

People

Transportation

Housing

Bikes

Planning

Financial Condition

Future

Bus

Parks

Cars

Sustainability

Efficient

3rd QUARTER 2025 FINANCIAL REPORT

Prosperity

Train

Growth

Light Rail

December 3, 2025

Livability

Light Rail

Diversity

Trails

Treatment

Equity

Airplane

Communities

Wastewater & Water

Lakes

Treatment

Regional

Economic

Roads



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OPERATING FUNDS - STATEMENT OF REVENUES & EXPENSES

OPERATING FUNDS STATEMENT OF REVENUES AND EXPENSES 2025 - 3rd Quarter Results (in thousands) Unaudited

General Fund					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	11,901	54%	21,947	21,971	(24)
Expenses	87,736	58%	138,840	151,245	12,405
Transfers	74,869	59%	119,984	126,664	(6,680)
Change in Reserve Balance	(966)		3,091	(2,610)	5,701
Beginning Reserve Balance			38,057		
Assigned/Committed			(7,972)		
Ending Reserve Balance			33,176		
Target Balance			15,125		

Environmental Services					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	237,279	74%	322,606	321,606	1,000
Expenses	123,018	67%	178,350	183,350	5,000
Transfers	(105,423)	72%	(145,038)	(146,938)	1,900
Change in Reserve Balance	8,838		(782)	(8,682)	7,900
Beginning Reserve Balance			57,072		
Assigned/Committed					
Ending Reserve Balance			56,290		
Target Balance			18,335		

Housing and Redevelopment Authority					
2025	%	Projected	2025		
YTD	Budget	Year-End	Budget	Variance*	
Revenues	86,982	78%	115,933	111,464	4,469
Expenses	85,633	74%	114,294	116,392	2,098
Transfers	(1,082)	50%	(1,992)	(2,151)	159
Change in Reserve Balance	267		(353)	(7,079)	6,726
Beginning Reserve Balance			17,505		
Assigned/Committed					
Ending Reserve Balance			17,152		
Target Balance			9,845		

Metro Transit - Bus					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	284,875	78%	364,464	366,197	(1,733)
Expenses	311,112	63%	414,816	489,973	75,157
Transfers	(18,060)	47%	(38,676)	(38,394)	(282)
Change in Reserve Balance	(44,297)		(89,028)	(162,170)	73,142
Beginning Reserve Balance			229,632		
Ending Reserve Balance			140,604		
Target Balance			45,226		

Metro Transit - Light Rail					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	86,145	54%	154,160	158,510	(4,350)
Expenses	49,435	38%	75,913	130,809	54,896
Transfers	(19,835)	63%	(27,556)	(31,695)	4,139
Change in Reserve Balance	16,875		50,691	(3,994)	54,685
Beginning Reserve Balance			24,811		
Ending Reserve Balance			75,502		
Target Balance			13,488		

Metro Transit - Commuter Rail					
2025	%	Projected	2025		
YTD	Budget	Year-End	Budget	Variance*	
Revenues	8,343	58%	11,770	14,389	(2,619)
Expenses	11,985	72%	16,525	16,717	192
Transfers	(990)	49%	(1,465)	(2,040)	575
Change in Reserve Balance	(4,632)		(6,220)	(4,368)	(1,852)
Beginning Reserve Balance			11,443		
Ending Reserve Balance			5,223		
Target Balance			1,557		

MTS - Transportation Planning					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	6,143	76%	8,067	8,067	0
Expenses	5,269	50%	8,385	10,629	2,244
Transfers	(1,776)	66%	(2,512)	(2,676)	164
Change in Reserve Balance	(902)		(2,830)	(5,238)	2,408
Beginning Reserve Balance			11,977		
Ending Reserve Balance			9,147		
Target Balance			4,176		

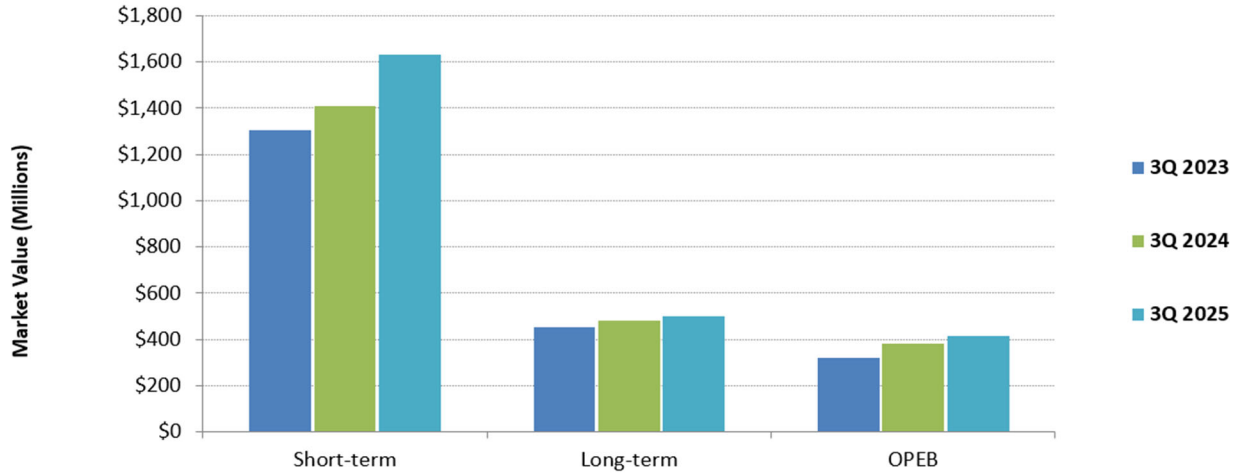
MTS - Special Transportation Services					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	87,129	74%	118,873	116,983	1,890
Expenses	88,378	68%	123,655	129,147	5,492
Transfers	(2,822)	73%	(3,681)	(3,875)	194
Change in Reserve Balance	(4,071)		(8,463)	(16,039)	7,576
Beginning Reserve Balance			13,501		
Ending Reserve Balance			5,038		
Target Balance			6,651		

MTS - Contracted Service					
2025	%	Projected	2025		
YTD	Budget	Year-End	Budget	Variance*	
Revenues	33,682	75%	45,539	45,034	505
Expenses	33,542	74%	45,820	45,555	(265)
Transfers	(2,358)	95%	(2,420)	(2,488)	68
Change in Reserve Balance	(2,218)		(2,701)	(3,009)	308
Beginning Reserve Balance			8,088		
Ending Reserve Balance			5,387		
Target Balance			4,804		

*Variance = Favorable / (Unfavorable)

Financial Management Report

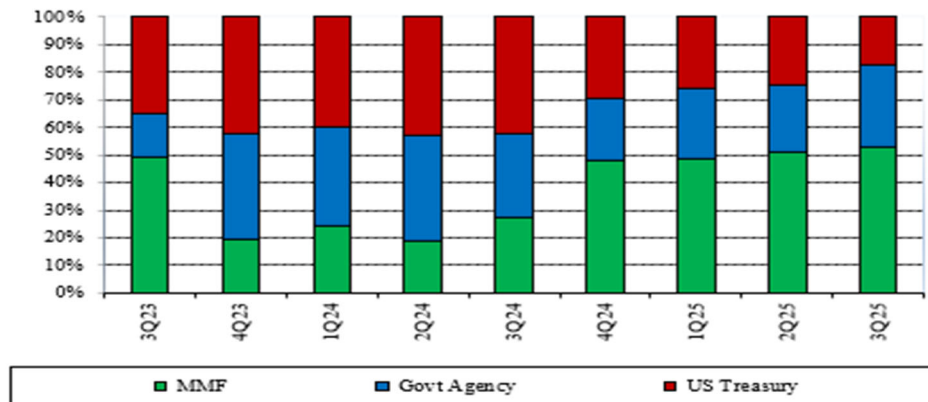
INVESTMENT PORTFOLIO BALANCES



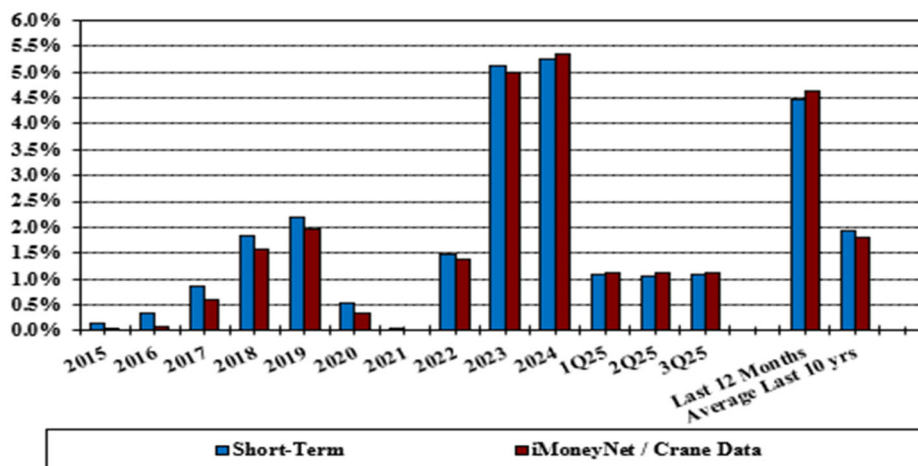
Balances - Market Value (millions)			
	3Q 2023	3Q 2024	3Q 2025
Short-term	1,303.4	1,409.8	1,632.2
Long-term	452.6	482.1	500.9
OPEB	318.8	380.9	414.8
Total	<u>\$ 2,074.80</u>	<u>\$ 2,272.80</u>	<u>\$ 2,547.90</u>

INVESTMENT HOLDINGS AND PERFORMANCE - SHORT-TERM PORTFOLIO

Sector Allocation



Total Return

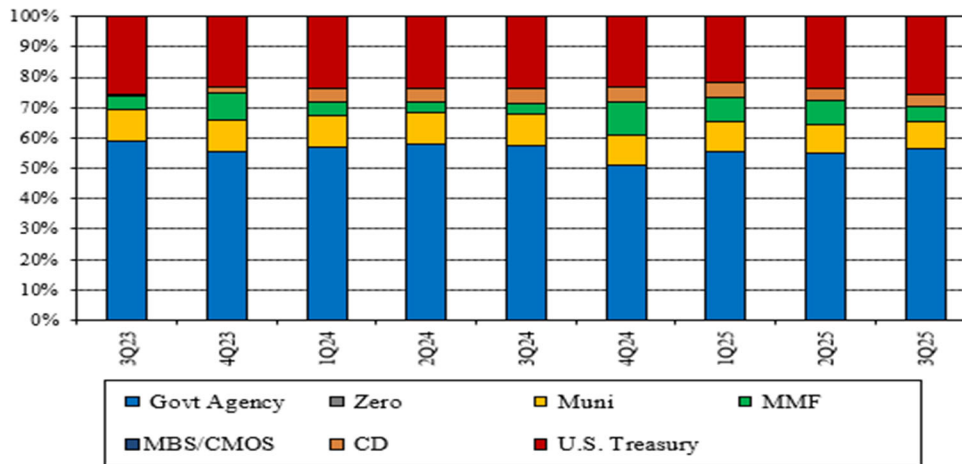


Short-term Portfolio Performance 3Q25. The Short-term portfolio invests available short-term cash around the Council’s cash-flow. The portfolio purchases securities permissible under MN. Statutes Chapter 118A and the Council’s Investment Policy. Total return for 3Q25 was 1.07%, compared to 1.06% for 2Q25, and slightly less than the 1.10% return of the portfolio’s benchmark. The average book yield of portfolio holdings decreased to 3.87% from 4.02% in 2Q25. Portfolio earnings for 3Q25 were \$17.9 million, up from \$16.6 million in 2Q25. To end the quarter, the \$1.6 billion portfolio was invested in U.S. Treasury Bills (\$278 million, 17%), U.S. Government Agency Discount Notes (\$488 million, 30%), and government money market funds (\$865 million, 53%). Portfolio investments range in maturity length from 0 to 5 months.

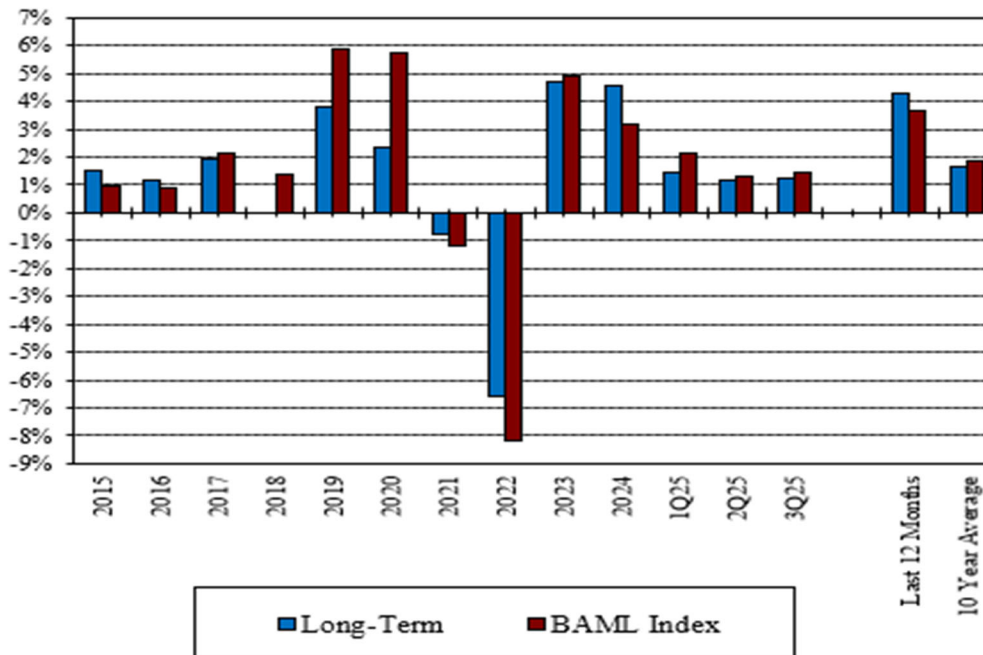
Strategy. The portfolio remained very liquid in 3Q25, with large balances in money market funds which continued to be the highest yielding short-term instruments, and slightly lag decreasing yields caused by Fed rate cuts. There has been no yield incentive to reduce liquidity. Although investments continue to be made out 4-5 months to maintain diversification and lock-in yield in anticipation of Fed rate cuts. Short-term yields declined in the quarter and are expected to continue downward, as more Fed rate cuts are expected in 4Q and 2026, pushing portfolio earnings lower.

INVESTMENT HOLDINGS AND PERFORMANCE - LONG-TERM PORTFOLIO

Sector Allocation



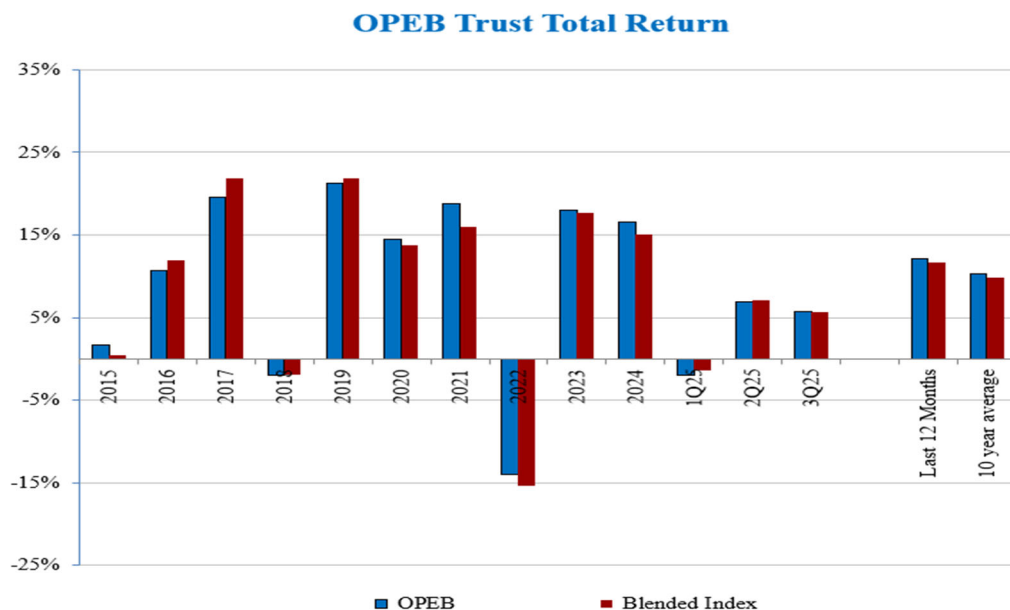
Total Return



Long-term Portfolio Performance 3Q25. This portfolio invests the Council's longer-term reserves. Average yield and interest income continue to slowly increase as lower yielding investments mature, and funds are re-invested at higher yields. Average yield increased from 2.75% in 2Q25 to 2.93% in 3Q25. Interest income increased to \$3.5 million, compared to \$3.3 million in 2Q25. Portfolio quarterly total return was 1.27%, vs 1.45% for its benchmark. The \$500 million portfolio was invested similar to the previous quarter holding U.S. Government Agency securities (\$284 million, 57%), U.S. Treasury Notes (\$128 million, 25%), taxable municipal bonds (\$44 million, 9%), government money funds (\$24 million, 5%), Certificates of Deposit (\$20 million, 4%) and a very small amount of mortgage-backed securities. Duration increased slightly but remained short of the benchmark, 1.34 years vs 3.38 years.

Strategy. Reinvesting maturities to increase yield continued in 3Q25. \$39 million of US Treasury and US Government Agency bonds were purchased. New purchases had maturities ranging from 6-8 years to increase duration and were non-callable or had very little optionality.

INVESTMENT HOLDINGS AND PERFORMANCE – OPEB TRUST



OPEB Trust Performance 3Q25. The OPEB Trust contains assets set aside to fund future OPEB liabilities, which stretch 30+ years into the future. Trust assets are held at a third-party custodian, managed by the Minnesota State Board of Investment, and allocated at the Council’s direction. The Trust had a strong total return of 5.68% for the 3Q25, matching its benchmark return of 5.68%. The Trust’s fixed income portion returned 1.26%, the equity portion 8.13%, and the money fund balance returned 1.12%. The market value of the Trust increased \$22.3 million in 3Q25 to \$414.8 million, up from \$392.5 million ending 2Q25. Trust investments were allocated 66% to the S&P 500 pool, 31% to US Treasury and Government Agency securities, and 3% to the cash pool.

Strategy. The Trust uses the S&P 500 index pool to realize the historically higher average returns of the equity markets over the long term. OPEB liability funding levels and Trust investment allocations are monitored, and periodic adjustments are made to maintain the portfolio allocation near 60/40 equity-to-fixed income/cash. The Trust has average returns of 11.28% over the past 5 years and 10.24% over the past 10 years. Projected future OPEB liabilities are currently fully funded. The Council withdraws funds from the trust annually to fund OPEB benefits.

Financial Management Report

GENERAL FUND

Unaudited - dollars in thousands

2025 3rd Quarter Financial Report General Fund Unaudited - dollars in thousands

	General Fund				
	2025 YTD		Projected		
	Results	% Budget	Year-End	2025 Budget	Variance
Revenues	11,901	54%	21,947	21,971	(24)
Expenses	87,736	58%	138,840	151,245	12,405
Transfers	74,869	59%	119,984	126,664	(6,680)
Change in Reserve Balance	(966)		3,091	(2,610)	5,701
Beginning Fund Balance			38,057		
Assigned/Committed			(7,972)		
Ending Unassigned Reserve Balance			33,176		
Target Balance			15,125		

General Fund

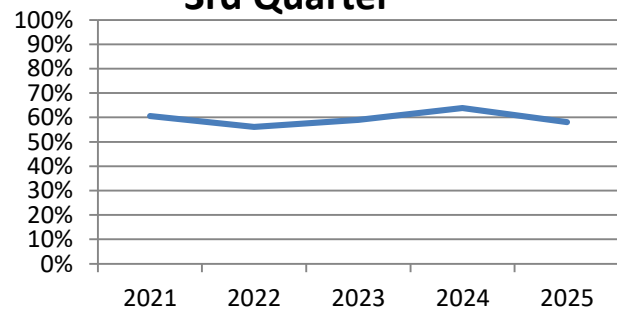
Revenues for the General fund are primarily from property tax and investment earnings.

At the end of third quarter, the General Fund has spent 58% of the annual budgeted operating expense. This is due to the timing of expenses in Information Services and other cost savings in Regional Administration and Community Development. Operating expenses are expected to end the year under budget.

Based on the above forecasted variances, the General Fund reserves are projected to increase by \$3.1M compared to the budgeted decrease of \$2.6M.

The projected year-end available reserve balance is \$33.2M, which is above the Council's minimum reserve target balance of \$15.1M.

General Fund % of Budget Spent - 3rd Quarter



ENVIRONMENTAL SERVICES

Unaudited - dollars in thousands

2025 3rd Quarter Financial Report Environmental Services Unaudited - dollars in thousands

	Environmental Services				
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	237,279	74%	322,606	321,606	1,000
Expenses	123,018	67%	178,350	183,350	5,000
Transfers	(105,423)	72%	(145,038)	(146,938)	1,900
Change in Reserve Balance	8,838		(782)	(8,682)	7,900
Beginning Reserve Balance			57,072		
Ending Unassigned Reserve Balance			56,290		
Target Balance			18,335		

Environmental Services

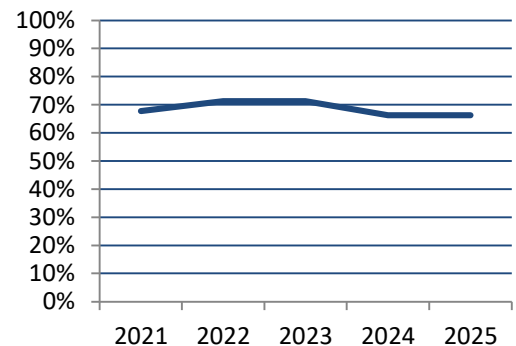
Total revenues are expected to be \$1.0M over budget. State appropriations are projected to be \$1.5M over budget due to unexpected appropriations (e.g., WBL), and investment earnings are projected to be \$1.0M over budget due to higher interest rates. These overruns will be partially offset by industrial charges, which are expected to be \$1.5M under budget due to the departure of a large industrial waste customer.

Total expenses are expected to be \$5.0M under budget. Salaries and benefits are projected to underrun by \$1.5M due to vacancies, and utilities are projected to underrun budget by \$1.2M due to lower fuel charges. Chemicals are expected to underrun budget by \$1.0M driven by polymer prices, and grants are expected to underrun by \$1.0M due to the timing of an appropriation with Newport. Travel is also expected to underrun by \$0.3M. Other variances are offsetting.

Transfers are expected to be \$1.9M under budget. The RA expense allocation is expected to underrun by \$1.6M due to the timing of expenses in Information Services and other cost savings in Regional Administration. Transfers out are expected to underrun by \$0.3M.

Based on the above forecasted variances, operating reserves are projected to decrease by \$0.8M compared to the budgeted decrease of \$8.7M. This will decrease the operating fund balance to \$56.3M. This exceeds the year-end target balance of \$18.3M by a healthy margin.

Environmental Services % of Budget Spent - 3rd Quarter



Financial Management Report

HOUSING AND REDEVELOPMENT FUND

Unaudited - dollars in thousands

2025 3rd Quarter Financial Report Housing and Redevelopment Fund Unaudited - dollars in thousands

	Housing and Redevelopment Authority				
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	86,982	78%	115,933	111,464	4,469
Expenses	85,633	74%	114,294	116,392	2,098
Transfers	(1,082)	50%	(1,992)	(2,151)	159
Change in Reserve Balance	267		(353)	(7,079)	6,726
Beginning Reserve Balance			17,505		
Ending Reserve Balance			17,152		
Target Balance			9,845		

Housing and Redevelopment Authority

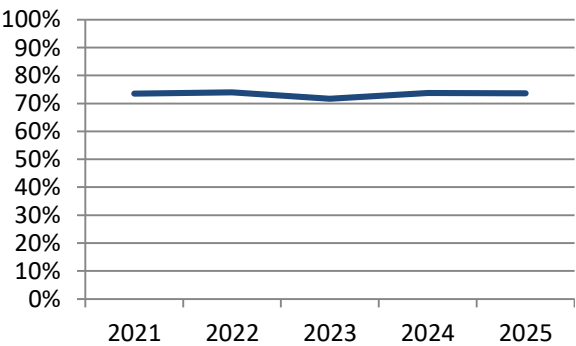
HRA revenues are projected to be \$4.4M favorable to budget. The reason for the favorable variance is higher than expected administration fees and higher interest earnings than anticipated.

Expenses are projected to be favorable to budget by \$2.1M. This favorable variance is primarily the result of serving less families in the Housing Choice Voucher (HCV) program. Lower spending than budgeted on contracted services and other general administrative expenses is also contributing to the favorable variance.

The Housing Choice Voucher program is currently in shortfall with the US Department of Housing and Urban Development (HUD), due to the continued inflation of subsidy payments outpacing the budget authority from HUD. The recently approved Q3 budget amendment authorized an additional \$5.0M from the HRA reserve fund to cover the increased expenses.

The projected ending reserve balance is \$17.2M for 2025, which is above the Council's reserve target balance of \$9.8M.

HRA % of Budget Spent - 3rd Quarter



Financial Management Report

METRO TRANSIT - BUS

Unaudited - dollars in thousands

2025 3rd Quarter Financial Report Metro Transit - Bus Unaudited - dollars in thousands

Metro Transit - Bus				
	2025 YTD Results	% Budget	Projected Year- End	2025 Budget Variance
Revenues	284,875	78%	364,464	366,197 (1,733)
Expenses	311,112	63%	414,816	489,973 75,157
Transfers	(18,060)	47%	(38,676)	(38,394) (282)
Change in Reserve Balance	(44,297)		(89,028)	(162,170) 73,142
Beginning Reserve Balance			229,632	
Ending Reserve Balance			140,604	
Target Balance			45,226	

Metro Transit - Bus

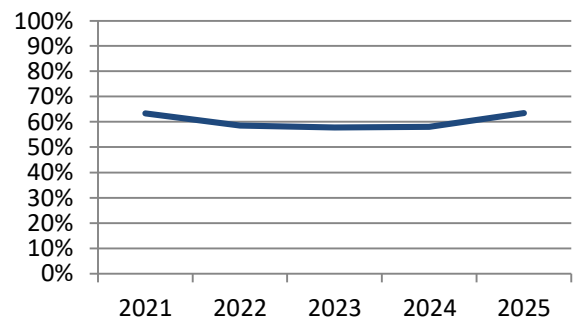
Total Bus revenues are projected to be unfavorable to budget by \$1.7M as result of lower passenger fare revenues of \$2.5M and lower than expected federal revenues \$2.3M, which were offset by increased investment earnings \$2.6M and advertising revenues \$0.5M. Ridership is below budget and pre-COVID level year-to-date.

Total Bus expenses are projected to be favorable to budget by \$75.1M. These savings are due to vacant positions with labor and benefits under budget \$35.2M. Professional and technical services be \$15.2M below budget as result of lower consulting activities. Fuel savings are expected to be \$5.4M under budget due to service levels and price per gallon of diesel fuels. Utilities will be \$3.8M under budget due to lower usage relative to the budget. Other expenses budgeted for enhancing the bus system are continuously under review are expected to be over budget by \$2.7M.

Transfers are projected to be favorable by \$0.3M due to the savings in Council allocations of \$3.8M and lower modal allocation \$4.1M. Council allocation is at the 95% budget level.

Based on the above forecasted variances, reserves are projected to decrease by \$89.0M compared to the budgeted decrease of \$162.0M. The projected ending reserve balance is \$140.6M.

Metro Transit - Bus % of Budget Spent - 3rd Quarter



Financial Management Report

METRO TRANSIT - LIGHT RAIL

Unaudited - dollars in thousands

2025 3rd Quarter Financial Report Metro Transit - Light Rail Unaudited - dollars in thousands

	Metro Transit - Light Rail				
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	86,145	54%	154,160	158,510	(4,350)
Expenses	49,435	38%	75,913	130,809	54,896
Transfers	(19,835)	63%	(27,556)	(31,695)	4,139
Change in Reserve Balance	16,875		50,691	(3,994)	54,685
Beginning Reserve Balance			24,811		
Ending Reserve Balance			<u>75,502</u>		
Target Balance			13,488		

Metro Transit - Light Rail

Light Rail revenues are projected to be unfavorable by \$4.4M as a result of lower passenger fare revenues. Ridership is 80% below budget.

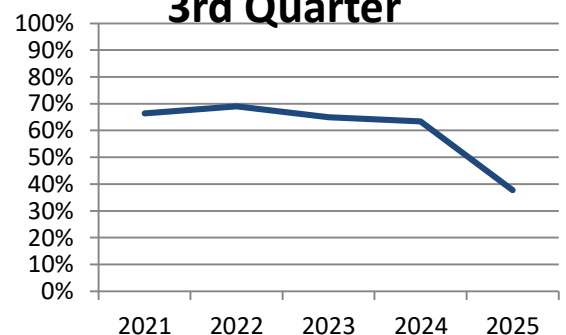
Total Light Rail expenses are projected to end the year \$54.9M favorable to budget. These savings are due to vacant positions with labor under budget \$21.9M. Professional and technical services are projected to be \$3.0M below budget due to a slowdown in activity. Materials and supplies are expected to be \$16.2M under budget. Utilities are projected to be \$5.2M favorable due to lower usage relative to the budget. Other expenses budgeted for enhancing the rail system are expected to be under budget by \$8.6M.

Transfers are projected to be favorable to budget by \$4.1M due to a combination of lower Council allocated expenses and costs transferred from the Bus mode. Council allocation is at the 95% budget level.

Based on the above forecasted variances, reserves are projected to increase by \$50.7M compared to the budgeted decrease of \$4.0M. The projected ending reserve balance is \$75.5M.

Metro Transit - Light Rail

% of Budget Spent - 3rd Quarter



Financial Management Report

METRO TRANSIT - COMMUTER RAIL

Unaudited - dollars in thousands

2025 3rd Quarter Financial Report Metro Transit - Commuter Rail Unaudited - dollars in thousands

Metro Transit - Commuter Rail					
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	8,343	58%	11,770	14,389	(2,619)
Expenses	11,985	72%	16,525	16,717	192
Transfers	(990)	49%	(1,465)	(2,040)	575
Change in Reserve Balance	(4,632)		(6,220)	(4,368)	(1,852)
Beginning Reserve Balance			11,443		
Ending Reserve Balance			5,223		
Target Balance			1,557		

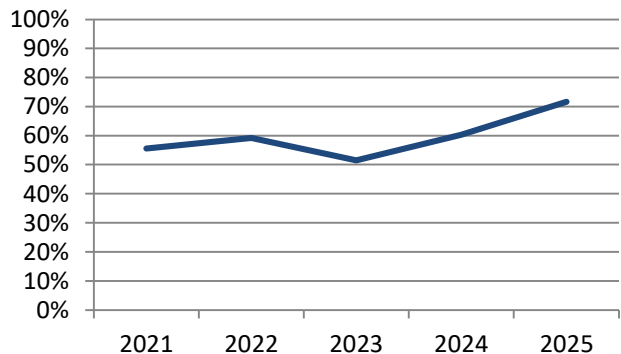
Metro Transit - Commuter Rail

Total Commuter Rail revenues are projected to be unfavorable by \$2.6M as a result of lower than expected State appropriations and the non-fruition of a Sherburne County contract as local share.

Total Commuter Rail expenses are projected to end the year \$0.2M favorable to budget due to the upcoming suspension of service in 2026. Transfers are expected to be under budget by \$0.6M. Council allocation is at the 95% budget level.

Based on the above forecasted variances, reserves are projected to decrease by \$6.2M compared to the budgeted decrease of \$4.4M. The projected ending reserve balance is \$5.2M.

MT - Commuter Rail % of Budget Spent - 3rd Quarter



Financial Management Report

MTS - TRANSPORTATION PLANNING

Unaudited - dollars in thousands

2025 3rd Quarter Financial Report Metropolitan Transportation Services - Transportation Planning Unaudited - dollars in thousands

	MTS - Transportation Planning				
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	6,143	76%	8,067	8,067	0
Expenses	5,269	50%	8,385	10,629	2,244
Transfers	(1,776)	66%	(2,512)	(2,676)	164
Change in Reserve Balance	(902)		(2,830)	(5,238)	2,408
Beginning Reserve Balance			11,977		
Ending Reserve Balance			9,147		
Target Balance			4,176		

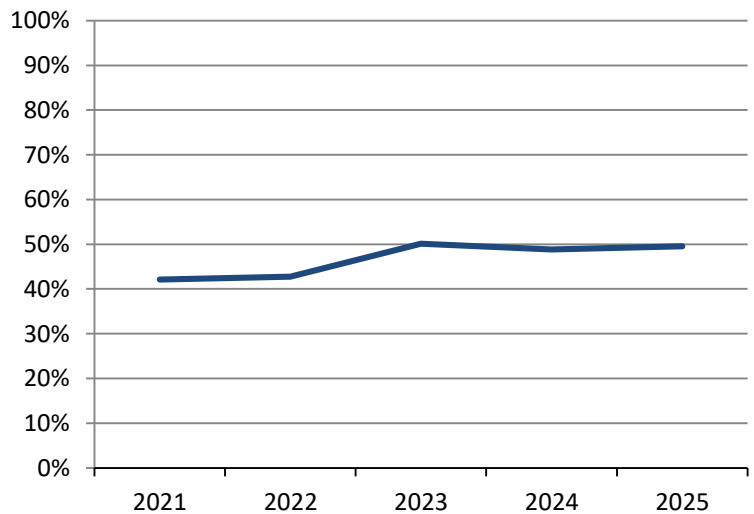
MTS - Transportation Planning

Transportation Planning revenues are projected to end the year on budget. Federal revenues are forecasted to end the year lower than budgeted but is offset by the favorable variance in interest earnings.

Expenses are projected to be favorable to budget by \$2.2M primarily due to lower consulting activity and salary expense. Slower than expected hiring is contributing to favorable variance.

The projected ending reserve balance is \$9.1M for 2025, which is above the Council's reserve target balance of \$4.2M.

MTS - Planning % of Budget Spent - 3rd Quarter



Financial Management Report

MTS - SPECIAL TRANSPORTATION SERVICES

Unaudited - dollars in thousands

2025 3rd Quarter Financial Report Metropolitan Transportation Services - Special Transportation Services Unaudited - dollars in thousands

MTS - Special Transportation Services					
	2025 YTD		Projected		
	Results	% Budget	Year-End	2025 Budget	Variance
Revenues	87,129	74%	118,873	116,983	1,890
Expenses	88,378	68%	123,655	129,147	5,492
Transfers	(2,822)	73%	(3,681)	(3,875)	194
Change in Reserve Balance	(4,071)		(8,463)	(16,039)	7,576
Beginning Reserve Balance			13,501		
Ending Reserve Balance			5,038		
Target Balance			6,651		

MTS - Special Transportation Services

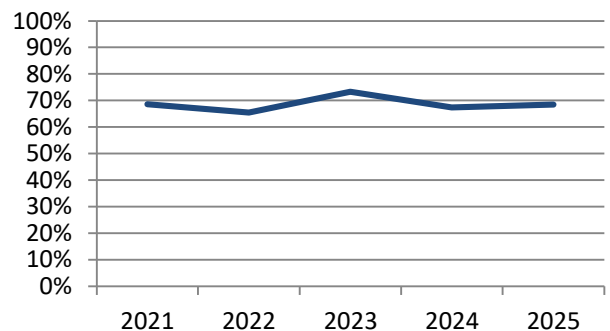
Special Transportation revenues are projected to be favorable by \$1.9M as a result of state appropriation funding being higher than budgeted.

Expenses are projected to be favorable to budget by \$5.5M, as a result of lower salary and general administrative expenses (\$1.0M), lower than anticipated activity in consulting and contracted services (1.2M), and fuel costs (\$3.3M). Lower than anticipated activity in Metro Move is contributing to the favorable variance in service provider expenses and fuel usage.

The projected ending reserve balance is \$5.0M for 2025, which is below the Council's reserve target balance of \$6.7M.

Future reserve balances and budgetary tools are being assessed to increase minimum reserves back to the policy target.

MTS - Special Transportation Services % of Budget Spent - 3rd Quarter



Financial Management Report

MTS-CONTRACTED SERVICES

Unaudited - dollars in thousands

2025 3rd Quarter Financial Report Metropolitan Transportation Services - Contracted Service Unaudited - dollars in thousands

	MTS - Contracted Service				
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	33,682	75%	45,539	45,034	505
Expenses	33,542	74%	45,820	45,555	(265)
Transfers	(2,358)	95%	(2,420)	(2,488)	68
Change in Reserve Balance	(2,218)		(2,701)	(3,009)	308
Beginning Reserve Balance			8,088		
Ending Reserve Balance			5,387		
Target Balance			4,804		

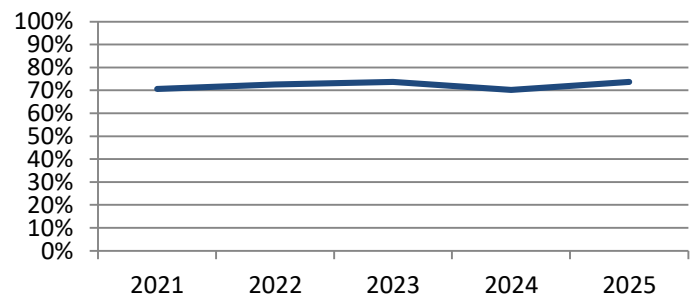
MTS - Contracted Service

Contracted Services revenues are projected to be favorable to budget by \$0.5M as a result of higher interest earnings.

Expenses are forecasted to end the year \$0.3M unfavorable to budget. Increased expenses in Fixed Route and Transit Link (\$0.7M) are mostly being offset by lower administrative expenses (\$0.4M). Fixed Route is unfavorable to budget as a result of slightly higher than anticipated service activity. The unfavorable variance in Transit Link expenses is a result of higher than anticipated activity in the Airport Connect program.

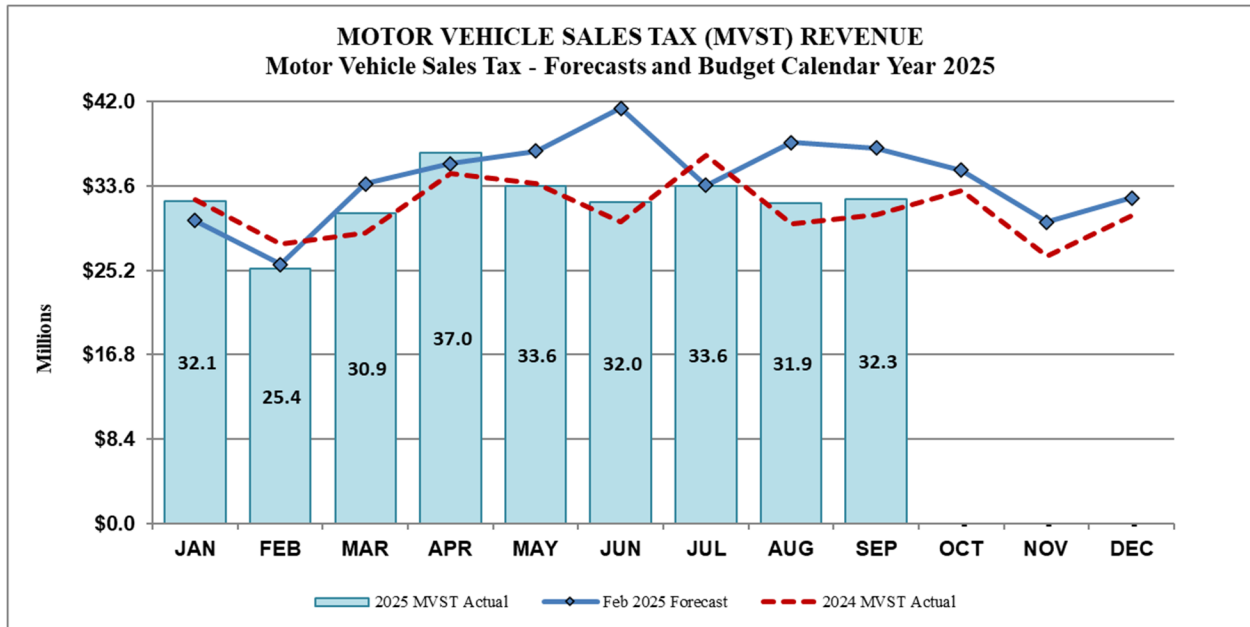
The projected ending reserve balance is \$5.4M for 2025, which is above the Council's reserve target balance of \$4.8M.

MTS - Contracted Service % of Budget Spent - 3rd Quarter

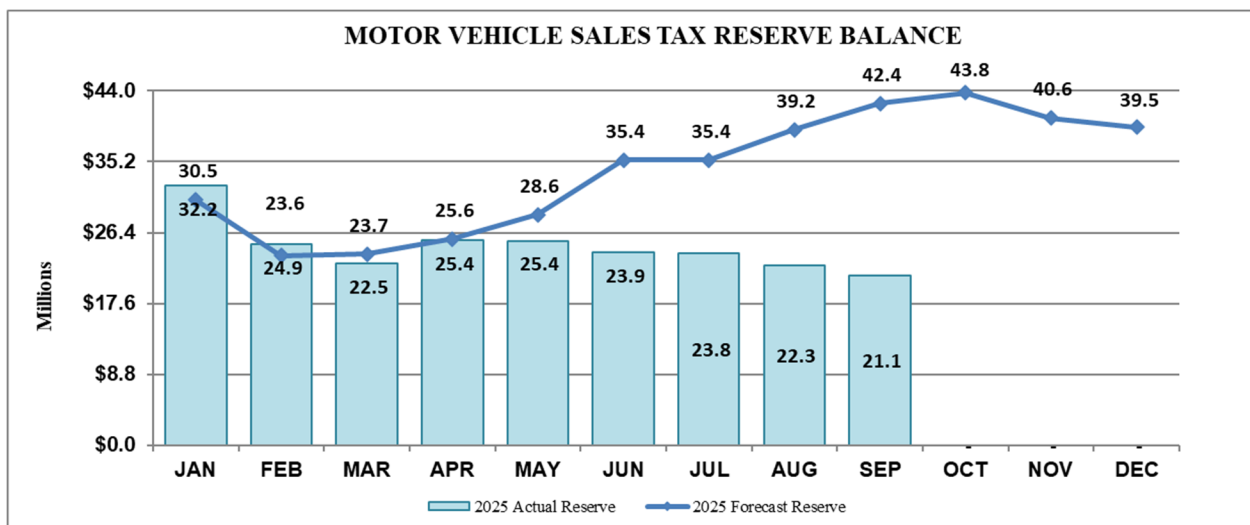


Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES



Motor vehicle sales tax receipts for 2025 thru September totaled around \$288.7 million, 92.2% of February 2025 forecast thru September. MVST reserves were \$21.1 million at the end of September.



Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

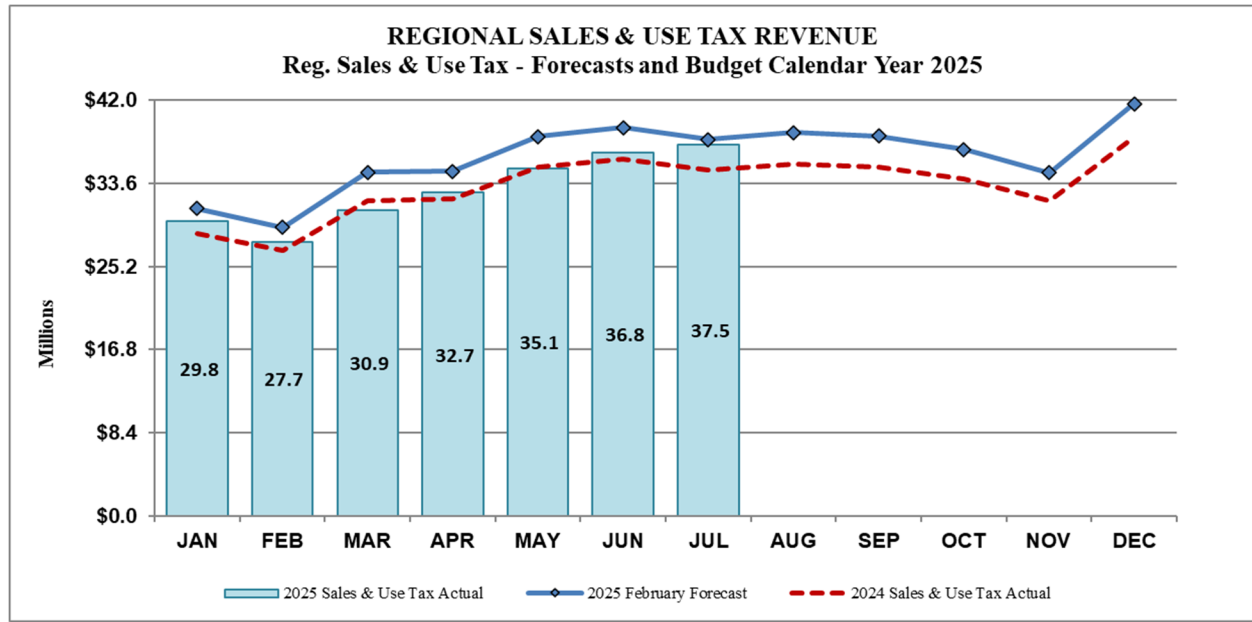
Dollars in millions

MOTOR VEHICLE SALES TAX – FORECASTS AND BUDGET CALENDAR YEAR 2025

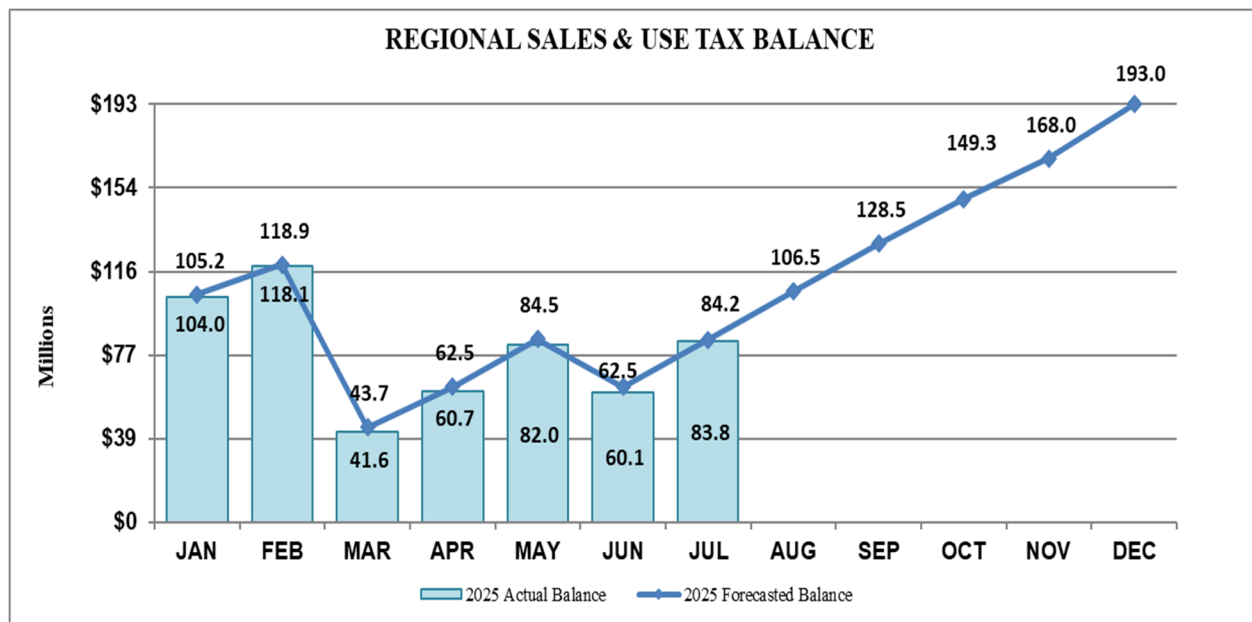
Motor Vehicle Sales Tax – Forecasts and Budget Calendar Year 2025			
(Millions)			
	Total	Jan-Jun	Jul-Dec
Nov 2024 Forecast (2025 Amended Budget)	406.0	203.0	203.0
2025 Council Budget:			
Current MVST Revenues	384.4	192.2	192.2
Use of MVST Reserve	21.6	10.8	10.8
February 2025 Forecast	410.7	204.1	206.6
YTD Actuals	288.7	190.9	97.8
November 2024 Forecast	406.0	201.7	204.3
YTD Actuals	288.7	190.9	97.8
% of February 2025 Forecast	70.3%	93.5%	47.3%
% of November 2024 Forecast	71.1%	94.6%	47.9%

Financial Management Report

REGIONAL SALES & USE TAX REVENUES



Regional sales & use tax receipts for 2025 through July totaled around \$230.3 million, 93.8% of the February 2025 forecast through July. Regional sales & use tax balance was \$83.8 million at the end of July.



Financial Management Report

REGIONAL SALES & USE TAX REVENUES FORECASTS & BUDGET

Dollars in millions

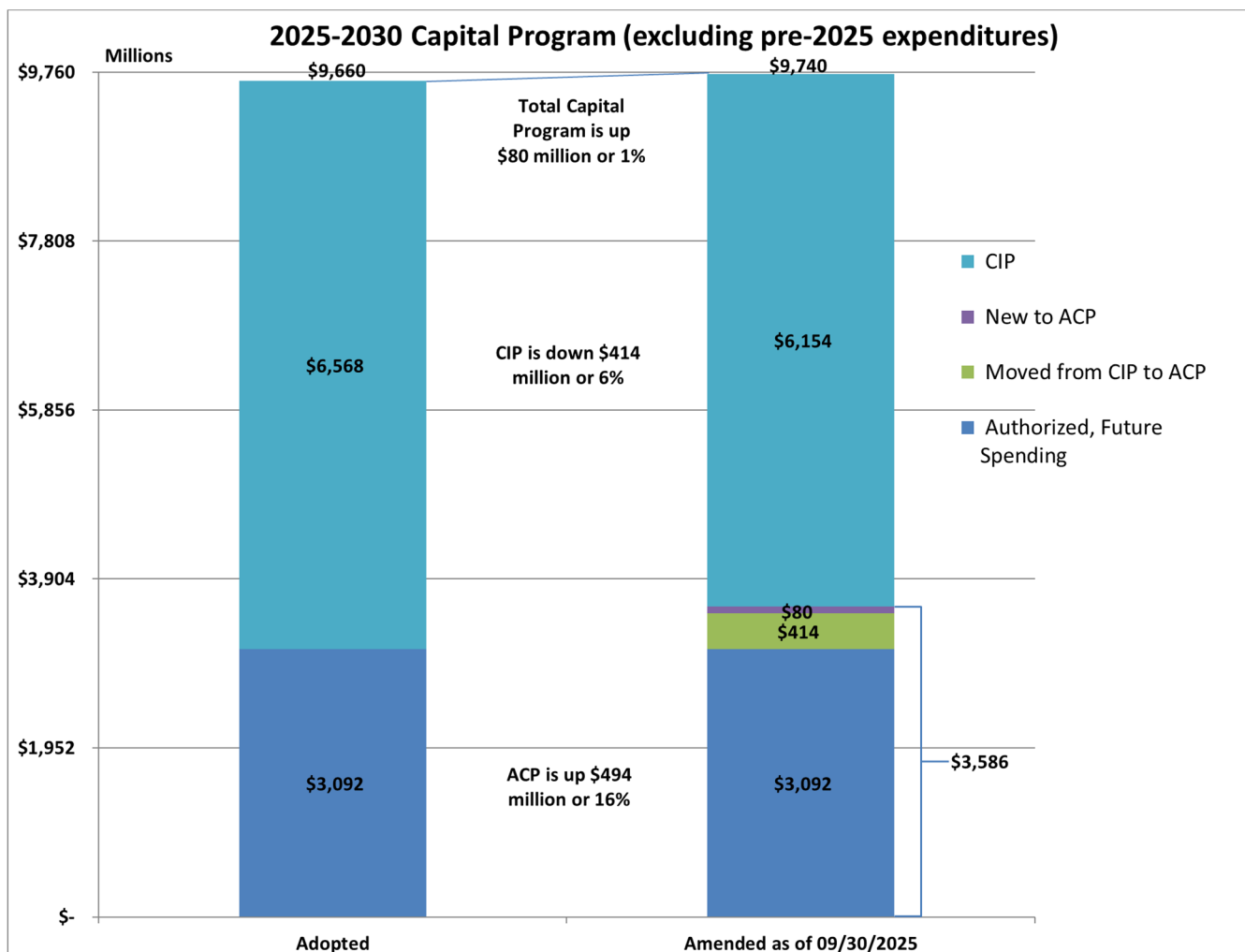
REGIONAL SALES & USE TAX – FORECASTS AND BUDGET CALENDAR YEAR 2025

Regional Sales & Use Tax – Forecasts and Budget Calendar Year 2025			
(Millions)			
	Total	Jan-Jun	Jul-Dec
Nov 2024 Forecast (2025 Adopted Budget)	425.3	202.3	223.0
2025 Council Budget:			
Current Sale Tax Revenues	200.1	95.2	104.9
Use of Sales Tax Balance	225.2	107.1	118.1
November 2024 Forecast	425.3	202.3	223.0
YTD Actuals	230.3	192.8	37.5
February 2025 Forecast	436.1	207.5	228.6
YTD Actuals	230.3	192.8	37.5
% of November 2024 Forecast	54.2%	95.3%	16.8%
% of February 2025 Forecast	52.8%	92.9%	16.4%

2025-2030 CAPITAL PROGRAM

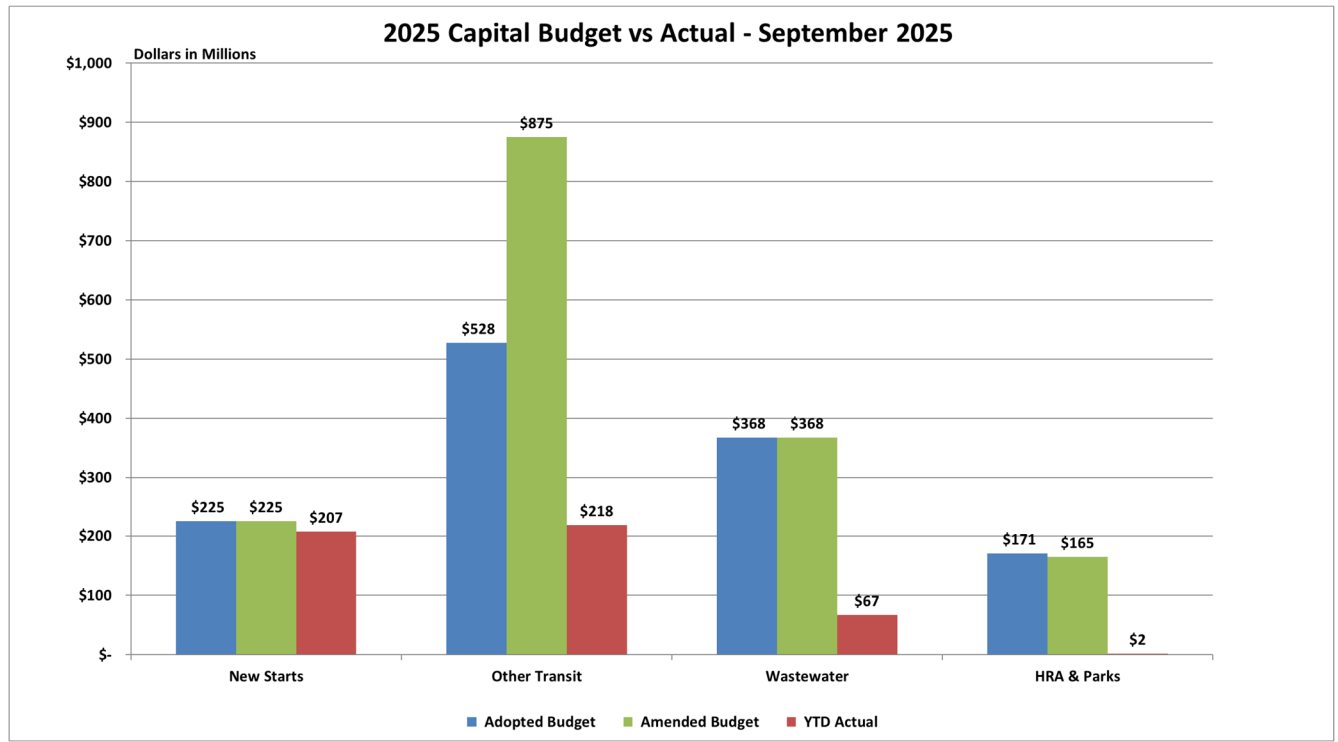
Capital Program (Excluding Pre-2025 Expenditures)

The Capital Program (excluding pre-2025 expenditures) increased by \$80 million, or 1% increase, for amendments through September 2025. The authorized portion of the capital program (ACP) is up \$494 million, or a 16% increase, through September 2025. The ACP typically increases during the year as federal, state, and regional funding becomes available to transit and parks. Additionally, projects are moved from the planned portion of the capital program, called the capital improvement plan (CIP), to the authorized capital program (ACP) throughout the year.



CAPITAL SPENDING

Capital Budget



The adopted 2025 Capital Budget was \$1.290 billion. Amendments through September 2025 increased the amended 2025 Capital Budget to \$1.632 billion. Actual 2025 capital expenditures total 38% of the adopted budget and 30% percent of the amended budget. Actual expenditures as a percent of their amended budget were 39% for transit projects, 18% for wastewater projects and 1% for parks & HRA & Parks projects.

Financial Management Report

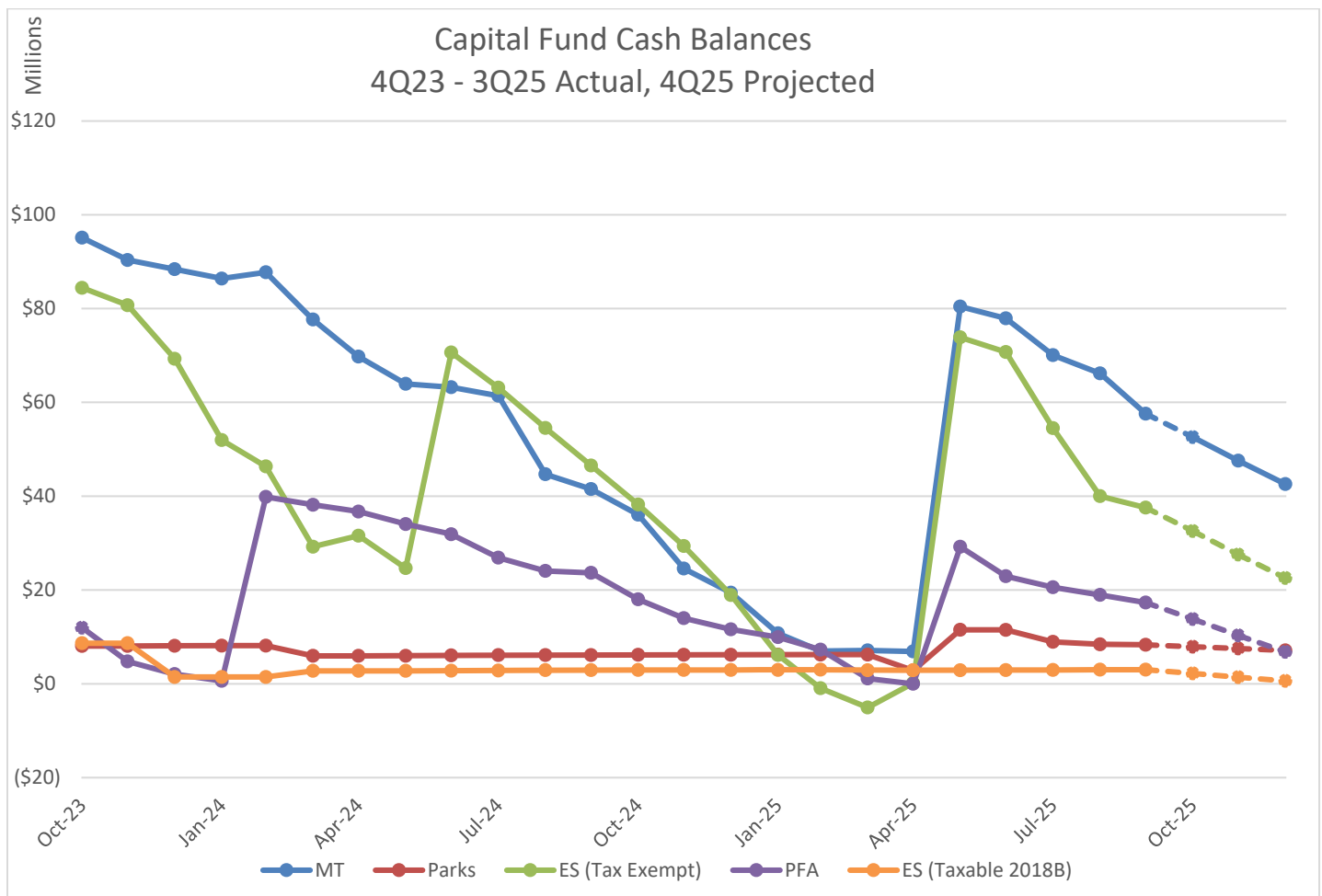
CAPITAL FUND CASH BALANCES

At the end of the quarter, Transit had approximately \$57.5 million in cash remaining to be spent from its new 2025 bond issuance. The pace of Transit capital spending increased as the monthly capital spend increased to \$6.1 million per month in the third quarter from \$4.1 million in the second quarter.

At the end of the quarter, Environmental Services had approximately \$37.5 million of cash remaining to be spent from its new 2025 bond issuance. The pace of Environmental Services capital spending increased in the third quarter. In addition to bond debt, Environmental Services had a balance of \$17.3 million to be drawn against its 2025 PFA loan. The average monthly draw on this loan has been \$2.4 million YTD.

At the end of the quarter, Parks had approximately \$8.3 million of cash remaining to be spent from its new 2025 bond issue. Parks capital spending remained consistent from second quarter to the third quarter with a \$1 million average spend per quarter.

The Council's outstanding debt is continually monitored for refunding opportunities, at present there are no scenarios to consider.



STATEMENT OF REVENUES AND EXPENSES
General Fund
September 30, 2025
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Property Taxes	9,928,835	19,318,083	19,318,083	-
Investment Earnings	1,494,652	1,992,869	702,462	1,290,407
Chargebacks - MAC	48,369	64,492	-	64,492
Other Revenue	428,791	571,721	1,950,000	(1,378,279)
Total Revenues	11,900,647	21,947,166	21,970,545	(23,379)
<u>EXPENSES</u>				
Salary and Benefits	50,763,302	74,049,491	80,143,231	6,093,740
Consulting & Contractual Services	28,346,371	52,613,403	55,629,838	3,016,436
Rent & Utilities	4,722,231	6,477,440	7,020,836	543,396
Printing	12,555	42,325	52,600	10,275
Travel & Professional Development	631,144	966,009	1,375,844	409,835
Insurance	232,578	270,078	150,000	(120,078)
Other Operating Expense	3,028,254	4,421,568	6,873,012	2,451,445
Total Expenses	87,736,435	138,840,313	151,245,361	12,405,048
<u>TRANSFERS</u>				
Transfer In	80,081,941	126,923,943	133,604,150	(6,680,208)
Transfer Out	(5,213,140)	(6,940,067)	(6,940,067)	-
Total Transfers	74,868,801	119,983,876	126,664,083	(6,680,208)
Change in Reserve Balance	\$ (966,987)	\$ 3,090,728	\$ (2,610,733)	\$ 5,701,461
Beginning Fund Balance		38,056,597		
Assigned/Committed		(7,971,822)		
Ending Unassigned Reserve Balance		33,175,503		
Target Balance (10%)		15,124,536		

STATEMENT OF REVENUES AND EXPENSES
Environmental Services
September 30, 2025

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Municipal Wastewater Charges	223,003,176	297,360,000	297,360,000	-
Industrial Charges	10,221,714	18,130,000	19,630,000	(1,500,000)
State Appropriations Revenue	737,754	2,740,000	1,240,000	1,500,000
Investment Earnings	2,918,350	3,500,000	2,500,000	1,000,000
Other Revenue	397,822	876,277	876,277	-
Total Revenues	237,278,816	322,606,277	321,606,277	1,000,000
<u>EXPENSES</u>				
Salary and Benefits	63,844,682	91,465,978	92,965,978	1,500,000
Consulting & Contractual Services	15,990,682	25,709,005	25,209,005	(500,000)
Rent & Utilities	16,510,502	23,854,715	25,054,715	1,200,000
Travel	341,989	558,690	858,690	300,000
Materials & Supplies	12,475,092	16,219,615	14,319,615	(1,900,000)
Chemicals	11,188,528	16,126,647	17,126,647	1,000,000
Capital Outlay	1,540,178	2,430,500	2,130,500	(300,000)
I&I, Storm water, CWF, WOMP Grant Expense	345,408	551,000	1,551,000	1,000,000
Other Operating Expense	780,731	1,433,726	4,133,726	2,700,000
Total Expenses	123,017,791	178,349,876	183,349,876	5,000,000
<u>TRANSFERS</u>				
SAC Transfer	39,563,250	52,751,000	52,751,000	-
Transfers In	75,000	100,000	100,000	-
Debt Service	(117,375,039)	(156,500,000)	(156,500,000)	-
Transfer Out - RA Expense Allocation	(19,202,492)	(29,745,198)	(31,345,198)	1,600,000
Transfers Out Paygo	(8,250,003)	(11,000,000)	(11,000,000)	-
Transfers Out Other	(233,454)	(643,640)	(943,640)	300,000
Total Transfers	(105,422,738)	(145,037,838)	(146,937,838)	1,900,000
Change in Reserve Balance	8,838,287	(781,437)	(8,681,437)	7,900,000
Beginning Reserve Balance		57,072,455		
Ending Unassigned Reserve Balance		56,291,018		
Target Balance (10%)		18,334,988		

STATEMENT OF REVENUES AND EXPENSES
Housing and Redevelopment Authority (HRA)
September 30, 2025

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<u>REVENUES</u>					
Federal Revenue	83,627,946	111,503,928	107,413,423	4,090,505	77,386,960
State Revenue	68,716	127,920	127,920	-	-
Investment Earnings	423,414	449,715	-	449,715	-
Other Revenue	2,862,361	3,851,359	3,923,000	(71,641)	-
Total Revenues	86,982,437	115,932,922	111,464,343	4,468,579	77,386,960
<u>EXPENSES</u>					
Salary and Benefits	5,132,351	6,843,134	7,685,111	841,977	-
Consulting & Contractual Services	915,628	1,220,837	1,359,000	138,163	-
Rent & Utilities	210,466	280,621	284,521	3,900	-
Housing Expenses	79,218,902	105,502,424	106,338,560	836,136	76,226,345
Travel	57,669	76,892	80,769	3,877	-
Insurance	66,914	100,000	100,000	-	-
Other Operating Expense	31,234	270,143	544,443	274,300	-
Total Expenses	85,633,164	114,294,052	116,392,404	2,098,352	76,226,345
<u>TRANSFERS</u>					
Transfer In - Allocation	141,447	141,447	75,000	66,447	-
Transfer Out - RA Expense Allocation	(1,150,751)	(1,766,523)	(1,859,498)	92,975	-
Transfer Out - Other	(72,481)	(366,447)	(366,447)	-	-
Total Transfers	(1,081,785)	(1,991,523)	(2,150,945)	159,422	-
Change in Reserve Balance	267,488	(352,654)	(7,079,006)	6,726,352	1,160,615
Beginning Reserve Balance:					
Operating		17,491,274			
Federal Passthrough (HAP Assistance)		13,493			
Total Beginning Balance		17,504,767			
Change in Reserve Balance:					
Operating		(1,513,269)			
Federal Passthrough		1,160,615			
Total Change in Reserve Balance		(352,654)			
Ending Reserve Balance		17,152,113			
Target Balance (8.3%)		9,845,323			

STATEMENT OF REVENUES AND EXPENSES

Metro Transit - Bus Operations

September 30, 2025

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	21,106,877	28,085,150	30,601,344	(2,516,194)
Auxiliary Transit Revenue	1,898,895	2,531,859	2,000,000	531,859
Regional Sales Tax	23,168,701	39,717,773	39,717,772	-
State Revenue - MVST	228,361,655	280,402,757	280,402,757	-
Federal Grants	2,356,201	3,135,781	5,400,000	(2,264,219)
Investment Earnings	7,982,872	10,590,874	8,000,000	2,590,874
Other Revenue	-	-	75,000	(75,000)
Total Revenues	284,875,202	364,464,195	366,196,874	(1,732,679)
<u>EXPENSES</u>				
Salary and Benefits	259,059,415	345,412,553	398,592,495	53,179,942
Consulting & Contractual Services	16,813,029	22,417,372	37,626,713	15,209,341
Fuel	10,796,028	14,394,704	19,782,761	5,388,057
Materials & Supplies	22,456,783	29,942,377	30,227,238	284,861
Utilities	2,371,197	3,161,596	6,965,254	3,803,658
Other Operating Expense	(384,704)	(512,939)	(3,221,214)	(2,708,275)
Total Expenses	311,111,747	414,815,663	489,973,247	75,157,584
<u>TRANSFERS</u>				
Transfer In - MVST Reserve	12,390,000	16,520,000	16,520,000	-
Transfer In - Transit Allocations	13,373,273	17,831,031	21,957,016	(4,125,985)
Transfer Out - RA Expense Allocation	(43,823,718)	(73,027,405)	(76,870,952)	3,843,548
Total Transfers	(18,060,445)	(38,676,374)	(38,393,936)	(282,438)
Change in Reserve Balance	(44,296,990)	(89,027,842)	(162,170,310)	73,142,467
Beginning Reserve Balance		229,632,473		
Ending Reserve Balance		140,604,631		
Target Balance (8.3 - 12.5%)		45,225,636		

STATEMENT OF REVENUES AND EXPENSES
Metro Transit - Light Rail Operations
September 30, 2025

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	7,597,333	10,129,777	14,687,229	(4,557,452)
Auxiliary Transit Revenue	750,685	1,000,913	1,237,276	(236,363)
Regional Sales Tax	62,179,047	102,861,829	102,861,829	-
State Revenue - GF Appropriation	14,904,695	39,224,121	39,224,121	-
Investment Earnings	689,495	919,327	500,000	419,327
Other Revenue	24,087	24,087	-	24,087
Total Revenues	86,145,342	154,160,054	158,510,455	(4,350,401)
<u>EXPENSES</u>				
Salary and Benefits	42,982,118	57,309,491	79,165,847	21,856,356
Consulting & Contractual Services	2,708,292	13,611,056	16,596,803	2,985,747
Fuel	24,705	32,940	88,826	55,886
Materials & Supplies	(4,922,891)	(6,563,855)	9,643,105	16,206,960
Utilities	4,302,132	5,736,176	10,886,722	5,150,546
Other Operating Expense	4,340,192	5,786,923	14,427,453	8,640,530
Total Expenses	49,434,548	75,912,731	130,808,756	54,896,025
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(13,109,113)	(17,478,817)	(21,088,368)	3,609,551
Transfer Out - RA Expense Allocation	(6,726,279)	(10,076,724)	(10,607,078)	530,354
Total Transfers	(19,835,392)	(27,555,541)	(31,695,446)	4,139,905
Change in Reserve Balance	16,875,402	50,691,782	(3,993,747)	54,685,529
Beginning Reserve Balance		24,811,260		
Ending Reserve Balance		75,503,042		
Target Balance (8.3 - 12.5%)		13,487,849		

STATEMENT OF REVENUES AND EXPENSES
Metro Transit - Commuter Rail Operations
September 30, 2025

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	312,972	417,296	341,681	75,615
Regional Sales Tax	4,688,363	7,638,079	7,638,079	-
State Appropriations	1,761,911	1,808,884	3,429,879	(1,620,995)
Local Revenue - Counties / MNDOT	1,268,141	1,490,855	2,879,530	(1,388,675)
Investment Earnings	310,104	413,472	100,000	313,472
Other Revenue	1,311	1,311	-	1,311
Total Revenues	8,342,802	11,769,897	14,389,169	(2,619,272)
<u>EXPENSES</u>				
Salary and Benefits	3,978,353	5,304,471	6,588,763	1,284,292
Consulting & Contractual Services	4,692,762	6,802,016	4,411,169	(2,390,847)
Fuel	584,219	778,959	1,168,433	389,474
Materials & Supplies	533,884	711,845	791,313	79,468
Utilities	408,222	544,296	327,480	(216,816)
Other Operating Expense	1,787,353	2,383,137	3,430,237	1,047,100
Total Expenses	11,984,793	16,524,724	16,717,395	192,671
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(264,160)	(352,213)	(868,648)	516,435
Transfer Out - RA Expense Allocation	(726,128)	(1,112,346)	(1,170,890)	58,545
Total Transfers	(990,288)	(1,464,559)	(2,039,538)	574,979
Change in Reserve Balance	(4,632,279)	(6,219,386)	(4,367,764)	(1,851,622)
Beginning Reserve Balance		11,443,130		
Ending Reserve Balance		5,223,744		
Target Balance (8.3 - 12.5%)		1,556,825		

STATEMENT OF REVENUES AND EXPENSES
MTS -Transportation Planning
September 30, 2025

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Federal Revenue	5,126,766	6,480,918	6,791,753	(310,835)
State Revenue - MVST	412,497	550,000	550,000	-
Regional Sales Tax	262,500	550,000	550,000	-
Investment Earnings	256,183	345,835	-	345,835
Chargebacks from MAC	84,556	140,000	175,000	(35,000)
Total Revenues	6,142,502	8,066,753	8,066,753	-
<u>EXPENSES</u>				
Salary and Benefits	3,545,694	5,317,330	6,001,119	683,789
Consulting & Contractual Services	1,467,357	2,700,000	4,270,500	1,570,500
Rent & Utilities	118,274	158,422	158,422	-
Travel	50,270	58,000	65,000	7,000
Other Operating Expense	87,423	125,592	134,000	8,408
Total Expenses	5,269,018	8,384,613	10,629,041	2,244,428
<u>TRANSFERS</u>				
Transfers In	615,000	615,000	615,000	-
Transfer Out - RA Expense Allocation	(2,391,103)	(3,126,565)	(3,291,121)	164,556
Total Transfers	(1,776,103)	(2,511,565)	(2,676,121)	164,556
Change in Reserve Balance	(902,619)	(2,829,425)	(5,238,409)	2,408,984
Beginning Reserve Balance		11,976,854		
Ending Reserve Balance		9,147,429		
Target Balance (30%)		4,176,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Special Transportation Services
September 30, 2025

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenue	3,438,695	4,593,902	7,552,503	(2,958,601)
Federal Revenue	22,500,000	22,500,000	22,500,000	-
State Appropriations	56,114,750	84,241,500	74,247,973	9,993,527
State Revenue-Reimbursement for Services	4,417,328	6,766,425	12,682,408	(5,915,983)
Investment Earnings	658,051	770,684	-	770,684
Total Revenues	87,128,825	118,872,511	116,982,884	1,889,627
<u>EXPENSES</u>				
Salary and Benefits	2,577,258	3,436,344	4,239,452	803,108
Consulting & Contractual Services	80,602,342	108,894,965	110,095,230	1,200,265
Fuel	4,623,985	10,557,064	13,822,967	3,265,903
Rent & Utilities	101,347	135,129	153,466	18,337
Travel	15,460	20,613	32,000	11,387
Other Operating Expense	458,042	610,723	804,000	193,277
Total Expenses	88,378,433	123,654,838	129,147,115	5,492,277
<u>TRANSFERS</u>				
Transfer Out - RA Expense Allocation	(2,821,899)	(3,680,872)	(3,874,602)	193,730
Change in Reserve Balance	(4,071,508)	(8,463,199)	(16,038,833)	7,575,634
Beginning Reserve Balance		13,501,429		
Ending Reserve Balance		5,038,230		
Target Balance (5%)		6,651,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Contracted Services
September 30, 2025

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	1,211,689	1,666,691	1,657,238	9,453
Federal Revenue	3,404,451	3,630,120	3,675,120	(45,000)
State Revenue - MVST	24,749,997	33,000,000	33,000,000	-
Regional Sales Tax	3,909,500	6,702,000	6,702,000	-
Investment Earnings	405,934	540,000	-	540,000
Other Revenue	-	-	-	-
Total Revenues	33,681,572	45,538,811	45,034,358	504,453
<u>EXPENSES</u>				
Salary and Benefits	803,959	1,141,868	1,117,082	(24,786)
Consulting & Contractual Services	32,574,374	44,462,214	43,747,918	(714,296)
Rent & Utilities	23,100	30,800	85,800	55,000
Travel	1,753	2,337	12,500	10,163
Other Operating Expense	138,892	182,361	591,500	409,139
Total Expenses	33,542,079	45,819,580	45,554,800	(264,780)
<u>TRANSFERS</u>				
Transfer Out - RA Expense Allocation	(994,431)	(1,298,601)	(1,366,948)	68,347
Transfers Out - MVST Capital Fund	(1,363,734)	(1,121,386)	(1,121,386)	-
Total Transfers	(2,358,165)	(2,419,987)	(2,488,334)	68,347
Change in Reserve Balance	(2,218,672)	(2,700,756)	(3,008,776)	308,020
Beginning Reserve Balance		<u>8,087,701</u>		
Ending Reserve Balance		<u>5,386,945</u>		
Target Balance (10%)		4,804,000		