Year ended December 31, 2025

A Component Unit of the State of Minnesota

Twin Cities Area, Minnesota

ANNUAL COMPREHENSIVE FINANCIAL REPORT

COMMUNITIES PARKS TRANSPORTATION WASTEWATER & WATER HOUSING PLANNING

METROPOLITAN COUNCIL

METROPOLITAN COUNCIL
OF THE TWIN CITIES AREA
MINNESOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2025

A COMPONENT UNIT OF THE STATE OF MINNESOTA

Prepared by the Finance Department

Issued June 2025

390 Robert Street North, St. Paul, Minnesota 55101

The mission of the Metropolitan Council is to foster efficient and economic growth for a prosperous metropolitan region.

The Council provides these essential services to enhance the region's quality of life and economic competitiveness:

- *Operate Metro Transit, serving 51.01 million bus and rail passenger trips in 2025 with award-winning, energy-efficient fleets. Our strategic investments support a growing network of bus and rail transitways, and transit-oriented development.*
- *Collect and treat wastewater at rates 36 percent lower than peer agencies, while winning national awards for excellence.*
- *Work to ensure adequate clean water for the future, through our water supply planning and lake and river monitoring programs.*
- *Plan for future growth in partnership with communities and the public.*
- *Plan, acquire and develop a world-class regional parks and trails system.*
- *Provide affordable housing for qualifying low-income residents.*

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE METROPOLITAN COUNCIL
A COMPONENT UNIT OF THE STATE OF MINNESOTA
FOR THE YEAR ENDING DECEMBER 31, 2025

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COUNCIL

METROPOLITAN COUNCIL

Metropolitan Council
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Transmittal Letter from the Chief Financial Officer

June 26, 2026

To the Council Chair and Citizens of the Metropolitan Council,
390 Robert Street North
St. Paul, MN 55101

In accordance with Minnesota Statute 473.13, subd. 4, the state auditor shall audit the books and accounts of the Council once a year. This Annual Comprehensive Financial Report for the Metropolitan Council is published to fulfill that requirement for the fiscal year ended December 31, 2025. This report includes the financial statements for the Council and the disclosures necessary to accurately present the financial condition and results of operations for the year that ended. This report has been prepared in accordance with generally accepted accounting principles (GAAP) for government units.

This report is divided into three sections:

- Introductory Section: includes this letter of transmittal, the Government Finance Officers Association (GFOA) certificate of achievement, the Council's organization chart, and a list of Council members, officers, and financial administrative officials.
- Financial Section: includes the auditor's opinion, the management's discussion and analysis, the basic financial statements, schedules for budgetary comparison, pension, and Other Post-Employment Benefits (OPEB), required supplementary information, and statements for combining and individual funds for nonmajor funds, bonds, loans, notes, outstanding schedule, and expenditures of federal awards. The notes to the financial statements are necessary for an understanding of the information included in the statements. The notes include a summary of significant accounting policies and other necessary disclosures of matters relating to the financial position of the Council.
- Statistical Section: includes mainly trend data and nonfinancial information useful in assessing a government's financial condition.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. These controls provide reasonable assurance that the Council's assets are protected against loss and that the accounting records from which the financial statements are prepared are reliable. Because the cost of internal controls 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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is presented in conformity with GAAP.

The independent Office of the State Auditor, State of Minnesota has issued an unmodified ("clean") opinion on the Metropolitan Council's financial statements for the year ended December 31, 2025. The independent auditor's report is located at the front of the financial section of this report.

Metropolitan Council
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As a part of the financial statement audit, the Office of the State Auditor conducted a single audit of federal programs. This audit meets the requirements of the Federal Single Audit Act and is designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and requirements involving the administration of federal awards. These reports, included in the Metropolitan Council's separately issued Management and Compliance Report, will be available in June 2026.

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 it.

Profile of the Metropolitan Council

The Minnesota Legislature established the Metropolitan Council in 1967 to coordinate planning and development within the Twin Cities metropolitan area and to address issues that could not be adequately addressed with existing governmental arrangements. Additional legislative acts in 1974, 1976 and 1994 strengthened the Council's planning and policy roles and merged the functions of three operating agencies (the Metropolitan Transit Commission, the Regional Transit Board, and the Metropolitan Waste Control Commission) into the Metropolitan Council. Note that the operating agencies serve geographic areas less than the full jurisdictional area of the Council. The area over which the Council has responsibility includes the counties of Anoka, Carver, Dakota (excluding the city of Northfield), Hennepin (excluding the cities of Hanover and Rockford), Ramsey, Scott (excluding the city of New Prague), and Washington. The area includes nearly 3,000 square miles, in 7 counties and 181 cities and townships and has a population of 3.77 million people. The Metropolitan Council is empowered to levy a property tax on real property located within its boundaries.

The Council is composed of sixteen members who each represent a geographic district and one chairperson who serves at large. Each is appointed by and serves at the pleasure of the governor. The State Senate confirms Council member and chairperson appointments.

The Metropolitan Council is a component unit of the State of Minnesota. A component unit should be included in the reporting entity financial statements using the blending method in any of these circumstances: the component unit's governing body is substantively the same as the governing body of the primary government and there is a financial benefit or burden relationship between the primary government and the component unit or management of the primary government has operational responsibility for the component unit; the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it. Usually, the services provided by a blended component unit are financing services provided solely to the primary government.

The Metropolitan Council is a regional policy-making body, planning agency, and provider of essential services in the seven-county Twin Cities metropolitan area. The Council operates Metro Transit and Metropolitan Transportation Services, which collectively carry tens of millions of passengers each year. Our strategic investments support a growing network of bus and rail transitways, and transit-oriented development. The Council collects and treats wastewater for approximately 90.00 percent of the region's population. The Council works to ensure adequate clean water for future generations through our water supply planning and lake and river monitoring programs. The Council plans, acquires, and develops world-class regional parks and trail systems. The Council provides affordable housing through the provision of federal and state rent assistance programs. The Council also plans for future growth in partnership with communities and the public.

The Council operates on an annual budget. The draft budget is prepared in May and is reviewed by the Council committees in June and July. The Council approves a preliminary budget in August and approves public comment drafts of the operating and capital budgets in October. The public comment period extends through the final adoption of the budget in early-December. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund, all budgeted Special Revenue Funds, Metro

Transit Bus, Metro Transit Light Rail, Metro Transit Commuter Rail, and the Metropolitan Housing and Redevelopment Authority enterprise funds. The budget for the Environmental Services enterprise fund is prepared in conformity with the cost allocation system described in Minnesota Statute 473.517. Positive variances in revenues and expenses are accumulated for contingency reserves. All annual appropriations lapse at year end.

Budgetary Comparison Schedules are presented in this report for each governmental fund for which an annual budget has been prepared. For the General Fund and the Special Transportation Services Special Revenue Fund, these comparisons are included in the Required Supplementary Information section. Budgetary Comparison Schedules for the nonmajor governmental funds are presented in the Combining and Individual Fund Financial Statements and Schedules section.

Budgets are prepared at the division and fund level. Budgetary control is provided primarily through the Council's accounting system. The Council's adopted budgets are established in the accounting system by fund. Operating divisions have the authority to reallocate budgets within a fund, but by policy, the Council does not permit expenditures in excess of the approved fund budget. Transfers of authority across funds or divisions must be approved by the Council. Results of operations are reported against the approved budget, which may be amended.

Local Economy

The Minneapolis-St. Paul metropolitan area is the major population and economic center of the Upper Midwest. This region values education and natural resources. Support for education and natural resources stewardship is rooted in civic values and bolsters an outstanding quality of place and quality of life. Thriving arts, music and theatre scenes, professional sports, outstanding parks, and other recreation options make this region a destination for young professionals.

Annual gross domestic product (GDP) for the Minneapolis-St. Paul metropolitan area was estimated at $369.00 billion (current dollars) in year 2024, the most recent year available. The metro economy expanded 2.48 percent in real terms in 2024, close to the national rate of 2.79 percent. (U.S. Bureau of Economic Analysis, Annual GDP of Counties).

The metropolitan area's economy has a diverse industry mix that has been resilient in past economic downturns and recoveries. Industries here include national leaders in their markets or specialties, including seventeen Fortune 500 corporations (fortune.com, June 2025). All these companies and organizations benefit from a well-educated workforce and a labor market that offers a full range of skills and talents. The Metropolitan Council itself employs more than 4,000 professionals, operators, technicians, and support staff.

Unemployment rates were low in 2022–2024 due to nongrowth of the working-age population. In December 2025 the metropolitan area's unemployment rate was 4.00 percent, a middle-of-pack result compared to peer metros, and close to the national rate of 4.38 percent (Minnesota DEED, Local Area Unemployment Statistics). Job opening rates in the State of Minnesota ranged from 4.50 to 5.70 percent during 2025, slightly higher than the unemployment rate (U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Statistics). This signals an ongoing labor and skills mismatch.

Risks for the economy include international trade disruptions and tariffs, and regionally specific issues: limited workforce supply growth and high business operating costs in Minnesota. These factors discourage major expansions and relocations. Minneapolis-St. Paul metropolitan area employment in 2025 was 0.54 percent above pre-pandemic, 2019 employment levels. Among the twenty largest metro economies, this was the 3rd slowest recovery from the 2020 pandemic crisis (U.S. Bureau of Labor Statistics, Current Employment Statistics).

Income levels for the Minneapolis-St. Paul metropolitan area are generally higher than for the nation. In 2024, the median family income was $124,286 (Census Bureau, American Community Survey). Among the nation's 25 largest metro areas, this remains the 8th highest income level.

In 2025, the median price of a single-family house in the Twin Cities region was $428,000, up 3.63 percent from the previous year (Minneapolis Area Association of Realtors). "For sale" listings are at low levels, as incumbent homeowners stay put. Meanwhile, apartment rents have been tamed by new supply and availability as new apartment buildings open. Average apartment rent was $1,565 in 4th quarter 2025, up 2.58 percent from the previous year (CoStar/Apartments.com), less than the national rate of inflation.

New housing construction in the metropolitan area is now decelerating; only 14,400 new units are estimated in 2025, after multiple years of production at 22,400 to 26,100 per year during 2019–2022 (US Department of Commerce, Survey of Construction).

Due to its strong and healthy local economy, the Metropolitan Council has maintained a credit rating of Aaa from Moody's Investor Services and AAA for S&P, which are the highest bond ratings for a government.

Delivering High-Performance Regional Services

The Metropolitan Council has many high-performance regional services in housing, regional parks and trails, transit, and water services. The Metropolitan Council is also a planning agency that helps coordinate regional growth. In Imagine 2050, the 30-year vision and plan, the Metropolitan Council identifies regional goals of: an equitable and inclusive region, healthy and safe communities, a dynamic and resilient regional economy, leadership on adapting and addressing climate change, and stewardship of natural systems. Imagine 2050 recognizes the interconnectedness of the goals and the importance of integrated approaches and collaboration with partners to realize the intended outcomes.

Housing: An adequate supply of affordable housing for the region's workforce is essential for economic vitality. The Council supports affordable housing in the region through various programs and initiatives. The Council's Housing and Redevelopment Authority (HRA) operates the state's largest federal Housing Choice Voucher rent assistance program. The Council ensures all available federal funds provided are used to assist more than 7,300 households with low and moderate incomes. This includes 153 Council owned and operated housing units known as the Family Affordable Housing Program in 11 suburban cities throughout Anoka, Ramsey, and Hennepin Counties. Additionally, the Council provides rent assistance to around 75 households through other state and federally funded rent assistance programs serving households with specialized needs such as disabled, homeless, or working toward self-sufficiency. In April 2025, the Metro HRA and Minneapolis Public Housing Authority started year five of the US Department of Housing and Urban Development's (HUD) Housing Choice Voucher Community Choice Demonstration Program, a program designed to assist voucher families with children in moving to low poverty areas.

Working in partnership with cities, counties and municipal development authorities, the Council, through its Livable Communities Programs provides grants to projects that: clean up contaminated land for redevelopment, promote efficient, connected development, and support the development and preservation of affordable and lifecycle housing. In 2025, 79 metropolitan area communities are participating in the voluntary Livable Communities Act Local Housing Incentives program.

Regional parks and trails: The Twin Cities area's nationally renowned system of regional parks contributes significantly to our high quality of life. Preserving green space for active living and wildlife habitat enhances the region's livability and thus its economic strength.

The regional parks system, which includes 58 regional parks and park reserves, 56 trails and 8 special recreation areas had 65.70 million visitors last year. Parks are operated by 10 partnering cities, counties, and special districts. These partners work with the Metropolitan Council to acquire and develop parks and trails to protect natural resources and to provide outdoor recreation for public enjoyment.

The Council also works with these regional partners to develop park policies that protect the park system, improve water quality, promote best management practices, integrate the park system with housing and transportation and ensure that the park system is available equitably to all residents of the region.

Transit: Metro Transit is one of the country's largest transit systems, providing nearly 51.01 million regional bus and train trips taken annually in the Twin Cities in 2025. Each weekday, customers board Metro Transit regional buses and trains an average of 161,097 times. In 2025, ridership continued to increase with year-end ridership on Metro Transit Bus and Metro Transit Light Rail up approximately 5.70 percent from the prior year.

Metro Transit operates over 101 bus routes, the METRO Blue Line Light Rail, the METRO Green Line Light Rail, and the NorthStar Commuter Rail Line, using a fleet of 650 buses, 99 light-rail passenger cars, 18 commuter rail passenger cars and 6 commuter rail locomotives. In 2025, Metro Transit Bus carried 37.64 million passengers with an average weekday ridership of 80,615.

The METRO Blue Line operates service between downtown Minneapolis, the MSP Airport, and the Mall of America in Bloomington, Minnesota. In 2025, the METRO Blue Line carried 6.01 million passengers with an average weekday ridership of 16,686.

The METRO Green Line Light Rail is an 11-mile line and 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. In 2025 the METRO Green Line carried 7.24 million passengers and experienced an average weekday ridership of 23,238.

The NorthStar Commuter Rail provides service between Big Lake in Sherburne County and downtown Minneapolis. The service in 2025 provided four morning and four afternoon trips and special event service with no weekend service. Each train consists of a locomotive and four passenger cars and has seating for 560 people. Trains travel at speeds up to 79 miles per hour, making the trip from Big Lake to Minneapolis in about 50 minutes. Trains stop at stations in Elk River, Ramsey, Anoka, Coon Rapids, and Fridley. In 2025, the NorthStar Commuter Rail carried 121,754 passengers.

The Council's Metropolitan Transportation Services Division provides additional transit services to the region through direct service contracts and other coordinating arrangements supporting programs: Metro Mobility, Metro Move, Transit Link, Metro micro, Contracted Regular Routes, Metro Vanpool, and Suburban Transit Authority Providers.

Metro Mobility provides on-demand transit service for certified riders whose disabilities prevent them from using the regular-route transit system. Metro Mobility provides service in the region to complement regular-route service, as required by the Americans with Disabilities Act (ADA). In 2025, Metro Mobility provided just over 1.95 million rides. Metro Move is a new service that started in May 2024 which provides on-demand transit service for riders who are served by certain waivers and take regularly scheduled trips to access day support services, jobs, and community resources. In 2025, Metro Move provided over 200,000 rides.

Transit Link is a region-wide dial-a-ride program that assists people outside areas served by fixed-route transit and provided 139,158 rides in 2025. Metro micro is a dial-a-ride program that provides pick up and drop off anywhere within the same service area. Metro micro is now available in the North Minneapolis area, the Roseville area, and the Woodbury area. In 2025, Metro micro provided 188,263 rides.

Contracted Regular Routes are bus transit services consisting primarily of lower productivity routes that can be operated in vehicles smaller than the standard 40-foot transit bus. In 2025, these routes carried over 2.68 million passengers.

Metro Vanpool is a regional program to help meet the needs of commuters who reside or work in the seven-county metropolitan area. Vanpools have four to 15 people sharing the ride to and from work an average of three or more days a week. Each van has a volunteer driver and back-up driver(s). In 2025, there were 78,100 rides taken in Vanpool vehicles.

The Council passes through funding for Suburban Transit Providers. Suburban Transit Providers consist of 12 communities that have chosen to provide their own transit service as separate transit authorities. Suburban Transit Providers provide regular-route and dial-a-ride programs. Suburban Transit Providers provided nearly 2.20 million rides in 2025.

Water services: Metropolitan Council Environmental Services (MCES) provides wastewater treatment directly to 111 connected local municipalities within the Twin Cities seven-county region. MCES owns and operates over 634 miles of interceptor collection sewers along with nine treatment plants that treat an average of 250 million gallons of wastewater per day. The system, which operates 24 hours a day, 365 days a year, has the capacity to treat 358 million gallons per day.

Six MCES wastewater treatment plants earned Platinum Awards for the National Association of Clean Water Agencies (NACWA) for five consecutive years or more of perfect discharge permit compliance through 2025. The awards were given in 2025 and include: Hastings (34 years), St. Croix Valley (33 years), Blue Lake (19 years), Empire (17 years), Metro (13 years), and Seneca (8 years). These compliance records are among the highest in the nation.

The 2025 annual budget for Environmental Services operations was funded primarily from the metropolitan wastewater charge allocated to municipalities ($297.36 million) pursuant to Minnesota Statute 473.517. Municipal sewer rates to local homes and businesses in the metro region are relatively low, approximately 36.00 percent lower than the national average. The metropolitan wastewater charge, while limited to wastewater and certain total watershed management expenses, is not limited by statute; this allows the Council to set rates as needed to maintain the approximately $9.00 billion (replacement cost) in infrastructure.

The sewer availability charge (SAC) was below trend at 16,248 units which was a 4.60 percent decline from 2024. This is the lowest volume since 2014. The 2025 results were driven by 6.00 percent decline in residential units and a 3.00 percent decline in commercial units. Industrial units were up 13.00 percent but that accounts for 1.00 percent of total units.

MCES also provides water supply research and planning for the region. Expenses for this program are not funded from wastewater fees, but from various other sources. In 2025, program expenses were $0.86 million, and expenses are budgeted at $2.26 million in 2026.

Approximately $124.00 million was spent on capital projects in 2025 to support the regional goals of maintaining infrastructure, accommodating growth, and protecting the environment. Approximately $62.00 million (50 percent) was spent on improvements to the regional interceptor system and $62.00 million (50 percent) was spent on improvements to the nine wastewater treatment plants that are operated by Environmental Services. Capital projects are based on three needs: improvements to treatment or wastewater conveyance technology, expansion of the capacity within the regional treatment and conveyance system, and preservation of our existing facilities. In 2025, 18.00 percent of capital expenses were categorized as improvements, 23.00 percent as expansion, and 59.00 percent as preservation.

Financial Information

The 2025 unified budget was adopted by the Council on December 11, 2024. The original adopted budget for operations, pass-through expenditures and debt service was $1.61 billion, representing a 13.40 percent increase from the budget adopted in 2024. During the year, the budget was revised to $1.66 billion, primarily to support added staffing, consulting services, and technology investments, while also expanding housing and planning efforts in Community Development, supporting Transportation service expansion, and adjustments to revenues and fund allocations based on updated forecasts and federal funding changes.

The Council's budget relies on several funding sources. In the 2025 amended budget, $424.58 million in revenues and transfers from other funds come from wastewater treatment service fees and transit fare revenues. Intergovernmental revenues from federal, state, including Motor Vehicle Sales Tax (MVST), Regional Transportation Sales and Use Tax, and local sources total $912.86 million and $96.05 million of revenues comes from property tax levies.

The Council receives a percentage of the state MVST to fund transit expenditures. In 2025, MVST revenues were projected at $396.24 million. The sales tax on motor vehicle sales is a single sector tax and has historically experienced significant volatility in the amount generated from year to year. To address this volatility, the Council only budgets 95.00 percent of its share of forecasted revenues and does not budget the additional 5.00 percent until the following budget year if it is received.

Legislation enacted during the 2023 session imposed a Regional Transportation Sales and Use Tax of 0.75 percent on retail sales and uses made in the metropolitan area or to a destination in the seven metropolitan area counties. The tax went into effect on October 1, 2023. In 2025, sales tax revenues to the Council were projected to be $425.55 million.

The Council also adopted its 2025 capital program as part of the unified budget adopted in December 2024. The capital program includes an authorized capital program (ACP) and a six-year capital improvement plan (CIP) reflecting the Council's commitment to maintain and preserve regional investments in wastewater services, transit services, and regional parks and trails. The adopted 2025 capital program totaled $14.50 billion, including $7.93 billion in projects in the authorized capital program and $6.57 billion in planned projects in the capital improvement plan. The adopted 2025 capital program included an annual capital budget of $1.29 billion.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Metropolitan Council for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2024. This was the forty-second consecutive year the Metropolitan Council has received this prestigious award. In order to be awarded a Certificate of Achievement, the Metropolitan Council had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. I wish to thank all Metropolitan Council departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the Chair and the Council members for their unfailing support for maintaining the highest standards of professionalism in the management of the Metropolitan Council's finances.

Respectfully submitted,

Ned Smith

Ned Smith
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Metropolitan Council of the Twin Cities Area
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

METROPOLITAN COUNCIL

Metropolitan Council Chair
Robin Hutcheson

Regional Administrator
Ryan O'Connor

Office of General Counsel
General Counsel
Ann Bloodhart

Program Evaluation and Audit
Chief Risk and Compliance Officer
Matt LaTour

Communications
Director
Terri Dresen

Government Affairs
Director
Judd Schetnan

Community Relations
Director
Sam O'Connell

Office of Equity & Equal Opportunity
Director
Vacant

Admin. Services
Senior Manager
Mee Cheng-Melo

Chief of Staff
Lidiya Girma

Deputy Regional Admin./ Chief Risk Officer
Phil Walljasper

Finance
Chief Financial Officer
Ned Smith

Information Services
Chief Information Officer
Gretchen White

Human Resources
Chief Human Resources Officer
Cassandra Tabor

Procurement
Chief Procurement Officer
Jody Jacoby

Real Estate
Director
Kelly Jameson

Community Development
Executive Division Director
Lisa Barajas

Environmental Services
General Manager
Leisa Thompson

Metropolitan Transportation Services
Executive Division Director
Charles Carlson

Metro Transit
General Manager
Lesley Kandaras

		Term of Office	
COUNCIL MEMBERS		**First Appointed**	**End of Term**
Chair:	Robin Hutcheson	December 1, 2025	January 4, 2027
District Members:			
District No. 1	Judy Johnson	March 6, 2019	January 4, 2027
District No. 2	Reva Chamblis	March 6, 2019	January 4, 2027
District No. 3	Dr. Tyronne Carter	March 3, 2023	January 4, 2027
District No. 4	Deb Barber	March 8, 2015	January 4, 2027
District No. 5	John Pacheco Jr.	March 1, 2022	January 4, 2027
District No. 6	Robert Lilligren	March 6, 2019	January 4, 2027
District No. 7	Yassin Osman	March 3, 2023	January 4, 2027
District No. 8	Anjuli Cameron	March 3, 2023	January 4, 2027
District No. 9	Diego Morales	March 3, 2023	January 4, 2027
District No. 10	Peter Lindstrom	March 6, 2019	January 4, 2027
District No. 11	Dr. Gail Cederberg	March 3, 2023	January 4, 2027
District No. 12	Mark Jenkins	July 9, 2025	January 4, 2027
District No. 13	Chai Lee	March 6, 2019	January 4, 2027
District No. 14	W. Toni Carter	March 3, 2023	January 4, 2027
District No. 15	Victor Obisakin	July 9, 2025	January 4, 2027
District No. 16	Wendy Wulff	April 22, 2009	January 4, 2027

OFFICERS

Chair	Robin Hutcheson
Vice-Chair	Reva Chamblis
Treasurer	Ned Smith
Secretary	Mee Cheng

FINANCIAL ADMINISTRATIVE OFFICIALS

Regional Administrator	Ryan O'Connor
Chief Financial Officer	Ned Smith

FINANCIAL SECTION

STATE OF MINNESOTA

Julie Blaha
State Auditor

Office of the State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

Independent Auditor's Report

Members of the Council and Audit Committee
Metropolitan Council
Saint Paul, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Council of the Twin Cities Area (Metropolitan Council), a component unit of the State of Minnesota, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Metropolitan Council's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Council as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Metropolitan Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison schedules for the General Fund and Special Transportation Services Special Revenue Fund, Pension Schedules, Schedule of Changes in the Metropolitan Council's Total OPEB Liability and Related Ratios, and Notes to the Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Metropolitan Council's basic financial statements. The combining nonmajor governmental fund financial statements, budgetary comparison schedules for nonmajor funds and the General Fund by Division, Bonds/Loans/ Notes Outstanding, and Schedule of Expenditures of Federal Awards and related notes, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information as identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of the Metropolitan Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Metropolitan Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Metropolitan Council's internal control over financial reporting and compliance.

Julie Blaha	Lisa Young, CPA
State Auditor	Deputy State Auditor

June 26, 2026


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ART POLICY

2025 Annual Comprehensive Financial Report
Management's Discussion and Analysis (Unaudited)

The following discussion and analysis of the Metropolitan Council's financial performance provides an overview of the Council's financial activities for the fiscal year ending December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information furnished in our preceding transmittal letter and the Metropolitan Council's basic financial statements following this section.

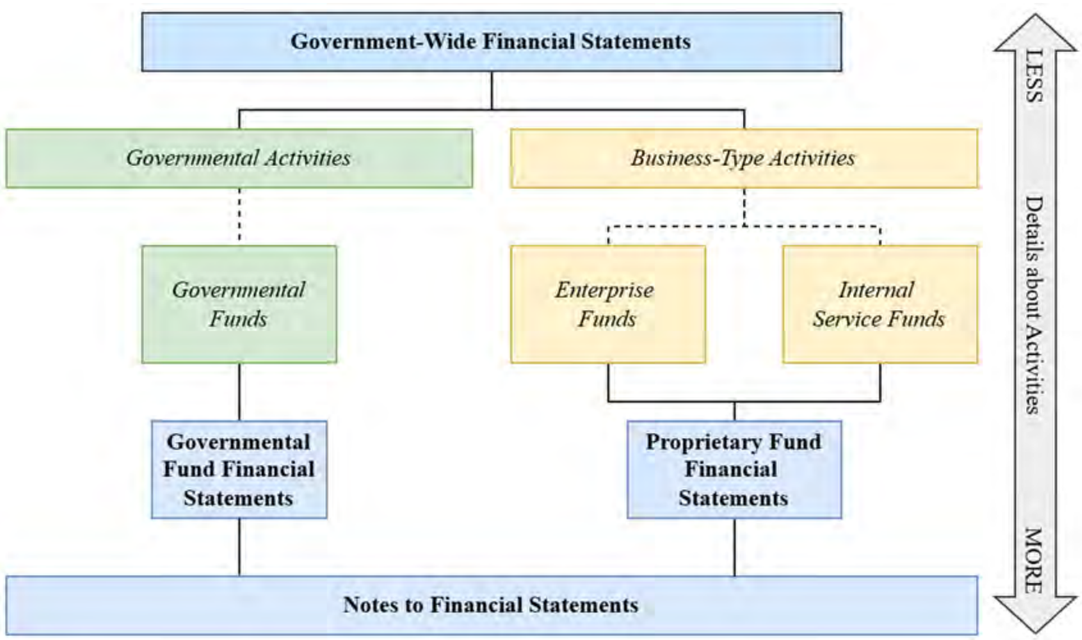
Overview of the Financial Statements

The Metropolitan Council's financial report contains basic financial statements. Those financial statements present the Metropolitan Council's finances at both an overall and a detailed level. The first two – *the government-wide financial statements* – cover the Metropolitan Council's governmental activities and business-type activities (together the *primary government*).

- *Governmental activities* comprise Metropolitan Council's functions, such as general government, transportation, culture and recreation, economic revitalization, environmental development, and housing.
- *Business-type activities* uses enterprise funds to account for the wastewater treatment, bus transportation, light rail transportation, commuter rail transportation, housing operations and internal service funds.

The remaining financial statements present Metropolitan Council's finances in greater detail. As their name implies, the *fund financial statements* disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The figure below provides an illustration of the overview of financial statements.

Contents of the Metropolitan Council's Basic Financial Statements



The next section of this financial report contains the *notes to the financial statements*, which delves deeper into Metropolitan Council's finances as reported in the financial statements. The information in the notes is as important to understanding Metropolitan Council's finances as the information presented in the financial statements. Metropolitan Council uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of Information in the Financial Statements

All of Metropolitan Council's financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. In other words, they comprehensively report all types of financial statement elements:

- Assets – resources Metropolitan Council's controls, from short-term assets like cash to long-term assets like land, transit infrastructure, water/sewer systems, and buildings.
- Liabilities – amounts Metropolitan Council owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions.
- Deferred outflows of resources and deferred inflows of resources – flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- Revenues and expenses – inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on the construction projects. The figure below provides information reported in the Metropolitan Council's Financial Statements.

Types of Information Reported in Metropolitan Council's Financial Statements

	Financial Statements		
	Government-Wide	Proprietary Fund	Governmental Fund
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short term and long term		Only current financial resources, such as cash, taxes receivable, and accounts payable
Types of revenues/additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received		Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/deductions/expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid		Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year		Current financial resources that flow into and out of the governmental funds during that year and relate to a future year

More detail about the measurement focuses and bases of accounting can be found in the first note to the financial statements, the summary of significant accounting policies, beginning on page 31.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Metropolitan Council's financial operations, in a manner similar to a private-sector business. Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. They are prepared using the economic resources measurement focus and the full accrual basis of accounting.

The Statement of Net Position presents financial information on all the Council's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net positions may serve as a useful indicator of whether the financial condition of the Metropolitan Council is improving or deteriorating.

The Statement of Activities presents information showing how the Council's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes, accounts receivable and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Metropolitan Council that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Metropolitan Council include general government, housing, transportation, environment development, economic revitalization, and culture and recreation. The business-type activities of the Metropolitan Council include wastewater treatment, public transportation, housing and redevelopment, and internal service fund.

The government-wide financial statements can be found on pages 20-21 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Metropolitan Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Metropolitan Council can be divided into two categories: governmental funds and proprietary funds.

Governmental funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Metropolitan Council maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Transportation Services Special Revenue Fund, Transit Capital Projects, and Debt Retirement Fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The Metropolitan Council adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary funds

The Metropolitan Council maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Metropolitan Council uses enterprise funds to account for its wastewater treatment, bus transportation, light rail transportation, commuter rail transportation and housing operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Metropolitan Council's various functions. The Metropolitan Council uses internal service funds to account for its self-insurance. Because this service predominantly benefits business-type functions rather than governmental functions, it has been included within business-type activities in the government-wide financial statements, with a small portion allocated to governmental activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary funds utilize accrual basis accounting which is the same method used by private-sector businesses. The proprietary fund financial statements provide separate information for wastewater treatment, bus transportation, light rail transportation, commuter rail transportation and housing operations, all five funds are considered to be major funds of the Metropolitan Council.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-68 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Metropolitan Council funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 69-82 of this report.

The combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements, bonds/loans/notes outstanding statement, and schedules can be found on pages 83-99 of this report.

Additionally, the statistical section, which provides mostly trend data and non-financial information useful in assessing the Metropolitan Council's financial condition, can be found on pages 101-126 of this report.

Financial Summary

Net position over time, may serve as a useful indicator of a government's financial position. In the case of the Metropolitan Council, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $7.86 billion, at the end of 2025. Most of the increase in net position was the result of the financial performance of the business-type activities. The following sections of MD&A analyze the finances of the governmental activities and business-type activities separately.

The table below provides condensed financial information for net position derived from the government-wide financial statements comparing the current year to the prior year for both governmental activities and business-type activities.

Metropolitan Council Net Position
December 31, 2025 and 2024
(In Thousands)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2025 - 2024
Current and other assets	886,989	926,312	2,175,159	1,956,173	3,062,148	2,882,485	6%
Capital assets, net	174,494	141,505	7,397,529	6,979,867	7,572,023	7,121,372	6%
Total assets	1,061,483	1,067,817	9,572,688	8,936,040	10,634,171	10,003,857	6%
Deferred outflows of resources:							
Outflows - derivative instrument	-	-	1,360	1,325	1,360	1,325	3%
Outflows - pension	7,403	7,794	73,051	81,906	80,454	89,700	-10%
Outflows - OPEB	834	1,248	7,762	14,516	8,596	15,764	-45%
Total deferred outflows of resources	8,237	9,042	82,173	97,747	90,410	106,789	-15%
Long-term liabilities outstanding	216,444	216,230	1,505,165	1,839,930	1,721,609	2,056,160	-16%
Other liabilities	135,660	55,430	743,392	495,899	879,052	551,329	59%
Total liabilities	352,104	271,660	2,248,557	2,335,829	2,600,661	2,607,489	0%
Deferred inflows of resources:							
Inflows - pension	12,588	13,405	116,043	125,734	128,631	139,139	-8%
Inflows - OPEB	1,219	1,179	117,175	76,203	118,394	77,382	53%
Inflows - lease	-	-	18,944	19,564	18,944	19,564	-3%
Total deferred inflows of resources	13,807	14,584	252,162	221,501	265,969	236,085	13%
Net position:							
Net investment in capital assets	114,001	90,088	5,814,218	5,327,285	5,928,219	5,417,373	9%
Restricted	678,997	814,059	1,012,943	759,097	1,691,940	1,573,156	8%
Unrestricted	(89,189)	(113,532)	326,981	390,075	237,792	276,543	-14%
Total net position	703,809	790,615	7,154,142	6,476,457	7,857,951	7,267,072	8%

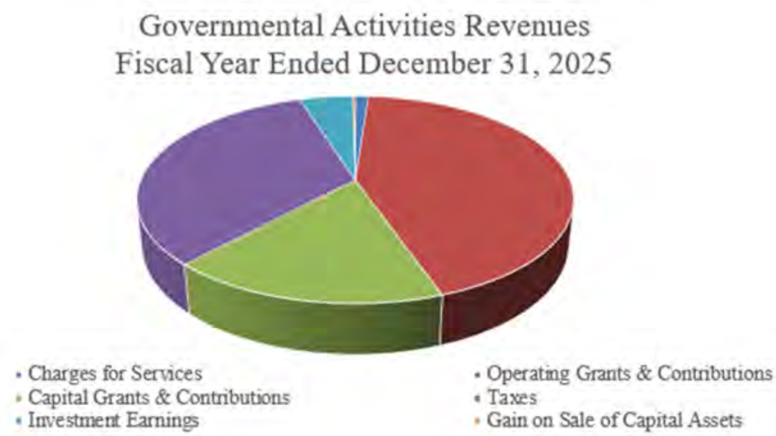
The table below provides condensed financial information for revenues and expenses. This shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position. The total net position of Metropolitan Council's business-type activities was $7.15 billion, an increase of $677.69 million or 10.46% at the end of 2025. By far, the largest portion of the Metropolitan Council's net position, $5.81 billion or 81.27 percent reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The table below depicts condensed financial information derived from the government-wide financial statements comparing the current year to the prior year for both governmental activities and business-type activities.

Changes in Net Position
Fiscal Years Ended December 31, 2025 and 2024
(In Thousands)

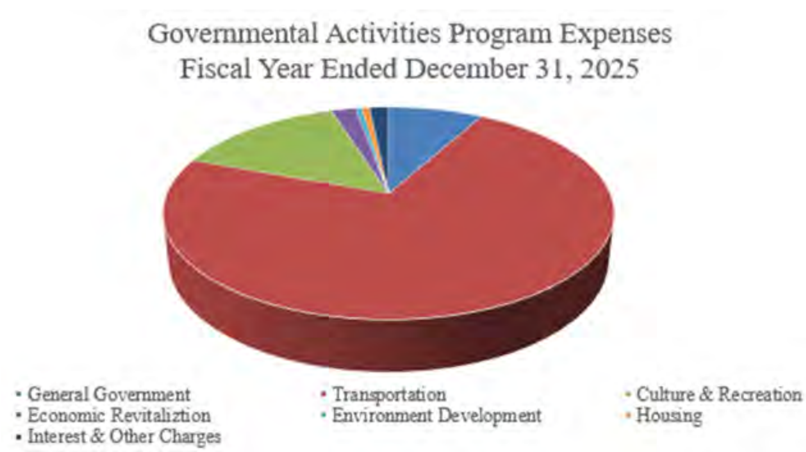
	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
Revenues:	2025	2024	2025	2024	2025	2024	2025 - 2024
Program revenues:							
Charges for services	$ 6,485	$ 7,950	$ 420,869	$ 390,134	$ 427,354	$ 398,084	7%
Operating grants and contributions	251,748	191,932	450,445	532,351	702,193	724,283	-3%
Capital grants and contributions	97,762	75,884	371,241	459,352	469,003	535,236	-12%
General revenues							
Property taxes	95,143	92,572	-	-	95,143	92,572	3%
Regional transportation sales and use tax	89,551	331,702	348,116	92,560	437,667	424,262	3%
Investment earnings	26,286	28,120	99,632	105,112	125,918	133,232	-5%
Gain on sale of capital assets	1,243	767	519	-	1,762	767	130%
Total revenues	568,218	728,927	1,690,822	1,579,509	2,259,040	2,308,436	-2%
Expenses:							
General government	33,000	11,304	-	-	33,000	11,304	192%
Transportation	295,466	245,643	-	-	295,466	245,643	20%
Culture and recreation	59,186	46,137	-	-	59,186	46,137	28%
Economic revitalization	8,676	9,139	-	-	8,676	9,139	-5%
Environment development	2,026	3,668	-	-	2,026	3,668	-45%
Housing	2,702	4,556	-	-	2,702	4,556	-41%
Interest and other charges	6,711	4,218	-	-	6,711	4,218	59%
Environmental services	-	-	297,862	296,023	297,862	296,023	1%
Transit bus	-	-	598,827	520,143	598,827	520,143	15%
Transit light rail	-	-	214,460	181,833	214,460	181,833	18%
Transit commuter rail	-	-	20,674	21,067	20,674	21,067	-2%
Housing	-	-	128,571	113,796	128,571	113,796	13%
Total expenses	407,767	324,665	1,260,394	1,132,862	1,668,161	1,457,527	14%
Increase (decrease) in net position before transfers	160,451	404,262	430,428	446,647	590,879	850,909	-31%
Transfers	(247,257)	(72,838)	247,257	72,838	-	-	
Increase (decrease) in net position	(86,806)	331,424	677,685	519,485	590,879	850,909	-31%
Net position, beginning	790,615	459,191	6,476,457	5,956,972	7,267,072	6,416,163	13%
Net position, ending	$ 703,809	$ 790,615	$ 7,154,142	$ 6,476,457	$ 7,857,951	$ 7,267,072	8%

Detailed Analysis of Financial Position, Results of Operations, Fund Balance and Net Position of the Governmental Funds

During the current fiscal year, net position for governmental activities decreased $86.81 million or 10.98 percent to $703.81 million in 2025.



Governmental activities are supported by charges for services, operating grants, and capital grants and contributions. Additionally, general revenues cover any expenses after program specific revenues are applied. In 2025, the Council relied primarily on operating grants and contributions and taxes for funding governmental activities beyond program revenues. Specifically, property tax revenues are primarily used to support the council's general-purpose fund activities and debt service obligations. The regional transportation sales and use tax is dedicated to funding regional transportation services. Some revenues for the Council's governmental activities are derived directly from the program itself (referred to as charges for services), parties outside the government, taxpayers, or citizenry. As a whole, these revenues reduce the net cost of the function to be financed from the government's general revenue. Governmental activities program revenues totaled $356.00 million, an increase of $80.23 million, or 29.09 percent, compared to 2024. An increase in operating grant revenues of $59.82 million, a decrease in charges for services revenues of $1.47 million, and an increase in capital grant revenues of $21.88 million account for this change. Total governmental activities general revenues were $212.22 million, a decrease of $240.94 million or 53.17 percent over the prior year due to the regional transportation sales and use tax and investment earnings. Property taxes supporting general fund activity and parks debt service activity increased slightly, by $2.57 million. Revenues from all governmental funds for the current year were $568.33 million, a decrease of $159.86 million, or 21.95 percent, from the previous year.



In 2025, expenses for governmental activities increased by $83.10 million, 25.60 percent, to $407.77 million. General government expenses increased by $21.70 million mainly due to higher consulting costs from vacant internal services positions, increased spending on small computers, and additional consulting expenses relating to Business Process Systems Integration (BPSI). Transportation expenses increased $49.82 million primarily due to increased service provider expenditures, and culture and recreation expenses increased by $13.05 million due to timing of parks projects. In addition, interest expense increased by $2.49 million and the Council's livable communities' programs for housing, economic revitalization, and environmental development decreased by $3.96 million. The unexpended balances of all livable community grants programs are reported as restricted net position.

Expenditures for all governmental funds in the current year were $468.96 million, an increase of $37.36 million from the previous year. Culture and recreational program expenditures increased by $13.05 million primarily due to the timing of regional parks activity. The Council's livable communities programs (housing, economic revitalization, and environmental development) spending decreased by $3.96 million, reflecting environmental development projects and housing projects in an execution phase during the year. Transportation expenditures increased by $40.09 million to $259.59 million, due to increases in operating expenses. Debt service principal and interest payments decreased by $32.65 million, to a total of $38.61 million. Capital outlay increased by $12.01 million to $71.39 million due to council bus acquisitions guided by the fleet replacement schedule.

Depreciation and amortization for the year was $36.37 million, an increase of $8.08 million from 2024. Net transfers to business-type activities increased by $174.42 million to $247.26 million. Transfers were primarily capital expense reimbursements, with Metro Transit Bus as the primary recipient. Net salaries and benefits increased by $3.22 million and payments to outside transit providers increased by $24.77 million due to increases in transit service.

The focus of the Metropolitan Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Metropolitan Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose at the end of the fiscal year.

As of December 31, 2025, the Metropolitan Council's governmental funds had combined fund balances of $817.67 million, a decrease of $49.80 million in comparison with the prior year. Approximately $43.79 million of this amount is available for spending at the Council's discretion as unassigned fund balance in the General Fund. Negative unassigned fund balance, $81.07 million in Nonmajor Governmental Funds, represents Parks and Open Space Grants and is deemed unassigned because the restricted amounts for future grant payments are to be funded by future bonding and State reimbursements. The remainder of the fund balance is either restricted, committed or assigned to indicate that it is: restricted for particular purposes, $729.61 million; committed for particular purposes, $115.78 million; or assigned for particular purposes, $9.57 million.

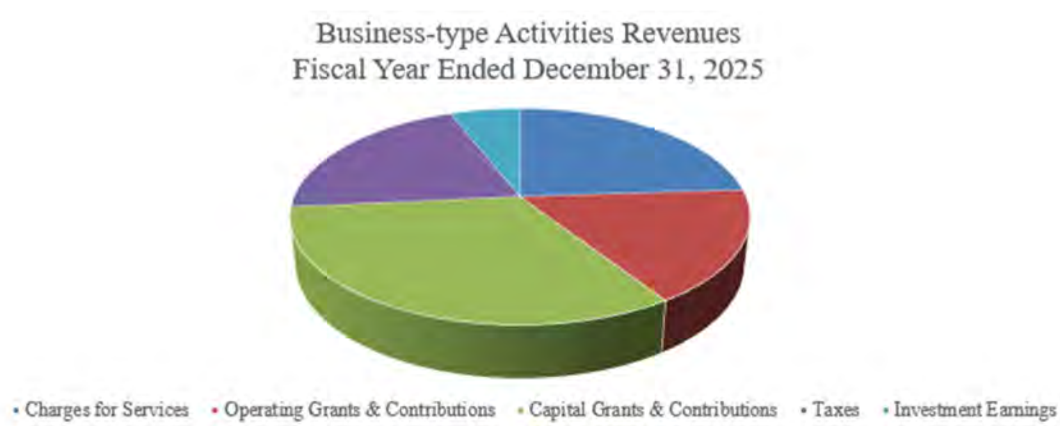
In 2025, the Special Transportation Services Special Revenue Fund balance increased by $32.45 million to $82.82 million due to state appropriations.

In 2025, the Transit Capital Projects Fund balance decreased by $150.28 million to $134.79 million due to the transfer of regional sales and use tax between governmental and proprietary funds, which reduced the government fund balance and increased the Metro Transit Bus fund balance.

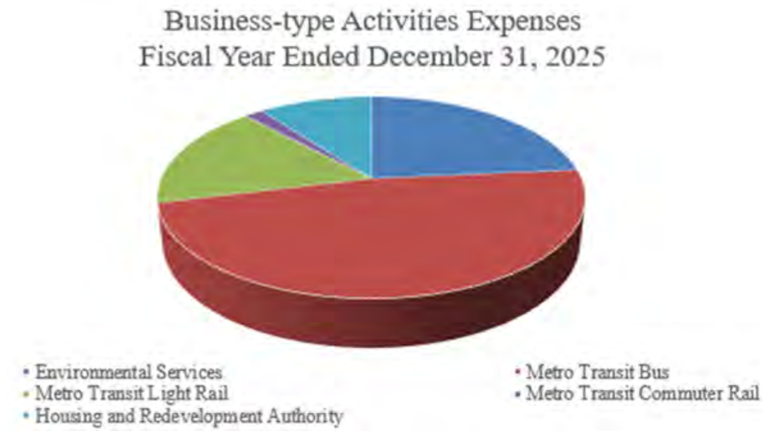
In 2025, the Debt Retirement Fund balance increased by $24.62 million to $160.94 million, due to lower repayments after prior early debt payoffs.

Detailed Analysis of Financial Position, Results of Operations, and Net Position of Proprietary Funds

For the Metropolitan Council's business-type activities, the results for the current fiscal year increased the overall net position to reach an ending balance of $7.15 billion. The total increase in net position for business-type activities (Environmental Services, Transit Bus, Transit Light Rail, Transit Commuter Rail, and Housing) was $677.69 million or 10.46 percent from the prior fiscal year's net position.



Program revenues for the Council's business-type activities totaled $1.24 billion, or 98.59 percent of related expenses for fiscal year 2025 compared to $1.38 billion, or 121.98 percent of related expenses, in the prior year. Operating grants and contributions revenue decreased by $247.31 million due to lower pandemic funding and a change in financial reporting, under which $37.17 million of intergovernmental funds for Metro Transit Bus are now classified as capital grants and contributions. Charges for services revenues increased by $13.93 million primarily due to increased wastewater treatment fees. Capital grants increased by $90.38 million, primarily due to HRA funding and the aforementioned reporting change for Metro Transit Bus. Metro Transit Bus's capital contributions decreased 55% in 2025 due to the opening of the Gold Line Bus Rapid Transit, the METRO B Line, and the METRO E Line. Investment earnings decreased by $5.48 million, reflecting lower market yields.



Business-type activities in 2025 incurred expenses of $1.26 billion, an increase of $123.72 million, or 10.92 percent, over the prior year. Salaries and benefits and contracted services account for most of the increased expenditures. Environmental Services expenses decreased by $0.11 million, Metro Transit Bus expenses increased by $77.01 million, and Metro Transit Light Rail expenses increased by $32.44 million. Metro Transit Commuter Rail expenses decreased by 1.87 percent, and Housing and Redevelopment Authority expenses increased by $14.78 million, which came from increased rent.

Overall salaries and benefit related expenses increased by $96.44 million to $579.84 million. The Metro Transit Bus accounts for $67.02 million of this increase due to the hiring of bus operators, primarily for the opening of the Gold Line Bus Rapid Transit, the METRO B Line and the METRO E Line, as well as hiring of staff for the Transit Rider Investment program. Contracted services increased by $22.13 million, housing payments increased by $12.36 million, depreciation and amortization expense increased by $5.84 million, and utilities increased by $3.00 million. These increases were offset by decreases in material expenses ($5.23 million). Depreciation and amortization expense increased to $234.98 million from $229.13 million in 2024. General inflationary factors account for increases to other operating expense categories.

The Metropolitan Council's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Overall, the enterprise funds had a total net position of $7.11 billion as of December 31, 2025. The total net position for all enterprise funds increased by $666.07 million during 2025 compared to the prior year's net position. Capital projects activity accounts for most of this increase.

The Environmental Services Fund accounts for the operations, maintenance, and design of the regional wastewater (sanitary sewer) system. Normal operations were positive, mainly due to increased charges for services and operating grants. Net capital assets increased by $83.22 million.

Metro Transit Bus is the region's largest direct provider of bus transit service. For December 31, 2025, net investment in capital assets was $1.22 billion, an increase of $140.60 million. This increase was due to the opening of the Gold Line Bus Rapid Transit, the METRO B Line and the METRO E Line.

The Metro Transit Light Rail Fund provides the region's light rail transit service. For December 31, 2025, the net investment in capital assets was $3.27 billion, an increase of $255.60 million due to the Green Line extension and the Blue Line extension.

The Metro Transit Commuter Rail Fund provides the region's commuter rail transit service. For December 31, 2025, the net investment in capital assets was $134.22 million, an increase of $0.87 million.

The Metropolitan Housing and Redevelopment Authority provides affordable housing under the Federal Section 8 Housing Choice Vouchers program and other housing programs. The net position balance for the year ended December 31, 2025, was $27.41 million, of which $6.21 million was net investment in capital assets.

Significant Capital Asset and Long-Term Financing Activity

Capital Asset

The Metropolitan Council's investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounted to $7.57 billion, net of accumulated depreciation and amortization. This investment in capital assets includes land, buildings, improvements, water treatment plants, machinery, equipment, vehicles, and the right-to-use assets' categories. The total increase in capital assets for the current fiscal year was approximately 6.33 percent.

Metropolitan Council Capital Assets
Fiscal Year Ended December 31, 2025
(In Thousands)

Governmental Activities:	Beginning Balance	Additions	Deduction/ Adjustments	Ending Balance
Land and land improvements	$ 215	$ -	$ -	$ 215
Buildings and infrastructure	16,344	-	-	16,344
Right-to-use buildings	143	-	-	143
Vehicles and other equipment	287,397	63,607	(42,506)	308,498
Equipment	24,833	2,069	(2,900)	24,002
Subscription-based information				-
technology arrangements	3,077	3,360	(2,116)	4,321
Construction in progress	2,181	2,386	(994)	3,573
Total	$ 334,190	$ 71,422	$ (48,516)	$ 357,096

Business-type Activities:	Beginning Balance	Additions	Deduction/ Adjustments	Ending Balance
Land and land improvements	$ 353,681	$ 28,957	$ -	$ 382,638
Right-to-use land	4,817	-	-	4,817
Buildings and infrastructure	5,588,773	589,630	(31,696)	6,146,707
Right-to-use buildings	8,902	7,071	-	15,973
Vehicles and other equipment	809,409	206,228	(22,278)	993,359
Equipment	263,183	26,169	(4,760)	284,592
Subscription-based information				-
technology arrangements	894	1,208	(506)	1,596
Construction in progress	3,382,984	360,407	(549,855)	3,193,536
Total	$ 10,412,643	$ 1,219,670	$ (609,095)	$ 11,023,218

Major capital asset events during the current fiscal year included the following:

The Metropolitan Council's net capital assets for governmental activities increased by $32.99 million for the year. Council-owned assets increased by $31.12 million while right-to-use and subscription based assets increased by $1.87 million.

The business-type activities had an increase of $417.66 million. Council-owned assets increased by $410.57 million while right-to-use and subscription based assets increased by $7.10 million. Business-type activities increased by $220.13 million in Metro Transit Light Rail, $112.53 million in Metro Transit Bus, $0.39 million in Metro Commuter Rail, $1.40 million in Metropolitan Housing and Redevelopment Authority and $83.22 million in Environmental Services.

Additional information on the Metropolitan Council's capital assets can be found in Note IV.E. on page 46 of this report.

There were no additions of right-to-use land in 2025 however, Metro Transit Bus right-to-use building increased $7.07 million with the start of a lease for a maintenance facility. Additional information on the Metropolitan Council's leases can be found in Note IV.E. on page 47 of this report.

Subscription-based information technology arrangements increased by $1.95 million in 2025 due to new contracts and amendments to existing contracts that support a variety of Metropolitan Council's operations. Additional information on the Metropolitan Council's subscription-based information technology arrangements can be found in Note IV.H. on page 49 of this report.

Long-Term Financing Activity

At the end of the fiscal year, the Metropolitan Council had total bonds and loans outstanding of $1.56 billion. Of this amount, $1.12 billion was for general obligation bonds and notes issued by the Metropolitan Council and $439.54 million was for loans from the State of Minnesota Public Facilities Authority. General obligation bonds and loans are backed by the full faith and credit of the Metropolitan Council.

Metropolitan Council
Changes in Long-Term Liabilities
Fiscal Year Ended December 31, 2025
(In Thousands)

Governmental Activities	Beginning Balance	Additions	Deduction/ Adjustments	Ending Balance
General Obligation bonds and notes	$ 178,505	$ 87,435	$ (30,190)	$ 235,750
Lease liability	75	-	(17)	58
Subscription-based information technology arrangement liability	439	3,325	(1,150)	2,614
Total	$ 179,019	$ 90,760	$ (31,357)	$ 238,422

Business-Type Activities	Beginning Balance	Additions	Deduction/ Adjustments	Ending Balance
General Obligation bonds and notes	$ 923,790	$ 74,505	$ (109,260)	$ 889,035
Minnesota Public Facilities Authority loans	455,858	38,824	(55,138)	439,544
HRA Loans Payable	3,338	-	-	3,338
Lease liability	10,638	7,071	(1,013)	16,696
Subscription-based information technology arrangement liability	311	1,208	(430)	1,089
Total	$ 1,393,935	$ 121,608	$ (165,841)	$ 1,349,702

The Metropolitan Council's total debt increased by $6.18 million, or 0.40 percent, during the year. General obligation bonds and notes increased by $22.49 million, and the Minnesota Public Facilities Authority (PFA) loans decreased by $16.31 million. The Council issued $161.94 million of new bonds, while retiring $139.45 million of bonds. Also, during 2025 the Metropolitan Council drew down $38.82 million in PFA loans and repaid $55.14 million on existing PFA loans.

The Metropolitan Council maintains an “AAA” rating from Standard and Poor's and an “Aaa” rating from Moody's Investors service for general obligation debt.

Minnesota statutes do not limit the amount of general obligation debt on wastewater bonds. The state statutes limit the amount of general obligation debt the Metropolitan Council may issue for regional recreation open space at $40.00 million. The current unused authority is $27.90 million. Transit debt is subject to limited amounts as authorized by statute. At the end of the year, the Metropolitan Council had unissued authority of $189.82 million of transit general obligation bonds.

Additional information on the Metropolitan Council's long-term debt can be found in Note IV.I. on pages 50-54 of this report.

Currently Known Facts, Decisions, or Conditions

The population of the Metropolitan Council’s service area was 3,773,146 in 2025. The Income Per Capita was $82,762. The unemployment rate was 4.00%. Additional information on the Metropolitan Council’s trends in economic and demographic data can be found on pages 122-123 of this report.

The Metropolitan Council is aware of 2 considerations that impact the Council’s finances in the future and therefore incorporated into next year’s budget:

Relevant factors used to create the 2026 budget include the following:

- Personnel wages and salaries cost increases related to union agreements
- Priorities and guidelines of its long-range regional development guide for the Twin Cities region – Imagine 2050

The Council's operating budget relies on several funding sources that will impact the anticipated net position.

- For 2026, total state revenues (motor vehicle sales tax, regional sales tax, and state general fund appropriations) are expected to represent 32.44 percent of total revenues and other sources, a decrease of 0.12 percent from 2025.
- The Council uses the state November forecast to establish budget parameters for motor vehicle sales taxes and regional transportation sales and use taxes. The state February 2026 forecast projects motor vehicle sales taxes will be 2.69 percent lower, and regional transportation sales and use taxes will be 0.47 percent higher for state fiscal year 2026 than forecasted in November of 2025. Receipts in excess of budget fall to reserve balances and are considered in the next budget cycle.
- User fees from wastewater treatment and transit services represent 24.46 percent of total revenues and other sources for 2026.
- The certified property tax levy approved by the Council for amounts payable in 2026 represents a 2.00 percent increase over the previous year's levy. The general purposes levy is 100.00 percent of its statutory levy limit. Property tax revenue collections have historically been in line with budgeted original estimates.

In addition to the factors used to develop the 2026 budget, the following items were included for budgetary carryover from 2025 to 2026.

- $640,000 was carried-forward for Information Services to refresh bus routers in Metropolitan Transit.
- $720,000 was carried-forward for Fair Housing in Community Development.
- $200,000 was carried-forward for Climate Action Plan Implementation in Community Development.
- During the year, however, actual operating expenditures were $8.28 million lower than the final budget. This amount includes $1.56 million in carryover to 2026 with the remaining variance attributable to cost savings across operations that offset higher consulting expenses, keeping overall costs contained.

The Metropolitan Council monitors long term liabilities such as Other Post Employment Benefit Plan liabilities, pension liabilities, and long-term financing that may impact subsequent periods. The Council actively monitors new legislation and regulations imposed on the Metropolitan Council that could impact a subsequent period.

Requests for Information

This financial report is designed to provide a general overview of the Metropolitan Council's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Metropolitan Council, 390 Robert Street North, St. Paul, Minnesota 55101-1805.

Basic Financial Statements

STATEMENT OF NET POSITION
DECEMBER 31, 2025
IN THOUSANDS

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 734,859	$ 933,699	1,668,558
Receivables, net	27,559	35,956	63,515
Lease receivable	-	19,308	19,308
Internal balances	1,477	(1,477)	-
Due from other governmental units	96,752	27,273	124,025
Inventory	-	52,753	52,753
Prepaids and other	-	882	882
Loans and advances	26,342	465	26,807
Restricted assets:			
Cash and cash equivalents	-	873,289	873,289
Receivables, net	-	87,520	87,520
Due from other governmental units	-	145,342	145,342
Loans receivable	-	149	149
Capital assets not being depreciated			
Land	215	382,638	382,853
Construction in progress	3,573	3,193,536	3,197,109
Capital assets (net of accumulated depreciation and amortization)			
Buildings and infrastructure	8,376	3,272,541	3,280,917
Lease buildings	57	12,768	12,825
Lease land	-	3,269	3,269
Vehicles	154,274	465,946	620,220
Equipment	5,150	65,491	70,641
Subscription-based information technology arrangements	2,849	1,340	4,189
Total assets	1,061,483	9,572,688	10,634,171
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows derivative instrument	-	1,360	1,360
Deferred outflows pension	7,403	73,051	80,454
Deferred outflows OPEB	834	7,762	8,596
Total deferred outflows of resources	8,237	82,173	90,410
LIABILITIES			
Accounts payable and other current liabilities	64,844	55,390	120,234
Accrued interest payable	6,187	-	6,187
Unearned revenue	253	34,319	34,572
Restricted liabilities:			
Liabilities payable from restricted assets	-	167,378	167,378
Unearned revenue	-	268,690	268,690
Due within one year	63,950	205,895	269,845
OPEB liability due within one year	426	11,720	12,146
Noncurrent liabilities:			
Due in more than one year	207,499	1,309,234	1,516,733
OPEB liability due in more than one year	5,725	157,766	163,491
Net pension liability	3,220	38,165	41,385
Total liabilities	352,104	2,248,557	2,600,661
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows pension	12,588	116,043	128,631
Deferred inflows OPEB	1,219	117,175	118,394
Deferred inflows lease	-	18,944	18,944
Total deferred inflows of resources	13,807	252,162	265,969
NET POSITION			
Net investment in capital assets	114,293	5,814,218	5,928,511
Restricted for:			
Debt service	160,936	30,698	191,634
Capital projects	281,030	847,174	1,128,204
Highway right-of-way	61,967	-	61,967
Economic revitalization	25,668	-	25,668
Environment development	78,578	-	78,578
Housing	3,100	726	3,826
Transportation advisory board grants	48,333	-	48,333
Transit	19,385	134,345	153,730
Unrestricted	(89,481)	326,981	237,500
Total net position	$ 703,809	$ 7,154,142	$ 7,857,951

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Function/program	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental activities:							
General government	$ 33,000	$ 274	$ 416	$ -	$ (32,310)	$ -	$ (32,310)
Transportation	295,466	6,211	239,698	55,388	5,831	-	5,831
Culture and recreation	59,186	-	11,634	42,374	(5,178)	-	(5,178)
Economic revitalization	8,676	-	-	-	(8,676)	-	(8,676)
Environment development	2,026	-	-	-	(2,026)	-	(2,026)
Housing	2,702	-	-	-	(2,702)	-	(2,702)
Interest and other charges	6,711	-	-	-	(6,711)	-	(6,711)
Total governmental activities	407,767	6,485	251,748	97,762	(51,772)	-	(51,772)
Business-type activities:							
Environmental services	297,862	363,346	1,632	-	-	67,116	67,116
Transit bus	598,827	34,996	314,351	101,201	-	(148,279)	(148,279)
Transit light rail	214,460	21,158	4,994	268,730	-	80,422	80,422
Transit commuter rail	20,674	393	1,585	1,310	-	(17,386)	(17,386)
Housing	128,571	976	127,883	-	-	288	288
Total business-type activities	1,260,394	420,869	450,445	371,241	-	(17,839)	(17,839)
Total governmental and business-type activities	$ 1,668,161	$ 427,354	$ 702,193	$ 469,003	(51,772)	(17,839)	(69,611)
		General revenues:					
		Property taxes			95,143	-	95,143
		Regional transportation sales and use tax			89,551	348,116	437,667
		Investment earnings			26,286	99,632	125,918
		Gain on sale of capital assets			1,243	519	1,762
		Transfers			(247,257)	247,257	-
		Total general revenues and transfers			(35,034)	695,524	660,490
		Change in net position			(86,806)	677,685	590,879
		Net position, beginning			790,615	6,476,457	7,267,072
		Net position, ending			$ 703,809	$ 7,154,142	$ 7,857,951

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

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025
IN THOUSANDS

	General	Special Transportation Services Special Revenue	Transit Capital Projects	Debt Retirement	Nonmajor Governmental Funds	Total
ASSETS						
Assets:						
Cash and cash equivalents	$ 73,841	$ 28,679	$ 122,466	$ 159,900	$ 349,973	$ 734,859
Receivables, net	-	-	1,355	-	111	1,466
Taxes receivable	1,101	460	13,619	1,627	7,303	24,110
Interest receivable	324	71	150	471	967	1,983
Due from other governmental units	318	70,638	4,820	-	20,976	96,752
Loans and advances	90	-	-	-	26,252	26,342
Total assets	$ 75,674	$ 99,848	$ 142,410	$ 161,998	$ 405,582	$ 885,512
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts/contracts/subgrantees payable	$ 7,909	$ 17,033	$ 7,368	$ -	$ 25,988	$ 58,298
Salaries payable	6,546	-	-	-	-	6,546
Unearned revenue	4	-	249	-	-	253
Total liabilities	14,459	17,033	7,617	-	25,988	65,097
Deferred inflows of resources:						
Unavailable revenue - taxes	925	-	-	1,062	754	2,741
Fund balances:						
Restricted	-	10,060	131,559	160,936	427,052	729,607
Committed	9,089	72,755	3,234	-	30,706	115,784
Assigned	7,415	-	-	-	2,154	9,569
Unassigned	43,786	-	-	-	(81,072)	(37,286)
Total fund balances	60,290	82,815	134,793	160,936	378,840	817,674
Total liabilities, deferred inflows of resources and fund balances	$ 75,674	$ 99,848	$ 142,410	$ 161,998	$ 405,582	$ 885,512

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

RECONCILIATION OF THE BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION DECEMBER 31, 2025 IN THOUSANDS

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances-total governmental funds (page 22)	$ 817,674
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	174,494
An internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in business-type activities in the Statement of Net Position; a portion of the internal service fund is attributable to governmental funds.	1,477
Long-term liabilities, including bonds and interest payable, are not due and payable in the current period and therefore are not reported in governmental funds.	(287,007)
Deferred inflows resulting from taxes are not available to pay for current period expenditures, and therefore, are not reported as revenue in governmental funds.	2,741
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in governmental funds.	
Deferred outflows related to pensions	7,403
Deferred inflows related to pensions	(12,588)
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to OPEB that are not recognized in governmental funds.	
Deferred outflows related to OPEB	834
Deferred inflows related to OPEB	(1,219)
Net position of governmental activities (page 20)	$ 703,809

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	General	Special Transportation Services Special Revenue	Transit Capital Projects	Debt Retirement	Nonmajor Governmental Funds	Total
REVENUES						
Taxes	$ 18,989	$ 460	$ 43,246	$ 57,605	$ 65,748	$ 186,048
Intergovernmental revenue:						
Federal	416	22,500	55,388	-	10,500	88,804
State	11,634	127,198	-	-	121,762	260,594
Local	66	-	-	-	112	178
Investment income	4,153	1,555	1,502	4,939	14,137	26,286
Other	119	4,572	-	7	1,721	6,419
Total revenues	35,377	156,285	100,136	62,551	213,980	568,329
EXPENDITURES						
Current:						
General government	17,401	3,983	-	608	4,796	26,788
Transportation	-	119,846	620	-	56,903	177,369
Intergovernmental:						
Transportation	-	-	18,348	-	63,869	82,217
Culture and recreation	11,615	-	-	-	47,571	59,186
Economic revitalization	-	-	-	-	8,676	8,676
Environment development	-	-	-	-	2,026	2,026
Housing	-	-	-	-	2,702	2,702
Debt service:						
Principal	1,160	8	-	30,190	-	31,358
Interest and other charges	122	1	-	7,129	-	7,252
Capital outlay	5,746	-	65,641	-	-	71,387
Total expenditures	36,044	123,838	84,609	37,927	186,543	468,961
Excess (deficiency) of revenues over (under) expenditures	(667)	32,447	15,527	24,624	27,437	99,368
OTHER FINANCING SOURCES (USES)						
Transfers in	2,616	-	1,121	-	4,774	8,511
Transfers out	(2,575)	-	(251,339)	-	(1,854)	(255,768)
Bond issued	-	-	77,705	-	9,730	87,435
Inception of right-to-use asset	3,325	-	-	-	-	3,325
Premium on bonds and capital related debt	-	-	5,464	-	618	6,082
Sale of capital assets	-	-	1,243	-	-	1,243
Total other financing sources (uses)	3,366	-	(165,806)	-	13,268	(149,172)
Net change in fund balances	2,699	32,447	(150,279)	24,624	40,705	(49,804)
Fund balances, beginning	57,591	50,368	285,072	136,312	338,135	867,478
Fund balances, ending	$ 60,290	$ 82,815	$ 134,793	$ 160,936	$ 378,840	$ 817,674

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

RECONCILIATION OF THE STATEMENT OF REVENUES EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2025 IN THOUSANDS

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds (page 24)	$	(49,804)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		35,017
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, transfers, and donations) is to decrease net position.		(2,028)
An internal service fund is used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service fund activities reported with governmental activities.		(454)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(1,354)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(64,944)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(3,239)
Change in net position of governmental activities (page 21)	$	(86,806)

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025
IN THOUSANDS

	Business-type Activities						
	Enterprise Funds						
		Metro Transit			Metropolitan Housing and		
	Environmental Services	Bus	Light Rail	Commuter Rail	Redevelopment Authority	Total	Internal Service Fund
ASSETS							
Current assets:							
Cash and cash equivalents	$ 207,718	$ 571,002	$ 66,033	$ 12,189	$ 19,457	$ 876,399	$ 57,300
Receivables, net	11,015	8,302	754	27	2,315	22,413	1
Taxes receivable	-	9,840	3,378	286	38	13,542	-
Lease receivable	-	19,250	58	-	-	19,308	-
Due from other governmental units	1,403	23,964	876	316	714	27,273	-
Inventory	14,817	14,444	21,180	2,312	-	52,753	-
Prepaids and other	49	484	349	-	-	882	-
Restricted assets:							
Cash and cash equivalents	191,699	416,873	264,475	85	157	873,289	-
Receivables, net	3,205	1,404	765	-	-	5,374	-
Taxes receivable	-	82,146	-	-	-	82,146	-
Due from other governmental units	-	36,428	107,805	118	569	144,920	-
Loans receivable	149	-	-	-	-	149	-
Total current assets	430,055	1,184,137	465,673	15,333	23,250	2,118,448	57,301
Noncurrent assets:							
Capital assets:							
Land	24,487	109,503	141,422	99,560	7,666	382,638	-
Buildings and infrastructure	3,583,640	1,231,835	1,235,149	73,168	22,915	6,146,707	-
Vehicles	10,872	512,570	409,464	60,453	-	993,359	-
Equipment	23,238	166,629	82,543	12,082	100	284,592	-
Construction in progress	377,308	88,328	2,725,302	2,598	-	3,193,536	-
Lease land	11	4,806	-	-	-	4,817	-
Lease buildings	-	14,661	1,312	-	-	15,973	-
Subscription-based information technology arrangements	6	1,590	-	-	-	1,596	-
Less accumulated depreciation and amortization	(1,603,130)	(862,263)	(1,025,622)	(113,545)	(21,129)	(3,625,689)	-
Net capital assets	2,416,432	1,267,659	3,569,570	134,316	9,552	7,397,529	-
Due from other governments-restricted	422	-	-	-	-	422	-
Advances and loans	99	366	-	-	-	465	-
Total noncurrent assets	2,416,953	1,268,025	3,569,570	134,316	9,552	7,398,416	-
Total assets	2,847,008	2,452,162	4,035,243	149,649	32,802	9,516,864	57,301
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows derivative instrument	-	1,360	-	-	-	1,360	-
Deferred outflows pension	9,252	49,644	12,953	585	617	73,051	-
Deferred outflows OPEB	869	6,823	70	-	-	7,762	-
Total deferred outflows of resources	10,121	57,827	13,023	585	617	82,173	-
LIABILITIES							
Current liabilities:							
Accounts payable	6,436	8,054	1,405	1,226	214	17,335	-
Salaries payable	5,852	31,247	546	-	235	37,880	-
Compensated absences payable	5,662	25,056	3,801	271	396	35,186	-
Due to other governmental units	-	175	-	-	-	175	-
Lease liability	1	1,323	100	-	-	1,424	-
Subscription-based information technology arrangement liabilities	-	291	-	-	-	291	-
OPEB liability	3,635	7,189	896	-	-	11,720	-
Unearned revenue	22,397	11,659	-	-	237	34,293	26
Accrued claims	305	6,396	1,162	298	-	8,161	7,297
Other	13	4,588	-	-	-	4,601	-
Restricted liabilities:							
Payables from restricted assets	32,124	29,085	88,647	102	-	149,958	-
Salaries payable	49	-	-	-		49	-
Accrued interest payable from restricted assets	12,038	-	726	-	-	12,764	-
Bonds/loans payable from restricted assets	111,446	-	42,090	-	-	153,536	-
Due to other governmental units from restricted assets	-	-	6	-	-	6	-
Unearned revenue from restricted assets	157,693	32,487	78,510	-	-	268,690	-
Total current liabilities	357,651	157,550	217,889	1,897	1,082	736,069	7,323
Noncurrent liabilities:							
Compensated absences payable	5,187	1,924	-	-	264	7,375	-
Accrued claims	371	15,502	1,000	3,000	-	19,873	-
Bonds/loans payable after one year (net of unamortized discounts and deferred amount on refunding)	1,098,191	-	164,387	-	3,338	1,265,916	-
Lease liability	8	14,522	742	-	-	15,272	-
Subscription-based information technology arrangement liability	6	792	-	-	-	798	-
Pension liability	6,356	27,828	3,301	400	280	38,165	-
OPEB liability	43,117	101,936	12,713	-	-	157,766	-
Total noncurrent liabilities	1,153,236	162,504	182,143	3,400	3,882	1,505,165	-
Total liabilities	1,510,887	320,054	400,032	5,297	4,964	2,241,234	7,323
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows pension	15,741	78,029	20,226	998	1,049	116,043	-
Deferred inflows OPEB	12,317	104,338	520	-	-	117,175	-
Deferred inflows lease	-	18,888	56	-	-	18,944	-
Total deferred inflows of resources	28,058	201,255	20,802	998	1,049	252,162	-
NET POSITION							
Net investment in capital assets	1,177,697	1,221,647	3,274,445	134,215	6,214	5,814,218	-
Restricted for:							
Debt service	30,698	-	-	-	-	30,698	-
Capital projects	-	523,886	323,085	203	-	847,174	-
Housing operations	-	-	-	-	726	726	-
Transit	-	111,491	17,249	5,605	-	134,345	-
Unrestricted	109,789	131,656	12,653	3,916	20,466	278,480	49,978
Total net position	$ 1,318,184	$ 1,988,680	$ 3,627,432	$ 143,939	$ 27,406	$ 7,105,641	$ 49,978
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time						48,501	
Net position of business-type activities (page 20)						$ 7,154,142	

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	Business-type Activities						
	Enterprise Funds						
		Metro Transit					
	Environmental Services	Bus	Light Rail	Commuter Rail	Metropolitan Housing and Redevelopment Authority	Total	Internal Service Fund
Operating revenues:							
Charges for services:							
Wastewater and industrial strength charges	$ 321,030	$ -	$ -	$ -	-	$ 321,030	$ -
Sewer availability charges	34,653	-	-	-	-	34,653	-
Transit fares	-	29,044	10,044	392	-	39,480	-
Tenant rent	-	-	-	-	976	976	-
Advertising and auxiliary	-	2,666	926	-	-	3,592	-
Insurance premiums	-	-	-	-	-	-	106,575
Miscellaneous	1,947	1,675	188	1	-	3,811	-
Intergovernmental for pass-through grants	1,380	1,611	10,000			12,991	-
Total operating revenues	359,010	34,996	21,158	393	976	416,533	106,575
Operating expenses:							
Salaries and employee benefits	107,317	367,418	90,358	6,260	8,486	579,839	-
Contracted services	31,953	50,810	10,717	7,044	3,810	104,334	1,575
Materials and supplies	16,390	70,044	28,619	1,625	24	116,702	-
Insurance	3,952	4,914	650	3,382	68	12,966	-
Utilities	20,846	4,285	6,422	621	281	32,455	-
Advertising	-	414	-	-	-	414	-
Housing related expenses	-	-	-	-	114,741	114,741	-
Claims	-	-	-	-	-	-	95,731
Pass-through grants	1,380	1,611	10,000	-	-	12,991	-
Other	20,905	8,246	1,621	281	1,078	32,131	42
Depreciation and amortization	67,742	99,004	66,686	1,461	83	234,976	-
Total operating expenses	270,485	606,746	215,073	20,674	128,571	1,241,549	97,348
Operating income (loss)	88,525	(571,750)	(193,915)	(20,281)	(127,595)	(825,016)	9,227
Noncapital subsidies:							
Taxes	-	228,543	111,073	8,500	-	348,116	-
Intergovernmental revenue	1,632	314,351	4,994	1,585	127,883	450,445	-
Transfers in	100	-	1,313	-	75	1,488	-
Transfers out	(1,286)	(1,388)	-	-	(9)	(2,683)	-
Total noncapital subsidies	446	541,506	117,380	10,085	127,949	797,366	-
Operating income (loss) and noncapital subsidies	88,971	(30,244)	(76,535)	(10,196)	354	(27,650)	9,227
Other nonoperating revenues (expenses):							
Investment income	28,400	65,308	6,907	787	633	102,035	1,933
Interest and fiscal charges	(29,025)	(114)	613	-	-	(28,526)	-
Gain/(loss) on sale of capital assets	138	381	-	-	-	519	-
Capital contributions	-	101,201	268,730	1,310	-	371,241	-
Transfers in-restricted for capital assets	-	239,529	42,001	575	-	282,105	-
Transfers out-restricted for capital assets	-	(33,653)	-	-	-	(33,653)	-
Total other nonoperating revenues (expenses)	(487)	372,652	318,251	2,672	633	693,721	1,933
Increase (decrease) in fund net position	88,484	342,408	241,716	(7,524)	987	666,071	11,160
Total net position, beginning	1,229,700	1,646,272	3,385,716	151,463	26,419	6,439,570	38,818
Total net position, ending	$ 1,318,184	$ 1,988,680	$ 3,627,432	$ 143,939	27,406	7,105,641	$ 49,978
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.						11,614	
Changes in net position of business-type activities (page 21)						$ 677,685	

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	Business-type Activities						
	Enterprise Funds						
		Metro Transit					
	Environmental Services	Bus	Light Rail	Commuter Rail	Metropolitan Housing and Redevelopment Authority	Total	Internal Service Fund
Cash flows from operating activities							
Receipts from customers and users	$ 365,777	$ 24,564	$ 9,596	392	$ 1,003	$ 401,332	$ -
Receipts from interfund services	-	-	-	-	-	-	106,575
Payments to suppliers	(95,562)	(140,092)	(53,985)	(11,383)	(120,831)	(421,853)	(100,587)
Payments to employees	(113,368)	(380,054)	(73,931)	(6,114)	(8,263)	(581,730)	-
Receipts from others	-	2,666	926	1	-	3,593	-
Other non-operating revenues	3,268	279,853	(8,161)	-	13,266	288,226	-
Net cash provided (used) by operating activities	160,115	(213,063)	(125,555)	(17,104)	(114,825)	(310,432)	5,988
Cash flows from non-capital financing activities							
Operating Subsidies received - Transfers in (out)	-	12,673	1,313	-	66	14,052	-
Intergovernmental receipts	-	198,222	137,346	13,197	113,534	462,299	-
Pass-through grant payments	(1,380)	(2,999)	-	-	-	(4,379)	-
Net cash provided by non-capital financing activities	(1,380)	207,896	138,659	13,197	113,600	471,972	-
Cash flows from capital and related financing activities							
Transfers in (out) - for capital purposes	-	193,203	42,001	575	-	235,779	-
Capital contributions	-	131,687	356,824	1,310	-	489,821	-
Proceeds from capital debt	118,361	-	-	-	-	118,361	-
Proceeds from sale of capital assets	138	381	-	-	-	519	-
Purchase of capital assets	(146,570)	(239,603)	(263,912)	(2,325)	(1,480)	(653,890)	-
Principal paid on capital debt	(118,657)	-	(45,740)	-	-	(164,397)	-
Interest paid on capital debt	(34,710)	-	(11,366)	-	-	(46,076)	-
Lease payments received	-	484	4	-	-	488	-
Net cash provided by (used in) capital and related financing activities	(181,438)	86,152	77,811	(440)	(1,480)	(19,395)	-
Cash flows from investing activities							
Interest received (paid)	13,469	17,493	6,353	818	774	38,907	1,933
Increase (Decrease) in Fair Value of Investments	14,911	48,265	465	12	(126)	63,527	-
Net cash provided by (used in) investing activities	28,380	65,758	6,818	830	648	102,434	1,933
Net increase (decrease) in cash and cash equivalents	5,677	146,743	97,733	(3,517)	(2,057)	244,579	7,921
Balances, beginning	393,740	841,132	232,775	15,791	21,671	1,505,109	49,379
Balances, ending	$ 399,417	$ 987,875	$ 330,508	$ 12,274	$ 19,614	$ 1,749,688	$ 57,300
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	$ 86,578	$ (573,425)	$ (194,103)	$ (20,282)	$ (127,595)	$ (828,827)	$ 9,227
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	67,742	99,004	66,686	1,461	83	234,976	-
Change in assets and liabilities:							
Accounts receivable	(29)	(600)	(448)	-	(801)	(1,878)	(1)
Due from employees	14	-	-	-	-	14	-
Due to other governments	-	175	-	-	-	175	-
Materials and supplies (inventory)	(1,784)	(2,953)	(5,300)	8	-	(10,029)	-
Prepaid expenses and other current assets	(49)	306	63	1,008	(3)	1,325	-
Accounts payable	315	(2,081)	121	554	2	(1,089)	(3,241)
Accrued payroll liabilities	768	12,400	760	(52)	7	13,883	-
Pension liability	3,781	14,009	2,432	252	252	20,726	-
OPEB liability	(10,601)	(85,469)	11,826	-	-	(84,244)	-
Deferred outflows of pension	490	6,185	2,082	66	32	8,855	-
Deferred outflows of OPEB	799	5,890	65	-	-	6,754	-
Deferred inflows of pension	(1,021)	(6,889)	(1,593)	(120)	(68)	(9,691)	-
Deferred inflows of OPEB	(281)	41,238	15	-	-	40,972	-
Unearned revenues	10,123	(3,880)	-	-	-	6,243	3
Other liabilities	2	3,174	-	-	-	3,176	-
Other non-operating revenues	3,268	279,853	(8,161)	1	13,266	288,227	-
Net cash provided (used) by operating activities	$ 160,115	$ (213,063)	$ (125,555)	$ (17,104)	$ (114,825)	$ (310,432)	$ 5,988
Non-cash investing, capital and related financing activities:							
Transferred/donated assets	$ -	$ 606	$ -	$ -	$ -	$ 606	$ -
Unrealized loss on derivative	-	(1,360)	-	-	-	(1,360)	-
Contribution to governmental activities capital assets	-	1,387	-	-	-	1,387	-
Capital assets purchased on account	32,124	30,699	89,488	102	-	152,413	-

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

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of significant accounting policies

The accounting policies of the Metropolitan Council of the Twin Cities Area (Council) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. Reporting entity

The Council was established under Minnesota Laws 1967, Chapter 896, and began operations on August 8, 1967. The Council currently operates under Minnesota Statutes, Sections 473.121, et. seq. The Council is governed by 17 Council members, appointed by the Governor, from the Twin Cities Metropolitan Area, which includes the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Since its creation, the Council has been responsible for coordinating the planning and development of the Metropolitan area. In 1994, state legislation broadened the Council's responsibilities to include operating the public transit system and the regional wastewater collection and treatment system.

The Council is a component unit of the State of Minnesota. The Council members serve at the pleasure of the Governor.

B. Government-wide and fund 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 primary government. The effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect costs including salaries, contracted services, rent, utilities, postage, printing, and other overhead costs are included in the program expense reported for the individual functions and activities on the statement of activities. *Program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items, that are properly not included among program revenues, are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting,* as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except regional transportation sales and use tax which are considered available if collected within 90 days of the period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Council.

Governmental Fund Types – These funds account for the acquisition, use and balances of expendable financial resources and the related current liabilities. The fund types included in the category are the general fund, special revenue funds, capital project funds and debt service fund. The Council reports the following major governmental funds:

- General Fund is the Council's primary operation fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

- Special Transportation Services special revenue fund accounts for the activities of Metro Mobility and Metro Move. Metro Mobility oversees the Americans with Disabilities Act transit services for the region and Metro Move oversees service for individuals who receive disability-related waiver services. The main source of revenue for Special Transportation Services is state general fund appropriation.

- Transit Capital Projects fund accounts for funds from bonds, regional transportation sales and use tax, state revenues, and federal grants to finance the acquisition of transit vehicles, equipment and facilities.

- Debt Retirement fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

Proprietary Fund Types – These funds focus on determining net income, changes in net position, financial position, and cash flows. Accounting principles generally accepted in the United States, similar to those used by private sector businesses, are followed in accounting for these funds. The Council reports the following major proprietary funds:

- Environmental Services fund accounts for the activities of the regional wastewater collection and treatment system.

- Metro Transit Bus fund accounts for the activities of the regional bus transit system.

- Metro Transit Light Rail fund accounts for the activities of the regional light rail transit system.

- Metro Transit Commuter Rail fund accounts for the activities of the regional commuter rail transit system.

- Metropolitan Housing and Redevelopment Authority fund accounts for the activities of the Council's housing programs.

Additionally, the Council reports the following internal service fund:

- Internal Service fund accounts for the financing of services provided to other funds on a cost reimbursement or other basis. The activities reported as an internal service fund include the Council's self-insurance plans for health and dental care.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Environmental Services enterprise fund are charges to customers for municipal wastewater services. Environmental Service also recognizes revenues intended to recover the cost of adding new customers to the system. The principal operating revenues of the Metro Transit Bus enterprise fund are fares charged to customers for bus transportation. The principal operating revenues of the Metro Transit Light Rail and Metro Transit Commuter Rail enterprise funds are fares charged to customers for rail transportation. For the Metropolitan Housing and Redevelopment Authority (HRA) enterprise fund housing rental is the principal operating revenue.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, interest, and depreciation and amortization on capital assets. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services, such as administrative and financial services provided and used, are not eliminated in the process of consolidation.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Minnesota State Retirement System-General Employees Fund (MSRS-GEF) and Public Employees Retirement Association of Minnesota - Public Employees Police and Fire Fund (PERA-PEPFF) and additions to/deductions from both these funds' (GEF, PEPFF) fiduciary net positions have been determined on the same basis as they are reported by MSRS and PERA, except that MSRS and PERA's fiscal year-end is June 30. For this purpose, plan contributions are recognized as of the employer payroll dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value. The pension liability is liquidated by each fund that has personal services.

During the year ended December 31, 2025, the Metropolitan Council adopted GASB Statement No. 103 "Financial Reporting Model Improvements".

During the year ended December 31, 2025, the Metropolitan Council adopted GASB Statement No. 104 "Disclosure of Certain Capital Assets".

D. Assets, liabilities, deferred outflows/inflows of resources and net position or equity

1. Cash and investments

a. Cash and cash equivalents

The Council has defined cash and cash equivalents as cash and pooled investments. This amount includes cash on hand and demand deposits. Additionally, each fund's equity in the Council's investment pool is considered to be a cash equivalent since the fund can deposit or effectively withdraw cash at any time without prior notice or penalty. As of December 31, 2025, all Council bank deposits are backed by a combination of FDIC insurance and statute qualified collateral. The Broker-held hedging margin account cash is not collateralized.

b. Investments

The Council may invest funds as authorized by Minnesota Statute, Chapter 118A, and the Council's internal investment policy. Examples of allowable investments include:

- Governmental bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.
- Obligations of state and local governments and the Minnesota housing finance agency provided such obligations meet specified bond ratings by a national bond rating service.
- Time deposits that are fully insured by the Federal Deposit Insurance Corporation, the National Credit Union Administration, or bankers' acceptances of United States banks.
- Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- With certain restrictions, repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Pursuant to Minnesota Statute (MS) 471.6175, the Council may establish a trust account to pay other post-employment benefits (OPEB). The trust account administrator may, subject to additional conditions, be any combination of the following three entities: the Minnesota Public Employees Retirement Association (PERA); a bank; an insurance company or agency retirement investment department. For trust assets invested by a trust administrator other than the Public Employees Retirement Association, the assets may only be invested in investments authorized under chapter 118A or section 356A.06, subdivision 7, in the manner specified in the applicable trust document.

Most of the Council's OPEB investments are held in a revocable trust administered by PERA and invested by the Minnesota State Board of Investment (SBI). SBI offers four investment choices for the Council's OPEB plan: an S&P 500 Index pool; Barclays aggregate pool (fixed income); U.S. Treasury and Agency securities; and a cash pool. Typically, less than 2.00 percent of the funds used to meet OPEB liabilities are held outside of the trust in the Council's internal investment pool, which is invested in accordance with Minnesota Statutes Chapter 118A and the Council's investment policy.

Pooled investment earnings for the year ending December 31, 2025, were $125,919,000.

Investments for the Council are stated at fair value, except for certain certificates of deposits, money market funds, which are valued at the net asset value. A market approach is used to value all investment valued at fair value.

2. Receivables and payables

Outstanding balances between funds at the end of the fiscal year are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

The Environmental Services enterprise fund has two receivables that are based upon estimates. Industrial strength receivables are based on estimates made at year-end. The estimates are adjusted to actual amounts when the billings are sent out the following year. Sewer Availability Charge (SAC) receivables are based on SAC reports from communities in January detailing the preceding December's activity.

Where appropriate, accounts receivable are reported net of allowance for doubtful accounts. As of December 31, 2025, the allowances for doubtful accounts were (dollars in thousands):

Enterprise Fund	Balance
Environmental Services	$ 25
Metro Transit Bus	546
Housing Redevelopment Authority	250
	$ 821

Property tax levies are set by the Council in December each year and are certified to the seven counties for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The counties spread all levies over assessable property. Such property taxes become a lien on January 1 and are recorded as receivables by the Council at that date. Revenues are accrued in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. The counties provide tax settlements to regional agencies and other local governments two times a year, in July and December.

For governmental fund financial statements, property taxes that are unpaid on December 31 are classified as delinquent property taxes receivable. Delinquent property taxes not collected after the first 60 days of the following year are offset by an equal amount in deferred inflows of resources. For government-wide and proprietary fund financial statements there is no offset to deferred inflows of resources. There is no allowance for uncollectible property taxes in either type of fund because such amounts are not expected to be material.

3. Due from other governmental units

Amounts due from other governmental units include receivables on grants from the federal and state government for planning, operating, and capital activity, receivables on other state revenues and receivables on amounts due from local funding partners.

4. Inventories and prepaid items

Inventories in the enterprise funds are valued at cost using the weighted average costing method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. When appropriate, an associated allowance for obsolete inventory has been established. As of December 31, 2025, the allowances for obsolete inventory accounts were (dollars in thousands):

Enterprise Fund	Balance
Environmental Services	$ 150
Metro Transit Bus	1,152
	$ 1,302

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. Restricted assets

Restricted assets include:

- Sewer Availability Charge (SAC) assets – which are restricted to fund reserve capacity cost of capital projects;
- Construction and capital acquisition assets are proceeds from the sale of general obligation bonds, Public Facilities Authority (PFA) loans, Minnesota Housing Finance Authority loans, Hennepin County Housing and Redevelopment Authority loan, and other governmental grants/advances, where the use is limited to either the acquisition and betterment of interceptors and treatment works, affordable housing, or transit fleet replacement, facilities or capital equipment; and
- Debt service assets – which are restricted for the payment of principal and interest on long-term liabilities.

6. Capital assets

Capital assets, which include property, plant, equipment, infrastructure assets, and right-to-use assets acquired under leasing or subscription-based information technology arrangements, are reported in the government-wide financial statements and proprietary fund types in the fund financial statements. Capital assets are defined by the Council as assets with an initial individual cost of more than $5,000 and a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed. Donated assets are recorded at acquisition value (entry price) on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities are expensed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives, while right-to use assets are amortized over the shorter of the underlying asset's estimated useful life or the lease term:

Assets	Useful Life	
Treatment plants and interceptors	15 to 80	years
Buildings	25 to 45	years
Vehicles	5 to 30	years
Equipment	3 to 15	years
Right to use assets	2 to 45	years

7. Loans/advances receivable

The Council lends funds to local units of government for the acquisition of property within proposed rights-of-way of highways designated as a part of the metropolitan highway system plan. The loans, which bear no interest, are to be repaid upon the acquisition of the property by the State of Minnesota.

The Council lends funds to local units of governments for housing assistance and land use planning. The land use planning loans are repaid in installments ranging from three to five years.

8. Deferred outflows/inflows of resources

In addition to assets, the statements of financial position report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Currently, the Council has three types of deferred outflows of resources. The first deferred outflow of resources is the derivative used in energy forward pricing mechanism. The second deferred outflow of resources is related to pension obligations. A portion of this deferred outflow of resources are pension contributions subsequent to the pension plan's measurement date. The remaining deferred outflows of resources related to pension are deferred and the length of the expense recognition period is equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan, determined as of the beginning of the measurement period. The third deferred outflow of resources is related to OPEB obligations. The deferred outflows of resources related to OPEB are deferred and the length of the expense recognition period is equal to the average of the expected remaining service lives of all the employees in the OPEB plan.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the Council has four types of deferred inflows of resources. The first item for the Council is deferred inflows of resources related to pension obligations. The differences between projected and actual earnings on pension plan investments are recognized over a five-year period. The deferred inflows of resources related to pension are deferred and the length of the expense recognition period is equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan, determined as of the beginning of the measurement period. The second item is deferred inflows of resources related to OPEB obligations. The deferred inflows of resources related to OPEB are deferred and the length of the expense recognition period is equal to the average of the expected remaining service lives of all the employees in the OPEB plan. The third item is deferred inflows of resources for the net present value of leases that mature beyond one year, amortized to revenue on a straight-line basis over the lease term. The fourth item is the governmental funds report unavailable revenues from delinquent property taxes receivable, for amounts that are not considered to be available to liquidate liabilities of the current period. These amounts are deferred and recognized as revenue in the period that the amounts become available.

9. Compensated absences

The Council accrues vacation and compensatory overtime when earned, in the government-wide and proprietary fund financial statements. In addition, certain employees qualify for a sick leave severance benefit paid at termination. This benefit, which is determined by the length of service, is accrued when the employee qualifies. For all compensated absences, the liability has been calculated for leave that is attributable to services already rendered, it accumulates, and it is more likely than not to be used or settled through cash or noncash means.

The government-wide and proprietary fund statements of net position report both the current and noncurrent portion of compensated absences. The current portion consists of an amount based on a trend analysis of current usage of vacation and sick leave. The noncurrent portion consists of the remaining amount of vacation and sick leave.

10. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a straight-line method. Bonds payables are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Fund equity

In the fund financial statements, governmental funds report balances that are nonspendable and spendable. Nonspendable balances contain amounts not in spendable form and legal restraints that by nature cannot be spent by the government. Spendable balances are further classified by the relative strength of the constraints that control how amounts can be spent. Those classifications are restricted, committed, assigned and unassigned.

The restricted fund balance classification should be reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The committed fund balance classification reflects specific purposes pursuant to constraints imposed by formal action of the Council’s highest level of decision-making authority. Also, such constraints can only be removed or changed by the same form of formal action. The assigned fund balance classification reflects amounts that are constrained by the government’s intent to be used for specific purposes but meet neither the restricted nor committed forms of constraint. The unassigned fund balance classification is the residual classification for the general fund only. It is also where *negative residual amounts* for all *other* governmental funds would be reported.

12. Net position

A portion of the debt carried in the governmental activities columns is related to the capital assets carried in the business-type activities column for the Environmental Services, Metro Transit Bus, Light Rail and Commuter Rail enterprise funds. The recognition of the debt in the government-wide statement of net position contributes to the negative unrestricted net position balance in the governmental activities column.

Net position in the government-wide and business type financial statements are classified in the following categories:

Net investment in capital assets: The amount of net position representing capital assets, net of accumulated depreciation and amortization, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted net position: The amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position: The amount of net position that does not meet the definition of restricted or net investment in capital assets.

13. Estimates

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

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position.

One element of the reconciliation explains the "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds." The details of this $174,494,000 difference are as follows:

	In thousands
Land	$ 215
Construction in progress	3,573
Buildings and infrastructure – net of accumulated depreciation	8,376
Vehicles – net of accumulated depreciation	154,274
Equipment – net of accumulated depreciation	5,150
Lease buildings – net of accumulated amortization	57
Subscription-based information technology arrangements – net of accumulated amortization	2,849
Net adjustment to increase fund balance – total governmental funds to arrive at *net position – governmental activities*	$ 174,494

Another element of the reconciliation explains "An internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in business-type activities in the Statement of Net Position, a portion of the internal service fund is attributable to governmental funds." The detail of this $1,477,000 difference is as follows:

	In thousands
Net position of the internal service fund	$ 49,978
Less: Internal payable representing charges in the excess of cost to Business-type activities – prior years	(36,887)
Add: Internal payable representing charges in the excess of cost to Business-type activities – current year	(11,614)
Net adjustment to increase *fund balance – total governmental funds* to arrive at net position – governmental activities	$ 1,477

Another element of that reconciliation explains that "Long-term liabilities, including bonds and interest payable, are not due and payable in the current period and therefore are not reported in governmental funds." The details of the $(287,007,000) difference are as follows:

	In thousands
General obligation bonds payable	$ (235,750)
Net issuance premiums (to be amortized as interest expense)	(23,271)
Accrued interest	(6,187)
Compensated absences	(9,756)
OPEB liability	(6,151)
Net pension liability	(3,220)
Lease liability	(58)
Subscription-based information technology arrangements liability	(2,614)
Net adjustment to reduce fund balance – total governmental funds to arrive *at net position - governmental funds*	$ (287,007)

Another element of that reconciliation explains that "Deferred inflows resulting from property taxes are not available to pay for current period expenditures and therefore, are not reported as revenue in governmental funds." The details of this $2,741,000 difference are as follows:

	In thousands
Unavailable revenue – property taxes	$ 2,741
Net adjustment to increase *fund balance – total governmental funds to arrive at net position – governmental activities*	$ 2,741

Another element of that reconciliation explains that "Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds." The details of the $7,403,000 deferred outflows and the $(12,588,000) deferred inflows differences are as follows:

	In thousands
Deferred outflows – pension obligations	$ 7,403
Net adjustment to increase *fund balance – total governmental funds to arrive at net position – governmental activities*	$ 7,403

	In thousands
Deferred inflows – pension obligations	$ (12,588)
Net adjustment to reduce *fund balance – total governmental funds to arrive at net position – governmental activities*	$ (12,588)

The final element of that reconciliation explains that "Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to OPEB that are not recognized in the governmental funds." The details of the $834,000 deferred outflows and the $(1,219,000) deferred inflows differences are as follows:

	In thousands
Deferred outflows – OPEB obligations	$ 834
Net adjustment to increase *fund balance – total governmental funds to arrive at net position – governmental activities*	$ 834

	In thousands
Deferred inflows – OPEB obligations	$ (1,219)
Net adjustment to reduce *fund balance – total governmental funds to arrive at net position – governmental activities*	$ (1,219)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period." The details of this $35,017,000 difference are as follows:

	In thousands
Capital Outlay	$ 71,387
Depreciation expense and amortization	(36,370)
Net adjustment to increase *net changes* in *fund balance – total governmental funds* to arrive at changes in *net position of governmental activities*	$ 35,017

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales trade-ins, transfers, and donations) is to decrease net position." The details of this $(2,028,000) difference are as follows:

	In thousands
The statement of activities reports *gains* or *losses* arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or (loss) on a trade-in of capital assets.	$ (2,028)
Net adjustment to decrease *net changes in fund balance – total governmental funds* to arrive at changes in net position of governmental activities	$ (2,028)

Another element of that reconciliation explains that "An internal service fund is used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of internal service fund activities reported with governmental activities." The detail of this $(454,000) difference is as follows:

	In thousands
Change in net position of the internal service fund	$ 11,160
Add: excess from charges to business-type activities	(11,614)
Net adjustment to decrease *net changes in fund balance - total governmental funds* to arrive at *net position of governmental activities.*	$ (454)

Another element of that reconciliation explains that "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds." The detail of this $(1,354,000) difference is as follows:

	In thousands
Change in deferred inflows of resources - unavailable property tax revenue	$ (1,354)
Net adjustment to decrease *net changes in fund balance - total governmental funds* to arrive at *net position of governmental activities*	$ (1,354)

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this $(64,944,000) difference are as follows:

	In thousands
Issuance of general obligation bonds	$ (87,435)
Bond (discount)/premium amortization and issuance	(1,976)
Change in accrued interest	(3,565)
Principal payments of general obligation bonds/loans	30,190
Principal payments of lease liability	17
Issuance of subscription-based information technology arrangements liability	(3,325)
Principal payment of subscription-based information technology arrangements liability	1,150
Net adjustment to increase *net changes in fund balance - total governmental funds* to arrive at changes in *net position of governmental activities*	$ (64,944)

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $(3,239,000) difference are as follows:

	In thousands
Change in compensated absences for year	$ (726)
Change in pension liability and related deferred inflows and outflows	(2,599)
Change in OPEB liability and related deferred inflows and outflows	86
Net adjustment to increase *net changes in fund balance - total governmental funds* to arrive at changes in *net position of governmental activities*	$ (3,239)

III. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets, as required by state statutes, are adopted on a basis consistent with generally accepted accounting principles for the General fund, all budgeted special revenue funds, and the Metro Transit Light Rail, Metro Transit Bus, Metro Transit Commuter Rail, and Metropolitan Housing and Redevelopment Authority enterprise funds. The Highway Right-of-Way Acquisition Loan special revenue fund and Other special revenue fund (nonmajor funds) do not have legally adopted annual budgets. Budgets for the Environmental Services enterprise fund are prepared in conformity with the "cost allocation" system described in Minnesota Statute 473.517. Under this system, annual revenues are budgeted to equal annual expenses. Variances in revenues are accumulated for working capital and are limited to five percent of the operating expenses. Variances in expenses are accumulated for contingency reserves. All annual appropriations lapse at year-end.

Division staff, starting in February, prepares budgets. These budgets are reviewed by division management and are then submitted to the Regional Administrator's office for review. Budget discussions begin with the Council in June and the budget is adopted in December. The budget is prepared by division, program, and fund. The legal level of control is division within fund. The only fund that has more than one division is the General fund. The divisions of the General fund are Regional Administration and Community Development. Transfers between funds require approval of the Council. The Council approved several supplemental appropriations during the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during subsequent years.

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control, accountability and to facilitate effective cash planning and control. At year end the amount of items that were authorized and initiated in the 2025 budget but not completely expended in 2025 were $1,560,000. This total is all from the General Fund.

B. Excess of expenditures over appropriations

The following nonmajor governmental funds had expenditures in excess of their budget for the year ended December 31, 2025 (dollars in thousands):

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Contracted Transit Service	$46,753	$49,922	$50,171	$249

The Contracted Transit Service special revenue fund's excess expenditures were funded by a budgeted use of fund balance.

IV. Detailed notes on all funds

A. Cash and investments

1. Deposits

Minnesota statutes require that all Council deposits be protected by insurance, surety bond, Letter of Credit or collateral held by a third party and pledged to the Council. Collateral pledged shall be at least ten percent more than the amount deposits exceed FDIC insurance. The Council's policy for cash and investments follows Minnesota statute. On December 31, 2025, the amount of cash in the Council's bank accounts was $4,519,000 (US Bank and Wells Fargo Bank), of which $413,000 was covered by the Federal Depository Insurance Corporation (FDIC), and $4,106,000 was collateralized at least 110.00 percent with securities held by Bank of New York Mellon.

2. Investments

The Council addresses potential investment risks as follows:

Interest rate risk: Although the Council does not have a formal duration investment risk policy, it does have a formal investment policy by which the Council manages its exposure to declines in fair value. To meet short-term cash flow needs, the Council's investment portfolio will remain sufficiently liquid to meet the anticipated cash requirements without the occurrence of significant investment losses. For longer-term reserves, the average duration of the investment portfolio should match the average duration of liabilities, subject to regulatory requirements.

Credit risk: Minnesota Statute 118A defines investment securities that can be purchased by the Council. It is the Council's policy not to invest in reverse repurchase agreements. The Council did not participate in any securities lending programs in the calendar year 2025.

Concentration of credit risk: The Council's investment policy does not specifically limit investments in any one issuer but requires a diversified investment portfolio to minimize the risk of losses resulting from over-concentration in a specific maturity, issuer, or class of securities.

Custodial credit risk – deposits: This is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. Refer to Note IV.A.1 for details regarding this risk.

Custodial credit risk – investments: This is the risk that in the event of the failure of a counterparty, the Council will not be able to recover the value of its investments or collateral in the possession of an outside party. According to Council policy, except for securities held by a broker for the Energy Forward Pricing Mechanism (fuel hedging futures) margin account and collateralized certificates of deposit held by local community banks, all securities purchased by the Council are held by a third-party safekeeping agent appointed as custodian. The Council has a custodial credit risk exposure of $1,900,000 because the Treasury Bill in the hedging margin account is held by a custodial agent in the broker's name. The Council has no foreign currency risk exposure.

Following is a summary of the fair values of securities on December 31, 2025:

METROPOLITAN COUNCIL	Credit Risk	Custody Credit Risk	Par	Fair Value	Book Value	% of total Portfolio
		Dollars in thousands				
U.S. Agency Securities						
Federal Home Loan Bank	Aa1	Custody (a)	142,500	141,916	142,494	5.6%
Federal Farm Credit Bank	Aa1	Custody (a)	104,282	104,095	104,252	4.1%
Federal Home Loan Mtge. Corp.	Aa1	Custody (a)	15,000	15,055	14,952	0.6%
U.S. Treasury Notes	Aa1	Broker Held (b)	120,000	118,777	120,143	4.7%
Mortgage Backed Securities:						
Federal Natl Mtg Assn.	Aa1	Custody (a)	18	18	18	0.0%
Fed. Home Loan Mtge. Corp.	Aa1	Custody (a)	28	28	28	0.0%
U.S. Agency Discount Notes	n.a.	Custody (a)	490,000	485,822	485,816	19.1%
U.S. Treasury Bills	Aa1	Custody (a)	350,000	347,397	347,304	13.7%
U.S. Treasury Bills (Hedging)	Aa1	Broker Held (b)	2,000	1,900	1,994	0.1%
Municipal Bonds (each <5%)	Aaa (d)	Custody (a)	45,430	44,387	45,470	1.7%
Certificates of Deposit	N.R. (c)	Collateralized (i)	20,000	20,000	20,000	0.8%
OPEB Trust - State Board of Investments	N.R. (c)	Custody (e)	220,328	409,919	220,328	16.1%
Money Market Funds	n.a.	n.a.	846,581	846,536	846,581	33.3%
Cash for Fuel Hedging Margin (g)	n.a.	Broker Held (f)	2,488	2,488	2,488	0.1%
Cash for Operations (h)	n.a.	Collateralized (h)	3,498	3,498	3,498	0.1%
Petty Cash/Coin & Mutilated Coins	n.a.	Council Held	11	11	11	0.0%
Total Cash and Investments			$ 2,362,164	$ 2,541,847	$ 2,355,377	100.0%

a) Securities held in custody are in the Council's name.
b) Securities are held by the Harris Bank - Chicago in the broker's name.
c) N.R. = Not Rated.
d) Municipals rating ranges are Moody's Aaa-A1 and S&P AAA-A.
e) OPEB revocable trust assets are invested in an S&P 500 Index pool, US Treasury and Government Agency securities, and cash equivalents. Trust assets are managed by Minnesota State Board of Investment and held by a custodian.
f) Held by the broker in the Council's name.
g) Cash is one component of the required hedging margin calculation. Unrealized gains/losses and collateral of a US Treasury Bill are considered along with cash position in the margin account.
h) Cash in bank accounts, less outstanding items.
i) Deposits exceeding FDIC insurance limit of $250,000 are collateralized with FHLB Letters of credit or securities held by a third party in the Council's name.

The following table shows the segmented time distribution of the Council's investments indicating sensitivity of the investments to market interest rate changes.

METROPOLITAN COUNCIL	Fair Value	Less Than 1 Year	1-5 Year	5+ Years
	Dollars in thousands			
U.S. Agency Securities:				
Federal Home Loan Bank	141,916	69,361	50,605	21,950
Federal Farm Credit Bank .	104,095	9,738	29,911	64,446
Federal Home Loan Mtge. Corp.	15,055	-	15,055	-
U.S. Treasury Notes	118,777	49,479	49,033	20,265
Mortgage-Backed Securities:	-	-	-	-
Federal Natl Mtg Assn.	18	-	18	-
Fed. Home Loan Mtge. Corp.	28	-	-	28
U.S. Agency Discount Notes	485,822	485,822	-	-
U.S. Treasury Bills	347,397	347,397	-	-
U.S. Treasury Bills (Hedging)	1,900	1,900	-	-
Municipal Bonds (each <5%)	44,387	15,879	24,147	4,361
Certificates of Deposit	20,000	20,000	-	-
OPEB Trust - State Board of Investments	409,919	409,919	-	-
Money Market Funds	846,536	846,536	-	-
Cash for Fuel Hedging Margin (g)	2,488	2,488	-	-
Cash for Operations (h)	3,498	3,498	-	-
Petty Cash/Coin & Mutilated Coins	11	11	-	-
Total Cash and Investments	$ 2,541,847	$ 2,262,028	$ 168,769	$ 111,050

The Council categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. U.S. Treasury securities and U.S. Agency Discount Notes are classified as Level 1, which are investments valued using prices quoted in active markets for identical securities. U.S. Government Agency, Mortgage-Backed, and Municipal securities are classified as Level 2 and valued by a pricing service that uses matrix pricing. A Level 2 input would be a price of a similar bond. Level 3 investments would be valued using inputs that are unobservable and based on assumptions about how market participants would price the security. The Council has no Level 3 investments. Because investing is a key part of the Council's activities, the Council shows greater disaggregation in its disclosures than is otherwise required. Assets valued at net asset value consist of money market funds and assets valued at amortized cost consist of certificates of deposit. The money market funds are highly liquid assets that the Council has in addition to cash to ensure adequate cash flow for operating activities. The Council holds $20,000,000 in Certificates of Deposit as part of the investment strategy.

The following is a summary of investment instruments measured at Fair Value as of December 31, 2025 (*dollars in thousands*):

		Fair Value Measurements Using:		
	12/31/2025	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by fair value level				
Debt securities				
OPEB Trust Government Securities	131,045	-	131,045	-
Federal Home Loan Bank	141,916	-	141,916	-
Federal Farm Credit Bank	104,095	-	104,095	-
Federal Home Loan Mortgage Corporation	15,055	-	15,055	-
Mortgage-Backed securities	46	-	46	-
Municipal Bonds	44,387	-	44,387	-
U.S. Agency Discount Notes	485,822	485,822	-	-
U.S. Treasury Notes	118,777	118,777	-	-
U.S. Treasury Bills	349,297	349,297	-	-
Total Investments by fair value level	$ 1,390,440	$ 953,896	$ 436,544	$ -
Investment measured at the net asset value (NAV)				
Certificates of Deposit	20,000			
Money Market Funds	846,536			
Total investments measured at the NAV	$ 866,536			
Total investments measured at fair value and at the NAV	$ 2,256,976			

The Council also holds $252,701,000 in the Non-Retirement Equity Fund and $26,173,000 in the Non-Retirement Money Market Fund with the Minnesota State Board of Investment (SBI), which are external investment pools. The fair value of these investments is the fair value per share of the underlying portfolio. Pursuant to Minnesota Statue (MS) 471.6175, the Council may establish a trust account to pay other postemployment benefits (OPEB).

The Council's assets are invested by SBI pursuant to Minnesota Statute 11A.14. Minnesota Statutes section 11A.14, subdivision 1 provides for the establishment of investment vehicles for assets of the participating public retirement plans and non-retirement funds. SBI requests a 72-hour notification prior to any withdrawal greater than $1,000,000. The Council invests in the SBI Non-Retirement Equity Pool with the goal of capturing the historically higher rate of return in the equity market over a long-term, thereby maximizing funding of the OPEB liabilities recorded in its financial statements.

B. Energy forward pricing mechanisms

Pursuant to Minnesota Statute 473.1293, the Council may enter Energy Forward Pricing Mechanisms (EFPMs) as a budget risk reduction strategy. Such EFPMs are solely commodity-based and are comprised of futures, options, contracts, and similar serving derivative instruments. Since the inception of the EFPM program in 2004, the Council has utilized only futures contracts. However, the Council has no statutory limitation on using other hedging instruments.

Statutorily, the Council may not hedge more than 100.00 percent of the projected consumption of any of its commodities. Anticipating unplanned reductions in actual consumption relative to budgeted amounts, the Council has reduced the hedge ceiling to 90.00 percent of projected diesel-related fuel consumption and 80.00 percent of natural gas consumption. The Council can hedge its projected consumption up to 23 months into the future. The hedging transactions are separate from the physical fuel purchase transactions. The Council does not take delivery of fuel via its EFPMs. The initial cash value of each contract is zero; thereafter, the change in the value of each contract is directly correlated with the simultaneous and offsetting increase and decrease in the cost of the fuel in the marketplace and at the time of delivery. At the end of 2025, these values are reported in the "Deferred Outflows of Resources" and offset in "Accounts Payable and Other Current Liabilities."

Since 2004, the Council has hedged most of its annual 8 million gallons of diesel fuel consumed by the Metro Transit Bus fund, a business-type unit.

In 2009, the Council adopted GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments. GASB Statement No. 53 requires an evaluation of the effectiveness of the hedge at the end of each reporting period. A hedge is considered effective if the changes in fair value of the hedged item and hedging derivative instruments offset each other to a significant extent. For 2025, the Council performed a retrospective statistical analysis test and determined that the liquidated hedges were essentially effective.

As of December 31, 2025, The Council had 160 New York Mercantile Exchange (NYMEX) heating oil futures contracts (8.19 million gallons) with acquisition (effective) dates ranging from 04/04/2024 through 12/31/2025. Termination dates range from 02/28/2026 to 10/31/2027. As of December 31, 2025, the ultra-low sulfur diesel futures contracts had a fair value of $18,206,000. The Council can hedge up to 90% of its projected diesel consumption, a maximum of 23 months into the future.

The following risks are generally associated with futures contracts:

Credit risk. To reduce the potential impact of credit risk, the exchanges require both parties of a futures transaction to post margin amounts in their respective accounts and to daily maintain equity sufficient to cover unrealized losses. As of December 31, 2025, the Council's futures accounts at R.J. O'Brien contained a cash balance in the amount of $2,488,000.00 and a U.S. Treasury Bill with a fair value of $1,900,000.

Basis risk. Prior to April 2013, the Council utilized NYMEX heating oil futures contracts to hedge its diesel consumption. If prices between the two products significantly deviate from each other, the Council will be exposed to basis risk. Historically, there has been a strong correlation between the two products, resulting in minimal basis risk. Beyond April 2013, due to changes in environmental regulations, commodity markets replaced heating oil contracts with ultra-low sulfur diesel. Going forward, basis risk will essentially be eliminated.

Termination risk. For the Council, futures contracts represent the most cost-effective method of managing energy price risk. These are easily accessible, flexible in use, and liquid. The Council does not take delivery of hedged commodities via the futures settlement process; the commodities are purchased through separate purchasing processes. Contracts are closed out on a net settle basis before expiration; hence, termination risk is mitigated.

C. Receivables

Receivables for both current and restricted assets, as of the year-end for the Council's individual major funds and nonmajor funds in aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Dollars in thousands

Receivables - current	Accounts	Allowance for Uncollectible	Taxes	Lease	Interest	Total Receivable
Governmental funds:						
General Fund	$ -	$ -	$ 1,101	$ -	$ 324	$ 1,425
Special Transportation Services	-	-	460	-	71	531
Transit Capital Projects	1,355	-	13,619	-	150	15,124
Debt Retirement	-	-	1,627	-	471	2,098
Nonmajor Governmental	111	-	7,303	-	967	8,381
Total Governmental funds	$ 1,466	$ -	$ 24,110	$ -	$ 1,983	$ 27,559
Enterprise funds:						
Environmental Services	$ 10,440	$ (25)	$ -	$ -	$ 600	$ 11,015
Metro Transit Bus	7,350	(546)	9,840	19,250	1,498	37,392
Metro Transit Light Rail	551	-	3,378	58	203	4,190
Metro Transit Commuter Rail	-	-	286	-	27	313
Metropolitan Housing and Redevelopment Authority	2,508	(250)	38	-	57	2,353
Total Enterprise funds	$ 20,849	$ (821)	$ 13,542	$ 19,308	$ 2,385	$ 55,263
Receivables - restricted						
Enterprise funds:						
Environmental Services	$ 2,740	$ -	$ -	$ -	$ 465	$ 3,205
Metro Transit Bus	-	-	82,146	-	1,404	83,550
Metro Transit Light Rail	-	-	-	-	765	765
Metro Transit Commuter Rail	-	-	-	-	-	-
Total Enterprise funds	$ 2,740	$ -	$ 82,146	$ -	$ 2,634	$ 87,520

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *deferred inflows of resources* reported in the governmental funds were as follows (dollars in thousands):

	Unavailable
Delinquent property taxes receivable (General fund)	$ 925
Delinquent property taxes receivable (Debt retirement fund)	1,062
Delinquent property taxes receivable (Nonmajor governmental funds)	754
Total deferred inflows of resources for governmental funds	$ 2,741

D. Property taxes

Minnesota State Law requires the State of Minnesota Commissioner of Revenue to determine property tax levy limits. The levy limit generally represents the prior year's levy limit multiplied by the percentage increase in total market value of taxable property. There are no property tax levy limits for the debt service levy, or for the transit Tax Anticipation Certificate levy.

In 2025, the Council levied $19,318,000 for the General Operating levy, $15,163,000 for the Livable Communities Demonstration Account levy, $1,273,000 in Parks Debt Retirement, and $55,300,000 in Transit Debt Retirement levies upon all taxable property within the Twin Cities Metropolitan Area. The Council also levied $5,000,000 for Livable Communities Tax Base Revitalization upon taxable property included in the Metropolitan Fiscal Disparities contribution tax pool.

The following is a summary of the Council's property tax levy limits and levies (dollars in thousands):

	Levy Limit	Council Levy
Operating Levy	$ 19,318	$ 19,318
Tax Base Revitalization	5,000	5,000
Livable Communities	15,163	15,163
Park and Transit Debt Retirement	56,573	56,573
Total	$ 96,054	$ 96,054

E. Capital assets

Capital assets for the year ended December 31, 2025, were as follows:

Dollars in thousands

Governmental Activities:	Beginning Balance	Additions	Deduction/ Adjustments	Ending Balance
Capital Assets, not being depreciated:				
Land	$ 215	$ -	$ -	$ 215
Construction in progress	2,181	2,386	(994)	$ 3,573
Total capital assets, not being depreciated	2,396	2,386	(994)	3,788
Capital assets, being depreciated				
Buildings and infrastructure	16,344	-	-	16,344
Vehicles	287,397	63,607	(42,506)	308,498
Equipment	24,833	2,069	(2,900)	24,002
Lease buildings	143	-	-	143
Subscription-based information technology arrangements	3,077	3,360	(2,116)	4,321
Total capital assets being depreciated	331,794	69,036	(47,522)	353,308
Less accumulated depreciation for:				
Buildings and infrastructure	7,559	409	-	7,968
Vehicles	163,970	32,390	(42,136)	154,224
Equipment	18,975	2,079	(2,202)	18,852
Lease buildings	69	17	-	86
Subscription-based information technology arrangements	2,112	1,475	(2,115)	1,472
Total accumulated depreciation and amortization	192,685	36,370	(46,453)	182,602
Other capital assets, being depreciated and amortized, net	139,109	32,666	(1,069)	170,706
Governmental activities capital assets, net	$ 141,505	$ 35,052	$ (2,063)	$ 174,494

Dollars in thousands

Business-type Activities:	Beginning Balance	Additions	Deduction/ Adjustments	Ending Balance
Capital Assets, not being depreciated:				
Land	$ 353,681	$ 28,957	$ -	$ 382,638
Construction in progress	3,382,984	360,407	(549,855)	$ 3,193,536
Total capital assets, not being depreciated	3,736,665	389,364	(549,855)	3,576,174
Capital assets, being depreciated				
Buildings and infrastructure	5,588,773	589,630	(31,696)	6,146,707
Vehicles	809,409	206,228	(22,278)	993,359
Equipment	263,183	26,169	(4,760)	284,592
Lease Land	4,817	-	-	4,817
Lease Buildings	8,902	7,071	-	15,973
Subscription-based information technology arrangements	894	1,208	(506)	1,596
Total capital assets being depreciated	6,675,978	830,306	(59,240)	7,447,044
Less accumulated depreciation for:				
Buildings and infrastructure	2,727,263	178,730	(31,827)	2,874,166
Vehicles	491,684	44,565	(8,836)	527,413
Equipment	209,496	10,499	(894)	219,101
Lease Land	1,234	315	(1)	1,548
Lease Buildings	2,504	702	(1)	3,205
Subscription-based information technology arrangements	595	165	(504)	256
Total accumulated depreciation and amortization	3,432,776	234,976	(42,063)	3,625,689
Other capital assets, being depreciated and amortized, net	3,243,202	595,330	(17,177)	3,821,355
Business-type activities capital assets, net	$ 6,979,867	$ 984,694	$ (567,032)	$ 7,397,529

Depreciation and amortization expense were charged to functions/programs of the primary government as follows:

Governmental activities:	Depreciation	Amortization	Total
	Dollars in thousands		
General Government	$ 1,035	$ 1,484	$ 2,519
Transportation	33,843	8	33,851
Total governmental activities	$ 34,878	$ 1,492	$ 36,370

Business-type activities:	Depreciation	Amortization	Total
	Dollars in thousands		
Environmental Services	$ 67,735	$ 7	$ 67,742
Metro Transit Bus	97,932	1,072	99,004
Metro Transit Light Rail	66,583	103	66,686
Metro Transit Commuter Rail	1,461	-	1,461
Metropolitan Housing and Redevelopment Authority	83	-	83
Total business-type activities	$ 233,794	$ 1,182	$ 234,976

1. Capital assets held for sale

Governmental Funds: As of December 31, 2025, the government has identified certain capital assets as held for sale. These assets consist of 136 vehicles that are no longer in active service and are expected to be disposed of through public auction. The carrying amounts of these assets at year-end are as follows:

	Balance
	Dollars in thousands
Historical cost	$ 10,717,000
Accumulated Depreciation	(10,567,000)
Net Book Value	$ 150,000

The net book value of these assets approximates their expected realizable value.

Proprietary Funds: As of December 31, 2025, the government has identified certain capital assets as held for sale. These assets consist of 86 vehicles that are no longer in active service and are expected to be disposed of through public auction. The carrying amounts of these assets at year-end are as follows:

	Balance
	Dollars in thousands
Historical cost	$ 37,119,000
Accumulated Depreciation	(37,119,000)
Net Book Value	$ -

The net book value of these assets approximates their expected realizable value.

2. Transfers

During the year 2025, Metro Transportation Services transferred 29 buses to Metro Transit Bus enterprise fund as part of an internal reorganization of transit operations. The transferred buses had a historical value of $14,795,000 and accumulated depreciation of $13,348,000, resulting in a net book value of $1,447,000 at the date of the transfer.

F. Inter-fund receivables, payables, and transfers

During normal operations, the Council processes routine transactions between funds, including loans, expenditures, and transfers of resources for administrative and program services and compliance with legal mandates. In the fund financial statements, these transactions are generally recorded as transfers in/transfers out and due from other funds/due to other funds. The outstanding balances between funds mainly result from the time lag between the dates that interfund reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. Transfers generally represent legally authorized transfers between funds authorized to receive revenue and funds authorized to make expenditures.

Significant transfers over $10,000,000 occurred between Transit Capital Projects and the Metro Transit Bus and Metro Transit Light Rail funds for capital projects. A transfer of Regional Transit Capital bond funds of $34,884,000 from Transit Capital Projects were transferred to Metro Transit Bus for $23,125,000, Metro Transit Light Rail for $11,721,000, and Metro Commuter Rail $38,000 for capital projects. A transfer of Regional Sales Tax of $216,404,000 from Transit Capital Projects was transferred to Metro Transit Bus for capital projects. A transfer of Motor Vehicle Sales Tax was transferred from Metro Transit Bus for $26,647,000 to Metro Transit Light Rail for capital projects.

The composition of interfund balances as of December 31, 2025, is as follows:

Dollars in thousands

Transfers In	Transfers Out: General Fund	Transit Capital Projects	Nonmajor Governmental	Metropolitan HRA	Environmental Services	Metro Transit Bus	Total
General Fund	$ -	$ 51	$ -	$ 9	$ 1,286	$ 1,270	$ 2,616
Transit Capital Projects	-	-	1,121	-	-	-	1,121
Nonmajor Governmental	2,475	-	733	-	-	1,566	4,774
Metropolitan HRA	-	-	-	-	-	75	75
Environmental Services	100	-	-	-	-	-	100
Metro Transit Bus	-	239,529	-	-	-	-	239,529
Metro Transit Light Rail	-	11,721	-	-	-	31,593	43,314
Metro Transit Commuter	-	38	-	-	-	537	575
Total	$ 2,575	$ 251,339	$ 1,854	$ 9	$ 1,286	$ 35,041	$ 292,104

G. Leases

1. Metropolitan Council as lessee

The Council leases building and office facilities, storage facilities, and other operating equipment under non- cancelable leases.

Governmental Funds: On May 2, 2014, the Council entered into a five-year lease for 1,505 square feet of building space. Monthly payments of $1,254 were due, with the first payment made on May 13, 2014. On May 2, 2019, the lease was extended for another ten years and amended to include an additional 252 square feet at a cost of $210 per month. Monthly payments of $1,464 are due on the amended lease, with the first payment made on June 26, 2019. The annual interest rate charged on the lease is 0.49 percent.

On December 31, 2025, the principal and interest requirements to maturity are as follows:

Dollars in thousands

Year Ending December 31	Principal	Interest	Total
2026	$ 17	$ -	$ 17
2027	18	-	18
2028	17	-	17
2029	6	-	6
Total	$ 58	$ -	$ 58

Proprietary Funds: Environmental Services, Metro Transit Bus and Metro Transit Light Rail funds had non-cancelable leases during 2025. Environmental Services entered into a land access lease for Mississippi River water quality monitoring. The lease is a five-year lease with an option to extend until 2031. The annual lease rate is 2.30 percent.

Metro Transit Bus entered into three land leases for a bus layover area, transit center and land under a bus garage. The transit center land also includes a sublease; refer to Lessor lease. The land under the bus garage also includes a building lease. Leases had various start dates with the oldest lease starting in 2020. The leases have options to extend the term for 5-20 years, which were executed with no more option periods available. The lease payments increase approximately 0.00-37.00 percent on average annually. The annual interest rate charged on the leases is between 0.96-1.32 percent.

Metro Transit Bus entered into five building leases for two transit stores, a bus shelter, facility maintenance warehouse, and a bus garage. Leases had various start dates with the oldest lease starting in 1986. The leases have options to extend the term for 3-15 years, which have been utilized with no more option periods available. The lease payments increase approximately 0.00-2.50 percent annually. The annual interest rate charged on the leases is between 0.55-2.88 percent.

Metro Transit Light Rail entered into two building leases for signal space and a warehouse. Leases had various start dates with the oldest lease starting in 2017. The leases have options to extend the term from 5 to 20 years which are probable to be executed. The lease payments increase approximately 2.00-2.50 percent annually. The annual interest rate charged on the leases is between 0.60-1.47 percent.

On December 31, 2025, the principal and interest requirements to maturity are as follows:

	Dollars in thousands		
Year Ending December 31	**Principal**	**Interest**	**Total**
2026	$ 1,424	$ 288	$ 1,712
2027	1,417	86	1,503
2028	1,420	77	1,497
2029	1,443	68	1,511
2030	1,459	58	1,517
2031-2035	8,609	151	8,760
2036-2040	629	87	716
2041-2045	37	21	58
2046-2050	43	18	61
2051-2055	57	14	71
2056-2060	68	9	77
2061-2065	90	4	94
Total	$ 16,696	$ 881	$ 17,577

2. Metropolitan Council as lessor

As lessor, the Council entered into various lease arrangements for land and building space. Under GASB 87 statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources. Metro Transit Bus has four receivable leases and Metro Transit Light Rail has one lease receivable. One of the Metro Transit Bus leases is a sublease to one of the payable leases. Lease terms range from 2.75 to 45 years with potential rent increases of 0-2.00 percent. The lease receivable was calculated based on the interest rate charged on the lease, if available, or the tax-exempt municipal bond rate applicable for the period, which ranged from 0.47-3.61 percent.

The Council received $520,000 in principal and $236,000 in interest during 2025.

H. Subscription-based information technology arrangements

The Council enters into subscription-based contracts to use vendor-provided information technology (IT). The subscription-based information technology arrangements (SBITAs) provide the council with access to vendors' IT software and associated tangible capital assets in exchange for subscription payments.

Governmental Funds: The Council enters into SBITAs generally by Information Services for the use of various tools by different departments. The SBITAs have terms of 2-5 years and have fixed payments. The annual interest rate charged on the SBITAs are between 0.35-2.82 percent.

On December 31, 2025, the principal and interest requirements to maturity are as follows:

	Dollars in thousands		
Year Ending December 31	**Principal**	**Interest**	**Total**
2026	$ 840	$ 55	$ 895
2027	1,141	31	1,172
2028	386	12	398
2029	188	4	192
2030	59	-	59
Total	$ 2,614	$ 102	$ 2,716

Proprietary Funds: Metro Transit Bus entered four SBITAs. The SBITAs have various start dates with the oldest SBITA starting in 2022 and have remaining terms of 0.50-4.50 years. The SBITAs with options to extend the term are for 1-2 years which are probable to be executed. The SBITAs payments increase approximately up to 0.00-13.00 percent annually. The annual interest rate charged on the leases is between 1.88-2.80 percent.

On December 31, 2025, the principal and interest requirements to maturity are as follows:

	Dollars in thousands		
Year Ending December 31	**Principal**	**Interest**	**Total**
2026	$ 291	$ 15	$ 306
2027	240	21	261
2028	235	14	249
2029	200	7	207
2030	123	1	124
Total	$ 1,089	$ 58	$ 1,147

I. Long-term obligations

1. General obligation debt

The Council issues general obligation bonds for a portion of parks, wastewater, and transit capital expenditures. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the Council's full faith and credit and taxing powers.

Parks bonds are issued to acquire and develop regional park land. Bonds are issued, subject to a limitation of $40 million of outstanding debt, as a 40.00 percent match to state appropriations. Parks bonds are generally issued as 5-year serial bonds and are secured by property taxes levied upon all taxable property in the region. Transit bonds are issued for the acquisition of transit vehicles, equipment and facilities and transit system improvements. Transit bonds are generally issued as 10-year serial bonds and are also secured by tax levies. Wastewater bonds are issued for acquisition and improvement of the wastewater disposal system. The bonds are generally issued as 20-year serial bonds. The bonds are secured by municipal wastewater charges together with the full faith, credit, and unlimited taxing powers of the Council.

The liability for parks and transit bonds is recognized in the government-wide statement of net position. Bonds issued for wastewater purposes are recognized both in the enterprise funds and in the government-wide statements.

The original amount of general obligation bonds issued in prior years was $1,387,670,000.

During the year, $9,730,000 of general obligation park bonds, $77,705,000 of general obligation transit bonds and $74,505,000 of general obligation revenue wastewater bonds were issued.

General obligation bonds currently outstanding on December 31, 2025, are as follows:

Purpose	**Interest Rates**	*Dollars in thousands*
Governmental activities	2.00-5.00%	$ 226,155
Governmental activities refunding	5.00%	9,595
Business-type activities *	2.00-5.25%	592,375
Business-type activities refunding	2.00-5.50%	115,250
Total general obligation bonds		$ 943,375

*Contains taxable bonds

In addition to general obligation bonds, the Council has general obligation backed loan agreements with the Minnesota Public Facilities Authority (PFA). The loans are drawn down on a reimbursement basis and fund the same purposes as general obligation bonds. The original amount of Minnesota Public Facilities Authority (PFA) loans drawn down in prior years was $962,998,000. During the year, $38,824,000 of Minnesota PFA loans were drawn down, entirely by business-type activities. At year-end, the remaining available balance for the Council to draw down on the 2025 Minnesota PFA loan was $7,178,000.

Public Facilities Authority general obligation backed loans currently outstanding on December 31, 2025, are as follows:

Purpose	Interest Rates	*Dollars in thousands*	
Business-type activities	1.00-3.18%	$	439,544

The Council issued $356,215,000 of general obligation grant anticipation notes to provide cash flows for the Southwest Green Line light rail extension project in anticipation of receipt of federal funds that were awarded the project. The notes were issued as 4-year, and 8-year serial notes and are secured by a Federal Transit Administration grant award together with the full faith, credit, and unlimited taxing powers of the Council.

General obligation grant anticipation notes currently outstanding on December 31, 2025, are as follows:

Purpose	Interest Rates	*Dollars in thousands*	
Business-type activities	0.38-5.00%	$	181,410

The following is a summary of general obligation bonds, grant anticipation notes, and PFA loan transactions for the year ended December 31, 2025:

	Dollars in thousands			
	Governmental Activities		Business-type Activities	
Balance, January 1, 2025	$	199,800	$	1,480,257
PFA drawdown		-		38,824
Bond issued, net of discount/premium		93,517		79,538
Amortization of discount/premium		(4,106)		(18,107)
Less principal payment		(30,190)		(164,398)
Balance, December 31, 2025	$	259,021	$	1,416,114

The Council's outstanding notes from direct borrowings related to business-type activities of $439,544,000 are Clean Water State Revolving Fund Loan agreements with the Minnesota Public Facilities Authority (MPFA), which are evidenced by notes placed directly with the MPFA. These MPFA loans finance various capital projects for the Environmental Services division. The loans are re-paid from wastewater system revenues. There are also $3,338,000 of Family Affordable Housing Program loan agreements with the Minnesota Housing Finance Authority, Hennepin County Housing and Redevelopment Authority and Housing and Redevelopment Authority of Edina. These loans finance capital purchases in the Metropolitan Housing and Redevelopment Authority division. The loans are expected not to be re-paid since the terms of the agreement are being met.

As of December 31, 2025, the annual debt service requirements to amortize all general obligation bonds, grant anticipation notes, and PFA loans outstanding, including interest of $40,631,000 on the governmental activity's debt and $270,978,000 on the business-type activities debt were as follows:

Dollars in thousands

	Governmental Activities		
	Bonds		
Year Ending December 31	Principal	Interest	Total
2026	$ 57,240	$ 10,841	$ 68,081
2027	31,105	7,319	38,424
2028	27,990	5,993	33,983
2029	25,850	4,785	30,635
2030	19,640	3,734	23,374
2031-2035	64,925	7,420	72,345
2036-2040	9,000	539	9,539
Subtotal	$ 235,750	$ 40,631	$ 276,381
Net unamortized:			
Discounts/premium	23,271	-	23,271
Total payments	$ 259,021	$ 40,631	$ 299,652

Dollars in thousands

	Business-type Activities					
	Bonds			Notes from Direct Borrowings		
Year Ending December 31	Principal	Interest	Total	Principal	Interest	Total
2026	$ 99,670	$ 36,568	$ 136,238	$ 53,866	$ 6,452	$ 60,318
2027	104,615	30,908	135,523	43,001	5,627	48,628
2028	103,360	26,406	129,766	40,107	4,942	45,049
2029	97,195	22,116	119,311	41,684	4,349	46,033
2030	49,565	17,865	67,430	38,019	3,715	41,734
2031-2035	223,665	63,050	286,715	138,507	11,773	150,280
2036-2040	141,465	26,384	167,849	67,856	4,369	72,225
2041-2045	69,500	5,625	75,125	16,504	829	17,333
Subtotal	$ 889,035	$ 228,922	$ 1,117,957	$ 439,544	$ 42,056	$ 481,600
Net unamortized:						
Discounts/premium	87,535	-	87,535	-	-	-
Total payments	$ 976,570	$ 228,922	$ 1,205,492	$ 439,544	$ 42,056	$ 481,600

The Notes from Direct Borrowing do not recognize the loan payable in the Metropolitan Housing and Redevelopment Authority fund see Note IV.J.2.

As part of the American Recovery and Reinvestment Act of 2009 (ARRA), the Council issued $49,411,000 (2009C) in notes from direct borrowings.

The notes are direct pay tax credit Build America Bonds (BAB), in which the Council receives a 35.00 percent credit on notes interest paid. The Council has complied with all requirements of ARRA to be eligible for the BAB interest credit. Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 the refundable credit was reduced by 5.70 percent from sequestration through September 30, 2021. On December 31, 2021, that rate was extended through 2030.

Taking into consideration the above BAB interest credit, as of December 31, 2025, the Council's net annual debt service requirements to amortize all loans outstanding, including interest of $41,857,000 on the business-type activities, notes from direct borrowings debt, were as follows:

Dollars in thousands

	Business-type Activities - Notes from Direct Borrowings				
Year Ending December 31	**Principal**	**Interest**	**Federal Subsidy**	**Net Interest**	**Net Payment**
2026	$ 53,866	$ 6,452	$ (87)	$ 6,365	$ 60,231
2027	43,001	5,627	(52)	5,575	48,576
2028	40,107	4,942	(37)	4,905	45,012
2029	41,684	4,349	(23)	4,326	46,010
2030	38,019	3,715	-	3,715	41,734
2031-2035	138,507	11,773	-	11,773	150,280
2036-2040	67,856	4,369	-	4,369	72,225
2041-2045	16,504	829	-	829	17,333
Total payments	$ 439,544	$ 42,056	$ (199)	$ 41,857	$ 481,401

2. Loans payable

In 2002, the Minnesota Housing Finance Authority issued a loan to the Council in the amount of $400,000. In 2004, the Minnesota Housing Finance Authority issued an additional loan of $730,000 and Hennepin County Housing and Redevelopment Authority issued a $275,000 loan for a total of $1,405,000. The terms of the loan agreements are 30 years. The loan agreements require the Council to use the units as rental housing serving low-income households with rent restrictions. If the units serve low-income households under the federal Project-based Voucher program and continue to meet the loan agreements requirements, then the loans will be deemed fully forgiven as of the forgiveness date.

In 2021, the Housing and Redevelopment Authority of Edina issued a loan to the council in the amount of $2,000,000 of which $421,000 of the loan was drawn down in the same year. In 2022, another $1,512,000 of the loan was drawn resulting in total draw-down of $1,933,000, entirely by business-type activities. In 2022, the Council confirmed the completion of the project, which the loan was used for. The Housing and Redevelopment Authority of Edina then closed out this loan for the total as shown above. The terms of the agreement are 25 years after the last advance, then the loan will be deemed fully forgiven as of the forgiveness date.

3. Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2025, was as follows:

Dollars in thousands:

Governmental activities:	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**	**Due Within One Year**
Bonds/loans payable:					
General obligation debt	$ 178,505	$ 87,435	$ (30,190)	$ 235,750	$ 57,240
Discounts/premiums	21,295	6,082	(4,106)	23,271	-
Total general obligation debt	199,800	93,517	(34,296)	259,021	57,240
Right-to-use liability:					
Lease liability	75	-	(17)	58	17
Subscription-based information technology arrangement liability	439	3,325	(1,150)	2,614	840
Compensated absences	9,030	7,030	(6,304)	9,756	5,853
Governmental long-term liabilities	$ 209,344	$ 103,872	$ (41,767)	$ 271,449	$ 63,950

Dollars in thousands:

Business Type Activities:	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**	**Due Within One Year**
Bonds/loans/notes payable:					
General obligation debt	$ 696,640	$ 74,505	$ (63,520)	$ 707,625	$ 57,580
Grant anticipation notes	227,150	-	(45,740)	181,410	42,090
Notes/loans from Direct Borrowings:					
PFA loans	455,858	38,824	(55,138)	439,544	53,866
Loans payable	3,338	-	-	3,338	-
Discounts/premiums	100,609	5,033	(18,107)	87,535	-
Right-to-use liability:					
Lease liability	10,638	7,071	(1,013)	16,696	1,424
Subscription-based information technology arrangement liability	311	1,208	(430)	1,089	291
Total bonds/loans/right-to-use payable	1,494,544	126,641	(183,948)	1,437,237	155,251
Compensated absences	40,512	64,660	(62,611)	42,561	35,186
Accrued claims	34,547	109,221	(108,437)	35,331	15,458
Business-type long-term liabilities	$ 1,569,603	$ 300,522	$ (354,996)	$ 1,515,129	$ 205,895

The majority of Metro Transit Bus, Metro Transit Light Rail, and Metro Transit Commuter Rail employees earn vacation in one year that must be used within the following year. Actual payments for compensated absences are made directly from the same Governmental funds that incurred the salary expenditures. Prior years compensated absences were paid from the General Fund, Special Revenue funds, nonmajor governmental funds, and Enterprise funds.

J. Compensated absences

In 2025, the governmental activities liability for compensated absences earned but not taken increased from $9,030,000 to $9,756,000. This liability is reported in the government-wide statement of net position. The following summary of changes during 2025 includes $693,000 in payroll taxes:

	Dollar in thousands
Balance, January 1, 2025	$ 9,030
Transferred to/from Enterprise Funds	74
Leave Earned	6,956
Leave Taken or Paid Off	(6,304)
Balance, December 31, 2025	$ 9,756

K. Fund balance

Fund balance is divided into five classifications based primarily on the extent to which the Council is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. Fund balance classifications are as follows:

Nonspendable. Fund balances classified as *nonspendable* include assets that will never convert to cash, such as prepaid items and inventories of supplies; assets that will not convert to cash soon enough to affect the current period, and resources that must be maintained intact pursuant to legal or contractual requirements, such as the principal of an endowment or the capital of a revolving loan fund. Normally, the long-term portion of the Council's loans receivable would be included as part of *nonspendable* fund balance. However, since the amounts eventually collected are subject to an externally enforceable restriction on how they can be spent, they are reported instead as a part of restricted fund balance.

Spendable. All fund balances that are not classified as *nonspendable* are deemed *spendable.* The classifications within the *spendable* category are based upon the relative strength of the constraints that control how specific amounts can be spent. Those classifications are as follows:

Restricted. Net fund resources that are subject to externally enforceable legal restrictions are deemed to be *restricted.* These restrictions are either 1) externally imposed by creditors (via bond or loan covenants), grantors, contributors or laws and regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The Council recognizes the entire fund balance of Debt Retirement fund, the Highway Right- of-Way Acquisition Loan, Pass-Through, Livable Communities (all Special Revenue Funds), the North Mississippi Park capital projects fund, and the remaining balances of the Special Transportation Services fund, the Transit capital projects fund, and the Parks and Open Space Grants capital projects fund as *restricted* due to the legal restrictions imposed.

Committed. Net fund balances that represent resources that can be used only for the specific purposes determined by formal action of the Council are deemed to be committed. The Council's formal actions, or resolutions, are the highest decision-making level and remain binding unless removed in the same manner. Additionally, any Council action, either binding or unbinding, needs be taken prior to the end of the calendar year. A portion of the fund balances of the Special Transportation Services fund, the Transit Capital projects fund, and the Contracted Transit Service and Transportation Planning special revenue funds, are considered committed. Additionally, within the General fund, the Council has identified amounts for self-insurance, OPEB, and regional water supply to be committed.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the Council for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. In the Other Special Revenue fund, assigned amounts are intended to be used for planning assistance. In the General fund, amounts intended to be used for capital maintenance and compensated absences are assigned. Pursuant to Council resolution, the Chief Financial Officer is authorized to establish assignment of fund balance.

Unassigned. The residual classification of the Council's General fund not contained in the other classifications is deemed to be *unassigned*. The negative *unassigned* amount for the Parks and Open Space Grants capital projects fund (a nonmajor fund) is deemed *unassigned* because the *restricted* amounts for future grant payments are to be funded by future bonding and State reimbursements.

It is the policy of the Council to spend fund balances for each fund in the following order: *restricted,* then *committed* and then *assigned*; unless the specific item has been identified in another classification.

The summary of fund balance classifications is as follows:

	Dollars in thousands					
	Major Funds					
Fund Balances:	General Fund	Special Transportation Services Special Revenue	Transit Capital Projects	Debt Retirement	Nonmajor Governmental Funds	Total
Spendable:						
Restricted for:						
Debt Retirement Reserve	$ -	$ -	$ -	$ 160,936	$ -	$ 160,936
Highway Right-of-Way Program	-	-	-	-	61,967	61,967
Economic Revitalization	-	-	-	-	25,668	25,668
Environment Development	-	-	-	-	78,578	78,578
Incentive Housing	-	-	-	-	3,100	3,100
Transportation Advisory Board Grants	-	-	-	-	48,333	48,333
Regional Parks Capital Improvements	-	-	-	-	200,081	200,081
Transit Capital Improvements	-	-	131,559	-	-	131,559
Transportation Services	-	10,060	-	-	9,325	19,385
Committed for:						
Self-Insurance	2,500	-	-	-	-	2,500
Other Post-Employment Benefits	6,536	-	-	-	-	6,536
Regional Water Supply Program	53	-	-	-	-	53
Regional ADA Transit Service	-	72,755	-	-	-	72,755
Regional Transit Providers Services	-	-	3,234	-	30,706	33,940
Assigned for:						
Capital Maintenance	1,560	-	-	-	-	1,560
Compensated Absences	5,855	-	-	-	-	5,855
Planning Assistance	-	-	-	-	2,154	2,154
Unassigned:	43,786	-	-	-	(81,072)	(37,286)
Total fund balances	$ 60,290	$ 82,815	$ 134,793	$ 160,936	$ 378,840	$ 817,674

V. Other information

A. Risk management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; work-related injuries to its employees; and natural disasters. The Council purchases both commercial insurance and self-insures for these risks of loss as discussed below. Within the past three fiscal years, no settled claims have exceeded commercial coverage. There have been no significant reductions in insurance coverage from the prior year by major categories of risk.

1. Liability

The Council either purchases liability insurance or self-insures to protect against various liability risks (including Auto Liability) in all divisions of the Council. The Metropolitan Council recognizes current liability for incurred, reported claims and long- term liability for claims incurred but not reported. Claims liabilities are calculated utilizing total claim incurred and frequency trends. Minnesota State Statute 466.04 generally limits the Council's tort exposure to $500,000 per claim and $1,500,000 per occurrence for a claim arising on or after July 1, 2009. For claims arising prior to that date, the limits are $400,000 per claim and up to $1,200,000 per occurrence. In addition, an amount equal to twice these limits applies if the claim arises out of the release or threatened release of a hazardous substance.

2. Automobile

The Council purchases auto property insurance to cover buses and vehicles for damage other than collision, upset or overturn. The Council administers a self-funded program for other risks associated with automobile liability and physical damage.

3. Errors and omissions

The Council self-insures for professional liability/errors and omissions risk. There were no claims for 2024 or 2025.

4. Property and crime

The Council purchases property and crime insurance to cover all owned property and identified crime exposures.

5. Workers' Compensation

Metro Transit has been self-insured for workers' compensation since 1982, Environmental Services since 1993, and the rest of the Council since 1995. Prior to July 1, 1996, Environmental Services used a third-party administrator; since that time, the Council has self-administered workers' compensation claims for all divisions. Liabilities are recognized when there is information available that suggests there has been an occurrence in which a probable loss has occurred. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using the 30-year Treasury yield.

The self-insurance retention limit for workers' compensation is $5,000,000 per single loss. For claims above the retention limit, the Workers' Compensation Reinsurance Association reimburses the Council.

Changes in the balance of workers' compensation liabilities during 2024 and 2025 are as follows:

Dollars in thousands

	Metro Transit				
2024 Balance:	**Bus**	**Light Rail**	**Commuter Rail**	**Environmental Services**	**Total**
Beginning Balance	$18,683	$ 1,939	$ 3,278	$ 503	$ 24,403
Current year claims and changes in estimates	9,273	264	14	169	$ 9,720
Payments on claims	(9,620)	(184)	-	(311)	$ (10,115)
Ending balance	$18,336	$ 2,019	$ 3,292	$ 361	$ 24,008
2025 Balance:					
Beginning Balance	$18,336	$ 2,019	$ 3,292	$ 361	$ 24,008
Current year claims and changes in estimates	12,368	296	20	806	13,490
Payments on claims	(8,806)	(153)	(14)	(491)	(9,464)
Ending balance	$21,898	$ 2,162	$ 3,298	$ 676	$ 28,034

6. Cyber Insurance

Metropolitan Council purchases Cyber Insurance to cover financial losses related to data breaches, cyberattacks and hacking, technology infrastructure, and other cyber events. The policy provides coverage for data breach notification, recovering compromised data, business interruption, and repairing damaged computer systems. The policy has up to $10,000,000 of insurance limits.

7. Internal service fund

The Metropolitan Council has an internal service fund for its self-insurance plans for health and dental care. The Council assumes all liability for medical and dental claims. The self-funded programs within the fund establish claim liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not paid, and of claims that have been incurred, but not reported. These estimates are agreed to by the insurance carriers and the Metropolitan Council and are reviewed for accuracy and reasonableness. The estimates are based on claim experience and claim lag timetables provided by the carriers and do not include additional estimates for subrogation, salvage, or unallocated claim adjustments. Changes in the balance for the self-funded programs are as follows:

	Dollars in thousands	
2024 Balance:	**Internal Service Fund**	
Beginning Balance	$	8,815
Incurred claims		97,772
Payments on claims		(96,048)
Ending Balance	$	10,539
2025 Balance:		
Beginning Balance	$	10,539
Incurred claims		95,731
Payments on claims		(98,973)
Ending Balance	$	7,297

B. Pension obligations

Metropolitan Council has 4,404 employees that are covered by a retirement plan administered by Minnesota State Retirement System (MSRS) under the General Employees Fund (GEF). The Metropolitan Council metro transit police has 124 employees that are covered by a plan administered by Public Employees Retirement Association of Minnesota (PERA) under the Public Employees Police and Fire Fund (PEPFF). The Metropolitan Council also has 19 people under an Unclassified Employees Retirement Fund (UER) administered by MSRS. Investments at these pension plans are reported at fair value.

1. Defined benefit pension plans

a. Minnesota State Retirement System - General Employees Fund (MSRS-GEF) General information

Plan Description: The majority of the employees of the Metropolitan Council are covered by the General Employees Fund (GEF), a cost sharing multiple-employer defined benefit pension plan administered by the Minnesota State Retirement System. Chapter 352 of the Minnesota Statutes grants the authority to establish and amend the benefit terms to MSRS. MSRS's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code. MSRS issues a publicly available financial report that can be obtained at, www.msrs.state.mn.us/financial-information; by writing to MSRS at 60 Empire Drive, #300, St. Paul, Minnesota, 55103-3000; or by calling (651) 296-2761 or 1-800-657-5757.

Benefits provided: MSRS-GEF provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Benefits are based on a member's age, years of credit, and the highest average salary for any sixty successive months of allowable service at termination of service. Benefit increases are provided to benefit recipients each January and are related to the funded ratio of the plan. Annuitants received benefit increases of 1.50 percent for 2025.

Retirement benefits can be computed using one of two methods: the Step formula and the Level formula. Members hired before July 1, 1989, may use the Step or Level formula, whichever is greater. Members hired on or after July 1, 1989, must use the Level formula. Each formula converts years and months of service to a certain percentage. Under the Step formula, members receive 1.20 percent of the high-five average salary for each of the first 10 years of covered service, then 1.70 percent for each subsequent year. It also includes full benefits under the Rule of 90 (age plus years of allowable service equals 90). In contrast, the Level formula does not include the Rule of 90. Under the Level formula, members receive 1.70 percent of the high-five average salary of all years of covered service, and full benefits are available at normal retirement age.

Disability benefits are determined; 1) at least three years of allowable service and meeting the definition of disability or 2) at least five years of service if hired on or after June 30, 2010, and meeting the definition of disability. Totally and permanently disabled is defined as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that has existed or is expected to continue for a period of at least one year. Disability benefits are calculated following the same formulas as a regular retirement benefit.

Death benefits are calculated; if a member dies while still an active employee, the spouse is eligible for 100.00 percent survivor annuity or a refund if 1) the member was hired prior to July 1, 2010, and had at least three years of service at death, or 2) the member was hired after June 30, 2010, and had at least five years of service at death. Dependent children are eligible for the monthly benefit until age 20 if there is no surviving spouse.

Contributions: Minnesota Statutes Chapter 352 sets the rates for employer and employee contributions. Eligible General Plan members were required to contribute 5.50 percent of their annual covered salary until June 30, 2025. The rate increased to 6.00 percent as of July 1, 2025. Participating employers were required to contribute 6.25 percent of their annual covered salary. The Metropolitan Council's contribution to the General Plan for the fiscal year ending December 31, 2025, was $27,110,000. These contributions were equal to the contractually required contributions for each year as set by state statute.

i. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions.

On December 31, 2025, the Metropolitan Council reported a liability of $27,999,000 for its proportionate share of MSRS' net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Metropolitan Council's proportion of the net pension liability was based on the contributions received by MSRS during the measurement period July 1, 2024, through June 30, 2025, relative to the total employer contributions received from all MSRS's participating employers. At June 30, 2025, the Metropolitan Council's proportion was 8.948 percent, which was an increase of 0.551 percent from its proportion measured as of June 30, 2024.

The following changes in benefits provisions affected the measurement of the total pension liability since the prior measurement date:

- The benefit multiplier changed from 1.70 percent to 1.90 percent for service earned after July 1, 2025.
- The post-retirement benefit increase changed from 1.50 percent to 1.75 percent effective January 1, 2026.
- The following changes in assumptions affected the measurement of the total pension liability since the prior measurement date:
- The combined service annuity load was changed from 4.00 percent to 9.00 percent for vested terminated members, and from 5.00 percent to 51.00 percent for non-vested terminated members.
- For the year ended December 31, 2025, the Metropolitan Council recognized a pension expense of $48,345,000 for its proportionate share of the MSRS-GEF pension expense.

On December 31, 2025, the Metropolitan Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	(Dollars in thousands)	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 40,715	$ 120
Changes of assumptions	4,408	33,931
Net difference between projected and actual earnings on investments	-	67,811
Changes in proportion and differences between actual contributions and proportionate share of contributions	3,439	3,079
Contributions paid to MSRS subsequent to the measurement date	13,117	-
Total	$ 61,679	$ 104,941

Amounts reported as deferred outflows of resources related to pensions resulting from Metropolitan Council contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Dollars in thousands
Year Ending December 31	**Pension Expense**
2026	$ (2,552)
2027	(31,690)
2028	(17,843)
2029	(4,294)
	$ (56,379)

Actuarial Assumptions: The Metropolitan Council's net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent per year
Active Member Payroll Growth	3.00 percent per year
Investment Rate of Return	7.00 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilities were based on Pub-2010 General Mortality Tables for males or females, as appropriate, with adjustments to match fund experience. Benefit increases for retirees were 1.75 percent for January 1, 2025.

Actuarial assumptions used in the June 30, 2025, valuation was based on the results of actuarial experience studies for the period July 1, 2018, through June 30, 2022.

The long-term expected rate of return on pension plan investments is 7.00 percent.

The SBI, which manages the investments of MSRS, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method. Best estimates of future real rates of return (expected returns, net of inflation) were developed for each asset class using both long-term historical returns and long-term capital market expectations from a number of investment management and consulting organizations. The asset class estimate, and target allocations were then combined to produce a geometric, long-term expected real rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio. Results are summarized in the following table:

Asset Class	Target Allocation	SBI's Long-Term Expected Real Rate of Return (Geometric Mean)
Domestic Equity	33.50 %	5.10 %
Private Markets	25.00	5.90
Fixed Income	25.00	0.75
International Equity	16.50	5.30
Total	100.00 %	

Discount Rate: The discount rate used to measure the total pension liability as of June 30, 2025, was 7.00 percent. The single discount rate was based on an expected rate of return on pension plan investments of 7.00 percent and a municipal bond rate of 5.2 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current statutory contribution rates. Based on that assumption, the pension plan's fiduciary net position on June 30, 2025, was projected to be available to make all projected future benefit payments of current active and inactive employees through the year ending June 30, 2125. Therefore, the long-term expected rate of return on pension plan investments was applied to project benefit payments through the year ending June 30, 2125, to determine the total pension liability.

Sensitivity of the Council's proportionate share of the net pension liability to changes in the discount rate: The following presents the Metropolitan Council's proportionate share of the net pension liability, calculated using the discount rate of 7.00 percent, as well as what the Metropolitan Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (6.00 percent) or 1.00 percentage point higher (8.00 percent) than the current rate (dollars in thousands):

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Council's proportionate share of the Net pension liability (asset) (MSRS)	$ 258,009	$ 27,999	$ (161,881)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the MSRS's Annual Comprehensive Financial Report, available on the MSRS website (www.msrs.state.mn.us/financial-information); by writing to MSRS at 60 Empire Drive, #300, St. Paul, Minnesota, 55103-3000; or by calling (651) 296-2761 or 1-800-657-5757.

b. Public Employees Retirement Association of Minnesota - Public Employees Police and Fire Fund (PERA-PEPFF)
General information

Plan Description: The Public Employees Police and Fire Fund (PEPFF), originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer asset administration to Public Employees Retirement Association (PERA).

Metro Transit Police Officers who qualify for membership by statue, are covered by the Public Employees Police and Fire Fund, a cost sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota. Chapter 353 of the Minnesota Statutes grants the authority to establish and amend the benefit terms to PERA. PERA's defined pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code. PERA issues a publicly available financial report that can be obtained at; www.mnpera.org; by writing to PERA at 60 Empire Drive, #200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

Benefits provided: Benefits for plan members hired prior to July 1, 2010, vest after three years of credited service. For members hired after June 30, 2010, benefits vest on a prorated basis from 50.00 percent after five years up to 100.00 percent after ten years of credited service.

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Benefit recipients receive a future annual 1.00 percent post-retirement benefit increase.

The benefit provisions stated in the following paragraph of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

Retirement benefits are determined for employees as 3.00 percent of average salary for each of their years of service. A full unreduced retirement annuity is earned when members meet the following conditions: age 55 and vested or age plus years of service equal at least 90 if first hired prior to July 1, 1989. A reduced retirement annuity is available to members between the ages of 50 and 55. The reduction for Police and Fire plan early retirement is 5.00 percent per year under age 55.

Disability benefits are determined if the employee is unable to work because of a physical or psychological disability. Disability is defined by statute, and PERA requires medical examinations of those receiving these benefits. For these employees, there is a minimum benefit of 60.00 percent of salary if disabled while engaged in hazardous activities related to the occupation. Disability under any other circumstances results in a minimum of 45.00 percent of salary.

Survivor benefits are calculated if a member dies while still an active employee, they are based on either 50.00 percent of the member's average salary during the six months prior to death or a formula using the member's total years of service, high-five salary, age at death and age of the spouse. Dependent children of active or disabled employees are eligible for benefits until age 23. Family minimum and maximum benefit percentages apply when calculating the total benefit paid to Police and Fire plan family members.

Contributions: Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions and may be amended by Minnesota Legislature. Employees are required to contribute 11.80 percent of their annual covered salary in 2025. The Metropolitan Council required contribution rate is 17.70 percent of annual covered salary in 2025. Contributions to the pension plan from the Council were $3,069,000 for the year ending December 31, 2025.

i. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On December 31, 2025, the Metropolitan Council reported a liability of $13,386,000 for its proportionate share of PERA's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Metropolitan Council's proportion of the net pension liability was based on the contributions received by PERA during the measurement period July 1, 2024, through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. On June 30, 2025, the Metropolitan Council's proportion was 1.1425 percent, which was an increase of 0.0145 percent from its proportion measured as of June 30, 2024.

The following changes in benefits provisions affected the measurement of the total pension liability since the prior measurement date:

- The period of time needed for benefit recipients to receive their first benefit increased was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026, benefit increase changed from 1 percent to 3 percent; subsequent January 1 increases will be 1 percent.
- The threshold to end the $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90 percent funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100 percent funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100 percent funded for a minimum of three consecutive years to 110 percent funded for a minimum of three consecutive years (on an actuarial value of asset basis).
- An additional $17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

The following changes in assumptions affected the measurement of the total pension liability since the prior measurement date:

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

For the year ended December 31, 2025, the Metropolitan Council recognized pension expense of $4,195,000 for its proportionate share of the PEPFF's pension expense.

The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. The contribution consisted of $9 million in direct state aid that meets the definition of a special funding situation and $9 million in supplemental state aid that does not meet the definition of a special funding situation. Legislation requires the State of Minnesota to pay direct state aid of $9 million on October 1. The direct state aid payment will increase by $17.7 million, which began on October 1, 2025. Thereafter, by October 1 of each year, the state will pay $26.7 million to the Police and Fire Fund until the fund is 110 percent funded for a minimum of three consecutive years (on an actuarial value of assets basis). The $9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100 percent funded for three consecutive years (on an actuarial value of assets basis. The Metropolitan Council's share of the special funding situation was $122,000 and the non-special funding situation was $103,000.

Council's proportionate share of the net pension liability	$	13,386,000
State of Minnesota's proportionate share of the net pension liability associated with the Council		464,000
Total	$	13,850,000

On December 31, 2025, the Metropolitan Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	(Dollars in thousands)	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 6,185	$ -
Changes of assumptions	10,151	16,772
Net difference between projected and actual earnings on investments	-	5,973
Changes in proportion and differences between actual contributions and proportion share of contributions	881	945
Contributions paid to PERA subsequent to the measurement date	1,558	-
Total	$ 18,775	$ 23,690

Amounts reported as deferred outflows of resources related to pensions resulting from Metropolitan Council contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	(Dollars in thousands)
Year Ending December 31	**Pension Expense**
2026	$ 2,889
2027	(3,233)
2028	(6,338)
2029	(184)
2030	393
	$ (6,473)

Actuarial Assumptions: The Metropolitan Council's net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent per year
Active Member Payroll Growth	3.00 percent per year
Investment Rate of Return	7.00 percent

Salary increases at valuation date increased according to the rate table. Mortality rates for active members, retirees, survivors and debilitants were based on Pub-2010 generational mortality tables for males or females, as appropriate, with slight adjustments. Benefit increases for retirees are assumed to be 1.00 percent.

Actuarial assumptions used in June 30, 2025; valuations are reviewed annually. The most recent 5-year experience study for the PEPFF was completed July 31, 2024. The economic assumptions are based on a review of inflation and investment return assumptions dated July 31, 2025.

The long-term expected rate of return on pension plan investments is 7.00 percent. The State Board of Investment (SBI), which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates for each major asset class are summarized in the following table:

Asset Class	Target Allocation	SBI's Long-Term Expected Real Rate of Return (Geometric Mean)
Domestic Equity	33.50 %	5.10 %
Private Markets	25.00	5.90
Fixed Income	25.00	0.75
International Equity	16.50	5.30
Total	100.00 %	

Discount Rate: The discount rate used to measure the total pension liability as of June 30, 2025, was 7.00 percent. The single discount rate was based on an expected rate of return on pension plan investments of 7.00 percent and a municipal bond rate of 5.20 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current statutory contribution rates. Based on that assumption, the pension plan's fiduciary net position on June 30, 2025, was projected to be available to make all projected future benefit payments of current active and inactive employees through the year ending June 30, 2125. Therefore, the long-term expected rate of return on pension plan investments was applied to project benefit payments through the year ending June 30, 2125, to determine the total pension liability.

Sensitivity of the Council's proportionate share of the net pension liability to changes in the discount rate: The following presents the Metropolitan Council's proportionate share of the net pension liability, calculated using the discount rate of 7.00 percent, as well as what the Metropolitan Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (6.00 percent) or 1.00 percentage point higher (8.00 percent) than the current rate (dollars in thousands):

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Council's proportionate share of the Net pension liability (PERA)	$35,075	$13,386	($4,423)

Pension plan fiduciary net position: Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report is available on the PERA's website (www.mnpera.org); by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

c. Summary of defined benefit plans

For the year ended December 31, 2025, the Metropolitan Council recognized a pension expense of $ 52,540,000 for its proportionate share of the MSRS-GEF pension expense and its proportionate share of the PEPFF's pension expense. Actual payments of pension liability are made directly from the same Governmental funds that incurred the salary expenditures. Pension liability is paid from the General Fund, Special Revenue funds, nonmajor governmental funds, and Enterprise funds.

2. Defined contribution pension plan

a. Minnesota State Retirement System – Unclassified Employees Retirement Fund (MSRS-UER) General information

The Unclassified Employees Retirement Fund is a tax deferred, defined contribution fund entirely composed of a single, multiple-employer defined contribution plan. Participation is limited to certain specified employees. Minnesota statutes, section 352D.01 authorized creation of this plan.

It is considered a money purchase plan, i.e., participants vest only to the extent of the value of their accounts (employee contributions plus employer contributions plus/minus investment gains/losses, less administrative expenses), but functions as a hybrid between a defined contribution plan and a defined benefit plan.

Retirement and disability benefits are available to some participants through conversion, at the participant's option, to the General Plan provided the employee has at least 10 years of allowable service in the Unclassified and/or the General Plan if hired prior to July 1, 2010 or has more than seven years of service if hired after June 30, 2010.

Minnesota Statutes, section 352D.04, subdivision 2, requires a contribution rate of 5.50 percent through June 30, 2025 and then 6 percent of salary beginning July 1, 2025, from participating employees. The employer contribution rate is 6.25 percent.

For the year ending December 31, 2025, employer contributions were $261,000. The plan did not have any forfeitures in the current period.

C. Other postemployment benefits (OPEB) obligations

Plan description: The Metropolitan Council administers an Other Postemployment Benefit Plan (the OPEB plan), a single-employer defined benefit health care and life insurance plan to eligible retirees, their spouses, and dependents.

Funding Policy: As of December 31, 2025, the Metropolitan Council had separately invested assets in a revocable trust account with a fair value of $409,919,000. The trust account is administered by the Public Employees Retirement Association (PERA) under MS 471.6175 (Trust for Postemployment Benefits) and is invested by the SBI pursuant to Minnesota Statues section 11A.14, which provides for the establishment of investment vehicles for assets of the participating public retirement plans and nonretirement funds. Assets have not been accumulated in a trust that meets the criteria in paragraph four of GASB Statement 75 to pay related benefits.

Minnesota Statute 471.6175, subdivision 5 specifies that the Metropolitan Council may provide investment direction to PERA as the trust administrator, and PERA must certify (and decertify) Metropolitan Council's assets to the SBI for investment under section 11A.14, subject to the policies and procedures established by the SBI.

The Metropolitan Council's internal funding policy includes funding and investing the revocable trust account to meet the current and future explicit retiree premium costs for current retirees and all eligible active employees. Funding status for the trust account is based on actuarial valuation assuming a 4.50 percent discount rate and is considered sufficient to meet projected future explicit benefits.

This funding arrangement does not meet the requirements of GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"; accordingly, the revocable trust account assets are not included in disclosures of the OPEB plan assets. The Metropolitan Council does not issue a separate financial report for its OPEB plan. Activity for the plan is reported for the Government-wide financial statements for the general fund and in enterprise funds for Metro Transit Bus, Metro Transit Light Rail, and Environmental Services.

Benefits Provided: The Metropolitan Council provides a health care and life insurance plan to eligible retirees, their spouses, and dependents. The benefit provisions are established and amended through negotiations between the Metropolitan Council and the respective unions representing its employees. This is a closed plan. Only employees hired prior to OPEB benefit sunset dates established within those union agreements are entitled to receive employer paid OPEB benefits. Employees' percentage of OPEB benefit participation is further dependent upon meeting certain hire date, length of service, retirement age and other criteria established within their collective bargaining agreements. Additionally, under Minnesota Statute 471.61 Subd. 2b, retirees can stay on the plan after retirement which creates an implicit rate subsidy. The amount paid by the employer for OPEB as the benefits came due during the reporting period was $10,720,000.

Employees covered by benefit terms: At the actuarial valuation date of January 1, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,870
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	4,349
	6,219

Total OPEB Liability: The Metropolitan Council's total OPEB liability of $175,637,000 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025. The total OPEB liability was rolled-forward from the valuation date to fiscal year ended December 31, 2025, using generally accepted actuarial principles.

Actuarial assumptions and other inputs: The total OPEB liability in the December 31, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Payroll Growth	3.00 percent
Discount Rate	4.50 percent
Healthcare cost trend rates	Pre-65 medical trend rate: 6.50 percent as of January 1, 2025, grading to 5.00 percent over 6 years and then to 4.00 percent over the next 48 years Post-65 Medical Trend Rate: 5.00 percent
Employer share of benefit-related costs	Valuing the current pre-Medicare premiums paid by the Metropolitan Council and not making any adjustments to the premium share changing over time.

Mortality rates were based on the PUB-2010 scale with adjustments for mortality improvements based on the MP-2021 scale.

The assumptions prescribed in the actuarial valuation are based on the last experience study prepared for the Minnesota State Retirement System that covered the four-year period from July 1, 2018 through June 30, 2022, dated July 1, 2024.

Discount Rate: The discount rate was based on the index rate for 20-year tax-exempt general obligation municipal bond index rate with an average rating of AA/Aa or higher as of the measurement date. The Metropolitan Council determined the discount rate using the Bond Buyer 20-Bond General Obligation Index. The discount rate as of December 31, 2025, was 4.50 percent.

Changes in the Total OPEB Liability:

	Dollars in thousands **Total OPEB Liability**
Balance at December 31, 2024	$ 259,580
Changes for the year:	
Service cost	1,379
Interest	10,403
Differences between expected and actual experience	(77,646)
Changes in assumptions or other inputs	(5,960)
Benefit payments	(12,119)
Net changes	(83,943)
Balance at December 31, 2025	$ 175,637

No changes in benefit provisions affected the measurement of the total OPEB liability since the prior measurement date.

The following changes in actuarial assumptions affected the measurement of the total OPEB liability since the prior measurement date:

- The discount rate was changed from 4.08 percent to 4.50 percent

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Metropolitan Council, as well as what the Metropolitan Council's total OPEB liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (3.50 percent) or 1.00 percentage point higher (5.50 percent) than the current discount rate (dollars in thousands):

	1.00% Decrease (3.50%)	Current Discount Rate (4.50%)	1.00% Increase (5.50%)
Total OPEB Liability	$193,902	$175,637	$160,063

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Metropolitan Council, as well as what the Metropolitan Council's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.00 percentage point lower (Pre-65: 5.25% decreasing to 3.00%, Post-65: 4.00%) or 1.00 percentage point higher (Pre-65: 7.25% decreasing to 5.00%, Post-65: 6.00%) than the current healthcare cost trend rates (dollars in thousands):

	1.00% Decrease (Pre-65: 5.25% decreasing to 3.00% Post-65: 4.00%)	Current Discount Rate (Pre-65: 6.25% decreasing to 4.00% Post-65: 5.00%)	1.00% Increase (Pre-65: 7.25% decreasing to 5.00% Post-65: 6.00%)
Total OPEB Liability	$158,300	$175,637	$195,917

For the year ended December 31, 2025, the Metropolitan Council recognized OPEB expense of $(23,645,000). At December 31, 2025, the Metropolitan Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Dollars in thousands: Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,910	$ 76,123
Changes of assumptions	6,686	42,271
Total	$ 8,596	$ 118,394

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	*Dollars in thousands:* OPEB Expense
2026	$ (35,204)
2027	(34,700)
2028	(31,287)
2029	(4,482)
2030	(2,965)
Thereafter	(1,160)
	$ (109,798)

D. Sub-grantee programs

During the year ended December 31, 2025, the Council was involved with the following sub-grantee programs:

General Fund:
Environmental Protection Agency (Climate Pollution Reduction)
Parks (Maintenance and Operation Grants)

Transit Capital Projects Fund:
Federal Transit Administration (Capital Grant Programs)

Nonmajor Governmental Funds:
Federal Highway Administration (Study Grants)
Federal Transit Administration (Capital and Operating Assistance Grant Programs)
Livable Communities (Metropolitan Development)
Parks (Capital Improvement)

Enterprise Funds:
Federal Transit Administration (Capital and Operating Assistance Grant Programs)
Housing and Redevelopment Authority (HUD Housing Choice Voucher Program)
Housing and Redevelopment Authority (HUD Mainstream Voucher Program)
Housing and Redevelopment Authority (HUD Emergency Housing Voucher Program)
Housing and Redevelopment Authority (HUD Mobility Demonstration Voucher Program)
Minnesota Housing Finance Agency (Subsidy Grants)
Other Miscellaneous Housing Programs (Subsidy Grants)

These programs received revenue from federal, state and private grantor agencies for grant expenditures. Expenditures are made from these funds for grants to public and private metropolitan area organizations and individuals as well as for planning, administration and capital improvements.

E. Commitments and contingencies

As part of its operations, the Council enters into contracts for various purposes including construction projects and transit services, among others. The majority of the Council's contracts are renegotiated annually with terms generally coinciding with the calendar year. However, some of the contracts span several years. Unpaid commitments for bus transit services totaled approximately $366,646,000 as of December 31, 2025. These commitments will be paid from the Metro Transit Bus enterprise fund. Future commitments for Metro Transit Light Rail enterprise fund contracts of approximately $289,384,000 will be paid from the Metro Transit Light Rail fund. Future commitments for commuter rail transit services of approximately $3,310,000 as of December 31, 2025, will be paid from the Metro Transit Commuter Rail fund. Future commitments for regional transit services are approximately $43,866,000 as of December 31, 2025. These commitments will be paid from Metropolitan Transportation Services capital project funds and operating funds. Future commitments for Environmental Services enterprise fund construction contracts totaled approximately $403,066,000 as of December 31, 2025. These commitments will be paid from the Environmental Services enterprise fund. At year end the amount of items that were authorized and initiated in the 2025 budget but not completely expended in 2025 were $1,560,000. This total is all from the General Fund. Management fully expects that it will be able to fulfill its contractual obligations for these commitments.

The Council is involved in various litigation, claims and judgments. The Council is of the opinion the ultimate settlement of these matters will not materially affect the financial statements.

F. Subsequent events

In August 2025, the Metropolitan Council authorized the suspension of the METRO Northstar Commuter Rail service for January 5, 2026. On January 5, 2026, METRO Bus service replaced the METRO Northstar Commuter Rail service.

On February 12, 2026, Metropolitan Council sold the following bond: $315,570,000 General Obligation Wastewater Revenue Bonds, Series 2026A.

On February 12, 2026, Metropolitan Council sold the following bond: $8,360,000 General Obligation Parks Bonds, Series 2026B.

On March 2, 2026, the Metropolitan Council agreed to a $44,000,000 loan (2026C) from the Minnesota Public Facilities Authority for financing eligible wastewater capital expenditures.

On April 15, 2026, Metropolitan Council sold the following bond: $74,690,000 General Obligation Transit Bonds, Series 2026D.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	Budgeted Amounts		Variance with Original Budget- Over (Under)		Variance with Final Budget- Over (Under)
	Original	Final	Final Budget	Actual Amounts	Actual Amounts
REVENUES					
Taxes	$ 19,318	$ 19,318	$ -	$ 18,989	$ (329)
Intergovernmental revenue:			-		
Federal	1,830	1,830	-	416	(1,414)
State	11,714	11,615	(99)	11,634	19
Local	-	-	-	66	66
Investment income	702	702	-	4,153	3,451
Other	120	120	-	119	(1)
Total revenues	33,684	33,585	(99)	35,377	1,792
EXPENDITURES					
Current:					
General government	22,129	26,020	3,891	17,401	(8,619)
Intergovernmental:			-		
Culture and recreation	11,714	11,615	(99)	11,615	-
Debt service:			-		
Principal	-	-	-	1,160	1,160
Interest and other charges	-	-	-	122	122
Capital outlay	6,511	6,444	(67)	5,746	(698)
Total expenditures	40,354	44,079	3,725	36,044	(8,035)
Excess (deficiency) of revenues over (under) expenditures	(6,670)	(10,494)	(3,824)	(667)	9,827
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	2,616	2,616
Transfers out	(1,850)	(2,575)	(725)	(2,575)	-
Inception of right-to-use asset	-	-	-	3,325	3,325
Total other financing sources (uses)	(1,850)	(2,575)	(725)	3,366	5,941
Net change in fund balance	(8,520)	(13,069)	(4,549)	2,699	15,768
Fund balance, beginning	57,591	57,591	-	57,591	-
Fund balance, ending	$ 49,071	$ 44,522	(4,549)	$ 60,290	$ 15,768

The notes to the required supplementary information are an integral part of this schedule.

BUDGETARY COMPARISON SCHEDULE
SPECIAL TRANSPORTATION SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	Budgeted Amounts		Variance with Original Budget- Over (Under)		Variance with Final Budget- Over (Under)
	Original	Final	Final Budget	Actual Amounts	Actual Amounts
REVENUES					
Taxes	$ -	$ -	$ -	$ 460	$ 460
Intergovernmental revenue:					
Federal	22,500	22,500	-	22,500	-
State	86,930	86,930	-	127,198	40,268
Investment income	-	-	-	1,555	1,555
Other	7,553	7,553	-	4,572	(2,981)
Total revenues	116,983	116,983	-	156,285	39,302
EXPENDITURES					
Current:					
General government	3,426	3,875	449	3,983	108
Transportation	129,134	129,147	13	119,846	(9,301)
Debt Service:					
Principal	-	-	-	8	8
Interest	-	-	-	1	1
Total expenditures	132,560	133,022	462	123,838	(9,184)
Net change in fund balance	(15,577)	(16,039)	462	32,447	48,486
Fund balance, beginning	50,368	50,368	-	50,368	-
Fund balance, ending	$ 34,791	$ 34,329	$ 462	$ 82,815	$ 48,486

The notes to the required supplementary information are an integral part of this schedule.

SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY[1]
MINNESOTA STATE RETIREMENT SYSTEM - GENERAL EMPLOYEES FUND (MSRS-GEF)
LAST TEN YEARS
IN THOUSANDS (EXCEPT PERCENTAGES)

Fiscal Year [2]	Council's proportion of the net pension liability (asset)	Council's proportionate share of the net pension liability (asset)	Council's covered payroll	Council's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	9.394%	$ 1,164,751	$ 258,161	451.17%	47.51%
2017	9.353%	$ 693,797	$ 269,046	257.87%	62.73%
2018	9.363%	$ 129,774	$ 279,617	46.41%	90.56%
2019	9.345%	$ 131,471	$ 290,938	45.19%	90.73%
2020	9.341%	$ 124,063	$ 304,833	40.70%	91.25%
2021	8.851%	$ 7,216	$ 292,232	2.47%	99.53%
2022	9.005%	$ 147,978	$ 306,491	48.28%	90.60%
2023	8.689%	$ 83,483	$ 315,764	26.44%	94.54%
2024	8.397%	$ 2,793	$ 339,239	0.82%	99.82%
2025	8.948%	$ 27,999	$ 405,370	6.91%	98.42%

[1] Refer to Notes to the Required Supplementary Information, Note C for details.

[2] The amounts presented for each fiscal year were determined as of June 30.

SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY[1]
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF MINNESOTA - PUBLIC EMPLOYEES POLICE AND FIRE PLAN
LAST TEN YEARS
IN THOUSANDS (EXCEPT PERCENTAGES)

Fiscal Year [2]	Council's proportion of the net pension liability (asset)	Council's proportionate share of the net pension liability (asset)	State's Proportionate Share of the Net Pension Liability Associated with the Council	Council's Proportionate Share of the Net Pension Liability and the State's Share of the Net Pension Liability (Asset)	Council's covered payroll	Council's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	1.0020%	$ 40,212	$ -	$ -	$ 9,655	416.49%	63.88%
2017	1.0500%	$ 14,177	$ -	$ -	$ 10,783	131.48%	85.43%
2018	1.1011%	$ 11,737	$ -	$ -	$ 11,604	101.15%	88.84%
2019	1.1879%	$ 12,647	$ -	$ -	$ 12,497	101.20%	89.26%
2020	1.2659%	$ 16,686	$ 393	$ 17,079	$ 14,260	117.01%	87.19%
2021	1.2707%	$ 9,808	$ 441	$ 10,249	$ 15,013	65.33%	93.66%
2022	1.0668%	$ 46,423	$ 2,028	$ 48,451	$ 12,959	358.23%	70.53%
2023	1.0798%	$ 18,647	$ 751	$ 19,398	$ 14,179	131.51%	86.47%
2024	1.1280%	$ 14,841	$ 566	$ 15,407	$ 15,620	95.01%	90.17%
2025	1.1425%	$ 13,386	$ 464	$ 13,850	$ 17,339	77.20%	91.78%

[1] Refer to Notes to the Required Supplementary Information, Note C for details.

[2] The amounts presented for each fiscal year were determined as of June 30.

SCHEDULE OF COUNCIL'S CONTRIBUTIONS[1]
MINNESOTA STATE RETIREMENT SYSTEM - GENERAL EMPLOYEES FUND (MSRS-GEF)
LAST TEN YEARS
IN THOUSANDS (EXCEPT PERCENTAGES)

Fiscal Year [2]	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Council's covered payroll	Contributions as a percentage of covered payroll
2016	$ 15,024	$ 15,024	$ -	$ 273,171	5.500%
2017	$ 14,922	$ 14,922	$ -	$ 271,306	5.500%
2018	$ 16,223	$ 16,223	$ -	$ 285,971	5.673%
2019	$ 18,729	$ 18,729	$ -	$ 309,195	6.057%
2020	$ 17,881	$ 17,881	$ -	$ 286,099	6.250%
2021	$ 19,457	$ 19,457	$ -	$ 311,317	6.250%
2022	$ 19,136	$ 19,136	$ -	$ 306,170	6.250%
2023	$ 19,628	$ 19,628	$ -	$ 314,052	6.250%
2024	$ 23,316	$ 23,316	$ -	$ 373,051	6.250%
2025	$ 27,110	$ 27,110	$ -	$ 433,759	6.250%

[1] Refer to Notes to the Required Supplementary Information, Note C for details.

[2] The amounts presented for each fiscal year were determined as of December 31.

SCHEDULE OF COUNCIL'S CONTRIBUTIONS[1]
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF MINNESOTA - PUBLIC EMPLOYEES POLICE AND FIRE PLAN
LAST TEN YEARS
IN THOUSANDS (EXCEPT PERCENTAGES)

Fiscal Year [2]	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Council's covered payroll	Contributions as a percentage of covered payroll
2016	$ 1,637	$ 1,637	$ -	$ 10,104	16.20%
2017	$ 1,762	$ 1,762	$ -	$ 10,877	16.20%
2018	$ 1,921	$ 1,921	$ -	$ 11,859	16.20%
2019	$ 2,334	$ 2,334	$ -	$ 13,768	16.95%
2020	$ 2,631	$ 2,631	$ -	$ 14,867	17.70%
2021	$ 2,530	$ 2,530	$ -	$ 14,293	17.70%
2022	$ 2,316	$ 2,316	$ -	$ 13,087	17.70%
2023	$ 2,675	$ 2,675	$ -	$ 15,115	17.70%
2024	$ 2,913	$ 2,913	$ -	$ 16,459	17.70%
2025	$ 3,069	$ 3,069	$ -	$ 17,339	17.70%

[1] Refer to Notes to the Required Supplementary Information, Note C for details.
[2] The amounts presented for each fiscal year were determined as of December 31.

SCHEDULE OF CHANGES IN THE METROPOLITAN COUNCIL'S TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST TEN YEARS ENDED DECEMBER 31 [1]
IN THOUSANDS (EXCEPT PERCENTAGES)

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability [2]									
Service cost	$ 1,379	$ 2,323	$ 3,044	$ 5,036	$ 5,251	$ 4,524	$ 2,993	$ 4,083	$ 3,602
Interest	10,403	9,251	11,267	7,729	7,625	9,126	11,110	10,360	10,897
Differences between expected and actual experienc	(77,646)	(2,319)	(31,825)	(2,403)	14,106	(357)	22,845	(410)	(1,374)
Changes of assumptions or other input	(5,960)	(24,299)	13,450	(66,126)	2,934	27,452	38,782	(28,758)	12,447
Benefit payments	(12,119)	(13,572)	(15,005)	(14,282)	(14,064)	(15,575)	(14,728)	(14,416)	(12,893)
Net change in total OPEB liability	(83,943)	(28,616)	(19,069)	(70,046)	15,852	25,170	61,002	(29,141)	12,679
Total OPEB liability - beginning	259,580	288,196	307,265	377,311	361,459	336,289	275,287	304,428	291,749
Total OPEB liability - ending	$ 175,637	$ 259,580	$ 288,196	$ 307,265	$ 377,311	$ 361,459	$ 336,289	$ 275,287	$ 304,428
Covered-employee payroll	$ 582,990	$ 520,644	$ 450,483	$ 429,487	$ 422,234	$ 430,830	$ 426,582	408,702	388,152
Total OPEB liability as a percentage of covered-employee payroll	30.13%	49.86%	63.97%	71.54%	89.36%	83.90%	78.83%	67.36%	78.43%

Notes:
Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.
Refer to Notes to the Required Supplementary Information, Note D for details.
The following are the discount rates used in each period:

2017	3.44%
2018	4.10%
2019	2.74%
2020	2.12%
2021	2.06%
2022	3.72%
2023	3.26%
2024	4.08%
2025	4.50%

[1] This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

[2] The assets are not accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2025

Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets, as required by state statutes, are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for the General fund, and all budgeted special revenue funds. All annual appropriations lapse at year-end.

Division staff, starting in February, prepares budgets. These budgets are reviewed by division management and are then submitted to the Regional Administrator's office for review. Budget discussions begin with the Council in June and the budget is adopted in December. The budget is prepared by division, program, and fund. The legal level of control is division within fund. The only fund that has more than one division is the General Fund. The divisions of the General Fund are Regional Administration and Community Development. Transfers between funds require approval of the Council. The Council approved several supplemental appropriations during the year, the effects of which were not material.

B. General Fund - Budget to Actual Comparison by Division

Below are the results of operations at the legal level of control, division budget within the fund.

	Dollars in thousands			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Regional Administration	$ 9,492	$ 13,188	$ 8,367	$ (4,821)
Community Development	30,862	30,891	27,677	(3,214)
Total General Fund	$ 40,354	$ 44,079	$ 36,044	$ (8,035)

C. Actual Budget Results

	Dollars in thousands	
	General Fund Over (Under)	Special Transportation Services Special Revenue Fund Over (Under)
Budgetary Revenue		
Differences - final budget to actual		
In the General Fund, actual amounts of interest revenue exceeded the budget amount primarily due to the interest rates being higher than expected.	$ 1,792	$ -
In the Special Transportation Services Special Revenue Fund, actual state intergovernmental revenue exceeded the budget amount as set by the Council primarily because state appropriations were established after the budget was adopted.	$ -	$ 39,302
Budgetary Expenditure		
Differences - original budget to final budget		
The original budget was amended for expenditure increases primarily for general government purpose.	$ 3,725	$ 462
Differences - final budget to actual		
The General Fund cost savings is due to additional FTE and lower consulting and contractual service cost.	$ (8,619)	$ -
The Special Transportation Services Special Revenue Fund cost savings in transportation expenditures is due to lower than anticipated contracted services	$ -	$ (9,301)

D. Pension obligations

Minnesota State Retirement System – General Employees Fund:

The amounts reported in 2025 reflect the following changes to the benefit terms.
- The benefit multiplier changed from 1.70% to 1.90% for service earned after July 1, 2025.
- The post-retirement benefit increase changed from 1.50% to 1.75% effective January 1, 2026.

The following changes in actuarial assumptions were recognized as of July 1, 2025.

- The combined service annuity load was changed from 4% to 9% for vested terminated members, and from 5% to 51% for non-vested terminated members.

The amounts reported in 2024 reflect the following changes to the benefit terms.

- The actuarial equivalent factors were updated to reflect changes in assumptions.

The amounts reported in 2024 reflect the following changes to the actuarial assumptions.

- The adjustments applied to the mortality table rates were modified slightly, and the mortality improvement scale was updated from MP-2019 to MP-2021.
- Assumed rates of salary increases were modified, resulting in a decrease in gross salary increase rates.
- Assumed rates of retirement were changed, resulting in slightly higher unreduced (Normal) retirement rates, slightly lower Rule of 90 rates, slightly higher early retirement rates for Tier 1 members, and slightly lower early retirement rates for Tier 2 members.
- Assumed rates of withdrawal were changed resulting in slightly more assumed terminations for males and fewer terminations for females.
- Assumed rates of disability were lowered.
- Assumed percent married for male retirees was changed from 80 percent to 75 percent and for female retirees' 60 percent to 65 percent.
- Minor changes to form of payment assumptions and missing participation data assumptions were made.

The amounts reported in 2023 reflect the following changes to the benefit terms.

- The member contribution rate was changed from 6.00 percent to 5.50 percent of pay for two years, effective July 1, 2023.
- An additional one-time direct state aid contribution of $76,440,000 was contributed to the plan on October 1, 2023.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 1.00 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- The vesting period for members hired after June 30, 2010, was changed from five years to three years.

The amounts reported in 2023 reflect the following changes to the actuarial assumptions.

- The long-term investment rate of return and the single discount rates were increased from 6.75 percent to 7.00 percent.

The amounts reported in 2022 reflect the following changes to the benefit terms.

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

The amounts reported in 2022 reflect the following changes to the actuarial assumptions.

- The long-term investment rate of return and the single discount rates were increased from 6.50 percent to 6.75 percent.

The amounts reported in 2021 reflect the following changes to the benefit terms.

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

The amounts reported in 2021 reflect the following changes to the actuarial assumptions.

- The long-term investment rate of return and the single discount rates were decreased from 7.50 percent to 6.50 percent.

The amounts reported in 2020 reflect the following changes to the benefit terms.

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

The amounts reported in 2020 reflect the following changes to the actuarial assumptions.

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is proposed rates that average 0.25% less than the previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements, fewer Rule of 90 retirements and fewer early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 1 – 5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2015 to Scale MP-2018. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table (with future mortality improvement according to Scale MP-2015) to the Pub-2010 General/Teacher disabled annuitant mortality table (with future mortality improvement according to Scale MP-2018), with adjustments.
- The percent married assumption for female members was changed from 65.00% to 60.00%.
- The assumed age difference was changed from three years younger for males to two years younger.
- The assumed number of married male new retirees electing the 50.00% and 100.00% Joint & Survivor options changed from 15.00% to 10.00% and from 30.00% to 65.00%, respectively. The assumed number of married female new retirees electing the 100.00% Joint & Survivor option changed from 30.00% to 40.00%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

The amounts reported in 2019 reflect the following changes to the benefit terms.
- There have been no changes in plan provisions since the previous valuation.

The amounts reported in 2019 reflect the following changes to the actuarial assumptions.
- There have been no changes in assumptions since the prior valuation.

The amounts reported in 2018 reflect the following changes to the benefit terms.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Employee contributions were changed from 5.50 percent to 5.75 percent of their annual covered salary, effective July 1, 2018 and 6.00 percent of their annual covered salary effective July 1, 2019.
- Employer contributions were changed from 5.50 percent to 5.88 percent of annual covered salary, effective July 1, 2018 and 6.25 percent of annual covered salary effective July 1, 2019.
- Interest credited on member contributions will decrease from 4.00 percent to 3.00 percent, effective July 1, 2018.
- Deferred augmentation was changed to 0.00 percent for future accruing benefits, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 2.00 percent per year, increasing to 2.50 percent per year upon achieving a 90.00 percent funding ratio to a fixed rate of 1.00 percent for five years (beginning January 1, 2019) and 1.50 percent per year thereafter.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age.

The amounts reported in 2018 reflect the following changes to the actuarial assumptions.
- The single discount rate was changed from 5.42 percent to 7.50 percent per annum.

The amounts reported in 2017 reflect the following changes to the benefit terms.
- The actuarial equivalent factors were updated to reflect current mortality and interest assumptions, effective January 1, 2017.

The amounts reported in 2017 reflect the following changes to the actuarial assumptions.
- The combined service annuity (CSA) loads were 1.20 percent for active member liability and 40.00 percent for vested and non-vested deferred member liability in the prior year. The revised CSA loads are now 0.00 percent for active member liability, 4.00 percent for vested deferred member liability and 5.00 percent for non-vested deferred member liability.
- The single discount rate was changed from 4.17 percent to 5.42 percent.

The amounts reported in 2016 reflect the following changes to the actuarial assumptions.
- The long-term expected rate of return on pension plan investments changed from 7.90 percent to 7.50 percent.
- The inflation assumption was changed from 2.75 percent to 2.50 percent.
- The payroll growth assumption changed from 3.50 percent to 3.25 percent.
- The single discount rate changed from 7.90 percent to 4.17 percent.
- The assumed post-retirement benefit increase rate was changed from 2.00 percent per year through 2043 and 2.50 percent per year thereafter to 2.00 percent per year for all future years.
- Assumed salary increase rates average 0.20 percent greater than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer unreduced retirements and fewer Rule of 90 retirements.
- Distinct rates for reduced (early) retirements were adopted for members hired prior to July 1, 1989, and members hired after June 30, 1989.
- Assumed rates of termination were changed, generally resulting in greater rates for three to nine years of service, and lower for fifteen or more years of service.
- Assumed rates of disability for females were reduced to 75.00 percent of previous rates.
- Rates for male members were lowered by utilizing the same disability rates as for females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2000 fully generational table to the RP-2014 fully generational table, white collar adjustments, with age adjustments.
- The mortality improvement scale was changed from Scale AA to Scale MP-2015.
- The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table, with age adjustments.
- The percent married assumption was changed from 85.00 percent to 80.00 percent of active male members and from 70.00 percent to 65.00 percent of active female members.
- The assumed number of married male new retirees electing the 75.00 percent Joint & Survivor option changed from 10.00 percent to 15.00 percent.
- The assumed number of married female new retirees electing the 75.00 percent and 100.00 percent Joint & Survivor options changed from 0.00 percent to 10.00 percent and from 25.00 percent to 30.00 percent, respectively.
- The corresponding number of married new retirees electing the Life Annuity option was adjusted accordingly.

Public Employees Retirement Association of Minnesota – Public Employees Police and Fire Fund:

The amounts reported in 2025 reflect the following changes to the benefit terms.
- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1 percent to 3 percent; subsequent January 1 increases will be 1 percent.
- The threshold to end the $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90 percent funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100 percent funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional $9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100 percent funded for a minimum of three consecutive years to 110 percent funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional $17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

The amounts reported in 2025 reflect the following changes to the actuarial assumption:
- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.
- Continued used of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

The amounts reported in 2024 reflect the following changes to the benefit terms.
- The state contribution of $9.00 million per year will continue until the earlier of 1) both the Public Employees Retirement Association Police and Fire Plan and the State Patrol Retirement Fund attaining 90.00 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048.
- The additional $9.00 million contribution will continue until the Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis or July 1, 2048, if earlier.

The amounts reported in 2024 reflect the following changes to the actuarial assumptions.
- There have been no changes in assumptions since the prior valuation.

The amounts reported in 2023 reflect the following changes to the benefit terms.
- An additional one-time direct state aid contribution of $19,397,000 was contributed to the plan on October 1, 2023.
- The vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50.00 percent vesting after five years, increasing incrementally to 100.00 percent after ten years.
- A one-time, non-compounding benefit increase of 3.00 percent will be payable in a lump sum for calendar year 2024, by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member’s occupation.
- A total and permanent duty disability benefit was added, effective July 1, 2023.

The amounts reported in 2023 reflect the following changes to the actuarial assumptions.
- The single discount rate was changed from 5.40 percent to 7.00 percent.
- The investment return assumption was changed from 6.50 percent to 7.00 percent.

The amounts reported in 2022 reflect the following changes to the benefit terms.
- There have been no changes in plan provisions since the previous valuation.

The amounts reported in 2022 reflect the following changes to the actuarial assumptions.
- The single discount rate was changed from 6.50 percent to 5.40 percent.
- The mortality improvement scales was changed from MP-2020 to MP-2021.

The amounts reported in 2021 reflect the following changes to the benefit terms.
- There have been no changes in plan provisions since the previous valuation.

The amounts reported in 2021 reflect the following changes to the actuarial assumptions.
- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.

- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60.00 percent to 70.00 percent. Minor changes to form of payment assumptions were applied.

The amounts reported in 2020 reflect the following changes to the benefit terms.
- There have been no changes in plan provisions since the previous valuation.

The amounts reported in 2020 reflect the following changes to the actuarial assumptions.
- The mortality projection scale was changed from MP-2018 to MP-2019.

The amounts reported in 2019 reflect the following changes to the benefit terms.
- There have been no changes in plan provisions since the previous valuation.

The amounts reported in 2019 reflect the following changes to the actuarial assumptions.
- The mortality projection scale was changed from MP-2017 to MP-2018.

The amounts reported in 2018 reflect the following changes to the benefit terms.
- Post-retirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing $9.00 million state contribution.
- New annual state aid will equal $4.50 million in fiscal years 2019 and 2020, and $9.00 million thereafter until the plan reaches 100.0 percent funding, or July 1, 2048, if earlier.
- Employee contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019, and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019, and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on employee contributions decreased from 4.00 percent to 3.00 percent beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred employees will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

The amounts reported in 2018 reflect the following changes to the actuarial assumptions.
- The mortality projection scale was changed from MP-2016 to MP-2017.

The amounts reported in 2017 reflect the following changes to the actuarial assumptions.
- The assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- The assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table, with a base year of 2006, with male rates adjusted by a factor of 0.96.
- The mortality improvement scale was changed from Scale AA to Scale MP-2016.
- The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- The assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- The assumed age difference was changed from separate assumptions for male members, wives assumed to be three years younger, and female members, husbands assumed to be four years older, to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate changed from 5.60 percent per annum to 7.50 percent per annum.

The amounts reported in 2016 reflect the following changes to the actuarial assumptions.

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, and payroll growth were decreased by .25 percent to 3.25 percent.
- The assumed inflation rate decreased .25 percent to 2.50 percent.

E. Other postemployment benefits (OPEB) obligations

The amounts reported in 2025 reflect the following changes to the actuarial assumptions.

- The discount rate was changed from 4.08 percent to 4.50 percent.
- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The retirement, withdrawal, and salary increase rates were updated to reflect the latest experience study.

The amounts reported in 2024 reflect the following changes to the actuarial assumptions.

- The discount rate was changed from 3.26 percent to 4.08 percent.

The amounts reported in 2023 reflect the following changes to the actuarial assumptions.

- The discount rate was changed from 3.72 percent to 3.26 percent.
- The mortality improvement scale was updated from MP-2020 to MP-2021.
- The annual medial claims costs and premiums were updated based on recent experience.
- The annual medical trend was updated based on recent trend surveys, short-term expectations, and the current version of the SOA-Getzen trend model.

The amounts reported in 2022 reflect the following changes to the actuarial assumptions.

- The discount rate was changed from 2.06 percent to 3.72 percent.

The amounts reported in 2021 reflect the following changes to the actuarial assumptions.

- The discount rate was changed from 2.12 percent to 2.06 percent.
- The mortality improvement scale was updated from MP-2018 to MP-2020.
- The annual medial claims costs and premiums were updated based on recent experience.
- The annual medical trend was updated based on recent trend surveys, short-term expectations, and the current version of the SOA-Getzen trend model.
- The post 65 claims were age graded for Medicare Supplement plan participants.

The amounts reported in 2020 reflect the following changes to the actuarial assumptions.

- The discount rate was changed from 2.74 percent to 2.12 percent.

The amounts reported in 2019 reflect the following changes to the actuarial assumptions.

- The discount rate was changed from 4.10 percent to 2.74 percent.
- The inflation rate was changed from 2.50 percent to 2.25 percent.
- The mortality assumption was updated to use the assumptions from the Minnesota State Retirement System (MSRS) General Plan Experience Study with the exception of using the Pub-2010 General Headcount-Weighted Mortality Table instead of the Pub-2010 General Amount-Weighted Mortality Table.
- The withdrawal and retirement assumption were updated to use the assumptions from the Minnesota State Retirement System General Plan Experience Study, after adjustment from benefit-weighting to headcount-weighting.
- The salary increase assumption was updated to use the assumption from the Minnesota State Retirement System General Plan Experience Study.
- The annual medical claims costs and premiums were updated based on recent experience.
- The payroll growth rate decreased from 3.50 percent to 3.00 percent.
- The medical plan participation assumption for ATU Plan B changed from Open Access: 75.00 percent and Distinctions: 25.00 percent to Open Access: 80.00 percent and Distinctions: 20.00 percent.
- The annual medical trend was updated based on recent trend surveys, short-term expectations, and the current version of the SOA-Getzen trend model.

The amounts reported in 2018 reflect the following changes to the actuarial assumptions.

- The inflation rate was changed from 2.75 percent to 2.50 percent.
- The mortality improvement scale was changed from MP-2015 to MP-2017.

COMBINING AND INDIVIDUAL

FUND FINANCIAL STATEMENTS

AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for specific revenues that are legally or administratively restricted to expenditures for particular purposes.

Highway Right-of-Way Acquisition Loan fund accounts for taxes and related homestead credits for the loans to governmental units to acquire state highway rights-of-way to avert the conversion of property to uses which would jeopardize later construction.

Livable Communities fund accounts for taxes, related market value credits, and solid waste bond proceeds received for the clean-up of polluted sites, revitalization of neighborhoods, and the creation of affordable and life-cycle housing.

Transportation Planning fund accounts for state taxes, federal grants, and local revenues defined and legally restricted to conducting and coordinating the region's transportation planning.

Pass-Through fund is for state taxes, regional transportation sales and use tax, and federal grants used in defined and legally restricted regional transportation programs within the Metropolitan Council's boundaries.

Contracted Transit Service fund accounts for state taxes and federal grants used in defined and legally restricted regional transportation programs within the Metropolitan Council's boundaries.

Other Special Revenue fund accounts for specific revenues that are restricted to expenditures for specifically defined and legally restricted land use planning assistance and sustainable communities programs.

Capital Project Funds

Capital project funds are used to account for the acquisition and development of regional parks.

North Mississippi Park fund accounts for the acquisition and betterment of North Mississippi Regional Park land.

Parks and Open Space Grants fund accounts for the funds received from state appropriations and bond sales for the acquisition and development of regional recreation open space.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025
IN THOUSANDS

	Total Special Revenue	Total Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 239,083	$ 110,890	$ 349,973
Accounts receivable	111	-	111
Taxes receivable	7,303	-	7,303
Interest receivable	640	327	967
Due from other governmental units	8,371	12,605	20,976
Loans and advances	26,252	-	26,252
Total assets	$ 281,760	$ 123,822	$ 405,582
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts/contracts/subgrantees payable	$ 21,175	$ 4,813	$ 25,988
Total liabilities	21,175	4,813	25,988
Deferred inflows of resources:			
Unavailable revenue - taxes	754	-	754
Fund balances:			
Restricted	226,971	200,081	427,052
Committed	30,706	-	30,706
Assigned	2,154	-	2,154
Unassigned	-	(81,072)	(81,072)
Total fund balances	259,831	119,009	378,840
Total liabilities, deferred inflows of resources and fund balances	$ 281,760	$ 123,822	$ 405,582

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
DECEMBER 31, 2025
IN THOUSANDS

	Highway Right-of-Way Acquisition Loan	Livable Communities	Transportation Planning	Pass-Through	Contracted Transit Service	Other Special Revenue	Total Special Revenue
ASSETS							
Cash and cash equivalents	$ 35,610	$ 109,348	$ 14,383	$ 47,261	$ 30,331	$ 2,150	$ 239,083
Accounts receivable	-	-	-	-	111	-	111
Taxes receivable	-	893	472	5,807	131	-	7,303
Interest receivable	105	318	39	126	48	4	640
Due from other governmental units	-	-	1,565	3,991	2,815	-	8,371
Loans and advances	26,252	-	-	-	-	-	26,252
Total assets	$ 61,967	$ 110,559	$ 16,459	$ 57,185	$ 33,436	$ 2,154	$ 281,760
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts/contracts/subgrantees payable	$ -	$ 2,459	$ 600	$ 8,852	$ 9,264	$ -	$ 21,175
Total liabilities	-	2,459	600	8,852	9,264	-	21,175
Deferred inflows of resources:							
Unavailable revenue - taxes	-	754	-	-	-	-	754
Total deferred inflows of resources	-	754	-	-	-	-	754
Fund balances:							
Restricted	61,967	107,346	4,408	48,333	4,917	-	226,971
Committed	-	-	11,451	-	19,255	-	30,706
Assigned	-	-	-	-	-	2,154	2,154
Total fund balances	61,967	107,346	15,859	48,333	24,172	2,154	259,831
Total liabilities, deferred inflows of resources and fund balances	$ 61,967	$ 110,559	$ 16,459	$ 57,185	$ 33,436	$ 2,154	$ 281,760

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS-CAPITAL PROJECTS
DECEMBER 31, 2025
IN THOUSANDS

	North Mississippi Park	Parks and Open Space Grants	Total Capital Projects
ASSETS			
Cash and cash equivalents	$ -	$ 110,890	$ 110,890
Accounts receivable	-	-	$ -
Interest receivable	-	327	327
Due from other governmental units	-	12,605	12,605
Total assets	$ -	$ 123,822	$ 123,822
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts/contracts/subgrantees payable	$ -	$ 4,813	$ 4,813
Total liabilities	-	4,813	4,813
Fund balances:			
Restricted	-	200,081	200,081
Unassigned	-	(81,072)	(81,072)
Total fund balances	-	119,009	119,009
Total liabilities and fund balances	$ -	$ 123,822	$ 123,822

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	Total Special Revenue	Total Capital Projects	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	$ 65,748	$ -	$ 65,748
Intergovernmental revenue:			
Federal	10,500	-	10,500
State	79,388	42,374	121,762
Local	112	-	112
Investment income	9,605	4,532	14,137
Other	1,721	-	1,721
Total revenues	167,074	46,906	213,980
EXPENDITURES			
Current:			
General government	4,796	-	4,796
Transportation	56,903	-	56,903
Intergovernmental:			
Transportation	63,869	-	63,869
Culture and recreation	-	47,571	47,571
Economic revitalization	8,676	-	8,676
Environment development	2,026	-	2,026
Housing	2,702	-	2,702
Total expenditures	138,972	47,571	186,543
Excess (deficiency) of revenues over (under) expenditures	28,102	(665)	27,437
OTHER FINANCING SOURCES (USES)			
Transfers in	4,656	118	4,774
Transfers out	(1,736)	(118)	(1,854)
Bonds issued	-	9,730	9,730
Premium on bonds and capital related debt	-	618	618
Total other financing sources (uses)	2,920	10,348	13,268
Net change in fund balances	31,022	9,683	40,705
Fund balances, beginning	228,809	109,326	338,135
Fund balances, ending	$ 259,831	$ 119,009	$ 378,840

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	Highway Right-of-Way Acquisition Loan	Livable Communities	Transportation Planning	Pass-Through	Contracted Transit Service	Other Special Revenue	Total Special Revenue
REVENUES							
Taxes	$ -	$ 19,903	$ 1,027	$ 37,916	$ 6,902	$ -	$ 65,748
Intergovernmental revenue:							
Federal	-	-	6,676	402	3,422	-	10,500
State	-	-	550	46,692	32,146	-	79,388
Local	-	-	112	-	-	-	112
Investment income	1,512	4,388	954	1,310	1,400	41	9,605
Other	82	-	-	-	1,639	-	1,721
Total revenues	1,594	24,291	9,319	86,320	45,509	41	167,074
EXPENDITURES							
Current:							
General government	18	-	3,374	-	1,404	-	4,796
Transportation	-	-	8,136	-	48,767	-	56,903
Intergovernmental:							
Transportation	-	-	39	63,830	-	-	63,869
Economic revitalization	-	8,676	-	-	-	-	8,676
Environment development	-	2,026	-	-	-	-	2,026
Housing	-	2,702	-	-	-	-	2,702
Total expenditures	18	13,404	11,549	63,830	50,171	-	138,972
Excess (deficiency) of revenues over (under) expenditures	1,576	10,887	(2,230)	22,490	(4,662)	41	28,102
OTHER FINANCING SOURCES (USES)							
Transfers in	-	1,000	615	-	1,566	1,475	4,656
Transfers out	-	-	-	(615)	(1,121)	-	(1,736)
Total other financing sources (uses)	-	1,000	615	(615)	445	1,475	2,920
Net change in fund balances	1,576	11,887	(1,615)	21,875	(4,217)	1,516	31,022
Fund balances, beginning	60,391	95,459	17,474	26,458	28,389	638	228,809
Fund balances, ending	$ 61,967	$ 107,346	$ 15,859	$ 48,333	$ 24,172	$ 2,154	$ 259,831

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS-CAPITAL PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	North Mississippi Park	Parks and Open Space Grants	Total Capital Projects
REVENUES			
Intergovernmental revenue:			
State	$ -	$ 42,374	$ 42,374
Investment income	-	4,532	4,532
Total revenues	-	46,906	46,906
EXPENDITURES			
Intergovernmental:			
Culture and recreation	-	47,571	47,571
Total expenditures	-	47,571	47,571
Excess (deficiency) of revenues over (under) expenditures	-	(665)	(665)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	118	118
Transfers out	(118)	-	(118)
Bonds issued	-	9,730	9,730
Premium on bonds and capital related debt	-	618	618
Total other financing sources (uses)	(118)	10,466	10,348
Net change in fund balances	(118)	9,801	9,683
Fund balances, beginning	118	109,208	109,326
Fund balances, ending	$ -	$ 119,009	$ 119,009

BUDGETARY COMPARISON SCHEDULE
LIVABLE COMMUNITIES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	Budgeted Amounts		Actual	Variance with Final Budget- Over
	Original	Final	Amounts	(Under)
REVENUES				
Taxes	$ 20,163	$ 20,163	$ 19,903	$ (260)
Investment income	-	-	4,388	4,388
Total revenues	20,163	20,163	24,291	4,128
EXPENDITURES				
Intergovernmental:				
Economic revitalization	24,178	24,178	8,676	(15,502)
Environment development	5,806	5,806	2,026	(3,780)
Housing	5,015	5,015	2,702	(2,313)
Total expenditures	34,999	34,999	13,404	(21,595)
Excess (deficiency) of revenues over (under) expenditures	(14,836)	(14,836)	10,887	25,723
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000	1,000	1,000	-
Net change in fund balance	(13,836)	(13,836)	11,887	25,723
Fund balance, beginning	95,459	95,459	95,459	-
Fund balance, ending	$ 81,623	$ 81,623	$ 107,346	$ 25,723

BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION PLANNING SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget- Over (Under)
REVENUES				
Taxes	$ 450	$ 550	$ 1,027	$ 477
Intergovernmental revenue:				
Federal	6,732	6,792	6,676	(116)
State	550	550	550	-
Local	175	175	112	(63)
Investment income	-	-	954	954
Total revenues	7,907	8,067	9,319	1,252
EXPENDITURES				
Current:				
General government	2,905	3,291	3,374	83
Transportation	10,527	10,629	8,136	(2,493)
Intergovernmental:				
Transportation	-	-	39	39
Total expenditures	13,432	13,920	11,549	(2,371)
Excess (deficiency) of revenues over (under) expenditures	(5,525)	(5,853)	(2,230)	3,623
OTHER FINANCING SOURCES (USES)				
Transfers in	615	615	615	-
Total other financing sources (uses)	615	615	615	-
Net change in fund balance	(4,910)	(5,238)	(1,615)	3,623
Fund balance, beginning	17,474	17,474	17,474	-
Fund balance, ending	$ 12,564	$ 12,236	$ 15,859	$ 3,623

BUDGETARY COMPARISON SCHEDULE
PASS-THROUGH SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	Budgeted Amounts			Variance with Final Budget- Over
	Original	Final	Actual Amounts	(Under)
REVENUES				
Taxes	$ 40,237	$ 38,127	$ 37,916	$ (211)
Intergovernmental revenue:				
Federal	3,075	3,076	402	(2,674)
State	49,123	50,758	46,692	(4,066)
Investment income	-	-	1,310	1,310
Total revenues	92,435	91,961	86,320	(5,641)
EXPENDITURES				
Intergovernmental:				
Transportation	91,920	91,446	63,830	(27,616)
Total expenditures	91,920	91,446	63,830	(27,616)
Excess (deficiency) of revenues over (under) expenditures	515	515	22,490	21,975
OTHER FINANCING SOURCES (USES)				
Transfers in	100	100	-	(100)
Transfers out	(615)	(615)	(615)	-
Total other financing sources (uses)	(515)	(515)	(615)	(100)
Net change in fund balance	-	-	21,875	21,875
Fund balance, beginning	26,458	26,458	26,458	-
Fund balance, ending	$ 26,458	$ 26,458	$ 48,333	$ 21,875

BUDGETARY COMPARISON SCHEDULE
CONTRACTED TRANSIT SERVICE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	Budgeted Amounts		Actual	Variance with Final Budget- Over
	Original	Final	Amounts	(Under)
REVENUES				
Taxes	$ 6,702	$ 6,702	$ 6,902	$ 200
Intergovernmental revenue:				
Federal	1,190	3,675	3,422	(253)
State	33,000	33,000	32,146	(854)
Investment income	-	-	1,400	1,400
Other	1,657	1,657	1,639	(18)
Total revenues	42,549	45,034	45,509	475
EXPENDITURES				
Current:				
General government	1,208	1,367	1,404	37
Transportation	45,545	48,555	48,767	212
Total expenditures	46,753	49,922	50,171	249
Excess (deficiency) of revenues over (under) expenditures	(4,204)	(4,888)	(4,662)	226
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,566	1,566
Transfers out	-	(1,121)	(1,121)	-
Total other financing sources (uses)	-	(1,121)	445	1,566
Net change in fund balance	(4,204)	(6,009)	(4,217)	1,792
Fund balance, beginning	28,389	28,389	28,389	-
Fund balance, ending	$ 24,185	$ 22,380	$ 24,172	$ 1,792

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND BY DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

	Regional Administration			Community Development			Total		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	$ 1,298	$ 1,276	$ (22)	$18,020	$17,713	$ (307)	$ 19,318	$ 18,989	$ (329)
Intergovernmental revenue:									
Federal	-	-	-	1,830	416	(1,414)	1,830	416	(1,414)
State	-	19	19	11,615	11,615	-	11,615	11,634	19
Local	-	-	-	-	66	66	-	66	66
Investment income	702	4,153	3,451	-	-	-	702	4,153	3,451
Other	120	119	(1)	-	-	-	120	119	(1)
Total revenues	2,120	5,567	3,447	31,465	29,810	(1,655)	33,585	35,377	1,792
EXPENDITURES									
Current:									
General government	6,850	1,339	(5,511)	19,170	16,062	(3,108)	26,020	17,401	(8,619)
Intergovernmental:									
Culture and recreation	-	-	-	11,615	11,615	-	11,615	11,615	-
Debt service:									
Principal	-	1,160	1,160	-	-	-	-	1,160	1,160
Interest and other charges	-	122	122	-	-	-	-	122	122
Capital outlay	6,338	5,746	(592)	106	-	(106)	6,444	5,746	(698)
Total expenditures	13,188	8,367	(4,821)	30,891	27,677	(3,214)	44,079	36,044	(8,035)
Excess (deficiency) of revenues over (under) expenditures	(11,068)	(2,800)	8,268	574	2,133	1,559	(10,494)	(667)	9,827
OTHER FINANCING SOURCES (USES)									
Transfers in	-	2,616	2,616	-	-	-	-	2,616	2,616
Transfers out	(100)	(100)	-	(2,475)	(2,475)	-	(2,575)	(2,575)	-
Inception of right-to-use asset	-	3,325	3,325	-	-	-	-	3,325	3,325
Total other financing sources (uses)	(100)	5,841	5,941	(2,475)	(2,475)	-	(2,575)	3,366	5,941
Net change in fund balance	$(11,168)	$ 3,041	$ 14,209	$ (1,901)	$ (342)	$ 1,559	$ (13,069)	$ 2,699	$ 15,768

METROPOLITAN COUNCIL
BONDS/LOANS/NOTES OUTSTANDING
as of DECEMBER 31, 2025
IN THOUSANDS

	Issue Date	Final Maturity Date	Original Issue	Payments Prior Years	Payments Year Ended 12/31/25	Bonds/Loans/ Notes Issued/ Drawn Down in 2025	Bonds/ Loans/Notes Outstanding 12/31/2025	Refunded Bonds	Maturing in 2026	Future Maturities
GENERAL OBLIGATION BONDS/LOANS/NOTES PAYABLE:										
GOVERMENTAL ACTIVITIES:										
G.O. Park Bonds:										
2021D	19-May-21	1-Mar-25	3,060	2,245	815	-	-	-	-	-
2021E - Taxable	19-May-21	1-Mar-25	3,060	2,320	740	-	-	-	-	-
2023D	15-Jun-23	1-Mar-27	4,580	1,110	1,100	-	2,370	-	1,155	1,215
2025D	1-May-25	1-Mar-30	9,730	-	-	9,730	9,730	-	1,210	8,520
Subtotal: G.O. Park Bonds			20,430	5,675	2,655	9,730	12,100	-	2,365	9,735
G.O. Transit Bonds:										
2015A	6-Aug-15	1-Mar-25	45,000	41,825	3,175	-	-	-	-	-
2016A	23-Jun-16	1-Mar-26	30,000	26,400	1,750	-	1,850	-	1,850	-
2016A, Refunding	23-Jun-16	1-Mar-25	6,025	5,645	380	-	-	-	-	-
2017B	18-May-17	1-Mar-27	40,000	32,020	2,540	-	5,440	-	2,660	2,780
2018D	23-May-18	1-Mar-28	37,680	25,685	2,810	-	9,185	-	2,950	6,235
2019A	19-Jun-19	1-Mar-29	72,300	41,100	6,200	-	25,000	-	6,200	18,800
2019B	19-Jun-19	1-Mar-39	44,700	10,950	2,250	-	31,500	-	2,250	29,250
2020D, Refunding	22-Dec-20	1-Mar-31	15,155	4,030	1,530	-	9,595	-	1,605	7,990
2022B	17-May-22	1-Mar-32	53,245	15,465	3,955	-	33,825	-	4,155	29,670
2023B	15-Jun-23	1-Mar-33	50,600	18,105	2,945	-	29,550	-	3,095	26,455
2025B	1-May-25	1-Mar-35	77,705	-	-	77,705	77,705	-	30,110	47,595
Subtotal: G. O. Transit Bonds			472,410	221,225	27,535	77,705	223,650	-	54,875	168,775
Total Governmental Activities G.O. Bonds Payable			492,840	226,900	30,190	87,435	235,750	-	57,240	178,510
BUSINESS-TYPE ACTIVITIES:										
G.O. Transit Grant Anticipation Notes:										
2021B GANs	5-May-21	1-Dec-25	174,805	129,065	45,740	-	-	-	-	-
2021C GANs	5-May-21	1-Dec-29	181,410	-	-	-	181,410	-	42,090	139,320
Subtotal: G.O. Transit Grant Anticipation Notes			356,215	129,065	45,740	-	181,410	-	42,090	139,320
G.O. Wastewater Revenue Bonds:										
2012I, Refunding	15-Nov-12	1-Mar-28	127,235	85,700	11,455	-	30,080	-	11,270	18,810
2015C	6-Aug-15	1-Mar-35	100,000	43,000	5,000	-	52,000	-	5,000	47,000
2016C	23-Jun-16	1-Mar-36	100,000	38,000	7,000	-	55,000	-	5,000	50,000
2016C, Refunding	23-Jun-16	1-Mar-30	23,355	9,335	1,605	-	12,415	-	2,395	10,020
2017C	18-May-17	1-Sep-37	105,000	26,270	4,815	-	73,915	-	5,005	68,910
2018B - Taxable	23-May-18	1-Mar-28	12,295	6,980	1,265	-	4,050	-	1,305	2,745
2018C	23-May-18	1-Mar-38	105,000	18,215	4,755	-	82,030	-	4,950	77,080
2020B	17-Jun-20	1-Mar-40	80,000	12,000	4,500	-	63,500	-	4,500	59,000
2020E, Refunding	22-Dec-20	1-Dec-30	30,790	10,865	2,985	-	16,940	-	3,100	13,840
2021F, Refunding	19-May-21	1-Sep-34	101,265	30,980	14,470	-	55,815	-	7,275	48,540
2022C	17-May-22	1-Mar-42	47,920	2,430	1,635	-	43,855	-	1,720	42,135
2023C	15-Jun-23	1-Mar-43	89,765	1,850	2,860	-	85,055	-	3,005	82,050
2024B	6-Jun-24	1-Mar-44	59,640	-	1,175	-	58,465	-	1,910	56,555
2025C	1-May-25	1-Mar-45	74,505	-	-	74,505	74,505	-	1,145	73,360
Subtotal: G.O. Sewer Bonds			1,056,770	285,625	63,520	74,505	707,625	-	57,580	650,045
Minnesota Public Facilities Authority Loans-Wastewater: (Backed by General Obligation Notes)										
	20-Oct-04	20-Feb-25	50,000	47,000	3,000	-	-	-	-	-
	10-Nov-05	20-Feb-25	40,000	38,290	1,710	-	-	-	-	-
	13-Sep-06	20-Aug-26	50,000	40,800	5,000	-	4,200	-	4,200	-
	11-Oct-07	20-Aug-27	80,000	70,045	2,000	-	7,955	-	5,200	2,755
	22-Sep-09	20-Aug-29	49,411	37,676	2,935	-	8,800	-	3,550	5,250
	31-Aug-09	20-Aug-29	30,589	23,324	1,815	-	5,450	-	2,200	3,250
	12-Jan-11	20-Aug-30	70,000	45,688	3,878	-	20,434	-	3,945	16,489
	15-Feb-12	20-Aug-31	60,000	34,167	3,900	-	21,933	-	3,580	18,353
	23-May-13	20-Aug-32	40,000	21,200	2,400	-	16,400	-	2,400	14,000
	30-Dec-13	20-Aug-33	60,000	31,000	4,000	-	25,000	-	4,000	21,000
	10-Dec-14	20-Aug-34	60,000	30,000	3,000	-	27,000	-	3,000	24,000
	6-Nov-15	20-Aug-35	70,000	31,500	3,500	-	35,000	-	3,500	31,500
	18-Jan-17	20-Aug-36	40,000	11,400	2,200	-	26,400	-	2,200	24,200
	1-Aug-18	20-Aug-38	45,000	11,400	3,200	-	30,400	-	2,300	28,100
	26-Nov-19	20-Aug-38	50,000	12,300	2,800	-	34,900	-	2,800	32,100
	1-Mar-21	20-Aug-39	50,000	9,250	2,950	-	37,800	-	2,900	34,900
	12-Jan-22	20-Aug-40	50,000	6,000	2,750	-	41,250	-	2,750	38,500
	14-Mar-23	20-Aug-42	40,000	4,000	2,000	-	34,000	-	2,000	32,000
	3-Mar-24	20-Aug-43	42,000	2,100	2,100	14,002	37,800		2,100	35,700
	5-Jun-25	20-Aug-44	24,822 (a)	-	-	24,822	24,822		1,241	23,581
Subtotal: Minnesota Public Facility Authority Loans-Wastewater			1,001,822	507,140	55,138	38,824	439,544	-	53,866	385,678
Total G.O. Wastewater Revenue Bonds/Loans Payable			2,058,592	792,765	118,658	113,329	1,147,169	-	111,446	1,035,723
Total Business-type Activities G.O. Bonds/Loans/Notes Payable			2,414,807	921,830	164,398	113,329	1,328,579	-	153,536	1,175,043
Total General Obligation Bonds/Loans/Notes Payable			$ 2,907,647	$ 1,148,730	$ 194,588	$ 200,764	$ 1,564,329	$ -	$ 210,776	$ 1,353,553

(a) Of the $32 million 2025 MPFA Loan, only the amount shown had been drawn as of 12/31/25.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

Federal Grantor/ Pass-Through Agency/ Grant Program Title	Assistance Listing Number	Pass-Through Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871		$ 119,143	$ -
Section 8 Housing Choice Vouchers - Emergency Housing Vouchers	14.871		2,896	-
Total Direct Assistance Listing #14.871			**122,039**	**-**
Mainstream Vouchers	14.879		**3,229**	**-**
Community Development Block Grant - Pro Housing Competition	14.023		**35**	**-**
Passed Through City of Minneapolis, Minnesota				
Housing Opportunities for Persons with AIDS	14.241	C-02454	**740**	-
Passed Through City of Minneapolis Public Housing Authority				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	MPHA 22.059	995	-
Total Assistance Listing #14.871			**123,034**	**-**
Total U. S. Department of Housing and Urban Development			**127,038**	**-**
U.S. Department of Transportation				
Direct				
Federal Transit Administration				
Federal Transit Cluster				
Federal Transit-Capital Investment Grants	20.500		**104,757**	**203**
Federal Transit-Formula Grants	20.507		148,939	7,100
COVID-19 Federal Transit-Formula Grants	20.507		22,500	-
Total Assistance Listing #20.507			**171,439**	**7,100**
State of Good Repair Grants Program	20.525		**21,333**	**-**
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526		**22,668**	**4,836**
Technical Assistance and Workforce Development	20.531		**50**	**-**
Community Project Funding Congressionally Directed Spending	20.534		**9,182**	**-**
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction	20.205	1051589	6,182	39
Highway Planning and Construction	20.205	1046170	9	-
Total Assistance Listing #20.205			**6,191**	**39**
Formula Grants for Rural Areas and Tribal Transit Program	20.509	1054545	**878**	**-**
Total U.S. Department of Transportation			**336,498**	**12,178**

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

Federal Grantor/ Pass-Through Agency/ Grant Program Title	Assistance Listing Number	Pass-Through Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Environmental Protection Agency				
Direct				
Climate Pollution Reduction Grants	66.046		**381**	**-**
Passed Through Minnesota Public Facilities Authority				
Clean Water State Revolving Fund	66.458	MPFA-CWRF-L-047-FY24	14,002	-
Clean Water State Revolving Fund	66.458	MPFA-CWRF-L-088-FY25	24,822	-
Total Assistance Listing #66.458			**38,824**	**-**
Total U. S. Environmental Protection Agency			**39,205**	**-**
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Public Safety				
Homeland Security Grant Program	97.067		**17**	**-**
Total Federal Awards			**$ 502,758**	**$ 12,178**
Totals by Cluster				
Total expenditures for Housing Voucher Cluster			$ 126,263	
Total expenditures for Federal Transit Cluster			320,197	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2025

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by the Metropolitan Council. The Council's reporting entity is defined in Note I.A. to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Metropolitan Council under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Metropolitan Council, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Metropolitan Council.

Expenditures reported on the schedule are reported on the basis of accounting used by the individual funds of the Metropolitan Council, with recognition criteria following Uniform Guidance. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the full accrual basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

B. De Minimis Cost Rate

The Metropolitan Council has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

STATISTICAL SECTION

METROPOLITAN
COUNCIL


Calvin Klein

STATISTICAL SECTION

This part of the Metropolitan Council's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Metropolitan Council's overall financial health.

Contents **Page**

Sources:

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

NET POSITION BY COMPONENT
LAST TEN YEARS ENDED DECEMBER 31
IN THOUSANDS
(accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	$ 114,001	$ 90,088	$ 75,128	$ 76,617	$ 77,929	$ 75,276	$ 98,575	$ 103,150	$ 88,398	$ 81,285
Restricted	678,997	814,059	499,915	380,619	403,371	355,823	457,845	346,016	335,559	284,575
Unrestricted	(89,189)	(113,532)	(115,852)	(77,862)	(125,423)	(62,116)	(188,659)	(114,316)	(153,830)	(126,124)
Total governmental activities net position	$ 703,809	$ 790,615	$ 459,191	$ 379,374	$ 355,877	$ 368,983	$ 367,761	$ 334,850	$ 270,127	$ 239,736
Business-type activities										
Net investment in capital assets	$ 5,814,218	$ 5,327,285	$ 4,822,877	$ 4,334,537	$ 3,756,183	$ 3,548,318	$ 3,292,273	$ 3,012,182	$ 2,856,278	$ 2,840,890
Restricted	1,012,943	759,097	704,825	751,040	778,460	287,424	106,812	108,634	90,725	45,132
Unrestricted	326,981	390,075	429,270	183,256	145,316	60,090	(95,849)	(112,749)	(303,553)	(119,454)
Total business-type activities net position	$ 7,154,142	$ 6,476,457	$ 5,956,972	$ 5,268,833	$ 4,679,959	$ 3,895,832	$ 3,303,236	$ 3,008,067	$ 2,643,450	$ 2,766,568
Total										
Net investment in capital assets	$ 5,928,219	$ 5,417,373	$ 4,898,005	$ 4,411,154	$ 3,834,112	$ 3,623,594	$ 3,390,848	$ 3,115,332	$ 2,944,676	$ 2,922,175
Restricted	1,691,940	1,573,156	1,204,740	1,131,659	1,181,831	643,247	564,657	454,650	426,284	329,707
Unrestricted	237,792	276,543	313,418	105,394	19,893	(2,026)	(284,508)	(227,065)	(457,383)	(245,578)
Total governmental and business-type activities net position	$ 7,857,951	$ 7,267,072	$ 6,416,163	$ 5,648,207	$ 5,035,836	$ 4,264,815	$ 3,670,997	$ 3,342,917	$ 2,913,577	$ 3,006,304

Unaudited

CHANGES IN NET POSITION
LAST TEN YEARS ENDED DECEMBER 31
IN THOUSANDS
(accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017[1]	2016
Expenses										
Governmental activities:										
General government	$ 33,000	$ 11,304	$ 14,418	$ 9,043	$ (7,781)	$ 15,655	$ 14,289	$ (3,225)	$ 28,128	$ 29,151
Transportation	295,466	245,643	221,767	206,297	194,361	194,598	176,640	167,991	146,429	146,214
Culture and recreation	59,186	46,137	49,503	30,319	27,473	43,375	56,383	34,830	33,277	48,704
Economic revitalization	8,676	9,139	9,720	7,574	8,810	12,464	16,835	7,807	8,812	10,756
Environment development	2,026	3,668	2,787	5,320	3,467	5,363	6,216	4,926	5,347	6,413
Housing	2,702	4,556	3,893	5,620	1,050	1,358	3,607	2,234	1,859	732
Interest and other charges	6,711	4,218	5,340	4,646	5,305	7,290	6,999	5,037	5,979	6,496
Total governmental activities expenses	$ 407,767	$ 324,665	$ 307,428	268,819	232,685	280,103	280,969	219,600	229,831	248,466
Business-type activities:										
Environmental services	297,862	296,023	271,723	217,200	214,675	270,791	263,824	219,380	245,869	274,544
Transit bus	598,827	520,143	441,831	392,531	300,492	410,907	411,291	291,133	431,815	475,809
Transit light rail	214,460	181,833	176,711	162,355	146,813	148,492	151,400	127,480	172,079	166,464
Transit commuter rail	20,674	21,067	18,340	17,411	14,317	23,208	26,458	25,233	26,738	27,936
Housing	128,571	113,796	105,435	97,387	88,950	84,740	79,416	74,817	75,434	69,417
Total business-type activities expenses	1,260,394	1,132,862	1,014,040	886,884	765,247	938,138	932,389	738,043	951,935	1,014,170
Total expenses	$ 1,668,161	$ 1,457,527	$ 1,321,468	$ 1,155,703	$ 997,932	$ 1,218,241	$ 1,213,358	$ 957,643	$ 1,181,766	$ 1,262,636
Program Revenues										
Governmental activities:										
Charges for services										
Transit fares	$ 6,211	$ 7,390	$ 8,318	$ 7,964	$ 7,274	$ 5,076	$ 10,074	$ 10,261	$ 7,885	$ 7,895
Insurance reimbursements	274	560	637	276	385	364	125	95	89	586
Other activities	-	-	-	-	-	-	405	371	395	8,375
Operating grants and contributions	251,748	191,932	224,652	196,634	151,250	188,276	160,287	150,442	135,895	124,564
Capital grants and contributions	97,762	75,884	57,959	42,692	44,961	34,096	54,714	50,969	46,970	64,569
Total governmental activities program revenues	355,995	275,766	291,566	247,566	203,870	227,812	225,605	212,138	191,234	205,989
Business-type activities:										
Charges for services										
Wastewater	363,346	344,129	331,708	331,454	314,439	299,236	288,390	281,990	265,497	254,223
Transit fares	56,547	44,935	46,777	51,703	33,145	45,036	104,464	109,799	103,017	104,120
Other activities	976	1,070	1,023	948	856	856	880	875	819	1,116
Operating grants and contributions	450,445	532,351	728,317	534,494	403,014	581,316	411,574	413,859	416,209	373,874
Capital grants and contributions	371,241	459,352	485,585	585,717	669,904	517,959	347,007	277,340	174,810	156,981
Total business-type activities program revenues	1,242,555	1,381,837	1,593,410	1,504,316	1,421,358	1,444,403	1,152,315	1,083,863	960,352	890,314
Total program revenues	$ 1,598,550	$ 1,657,603	$ 1,884,976	$ 1,751,882	$ 1,625,228	$ 1,672,215	$ 1,377,920	$ 1,296,001	$ 1,151,586	$ 1,096,303
Net (Expense) Revenue										
Governmental activities	$ (51,772)	$ (48,899)	$ (15,862)	$ (21,253)	$ (28,815)	$ (52,291)	$ (55,364)	$ (7,462)	$ (38,597)	$ (42,477)
Business-type activities	(17,839)	248,975	579,370	617,432	656,111	506,265	219,926	345,820	8,417	(123,856)
Total net (expenses) revenues	$ (69,611)	$ 200,076	$ 563,508	$ 596,179	$ 627,296	$ 453,974	$ 164,562	$ 338,358	$ (30,180)	$ (166,333)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property tax	$ 95,143	$ 92,572	$ 90,443	$ 89,164	$ 87,640	$ 88,027	$ 86,228	$ 84,416	$ 83,620	$ 81,859
Regional transportation sales and use tax	89,551	331,702	-	-	-	-	-	-	-	-
Investment earnings	26,286	28,120	25,308	(7,636)	56	6,951	13,009	5,642	5,360	2,891
Gain on sale of capital assets	1,243	767	201	415	218	639	1,050	369	473	813
Transfers	(247,257)	(72,838)	(20,273)	(37,193)	(72,205)	(42,104)	(12,012)	(18,242)	(19,263)	(31,462)
Total governmental activities	(35,034)	380,323	95,679	44,750	15,709	53,513	88,275	72,185	70,190	54,101
Business-type activities:										
Taxes										
Property tax	-	-	-	-	-	-	-	-	-	-
Regional transportation sales and use tax	348,116	92,560	-	-	-	-	-	-	-	-
Investment earnings	99,632	105,112	88,496	(65,751)	55,811	44,227	63,059	431	47,482	26,841
Gain on sale of capital assets	519	-	-	-	-	-	172	124	20	-
Transfers	247,257	72,838	20,273	37,193	72,205	42,104	12,012	18,242	19,263	31,462
Total business-type activities	695,524	270,510	108,769	(28,558)	128,016	86,331	75,243	18,797	66,765	58,303
Total general revenues and other changes in net position	$ 660,490	$ 650,833	$ 204,448	$ 16,192	$ 143,725	$ 139,844	$ 163,518	$ 90,982	$ 136,955	$ 112,404
Changes in Net Position										
Governmental activities	$ (86,806)	$ 331,424	$ 79,817	$ 23,497	$ (13,106)	$ 1,222	$ 32,911	$ 64,723	$ 31,593	$ 11,624
Business-type activities	677,685	519,485	688,139	588,874	784,127	592,596	295,169	364,617	75,182	(65,553)
Total changes in net position	$ 590,879	$ 850,909	$ 767,956	$ 612,371	$ 771,021	$ 593,818	$ 328,080	$ 429,340	$ 106,775	$ (53,929)

Unaudited

Notes:
[1] 2017 beginning net position was restated due to a change in accounting principle for OPEB.

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS ENDED DECEMBER 31
IN THOUSANDS
(modified accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Committed	$ 9,089	$ 9,175	$ 9,500	$ 9,114	$ 8,463	$ 7,283	$ 7,152	$ 7,146	$ 7,339	$ 6,145
Assigned	7,415	9,688	9,277	8,498	7,811	4,254	6,622	5,090	3,387	3,608
Unassigned	43,786	38,728	32,805	26,082	26,624	27,293	21,070	17,318	17,433	15,634
Total general fund	$ 60,290	$ 57,591	$ 51,582	$ 43,694	$ 42,898	$ 38,830	$ 34,844	$ 29,554	$ 28,159	$ 25,387
All Other Governmental Funds										
Restricted	$ 729,607	$ 837,670	$ 591,520	$ 440,096	$ 403,371	$ 474,141	$ 457,845	$ 346,016	$ 335,559	$ 284,575
Committed	106,695	82,165	116,100	100,669	93,419	116,629	95,026	79,137	70,844	59,788
Assigned	2,154	638	607	561	567	533	586	545	592	598
Unassigned	(81,072)	(110,586)	(117,226)	(46,604)	(52,340)	(54,113)	(35,534)	(34,034)	(38,202)	(6,557)
Total all other governmental funds	$ 757,384	$ 809,887	$ 591,001	$ 494,722	$ 445,017	$ 537,190	$ 517,923	$ 391,664	$ 368,793	$ 338,404
Total all governmental funds	$ 817,674	$ 867,478	$ 642,583	$ 538,416	$ 487,915	$ 576,020	$ 552,767	$ 421,218	$ 396,952	$ 363,791

Unaudited

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS ENDED DECEMBER 31
IN THOUSANDS
(modified accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
Taxes	$ 186,048	$ 424,302	$ 89,980	$ 88,891	$ 87,778	$ 87,803	$ 86,381	$ 84,803	$ 83,048	$ 81,487
Intergovernmental revenue:										
Federal	88,804	68,969	59,401	80,728	36,599	47,713	18,322	30,716	24,159	22,840
Build America bonds interest subsidy					186	421	703	389	664	738
State	260,594	198,793	222,992	158,376	159,203	174,034	195,915	170,029	153,153	163,701
Local/other	178	193	261	276	363	314	186	372	4,978	10,815
Investment income	26,286	28,120	25,308	(7,636)	56	6,951	13,009	5,642	5,360	2,891
Other	6,419	7,811	8,912	8,186	7,519	5,330	10,479	10,632	8,280	7,895
Total revenues	$ 568,329	$ 728,188	$ 406,854	$ 328,821	$ 291,704	$ 322,566	$ 324,995	$ 302,583	$ 279,642	$ 290,367
EXPENDITURES										
Current:										
General government	$ 26,788	$ 17,970	$ 11,644	$ 13,351	$ 11,895	$ 12,044	$ 11,439	$ 11,722	$ 13,337	$ 10,568
Transportation	177,369	159,686	143,382	123,170	115,796	112,360	112,004	105,262	94,357	87,148
Intergovernmental:										
Transportation	82,217	59,806	54,080	67,605	55,078	52,573	40,621	41,165	32,460	39,262
Culture and recreation	59,186	46,137	49,503	30,319	27,473	43,375	56,383	34,830	33,277	48,704
Economic revitalization	8,676	9,139	9,720	7,574	8,810	12,464	16,835	7,807	8,812	10,756
Environment development	2,026	3,668	2,787	5,320	3,467	5,363	6,216	4,926	5,347	6,413
Housing	2,702	4,556	3,893	5,620	1,050	1,358	3,607	2,234	1,859	732
Debt service:										
Principal	31,358	61,212	38,193	30,097	59,127	42,760	39,930	39,295	42,350	59,905
Interest and other charges	7,252	10,047	9,442	7,480	9,322	11,628	7,368	7,752	7,775	8,561
Capital outlay	71,387	59,378	20,161	13,126	22,410	11,508	16,669	43,582	31,940	37,276
Total expenditures	$ 468,961	$ 431,599	$ 342,805	$ 303,662	$ 314,428	$ 305,433	$ 311,072	$ 298,575	$ 271,514	$ 309,325
Excess (deficiency) of revenues over (under) expenditures	$ 99,368	$ 296,589	$ 64,049	$ 25,159	$ (22,724)	$ 17,133	$ 13,923	$ 4,008	$ 8,128	$ (18,958)
OTHER FINANCING SOURCES (USES)										
Transfers in	$ 8,511	$ 2,607	$ 3,505	$ 3,210	$ 5,660	$ 3,986	$ 5,267	$ 1,213	$ 2,902	$ 5,138
Transfers out	(255,768)	(75,445)	(23,778)	(40,403)	(77,865)	(26,595)	(17,279)	(21,465)	(22,165)	(36,600)
Bonds issued	87,435	-	55,180	53,245	6,120	8,800	117,000	37,680	40,000	34,700
Refunding bonds issued	-	-	-	-	-	15,155	-	-	-	6,025
Premium on bonds and capital related debt	6,082	-	4,767	5,551	343	295	11,588	2,461	3,823	3,903
Inception of right-to-use asset	3,325	377	243	3,324	143	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	3,840	-	-	-	797
Sale of capital assets	1,243	767	201	415	218	639	1,050	369	473	524
Total other financing sources (uses)	$ (149,172)	$ (71,694)	$ 40,118	$ 25,342	$ (65,381)	$ 6,120	$ 117,626	$ 20,258	$ 25,033	$ 14,487
Net change in fund balances	$ (49,804)	$ 224,895	$ 104,167	$ 50,501	$ (88,105)	$ 23,253	$ 131,549	$ 24,266	$ 33,161	$ (4,471)
Debt service as a percentage of noncapital expenditures	9.7%	19.1%	14.8%	12.9%	23.4%	18.5%	16.1%	18.5%	20.9%	25.2%

Unaudited

GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES BY SOURCE LAST TEN YEARS ENDED DECEMBER 31 [1] IN THOUSANDS

	Taxes					Intergovernmental Revenue				Investment Income			
Year	General	Special Transportation Services Special Revenue	Transit Capital Projects	Special Revenue	Debt Service	Federal	Build America Bonds Interest Subsidy	State	Local/ Other	General Special Transportation Transit Capital and Special Revenue Funds	Debt Service Funds	Other Revenue and Financing Sources	Total Revenue and Other Financing Sources
2016	14,371	-	-	16,277	50,839	10,364	738	118,523	2,370	1,985	447	23,227	239,141
2017	14,387	-	-	16,294	52,367	6,708	664	127,652	1,919	3,579	1,055	14,385	239,010
2018	14,818	-	-	16,635	53,350	5,760	389	146,041	372	3,050	1,479	11,845	253,739
2019	15,232	-	-	16,956	54,193	7,948	703	155,297	186	7,015	2,784	11,798	272,112
2020	15,033	-	-	17,415	55,355	45,485	421	142,587	314	3,799	1,302	28,136	309,847
2021	15,285	-	-	17,648	54,845	21,100	186	129,927	363	969	(519)	13,295	253,099
2022	15,468	-	-	17,984	55,439	69,936	-	126,476	276	(4,626)	(1,695)	14,720	293,978
2023	16,565	-	-	18,893	54,522	47,553	-	176,881	261	13,212	5,744	10,928	344,559
2024	18,262	1,434	296,998	53,034	54,574	68,969	-	152,005	193	17,953	6,172	11,562	681,156
2025	18,989	460	43,246	65,748	57,605	88,804	-	218,220	178	16,815	4,939	102,549	617,553

Unaudited

Notes: [1] Includes general, special transportation services special revenue, transit capital projects, special revenue, and debt service funds.

MARKET VALUE AND NET TAX CAPACITY
VALUE OF TAXABLE PROPERTY
LAST TEN YEARS ENDED DECEMBER 31
IN THOUSANDS (EXCEPT PERCENTAGES)

	Real Property	Personal Property	Total			
Year	Market Value	Market Value	Market Value	Net Tax Capacity Value	Ratio of Net Tax Capacity Value to Market Value	Total Direct Tax Rate
2016	329,058,583	3,822,316	332,880,899	3,858,157	1.2%	0.01
2017	353,529,775	3,982,992	357,512,767	4,157,954	1.2%	0.01
2018	379,223,301	4,365,281	383,588,582	4,476,940	1.2%	0.01
2019	405,583,930	4,474,361	410,058,291	4,789,628	1.2%	0.01
2020	428,723,402	4,772,606	433,496,008	5,090,890	1.2%	0.01
2021	448,573,927	3,767,370	452,341,297	5,286,410	1.2%	0.01
2022	518,475,118	3,424,828	521,899,946	6,087,197	1.2%	0.01
2023	553,043,760	3,580,000	556,623,760	6,556,943	1.2%	0.01
2024	560,838,755	3,858,055	564,696,810	6,567,474	1.2%	0.01
2025	575,788,140	4,055,582	579,843,722	6,720,948	1.2%	0.01

Unaudited

Source: State of Minnesota, Department of Revenue.

PROPERTY TAX RATES AND LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS ENDED DECEMBER 31
IN THOUSANDS

Year	General Fund	Highway Right-of-Way Fund	Special Revenue and Transit Funds	Debt Service Funds	Total Direct Tax Rate	School Districts	Counties	Cities and Townships	Other
2015	0.00	0.00	0.00	0.01	0.01	0.39	0.34	0.34	0.41
2016	0.00	0.00	0.00	0.01	0.01	0.40	0.34	0.34	0.39
2017	0.00	0.00	0.00	0.01	0.01	0.37	0.33	0.33	0.37
2018	0.00	0.00	0.00	0.01	0.01	0.38	0.31	0.33	0.35
2019	0.00	0.00	0.00	0.01	0.01	0.38	0.31	0.33	0.26
2020	0.00	0.00	0.00	0.01	0.01	0.38	0.31	0.33	0.32
2021	0.00	0.00	0.00	0.01	0.01	0.37	0.29	0.33	0.31
2022	0.00	0.00	0.00	0.01	0.01	0.33	0.26	0.30	0.28
2023	0.00	0.00	0.00	0.01	0.01	0.33	0.25	0.31	0.25
2024	0.00	0.00	0.00	0.01	0.01	0.36	0.27	0.33	0.26
2025	0.00	0.00	0.00	0.01	0.01	0.36	0.28	0.35	0.26

Unaudited

Source: State of Minnesota, Department of Revenue.

Note: The Council's basic tax limit is set by state legislation except for debt service. Rates for debt service are set based upon each year's requirements.

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
IN THOUSANDS

Largest taxpayers in Hennepin and Ramsey counties

	2025			2016		
Taxpayer	**Net Tax Capacity**	**Rank**	**Percentage of Total Tax Capacity[1, 3]**	**Net Tax Capacity**	**Rank**	**Percentage of Total Tax Capacity[2, 3]**
MOAC Mall Holdings LLC	$ 15,599	1	0.23%	$ 16,449	2	0.43%
Xcel Energy / Northern States Power Co	9,657	2	0.14%	19,428	1	0.50%
CenterPoint Energy	4,041	3	0.06%	-	-	-
90 7th Street South LLC	3,467	4	0.05%	-	-	-
BRI 1855 IDS Center LLC	3,347	5	0.05%	-	-	-
Medtronic	3,149	6	0.05%	-	-	-
US Bank Corp	3,118	7	0.05%	3,221	8	0.08%
St Paul Fire and Marine Ins Co (St Paul Travelers)	3,042	8	0.05%	-	-	-
3M Company	2,980	9	0.04%	3,846	6	0.10%
225 6th St Prop Owner LLC	2,950	10	0.04%	4,385	5	0.11%
IDS MB Minneapolis 8th St LLC	-	-	-	4,755	3	0.12%
NWC Limited Partnership	-	-	-	4,493	4	0.12%
SRI Ten City Center LLC	-	-	-	3,729	7	0.10%
Best Buy Co. Inc	-	-	-	3,204	9	0.08%
Wells REIT - 800 Nicollet	-	-	-	3,055	10	0.08%
Total	$ 51,350		0.76%	$ 66,565		1.72%

Unaudited

Source: Hennepin County abstract of property taxes
Ramsey County abstract of property taxes

Notes
[1] Net tax capacity value for 2025 = $6,720,948
[2] Net tax capacity value for 2016 = $3,858,157
[3] Net tax capacity value is determined by multiplying taxable market value by class rates for different types of property set by Minnesota state law.

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS ENDED DECEMBER 31
IN THOUSANDS (EXCEPT PERCENTAGES)

Year	Total Tax Levy	Net Taxes Levied for the Year	Collected within the Year of the Levy: Amount	Collected within the Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2016	82,039	82,039	81,453	99.29%	165	81,618	99.49%
2017	83,621	83,621	82,985	99.24%	84	83,069	99.34%
2018	85,293	85,293	84,690	99.29%	129	84,819	99.44%
2019	86,999	86,999	86,235	99.12%	209	86,444	99.36%
2020	88,737	88,737	88,290	99.50%	246	88,536	99.77%
2021	88,739	88,739	88,305	99.51%	26	88,331	99.54%
2022	90,514	90,514	89,700	99.10%	(25)	89,675	99.07%
2023	92,324	92,324	91,341	98.94%	100	91,441	99.04%
2024	94,170	94,170	93,050	98.81%	(203)	92,847	98.60%
2025	96,054	96,054	96,743	100.72%	-	96,743	100.72%

Unaudited

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS ENDED DECEMBER 31
IN THOUSANDS (EXCEPT PERCENTAGE AND PER CAPITA)[4]

	General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds Transit[3]	General Obligation Bonds Parks[3]	General Obligation Bonds Wastewater[3]	Less: Amounts Available in Debt Service Fund[4]	Total[3]	Percentage of Actual Taxable Value[1] of Property	Per Capita[2]
2016	187,903	11,043	744,148	97,548	845,546	21.92%	236.36
2017	195,627	5,021	806,832	105,480	902,000	21.69%	249.28
2018	198,206	3,114	872,861	114,667	959,514	21.43%	262.45
2019	287,309	1,221	808,829	122,105	975,254	20.36%	264.47
2020	262,994	8,866	870,578	144,606	997,832	19.60%	269.03
2021	210,588	6,403	861,185	121,669	956,507	18.09%	257.70
2022	239,185	4,729	729,765	129,935	843,744	13.86%	227.31
2023	256,118	7,945	762,631	145,330	881,364	13.44%	235.81
2024	194,626	5,174	760,384	136,312	823,872	12.54%	218.35
2025	246,338	12,683	770,093	160,936	868,178	12.92%	230.09

Unaudited

Notes: Details regarding the Metropolitan Council's outstanding debt can be found in the notes to the financial statements.
Ratios are calculated using population from prior year.
[1]See market value and net tax capacity value of taxable property schedule for property value data.
[2]See demographic and economic statistics schedule for population data.
[3]Presented net of original issuance discounts and premiums.
[4]This is the amount restricted for debt service principal payments.

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS ENDED DECEMBER 31
IN THOUSANDS (EXCEPT PERCENTAGE AND PER CAPITA)

Governmental Activities

Fiscal Year	General Obligation Bonds-Transit[4]	General Obligation Bonds-Parks[4]	PFA Transit Loan[1]	Certifications of Participation	Right-to-Use Liabilties[5]	Total Governmental Activities
2016	187,903	11,043	3,185	7,085	-	209,216
2017	195,627	5,021	1,880	6,260	-	208,788
2018	198,206	3,114	775	5,410	-	207,505
2019	287,309	1,221	375	4,535	-	293,440
2020	262,994	8,866	-	3,635	-	275,495
2021	210,588	6,403	-	2,705	-	219,696
2022	239,185	4,729	-	1,750	2,354	248,018
2023	256,118	7,945	-	760	868	265,691
2024	194,626	5,174	-	-	514	200,314
2025	246,338	12,683	-	-	2,672	261,693

Unaudited

Notes: Details regarding the Metropolitan Council's outstanding debt can be found in the notes to the financial statements.

[1] PFA-Transit Loans are treated as general obligation debt. Loan repayments are similar to general obligation loan repayments.

[2] See the demographic and economic statistics schedule for personal income and population data. All ratios are calculated using personal income and population from prior calendar year.

[3] Transit's grant anticipation notes are treated as general obligation debt. Loan repayments are similar to general obligation loan repayments. These notes are categorized under business activities since they are secured by grant receipts from the Federal Transit Administration.

[4] Presented net of original issuance discounts and premiums.

[5] Right to use liability related to GASB 87 and 96.

Business-Type Activities

General Obligation Grant Anticipation Transit Notes[3]	General Obligation Bonds Wastewater[4]	PFA Wastewater[4]	Hennepin County Loan	Loan Payable	Right-to-Use Liabilities[5]	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income[2]	Per Capita[2]
-	744,148	571,683	1,597	1,405	-	1,318,833	1,528,049	0.75%	427.14
-	806,832	556,423	2,713	1,405	-	1,367,373	1,576,161	0.74%	435.59
-	872,861	554,642	3,971	1,405	-	1,432,879	1,640,384	0.73%	448.69
-	808,829	540,595	2,395	1,405	-	1,353,224	1,646,664	0.70%	446.54
129,038	870,578	524,131	-	1,405	-	1,525,152	1,800,647	0.73%	485.47
466,714	861,185	524,984	-	1,826	-	1,854,709	2,074,405	0.76%	558.89
384,114	729,765	505,666	-	3,338	12,793	1,635,676	1,883,694	0.67%	507.48
319,375	762,632	487,389	-	3,338	12,440	1,585,174	1,850,865	0.62%	495.20
264,014	760,385	455,858	-	3,338	10,949	1,494,544	1,694,858	0.54%	449.19
206,477	770,093	439,544	-	3,338	17,785	1,437,237	1,698,930	0.54%	450.27

COMPILATION OF OVERLAPPING DEBT [1]
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

Jurisdiction	Net G.O. Debt Outstanding	Percent Applicable to Council	Overlapping Debt
Counties:			
Anoka	$ 43,690	100.0%	$ 43,690
Carver	5,200	100.0%	5,200
Dakota	35,640	99.7%	35,533
Hennepin	1,532,160	99.9%	1,530,628
Ramsey	233,227	100.0%	233,227
Scott	87,970	98.0%	86,211
Washington	99,350	100.0%	99,350
Total counties	2,037,237		2,033,839
School districts:			
SSD #1 Minneapolis	808,900	100.0%	808,900
SSD #6 South St. Paul	19,785	100.0%	19,785
ISD #11 Anoka	223,625	100.0%	223,625
ISD #12 Centennial	65,140	100.0%	65,140
ISD #13 Columbia Heights	12,962	100.0%	12,962
ISD #14 Fridley	53,365	100.0%	53,365
ISD #15 St. Francis	83,420	91.7%	76,496
ISD #16 Spring Lake Park	113,980	100.0%	113,980
ISD #108 Norwood-Young America	49,690	96.9%	48,150
ISD #110 Waconia	99,490	100.0%	99,490
ISD #111 Watertown-Mayer	39,828	90.2%	35,925
ISD #112 Chaska	188,485	100.0%	188,485
ISD #191 Burnsville	89,550	100.0%	89,550
ISD #192 Farmington	82,410	100.0%	82,410
ISD #194 Lakeville	162,615	100.0%	162,615
ISD #195 Randolph	8,305	88.6%	7,358
ISD #196 Rosemount	358,710	100.0%	358,710
ISD #197 West St. Paul	136,810	100.0%	136,810
ISD #199 Inver Grove Heights	39,930	100.0%	39,930
ISD #200 Hastings	42,586	99.9%	42,543
ISD #252 Cannon Falls	21,295	4.8%	1,022
ISD #270 Hopkins-Golden Valley	123,865	100.0%	123,865
ISD #271 Bloomington	171,120	100.0%	171,120
ISD #272 Eden Prairie	101,235	100.0%	101,235
ISD #273 Edina	166,745	100.0%	166,745
ISD #276 Minnetonka	197,575	100.0%	197,575
ISD #277 Westonka	63,220	100.0%	63,220
ISD #278 Orono	50,535	100.0%	50,535
ISD #279 Osseo	370,945	100.0%	370,945
ISD #280 Richfield	123,155	100.0%	123,155
ISD #281 Robbinsdale	194,150	100.0%	194,150
ISD #282 St Anthony-New Brighton	21,610	100.0%	21,610
ISD #283 St. Louis Park	232,490	100.0%	232,490
ISD #284 Wayzata	180,965	100.0%	180,965
ISD #286 Brooklyn Center	41,313	100.0%	41,313
ISD #424 Lester Prairie	12,785	0.1%	13
ISD #621 Mounds View	195,795	100.0%	195,795
ISD #622 North St. Paul-Maplewood-Oakdale	401,455	100.0%	401,455
ISD #623 Roseville	167,200	100.0%	167,200
ISD #624 White Bear Lake	405,880	100.0%	405,880
ISD #625 St. Paul	720,795	100.0%	720,795
ISD #659 Northfield	78,955	16.3%	12,870
ISD #716 Belle Plaine	22,920	86.1%	19,734

COMPILATION OF OVERLAPPING DEBT [1]
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

Jurisdiction	Net G.O. Debt Outstanding	Percent Applicable to Council	Overlapping Debt
School districts (continued):			
ISD #717 Jordan	62,035	100.0%	62,035
ISD #719 Prior Lake	136,550	100.0%	136,550
ISD #720 Shakopee	107,630	100.0%	107,630
ISD #721 New Prague	51,230	62.4%	31,968
ISD #728 Elk River	280,715	32.5%	91,232
ISD #831 Forest Lake	172,055	87.5%	150,548
ISD #832 Mahtomedi	36,255	100.0%	36,255
ISD #833 South Washington	350,055	100.0%	350,055
ISD #834 Stillwater	158,990	100.0%	158,990
ISD #877 Buffalo-Hanover-Montrose	68,115	16.0%	10,898
ISD #879 Delano	50,945	33.8%	17,219
ISD #883 Rockford	22,760	69.8%	15,886
ISD #916 Special Intermediate-Vo Tech	64,130	100.0%	64,130
ISD #2144 Chisago Lakes	53,015	3.7%	1,962
ISD #2397 LeSueur-Henderson	40,920	1.1%	450
ISD #2687 Howard Lake-Waverly-Winsted	28,005	0.4%	112
ISD #2859 Glencoe-Sliver Lake	30,385	0.1%	30
Total school districts	8,459,379		7,865,866
Cities:			
Afton	3,128	100.0%	3,128
Andover	41,945	100.0%	41,945
Anoka	44,300	100.0%	44,300
Apple Valley	84,392	100.0%	84,392
Arden Hills	3,975	100.0%	3,975
Bayport	1,465	100.0%	1,465
Belle Plaine	20,095	100.0%	20,095
Bethel	451	100.0%	451
Blaine	173,761	100.0%	173,761
Bloomington	220,607	100.0%	220,607
Brooklyn Center	55,605	100.0%	55,605
Brooklyn Park	24,275	100.0%	24,275
Burnsville	121,769	100.0%	121,769
Carver	34,275	100.0%	34,275
Centerville	857	100.0%	857
Champlin	14,765	100.0%	14,765
Chanhassen	67,560	100.0%	67,560
Chaska	82,227	100.0%	82,227
Circle Pines	20,975	100.0%	20,975
Cologne	17,185	100.0%	17,185
Columbia Heights	21,650	100.0%	21,650
Columbus	5,445	100.0%	5,445
Coon Rapids	78,635	100.0%	78,635
Corcoran	37,045	100.0%	37,045
Cottage Grove	60,880	100.0%	60,880
Credit River	1,740	100.0%	1,740
Crystal	6,025	100.0%	6,025
Dayton	16,487	100.0%	16,487
Deephaven	825	100.0%	825
Dellwood	3,240	100.0%	3,240
Eagan	69,800	100.0%	69,800
East Bethel	14,365	100.0%	14,365
Eden Prairie	43,755	100.0%	43,755
Edina	188,787	100.0%	188,787
Elko/New Market	17,771	100.0%	17,771
Empire	1,200	100.0%	1,200
Excelsior	26,339	100.0%	26,339

COMPILATION OF OVERLAPPING DEBT [1]
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

Jurisdiction	Net G.O. Debt Outstanding	Percent Applicable to Council	Overlapping Debt
Cities (continued):			
Falcon Heights	2,155	100.0%	2,155
Farmington	12,610	100.0%	12,610
Forest Lake	35,290	100.0%	35,290
Fridley	72,553	100.0%	72,553
Gem Lake	645	100.0%	645
Golden Valley	50,990	100.0%	50,990
Grant	897	100.0%	897
Greenfield	5,190	100.0%	5,190
Hamburg	1,633	100.0%	1,633
Ham Lake	190	100.0%	190
Hampton	4,937	100.0%	4,937
Hastings	31,540	100.0%	31,540
Hopkins	87,755	100.0%	87,755
Hugo	14,530	100.0%	14,530
Independence	5,850	100.0%	5,850
Inver Grove Heights	28,760	100.0%	28,760
Jordan	24,411	100.0%	24,411
Lake Elmo	55,860	100.0%	55,860
Lakeland	215	100.0%	215
Lakeville	163,395	100.0%	163,395
Lauderdale	500	100.0%	500
Lexington	1,189	100.0%	1,189
Lilydale	1,629	100.0%	1,629
Lino Lakes	37,192	100.0%	37,192
Little Canada	1,905	100.0%	1,905
Long Lake	1,375	100.0%	1,375
Loretto	3,325	100.0%	3,325
Mahtomedi	13,580	100.0%	13,580
Maple Grove	112,650	100.0%	112,650
Maple Plain	12,503	100.0%	12,503
Maplewood	46,300	100.0%	46,300
Marine	720	100.0%	720
Mayer	5,741	100.0%	5,741
Medicine Lake	3,800	100.0%	3,800
Medina	6,835	100.0%	6,835
Mendota Heights	21,660	100.0%	21,660
Minneapolis	864,000	100.0%	864,000
Minnetonka	69,865	100.0%	69,865
Minnetonka Beach	16,515	100.0%	16,515
Minnetrista	23,148	100.0%	23,148
Mound	28,110	100.0%	28,110
Mounds View	8,700	100.0%	8,700
New Brighton	27,480	100.0%	27,480
New Germany	6,140	100.0%	6,140
New Hope	32,575	100.0%	32,575
Newport	11,645	100.0%	11,645
North Oaks	1,855	100.0%	1,855
North St. Paul	34,350	100.0%	34,350
Northfield	94,159	100.0%	94,159
Norwood-Young America	22,253	100.0%	22,253
Nowthen	3,795	100.0%	3,795

COMPILATION OF OVERLAPPING DEBT [1]
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

Jurisdiction	Net G.O. Debt Outstanding	Percent Applicable to Council	Overlapping Debt
Cities (continued):			
Oak Grove	14,435	100.0%	14,435
Oak Park Heights	3,022	100.0%	3,022
Oakdale	51,275	100.0%	51,275
Orono	15,725	100.0%	15,725
Osseo	11,405	100.0%	11,405
Plymouth	52,155	100.0%	52,155
Prior Lake	24,045	100.0%	24,045
Ramsey	35,055	100.0%	35,055
Randolph City	238	100.0%	238
Richfield	67,450	100.0%	67,450
Robbinsdale	62,693	100.0%	62,693
Rogers & Hassan Combined	30,995	100.0%	30,995
Rosemount	110,195	100.0%	110,195
Roseville	11,005	100.0%	11,005
St. Anthony	17,480	100.0%	17,480
St. Bonifacius	4,327	100.0%	4,327
St. Francis	34,278	100.0%	34,278
St. Louis Park	80,570	100.0%	80,570
St. Paul	678,645	100.0%	678,645
St. Paul Park	3,914	100.0%	3,914
Savage	31,055	100.0%	31,055
Scandia	6,256	100.0%	6,256
Shakopee	38,895	100.0%	38,895
Shoreview	55,500	100.0%	55,500
Shorewood	22,080	100.0%	22,080
South St. Paul	23,414	100.0%	23,414
Spring Lake Park	7,410	100.0%	7,410
Spring Park	2,370	100.0%	2,370
Stillwater	32,215	100.0%	32,215
Sunfish Lake	1,080	100.0%	1,080
Tonka Bay	11,895	100.0%	11,895
Vadnais Heights	3,667	100.0%	3,667
Victoria	39,075	100.0%	39,075
Waconia	54,905	100.0%	54,905
Watertown	21,907	100.0%	21,907
Wayzata	20,880	100.0%	20,880
West St. Paul	35,105	100.0%	35,105
White Bear Lake	40,655	100.0%	40,655
Woodbury	63,255	100.0%	63,255
Woodland	317	100.0%	317
Total cities	5,563,344		5,563,344
Townships:			
Baytown	440	100.0%	440
Denmark	2,740	100.0%	2,740
Douglas	122	100.0%	122
Jackson	400	100.0%	400
Laketown	1,750	100.0%	1,750
New Market	1,380	100.0%	1,380
Spring Lake	635	100.0%	635
Waconia	115	100.0%	115
West Lakeland	5,247	100.0%	5,247
White Bear	13,680	100.0%	13,680
Total townships	26,509		26,509

COMPILATION OF OVERLAPPING DEBT [1]
FOR THE YEAR ENDED DECEMBER 31, 2025
IN THOUSANDS

Jurisdiction	Net G.O. Debt Outstanding	Percent Applicable to Council	Overlapping Debt
Miscellaneous:			
Anoka County HRA	6,780	100.0%	6,780
Bloomington Port Authority	4,445	100.0%	4,445
Capital Region Watershed District	8,025	100.0%	8,025
Carn-Marine Watershed	174	100.0%	174
Carver County CDA	21,480	100.0%	21,480
Cedar Lake Sewer Sanitary District	786	67.2%	528
Chaska EDA	71,320	100.0%	71,320
Dakota County CDA	349,076	100.0%	349,076
Hennepin Regional Railroad Authority	71,980	100.0%	71,980
HRA of St. Paul	29,958	100.0%	29,958
Lower Minnesota River Watershed	3,388	100.0%	3,388
Metropolitan Airports Commission	1,981,755	100.0%	1,981,755
Minnesota Municipal Power Agency	140,457	62.7%	88,067
MN Valley Transit Auth	1,026	100.0%	1,026
Mound HRA	1,575	100.0%	1,575
Norwood-Young America EDA	3,525	100.0%	3,525
Plymouth HRA	5,545	100.0%	5,545
Ramsey-Washington Metro Watershed District	2,140	100.0%	2,140
Regional Railroad Authority-Anoka County	2,840	100.0%	2,840
Scott County CDA	52,885	100.0%	52,885
South Metro EMS	675	100.0%	675
South Washington Watershed District	1,675	100.0%	1,675
St. Anthony HRA	3,335	100.0%	3,335
St. Paul Port Authority	72,398	100.0%	72,398
Three Rivers Park	63,065	100.0%	63,065
VB Watershed	5,205	100.0%	5,205
Waconia EDA	5,805	100.0%	5,805
Washington County HRA	43,985	100.0%	43,985
Total miscellaneous	2,955,303		2,902,655
Subtotal, overlapping debt	$ 19,041,772		18,392,213
Metropolitan Council direct debt			261,693
Total direct and overlapping debt			**$ 18,653,906**

Unaudited

Source: County auditors report of outstanding indebtedness of the governmental units

Notes: [1] Jurisdictions in two counties are included if the assessed property value is greater than 50 percent (home) in one of the seven metropolitan area counties and excluded if it (home) is not. Debt of jurisdiction included using this method is shown at 100 percent. The error resulting from using this method is significantly less than 1 percent. The debt of jurisdictions that include tax base both within and outside of the Metropolitan Council's jurisdiction is split in proportion to the taxable net tax capacity inside and outside the Metropolitan Council's jurisdiction. The debt of the Minnesota Municipal Power Agency and Cedar Lake Sewer Sanitary District are split in proportion to the population inside and outside the Metropolitan Council's jurisdiction.

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS ENDED DECEMBER 31
IN THOUSANDS (EXCEPT PERCENTAGE)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit	$ 453,465	$ 426,400	$ 430,455	$ 412,960	$ 439,420	$ 366,605	$ 415,905	$ 360,910	$ 397,655	$ 307,390
Total net debt applicable to limit	235,750	178,505	238,225	218,520	193,320	221,585	263,285	185,340	186,105	187,630
Legal debt margin	$ 217,715	$ 247,895	$ 192,230	$ 194,440	$ 246,100	$ 145,020	$ 152,620	$ 175,570	$ 211,550	$ 119,760
Total net debt applicable to the limit as a percentage of debt limit	51.99%	41.86%	55.34%	52.92%	43.99%	60.44%	63.30%	51.35%	46.80%	61.04%

Unaudited

Note: Total net debt applicable to limit is the net governmental general obligation debt excluding wastewater debt and refunded bonds and grant anticipation notes. Legal debt margin equals unissued bonding authority for transit, parks, and radio.

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS ENDED DECEMBER 31

Year	Population [2,3,4]	Personal Income [2,3,4] (In Millions)	Per Capita [2,3,4] Income	Unemployment Rate [1]
2016	3,577,426	204,262	57,097	3.60%
2017	3,618,457	213,708	59,061	3.30%
2018	3,655,949	225,613	61,711	2.80%
2019	3,687,582	235,056	63,743	3.00%
2020	3,709,061	246,605	66,487	4.50%
2021	3,711,668	272,518	73,422	2.60%
2022	3,711,875	280,944	75,688	2.50%
2023	3,737,607	297,486	79,593	2.40%
2024	3,773,146	312,274	82,762	2.80%
2025	3,773,146	312,274	82,762	4.00%

Unaudited

Source: [1] State of Minnesota, Department of Employment and Economic Development (Seven-county area).
[2] Beginning in 2024, the U.S Bureau of Economic Analysis discontinued MSA-level for population, personal income, and per capita income estimates. BEA now publishes estimates only at county level.
[3] Internally updated information based on the U.S. Commerce Department and Bureau of Economics Analysis for Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Le Sueur, Mille Lacs, Ramsey, Scott, Sibley, Washington, and Wright counties in MN. And St. Croix and Pierce counties in WI.
[4] 2025 Data not available at time of report.

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
IN THOUSANDS (EXCEPT PERCENTAGE)

Employers in Minnesota by number of Minnesota only employees

	2025			2016		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
State of Minnesota	56	1	2.81%	55	1	2.94%
Mayo Clinic	50	2	2.51%	42	2	2.25%
Target Corporation	35	3	1.76%	27	4	1.44%
Fairview Health Services	33	4	1.65%	22	8	1.18%
United States Federal Government	33	5	1.65%	33	3	1.77%
Allina Health System	29	6	1.45%	26	5	1.39%
University of Minnesota	28	7	1.40%	26	6	1.39%
HealthPartners Inc.	26	8	1.30%	23	7	1.23%
Wal-Mart Stores Inc.	25	9	1.25%	-	-	-
UnitedHealth Group, Inc.	18	10	0.90%	16	10	0.86%
Wells Fargo Minnesota	-	-	-	20	9	1.07%
Total	333		16.68%	290		15.52%

Unaudited.

Source: Department of Employment and Economic Development, Minneapolis-St. Paul Business Journal, July 1, 2025

Notes: Available list covers employment for entire State of Minnesota. Data for seven county area not available.
State of Minnesota includes Minnesota State Colleges & Universities.

EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS ENDED DECEMBER 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Regional Administration										
Human Resources	83	76	71	64	56	56	53	51	45	47
Information Services	146	134	122	114	117	117	111	112	111	110
Finance/Central Services	68	68	62	59	57	60	58	58	55	54
Other	116	117	116	111	113	112	105	109	107	116
Total Regional Administration	413	395	371	348	343	345	327	330	318	327
Community Development										
Metro HRA	52	50	48	47	42	40	39	40	41	40
Other	62	58	51	48	50	46	43	40	41	38
Total Community Development	114	108	99	95	92	86	82	80	82	78
Environmental Services Division										
Environmental Quality Assurance	105	100	95	97	95	89	93	93	100	101
Treatment Services	542	540	531	528	520	529	526	510	506	503
Other	28	27	28	32	30	34	35	34	32	29
Total Environmental Services	675	667	654	657	645	652	654	637	638	633
Transportation Services Division										
Special Transportation Services	28	24	23	21	20	19	18	17	17	17
Transportation Planning	36	34	31	30	29	29	27	29	28	27
Other	1	0	1	1	1	1	1	1	1	1
Total Transportation Services	65	58	55	52	50	49	46	47	46	45
Metro Transit Bus										
Operations	1,574	1,405	1,291	1,297	1,321	1,498	1,621	1,638	1,654	1,640
Maintenance	471	418	402	415	439	483	493	487	477	466
Administration/Clerical	856	794	742	686	679	686	695	662	642	646
Total Metro Transit	2,901	2,617	2,435	2,398	2,439	2,667	2,809	2,787	2,773	2,752
Metro Transit Commuter Rail										
Maintenance	27	27	20	18	18	26	30	28	30	29
Administration/Clerical	4	4	3	3	3	4	4	4	4	4
Total Metro Transit	31	31	23	21	21	30	34	32	34	33
Metro Transit Light Rail										
Operations	73	70	57	56	58	65	66	65	67	64
Maintenance	166	146	138	137	147	151	155	155	146	141
Administration/Clerical	265	235	237	247	253	255	255	246	250	237
Total Metro Transit	504	451	432	440	458	471	476	466	463	442
Total	4,703	4,327	4,069	4,011	4,048	4,300	4,428	4,379	4,354	4,310

Unaudited

Source: Metropolitan Council Budget Department and Metro Transit
Notes: Metro Transit Commuter Rail operators are non-Metro Transit employees

OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR THE LAST TEN YEARS ENDED DECEMBER 31

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Special Transportation Services miles	24,577,501	23,363,586	23,215,654	23,021,928	24,227,097	19,886,597	27,091,870	26,103,531	25,160,614	24,264,290
Special Transportation Services trips	1,952,195	2,021,755	2,024,929	1,932,838	1,841,690	1,414,660	2,337,293	2,297,680	2,176,760	2,133,727
Parks visits to Metro Parks System [2]	65,700,000	65,700,000	69,242,600	64,900,000	63,300,000	63,300,000	63,300,000	59,633,200	58,106,842	47,860,600
Business-type activities										
Wastewater										
Average daily sewage treatment (millions of gallons)	250	248	233	223	225	243	266	241	247	245
Transit-bus										
Total route miles	25,228,461	22,780,637	21,028,709	22,137,642	23,472,671	23,707,494	30,609,788	31,074,823	31,526,740	31,598,429
Passenger trips [1]	37,640,785	31,941,894	30,123,953	26,350,933	22,137,142	25,496,989	51,860,027	54,910,461	57,322,632	58,949,824
Transit-commuter rail										
Total route miles	332,148	330,274	203,933	158,841	160,249	256,360	603,692	623,923	582,726	550,196
Passenger trips [1]	121,754	127,370	97,265	77,077	50,433	152,456	767,768	787,327	793,798	711,167
Transit-light rail										
Total passenger car miles	3,037,697	3,308,220	3,845,458	3,971,418	4,812,658	4,129,925	5,351,758	5,461,162	5,492,301	5,325,645
Passenger trips [1]	13,250,072	15,489,194	14,755,893	12,366,632	10,673,554	10,255,520	25,299,442	24,955,617	23,810,995	22,963,629
Housing										
Metro HRA unit months leased	86,272	86,773	86,836	87,033	84,815	87,543	87,745	86,065	87,638	87,096

Unaudited

Sources: Various Metropolitan Council Divisions

Notes:

[1] UPT - Unlinked Passenger Trips is the number of passengers who board public transportation vehicles

[2] 2025 Data for Parks visits to Metro Parks System not available at time of report.

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
FOR THE LAST TEN YEARS ENDED DECEMBER 31

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Special Transportation Services										
Total fleet size	716	566	681	629	633	640	679	642	571	519
Number of Parks/Trails	122	122	119	119	119	111	105	105	104	102
Acres of Regional Parks and Trails open to the public	65,339	57,169	54,465	54,465	54,465	54,465	55,755	59,354	56,022	54,613
Business-type activities										
Wastewater										
Treatment Plants	9	9	9	9	9	9	9	8	8	8
Miles of MCES Interceptors	634	634	634	635	637	637	637	634	634	634
Wastewater Treatment Plant Capacities (millions of gallons)	358	358	358	358	358	358	358	358	358	358
Transit-bus										
Total fleet size	650	602	628	716	805	904	904	907	909	902
Transit-commuter rail										
Total fleet size	6	6	6	6	6	6	6	6	6	6
Transit-light rail										
Total fleet size	99	104	91	91	91	91	91	91	86	86
Housing										
Metro HRA unit months available	88,649	88,286	88,172	84,899	85,239	86,685	87,596	85,681	85,278	85,270
Family Affordable Housing Units	153	149	154	154	150	150	150	150	150	150

Unaudited

Source: Metropolitan Council external and internal reports.

The Metropolitan Council is the regional policy-making body, planning agency, and provider of essential services for the Twin Cities metropolitan region.

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