115	\$ 33,711,682	\$ -	\$ 33,711,682
Taxes receivable, net	217,373	-	-	217,373	-	217,373
Due from other governmental agencies	64,075	-	2,147,173	2,211,248	-	2,211,248
Other receivables	88,422	-	-	88,422	-	88,422
Total current assets	<u>29,134,745</u>	<u>318,692</u>	<u>6,775,288</u>	<u>36,228,725</u>	<u>-</u>	<u>36,228,725</u>
Noncurrent assets:						
Capital assets:						
Land and rail corridor	-	-	-	-	39,250,512	39,250,512
Buildings	-	-	-	-	1,790,681	1,790,681
	-	-	-	-	41,041,193	41,041,193
Less accumulated depreciation	-	-	-	-	(1,321,039)	(1,321,039)
Net capital assets	-	-	-	-	<u>39,720,154</u>	<u>39,720,154</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,720,154</u>	<u>39,720,154</u>
Total assets	<u>29,134,745</u>	<u>318,692</u>	<u>6,775,288</u>	<u>36,228,725</u>	<u>39,720,154</u>	<u>75,948,879</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on debt refunding	-	-	-	-	1,507,294	1,507,294
LIABILITIES						
Current liabilities:						
Accounts and contracts payable	1,615,856	-	410,000	2,025,856	-	2,025,856
Accrued liabilities	-	-	-	-	114,141	114,141
Due to Hennepin County	-	-	1,964,484	1,964,484	-	1,964,484
Current portion of long-term debt	-	-	-	-	1,510,000	1,510,000
Total current liabilities	<u>1,615,856</u>	<u>-</u>	<u>2,374,484</u>	<u>3,990,340</u>	<u>1,624,141</u>	<u>5,614,481</u>
Noncurrent liabilities:						
Noncurrent portion of long-term debt	-	-	-	-	35,784,876	35,784,876
Total liabilities	<u>1,615,856</u>	<u>-</u>	<u>2,374,484</u>	<u>3,990,340</u>	<u>37,409,017</u>	<u>41,399,357</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - intergovernmental	-	-	1,964,484	1,964,484	(1,964,484)	-
FUND BALANCES/NET POSITION						
Fund balances:						
Restricted	-	318,692	2,436,320	2,755,012	(2,755,012)	-
Assigned	15,406,729	-	-	15,406,729	(15,406,729)	-
Unassigned	12,112,160	-	-	12,112,160	(12,112,160)	-
Total fund balances	<u>27,518,889</u>	<u>318,692</u>	<u>2,436,320</u>	<u>30,273,901</u>	<u>(30,273,901)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,134,745</u>	<u>\$ 318,692</u>	<u>\$ 6,775,288</u>	<u>\$ 36,228,725</u>		
Net position:						
Net investment in capital assets					39,720,154	39,720,154
Restricted for transit projects					2,436,320	2,436,320
Restricted for debt service					204,551	204,551
Unrestricted (deficit)					<u>(6,304,209)</u>	<u>(6,304,209)</u>
Total net position					<u>\$ 36,056,816</u>	<u>\$ 36,056,816</u>

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

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
**Statements of Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances and Statement of Activities**
For the Year ended December 31, 2014

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 1)	Statement of Activities
PROGRAM REVENUES						
Intergovernmental	\$ 3,172,720	\$ -	\$ 39,365,189	\$ 42,537,909	\$ (42,537,909)	\$ -
Charges for services	695,240	-	-	695,240	93,521	788,761
Other	93,521	-	-	93,521	(93,521)	-
Operating grants and contributions	-	-	-	-	16,027,438	16,027,438
Total program revenues	<u>3,961,481</u>	<u>-</u>	<u>39,365,189</u>	<u>43,326,670</u>	<u>(26,510,471)</u>	<u>16,816,199</u>
GENERAL REVENUES						
Property taxes	20,908,049	2,846,177	-	23,754,226	-	23,754,226
Investment earnings	341,421	-	26,523	367,944	-	367,944
Total general revenues	<u>21,249,470</u>	<u>2,846,177</u>	<u>26,523</u>	<u>24,122,170</u>	<u>-</u>	<u>24,122,170</u>
EXPENDITURES/EXPENSES						
Regional Railroad:						
Current:						
Commodities	161,445	-	-	161,445	-	161,445
Contractual services	11,901,522	-	16,940,861	28,842,383	-	28,842,383
Depreciation	-	-	-	-	41,804	41,804
Other	52,612	-	-	52,612	-	52,612
Intergovernmental	-	-	1,964,484	1,964,484	-	1,964,484
Debt service:						
Principal retirement	-	1,470,000	-	1,470,000	(1,470,000)	-
Interest and fiscal charges	-	1,399,100	-	1,399,100	21,807	1,420,907
Total expenditures/expenses	<u>12,115,579</u>	<u>2,869,100</u>	<u>18,905,345</u>	<u>33,890,024</u>	<u>(1,406,389)</u>	<u>32,483,635</u>
Excess (deficiency) of revenues over expenditures/expenses	<u>13,095,372</u>	<u>(22,923)</u>	<u>20,486,367</u>	<u>33,558,816</u>	<u>(25,104,082)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	9,900,000	9,900,000	(9,900,000)	-
Transfers out	(9,900,000)	-	-	(9,900,000)	9,900,000	-
Total other financing sources (uses)	<u>(9,900,000)</u>	<u>-</u>	<u>9,900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>3,195,372</u>	<u>(22,923)</u>	<u>30,386,367</u>	<u>33,558,816</u>	<u>(33,558,816)</u>	<u>-</u>
Change in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,454,734</u>	<u>8,454,734</u>
FUND BALANCES/NET POSITION						
Beginning	<u>24,323,517</u>	<u>341,615</u>	<u>(27,950,047)</u>	<u>(3,284,915)</u>	<u>30,886,997</u>	<u>27,602,082</u>
Ending	<u>\$ 27,518,889</u>	<u>\$ 318,692</u>	<u>\$ 2,436,320</u>	<u>\$ 30,273,901</u>	<u>\$ 5,782,915</u>	<u>\$ 36,056,816</u>

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



Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

The Hennepin County Regional Railroad Authority (HCRRA) was established in 1980 for the purpose of the preservation, improvement, and implementation of local rail service in accordance with the powers and authorities granted in Laws of Minnesota Chapter 616. In the course of light rail transit development, the HCRRA purchases rail corridors, park/ride sites, and maintenance facilities.

The HCRRA is a blended component unit of Hennepin County, Minnesota. A blended component unit, although a legally separate entity, is in substance part of the County's operations and so data from this unit is combined with financial information of the primary government and reported as a special revenue fund in Hennepin County's Comprehensive Annual Financial Report, which can be obtained from the County. Hennepin County was established in 1852 as an organized county having powers, duties, and privileges granted counties by Minnesota Statutes. The County is governed by a seven-member board of commissioners elected from districts within the County. The County Commissioners comprise the entire HCRRA board and exercise financial accountability. Employees of Hennepin County staff the projects of the HCRRA. The HCRRA has no employees.

The financial statements of the HCRRA are prepared in accordance with accounting principles generally accepted in the United States of America as established for governmental entities.

Measurement Focus, Basis of Accounting and Basis of 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 sections below.

As a special-purpose government engaged in a single governmental program, the government-wide statements and the fund financial statements have been combined in one statement. An adjustments column reflects the following differences between the two types of statements:

- Governmental funds report capital outlays as expenditures. In the government-wide financial statements, capital assets are reported in the Statement of Net Position at historical cost and in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.
- Certain assets are not available to pay for current-period expenditures and, therefore, are not reported as revenues in the current period fund financial statements, but instead are reported either as unearned revenue or deferred inflow of resources. In return, revenues in the Statement of Activities that do not provide financial resources are not reported as revenues in the fund financial statements.
- Long-term liabilities are reported in the government-wide Statement of Net Position, and related transactions are reported in the Statement of Activities. Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – 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 government entity 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 HCRRA's 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 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. The structure of the two government-wide financial statements is described in the following two paragraphs.

Statement of Net Position – This statement is designed to display the financial position of the HCRRA. The HCRRA reports all capital assets and long-term liabilities, such as long-term debt. The net position of the HCRRA is broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted. Restrictions reported are those imposed by parties outside the HCRRA, 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 government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Statement of Activities – This statement demonstrates the degree to which expenses of a given function are offset by program revenues. 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 investment earnings (losses) not properly included among program revenues are reported as general revenues. Just as the Statement of Net Position includes all capital assets, the Statement of Activities includes depreciation expense.

Fund Financial Statements

The accounts of the HCRRA are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. 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. The minimum number of funds is maintained consistent with legal and managerial requirements. All individual funds are considered major and are reported as separate columns in the fund financial statements. Governmental Funds are used to account for the HCRRA's activities. Governmental fund types use 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 (spendable) 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. Property taxes are considered measurable when levied for and intergovernmental revenues are considered measurable when applicable eligibility requirements have been met. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The HCRRA considers revenues to be available if they are collected within 60 days after year-end. Changes in the fair value of investments are recognized in investment earnings (losses) at the end of each year. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due.

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Financial Statements – continued

The HCRRA reports the following major governmental funds:

- The *general fund* is the HCRRA'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 *debt service fund* accounts for the servicing of general long-term debt.
- The *capital projects fund* accounts for major capital projects.

Cash and Investments

The HCRRA's cash is deposited in pooled accounts of the Hennepin County Investment Pool (the Pool), an internal investment pool. Cash surpluses in these accounts are invested by the County, and investment earnings (losses), including gains and losses on sales of securities, are allocated to the HCRRA on the basis of average monthly cash and investment balances.

Investments are stated at fair value. The fair value of investments is based on quoted market prices. 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
- Shares of certain investment companies

Capital Assets

Capital assets are reported in the government-wide financial statements at historical cost. Capital assets used in governmental activities are not financial resources and therefore net capital assets are not reported in the fund financial statements. Capital assets are depreciated or amortized in the Statement of Activities for governmental activities using the straight-line method. Buildings are depreciated over their 20-50 year estimated useful lives. 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 asset lives are not capitalized and are reported as expenses in the governmental activities and as expenditures in the fund financial statements. The net capital asset activity in the current period relates to depreciation that is recognized in the government activities Statement of Activities.

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as a liability. 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 issued. In the fund financial statements, the proceeds from the issuance of debt and debt premiums are reported as other financing sources, discounts on debt issuances are reported as other financing uses, and issuance costs and debt principal payments are reported as expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The HCRRA reports a deferred charge on refunding in this manner in the government-wide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Only the HCRRA's governmental fund unavailable revenue items are in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balance and Net Position

Fund balance. In the governmental fund financial statements, fund balance is displayed 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 prepaid items).
- 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 HCRRA Board as approved or rescinded in a Board Resolution.
- Assigned fund balance – amounts constrained by the HCRRA's intent to be used for specific purposes, but are neither restricted nor committed. The HCRRA Board has 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.

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.

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance and Net Position – continued

Net position. In the 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, and liabilities that are not included in the determination of the other two components of net position.

Reclassifications and Use of Estimates

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

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. INTEREST IN HENNEPIN COUNTY INVESTMENT POOL

The County’s Office of Budget and Finance is responsible for the treasury function of all of the County’s deposits and investments held by its funds and blended component units. Cash from all funds is pooled for deposit and investment purposes. At December 31, the HCRRA comprised \$33,711,682 or 3.3% of the County’s total cash and investments. As of December 31, 2014, the County had 86% of investments invested in U.S. government and agency issues, 12% in repurchase agreements, 1% in municipal securities, and 1% invested in money market funds. Detailed information about the County’s deposits with financial institutions, repurchase agreements, interest rate risk, credit risk, concentration of credit risk, and custodial credit risk can be obtained directly from the County’s 2014 financial statements. Investment earnings (losses) are allocated based on average monthly cash balances. The realized and unrealized components of the 2014 HCRRA investment earnings (losses) are presented below.

	2014
Investment income and realized gains and losses	\$ 284,950
Net increase in the fair value of investments	82,994
Total Investment Gains	\$ 367,944

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2014

3. RECEIVABLES

The HCRRA is a special taxing district with the authority to levy property taxes. 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 \$90,609 at December 31, 2014. The portion of property taxes not included in the allowance and not collected within 60 days is offset by deferred inflows of resources. Other miscellaneous receivables relate to building and land rental.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Balance January 1, 2014	Additions	Balance December 31, 2014
<i>Capital assets not being depreciated:</i>			
Land (including rail corridor)	\$ 39,250,512	\$ -	\$ 39,250,512
<i>Capital assets being depreciated:</i>			
Buildings	1,790,681	-	1,790,681
Less accumulated depreciation	1,279,235	41,804	1,321,039
Total capital assets being depreciated, net	511,446	(41,804)	469,642
Capital Assets, Net	\$ 39,761,958	\$ (41,804)	\$ 39,720,154

5. LONG-TERM OBLIGATIONS

Limited Tax Levy Debt

In 2010, the HCRRA issued limited tax obligation debt of \$42,595,000 to refund outstanding HCRRA debt of the same type. Remaining interest rates range from 2.0% to 4.0% and the due dates extend through 2031. There are no significant limitations and restrictions contained in the debt indentures. Changes in long-term debt for the year ended December 31, 2014 are as follows:

Beginning balance	\$ 37,675,000
Reductions	(1,470,000)
Ending balance	36,205,000
Unamortized premium	1,089,876
Less amount due within one year	(1,510,000)
Noncurrent portion of long-term debt	\$ 35,784,876

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2014

5. LONG-TERM OBLIGATIONS – CONTINUED

Debt Service Requirements

	Principal	Interest	Total
2015	\$ 1,510,000	\$ 1,369,700	\$ 2,879,700
2016	1,550,000	1,339,500	2,889,500
2017	1,610,000	1,293,000	2,903,000
2018	1,670,000	1,244,700	2,914,700
2019	1,730,000	1,194,600	2,924,600
2020-2024	9,930,000	4,868,200	14,798,200
2025-2029	12,405,000	2,692,600	15,097,600
2030-2031	5,800,000	350,600	6,150,600
	\$ 36,205,000	\$ 14,352,900	\$ 50,557,900

Cash Available

At December 31, 2014, there was cash available of \$318,692 in the Debt Service Fund to service debt.

6. RISK MANAGEMENT

The HCRRA is exposed to various risks of loss related to general and professional liability torts; and theft of, damage to, and destruction of assets. The HCRRA has chosen to retain the risk of torts. Commercial property insurance is purchased by the County on behalf of the HCRRA to cover the HCRRA’s buildings, money, and securities, subject to deductible amounts. Settled claims from insured losses for the County and HCRRA have not exceeded commercial insurance coverage for the past three years. Because commercial liability insurance is not purchased to provide for funding any future claims, \$100,000 has been assigned for tort liability risk retention (see Note 9).

7. RESTRICTED NET POSITION

The use of restricted net position is subject to constraints that are externally imposed by creditors, grantors, contributors, laws, or regulations. Restrictions indicate that the net position may only be used for a specific purpose that is narrower than the purpose of the reporting unit. Restricted net position is reduced by liabilities related to those assets. Restricted net position that is reported in the Statement of Net Position differs from restricted fund balance shown in the Governmental Funds Balance Sheet. Government-wide restricted net position at December 31 totals \$2,640,871.

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Notes to the Basic Financial Statements
December 31, 2014

8. COMMITMENTS

Light Rail Transit

The RRA has committed to expend up to \$18,600,000 for the preliminary engineering portion of the Southwest Corridor Light Rail Transit project. Such costs will be a contribution to the County's total financial obligation to advance the Southwest Light Rail Transit project upon approval by the Federal Transit Administration. The RRA also committed to expend up to \$18,400,000 to advance preliminary engineering for the Bottineau Light Rail Transit project.

9. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

In addition to unassigned fund balance, governmental fund balance classifications and the constraints imposed on the uses of those resources are shown in the table below. The classifications are described in greater detail in the Fund Balance and Net Position section of Note 1. Governmental fund balances consisted of the following classification and amounts at December 31, 2014:

<u>Purpose</u>	<u>Restricted For</u>	<u>Assigned For</u>
Debt service	\$318,692	
Southwest and Bottineau Light Rail Transit projects	\$2,436,320	
Tort liability risk retention		\$100,000
Specific regional rail projects		\$15,306,729

10. NEW ACCOUNTING PRONOUNCEMENTS

Accounting Standards Not Yet Adopted

GASB Statement No. 72, *Fair Value Measurement and Application*, requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The requirements of this statement address comparability of financial statements among governments by requiring measurement of certain assets and liabilities using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement will be effective for the HCRRA on January 1, 2016.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, supersedes GASB Statement No. 55 and reduces the generally accepted accounting principles (GAAP) hierarchy to two categories of authoritative GAAP from four. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category is comprised of GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants cleared by the GASB. This statement will be effective for the HCRRA on January 1, 2016.

The HCRRA's management has not yet determined the effect these GASB statements will have on the HCRRA's financial statements.



Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
General Fund

For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014				2013 Actual
	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final			
REVENUES					
Property taxes	\$ 21,130,900	\$ 21,130,900	\$ 20,908,049	\$ (222,851)	\$ 18,107,206
Intergovernmental	-	2,835,707	3,172,720	337,013	362
Investment earnings (losses)	-	-	341,421	341,421	(183,356)
Charges for services	650,000	650,000	695,240	45,240	699,759
Other	-	-	93,521	93,521	37,598
Total revenues	<u>21,780,900</u>	<u>24,616,607</u>	<u>25,210,951</u>	<u>594,344</u>	<u>18,661,569</u>
EXPENDITURES					
Current:					
Commodities	13,750	13,750	161,445	(147,695)	2,144
Contractual services	12,646,709	15,595,379	11,901,522	3,693,857	13,010,387
Other	567,700	567,700	52,612	515,088	101,626
Capital outlay	1,730,000	1,727,200	-	1,727,200	38,300
Total expenditures	<u>14,958,159</u>	<u>17,904,029</u>	<u>12,115,579</u>	<u>5,788,450</u>	<u>13,152,457</u>
Excess of revenues over expenditures	<u>6,822,741</u>	<u>6,712,578</u>	<u>13,095,372</u>	<u>6,382,794</u>	<u>5,509,112</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(23,139,843)	(23,139,843)	(9,900,000)	13,239,843	-
Net change in fund balances	<u>(16,317,102)</u>	<u>(16,427,265)</u>	<u>3,195,372</u>	<u>\$ 19,622,637</u>	<u>5,509,112</u>
Fund Balances - Beginning	<u>24,323,517</u>	<u>24,323,517</u>	<u>24,323,517</u>		<u>18,814,405</u>
Fund Balances - Ending	<u>\$ 8,006,415</u>	<u>\$ 7,896,252</u>	<u>\$ 27,518,889</u>		<u>\$ 24,323,517</u>

See notes to required supplementary information

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2014

Legal Compliance – Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and debt service funds based on the modified accrual basis of accounting. These 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 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.

The HCRRA 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 no later than December 31.

Any changes in the budget must be within the revenues and reserves estimated or the revenue estimates must be changed by a vote of the Board. Expenditures may not legally exceed budgeted appropriations.

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Balance Sheet
General Fund
December 31, 2014 and December 31, 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Interest in Hennepin County investment pool	\$ 28,764,875	\$ 25,274,512
Delinquent taxes receivable, net	217,373	212,352
Due from other governmental agencies	64,075	334
Other receivables	<u>88,422</u>	<u>271,787</u>
Total assets	<u><u>29,134,745</u></u>	<u><u>25,758,985</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts and contracts payable	<u>1,615,856</u>	<u>1,435,468</u>
 Fund balances:		
Assigned	15,406,729	3,177,259
Unassigned	<u>12,112,160</u>	<u>21,146,258</u>
Total fund balances	<u>27,518,889</u>	<u>24,323,517</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 29,134,745</u></u>	<u><u>\$ 25,758,985</u></u>

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Balance Sheet
Debt Service Fund
December 31, 2014 and December 31, 2013

	2014	2013
ASSETS		
Interest in Hennepin County investment pool	\$ <u>318,692</u>	\$ <u>341,615</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Fund balances:		
Restricted	318,692	341,615
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>318,692</u>	\$ <u>341,615</u>

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Balance Sheet
Capital Projects Fund
December 31, 2014 and December 31, 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Interest in Hennepin County investment pool	\$ 4,628,115	\$ 643,526
Due from other governmental agencies	<u>2,147,173</u>	<u>28,474,955</u>
Total assets	<u><u>6,775,288</u></u>	<u><u>29,118,481</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts and contracts payable	410,000	118,618
Due to Hennepin County	<u>1,964,484</u>	<u>28,474,955</u>
Total liabilities	<u><u>2,374,484</u></u>	<u><u>28,593,573</u></u>
Deferred inflows of resources:		
Unavailable revenue - intergovernmental	<u>1,964,484</u>	<u>28,474,955</u>
Fund balances:		
Restricted	2,436,320	-
Unassigned	<u>-</u>	<u>(27,950,047)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 6,775,288</u></u>	<u><u>\$ 29,118,481</u></u>

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Debt Service Fund**

For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014				2013
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Property taxes	\$ 2,869,100	\$ 2,869,100	\$ 2,846,177	\$ (22,923)	\$ 2,852,413
EXPENDITURES					
Debt service:					
Principal retirement	1,470,000	1,470,000	1,470,000	-	1,435,000
Interest and fiscal charges	1,399,100	1,399,100	1,399,100	-	1,427,800
Total expenditures	2,869,100	2,869,100	2,869,100	-	2,862,800
Excess (Deficiency) of Revenues Over Expenditures	-	-	(22,923)	(22,923)	(10,387)
Net Change in Fund Balance	-	-	(22,923)	\$ (22,923)	(10,387)
Fund Balance - Beginning	341,615	341,615	341,615		352,002
Fund Balance - Ending	\$ 341,615	\$ 341,615	\$ 318,692		\$ 341,615

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Capital Projects Fund**
For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014				2013
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 39,365,189	\$ 39,365,189	\$ 952,680
Investment earnings	-	-	26,523	26,523	68,858
Total Revenues	-	-	39,391,712	39,391,712	1,021,538
EXPENDITURES					
Contractual services	-	-	16,940,861	(16,940,861)	10,698,473
Capital outlay	9,900,000	9,900,000	-	9,900,000	300,032
Intergovernmental	-	-	1,964,484	(1,964,484)	28,474,955
Total expenditures	9,900,000	9,900,000	18,905,345	(9,005,345)	39,473,460
Excess (Deficiency) of Revenues Over Expenditures	(9,900,000)	(9,900,000)	20,486,367	30,386,367	(38,451,922)
OTHER FINANCING SOURCES (USES)					
Transfers in	9,900,000	9,900,000	9,900,000	-	-
Net Change in Fund Balance	-	-	30,386,367	\$ 30,386,367	(38,451,922)
Fund Balance - Beginning	(27,950,047)	(27,950,047)	(27,950,047)		10,501,875
Fund Balance - Ending	\$ (27,950,047)	\$ (27,950,047)	\$ 2,436,320		\$ (27,950,047)

Statistical Section



Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota

Statistical Section Contents

<u>Table No.</u>	<u>Category and Title</u>	<u>Page</u>
Financial Trends – <i>This section provides information that shows how the HCRRA's financial position has changed over time.</i>		
1	Government-wide Net Position	42
2	Government-wide Change in Net Position.....	44
3	Fund Balances - Governmental Funds	46
4	Change in Fund Balances - Governmental Funds.....	48
 Revenue Capacity – <i>This section provides information that shows factors affecting the HCRRA's ability to generate its own-source revenues.</i>		
5	Property Estimated Market Value	50
6	Property Tax Rates and Levies - Direct and Overlapping Governments.....	52
7	Principal Taxpayers.....	54
8	Property Tax Levies and Collections	55
9	Net Tax Capacity and Taxable Market Value of Property.....	56
 Debt Capacity – <i>This section provides information regarding the HCRRA's current level of outstanding debt and its ability to issue additional debt.</i>		
10	Ratios of Outstanding Debt by Type.....	58
11	Direct and Overlapping General Obligation Debt	59
12	Legal Debt Margin Information.....	60
13	Ratio of Debt Service Expenditures for General Obligation Debt to Total Governmental Fund Expenditures	61
 Demographic and Economic Information – <i>This section provides information regarding the HCRRA's socioeconomic environment and facilitates comparisons over time and among governments.</i>		
14	Demographic and Economic Statistics	62
15	Labor Force Size and Unemployment Rate.....	63
16	Employment Information by Industry	64
17	Principal Employers.....	65

Table 1

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Government-wide Net Position
Last Ten Years

Governmental Activities Net Position				
	Net Investment in Capital Assets	Restricted	Unrestricted	Total
2005	\$ 36,522,273	\$ 267,600	\$ (18,948,172)	\$ 17,841,701
2006	37,478,755	299,953	(19,628,940)	18,149,768
2007	37,609,630	156,353	(17,445,218)	20,320,765
2008	37,437,812	224,465	(13,985,901)	23,676,376
2009	37,265,994	172,533	(16,162,760)	21,275,767
2010	37,094,176	345,647	(13,795,823)	23,644,000
2011	36,922,358	255,532	(8,238,993)	28,938,897
2012	39,465,430	233,019	(9,327,788)	30,370,661
2013	39,761,958	225,024	(12,384,900)	27,602,082
2014	39,720,154	2,640,871	(6,304,209)	36,056,816

Unaudited



Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Government-wide Change in Net Position
Last Ten Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Governmental Activities:</u>					
Expenses					
General Government	\$ 6,919,198	\$ 9,803,985	\$ 11,414,301	\$ 12,491,547	\$ 8,436,570
Debt Service	<u>2,215,768</u>	<u>2,186,585</u>	<u>2,156,064</u>	<u>2,121,963</u>	<u>2,084,043</u>
Total expenses	<u>9,134,966</u>	<u>11,990,570</u>	<u>13,570,365</u>	<u>14,613,510</u>	<u>10,520,613</u>
Program Revenues					
Intergovernmental	497,408	351,834	1,639,436	384,178	196,576
Charges for services	-	-	-	-	341,862
Other	744,775	3,591,114	703,400	863,209	76,201
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total program revenues	<u>1,242,183</u>	<u>3,942,948</u>	<u>2,342,836</u>	<u>1,247,387</u>	<u>614,639</u>
Net expense	<u>(7,892,783)</u>	<u>(8,047,622)</u>	<u>(11,227,529)</u>	<u>(13,366,123)</u>	<u>(9,905,974)</u>
General Revenues					
Property taxes	7,209,812	7,255,996	12,064,484	15,093,624	6,886,542
Investment earnings (losses)	<u>420,052</u>	<u>1,099,693</u>	<u>1,334,042</u>	<u>1,628,111</u>	<u>618,822</u>
Total general revenues	<u>7,629,864</u>	<u>8,355,689</u>	<u>13,398,526</u>	<u>16,721,735</u>	<u>7,505,364</u>
Change in net position	<u>\$ (262,919)</u>	<u>\$ 308,067</u>	<u>\$ 2,170,997</u>	<u>\$ 3,355,612</u>	<u>\$ (2,400,610)</u>

Unaudited

Table 2

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	12,506,371	\$ 12,328,586	\$ 17,873,512	\$ 52,329,389	\$ 31,062,728
	<u>1,426,853</u>	<u>1,417,299</u>	<u>1,390,041</u>	<u>1,449,665</u>	<u>1,420,907</u>
	<u>13,933,224</u>	<u>13,745,885</u>	<u>19,263,553</u>	<u>53,779,054</u>	<u>32,483,635</u>
	814,086	487,693	-	-	-
	824,724	575,690	794,155	737,357	788,761
	61,749	111,020	-	-	-
	-	-	-	29,089,665	16,027,438
	<u>-</u>	<u>-</u>	<u>1,757,299</u>	<u>338,332</u>	<u>-</u>
	<u>1,700,559</u>	<u>1,174,403</u>	<u>2,551,454</u>	<u>30,165,354</u>	<u>16,816,199</u>
	<u>(12,232,665)</u>	<u>(12,571,482)</u>	<u>(16,712,099)</u>	<u>(23,613,700)</u>	<u>(15,667,436)</u>
	14,410,241	17,306,595	17,988,328	20,959,619	23,754,226
	<u>190,657</u>	<u>559,784</u>	<u>417,896</u>	<u>(114,498)</u>	<u>367,944</u>
	<u>14,600,898</u>	<u>17,866,379</u>	<u>18,406,224</u>	<u>20,845,121</u>	<u>24,122,170</u>
\$	<u><u>2,368,233</u></u>	<u><u>5,294,897</u></u>	<u><u>1,694,125</u></u>	<u><u>(2,768,579)</u></u>	<u><u>8,454,734</u></u>

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Fund Balances - Governmental Funds¹
Last Ten Years

Year	General Fund					All Other Governmental Funds			
	Reserved	Unreserved	Assigned	Unassigned	Total	Unreserved, Reported in Debt Service Fund	Restricted	Unassigned	Total
2005	\$ 603,424	\$ 27,177,768	\$ -	\$ -	\$ 27,781,192	\$ 267,600	\$ -	\$ -	\$ 267,600
2006	-	26,177,456	-	-	26,177,456	299,953	-	-	299,953
2007	81,356	27,144,989	-	-	27,226,345	332,922	-	-	332,922
2008	154,548	29,529,109	-	-	29,683,657	397,894	-	-	397,894
2009	63,502	26,414,403	-	-	26,477,905	342,587	-	-	342,587
2010	-	-	13,203,465	14,075,922	27,279,387	-	469,222	-	469,222
2011	-	-	17,808,605	13,538,029	31,346,634	-	376,840	-	376,840
2012	-	-	4,870,742	13,943,663	18,814,405	-	10,853,877	-	10,853,877
2013	-	-	3,177,259	21,146,258	24,323,517	-	341,615	(27,950,047)	(27,608,432)
2014	-	-	15,406,729	12,112,160	27,518,889	-	2,755,012	-	2,755,012

¹ Governmental Accounting Standards Board Statement 54 was effective for 2011, resulting in new fund balance categories. The new categories are shown for 2010 for comparison purposes, but data was not available for prior years.

Unaudited



Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Change in Fund Balances - Governmental Funds
Last Ten Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues					
Property taxes	\$ 7,209,812	\$ 7,255,996	\$ 12,064,484	\$ 15,093,624	\$ 6,886,542
Intergovernmental	497,408	351,834	1,639,436	384,178	196,576
Investment earnings (losses)	420,052	1,099,693	1,334,042	1,628,111	618,822
Charges for services	-	-	-	-	341,862
Other	<u>744,775</u>	<u>1,079,682</u>	<u>703,400</u>	<u>863,209</u>	<u>76,201</u>
Total revenues	<u>8,872,047</u>	<u>9,787,205</u>	<u>15,741,362</u>	<u>17,969,122</u>	<u>8,120,003</u>
Expenditures					
General government	6,721,067	7,656,942	8,075,344	12,323,007	8,254,918
Capital outlay	216,253	3,100,247	3,491,479	-	-
Intergovernmental	-	-	-	-	-
Debt service:					
Principal	895,000	930,000	965,000	1,005,000	1,045,000
Interest	<u>2,211,919</u>	<u>2,182,831</u>	<u>2,152,606</u>	<u>2,118,831</u>	<u>2,081,144</u>
Total expenditures	<u>10,044,239</u>	<u>13,870,020</u>	<u>14,684,429</u>	<u>15,446,838</u>	<u>11,381,062</u>
Excess (deficiency) of revenues over expenditures	<u>(1,172,192)</u>	<u>(4,082,815)</u>	<u>1,056,933</u>	<u>2,522,284</u>	<u>(3,261,059)</u>
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	2,511,432	24,925	-	-
Debt premiums	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>2,511,432</u>	<u>24,925</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,172,192)</u>	<u>\$ (1,571,383)</u>	<u>\$ 1,081,858</u>	<u>\$ 2,522,284</u>	<u>\$ (3,261,059)</u>
Debt service as a percentage of noncapital expenditures	31.6%	28.9%	27.9%	20.2%	27.5%

Unaudited

Table 4

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	14,410,241	\$ 17,306,595	\$ 17,988,328	\$ 20,959,619	\$ 23,754,226
	814,086	487,693	603,211	953,042	42,537,909
	190,657	559,784	417,896	(114,498)	367,944
	824,724	408,867	945,561	699,759	695,240
	<u>61,749</u>	<u>111,020</u>	<u>15,417</u>	<u>37,598</u>	<u>93,521</u>
	<u>16,301,457</u>	<u>18,873,959</u>	<u>19,970,413</u>	<u>22,535,520</u>	<u>67,448,840</u>
	12,192,225	12,056,194	17,614,103	13,114,157	29,056,440
	276,475	-	1,560,802	11,036,805	-
	-	-	-	28,474,955	1,964,484
	1,825,000	1,360,000	1,395,000	1,435,000	1,470,000
	<u>1,385,991</u>	<u>1,482,900</u>	<u>1,455,700</u>	<u>1,427,800</u>	<u>1,399,100</u>
	<u>15,679,691</u>	<u>14,899,094</u>	<u>22,025,605</u>	<u>55,488,717</u>	<u>33,890,024</u>
	<u>621,766</u>	<u>3,974,865</u>	<u>(2,055,192)</u>	<u>(32,953,197)</u>	<u>33,558,816</u>
	42,595,000	-	-	-	-
	(43,682,001)	-	-	-	-
	-	-	10,800,000.00	-	9,900,000.00
	-	-	(10,800,000.00)	-	(9,900,000.00)
	-	-	-	-	-
	<u>1,393,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>306,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>928,117</u>	<u>3,974,865</u>	<u>(2,055,192)</u>	<u>(32,953,197)</u>	<u>33,558,816</u>
	20.8%	19.1%	13.9%	6.4%	8.5%

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Property Estimated Market Value (000s omitted)¹
Last Ten Years

		Real Estate				
		Residential Property	Multiple Dwelling	Commercial & Industrial	Agricultural	Public Utilities & Miscellaneous
2005	\$	96,564,547 65.3 %	8,130,642 5.5	22,365,427 15.1	729,315 0.5	28,745 0.0
2006	\$	104,903,604 65.9 %	8,236,029 5.2	25,052,910 15.7	839,554 0.5	33,214 0.0
2007	\$	109,251,869 65.4 %	8,562,454 5.1	28,186,928 16.9	888,835 0.5	84,688 0.1
2008	\$	107,145,474 64.3 %	8,628,267 5.2	29,764,516 17.9	864,041 0.5	68,962 0.0
2009	\$	102,430,703 63.7 %	8,628,975 5.4	28,723,247 17.9	773,764 0.5	58,310 0.0
2010	\$	95,810,842 62.4 %	8,126,550 5.3	26,455,131 17.2	686,687 0.5	50,655 0.0
2011	\$	92,367,575 61.9 %	8,141,313 5.5	25,566,334 17.1	667,293 0.4	32,528 0.0
2012	\$	87,386,034 60.4 %	8,465,660 5.8	25,628,865 17.7	645,946 0.4	31,188 0.0
2013	\$	87,277,599 59.8 %	9,013,557 6.2	26,048,651 17.9	656,586 0.5	28,944 0.0
2014	\$	95,014,228 61.0 %	10,607,391 6.8	26,807,208 17.2	689,117 0.4	33,456 0.0

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

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

Source: Hennepin County Property Information System.

Unaudited

Table 5

<u>Exempt</u>	<u>Total Real Estate</u>	<u>Personal Property</u>	<u>Total Estimated Market Value Including Exempt Property</u>	<u>Total Estimated Market Value</u>	<u>Total Direct Tax Rate²</u>
18,965,624 12.8	146,784,300 99.2	1,165,961 0.8	\$ 147,950,261 100 %	\$ 128,984,637	0.636 %
18,965,624 11.9	158,030,935 99.2	1,232,185 0.8	\$ 159,263,120 100 %	\$ 140,297,496	0.559 %
18,965,624 11.3	165,940,398 99.3	1,217,773 0.7	\$ 167,158,171 100 %	\$ 148,192,547	0.871 %
18,965,624 11.4	165,436,884 99.3	1,234,923 0.7	\$ 166,671,807 100 %	\$ 147,706,183	0.979 %
18,965,624 11.8	159,580,623 99.2	1,238,596 0.8	\$ 160,819,219 100 %	\$ 141,853,595	0.380 %
21,249,594 13.8	152,379,459 99.2	1,295,495 0.8	\$ 153,674,954 100 %	\$ 132,425,360	1.000 %
21,249,594 14.2	148,024,637 99.1	1,333,422 0.9	\$ 149,358,059 100 %	\$ 128,108,465	1.246 %
21,249,594 14.7	143,407,287 99.0	1,449,118 1.0	144,856,405 100 %	\$ 123,606,811	1.294 %
21,249,594 14.6	144,274,931 99.0	1,482,731 1.0	145,757,662 100 %	\$ 124,508,068	1.561 %
21,249,594 13.6	154,400,994 99.0	1,540,312 1.0	155,941,306 100 %	\$ 134,691,712	1.777 %

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Property Tax Rates and Levies - Direct and Overlapping Governments¹
Last Ten Years

Payable Year	HCRRA Direct Taxes		Hennepin County Tax	
	Tax Rates	Tax Levies	Tax Rates	Tax Levies
2005	0.636 %	\$ 7,544,112	44.17 %	\$ 1,929,968,565
2006	0.559	7,534,073	41.02	2,073,863,790
2007	0.871	12,521,979	39.11	2,218,680,883
2008	0.979	15,529,575	38.57	2,353,094,925
2009	0.380	7,000,000	40.41	2,535,570,232
2010	1.000	15,000,000	42.64	2,544,559,665
2011	1.246	18,000,000	45.84	2,568,972,956
2012	1.294	18,000,000	47.67	2,560,977,362
2013	1.561	21,000,000	49.54	2,599,562,626
2014	1.777	24,000,000	46.25	2,668,058,025

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

Unaudited

Table 6

Metropolitan Transit Commission Tax		Metropolitan Council Tax		Metropolitan Mosquito Control District Tax	
<u>Tax Rates</u>	<u>Tax Levies</u>	<u>Tax Rates</u>	<u>Tax Levies</u>	<u>Tax Rates</u>	<u>Tax Levies</u>
1.608 %	\$ 18,412,350	1.132 %	\$ 13,576,139	0.056 %	\$ 6,726,197
1.542	19,691,307	0.873	11,929,206	0.509	6,852,845
1.295	18,509,833	0.877	12,973,186	0.499	7,395,646
1.264	19,283,519	0.812	13,092,025	0.486	7,801,856
1.273	19,455,492	0.817	13,156,461	0.489	7,874,542
1.366	20,612,822	0.793	12,720,347	0.461	7,417,379
1.539	21,333,915	0.885	12,917,499	0.525	7,648,210
1.607	21,217,262	0.940	13,046,142	0.537	7,481,049
1.689	21,903,368	0.997	13,568,768	0.556	7,584,690
1.703	22,134,343	1.069	14,520,773	0.563	7,688,848

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Principal Taxpayers¹
Current Year and Nine Years Ago

Taxpayer	2014			2005		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
MOA Mall Holdings LLC	\$ 12,984,250	1	0.87 %	\$ 9,345,250	1	0.76 %
Xcel Energy (NSP)	7,292,432	2	0.49	3,642,586	3	0.30
IDS MB Minneapolis 8th St LLC	3,859,250	3	0.26	3,079,250	4	0.27
NWC Limited Partnership	3,577,250	4	0.24	3,339,250	5	0.25
Minneapolis 225 Holdings LLC	3,533,250	5	0.24			
Wells REIT	2,911,250	6	0.20	2,599,250	7	0.21
US Bank N.A.	2,761,250	7	0.19			
SRI Ten City Center LLC	2,593,250	8	0.17			
Hilton Hotels Corporation	2,529,250	9	0.17			
Ridgedale Joint Venture	2,459,250	10	0.17	2,134,950	10	0.17
Best Buy Co Inc				2,748,390	6	0.22
Concordia Properties				2,487,232	8	0.20
Flanagan-AMEX				4,358,500	2	0.35
First Minneapolis-Hines Co				2,239,250	9	0.18
Total	\$ <u>44,500,682</u>		<u>3.00 %</u>	\$ <u>35,973,908</u>		<u>2.91 %</u>

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

Source: Hennepin County Property Information System.

Unaudited

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Property Tax Levies and Collections
Last Ten Years

Year	Taxes Levied ¹	Collected in the Year Levied		Subsequent Year Collections Net of Refunds ²	Total Collections to Date	
		Tax Collections Net of Refunds	Percentage of Levy		Tax Collections Net of Refunds ²	Percentage of Levy ²
2005	\$ 7,544,112	\$ 7,452,695	98.79 %	\$ 31,755	\$ 7,484,450	99.21 %
2006	7,534,074	7,424,745	98.55	51,488	7,476,233	99.23
2007	12,521,979	12,315,411	98.35	71,083	12,386,494	98.92
2008	15,529,575	15,241,406	98.14	146,465	15,387,871	99.09
2009	7,000,000	6,889,690	98.42	190,829	7,080,519	101.15
2010	15,000,000	14,716,813	98.11	101,228	14,818,041	98.79
2011	18,000,000	17,728,170	98.49	87,701	17,815,871	98.98
2012	18,000,000	17,780,743	98.78	52,537	17,833,280	99.07
2013	21,000,000	20,763,750	98.88	126,326	20,890,076	99.48
2014	24,000,000	23,788,566	99.12	18,858	23,807,424	99.20

¹ Including current year adjustments (i.e., abatements, cancellations, and increases to the current year levy).

² Subsequent year collections are shown in the year they are collected, rather than for the levy year relating to the collection. As a result, collections during a year may exceed the total levy for that year.

Unaudited

Hennepin County Regional Railroad Authority
A Component Unit of 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
2005	\$ 998,443,572	\$ 91,616,386,899	\$ 336,041,511	\$ 30,650,991,657
2006	1,105,871,333	101,073,571,600	374,841,727	34,714,631,405
2007	1,192,261,639	108,130,892,500	410,535,647	37,851,513,805
2008	1,198,620,162	108,958,626,067	413,935,332	37,930,415,840
2009	1,161,337,991	104,631,351,200	439,141,541	36,953,274,630
2010	1,082,056,515	97,304,713,300	394,912,341	34,860,700,280
2011	1,025,993,612	90,736,199,171	371,615,754	32,064,749,581
2012	996,253,340	87,086,742,774	373,715,553	31,019,695,820
2013	993,329,908	87,321,591,088	374,174,247	31,706,298,572
2014	1,079,365,752	94,514,474,174	410,514,191	35,136,247,648

Unaudited

Table 9

	Total		Net Tax Capacity to Taxable Market Value	Percentage of Total HCRRA Net Tax Capacity	
	Net Tax Capacity	Taxable Market Value		Outside Minneapolis	Minneapolis
\$	1,334,485,083	\$ 122,267,378,556	1.1 %	74.8 %	25.2 %
	1,480,713,060	135,788,203,005	1.1	74.7	25.3
	1,602,797,286	145,982,406,305	1.1	74.4	25.6
	1,612,555,494	146,889,041,907	1.1	74.3	25.7
	1,600,479,532	141,584,625,830	1.1	72.6	27.4
	1,476,968,856	132,165,413,580	1.1	73.3	26.7
	1,397,609,366	122,800,948,752	1.1	73.4	26.6
	1,369,968,893	118,106,438,594	1.2	72.7	27.3
	1,367,504,155	119,027,889,660	1.1	72.6	27.4
	1,489,879,943	129,650,721,822	1.1	72.4	27.6

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Years

Year	Limited Tax General Obligation Debt ^{1,5}			Net Limited Tax General Obligation Debt as a Percentage of Property Estimated Market Value ²	Net Limited Tax General Obligation Debt as a Percentage of Personal Income ³	Net Limited Tax General Obligation Debt Per Capita ³
	Total	Less Amount Available for Debt Service	Net			
2005	\$ 46,795,000	\$ 267,600	\$ 46,527,400	0.04%	0.08%	\$ 41.57
2006	45,865,000	299,953	45,565,047	0.03%	0.08%	40.61
2007	44,900,000	347,143	44,552,857	0.03%	0.07%	39.20
2008	43,895,000	408,488	43,486,512	0.03%	0.07%	38.11
2009	42,850,000	342,587	42,507,413	0.03%	0.07%	36.76
2010	41,865,000	469,222	41,395,778	0.03%	0.07%	35.92
2011	40,505,000	376,840	40,128,160	0.03%	0.06%	34.34
2012	39,110,000	352,002	38,757,998	0.03%	0.06%	32.72
2013	37,675,000	341,615	37,333,385	0.03%	0.05%	31.14
2014	36,205,000	318,692	35,886,308	0.03%	N/A ⁴	29.61

¹ HCRRRA debt has historically consisted solely of limited tax general obligation bonds, which are by definition secured in whole or part by the authority to levy taxes on real estate. Per M.S. 475.51, the net limited tax general obligation debt is determined by deducting from the total limited tax 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.

² See Table 5 for taxable estimated market value data.

³ See Table 14 for personal income and population data.

⁴ Data not available at the time of publication.

⁵ Due to the implementation of GASB 65, deferred charges on refundings are not reported with outstanding debt in 2012 or later. Due to limited availability of data, deferred charges on refundings remain included with the applicable debt prior to 2012.

Unaudited

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Direct and Overlapping General Obligation Debt
December 31, 2014

Governmental Unit	Debt ¹		Percent Applicable To HCRRRA ²	Amount Applicable to HCRRRA
	Total	Net		
Direct -				
Hennepin County Regional Railroad	\$ 36,205,000	\$ 35,886,308	100.00 %	\$ 35,886,308
Total Direct Debt	36,205,000	35,886,308		35,886,308
Overlapping:				
Hennepin County	858,650,000	791,686,685	100.00	791,686,685
Metropolitan Council ³	1,724,004,856	93,953,739	46.72	43,895,187
Metropolitan Airport Commission	1,350,710,000	-	-	-
Total Overlapping Debt	3,933,364,856	885,640,424		835,581,872
Total	\$ 3,969,569,856	\$ 921,526,732		\$ 871,468,180

¹ Debt that is secured in whole or part by the authority to levy taxes on real estate. 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. Debt premiums and deferred amounts on refundings are not included in the amounts shown.

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

³ Includes Metropolitan Council Transit Operations debt.

Unaudited

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Legal Debt Margin Information
Last Ten Years

The HCRRA is subject to the legal debt limit of Hennepin County as a whole, which is described below:

	<u>Debt Limit ¹</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2005	\$ 2,445,347,571	\$ 417,123,804	\$ 2,028,223,767	17.06 %
2006	2,715,764,060	439,724,175	2,276,039,885	16.19
2007	2,919,648,126	470,344,086	2,449,304,040	16.11
2008	2,937,780,838	560,343,193	2,377,437,645	19.07
2009	2,831,692,517	657,521,805	2,174,170,712	23.22
2010	3,964,962,407	751,148,403	3,213,814,004	18.94
2011	3,684,028,463	763,313,156	2,920,715,307	20.72
2012	3,543,193,158	710,177,297	2,833,015,861	20.04
2013	3,570,836,690	786,395,706	2,784,440,984	22.02
2014	3,889,521,655	827,572,993	3,061,948,662	21.28

Computation of 2014 Legal Debt Margin

2014 market value of taxable property		<u>\$ 129,650,721,822</u>
Debt limit, 3% of taxable market value		\$ 3,889,521,655
Amount of levy supported debt	\$ 842,170,842	
Less amount available for debt service	<u>14,597,849</u>	<u>827,572,993</u>
Legal Debt Margin		<u>\$ 3,061,948,662</u>

¹ The debt limit was 2% of market value until 2010, when it became 3% of market value. See MN Statute 475.53.

Unaudited

Hennepin County Regional Railroad Authority
 A Component Unit of Hennepin County, Minnesota
**Ratio of Debt Service Expenditures for General Obligation
 Debt to Total Governmental Fund Expenditures**
 Last Ten Years

Year	Debt Service Expenditures			Total Expenditures	Debt Service Expenditures to Total Expenditures
	Principal	Interest and Fiscal Charges	Total		
2005	\$ 895,000	\$ 2,211,919	\$ 3,106,919	\$ 10,044,239	30.93 %
2006	930,000	2,182,831	3,112,831	13,870,020	22.44
2007	965,000	2,152,606	3,117,606	14,684,429	21.23
2008	1,005,000	2,118,831	3,123,831	15,446,838	20.22
2009	1,045,000	2,081,144	3,126,144	11,381,062	27.47
2010	1,825,000	1,385,991	3,210,991	15,679,691	20.48
2011	1,360,000	1,482,900	2,842,900	14,899,094	19.08
2012	1,395,000	1,455,700	2,850,700	22,025,605	12.94
2013	1,435,000	1,427,800	2,862,800	55,488,717	5.16
2014	1,470,000	1,399,100	2,869,100	33,890,024	8.47

Unaudited

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u> ¹	<u>Per Capita Income</u> ²	<u>Total Income</u>	<u>Median Age</u> ³	<u>Persons 25 years and older who are high school graduates</u> ³	<u>K - 12 School Enrollment</u> ⁴	<u>Unemployment Rate</u> ²
2005	1,119,364	\$ 50,412	\$ 56,429,377,968	36.9	92.0 %	153,558	3.7 %
2006	1,122,093	52,905	59,364,330,165	37.2	92.0	153,449	3.5
2007	1,136,599	56,280	63,967,791,720	37.2	91.8	154,624	4.0
2008	1,140,988	56,564	64,538,845,232	37.6	92.2	155,754	4.9
2009	1,156,212	54,008	62,444,697,696	35.9	92.1	156,320	7.5
2010	1,152,425	54,949	63,324,601,325	35.9	92.1	157,170	6.6
2011	1,168,431	57,476	67,156,740,156	35.9	92.1	158,431	6.1
2012	1,184,576	58,898	69,769,157,248	35.9	92.1	161,409	5.3
2013	1,198,778	60,601	72,647,145,578	35.9	92.2	162,827	4.7
2014	1,212,064	N/A ⁵	N/A ⁵	35.9	92.3	164,151	3.7

Sources:

¹ Office of the State Demographer and U.S. Census Bureau² U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts Annual Average Personal Income³ U.S. Census Bureau, U.S. Community Survey 3-Year Estimates⁴ Fall registration for public schools - Minnesota State Department of Education⁵ Information not available at time of publication.

Unaudited

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Labor Force Size and Unemployment Rate
Last Ten Years

	Hennepin County		Metropolitan Area ¹		State		National	
	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate
2005	674,764	3.7 %	1,850,864	3.8 %	2,947,198	4.0 %	149,320,000	5.1 %
2006	664,469	3.5	1,844,971	3.7	2,939,304	4.0	151,428,000	4.6
2007	669,389	4.0	1,848,796	4.3	2,930,553	4.6	153,124,000	4.6
2008	660,319	4.9	1,837,000	5.2	2,933,000	5.4	154,287,000	5.8
2009	661,816	7.5	1,855,914	7.8	2,967,967	8.0	154,015,250	9.3
2010	663,880	6.6	1,860,461	6.9	2,963,402	7.3	153,889,000	9.7
2011	660,986	6.1	1,850,365	6.4	2,977,919	6.4	153,624,000	8.9
2012	660,668	5.3	1,857,894	5.1	2,969,366	5.7	154,974,583	8.0
2013	667,999	4.7	1,876,212	4.9	2,974,397	5.1	155,389,167	7.4
2014	672,114	3.7	1,917,301	3.9	2,974,102	4.1	155,921,833	6.2

Source: Minnesota Department of Employment and Economic Development (12-month averages)

¹ Labor statistics for the metropolitan area include Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, St. Croix, Washington and Wright counties.

Unaudited

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Employment Information by Industry
Last Ten Years

Industry	Hennepin County Industry Ranking									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Health care and social assistance	1	1	1	1	1	1	1	1	1	1
Professional and technical services	4	3	3	2	2	2	2	2	2	2
Government and government enterprises	2	2	2	3	3	3	3	3	3	3
Finance and insurance	6	6	6	6	5	4	4	4	4	4
Retail trade	3	4	4	4	4	5	5	5	5	5
Manufacturing	5	5	5	5	6	6	6	6	6	6
Administrative and waste services	7	7	7	7	7	8	7	7	7	7
Accommodation and food services	8	8	8	8	8	7	8	8	8	8
Wholesale trade	9	9	9	10	9	9	9	9	9	9
Other services, except public administration	10	10	10	9	11	10	10	11	10	10
Management of companies and enterprises	13	14	13	13	12	12	12	12	12	11
Real estate	12	12	11	11	10	11	11	10	11	12
Construction	11	11	12	12	13	14	14	14	14	13
Transportation and warehousing	14	13	14	14	14	13	13	13	13	14
Arts, entertainment, and recreation	16	16	15	15	15	15	15	16	15	15
Educational services	17	17	17	17	17	16	16	15	16	16
Information	15	15	16	16	16	17	17	17	17	17
Utilities	18	18	18	18	18	18	18	18	18	18
Forestry, fishing, mining, other	20	19	19	19	19	19	19	19	19	19
Farm	19	20	20	20	20	20	20	20	20	20

Note: 2014 information was not available at the time of publication.

Source: United States Department of Commerce, Bureau of Economic Analysis

Unaudited

Hennepin County Regional Railroad Authority
A Component Unit of Hennepin County, Minnesota
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	2014 ²			2005 ¹		
	Employees (rounded to nearest 1,000)	Rank	Percentage of Total State Employment	Employees (rounded to nearest 1,000)	Rank	Percentage of Total County Employment
State of Minnesota	54,000	1	1.82%	25,000	1	3.70%
United States Federal Government	45,000	2	1.52%	7,000	4	1.04%
Mayo Foundation	33,000	3	1.11%	8,000	3	1.19%
Target Corporation	31,000	4	1.04%	12,000	2	1.78%
University of Minnesota	25,000	5	0.84%			
Allina Health	24,000	6	0.81%			
Wal-Mart Stores, Inc.	21,000	7	0.71%			
Wells Fargo Bank Minnesota	20,000	8	0.67%	6,000	5	0.89%
Fairview Health Services	20,000	9	0.67%	5,000	9	0.74%
United Health Group, Inc.	18,000	10	0.61%			
Abbott Northwestern Hospital				5,000	7	0.74%
United Parcel Service of America, Inc.				5,000	6	0.80%
Cardiac Rhythm Management				5,000	8	0.74%
Medtronic Tachyarrhythmia Management				5,000	10	0.67%
	291,000		9.80%	83,000		12.29%

¹ Source for 2005: iSeek Solutions (iseek.org). Hennepin County Only.

² Statewide information from Twin Cities Business Lists and Research - Top 25 Minnesota Employers from 2013 Business Information Guide Data specific to Hennepin County is no longer available.

Unaudited