

**Communities
Parks
Transportation
Wastewater & Water
Housing
Planning**



Twin Cities Area, Minnesota

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Year ended December 31, 2024
A Component Unit of the State of Minnesota



**METROPOLITAN COUNCIL
OF THE TWIN CITIES AREA
MINNESOTA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2024

A COMPONENT UNIT OF THE STATE OF MINNESOTA

Prepared by the Finance Unit

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 47.36 million bus and rail passenger trips in 2024 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 35 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, 2024**

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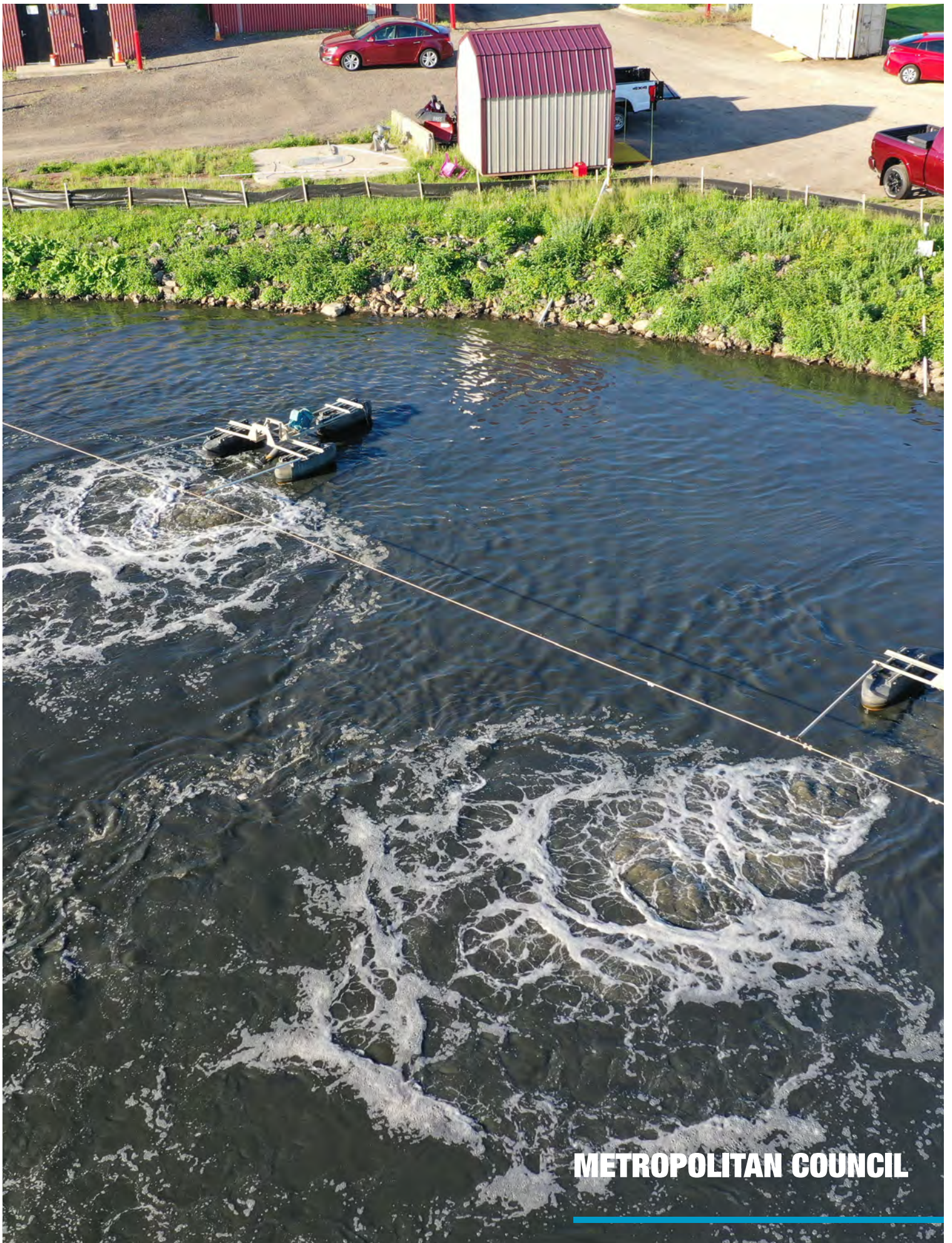
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INTRODUCTORY SECTION





METROPOLITAN COUNCIL



Metropolitan Council
2024 Annual Comprehensive Financial Report
Transmittal Letter from the Chief Financial Officer

June 25, 2025

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, 2024. 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, 2024. The independent auditor's report is located at the front of the financial section of this report.

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 2025.

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 3.71 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 the future 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 mid-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 (formerly Metro Mobility), 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.

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

Unemployment rates have fallen steadily as the economy recovered over the past few years. In December 2024 the metropolitan area's unemployment rate was 2.40 percent, the lowest in the nation, compared to the national rate of 4.10 percent (Minnesota DEED, Local Area Unemployment Statistics). This is beneficial for jobseekers, but a challenge for economic expansion. Job openings rates in state of Minnesota were 4.40 to 5.80 percent throughout 2024.

Risks for the economy include perceptions of high operating costs, excessive regulation, and limited workforce supply growth. These perceptions discourage major expansions and relocations. Employment in the Minneapolis-St. Paul metropolitan area recovered during 2021, 2022 and 2023, but growth has flattened since then. Among the 15 largest metro economies, employment rebounds have ranged from 0.32 percent to 14.53 percent above 2019 employment levels. Minneapolis-St. Paul metropolitan area employment at the end of 2024 is 0.91 percent above 2019 employment levels, the 3rd slowest metro recovery (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 2023, the median family income was \$121,941 (Census Bureau, American Community Survey, 2023). Among the nation's 25 largest metro areas, this remains the 8th highest income level.

House sale prices in the metropolitan area have edged up lately. In 2024, the median price of a single-family house in the Twin Cities region was \$413,000 (Minneapolis Area Association of Realtors), up 3.30 percent from the previous year. This seems due to depressed availability of resales, as incumbent homeowners stay put. Meanwhile, apartment rents have been substantially tamed by new supply and historically high vacancy rates as new apartment buildings open. Average apartment rent was \$1,524 in 4th quarter 2024, up 1.20 percent from the previous year (CoStar/Apartments.com).

New housing construction in the metropolitan area is now decelerating; only 14,900 new units are estimated in 2024, after multiple years of production at 21,400 to 25,400 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. The Thrive MSP 2040 is the region's 30-year vision and plan. It sets the policy foundation for regional systems and policy plans the Metropolitan Council is responsible for developing. Thrive MSP 2040 identifies five outcomes; stewardship; prosperity, equity, livability, and sustainability and three principles; integration, collaboration, and accountability which ultimately guides budget development and long-term financial planning for the Council.

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 149 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 2024, the Metro HRA and Minneapolis Public Housing Authority started year four 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 2024, 77 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 69.50 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 47.36 million regional bus and train trips taken annually in the Twin Cities in 2024. Each weekday, customers board Metro Transit regional buses and trains an average of 144,000 times. In 2024, ridership continued to increase with year-end ridership on Metro Transit Bus and Metro Transit Light Rail up approximately 5.20 percent from the prior year.

Metro Transit operates over 120 bus routes, the METRO Blue Line Light Rail, the METRO Green Line Light Rail, and the NorthStar Commuter Rail Line, using a fleet of 602 buses, 104 light-rail passenger cars, 18 commuter rail passenger cars and 6 commuter rail locomotives. In 2024, Metro Transit Bus carried 31.94 million passengers with an average weekday ridership of 98,848.

The METRO Blue Line operates service between downtown Minneapolis, the MSP Airport, and the Mall of America in Bloomington, Minnesota. In 2024, the METRO Blue Line carried 6.36 million passengers with an average weekday ridership of 17,467.

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 2024 the METRO Green Line carried 9.13 million passengers and experienced an average weekday ridership of 26,946.

The NorthStar Commuter Rail provides service between Big Lake in Sherburne County and downtown Minneapolis. The service in 2024 increased to 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 2024, the NorthStar Commuter Rail carried 127,370 passengers, with an average weekday ridership of 435.

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 2024, Metro Mobility provided just over 1.92 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 2024, Metro Move provided over 100 thousand rides.

Transit Link is a region-wide dial-a-ride program that assists people outside areas served by fixed-route transit and provided 131,112 rides in 2024. 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 2024, Metro micro provided 67,287 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 2024, these routes carried over 2.06 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 2024, there were 82,177 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 2.23 million rides in 2024.

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 248 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.

All nine MCES wastewater treatment plants continue to perform at a high level in complying with clean water discharge permits. System-wide, wastewater was treated to 100.00 percent National Pollutant Discharge Elimination System (NPDES) compliance and all air emissions permits, and stack tests were successfully passed. The interceptor system had no notices of violations.

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 2023. The awards were given in 2024 and include: Hastings (33 years), St. Croix Valley (32 years), Blue Lake (18 years), Empire (16 years), Metro (12 years), and Seneca (7 years). These compliance records are among the highest in the nation.

The 2024 annual budget for Environmental Services operations was funded primarily from the metropolitan wastewater charge allocated to municipalities (\$281.59 million) pursuant to Minnesota Statute 473.517. Municipal sewer rates to local homes and businesses in the metro region are relatively low, approximately 35.00 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 \$7.00 billion (replacement cost) in infrastructure.

Sewer availability charge (SAC) units remain strong. The 17,037 SAC units in 2024 were on-trend with the 20-year average of 17,361. They were 156.08 percent higher than the all-time low of 6,653 units in 2009.

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 2024, program expenses were \$0.80 million, and expenses are budgeted at \$1.45 million in 2025.

Approximately \$116.00 million was spent on capital projects in 2024 to support the regional goals of maintaining infrastructure, accommodating growth, and protecting the environment. Approximately \$58.00 million (50 percent) was spent on improvements to the regional interceptor system and \$58.00 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 2024, 18.00 percent of capital expenses were categorized as improvements, 23.00 percent as expansion, and 59.00 percent as preservation.

Financial Information

The 2024 unified budget was adopted by the Council on December 13, 2023. The original adopted budget for operations, pass-through expenditures and debt service was \$1.42 billion, representing a 8.40 percent increase from

the budget adopted in 2023. During the year, the budget was revised to \$1.48 billion, primarily to increase compensation expenses and the contracted expenses associated with transportation service providers.

The Council's budget relies on several funding sources. In the 2024 amended budget, \$418.73 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 \$795.81 million and \$94.17 million of revenues comes from property tax levies.

The Council receives a percentage of the state MVST to fund transit expenditures. In 2024, MVST revenues were projected at \$347.28 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 2024, sales tax revenues to the Council were projected to be \$416.55 million.

The Council also adopted its 2024 capital program as part of the unified budget adopted in December 2023. 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 2024 capital program totaled \$11.6 billion, including \$7.17 billion in projects in the authorized capital program and \$4.43 billion in planned projects in the capital improvement plan. The adopted 2024 capital program included an annual capital budget of \$1.01 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, 2023. This was the forty-first consecutive year the government 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 and Administration 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
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

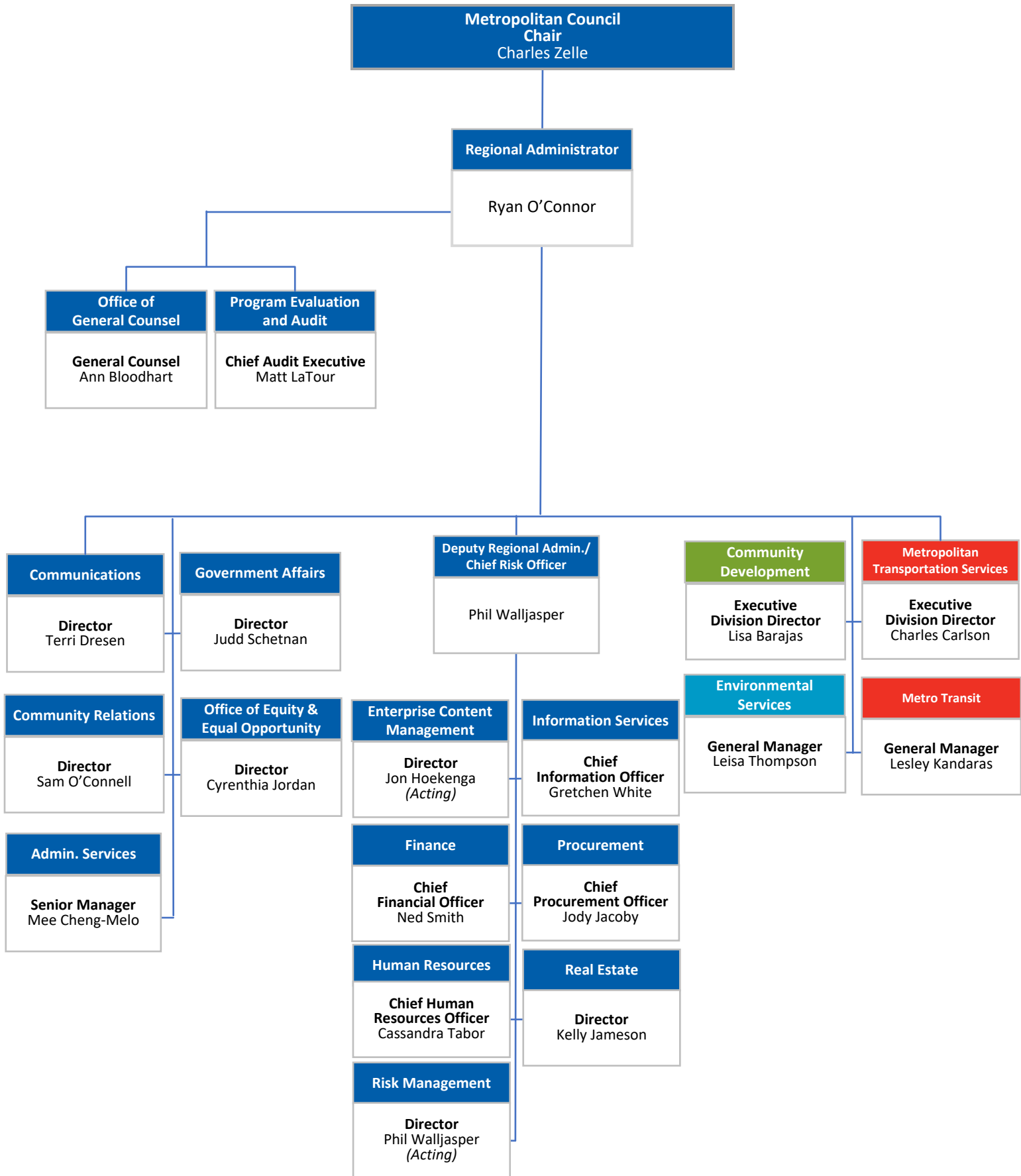
**Metropolitan Council of the Twin Cities Area
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Executive Director/CEO

METROPOLITAN COUNCIL



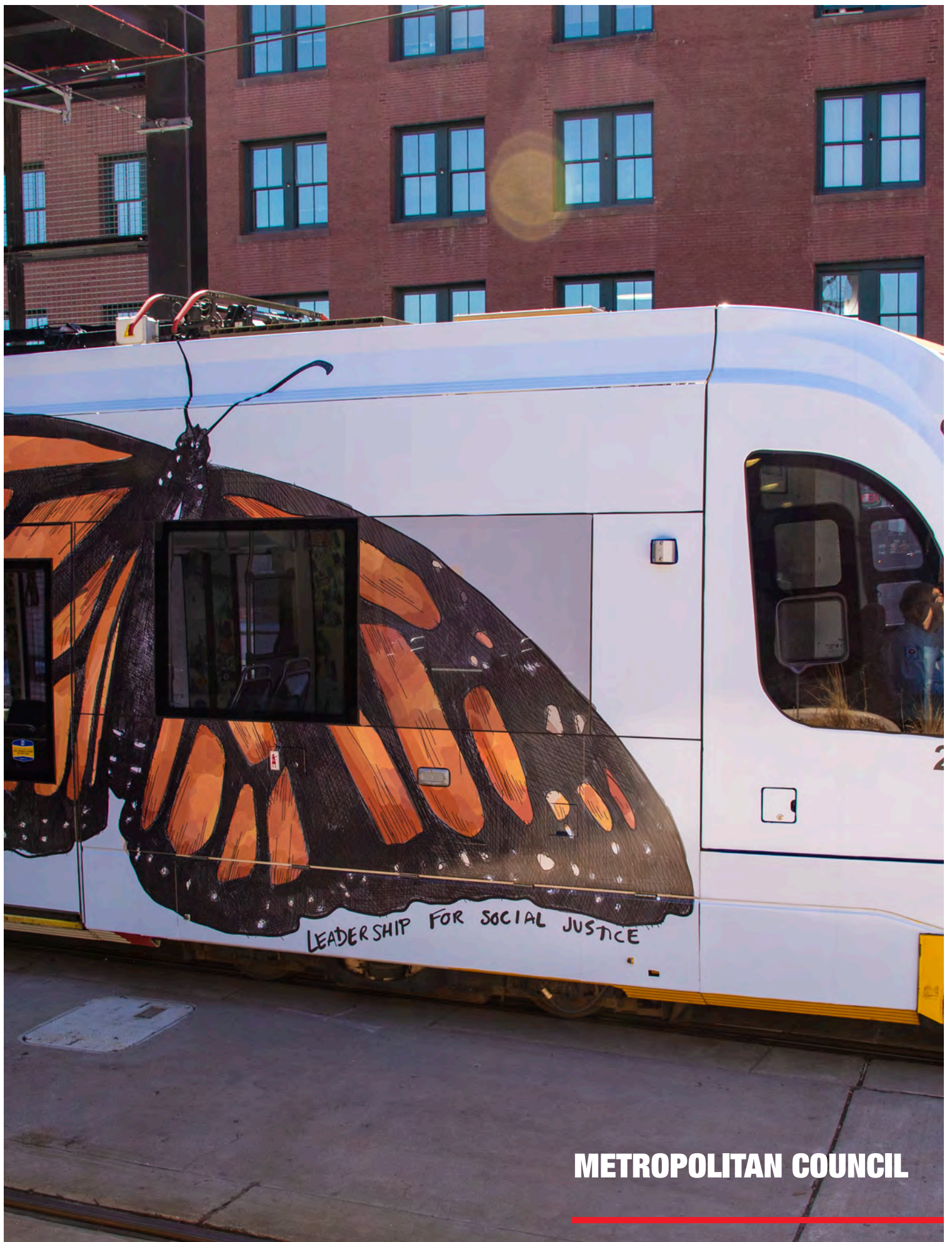
		Term of Office	
<i>COUNCIL MEMBERS</i>		First Appointed	End of Term
Chair:	Charles Zelle	January 6, 2020	January 4, 2027
District Members:			
District No. 1	Judy Johnson	March 6, 2019	January 4, 2027
District No. 2	Reva Chamblis	March 6, 2019	January 4, 2027
District No. 3	Dr. Tyronne Carter	March 3, 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	Susan Vento	March 6, 2019	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	Tenzin Dolkar	March 3, 2023	January 4, 2027
District No. 16	Wendy Wulff	April 22, 2009	January 4, 2027

OFFICERS

Chair	Charles Zelle
Vice-Chair	Reva Chamblis
Treasurer	Ned Smith
Secretary	Mindy Shipman

FINANCIAL ADMINISTRATIVE OFFICIALS

Regional Administrator	Ryan O'Connor
Chief Financial Officer	Ned Smith



METROPOLITAN COUNCIL

FINANCIAL SECTION





METROPOLITAN COUNCIL



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, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

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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 (GASB), 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 and Individual Fund Financial Statements and Schedules, 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 25, 2025, 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
State Auditor



Chad Struss, CPA
Deputy State Auditor

June 25, 2025



METROPOLITAN COUNCIL

2024 Annual Comprehensive Financial Report Management's Discussion and Analysis (Unaudited)

The following discussion and analysis of the Metropolitan Council financial performance provides an overview of the Council's financial activities for the fiscal year ending December 31, 2024. 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.

Financial Highlights

- The assets and deferred outflows of resources of the Metropolitan Council exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7.27 billion. Of this amount, \$5.42 billion or 74.55 percent represents net investment in capital assets.
- The Metropolitan Council's total net position increased by \$850.91 million, or 13.26 percent compared to the prior year's net position. Net position from business-type activities increased by \$519.49 million, mainly due to increased activity on the Metro Transit Bus lines and Metro Transit Light Rail lines. Governmental activities net position increased by \$331.42 million, mainly due to an increase in regional transportation sales and use tax revenue.
- At the close of the current fiscal year, the Metropolitan Council's governmental funds reported combined fund balances of \$867.48 million, an increase of \$224.90 million, or 35.00 percent.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$57.59 million, an increase of \$6.01 million or 11.65 percent compared to the previous year's fund balance. Approximately \$38.73 million of this amount is unassigned fund balance and available for spending on the general purpose needs of the Council.
- The Metropolitan Council's total outstanding long-term debt decreased by \$136.68 million. The Council issued \$92.39 million in bonds, notes, and loans while paying down \$229.07 million during the current fiscal year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Metropolitan Council's basic financial statements. The Council's basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

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, increase or decrease 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 funds.

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 29-67 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.

Government-wide Overall Financial Analysis

As noted earlier, 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 \$7.27 billion, at the end of 2024.

Metropolitan Council Net Position December 31, 2024 and 2023 (In Thousands)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 926,312	\$ 692,310	\$ 1,956,173	\$ 1,976,127	\$ 2,882,485	\$ 2,668,437
Capital assets	141,505	110,312	6,979,867	6,538,860	7,121,372	6,649,172
Total assets	1,067,817	802,622	8,936,040	8,514,987	10,003,857	9,317,609
Deferred outflows of resources:						
Outflows – derivative instrument	-	-	1,325	1,756	1,325	1,756
Outflows – pension	7,794	10,355	81,906	106,269	89,700	116,624
Outflows – OPEB	1,248	1,939	14,516	27,813	15,764	29,752
Total deferred outflows of resources	9,042	12,294	97,747	135,838	106,789	148,132
Long-term liabilities outstanding	216,230	290,804	1,839,930	2,026,444	2,056,160	2,317,248
Other liabilities	55,430	53,219	495,899	466,622	551,329	519,841
Total liabilities	271,660	344,023	2,335,829	2,493,066	2,607,489	2,837,089
Deferred inflows of resources:						
Inflows – pension	13,405	10,821	125,734	109,113	139,139	119,934
Inflows – OPEB	1,179	881	76,203	71,490	77,382	72,371
Inflows – lease	-	-	19,564	20,184	19,564	20,184
Total deferred inflows of resources	14,584	11,702	221,501	200,787	236,085	212,489
Net position:						
Net investment in capital assets	90,088	75,128	5,327,285	4,822,877	5,417,373	4,898,005
Restricted	814,059	499,915	759,097	704,825	1,573,156	1,204,740
Unrestricted	(113,532)	(115,852)	390,075	429,270	276,543	313,418
Total net position	\$ 790,615	\$ 459,191	\$ 6,476,457	\$ 5,956,972	\$ 7,267,072	\$ 6,416,163

By far, the largest portion of the Metropolitan Council's net position, \$5.42 billion or 74.55 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 Metropolitan Council uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the Metropolitan Council's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Metropolitan Council's net position, \$1.57 billion or 21.65 percent reflects resources that are subject to external restrictions on how they may be used. Net position restrictions are primarily due to State legislation and bond covenants. These components of net position consist of debt service, capital projects, highway right-of-way, economic revitalization, environment development, housing, and transportation. The increase in restricted net position, \$368.42 million, came primarily from the regional sales and use tax implemented in October 2023.

The remaining balance of \$276.54 million is unrestricted net position. The decrease of \$36.88 million came primarily from increased expenditures in Metro Transit Bus and Metro Transit Light Rail. Negative unrestricted net position results from debt obligations being reported in governmental activities, while related capital assets are recognized in the business-type activities.

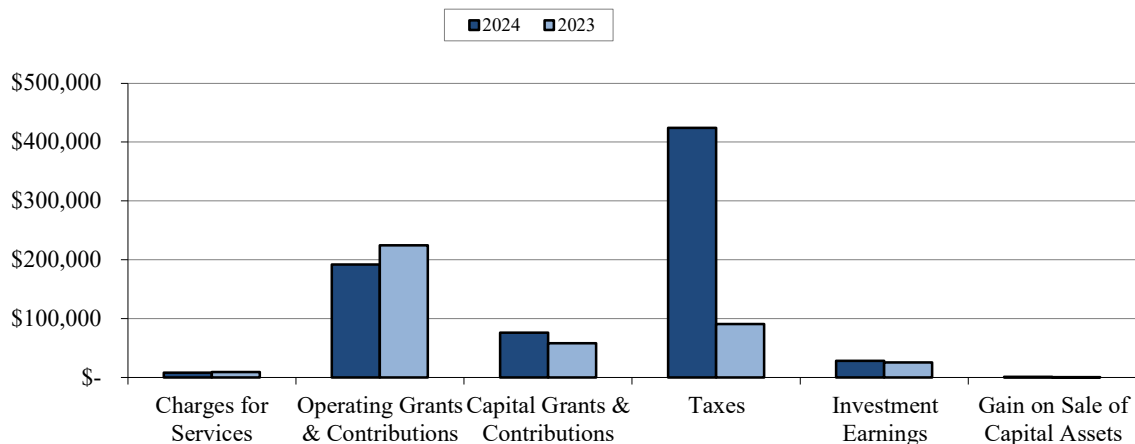
At the end of the current fiscal year, the Metropolitan Council is able to report positive balances in all three categories of net position. Governmental activities had positive balances in two of the three categories, and business-type activities had positive in all three categories. The Metropolitan Council's combined net position for governmental and business-type activities increased by \$850.91 million, or 13.26 percent from the prior year's net position. The reasons for this overall increase are discussed in the following sections for the governmental activities and business-type activities.

Changes in Net Position
Fiscal Years Ended December 31, 2024 and 2023
(In Thousands)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Program revenues:						
Charges for services	\$ 7,950	\$ 8,955	\$ 390,134	\$ 379,508	\$ 398,084	\$ 388,463
Operating grants and contributions	191,932	224,652	532,351	728,317	724,283	952,969
Capital grants and contributions	75,884	57,959	459,352	485,585	535,236	543,544
General revenues:						
Property taxes	92,572	90,443	-	-	92,572	90,443
Regional transportation sales and use tax	331,702	-	92,560	-	424,262	-
Investment earnings	28,120	25,308	105,112	88,496	133,232	113,804
Gain on sale of capital assets	767	201	-	-	767	201
Total revenues	728,927	407,518	1,579,509	1,681,906	2,308,436	2,089,424
Expenses:						
General government	11,304	14,418	-	-	11,304	14,418
Transportation	245,643	221,767	-	-	245,643	221,767
Culture and recreation	46,137	49,503	-	-	46,137	49,503
Economic revitalization	9,139	9,720	-	-	9,139	9,720
Environment development	3,668	2,787	-	-	3,668	2,787
Housing	4,556	3,893	-	-	4,556	3,893
Interest and other charges	4,218	5,340	-	-	4,218	5,340
Environmental services	-	-	296,023	271,723	296,023	271,723
Transit bus	-	-	520,143	441,831	520,143	441,831
Transit light rail	-	-	181,833	176,711	181,833	176,711
Transit commuter rail	-	-	21,067	18,340	21,067	18,340
Housing	-	-	113,796	105,435	113,796	105,435
Total expenses	324,665	307,428	1,132,862	1,014,040	1,457,527	1,321,468
Increase (decrease) in net position before transfers	404,262	100,090	446,647	667,866	850,909	767,956
Transfers	(72,838)	(20,273)	72,838	20,273	-	-
Increase (decrease) in net position	331,424	79,817	519,485	688,139	850,909	767,956
Net position, beginning	459,191	379,374	5,956,972	5,268,833	6,416,163	5,648,207
Net position, ending	\$ 790,615	\$ 459,191	\$ 6,476,457	\$ 5,956,972	\$ 7,267,072	\$ 6,416,163

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$331.42 million or 72.18 percent of the difference from the prior fiscal year for an ending balance of \$790.62 million.

Governmental Activities Revenues
Fiscal Years Ended December 31, 2024 and 2023
(In Thousands)

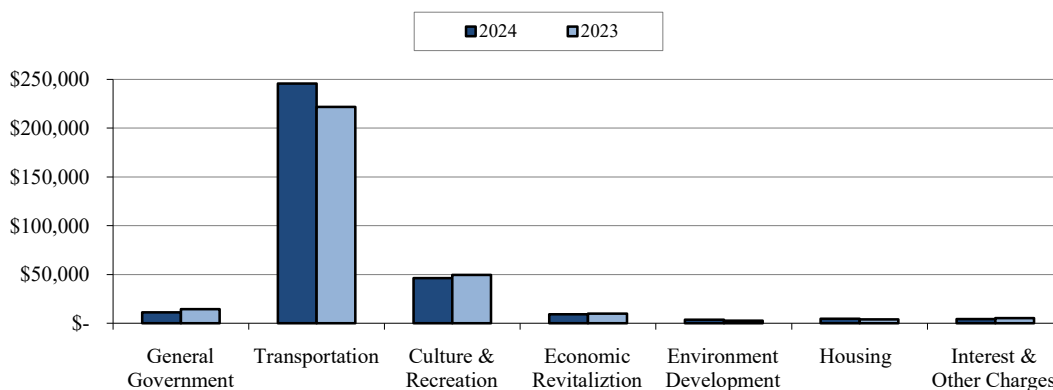


METROPOLITAN COUNCIL

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 2024, the Council relied primarily on taxes for funding governmental activities beyond program revenues. Specifically, property taxes supported the Council's General Fund activity and parks debt service activity, while regional transportation sales and use tax supported transit. 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 \$275.77 million, a decrease of \$15.80 million, or 5.42 percent, compared to 2023. A decrease in operating grant revenues of \$32.72 million, a decrease in charges for services revenues of \$1.01 million, and an increase in capital grant revenues of \$17.93 million account for this change. The change in operating grant revenue reflects a decrease in state funding received in 2024 compared to 2023. The decrease in charges for services was due to a decrease in transit fares and rental income. The change in capital grant revenue was due to an increase in transportation projects. Total governmental activities general revenues were \$453.16 million, an increase of \$337.21 million or 290.82 percent over the prior year due to the regional transportation sales and use tax implemented in October 2023. Property taxes supporting general fund activity and parks debt service activity increased slightly, by \$2.13 million.

In 2024, expenses for governmental activities increased by \$17.24 million, 5.61 percent, to \$324.67 million. General government expenses decreased by \$3.11 million mainly due to lower actuarial pension expenses. Transportation expenses increased \$23.88 million primarily due to increased service provider expenditures, and culture and recreation expenses decreased by \$3.37 million due to timing of parks projects. In addition, interest expense decreased by \$1.12 million and the Council's livable communities' programs for housing, economic revitalization, and environment development increased by \$0.96 million. The unexpended balances of all livable community grants programs are reported as restricted net position.

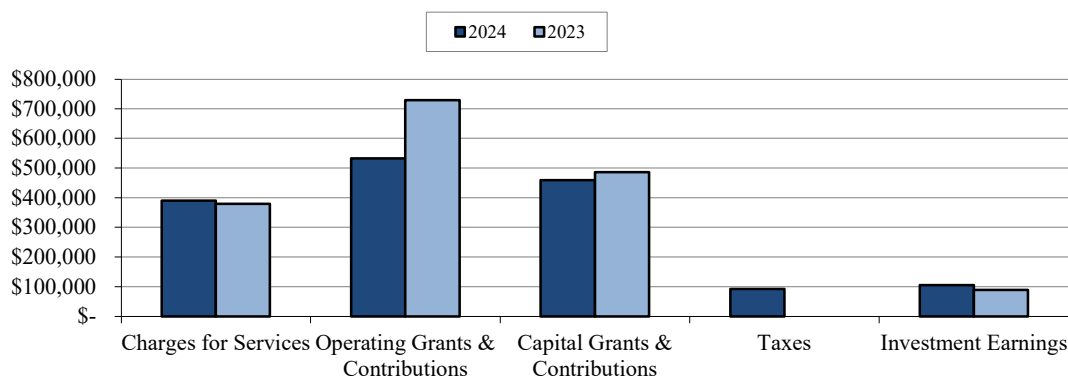
Governmental Activities Program Expenses
Fiscal Years Ended December 31, 2024 and 2023
(In Thousands)



Depreciation and amortization for the year was \$28.29 million, an increase of \$1.47 million from 2023. Net transfers to business-type activities increased by \$52.57 million to \$72.84 million. Transfers were primarily capital expense reimbursements, with Metro Transit Bus as the primary recipient. Net salaries and benefits increased by \$1.09 million and payments to outside transit providers increased by \$18.80 million due to increases in transit service.

Business-type Activities. 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 \$6.48 billion. The total increase in net position for business-type activities (Environmental services, Transit bus, Transit light rail, Transit commuter rail, and Housing) was \$519.49 million or 8.72 percent from the prior fiscal year's net position.

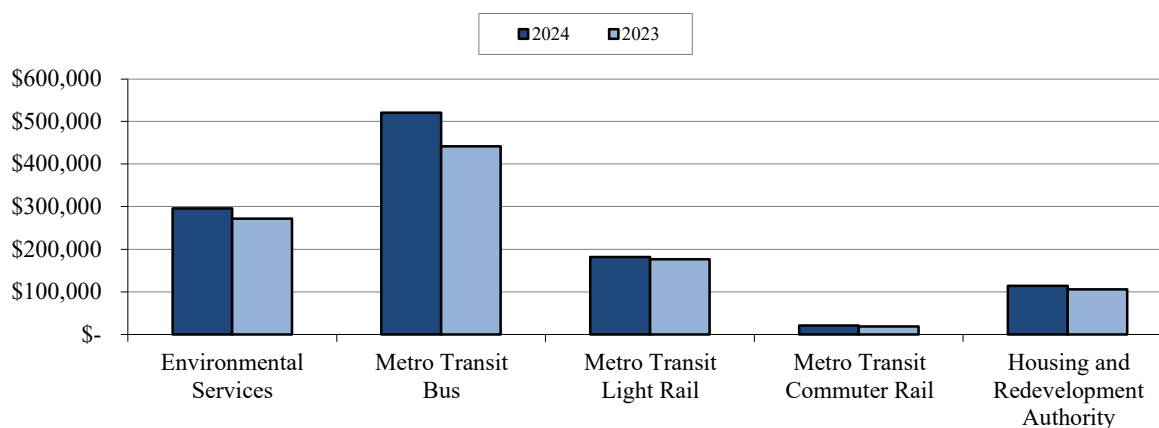
Business-type Activities Revenues
Fiscal Years Ended December 31, 2024 and 2023
(In Thousands)



METROPOLITAN COUNCIL

Program revenues for the Council's business-type activities totaled \$1.38 billion, or 121.98 percent of related expenses for fiscal year 2024 compared to \$1.59 billion, or 157.13 percent of related expenses, in the prior year. Operating grants and contributions revenue decreased by \$195.97 million, reflecting a decrease in federal pandemic funding. Charges for services revenues increased by \$10.63 million primarily due to increased wastewater treatment fees. Capital grants decreased by \$26.23 million, primarily due to lower expenses for the Metro Transit LRT Southwest project compared to the prior year. Investment earnings increased by \$16.62 million, reflecting higher market yields.

Business-type Activities Expenses
Fiscal Year Ended December 31, 2024 and 2023
(In Thousands)



Business-type activities in 2024 incurred expenses of \$1.13 billion, an increase of \$118.82 million, or 11.72 percent, over the prior year. Depreciation, wages and materials account for most of the increased expenditures. Environmental Services expenses increased \$24.30 million, Metro Transit Bus expenses increased by \$78.31 million, and Metro Transit Light Rail expenses increased by \$5.12 million. Metro Transit Commuter Rail expenses increased by 14.87 percent, and Housing and Redevelopment Authority expenses increased by \$8.36 million, which came from increased rent.

Overall salaries and benefit related expenses increased by \$38.62 million to \$483.40 million. The Metro Transit Bus accounts for \$23 million of this increase with the settlement of union agreements and hiring of additional staff to prepare for the opening of new rapid transit lines. Materials expenses increased by \$23.23 million primarily due to increases in Metro Transit Bus parts expenses, contracted services increased by \$15.62 million, depreciation expense increased by \$31.68 million, and housing payments increased by \$8.73 million. These increases were offset by decreases in utilities (\$6.00 million) and other expenses (\$4.97 million). Depreciation and amortization expense increased to \$229.13 million from \$197.46 million in 2023. General inflationary factors account for increases to other operating expense categories.

Financial Analysis of the Governmental Funds

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

Governmental Funds

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, 2024, the Metropolitan Council's governmental funds had combined fund balances of \$867.48 million, an increase of \$224.90 million in comparison with the prior year. Approximately \$38.73 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, \$110.59 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, \$837.67 million; committed for particular purposes, \$91.34 million; or assigned for particular purposes, \$10.33 million.

METROPOLITAN COUNCIL

Revenues from all governmental funds for the current year were \$728.19 million, an increase of \$321.33 million, or 78.98 percent, from the previous year. Governmental funds share of state appropriation revenue, used to support Special Transportation Services operations, remained flat at \$55.98 million. Other state operating revenues decreased by \$24.88 million, or 20.57 percent, mostly due to a reclassification of regional transportation sales and use tax from State revenue in 2023 to tax revenue in 2024. Federal operating grant revenues decreased by \$7.80 million, reflecting a decrease in federal COVID-19 pandemic funding received in 2024 compared to 2023. Capital grant revenues increased by \$0.68 million for parks capital projects and by \$17.25 million for transit capital projects, due to the timing of project expenses. Property taxes increased by \$2.62 million and investment earnings increased by \$2.81 million.

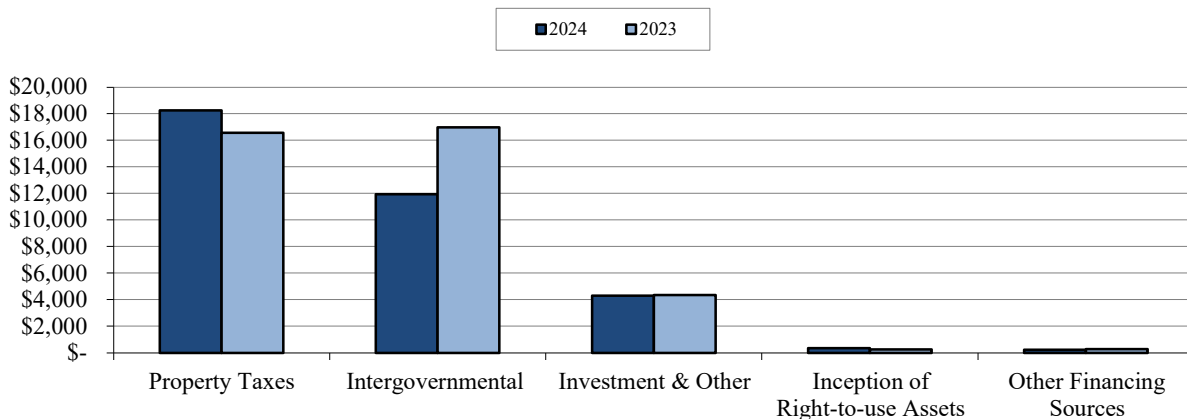
Expenditures for all governmental funds in the current year were \$431.60 million, an increase of \$88.79 million from the previous year. Culture and recreational program expenditures decreased by \$3.37 million primarily due to the timing of regional parks activity. The Council's livable communities programs (housing, economic revitalization, and environment development) spending increased by \$0.96 million, reflecting environment development projects and housing projects in an execution phase during the year. Transportation expenditures increased by \$22.03 million to \$219.49 million, due to increases in operating expenses. Debt service principal and interest payments increased by \$23.62 million, to a total of \$71.26 million. Capital outlay increased by \$39.22 million to \$59.38 million due to council bus acquisitions guided by the fleet replacement schedule.

The General Fund is the main operating fund of the Metropolitan Council. At the end of 2024, \$9.18 million was committed for specific purposes and \$9.69 million was assigned for existing obligations, leaving \$38.73 million unassigned. The General Fund reserve balance increased by \$6.01 million to \$57.59 million, or 11.65 percent over the prior year. Approximately \$4.27 million of the increase is due to incomplete projects carried over to 2025, with the difference due to decreased consulting cost.

General Fund Revenues by Source and Other Financing Sources Fiscal Years Ended December 31, 2024 and 2023 (In Thousands)

	2024		2023		Increase (Decrease)
	Amount	Percent of Total	Amount	Percent of Total	
Revenues by Source					
Property Taxes	\$18,262	52%	\$16,565	43%	\$ 1,697
Intergovernmental Revenues	11,938	34%	16,980	44%	(5,042)
Investment Income and Other	4,312	12%	4,349	11%	(37)
Inception of Right-to-use Assets	337	1%	243	1%	94
Other Financing Sources	229	1%	273	1%	(44)
Total Revenue and Other Financing Sources	\$35,078	100%	\$38,410	100%	\$ (3,332)

General Fund Revenues by Source and Other Financing Sources Fiscal Years Ended 2024 and 2023 (In Thousands)

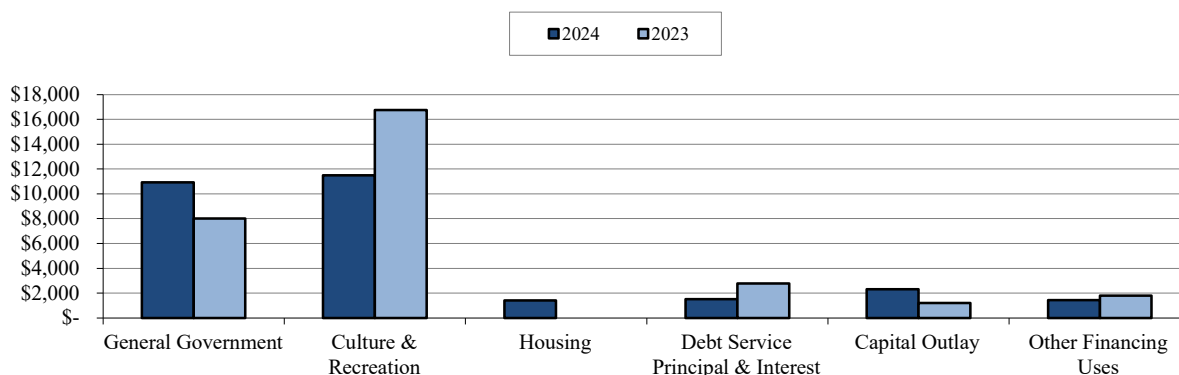


General Fund revenues and other financing sources decreased by \$3.33 million from the previous year. Property tax revenue increased by \$1.70 million, and intergovernmental revenue decreased by \$5.04 million due to a Minnesota Department of Natural Resources grant ending in June 2023. Investment and other income decreased by \$0.04 million. Inception of right-to-use assets increased by \$0.09 million to \$0.34 million and reflects subscription-based information technology arrangements used for vendor-provided information technology. Other Financing Sources, used for water supply planning in 2024, decreased by \$0.04 million to \$0.23 million.

General Fund
Expenditures by Function and Other Financing Uses
Fiscal Years Ended December 31, 2024 and 2023
(In Thousands)

	2024		2023		Increase (Decrease)
	Amount	Percent of Total	Amount	Percent of Total	
<u>Expenditures by Function</u>					
General Government	\$ 10,931	38%	\$ 8,006	26%	\$ 2,925
Culture and Recreation	11,490	39%	16,740	55%	(5,250)
Housing	1,400	5%	-	-	1,400
Debt Service (Principal Only)	1,485	5%	2,718	9%	(1,233)
Debt Service (Interest Only)	28	-	57	-	(29)
Capital Outlay	2,308	8%	1,211	4%	1,097
Total Expenditures	\$ 27,642	95%	\$ 28,732	94%	\$ (1,090)
Other Financing Uses	1,427	5%	1,790	6%	(363)
Total Expenditures and Other Financing Uses	\$ 29,069	100%	\$ 30,522	100%	\$ (1,453)

General Fund
Expenditures by Function and Other Financing Uses
Fiscal Years Ended December 31, 2024 and 2023
(In Thousands)



General Fund expenditures (net of allocations) during the current year were \$27.64 million, a decrease of \$1.09 million from the previous year. Other financing uses, transfers out, decreased by \$0.36 million. The General Fund budgeted and transferred out \$1.00 million for livable communities as required by state statute. Transfers out for business-type activities included \$0.43 million to Environmental Services for reimbursement of water supply program expenditures. Actual expenditures for general government expenses were under budget due to lower than anticipated spending on Information Services capital outlay and consulting. These projects will carry-forward into 2025 through the budget process.

In 2024, the Special Transportation Services Special Revenue Fund (formerly Metro Mobility) balance decreased by \$14.97 million to \$50.37 million. Special Transportation Services's total revenues decreased by \$9.03 million to \$100.37 million. State revenues decreased by \$4.63 million mainly due to a reclassification of regional transportation sales and use tax from State revenue in 2023 to tax revenue in 2024. Federal revenues decreased \$5.00 million due to a decrease in COVID-19 operating grant dollars used to support the Special Transportation Services program. The number of passenger trips decreased by 0.16 percent and passenger miles increased by 0.64 percent. Fare revenues decreased by 15.26 percent to \$5.76 million due to the new Metro Move waiver program which replaced program specific fares with state revenue. Total Special Transportation Services expenditures were \$115.38 million for the year, an increase of \$12.62 million compared to 2023. The increase was primarily due to increased transit provider expenditures.

The Transit Capital Projects fund accounts for funds from bonds, federal grants and the regional transportation sales and use tax to finance acquisition of transit vehicles, equipment and facilities. The Transit Capital Projects fund total revenues increased by \$314.64 million to \$329.51 million mainly due to regional transportations sales and use tax revenues. Total expenditures for the year were \$62.77 million, an increase of \$40.91 million dollars compared to 2023. The increase in expenditures was due to the acquisition of vehicles according to the fleet replacement schedule.

The Debt Retirement Fund balance decreased by \$9.02 million to \$136.31 million as anticipated for debt repayments. Property tax related revenues increased \$0.05 million over the prior year to \$54.57 million. Investment earnings increased by \$0.43 million. Total debt service payments were \$69.74 million, an increase of \$24.88 million from the prior year.

Financial Analysis of Proprietary Funds

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

Proprietary Funds

The Council has five enterprise funds: Environmental Services, Metro Transit Bus, Metro Transit Light Rail, Metro Transit Commuter Rail, and Metropolitan Housing and Redevelopment Authority. Additionally, the Council has one Internal Service fund. Each enterprise fund is reported as a major fund. The Internal Service fund accounts for self-insured medical and dental insurance related to Regional Administration, Metro Transit, Environmental Services, and the Metropolitan Housing and Redevelopment Authority. The Regional Administration related portion of the Internal Service fund is allocated to the governmental activities, which is accounted for in the governmental funds through governmental activities reconciliation.

Overall, the enterprise funds had a total net position of \$6.44 billion as of December 31, 2024. The total net position for all enterprise funds increased by \$525.80 million during 2024 compared to the prior year's net position. Capital projects activity accounts for most of this increase.

Proprietary Funds
Key Statement of Net Position Account Balances and Revenue and Expense Activities
Fiscal Years Ended December 31, 2024 and 2023
(In Thousands)

	Enterprise Funds							
	Environmental Services	Metro Transit			Metropolitan Housing and Redevelopment Authority	Total 2024	Total 2023	Internal Service
		Bus	Light Rail	Commuter Rail				
Assets	\$2,755,740	\$ 2,150,731	\$ 3,792,779	\$ 157,625	\$ 31,717	\$ 8,888,592	\$ 8,462,953	\$ 49,379
Deferred outflows of resources	11,410	69,867	15,170	651	649	97,747	135,838	-
Liabilities	1,508,090	406,806	399,847	5,695	4,830	2,325,268	2,484,229	10,561
Deferred inflows of resources	29,360	167,520	22,386	1,118	1,117	221,501	200,787	-
Operating Income (Loss)	52,080	(484,577)	(168,092)	(20,697)	(113,656)	(734,942)	(642,763)	(2,734)
Changes in Net Position	82,384	247,145	196,710	(2,514)	2,070	525,795	683,287	(673)
Net Position	\$1,229,700	\$ 1,646,272	\$ 3,385,716	\$ 151,463	\$ 26,419	\$ 6,439,570	\$ 5,913,775	\$ 38,818

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 \$48.70 million.

Metro Transit Bus is the region's largest direct provider of bus transit service. For December 31, 2024, net investment in capital assets was \$1.08 billion, an increase of \$198.12 million. This increase was due to investment in the design and construction in progress of several new bus rapid transit lines.

The Metro Transit Light Rail Fund provides the region's light rail transit service. For December 31, 2024, the net investment in capital assets was \$3.02 billion, an increase of \$248.19 million due to construction in progress for Light Rail extensions.

The Metro Transit Commuter Rail Fund provides the region's commuter rail transit service. For December 31, 2024, the net investment in capital assets was \$133.35 million, a decrease of \$4.96 million mostly from accumulated depreciation.

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, 2024, was \$26.42 million, of which \$4.82 million was net investment in capital assets.

General Fund Budgetary Highlights

The original expenditure budget was increased by \$9.00 million to arrive at the final budget of \$40.07 million. The original budget increased due to:

- \$1.40 million in additional budget carryovers from 2023 for equity initiative projects
- \$283.00 thousand in additional budget carryovers from 2023 for contracted services for communications
- \$601.00 thousand in additional budget carryovers from 2023 for contracted services for information services
- \$500.00 thousand in additional budget carryovers from 2023 for auditing services
- \$1.40 million in additional budget carryovers from 2023 for community development preservation of affordable housing
- \$245.00 thousand in additional budget carryovers from 2023 for community development climate action plan
- \$150.00 thousand in additional budget carryovers from 2023 for community development imagine 2050 development
- \$4.19 million in additional salaries for regional administration, human resources, communications, information services and the settlement of union agreements
- \$41.00 thousand in contracted services for consulting
- \$50.00 thousand in rent and utilities
- \$139.00 thousand in software maintenance for network security improvements

During the year, however, actual operating expenditures were \$12.43 million lower than the final budget. This amount includes \$4.27 million in carryover to 2025, the balance was mainly a result of salaries saving from open positions and lower capital outlay.

Capital Asset and Debt Administration

Capital Assets

The Metropolitan Council's investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounted to \$7.12 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 7.10 percent.

Metropolitan Council Capital Assets
(Net of Accumulated Depreciation and Amortization)
Fiscal Years Ended December 31, 2024 and 2023
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Land and land improvements	\$ 215	\$ 215	\$ 353,681	\$ 326,678	\$ 353,896	\$ 326,893
Right-to-use land	-	-	3,583	4,248	3,583	4,248
Buildings and infrastructure	8,785	9,194	2,861,510	2,883,243	2,870,295	2,892,437
Right-to-use buildings	74	91	6,398	7,040	6,472	7,131
Vehicles and other equipment	129,285	99,254	371,412	377,238	500,697	476,492
Subscription-based information technology arrangements	965	1,558	299	622	1,264	2,180
Construction in progress	2,181	-	3,382,984	2,939,791	3,385,165	2,939,791
Total	\$ 141,505	\$ 110,312	\$ 6,979,867	\$ 6,538,860	\$ 7,121,372	\$ 6,649,172

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

The Metropolitan Council's net capital assets for governmental activities increased by \$31.19 million for the year.

The business-type activities had an increase of \$441.01 million. Council-owned assets increased by \$442.64 million while right-to-use assets decreased by \$1.63 million. Increases of \$181.85 million in Metro Transit Light Rail, \$215.03 million in Metro Transit Bus and \$48.70 million in Environmental Services were offset by decreases of \$4.39 million in Metro Commuter Rail and \$0.19 million in Metropolitan Housing and Redevelopment Authority.

Additional information on the Metropolitan Council's capital assets can be found in Note IV.E. on page 45 of this report.

Debt Administration

At the end of the fiscal year, the Metropolitan Council had total bonds and loans outstanding of \$1.56 billion. Of this amount, \$1.10 billion was for general obligation bonds and notes issued by the Metropolitan Council and \$455.86 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 Outstanding Debt General Obligation Bonds and Loans December 31, 2024 and 2023 (In Thousands)					
	Governmental Activities		Business-Type Activities		Total
	2024	2023	2024	2023	
General obligation bonds and notes	\$ 178,505	\$ 238,225	\$ 923,790	\$ 969,215	\$ 1,102,295
Minnesota Public Facilities Authority loans	-	-	455,858	487,389	455,858
Total of general obligation bonds and loans	\$ 178,505	\$ 238,225	\$ 1,379,648	\$ 1,456,604	\$ 1,558,153
					\$ 1,694,829

The Metropolitan Council's total debt decreased by \$136.68 million, or 8.06 percent, during the year. General obligation bonds and notes decreased by \$105.15 million, and the Minnesota Public Facilities Authority (PFA) loans decreased by \$31.53 million. The Council issued \$59.64 million of new bonds, while retiring \$164.79 million of bonds. Also, during 2024 the Metropolitan Council drew down \$32.75 million in PFA loans and repaid \$64.29 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 \$34.98 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 \$212.92 million of transit general obligation bonds.

Additional information on the Metropolitan Council's long-term debt can be found in Note IV.J. on pages 49-53 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the Metropolitan Council and were considered in developing the 2025 fiscal year budget.

- The Council's operating budget relies on several funding sources. For 2025, total state revenues (state general fund appropriations and motor vehicle sales taxes) are expected to represent 32.47 percent of total revenues and other sources, a decrease of 3.74 percent from 2024.
- 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 forecast projects motor vehicle sales taxes will be 1.2 percent higher, and regional transportation sales and use taxes will be 2.5 percent higher, than forecasted in November 2024. 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 26.55 percent of total revenues and other sources for 2025.
- The certified property tax levy approved by the Council for amounts payable in 2025 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.

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.



METROPOLITAN COUNCIL

Basic Financial Statements



STATEMENT OF NET POSITION
DECEMBER 31, 2024
IN THOUSANDS

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 740,791	\$ 908,800	1,649,591
Receivables, net	88,626	48,302	136,928
Lease receivable	-	19,797	19,797
Internal balances	1,931	(1,931)	-
Due from other governmental units	68,108	42,896	111,004
Inventory	-	42,724	42,724
Prepays and other	-	2,210	2,210
Loans and advances	26,856	509	27,365
Restricted assets:			
Cash and cash equivalents	-	645,688	645,688
Receivables, net	-	5,338	5,338
Due from other governmental units	-	241,711	241,711
Loans receivable	-	129	129
Capital assets not being depreciated			
Land	215	353,681	353,896
Construction in progress	2,181	3,382,984	3,385,165
Capital assets (net of accumulated depreciation and amortization)			
Buildings and infrastructure	8,785	2,861,510	2,870,295
Lease buildings	74	6,398	6,472
Lease land	-	3,583	3,583
Vehicles	123,427	317,725	441,152
Equipment	5,858	53,687	59,545
Subscription-based information technology arrangements	965	299	1,264
Total assets	<u>1,067,817</u>	<u>8,936,040</u>	<u>10,003,857</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows derivative instrument	-	1,325	1,325
Deferred outflows pension	7,794	81,906	89,700
Deferred outflows OPEB	1,248	14,516	15,764
Total deferred outflows of resources	<u>9,042</u>	<u>97,747</u>	<u>106,789</u>
LIABILITIES			
Accounts payable and other current liabilities	52,042	51,483	103,525
Accrued interest payable	2,622	-	2,622
Unearned revenue	766	34,353	35,119
Restricted liabilities:			
Liabilities payable from restricted assets	-	170,368	170,368
Unearned revenue	-	239,694	239,694
Due within one year	35,744	215,577	251,321
OPEB liability due within one year	402	15,926	16,328
Noncurrent liabilities:			
Due in more than one year	173,600	1,354,026	1,527,626
OPEB liability due in more than one year	6,289	236,963	243,252
Net pension liability due in more than one year	195	17,439	17,634
Total liabilities	<u>271,660</u>	<u>2,335,829</u>	<u>2,607,489</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows pension	13,405	125,734	139,139
Deferred inflows OPEB	1,179	76,203	77,382
Deferred inflows lease	-	19,564	19,564
Total deferred inflows of resources	<u>14,584</u>	<u>221,501</u>	<u>236,085</u>
NET POSITION			
Net investment in capital assets	90,088	5,327,285	5,417,373
Restricted for:			
Debt service	136,312	26,690	163,002
Capital projects	478,404	627,525	1,105,929
Highway right-of-way	60,391	-	60,391
Economic revitalization	21,692	-	21,692
Environment development	69,654	-	69,654
Housing	4,112	370	4,482
Transportation advisory board grants	26,458	-	26,458
Transit	17,036	104,512	121,548
Unrestricted	(113,532)	390,075	276,543
Total net position	<u>\$ 790,615</u>	<u>\$ 6,476,457</u>	<u>\$ 7,267,072</u>

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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS**

Function/program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 11,304	\$ 560	\$ 123	\$ -	\$ (10,621)	\$ -	\$ (10,621)
Transportation	245,643	7,390	180,048	29,096	(29,109)	-	(29,109)
Culture and recreation	46,137	-	11,761	46,788	12,412	-	12,412
Economic revitalization	9,139	-	-	-	(9,139)	-	(9,139)
Environment development	3,668	-	-	-	(3,668)	-	(3,668)
Housing	4,556	-	-	-	(4,556)	-	(4,556)
Interest and other charges	4,218	-	-	-	(4,218)	-	(4,218)
Total governmental activities	324,665	7,950	191,932	75,884	(48,899)	-	(48,899)
Business-type activities:							
Environmental services	296,023	344,129	2,252	-	-	50,358	50,358
Transit bus	520,143	31,815	348,603	223,376	-	83,651	83,651
Transit light rail	181,833	12,727	59,898	235,038	-	125,830	125,830
Transit commuter rail	21,067	393	8,121	938	-	(11,615)	(11,615)
Housing	113,796	1,070	113,477	-	-	751	751
Total business-type activities	1,132,862	390,134	532,351	459,352	-	248,975	248,975
Total governmental and business-type activities	<u>\$ 1,457,527</u>	<u>\$ 398,084</u>	<u>\$ 724,283</u>	<u>\$ 535,236</u>	<u>(48,899)</u>	<u>248,975</u>	<u>200,076</u>
General revenues:							
Property taxes					92,572	-	92,572
Regional transportation sales and use tax					331,702	92,560	424,262
Investment earnings					28,120	105,112	133,232
Gain on sale of capital assets					767	-	767
Transfers					(72,838)	72,838	-
Total general revenues and transfers					<u>380,323</u>	<u>270,510</u>	<u>650,833</u>
Change in net position					331,424	519,485	850,909
Net position, beginning					459,191	5,956,972	6,416,163
Net position, ending					<u>\$ 790,615</u>	<u>\$ 6,476,457</u>	<u>\$ 7,267,072</u>

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

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024
IN THOUSANDS

	General	Special Transportation Services Special Revenue	Transit Capital Projects	Debt Retirement	Nonmajor Governmental Funds	Total
ASSETS						
Assets:						
Cash and cash equivalents	\$ 66,645	\$ 30,180	\$ 210,211	\$ 135,254	\$ 298,501	\$ 740,791
Receivables, net	-	-	115	-	117	232
Taxes receivable	932	1,426	72,573	3,333	8,356	86,620
Interest receivable	296	109	45	411	913	1,774
Due from other governmental units	584	31,148	6,290	-	30,086	68,108
Loans and advances	92	-	-	-	26,764	26,856
Total assets	<u>\$ 68,549</u>	<u>\$ 62,863</u>	<u>\$ 289,234</u>	<u>\$ 138,998</u>	<u>\$ 364,737</u>	<u>\$ 924,381</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts/contracts/subgrantees payable	\$ 5,266	\$ 12,495	\$ 3,407	\$ -	\$ 25,969	\$ 47,137
Salaries payable	4,905	-	-	-	-	4,905
Unearned revenue	11	-	755	-	-	766
Total liabilities	<u>10,182</u>	<u>12,495</u>	<u>4,162</u>	<u>-</u>	<u>25,969</u>	<u>52,808</u>
Deferred inflows of resources:						
Unavailable revenue - taxes	<u>776</u>	<u>-</u>	<u>-</u>	<u>2,686</u>	<u>633</u>	<u>4,095</u>
Fund balances:						
Restricted	-	9,043	282,102	136,312	410,213	837,670
Committed	9,175	41,325	2,970	-	37,870	91,340
Assigned	9,688	-	-	-	638	10,326
Unassigned	<u>38,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,586)</u>	<u>(71,858)</u>
Total fund balances	<u>57,591</u>	<u>50,368</u>	<u>285,072</u>	<u>136,312</u>	<u>338,135</u>	<u>867,478</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 68,549</u>	<u>\$ 62,863</u>	<u>\$ 289,234</u>	<u>\$ 138,998</u>	<u>\$ 364,737</u>	<u>\$ 924,381</u>

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, 2024
IN THOUSANDS**

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

Fund balances-total governmental funds (page 22)	\$ 867,478
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	141,505
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.	1,931
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.	(218,852)
Deferred inflows resulting from taxes are not available to pay for current period expenditures, and therefore, are not reported as revenue in governmental funds.	4,095
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	7,794
Deferred inflows related to pensions	(13,405)
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	1,248
Deferred inflows related to OPEB	(1,179)
Net position of governmental activities (page 20)	<u>\$ 790,615</u>

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, 2024
IN THOUSANDS

	General	Special Transportation Services Special Revenue	Transit Capital Projects	Debt Retirement	Nonmajor Governmental Funds	Total
REVENUES						
Taxes	\$ 18,262	\$ 1,434	\$ 296,998	\$ 54,574	\$ 53,034	\$ 424,302
Intergovernmental revenue:						
Federal	123	32,000	29,096	-	7,750	68,969
State	11,761	58,766	-	-	128,266	198,793
Local	54	-	-	-	139	193
Investment income	4,195	2,407	3,417	6,172	11,929	28,120
Other	117	5,763	-	-	1,931	7,811
Total revenues	<u>34,512</u>	<u>100,370</u>	<u>329,511</u>	<u>60,746</u>	<u>203,049</u>	<u>728,188</u>
EXPENDITURES						
Current:						
General government	10,931	3,216	-	26	3,797	17,970
Transportation	-	112,119	1,694	-	45,873	159,686
Intergovernmental:						
Transportation	-	-	4,050	-	55,756	59,806
Culture and recreation	11,490	-	-	-	34,647	46,137
Economic revitalization	-	-	-	-	9,139	9,139
Environment development	-	-	-	-	3,668	3,668
Housing	1,400	-	-	-	3,156	4,556
Debt service:						
Principal	1,485	7	-	59,720	-	61,212
Interest and other charges	28	1	-	10,018	-	10,047
Capital outlay	2,308	40	57,030	-	-	59,378
Total expenditures	<u>27,642</u>	<u>115,383</u>	<u>62,774</u>	<u>69,764</u>	<u>156,036</u>	<u>431,599</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,870</u>	<u>(15,013)</u>	<u>266,737</u>	<u>(9,018)</u>	<u>47,013</u>	<u>296,589</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	229	-	1,378	-	1,000	2,607
Transfers out	(1,427)	-	(72,640)	-	(1,378)	(75,445)
Inception of right-to-use asset	337	40	-	-	-	377
Sale of capital assets	-	-	767	-	-	767
Total other financing sources (uses)	<u>(861)</u>	<u>40</u>	<u>(70,495)</u>	<u>-</u>	<u>(378)</u>	<u>(71,694)</u>
Net change in fund balances	<u>6,009</u>	<u>(14,973)</u>	<u>196,242</u>	<u>(9,018)</u>	<u>46,635</u>	<u>224,895</u>
Fund balances, beginning, as previously reported	51,582	65,341	-	145,330	380,330	642,583
Change within financial reporting entity (nonmajor to major fund)	-	-	88,830	-	(88,830)	-
Fund balances, beginning, as adjusted	<u>51,582</u>	<u>65,341</u>	<u>88,830</u>	<u>145,330</u>	<u>291,500</u>	<u>642,583</u>
Fund balances, ending	<u>\$ 57,591</u>	<u>\$ 50,368</u>	<u>\$ 285,072</u>	<u>\$ 136,312</u>	<u>\$ 338,135</u>	<u>\$ 867,478</u>

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, 2024
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)	\$ 224,895
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.	31,087
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, transfers, and donations) is to increase net position.	106
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.	5,637
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(28)
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.	66,664
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.	3,063
Change in net position of governmental activities (page 21)	<u>\$ 331,424</u>

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

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024
IN THOUSANDS**

	Business-type Activities						
	Enterprise Funds						
	Environmental Services	Metro Transit Bus	Light Rail	Commuter Rail	Metropolitan Housing and Redevelopment Authority	Total	Internal Service Fund
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 184,660	\$ 614,282	\$ 23,231	\$ 15,620	\$ 21,628	\$ 859,421	\$ 49,379
Receivables, net	10,173	8,266	217	70	1,529	20,255	-
Taxes receivable	-	24,048	2,670	1,294	35	28,047	-
Lease receivable	-	19,734	63	-	-	19,797	-
Due from other governmental units	938	24,411	14,514	2,706	327	42,896	-
Inventory	13,033	11,491	15,880	2,320	-	42,724	-
Prepays and other	-	790	412	1,008	-	2,210	-
Restricted assets:							
Cash and cash equivalents	209,080	226,850	209,544	171	43	645,688	-
Receivables, net	4,000	694	643	1	-	5,338	-
Due from other governmental units	-	64,641	176,161	507	-	241,309	-
Loans receivable	129	-	-	-	-	129	-
Total current assets	422,013	995,207	443,335	23,697	23,562	1,907,814	49,379
Noncurrent assets:							
Capital assets:							
Land	23,128	82,433	141,422	99,560	7,138	353,681	-
Buildings and infrastructure	3,491,803	767,397	1,234,703	72,907	21,963	5,588,773	-
Vehicles	9,879	415,064	327,708	56,758	-	809,409	-
Equipment	22,123	143,943	81,218	15,799	100	263,183	-
Construction in progress	353,944	505,705	2,522,326	1,009	-	3,382,984	-
Lease land	11	4,806	-	-	-	4,817	-
Lease buildings	-	7,590	1,312	-	-	8,902	-
Subscription-based information technology arrangements	-	894	-	-	-	894	-
Less accumulated depreciation and amortization	(1,567,677)	(772,703)	(959,245)	(112,105)	(21,046)	(3,432,776)	-
Net capital assets	2,333,211	1,155,129	3,349,444	133,928	8,155	6,979,867	-
Due from other governments-restricted	402	-	-	-	-	402	-
Advances and loans	114	395	-	-	-	509	-
Total noncurrent assets	2,333,727	1,155,524	3,349,444	133,928	8,155	6,980,778	-
Total assets	2,755,740	2,150,731	3,792,779	157,625	31,717	8,888,592	49,379
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows derivative instrument	-	1,325	-	-	-	1,325	-
Deferred outflows pension	9,742	55,829	15,035	651	649	81,906	-
Deferred outflows OPEB	1,668	12,713	135	-	-	14,516	-
Total deferred outflows of resources	11,410	69,867	15,170	651	649	97,747	-
LIABILITIES							
Current liabilities:							
Accounts payable	6,122	10,135	2,124	672	212	19,265	-
Salaries payable	5,022	24,498	427	-	204	30,151	-
Compensated absences payable	5,836	23,209	3,303	329	410	33,087	-
Due to other governmental units	-	-	-	675	-	675	-
Lease liability	2	760	99	-	-	861	-
Subscription-based information technology arrangement liabilities	-	142	-	-	-	142	-
OPEB liability	4,357	11,513	56	-	-	15,926	-
Unearned revenue	18,428	15,539	-	-	364	34,331	22
Accrued claims	125	5,852	1,019	292	-	7,288	10,539
Other	13	1,379	-	-	-	1,392	-
Restricted liabilities:							
Payables from restricted assets	27,737	64,090	65,642	579	-	158,048	-
Accrued interest payable from restricted assets	11,412	-	909	-	-	12,321	-
Bonds/loans payable from restricted assets	117,920	-	45,740	-	-	163,660	-
Unearned revenue from restricted assets	151,539	29,504	58,651	-	-	239,694	-
Total current liabilities	348,513	186,621	177,970	2,547	1,190	716,841	10,561
Noncurrent liabilities:							
Compensated absences payable	5,440	1,711	-	-	274	7,425	-
Accrued claims	236	12,484	1,000	3,000	-	16,720	-
Bonds/loans payable after one year (net of unamortized discounts and deferred amount on refunding)	1,098,323	-	218,274	-	3,338	1,319,935	-
Lease liability	8	8,921	848	-	-	9,777	-
Subscription-based information technology arrangement liability	-	169	-	-	-	169	-
Pension liability	2,575	13,819	869	148	28	17,439	-
OPEB liability	52,995	183,081	886	-	-	236,962	-
Total noncurrent liabilities	1,159,577	220,185	221,877	3,148	3,640	1,608,427	-
Total liabilities	1,508,090	406,806	399,847	5,695	4,830	2,325,268	10,561
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows pension	16,762	84,918	21,819	1,118	1,117	125,734	-
Deferred inflows OPEB	12,598	63,100	505	-	-	76,203	-
Deferred inflows lease	-	19,502	62	-	-	19,564	-
Total deferred inflows of resources	29,360	167,520	22,386	1,118	1,117	221,501	-
NET POSITION							
Net investment in capital assets	1,089,232	1,081,047	3,018,841	133,348	4,817	5,327,285	-
Restricted for:							
Debt service	26,690	-	-	-	-	26,690	-
Capital projects	15,668	264,312	346,865	680	-	627,525	-
Housing operations	-	-	-	-	370	370	-
Transit	-	89,751	9,786	4,975	-	104,512	-
Unrestricted	98,110	211,162	10,224	12,460	21,232	353,188	38,818
Total net position	\$ 1,229,700	\$ 1,646,272	\$ 3,385,716	\$ 151,463	\$ 26,419	\$ 6,439,570	\$ 38,818
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							36,887
Net position of business-type activities (page 20)							\$ 6,476,457
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, 2024
IN THOUSANDS

	Business-type Activities						
	Enterprise Funds						Internal Service Fund
	Environmental Services	Metro Transit			Metropolitan Housing and Redevelopment Authority	Total	
		Bus	Light Rail	Commuter Rail			
Operating revenues:							
Charges for services:							
Wastewater and industrial strength charges	\$ 304,841	\$ -	\$ -	\$ -	-	\$ 304,841	\$ -
Transit fares	-	28,938	12,524	393	-	41,855	-
Tenant rent	-	-	-	-	948	948	-
Advertising and auxiliary	-	809	203	-	-	1,012	-
Insurance premiums	-	-	-	-	-	-	94,169
Miscellaneous	-	-	-	-	122	122	2,461
Total operating revenues	304,841	29,747	12,727	393	1,070	348,778	96,630
Operating expenses:							
Salaries and employee benefits	92,249	300,399	77,610	5,573	7,569	483,400	-
Contracted services	28,737	36,750	8,837	4,419	3,466	82,209	1,548
Materials and supplies	15,414	78,610	25,716	2,152	44	121,936	-
Insurance	3,752	3,804	614	2,568	81	10,819	-
Utilities	17,890	5,092	5,845	489	143	29,459	-
Advertising	-	51	-	-	-	51	-
Housing related expenses	-	-	-	-	102,379	102,379	-
Claims	-	-	-	-	-	-	97,772
Other	16,772	5,281	1,090	315	877	24,335	44
Depreciation and amortization	77,947	84,337	61,107	5,574	167	229,132	-
Total operating expenses	252,761	514,324	180,819	21,090	114,726	1,083,720	99,364
Operating income (loss)	52,080	(484,577)	(168,092)	(20,697)	(113,656)	(734,942)	(2,734)
Nonoperating revenues (expenses):							
Taxes	-	34,230	49,871	7,911	548	92,560	-
Intergovernmental	2,252	348,603	59,898	8,121	113,477	532,351	-
Pass-through grants	(456)	(1,937)	-	-	-	(2,393)	-
Sewer availability charges	33,766	-	-	-	-	33,766	-
Investment income	35,618	65,874	5,206	761	721	108,180	2,061
Interest and fiscal charges	(24,752)	(287)	(1,839)	(42)	-	(26,920)	-
Gain/(loss) on sale of capital assets	92	(224)	-	-	930	798	-
Capital projects	(19,431)	-	-	-	-	(19,431)	-
Other	3,017	5,729	825	65	-	9,636	-
Total nonoperating revenues (expenses)	30,106	451,988	113,961	16,816	115,676	728,547	2,061
Income (loss) before contributions and transfers	82,186	(32,589)	(54,131)	(3,881)	2,020	(6,395)	(673)
Capital contributions	-	223,376	235,038	938	-	459,352	-
Transfers in	427	60,330	15,803	429	50	77,039	-
Transfers out	(229)	(3,972)	-	-	-	(4,201)	-
Total contributions and transfers	198	279,734	250,841	1,367	50	532,190	-
Change in net position	82,384	247,145	196,710	(2,514)	2,070	525,795	(673)
Total net position, beginning	1,147,316	1,399,127	3,189,006	153,977	24,349		39,491
Total net position, ending	\$ 1,229,700	\$ 1,646,272	\$ 3,385,716	\$ 151,463	26,419		\$ 38,818
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.						(6,310)	
Changes in net position of business-type activities (page 21)						\$ 519,485	

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

METROPOLITAN COUNCIL

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS**

	Business-type Activities						
	Enterprise Funds						Internal Service Fund
	Environmental Services	Metro Transit			Metropolitan Housing and Redevelopment Authority	Total	
		Bus	Light Rail	Commuter Rail			
Cash flows from operating activities							
Receipts from customers and users	\$ 303,374	\$ 29,504	\$ 12,848	394	\$ 1,088	\$ 347,208	\$ -
Receipts from interfund services	-	-	-	-	-	-	94,169
Payments to suppliers	(83,478)	(126,274)	(43,291)	(9,634)	(106,877)	(369,554)	(97,640)
Payments to employees	(103,073)	(318,725)	(82,206)	(5,892)	(7,839)	(517,735)	-
Receipts from others	-	809	203	65	-	1,077	-
Other non-operating expenses	(19,431)	-	-	-	-	(19,431)	-
Other non-operating revenues	9,212	316,541	43,356	-	10,435	379,544	2,461
Net cash provided (used) by operating activities	106,604	(98,145)	(69,090)	(15,067)	(103,193)	(178,891)	(1,010)
Cash flows from non-capital financing activities							
Intergovernmental receipts	-	116,601	73,368	16,936	103,436	310,341	-
Pass-through grant payments	(456)	(1,937)	-	-	-	(2,393)	-
Net cash provided by non-capital financing activities	(456)	114,664	73,368	16,936	103,436	307,948	-
Cash flows from capital and related financing activities							
Transfers in (out) - for capital purposes	-	56,358	15,803	429	50	72,640	-
Capital contributions	-	229,135	223,332	938	-	453,405	-
Proceeds from capital debt	98,124	-	-	-	-	98,124	-
Proceeds from sewer availability charges	42,363	-	-	-	-	42,363	-
Proceeds from sale of capital assets	92	(224)	-	-	930	798	-
Purchase of capital assets	(137,172)	(282,460)	(256,076)	(620)	25	(676,303)	-
Principal paid on capital debt	(125,785)	-	(43,565)	-	-	(169,350)	-
Interest paid on capital debt	(31,132)	-	(13,809)	-	-	(44,941)	-
Lease payments received	-	507	5	-	-	512	-
Net cash provided by (used in) capital and related financing activities	(153,510)	3,316	(74,310)	747	1,005	(222,752)	-
Cash flows from investing activities							
Interest received (paid)	14,851	27,625	2,677	660	818	46,631	2,061
Increase (Decrease) in Fair Value of Investments	20,491	36,875	2,441	12	(125)	59,694	-
Net cash provided by (used in) investing activities	35,342	64,500	5,118	672	693	106,325	2,061
Net increase (decrease) in cash and cash equivalents	(12,020)	84,335	(64,914)	3,288	1,941	12,630	1,051
Balances, beginning	405,760	756,797	297,689	12,503	19,730	1,492,479	48,328
Balances, ending	\$ 393,740	\$ 841,132	\$ 232,775	\$ 15,791	\$ 21,671	\$ 1,505,109	\$ 49,379
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	\$ 52,080	\$ (484,577)	\$ (168,092)	\$ (20,697)	\$ (113,656)	\$ (734,942)	\$ (2,734)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	77,947	84,337	61,107	5,574	167	229,132	-
Change in assets and liabilities:							
Accounts receivable	(3,575)	(727)	324	-	180	(3,798)	-
Due from employees	2	-	-	-	-	2	-
Materials and supplies (inventory)	(459)	162	(1,616)	145	-	(1,768)	-
Prepaid expenses and other current assets	79	(221)	(81)	196	2	(25)	-
Accounts payable	(535)	3,373	564	(32)	(51)	3,319	1,724
Accrued payroll liabilities	2,518	6,615	97	48	108	9,386	-
Pension liability	(12,104)	(51,068)	(10,028)	(807)	(806)	(74,813)	-
OPEB liability	(6,807)	(20,909)	(242)	-	-	(27,958)	-
Deferred outflows of pension	3,201	16,844	3,886	218	213	24,362	-
Deferred outflows of OPEB	1,425	11,767	105	-	-	13,297	-
Deferred inflows of pension	3,230	11,484	1,469	222	215	16,620	-
Deferred inflows of OPEB	(2,289)	6,941	61	-	-	4,713	-
Unearned revenues	2,108	1,293	-	1	-	3,402	-
Other liabilities	2	-	-	-	-	2	-
Other non-operating expenses	(19,431)	-	-	65	-	(19,366)	-
Other non-operating revenues	9,212	316,541	43,356	-	10,435	379,544	-
Net cash provided (used) by operating activities	\$ 106,604	\$ (98,145)	\$ (69,090)	\$ (15,067)	\$ (103,193)	\$ (178,891)	\$ (1,010)
Non-cash investing, capital and related financing activities:							
Transferred/donated assets	\$ -	\$ 415	\$ 2	\$ -	\$ -	\$ 417	\$ -
Capital assets purchased on account	27,737	64,992	66,589	579	-	159,897	-

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

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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 (formerly Metro Mobility) 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 Metro Mobility is state general fund appropriation and the main source of revenue for Metro Move is state revenue.
- 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. All revenues and expenses not meeting this definition are reported as non-operating 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, 2024, the Metropolitan Council adopted GASB Statement No. 101 “Compensated Absences”. This statement provides guidance on recognition and measurement for compensated absences.

During the year ended December 31, 2024, the Metropolitan Council adopted GASB Statement No. 102 “Certain Risk Disclosures”. This statement provides guidance disclosing risks.

In 2024, the Transit Capital Projects Fund is reported as a major fund. In 2023 it was reported as a nonmajor fund.

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, 2024, 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 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, 2024, were \$133,232,000.

Investments for the Council are stated at fair value. A market approach is used to value all investments other than money market funds, which are measured at the net asset value and certificates of deposits which are at amortized cost.

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, 2024, the allowances for doubtful accounts were (dollars in thousands):

Enterprise Fund	Balance
Environmental Services	\$ 20
Metro Transit Bus	493
Housing Redevelopment Authority	250
	<u>\$ 763</u>

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, 2024, the allowances for obsolete inventory accounts were (dollars in thousands):

Enterprise Fund	Balance
Environmental Services	\$ 132
Metro Transit Bus	2,681
	<u>\$ 2,813</u>

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 then. 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.

Governmental activities and proprietary funds' severance benefit payable are not expected to be liquidated until sometime in the future, and it is recorded as a noncurrent liability. Compensated absences are reported in governmental funds only if they mature.

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 \$141,505,000 difference are as follows:

	<u><i>In thousands</i></u>
Land	\$ 215
Construction in progress	2,181
Buildings and infrastructure – net of accumulated depreciation	8,785
Vehicles – net of accumulated depreciation	123,427
Equipment – net of accumulated depreciation	5,858
Lease buildings – net of accumulated amortization	74
Subscription-based information technology arrangements – net of accumulated amortization	965
Net adjustment to increase fund balance – total governmental funds to arrive at <i>net position – governmental activities</i>	<u><u>\$ 141,505</u></u>

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 \$1,931,000 difference is as follows:

	<u><i>In thousands</i></u>
Net position of the internal service fund	\$ 38,818
Less: Internal payable representing charges in the excess of cost to Business-type activities – prior years	(43,197)
Add: Internal payable representing charges in the excess of cost to Business-type activities – current year	6,310
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ 1,931</u></u>

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 \$(218,852,000) difference are as follows:

	<u><i>In thousands</i></u>
General obligation bonds payable	\$ (178,505)
Net issuance premiums (to be amortized as interest expense)	(21,295)
Accrued interest	(2,622)
Compensated absences	(9,030)
OPEB liability	(6,691)
Net pension liability	(195)
Lease liability	(75)
Subscription-based information technology arrangements liability	(439)
Net adjustment to reduce fund balance – total governmental funds to arrive at <i>net position – governmental funds</i>	<u><u>\$ (218,852)</u></u>

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 \$4,095,000 difference are as follows:

	<u><i>In thousands</i></u>
Unavailable revenue – property taxes	\$ 4,095
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ 4,095</u></u>

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 \$7,794,000 deferred outflows and the \$(13,405,000) deferred inflows differences are as follows:

	<i>In thousands</i>
Deferred outflows – pension obligations	\$ 7,794
Net adjustment to increase <i>fund balance – total governmental funds to arrive at net position – governmental activities</i>	\$ 7,794
	<i>In thousands</i>
Deferred inflows – pension obligations	\$ (13,405)
Net adjustment to reduce <i>fund balance – total governmental funds to arrive at net position – governmental activities</i>	\$ (13,405)

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 \$1,248,000 deferred outflows and the \$(1,179,000) deferred inflows differences are as follows:

	<i>In thousands</i>
Deferred outflows – OPEB obligations	\$ 1,248
Net adjustment to increase <i>fund balance – total governmental funds to arrive at net position – governmental activities</i>	\$ 1,248
	<i>In thousands</i>
Deferred inflows – OPEB obligations	\$ (1,179)
Net adjustment to reduce <i>fund balance – total governmental funds to arrive at net position – governmental activities</i>	\$ (1,179)

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 \$31,087,000 difference are as follows:

	<i>In thousands</i>
Capital Outlay	\$ 59,378
Depreciation expense and amortization	(28,291)
Net adjustment to increase <i>net changes in fund balance – total governmental funds to arrive at changes in net position of governmental activities</i>	\$ 31,087

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 increase net position.” The details of this \$106,000 difference are as follows:

The statement of activities reports <i>gains</i> or <i>losses</i> 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.	\$ 106
Net adjustment to increase <i>net changes in fund balance – total governmental funds to arrive at changes in net position of governmental activities</i>	\$ 106

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 \$5,637,000 difference is as follows:

	<i>In thousands</i>
Change in net position of the internal service fund	\$ (673)
Add: excess from charges to business-type activities	6,310
Net adjustment to increase <i>net changes in fund balance – total governmental funds to arrive at net position of governmental activities</i>	\$ 5,637

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 \$(28,000) difference is as follows:

	<u>In thousands</u>
Change in deferred inflows of resources - unavailable property tax revenue	\$ (28)
Net adjustment to decrease <i>net changes in fund balance - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ (28)</u>

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 \$66,664,000 difference are as follows:

Bond (discount)/premium amortization	\$ 4,543
Change in accrued interest	1,287
Principal payments of general obligation bonds/loans	59,720
Principal payments of lease liability	17
Issuance of subscription-based information technology arrangements liability	(377)
Principal payment of subscription-based information technology arrangements liability	714
Principal payment of certificates of participation	760
Net adjustment to increase <i>net changes in fund balance - total governmental funds</i> to arrive at changes in <i>net position of governmental activities</i>	<u>\$ 66,664</u>

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 \$3,063,000 difference are as follows:

	<u>In thousands</u>
Change in compensated absences for year	\$ (1,200)
Change in pension liability and related deferred inflows and outflows	4,538
Change in OPEB liability and related deferred inflows and outflows	(275)
Net adjustment to increase <i>net changes in fund balance - total governmental funds</i> to arrive at changes in <i>net position of governmental activities</i>	<u>\$ 3,063</u>

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, the effects of which were not material.

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 2024 budget but not completely expended in 2024 were \$4,270,000. 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, 2024 (dollars in thousands):

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Contracted Transit Service	\$ 36,556	\$ 39,098	\$ 39,777	\$ 679

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, 2024, the amount of cash in the Council’s bank accounts was \$4,815,000 (US Bank and Wells Fargo Bank), of which \$500,000 was covered by the Federal Depository Insurance Corporation (FDIC), and \$4,315,000 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 2024.

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 \$2,000,000 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.

METROPOLITAN COUNCIL

Following is a summary of the fair values of securities at December 31, 2024:

METROPOLITAN COUNCIL	Credit Risk	Custody Credit Risk	Dollars in thousands			
			Par	Fair Value	Book Value	% of total Portfolio
U.S. Agency Securities:						
Federal Home Loan Bank	Aaa	Custody (a)	150,000	146,137	149,993	6.4%
Federal National Mortgage Assn.	Aaa	Custody (a)	35,000	34,404	34,978	1.5%
Federal Farm Credit Bank	Aaa	Custody (a)	36,991	35,834	37,056	1.6%
Federal Home Loan Mtge. Corp.	Aaa	Custody (a)	30,000	29,293	29,880	1.3%
U.S. Treasury Notes	n.a.	Custody (a)	118,000	112,990	118,123	4.9%
Mortgage Backed Securities:						
Federal Nat'l Mtg Assn.	Aaa	Custody (a)	46	46	50	0.0%
Fed. Home Loan Mtge. Corp.	Aaa	Custody (a)	74	73	75	0.0%
U.S. Agency Discount Notes	n.a.	Custody (a)	330,000	328,038	327,984	14.3%
U.S. Treasury Bills	n.a.	Custody (a)	420,000	417,560	417,373	18.2%
U.S. Treasury Bills (Hedging)	n.a.	Broker Held (b)	2,000	1,997	1,996	0.1%
Municipal Bonds (each <5%)	Aaa(d)	Custody (a)	51,720	49,206	51,793	2.1%
Certificates of Deposit	N.R. (c)	Collateralized (i)	24,000	24,000	24,000	1.0%
OPEB Trust - State Board of Investments	N.R. (b)	Custody (e)	204,925	372,750	204,925	16.2%
Money Market Funds	n.a.	n.a.	736,757	736,758	736,757	32.1%
Cash for Fuel Hedging Margin (g)	n.a.	Broker Held (f)	2,678	2,678	2,678	0.1%
Cash for Operations (h)	n.a.	Collateralized (i)	3,497	3,497	3,497	0.2%
Petty Cash/Coin & Mutilated Coins	n.a.	Council Held	21	21	21	0.0%
Total Cash and Investments			\$ 2,145,709	\$ 2,295,282	\$ 2,141,179	100%

- 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 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	Dollars in thousands			
	Fair Value	Less Than 1 Year	1-5 Year	5+ Years
U.S. Agency Securities:				
Federal Home Loan Bank	146,137	19,544	121,802	4,791
Federal National Mortgage Assn.	34,404	19,474	14,930	-
Federal Farm Credit Bank	35,834	-	35,834	-
Federal Home Loan Mtge. Corp.	29,293	19,450	9,843	-
U.S. Treasury Notes	112,990	27,539	85,451	-
Mortgage-Backed Securities:				
Federal Nat'l Mtg Assn.	46	-	46	-
Fed. Home Loan Mtge. Corp.	73	-	-	73
U.S. Agency Discount Notes	328,038	328,038	-	-
U.S. Treasury Bills	417,560	417,560	-	-
U.S. Treasury Bills (Hedging)	1,997	1,997	-	-
Municipal Bonds (each <5%)	49,206	5,691	34,921	8,594
Certificates of Deposit	24,000	24,000	-	-
OPEB Trust - State Board of Investments	372,750	372,750	-	-
Money Market Funds	736,758	736,758	-	-
Cash for Fuel Hedging Margin	2,678	2,678	-	-
Cash for Operations	3,497	3,497	-	-
Petty Cash/Coin & Mutilated Coins	21	21	-	-
Total Cash and Investments	\$ 2,295,282	\$ 1,978,997	\$ 302,827	\$ 13,458

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 \$24,000,000 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, 2024 (*dollars in thousands*):

	Fair Value Measurements Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
12/31/2024				
Investments by fair value level				
Debt securities				
OPEB Trust Government Securities	123,716	-	123,716	-
Federal Home Loan Bank	146,137	-	146,137	-
Federal National Mortgage Association	34,404	-	34,404	-
Federal Farm Credit Bank	35,834	-	35,834	-
Federal Home Loan Mortgage Corporation	29,293	-	29,293	-
Mortgage-Backed securities	119	-	119	-
Municipal Bonds	49,206	-	49,206	-
U.S. Agency Discount Notes	328,038	328,038	-	-
U.S. Treasury Notes	112,990	112,990	-	-
U.S. Treasury Bills	419,557	419,557	-	-
Total Investments by fair value level	\$ 1,279,294	\$ 860,585	\$ 418,709	\$ -
Investment measured at the net asset value (NAV)				
Money Market Funds	<u>736,758</u>			
Total investments measured at the NAV	<u>\$ 736,758</u>			
Total investments measured at fair value and at the NAV	\$ 2,016,052			

The Council also holds \$238,070,000 in the Non-Retirement Equity Fund and \$10,964,000 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 Statute (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 (EFPs) as a budget risk reduction strategy. Such EFPs are solely commodity-based and are comprised of futures, options, contracts, and similar serving derivative instruments. Since the inception of the EFP 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 EFPs. 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 2024, 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 2024, the Council performed a retrospective statistical analysis test and determined that the liquidated hedges were essentially effective.

As of December 31, 2024, The Council had 217 New York Mercantile Exchange (NYMEX) heating oil futures contracts (9.11 million gallons) with acquisition (effective) dates ranging from 04/04/2024 through 12/19/2024. Termination dates range from 01/31/2025 to 10/31/2026. As of December 31, 2024, the ultra-low sulfur diesel futures contracts had a fair value of \$20,307,000. 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, 2024, the Council's futures accounts at R.J. O'Brien contained a cash balance in the amount of \$2,678,000 and a U.S. Treasury Bill with a fair value of \$1,997,000.

Basis risk. 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.

Termination risk. For the Council, futures contracts represent the most cost-effective method of managing energy price risk. These futures contracts are accessible, flexible, and liquid. Actual commodities are purchased through a separate purchasing process. The Council does not actually take delivery of the hedged commodities in these futures contracts. Futures contracts are closed out on a net settle basis before expiration, thereby mitigating termination risk.

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	\$ -	\$ -	\$ 932	\$ -	\$ 296	\$ 1,228	
Special Transportation Services	-	-	1,426	-	109	1,535	
Transit Capital Projects	115	-	72,573	-	45	72,733	
Debt Retirement	-	-	3,333	-	411	3,744	
Nonmajor Governmental	117	-	8,356	-	913	9,386	
Total Government funds	\$ 232	\$ -	\$ 86,620	\$ -	\$ 1,774	\$ 88,626	
Enterprise funds:							
Environmental Services	\$ 9,685	\$ (20)	\$ -	\$ -	\$ 508	\$ 10,173	
Metro Transit Bus	6,697	(493)	24,048	19,734	2,062	52,048	
Metro Transit Light Rail	103	-	2,670	63	114	2,950	
Metro Transit Commuter Rail	-	-	1,294	-	70	1,364	
Metropolitan Housing and Redevelopment Authority	1,707	(250)	35	-	72	1,564	
Total Enterprise funds	\$ 18,192	\$ (763)	\$ 28,047	\$ 19,797	\$ 2,826	\$ 68,099	
Receivables - restricted							
Enterprise funds:							
Environmental Services	\$ 3,462	\$ -	\$ -	\$ -	\$ 538	\$ 4,000	
Metro Transit Bus	-	-	-	-	694	694	
Metro Transit Light Rail	-	-	-	-	643	643	
Metro Transit Commuter Rail					1	1	
Total Enterprise funds	\$ 3,462	\$ -	\$ -	\$ -	\$ 1,876	\$ 5,338	

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):

	<u>Unavailable</u>
Delinquent property taxes receivable (General fund)	\$ 776
Delinquent property taxes receivable (Debt retirement fund)	2,686
Delinquent property taxes receivable (Nonmajor governmental funds)	<u>633</u>
Total deferred inflows of resources for governmental funds	<u>\$ 4,095</u>

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 2024, the Council levied \$18,979,000 for the General Operating levy, \$14,897,000 for the Livable Communities Demonstration Account levy, \$4,818,000 in Parks Debt Retirement, and \$50,476,000 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):

	<u>Levy Limit</u>	<u>Council Levy</u>
Operating Levy	\$ 18,979	\$ 18,979
Tax Base Revitalization	5,000	5,000
Livable Communities	14,897	14,897
Park and Transit Debt Retirement	55,294	55,294
Total	<u>\$ 94,170</u>	<u>\$ 94,170</u>

E. Capital assets

Capital assets for the year ended December 31, 2024, were as follows:

	<i>Dollars in thousands</i>			
Governmental Activities:	Beginning Balance	Additions	Deduction/ Adjustments	Ending Balance
Capital Assets, not being depreciated:				
Land	\$ 215	\$ -	\$ -	\$ 215
Construction in progress	-	2,181	-	\$ 2,181
Total capital assets, not being depreciated	215	2,181	-	2,396
Other capital assets at historical cost				
Buildings and infrastructure	16,344	-	-	16,344
Vehicles	263,135	52,772	(28,510)	287,397
Equipment	21,628	4,384	(1,179)	24,833
Lease buildings	143	-	-	143
Subscription-based information technology arrangements	3,298	418	(639)	3,077
Total other capital assets at historical cost	304,548	57,574	(30,328)	331,794
Less accumulated depreciation for:				
Buildings and infrastructure	7,150	409	-	7,559
Vehicles	167,822	24,387	(28,239)	163,970
Equipment	17,687	2,467	(1,179)	18,975
Less accumulated amortization for:				-
Lease buildings	52	17	-	69
Subscription-based information technology arrangements	1,740	1,011	(639)	2,112
Total accumulated depreciation and amortization	194,451	28,291	(30,057)	192,685
Other capital assets, net	110,097	29,283	(271)	139,109
Governmental activities capital assets, net	\$ 110,312	\$ 31,464	\$ (271)	\$ 141,505

	<i>Dollars in thousands</i>			
Business-type Activities:	Beginning Balance	Additions	Deduction/ Adjustments	Ending Balance
Capital Assets, not being depreciated:				
Land	\$ 326,678	\$ 27,435	\$ (432)	\$ 353,681
Construction in progress	2,939,791	602,177	(158,984)	\$ 3,382,984
Total capital assets, not being depreciated	3,266,469	629,612	(159,416)	3,736,665
Capital assets, being depreciated				
Buildings and infrastructure	5,520,197	157,440	(88,864)	5,588,773
Vehicles	799,799	28,148	(18,538)	809,409
Equipment	257,926	15,312	(10,055)	263,183
Lease Land	5,168	11	(362)	4,817
Lease Buildings	8,902	-	-	8,902
Subscription-based information technology arrangements	961	-	(67)	894
Total capital assets being depreciated	6,592,953	200,911	(117,886)	6,675,978
Less accumulated depreciation for:				
Buildings and infrastructure	2,636,954	179,150	(88,841)	2,727,263
Vehicles	473,841	36,240	(18,397)	491,684
Equipment	206,646	12,438	(9,588)	209,496
Lease Land	920	341	(27)	1,234
Lease Buildings	1,862	643	(1)	2,504
Subscription-based information technology arrangements	339	320	(64)	595
Total accumulated depreciation and amortization	3,320,562	229,132	(116,918)	3,432,776
Other capital assets, being depreciated and amortized, net	3,272,391	(28,221)	(968)	3,243,202
Business-type activities capital assets, net	\$ 6,538,860	\$ 601,391	\$ (160,384)	\$ 6,979,867

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

	<i>Dollars in thousands</i>		
<u>Governmental activities:</u>	Depreciation	Amortization	Total
General Government	\$ 1,011	\$ 1,023	\$ 2,034
Transportation	26,252	5	26,257
Total governmental activities	\$ 27,263	\$ 1,028	\$ 28,291

	<i>Dollars in thousands</i>		
<u>Business-type activities:</u>	Depreciation	Amortization	Total
Environmental Services	\$ 77,945	\$ 2	\$ 77,947
Metro Transit Bus	83,138	1,199	84,337
Metro Transit Light Rail	61,004	103	61,107
Metro Transit Commuter Rail	5,574	-	5,574
Metropolitan Housing and Redevelopment Authority	167	-	167
Total business-type activities	\$ 227,828	\$ 1,304	\$ 229,132

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 thousand occurred between Transit Capital Projects and the Metro Transit Bus and Metro Transit Light Rail funds for capital projects.

The composition of interfund balances as of December 31, 2024, is as follows:

	<i>Dollars in thousands</i>					
	Transfers out					
Transfers In	General Fund	Transit Capital Projects	Nonmajor Governmental	Environmental Services	Metro Transit Bus	Total
General Fund	\$ -	\$ -	\$ -	\$ 229	\$ -	\$ 229
Transit Capital Projects	-	-	1,378	-	-	1,378
Nonmajor Governmental	1,000	-	-	-	-	1,000
Metropolitan HRA	-	-	-	-	50	50
Environmental Services	427	-	-	-	-	427
Metro Transit Bus	-	60,330	-	-	-	60,330
Metro Transit Light Rail	-	12,133	-	-	3,670	15,803
Metro Transit Commuter	-	177	-	-	252	429
Total	\$ 1,427	\$ 72,640	\$ 1,378	\$ 229	\$ 3,972	\$ 79,646

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, 2024, the principal and interest requirements to maturity are as follows:

<i>In thousands</i>			
Year Ending December 31	Principal	Interest	Total
2025	\$ 17	\$ -	\$ 17
2026	17	-	17
2027	18	-	18
2028	17	-	17
2029	6	-	6
Total	\$ 75	\$ -	\$ 75

Proprietary Funds: Environmental Services, Metro Transit Bus and Metro Transit Light Rail funds had non-cancelable leases during 2024. 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 are probable to be executed. 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 four building leases for two transit stores, a bus shelter, and a bus garage. Leases had various start dates with the oldest lease starting in 1986. The leases, with options to extend the term, are for 3-15 years; the options are probable to be executed. The lease payments increase approximately 0.00-2.50 percent annually. The annual interest rate charged on the leases is between 0.55-2.70 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, 2024, the principal and interest requirements to maturity are as follows:

<i>Dollars in thousands</i>			
Business-Type Activities			
Year Ended December 31	Principal	Interest	Total
2025	\$ 861	\$ 104	\$ 965
2026	908	95	1,003
2027	917	86	1,003
2028	920	77	997
2029	943	68	1,011
2030-2034	4,688	198	4,886
2035-2039	1,063	36	1,099
2040-2044	68	21	89
2045-2049	44	18	62
2050-2054	54	15	69
2055-2059	66	10	76
2060-2064	79	5	84
2065-2069	27	-	27
Total	\$ 10,638	\$ 733	\$ 11,371

2. Metropolitan Council as lessor

As lessor, the Council entered into various lease arrangements for land and building space. Under the 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 leases under Metro Transit Bus is a sublease to one of the payable leases. The lease terms range from 2.75 to 45 years with potential rent increases of 0.00-2.00 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 percent-1.20 percent.

The Council received \$513,000 in principal and \$242,000 in interest during 2024.

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, 2024, the principal and interest requirements to maturity are as follows:

<i>In thousands</i>			
Year Ending December 31	Principal	Interest	Total
2025	\$ 119	\$ 11	\$ 130
2026	125	7	132
2027	113	4	117
2028	82	1	83
Total	\$ 439	\$ 23	\$ 462

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 0.67-4 years. The SBITAs with options to extend the term are for 1-2 years which are probable to be executed. The SBITA payments increase approximately up to 7.00 percent annually. The annual interest rate charged on the leases is between 1.03-2.58 percent.

On December 31, 2024, the principal and interest requirements to maturity are as follows:

<i>Dollars in thousands</i>			
Metro Transit Bus			
Year Ended December 31	Principal	Interest	Total
2025	\$ 142	\$ 4	\$ 146
2026	66	3	69
2027	69	1	70
2028	34	-	34
Total	\$ 311	\$ 8	\$ 319

I. Certificates of participation

On December 1, 2004, the Council entered into an annual appropriation purchase agreement for land and facilities to be renovated thereon. The Council granted an interest agreement in the land and facilities to a trustee and proceeds from the issuance and sale of Certificates of Participation in the purchase agreement provided a portion of the funds to renovate, improve and equip the facilities for use as the Council's administrative headquarters. In 2006, the facilities were completed, and the Council's administrative headquarters were relocated. On March 20, 2014, the Council paid the principal and interest payment due on the Council's Certificates of Participation, Series 2004G and the redeemed June 1, 2015, through June 1, 2025, maturities of the Series 2004G Certificates. New refunding certificates of participation, Series 2014E were issued on March 20, 2014. The Certificates of Participation are not an obligation of the Council, and the agreement was subject to non-appropriation by the Council in which event the agreement is terminated and there is no obligation of the Council for future payments. The Council complied with the terms of this agreement through its maturity. On May 31, 2024, the Council completed the service of the note and became the sole owner of the 390 Robert Street administrative building.

J. 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 \$1,409,755,000.

During the year, \$59,640,000 of general obligation revenue wastewater bonds were issued. No Parks or Transit Bonds were issued in fiscal year 2024.

General obligation bonds currently outstanding on December 31, 2024, are as follows:

Purpose	Interest Rates	<i>Dollars in Thousands</i>
Governmental activities *	2.00-5.00%	\$ 167,000
Governmental activities refunding	2.38-5.00%	11,505
Business-type activities *	2.00-5.25%	550,875
Business-type activities refunding *	2.00-5.50%	145,765
Total general obligation bonds		\$ 875,145

*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 \$1,030,244,000. During the year, \$32,754,000 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 2024 Minnesota PFA loan was \$14,002,000.

Public Facilities Authority general obligation backed loans currently outstanding on December 31, 2024, are as follows:

Purpose	Interest Rates	<i>Dollars in Thousands</i>
Business-type activities	1.00-3.18%	\$ 455,858

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, 2024, are as follows:

Purpose	Interest Rates	<i>Dollars in Thousands</i>
Business-type activities	0.38-5.00%	\$ 227,150

The following is a summary of general obligation bonds, grant anticipation notes, and PFA loan transactions for the year ended December 31, 2024:

	<i>Dollars in thousands</i>	
	Governmental Activities	Business-type Activities
Balance, January 1, 2024	\$ 264,063	\$ 1,569,396
PFA drawdown	-	32,754
Bond issued, net of discount/premium	-	65,370
Amortization of discount/premium	(4,543)	(17,913)
Less principal payment	(59,720)	(169,350)
Balance, December 31, 2024	\$ 199,800	\$ 1,480,257

The Council's outstanding notes from direct borrowings related to business-type activities of \$455,858,000 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, 2024, the annual debt service requirements to amortize all general obligation bonds, grant anticipation notes, and PFA loans outstanding, including interest of \$30,355,000 on the governmental activities debt and \$265,072,000 on the business-type activities debt was as follows:

Year Ending December 31	<i>Dollars in thousands</i>		
	Governmental Activities		
	Bonds		
	Principal	Interest	Total
2025	\$ 30,190	\$ 7,129	\$ 37,319
2026	25,920	5,796	31,716
2027	24,815	4,670	29,485
2028	21,385	3,667	25,052
2029	18,910	2,798	21,708
2030-2034	46,035	5,457	51,492
2035-2039	11,250	838	12,088
Subtotal	\$ 178,505	\$ 30,355	\$ 208,860
Net unamortized:			
Discounts/premium	21,295	-	21,295
Total payments	\$ 199,800	\$ 30,355	\$ 230,155

Year Ending December 31	<i>Dollars in thousands</i>					
	Business-type Activities					
	Bonds			Notes from Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 109,260	\$ 37,385	\$ 146,645	\$ 54,400	\$ 6,603	\$ 61,003
2026	98,525	31,951	130,476	51,888	5,697	57,585
2027	102,220	27,540	129,760	41,023	4,761	45,784
2028	100,845	23,161	124,006	38,129	4,123	42,252
2029	94,550	19,000	113,550	39,706	3,577	43,283
2030-2034	214,935	58,231	273,166	144,944	10,720	155,664
2035-2039	143,870	23,427	167,297	71,565	3,525	75,090
2040-2044	59,585	4,899	64,484	14,203	472	14,675
Subtotal	\$ 923,790	\$ 225,594	\$ 1,149,384	\$ 455,858	\$ 39,478	\$ 495,336
Net unamortized:						
Discounts/premium	100,609	-	100,609	-	-	-
Total payments	\$ 1,024,399	\$ 225,594	\$ 1,249,993	\$ 455,858	\$ 39,478	\$ 495,336

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, 2024, the Council's net annual debt service requirements to amortize all loans outstanding, including interest of \$39,160,000 on the business-type activities, notes from direct borrowings debt, were as follows:

<i>Dollars in thousands</i>					
Business-type Activities- Notes from Direct Borrowings					
Year Ending December 31	Principal	Interest	Federal Subsidy	Net Interest	Net Payment
2025	\$ 54,400	\$ 6,603	\$ (117)	\$ 6,486	\$ 60,886
2026	51,888	5,697	(88)	5,609	57,497
2027	41,023	4,761	(52)	4,709	45,732
2028	38,129	4,123	(37)	4,086	42,215
2029	39,706	3,577	(24)	3,553	43,259
2030-2034	144,944	10,720	-	10,720	155,664
2035-2039	71,565	3,525	-	3,525	75,090
2040-2044	14,203	472	-	472	14,675
Total payments	\$ 455,858	\$ 39,478	\$ (318)	\$ 39,160	\$ 495,018

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, 2024, was as follows:

Governmental activities:	Dollars in thousands:				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds/loans payable:					
General obligation debt	\$ 238,225	\$ -	\$ (59,720)	\$ 178,505	\$ 30,190
Discounts/premiums	25,838	-	(4,543)	21,295	-
Total general obligation debt	264,063	-	(64,263)	199,800	30,190
Certificates of Participation	760	-	(760)	-	-
Right-to-use liability:					
Lease liability	92	-	(17)	75	17
Subscription-based information technology arrangement liability	776	377	(714)	439	119
Compensated absences	7,830	6,494	(5,294)	9,030	5,418
Governmental long-term liabilities	<u>\$ 273,521</u>	<u>\$ 6,871</u>	<u>\$ (71,048)</u>	<u>\$ 209,344</u>	<u>\$ 35,744</u>

Business Type Activities:	Dollars in thousands:				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds/loans/notes payable:					
General obligation debt	\$ 698,500	\$ 59,640	\$ (61,500)	\$ 696,640	\$ 63,520
Grant anticipation notes	270,715	-	(43,565)	227,150	45,740
Notes/loans from Direct Borrowings:					
PFA loans	487,389	32,754	(64,285)	455,858	54,400
Loans payable	3,338	-	-	3,338	-
Discounts/premiums	112,792	5,730	(17,913)	100,609	-
Right-to-use liability:					
Lease liability	11,801	11	(1,174)	10,638	861
Subscription-based information technology arrangement liability	639	-	(328)	311	142
Total bonds/loans/right-to-use payable	1,585,174	98,135	(188,765)	1,494,544	164,663
Compensated absences	35,009	33,057	(27,554)	40,512	33,087
Accrued claims	33,218	107,492	(106,163)	34,547	17,827
Business-type long-term liabilities	<u>\$ 1,653,401</u>	<u>\$ 238,684</u>	<u>\$ (322,482)</u>	<u>\$ 1,569,603</u>	<u>\$ 215,577</u>

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.

K. Compensated absences

In 2024, the governmental activities liability for compensated absences earned but not taken increased from \$7,830,000 to \$9,030,000. This liability is reported in the government-wide statement of net position. The following summary of changes during 2024 includes \$641,765 in payroll taxes:

	Dollar in thousands
Balance, January 1, 2024	\$ 7,830
Transferred to/from Enterprise Funds	2
Leave Earned	6,447
Leave Taken or Paid Off	(5,249)
Balance, December 31, 2024	<u>\$ 9,030</u>

L. 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 (formerly Metro Mobility), 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 (formerly Metro Mobility), 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					
	General Fund	Special Transportation Services Special Revenue	Transit Capital Projects	Debt Retirement	Nonmajor Governmental Funds	Total
Fund Balances:						
Spendable:						
Restricted for:						
Debt Retirement Reserve	\$ -	\$ -	\$ -	\$ 136,312	\$ -	\$ 136,312
Highway Right-of-Way Program	-	-	-	-	60,391	60,391
Economic Revitalization	-	-	-	-	21,692	21,692
Environment Development	-	-	-	-	69,655	69,655
Incentive Housing	-	-	-	-	4,112	4,112
North Mississippi Park Improvements	-	-	-	-	118	118
Transportation Advisory Board Grants	-	-	-	-	26,458	26,458
Regional Parks Capital Improvements	-	-	-	-	219,794	219,794
Transit Capital Improvements	-	-	282,102	-	-	282,102
Transportation Services	-	9,043	-	-	7,993	17,036
Committed for:						
Self-Insurance	2,500	-	-	-	-	2,500
Other Post-Employment Benefits	6,622	-	-	-	-	6,622
Regional Water Supply Program	53	-	-	-	-	53
Regional ADA Transit Service	-	41,325	-	-	-	41,325
Regional Transit Providers Services	-	-	2,970	-	37,870	40,840
Assigned for:						
Capital Maintenance	4,270	-	-	-	-	4,270
Compensated Absences	5,418	-	-	-	-	5,418
Planning Assistance	-	-	-	-	638	638
Unassigned	38,728	-	-	-	(110,586)	(71,858)
Total fund balances	\$ 57,591	\$ 50,368	\$ 285,072	\$ 136,312	\$ 338,135	\$ 867,478

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 general liability insurance or self-insures to protect against various liability risks in all divisions of the Council. Metropolitan Council recognizes current liability for incurred, reported claims and long-term liability for claims incurred but not reported. Claims liabilities are calculated considering recent claim settlement trends including frequency and amount of payouts. 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 errors and omissions risk. There were no claims for 2022, 2023 or 2024.

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 \$500,000 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 2023 and 2024 are as follows:

<i>Dollars in thousands</i>						
Metro Transit						
2023 Balance:	Bus	Light Rail	Commuter Rail	Environmental Services	Total	
Beginning Balance	\$ 15,527	\$ 1,905	\$ 3,276	\$ 720	\$ 21,428	
Current year claims and changes in estimates	10,859	250	37	71	\$ 11,217	
Payments on claims	(7,703)	(216)	(35)	(288)	\$ (8,242)	
Ending balance	\$ 18,683	\$ 1,939	\$ 3,278	\$ 503	\$ 24,403	
2024 Balance:						
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	

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 \$3,000,000 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:

	<i>Dollars in thousands</i>	
2023 Balance:	Internal Service Fund	
Beginning Balance	\$	10,209
Incurred claims		83,734
Payments on claims		(85,128)
Ending Balance	\$	8,815
2024 Balance:		
Beginning Balance	\$	8,815
Incurred claims		97,772
Payments on claims		(96,048)
Ending Balance	\$	10,539

B. Pension obligations

Metropolitan Council has 3,951 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 127 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 2024.

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. 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, 2024, was \$23,316,000. 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, 2024, the Metropolitan Council reported a liability of \$2,793,000 for its proportionate share of MSRS' net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Metropolitan Council's proportion of the net pension liability was based on the contributions received by MSRS during the measurement period July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all MSRS's participating employers. At June 30, 2024, the Metropolitan Council's proportion was 8.397 percent, which was a decrease of 0.292 percent from its proportion measured as of June 30, 2023.

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

The 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:

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.

For the year ended December 31, 2024, the Metropolitan Council recognized a pension expense of \$(7,701,000) for its proportionate share of the MSRS-GEF pension expense.

Legislation required the State of Minnesota to pay a one-time direct state aid payment to the pension plans. In 2024, the general state employee's retirement plans receive \$76,440,000 of which the Council's share of the payment was \$6,419,000. This contribution was a one-time direct state aid that does not meet the definition of a special funding situation. The Council recognized this contribution as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Plan.

On December 31, 2024, the Metropolitan Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>(Dollars in thousands)</i>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,482	\$ 225
Changes of assumptions	31,492	51,064
Net difference between projected and actual earnings on investments	-	51,969
Changes in proportion and differences between actual contributions and proportionate share of contribution:	1,200	8,490
Contributions paid to MSRS subsequent to the measurement date	11,739	-
Total	\$ 64,913	\$ 111,748

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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense <i>(Dollars in thousands)</i>
2025	\$ (20,653)
2026	3,020
2027	(27,395)
2028	(13,546)
	<u>\$ (58,574)</u>

Actuarial Assumptions: The Metropolitan Council's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 Mortality Tables generational for males or females, as appropriate, with adjustments to match fund experience. Benefit increases for retirees were 1.50 percent for January 1, 2024.

Actuarial assumptions used in the June 30, 2024, valuation were 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	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the total pension liability as of June 30, 2024, 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 3.97 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, 2024, was projected to be available to make all projected future benefit payments of current active and inactive employees through the year ending June 30, 2124. Therefore, the long-term expected rate of return on pension plan investments was applied to project benefit payments through the year ending June 30, 2124, 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)	\$ 192,193	\$ 2,793	\$ (154,526)

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 statute, 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 2024. The Metropolitan Council required contribution rate is 17.70 percent of annual covered salary in 2024. Contributions to the pension plan from the Council were \$2,913,000 for the year ending December 31, 2024.

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

On December 31, 2024, the Metropolitan Council reported a liability of \$14,841,000 for its proportionate share of PERA's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Metropolitan Council's proportion of the net pension liability was based on the contributions received by PERA during the measurement period July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. On June 30, 2024, the Metropolitan Council's proportion was 1.1280 percent, which was an increase of 0.0482 percent from its proportion measured as of June 30, 2023.

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

The state contribution of \$9.0 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 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048.

The additional \$9.0 million contribution will continue until the Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis of July 1, 2048 if earlier.

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

There have been no changes in actuarial assumptions since the prior valuation.

For the year ended December 31, 2024, the Metropolitan Council recognized pension expense of \$2,593,000 for its proportionate share of the PEPFF's pension expense.

The State of Minnesota also contributed \$37.40 million to the Police and Fire Plan in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9.00 million in direct state aid that meets the definition of a special funding situation and \$9.00 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, this contribution includes \$19.40 million for a one-time direct state aid that does not meet the definition of a special funding situation.

Legislation required the State of Minnesota to pay direct state aid of \$9.00 million on October 1, 2021, and to pay \$9.00 million by October 1 of each subsequent year until full funding is reached for three consecutive years, or July 1, 2048, whichever is earlier. The Metropolitan Council recognized an increase of \$55,000 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's pension expense related to the special funding situation.

Council's proportionate share of the net pension liability	\$ 14,841,000
State of Minnesota's proportionate share of the net pension liability associated with the Council	566,000
Total	<u>\$ 15,407,000</u>

Legislation also requires the State of Minnesota to contribute \$9.00 million to the Police and Fire Plan each year, starting in fiscal year 2014, 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 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. Additionally, the State of Minnesota contributed \$19.40 million to the Police and Fire Plan in the plan fiscal year ended June 30, 2024 for a one-time direct state aid that does not meet the definition of a special funding situation. The Metropolitan Council also recognized \$102,000 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Police and Fire Plan.

On December 31, 2024, the Metropolitan Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<i>Dollars in thousands</i>	
Differences between expected and actual experience	\$ 5,688	\$ -
Changes of assumptions	16,353	20,926
Net difference between projected and actual earnings on investments	-	5,678
Changes in proportion and differences between actual contributions and proportion share of contributions	1,231	787
Contributions paid to PERA subsequent to the measurement date	1,515	-
Total	\$ 24,787	\$ 27,391

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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense
	<i>Dollars in thousands</i>
2025	\$ (987)
2026	3,968
2027	(2,255)
2028	(5,326)
2029	481
	\$ (4,119)

Actuarial Assumptions: The Metropolitan Council's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 disabilitants 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 the June 30, 2024; valuations are reviewed annually. The most recent 5-year experience study for the PEPFF was completed July 14, 2020. The economic assumptions are based on a review of inflation and investment return assumptions dated July 31, 2024.

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, 2024, 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 3.97 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, 2024, was projected to be available to make all projected future benefit payments of current active and inactive employees through the year ending June 30, 2124. Therefore, the long-term expected rate of return on pension plan investments was applied to project benefit payments through the year ending June 30, 2124, 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)	\$ 35,071	\$ 14,841	\$ 1,773

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, 2024, the Metropolitan Council recognized a pension expense of \$(5,108,000) 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 of salary beginning July 1, 2023 from participating employees. The employer contribution rate is 6.25 percent.

For the year ending December 31, 2024, employer contributions were \$255,000. 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, 2024, the Metropolitan Council had separately invested assets in a revocable trust account with a fair value of \$372,750,000. 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 Statutes section 11A.14, which provides for the establishment of investment vehicles for assets of the participating public retirement plans and nonretirement funds.

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 4.08 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 \$12,666,000.

Employees covered by benefit terms: At the actuarial valuation date of January 1, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,919
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	3,403
	<u>5,322</u>

Total OPEB Liability: The Metropolitan Council's total OPEB liability of \$259,580,000 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2023. The total OPEB liability was rolled-forward from the valuation date to fiscal year ended December 31, 2024, using generally accepted actuarial principles.

Actuarial assumptions and other inputs: The total OPEB liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25 percent
Payroll Growth	3.00 percent
Discount Rate	4.06 percent
Healthcare cost trend rates	Rates were using a combination of trend surveys, short-term expectations specific to the region, and the SOA-Getzen model and have a grade down period consistent with industry expectations. The ultimate trend of 3.68 percent is reached after a grade down period in 2075.
Employer share of benefit-related costs	The employer subsidy is assumed to shift from the current premium levels to 90.00 percent of the full premium for single coverage and 80.00 percent for family coverage.

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, 2014 through June 30, 2018, dated June 27, 2019.

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, 2024, was 4.08 percent.

Changes in the Total OPEB Liability:

	<i>Dollars in thousands</i>
Total OPEB Liability	
Balance at December 31, 2023	<u>\$ 288,196</u>
Changes for the year:	
Service cost	2,323
Interest	9,251
Differences between expected and actual experience	(2,319)
Changes in assumptions or other inputs	(24,299)
Benefit payments	<u>(13,572)</u>
Net changes	<u>(28,616)</u>
Balance at December 31, 2024	<u><u>\$ 259,580</u></u>

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 3.26 percent to 4.08 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 (3.08 percent) or 1.00 percentage point higher (5.08 percent) than the current discount rate (dollars in thousands):

	1.00% Decrease (3.08%)	Current Discount Rate (4.08%)	1.00% Increase (5.08%)
Total OPEB Liability	\$ 290,991	\$ 259,580	\$ 233,362

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 (7.71 percent decreasing to 2.68 percent) or 1.00 percentage point higher (9.71 percent decreasing to 4.68 percent) than the current healthcare cost trend rates (dollars in thousands):

	1.00% Decrease (7.71% decreasing to 2.68%)	Healthcare Cost Trend Rates (8.71% decreasing to 3.68%)	1.00% Increase (9.71% decreasing to 4.68%)
Total OPEB Liability	\$ 233,568	\$ 259,580	\$ 290,621

For the year ended December 31, 2024, the Metropolitan Council recognized OPEB expense of \$3,957,000. At December 31, 2024, the Metropolitan Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<i>Dollars in thousands:</i>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,405	\$ 24,656
Changes of assumptions	11,359	52,726
Total	\$ 15,764	\$ 77,382

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

	<i>Dollars in thousands:</i>
Year ended December 31:	OPEB Expense
2025	\$ (14,547)
2026	(14,324)
2027	(13,820)
2028	(10,407)
2029	(4,394)
Thereafter	(4,126)
	\$ (61,618)

D. Sub-grantee programs

During the year ended December 31, 2024, 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 (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 \$340,952,000 as of December 31, 2024. These commitments will be paid from the Metro Transit Bus enterprise fund. Future commitments for Metro Transit Light Rail enterprise fund contracts of approximately \$354,628,000 will be paid from the Metro Transit Light Rail fund. Future commitments for commuter rail transit services of approximately \$5,774,000 as of December 31, 2024, will be paid from the Metro Transit Commuter Rail fund. Future commitments for regional transit services are approximately \$50,861,000 as of December 31, 2024. 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 \$116,583,000 as of December 31, 2024. 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 2024 budget but not completely expended in 2024 were \$4,270,000. 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 February 2025, the Minnesota Department of Transportation and the Metropolitan Council announced they would begin exploring the option of transitioning from Commuter Rail Service to Bus Service. Work is currently underway to explore this transition.

On April 17 2025, the Metropolitan Council agreed to a \$32,000,000 loan (2025A) from the Minnesota Public Facilities Authority for financing eligible wastewater capital expenditures.

On May 1, 2025, Metropolitan Council sold the following bond: \$77,705,000 General Obligation Transit Bonds, Series 2025B.

On May 1, 2025, Metropolitan Council sold the following bond: \$74,505,000 General Obligation Wastewater Revenue Bonds, Series 2025C.

On May 1, 2025, Metropolitan Council sold the following bond: \$9,730,000 General Obligation Parks Bonds, Series 2025D.



METROPOLITAN COUNCIL

REQUIRED SUPPLEMENTARY INFORMATION



**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS**

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 18,427	\$ 18,427	\$ 18,262	\$ (165)
Intergovernmental revenue:				
Federal	400	530	123	(407)
State	11,490	11,490	11,761	271
Local	-	-	54	54
Investment income	680	692	4,195	3,503
Other	110	110	117	7
Total revenues	<u>31,107</u>	<u>31,249</u>	<u>34,512</u>	<u>3,263</u>
EXPENDITURES				
Current:				
General government	13,747	21,343	10,931	(10,412)
Intergovernmental:				
Culture and recreation	11,490	11,490	11,490	-
Housing	-	1,400	1,400	-
Debt service:				
Principal	900	900	1,485	585
Interest and other charges	123	123	28	(95)
Capital outlay	4,814	4,814	2,308	(2,506)
Total expenditures	<u>31,074</u>	<u>40,070</u>	<u>27,642</u>	<u>(12,428)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33</u>	<u>(8,821)</u>	<u>6,870</u>	<u>15,691</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	229	229
Transfers out	(1,350)	(1,350)	(1,427)	(77)
Inception of right-to-use asset	-	-	337	337
Total other financing sources (uses)	<u>(1,350)</u>	<u>(1,350)</u>	<u>(861)</u>	<u>489</u>
Net change in fund balance	<u>(1,317)</u>	<u>(10,171)</u>	<u>6,009</u>	<u>16,180</u>
Fund balance, beginning	<u>51,582</u>	<u>51,582</u>	<u>51,582</u>	<u>-</u>
Fund balance, ending	<u>\$ 50,265</u>	<u>\$ 41,411</u>	<u>\$ 57,591</u>	<u>\$ 16,180</u>

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, 2024
IN THOUSANDS**

	Budgeted Amounts		Actual	Variance with Final Budget- Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 1,434	\$ 1,434
Intergovernmental revenue:				
Federal	34,841	34,841	32,000	(2,841)
State	58,817	58,817	58,766	(51)
Investment income	-	-	2,407	2,407
Other	7,020	7,020	5,763	(1,257)
Total revenues	<u>100,678</u>	<u>100,678</u>	<u>100,370</u>	<u>(308)</u>
EXPENDITURES				
Current:				
General government	2,955	3,042	3,216	174
Transportation	102,327	118,114	112,119	(5,995)
Debt Service:				
Principal	-	-	7	7
Interest	-	-	1	1
Capital Outlay	-	-	40	40
Total expenditures	<u>105,282</u>	<u>121,156</u>	<u>115,383</u>	<u>(5,773)</u>
Excess (deficiency) of revenues over (under) expenditures	(4,604)	(20,478)	(15,013)	5,465
OTHER FINANCING SOURCES (USES)				
Inception of right-to-use asset	-	-	40	40
Net change in fund balance	(4,604)	(20,478)	(14,973)	5,505
Fund balance, beginning	65,341	65,341	65,341	-
Fund balance, ending	<u>\$ 60,737</u>	<u>\$ 44,863</u>	<u>\$ 50,368</u>	<u>\$ 5,505</u>

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 LIABILITY¹
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
2015	9.119%	\$ 140,378	\$ 242,551	57.88%	88.32%
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%

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 LIABILITY¹
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF MINNESOTA - PUBLIC EMPLOYEES POLICE AND FIRE PLAN
LAST TEN YEARS
IN THOUSANDS (EXCEPT PERCENTAGES)

Fiscal Year²	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
2015	0.9800%	\$ 11,135	\$ -	\$ -	\$ 8,986	123.91%	86.61%
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%

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 CONTRIBUTIONS¹
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
2015	\$ 13,040	\$ 13,040	\$ -	\$ 237,093	5.500%
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%

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 CONTRIBUTIONS¹
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
2015	\$ 1,459	\$ 1,459	\$ -	\$ 9,005	16.20%
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%

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	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability²								
Service cost	\$ 2,323	\$ 3,044	\$ 5,036	\$ 5,251	\$ 4,524	\$ 2,993	\$ 4,083	\$ 3,602
Interest	9,251	11,267	7,729	7,625	9,126	11,110	10,360	10,897
Differences between expected and actual experience	(2,319)	(31,825)	(2,403)	14,106	(357)	22,845	(410)	(1,374)
Changes of assumptions or other inputs	(24,299)	13,450	(66,126)	2,934	27,452	38,782	(28,758)	12,447
Benefit payments	(13,572)	(15,005)	(14,282)	(14,064)	(15,575)	(14,728)	(14,416)	(12,893)
Net change in total OPEB liability	(28,616)	(19,069)	(70,046)	15,852	25,170	61,002	(29,141)	12,679
Total OPEB liability - beginning	288,196	307,265	377,311	361,459	336,289	275,287	304,428	291,749
Total OPEB liability - ending	\$ 259,580	\$ 288,196	\$ 307,265	\$ 377,311	\$ 361,459	\$ 336,289	\$ 275,287	\$ 304,428
Covered-employee payroll	\$ 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	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%

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, 2024

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			Variance with Final Budget Over (Under)
	Original Budget	Final Budget	Actual	
Regional Administration	\$ 4,934	\$ 11,717	\$ 1,370	\$ (10,347)
Community Development	26,140	28,353	26,272	(2,081)
Total General Fund	<u>\$ 31,074</u>	<u>\$ 40,070</u>	<u>\$ 27,642</u>	<u>\$ (12,428)</u>

C. Pension obligations

Minnesota State Retirement System – General Employees Fund:

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.

The amounts reported in 2015 reflect the following changes to the benefit terms.

- The post-retirement benefit increase rate changed from 2.00 percent per year through 2015 and 2.50 percent thereafter to 2.00 percent per year through 2043 and 2.50 percent thereafter.
- The amounts reflect a provision added, effective July 1, 2015, so that if the 2.50 percent post-retirement benefit increase is triggered and the funding ratio (determined on a fair value of asset basis) subsequently drops below 80.00 percent or less for the most recent valuation year or 85.00 percent or less for two consecutive years, the post-retirement benefit increase will change to 2.00 percent until the plan again reaches a 90.00 percent funding ratio for two consecutive years.
- Contributions changed effective July 1, 2014. The rates went from 5.00 percent for both employee and employer to 5.50 percent for both employee and employer.

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

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 unredacted 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.

The amounts reported in 2015 reflect the following changes to the benefit terms.

- The post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent thereafter to 1.00 percent per year through 2037 and 2.50 percent thereafter.
- A provision was added so post-retirement benefit increases to be paid after attainment of the 90.00 percent threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.
- Contributions changed effective January 1, 2015. The rates went from 10.20 percent for employee and 15.30 percent for employer to 10.80 percent for employee and 16.20 percent for employer.

D. Other postemployment benefits (OPEB) obligations

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 medical 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 medical 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, 2024
IN THOUSANDS**

	Total Special Revenue	Total Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 200,965	\$ 97,536	\$ 298,501
Accounts receivable	117	-	117
Taxes receivable	8,356	-	8,356
Interest receivable	617	296	913
Due from other governmental units	10,034	20,052	30,086
Loans and advances	26,764	-	26,764
Total assets	<u>\$ 246,853</u>	<u>\$ 117,884</u>	<u>\$ 364,737</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts/contracts/subgrantees payable	\$ 17,411	\$ 8,558	\$ 25,969
Total liabilities	<u>17,411</u>	<u>8,558</u>	<u>25,969</u>
Deferred inflows of resources:			
Unavailable revenue - taxes	<u>633</u>	<u>-</u>	<u>633</u>
Fund balances:			
Restricted	190,301	219,912	410,213
Committed	37,870	-	37,870
Assigned	638	-	638
Unassigned	-	(110,586)	(110,586)
Total fund balances	<u>228,809</u>	<u>109,326</u>	<u>338,135</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 246,853</u>	<u>\$ 117,884</u>	<u>\$ 364,737</u>

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
DECEMBER 31, 2024
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	\$ 33,236	\$ 101,002	\$ 13,024	\$ 20,920	\$ 32,147	\$ 636	\$ 200,965
Accounts receivable	-	-	-	-	117	-	117
Taxes receivable	-	759	1,265	5,480	852	-	8,356
Interest receivable	101	307	63	64	80	2	617
Due from other governmental units	290	-	3,354	3,786	2,604	-	10,034
Loans and advances	26,764	-	-	-	-	-	26,764
Total assets	<u>\$ 60,391</u>	<u>\$ 102,068</u>	<u>\$ 17,706</u>	<u>\$ 30,250</u>	<u>\$ 35,800</u>	<u>\$ 638</u>	<u>\$ 246,853</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts/contracts/subgrantees payable	\$ -	\$ 5,976	\$ 232	\$ 3,792	\$ 7,411	\$ -	\$ 17,411
Total liabilities	<u>-</u>	<u>5,976</u>	<u>232</u>	<u>3,792</u>	<u>7,411</u>	<u>-</u>	<u>17,411</u>
Deferred inflows of resources:							
Unavailable revenue - taxes	-	633	-	-	-	-	633
Fund balances:							
Restricted	60,391	95,459	3,365	26,458	4,628	-	190,301
Committed	-	-	14,109	-	23,761	-	37,870
Assigned	-	-	-	-	-	638	638
Total fund balances	<u>60,391</u>	<u>95,459</u>	<u>17,474</u>	<u>26,458</u>	<u>28,389</u>	<u>638</u>	<u>228,809</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,391</u>	<u>\$ 102,068</u>	<u>\$ 17,706</u>	<u>\$ 30,250</u>	<u>\$ 35,800</u>	<u>\$ 638</u>	<u>\$ 246,853</u>

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS-CAPITAL PROJECTS
DECEMBER 31, 2024
IN THOUSANDS

	North Mississippi Park	Parks and Open Space Grants	Total Capital Projects
ASSETS			
Cash and cash equivalents	\$ 118	\$ 97,418	\$ 97,536
Interest receivable	-	296	296
Due from other governmental units	-	20,052	20,052
Total assets	<u>\$ 118</u>	<u>\$ 117,766</u>	<u>\$ 117,884</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts/contracts/subgrantees payable	\$ -	\$ 8,558	\$ 8,558
Total liabilities	<u>-</u>	<u>8,558</u>	<u>8,558</u>
Fund balances:			
Restricted	118	219,794	219,912
Unassigned	-	(110,586)	(110,586)
Total fund balances	<u>118</u>	<u>109,208</u>	<u>109,326</u>
Total liabilities and fund balances	<u>\$ 118</u>	<u>\$ 117,766</u>	<u>\$ 117,884</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS**

	Total Special Revenue	Total Capital Projects	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	\$ 53,034	\$ -	\$ 53,034
Intergovernmental revenue:			
Federal	7,750	-	7,750
State	81,478	46,788	128,266
Local	139	-	139
Investment income	7,934	3,995	11,929
Other	1,931	-	1,931
Total revenues	<u>152,266</u>	<u>50,783</u>	<u>203,049</u>
EXPENDITURES			
Current:			
General government	3,797	-	3,797
Transportation	45,873	-	45,873
Intergovernmental:			
Transportation	55,756	-	55,756
Culture and recreation	-	34,647	34,647
Economic revitalization	9,139	-	9,139
Environment development	3,668	-	3,668
Housing	3,156	-	3,156
Total expenditures	<u>121,389</u>	<u>34,647</u>	<u>156,036</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,877</u>	<u>16,136</u>	<u>47,013</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,000	-	1,000
Transfers out	<u>(1,378)</u>	-	<u>(1,378)</u>
Total other financing sources (uses)	<u>(378)</u>	<u>-</u>	<u>(378)</u>
Net change in fund balances	<u>30,499</u>	<u>16,136</u>	<u>46,635</u>
Fund balances, beginning, as previously reported	198,310	182,020	380,330
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>(88,830)</u>	<u>(88,830)</u>
Fund balances, beginning, as adjusted	<u>198,310</u>	<u>93,190</u>	<u>291,500</u>
Fund balances, ending	<u>\$ 228,809</u>	<u>\$ 109,326</u>	<u>\$ 338,135</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
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	\$ -	\$ 19,764	\$ 1,926	\$ 30,487	\$ 857	\$ -	\$ 53,034
Intergovernmental revenue:							
Federal	-	-	5,098	-	2,652	-	7,750
State	-	-	4,703	46,445	30,330	-	81,478
Local	-	-	139	-	-	-	139
Investment income	1,504	4,327	599	297	1,176	31	7,934
Other	304	-	-	-	1,627	-	1,931
Total revenues	<u>1,808</u>	<u>24,091</u>	<u>12,465</u>	<u>77,229</u>	<u>36,642</u>	<u>31</u>	<u>152,266</u>
EXPENDITURES							
Current:							
General government	5	-	2,692	-	1,100	-	3,797
Transportation	-	-	7,034	162	38,677	-	45,873
Intergovernmental:							
Transportation	-	-	59	55,697	-	-	55,756
Economic revitalization	-	9,139	-	-	-	-	9,139
Environment development	-	3,668	-	-	-	-	3,668
Housing	-	3,156	-	-	-	-	3,156
Total expenditures	<u>5</u>	<u>15,963</u>	<u>9,785</u>	<u>55,859</u>	<u>39,777</u>	<u>-</u>	<u>121,389</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,803</u>	<u>8,128</u>	<u>2,680</u>	<u>21,370</u>	<u>(3,135)</u>	<u>31</u>	<u>30,877</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	1,000	-	-	-	-	1,000
Transfers out	-	-	-	-	(1,378)	-	(1,378)
Total other financing sources (uses)	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>(1,378)</u>	<u>-</u>	<u>(378)</u>
Net change in fund balances	1,803	9,128	2,680	21,370	(4,513)	31	30,499
Fund balances, beginning	<u>58,588</u>	<u>86,331</u>	<u>14,794</u>	<u>5,088</u>	<u>32,902</u>	<u>607</u>	<u>198,310</u>
Fund balances, ending	<u>\$ 60,391</u>	<u>\$ 95,459</u>	<u>\$ 17,474</u>	<u>\$ 26,458</u>	<u>\$ 28,389</u>	<u>\$ 638</u>	<u>\$ 228,809</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS-CAPITAL PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS**

	North Mississippi Park	Parks and Open Space Grants	Formerly nonmajor fund Transit	Total Capital Projects
REVENUES				
Intergovernmental revenue:				
State	-	46,788	-	46,788
Investment income	6	3,989	-	3,995
Total revenues	<u>6</u>	<u>50,777</u>	<u>-</u>	<u>50,783</u>
EXPENDITURES				
Intergovernmental:				
Culture and recreation	18	34,629	-	34,647
Excess (deficiency) of revenues over (under) expenditures	<u>(12)</u>	<u>16,148</u>	<u>-</u>	<u>16,136</u>
Fund balances, beginning, as previously reported	130	93,060	88,830	182,020
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>-</u>	<u>(88,830)</u>	<u>(88,830)</u>
Fund balances, beginning, as adjusted	<u>130</u>	<u>93,060</u>	<u>-</u>	<u>93,190</u>
Fund balances, ending	<u>\$ 118</u>	<u>\$ 109,208</u>	<u>\$ -</u>	<u>\$ 109,326</u>

**BUDGETARY COMPARISON SCHEDULE
LIVABLE COMMUNITIES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS**

	Budgeted Amounts		Actual	Variance with Final Budget- Over (Under)
	Original	Final	Amounts	
REVENUES				
Taxes	\$ 19,897	\$ 19,897	\$ 19,764	\$ (133)
Investment income	-	-	4,327	4,327
Total revenues	19,897	19,897	24,091	4,194
EXPENDITURES				
Intergovernmental:				
Economic revitalization	23,118	23,118	9,139	(13,979)
Environment development	7,268	7,268	3,668	(3,600)
Housing	4,039	4,039	3,156	(883)
Total expenditures	34,425	34,425	15,963	(18,462)
Excess (deficiency) of revenues over (under) expenditures	(14,528)	(14,528)	8,128	22,656
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000	1,000	1,000	-
Net change in fund balance	(13,528)	(13,528)	9,128	22,656
Fund balance, beginning	86,331	86,331	86,331	-
Fund balance, ending	\$ 72,803	\$ 72,803	\$ 95,459	\$ 22,656

**BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION PLANNING SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Over (Under)
REVENUES				
Taxes	\$ -	\$ 650	\$ 1,926	\$ 1,276
Intergovernmental revenue:				
Federal	6,165	6,165	5,098	(1,067)
State	4,550	4,550	4,703	153
Local	136	136	139	3
Investment income	-	-	599	599
Total revenues	<u>10,851</u>	<u>11,501</u>	<u>12,465</u>	<u>964</u>
EXPENDITURES				
Current:				
General government	2,478	2,594	2,692	98
Transportation	8,535	9,222	7,034	(2,188)
Intergovernmental:				
Transportation	-	-	59	59
Total expenditures	<u>11,013</u>	<u>11,816</u>	<u>9,785</u>	<u>(2,031)</u>
Net change in fund balance	(162)	(315)	2,680	2,995
Fund balance, beginning	<u>14,794</u>	<u>14,794</u>	<u>14,794</u>	-
Fund balance, ending	<u>\$ 14,632</u>	<u>\$ 14,479</u>	<u>\$ 17,474</u>	<u>\$ 2,995</u>

**BUDGETARY COMPARISON SCHEDULE
PASS-THROUGH SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Over (Under)
REVENUES				
Taxes	\$ 21,648	\$ 30,900	\$ 30,487	\$ (413)
Intergovernmental revenue:				
Federal	2,210	2,210	-	(2,210)
State	46,579	46,579	46,445	(134)
Investment income	-	-	297	297
Total revenues	<u>70,437</u>	<u>79,689</u>	<u>77,229</u>	<u>(2,460)</u>
EXPENDITURES				
Current:				
Transportation	-	-	162	162
Intergovernmental:				
Transportation	<u>70,537</u>	<u>79,789</u>	<u>55,697</u>	<u>(24,092)</u>
Total expenditures	<u>70,537</u>	<u>79,789</u>	<u>55,859</u>	<u>(23,930)</u>
Net change in fund balance	(100)	(100)	21,370	21,470
Fund balance, beginning	<u>5,088</u>	<u>5,088</u>	<u>5,088</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,988</u>	<u>\$ 4,988</u>	<u>\$ 26,458</u>	<u>\$ 21,470</u>

**BUDGETARY COMPARISON SCHEDULE
CONTRACTED TRANSIT SERVICE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Over (Under)
REVENUES				
Taxes	\$ -	\$ -	\$ 857	\$ 857
Intergovernmental revenue:				
Federal	1,040	2,418	2,652	234
State	29,000	29,000	30,330	1,330
Investment income	-	-	1,176	1,176
Other	1,364	1,364	1,627	263
Total revenues	<u>31,404</u>	<u>32,782</u>	<u>36,642</u>	<u>3,860</u>
EXPENDITURES				
Current:				
General government	1,026	1,057	1,100	43
Transportation	35,530	38,041	38,677	636
Total expenditures	<u>36,556</u>	<u>39,098</u>	<u>39,777</u>	<u>679</u>
Excess (deficiency) of revenues over (under) expenditures	(5,152)	(6,316)	(3,135)	3,181
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(1,378)	(1,378)	-
Net change in fund balance	(5,152)	(7,694)	(4,513)	3,181
Fund balance, beginning	32,902	32,902	32,902	-
Fund balance, ending	<u>\$ 27,750</u>	<u>\$ 25,208</u>	<u>\$ 28,389</u>	<u>\$ 3,181</u>

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND BY DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS**

	Regional Administration			Community Development			Total		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Taxes	\$ 3,131	\$ 3,103	\$ (28)	\$15,296	\$15,159	\$ (137)	\$ 18,427	\$ 18,262	\$ (165)
Intergovernmental revenue:									
Federal	-	-	-	530	123	(407)	530	123	(407)
State	-	24	24	11,490	11,737	247	11,490	11,761	271
Local	-	-	-	-	54	54	-	54	54
Investment income	692	4,195	3,503	-	-	-	692	4,195	3,503
Other	110	117	7	-	-	-	110	117	7
Total revenues	<u>3,933</u>	<u>7,439</u>	<u>3,506</u>	<u>27,316</u>	<u>27,073</u>	<u>(243)</u>	<u>31,249</u>	<u>34,512</u>	<u>3,263</u>
EXPENDITURES									
Current:									
General government	5,880	(2,451)	(8,331)	15,463	13,382	(2,081)	21,343	10,931	(10,412)
Intergovernmental:									
Culture and recreation	-	-	-	11,490	11,490	-	11,490	11,490	-
Economic revitalization	-	-	-	-	-	-	-	-	-
Housing	-	-	-	1,400	1,400	-	1,400	1,400	-
Debt service:									
Principal	900	1,485	585	-	-	-	900	1,485	585
Interest and other charges	123	28	(95)	-	-	-	123	28	(95)
Capital outlay	4,814	2,308	(2,506)	-	-	-	4,814	2,308	(2,506)
Total expenditures	<u>11,717</u>	<u>1,370</u>	<u>(10,347)</u>	<u>28,353</u>	<u>26,272</u>	<u>(2,081)</u>	<u>40,070</u>	<u>27,642</u>	<u>(12,428)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,784)</u>	<u>6,069</u>	<u>13,853</u>	<u>(1,037)</u>	<u>801</u>	<u>1,838</u>	<u>(8,821)</u>	<u>6,870</u>	<u>15,691</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	229	229	-	-	-	-	229	229
Transfers out	(350)	(427)	(77)	(1,000)	(1,000)	-	(1,350)	(1,427)	(77)
Inception of Lease	-	337	337	-	-	-	-	337	337
Total other financing sources (uses)	<u>(350)</u>	<u>139</u>	<u>489</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>(1,350)</u>	<u>(861)</u>	<u>489</u>
Net change in fund balance	<u>\$ (8,134)</u>	<u>\$ 6,208</u>	<u>\$ 14,342</u>	<u>\$ (2,037)</u>	<u>\$ (199)</u>	<u>\$ 1,838</u>	<u>\$ (10,171)</u>	<u>\$ 6,009</u>	<u>\$ 16,180</u>

METROPOLITAN COUNCIL

METROPOLITAN COUNCIL BONDS/LOANS/NOTES OUTSTANDING as of DECEMBER 31, 2024 IN THOUSANDS

	Issue Date	Final Maturity Date	Original Issue	Payments Prior Years	Payments Year Ended 12/31/24	Bonds/Loans/Notes Issued/Drawn Down in 2024	Bonds/Loans/Notes Outstanding 12/31/2024	Refunded Bonds	Maturing in 2025	Future Maturities
GENERAL OBLIGATION BONDS/LOANS/NOTES PAYABLE:										
GOVERNMENTAL ACTIVITIES:										
G.O. Park Bonds:										
2021D	19-May-21	1-Mar-25	3,060	1,470	775	-	815	-	815	-
2021E - Taxable	19-May-21	1-Mar-25	3,060	1,585	735	-	740	-	740	-
2023D	15-Jun-23	1-Mar-27	4,580	-	1,110	-	3,470	-	1,100	2,370
Subtotal: G.O. Park Bonds			10,700	3,055	2,620	-	5,025	-	2,655	2,370
G.O. Transit Bonds:										
2012C	15-Jun-12	1-Mar-32	52,000	40,945	11,055	(a)	-	-	-	-
2012H, Refunding	15-Nov-12	1-Feb-28	24,620	20,525	4,095	(a)	-	-	-	-
2015A	6-Aug-15	1-Mar-25	45,000	38,775	3,050	-	3,175	-	3,175	-
2016A	23-Jun-16	1-Mar-26	30,000	24,725	1,675	-	3,600	-	1,750	1,850
2016A, Refunding	23-Jun-16	1-Mar-25	6,025	5,275	370	-	380	-	380	-
2017B	18-May-17	1-Mar-27	40,000	29,630	2,390	-	7,980	-	2,540	5,440
2018D	23-May-18	1-Mar-28	37,680	23,005	2,680	-	11,995	-	2,810	9,185
2019A	19-Jun-19	1-Mar-29	72,300	34,900	6,200	-	31,200	-	6,200	25,000
2019B	19-Jun-19	1-Mar-39	44,700	8,700	2,250	-	33,750	-	2,250	31,500
2020D, Refunding	22-Dec-20	1-Mar-31	15,155	2,570	1,460	-	11,125	-	1,530	9,595
2022B	17-May-22	1-Mar-32	53,245	11,695	3,770	-	37,780	-	3,955	33,825
2023B	15-Jun-23	1-Mar-33	50,600	-	18,105	-	32,495	-	2,945	29,550
Subtotal: G. O. Transit Bonds			471,325	240,745	57,100	-	173,480	-	27,535	145,945
Total Governmental Activities G.O. Bonds Payable			482,025	243,800	59,720	-	178,505	-	30,190	148,315
BUSINESS-TYPE ACTIVITIES:										
G.O. Transit Grant Anticipation Notes:										
2021B GANs	5-May-21	1-Dec-25	174,805	85,500	43,565	-	45,740	-	45,740	-
2021C GANs	5-May-21	1-Dec-29	181,410	-	-	-	181,410	-	-	181,410
Subtotal: G.O. Transit Grant Anticipation Notes			356,215	85,500	43,565	-	227,150	-	45,740	181,410
G.O. Wastewater Revenue Bonds										
2012I, Refunding	15-Nov-12	1-Mar-28	127,235	74,310	11,390	-	41,535	-	11,455	30,080
2015C	6-Aug-15	1-Mar-35	100,000	36,500	6,500	-	57,000	-	5,000	52,000
2016C	23-Jun-16	1-Mar-36	100,000	31,000	7,000	-	62,000	-	7,000	55,000
2016C, Refunding	23-Jun-16	1-Mar-30	23,355	8,465	870	-	14,020	-	1,605	12,415
2017C	18-May-17	1-Sep-37	105,000	21,640	4,630	-	78,730	-	4,815	73,915
2018B - Taxable	23-May-18	1-Mar-28	12,295	5,755	1,225	-	5,315	-	1,265	4,050
2018C	23-May-18	1-Mar-38	105,000	13,645	4,570	-	86,785	-	4,755	82,030
2020B	17-Jun-20	1-Mar-40	80,000	7,500	4,500	-	68,000	-	4,500	63,500
2020E, Refunding	22-Dec-20	1-Dec-30	30,790	8,000	2,865	-	19,925	-	2,985	16,940
2021F, Refunding	19-May-21	1-Sep-34	101,265	16,435	14,545	-	70,285	-	14,470	55,815
2022C	17-May-22	1-Mar-42	47,920	875	1,555	-	45,490	-	1,635	43,855
2023C	15-Jun-23	1-Mar-43	89,765	-	1,850	-	87,915	-	2,860	85,055
2024B	6-Jun-24	1-Mar-44	59,640	-	-	59,640	59,640	-	1,175	58,465
Subtotal: G.O. Sewer Bonds			982,265	224,125	61,500	59,640	696,640	-	63,520	633,120
Minnesota Public Facilities Authority Loans-Wastewater (Backed by General Obligation Notes)										
	20-Oct-04	20-Feb-25	50,000	44,100	2,900	-	3,000	-	3,000	-
	10-Nov-05	20-Feb-25	40,000	35,430	2,860	-	1,710	-	1,710	-
	13-Sep-06	20-Aug-26	50,000	35,800	5,000	-	9,200	-	5,000	4,200
	11-Oct-07	20-Aug-27	80,000	64,520	5,525	-	9,955	-	2,000	7,955
	22-Sep-09	20-Aug-29	49,411	31,966	5,710	-	11,735	-	2,935	8,800
	31-Aug-09	20-Aug-29	30,589	19,784	3,540	-	7,265	-	1,815	5,450
	12-Jan-11	20-Aug-30	70,000	41,878	3,810	-	24,312	-	3,877	20,435
	15-Feb-12	20-Aug-31	60,000	30,277	3,890	-	25,833	-	3,900	21,933
	23-May-13	20-Aug-32	40,000	18,800	2,400	-	18,800	-	2,400	16,400
	30-Dec-13	20-Aug-33	60,000	27,000	4,000	-	29,000	-	4,000	25,000
	10-Dec-14	20-Aug-34	60,000	27,000	3,000	-	30,000	-	3,000	27,000
	6-Nov-15	20-Aug-35	70,000	28,000	3,500	-	38,500	-	3,500	35,000
	18-Jan-17	20-Aug-36	40,000	9,100	2,300	-	28,600	-	2,200	26,400
	1-Aug-18	20-Aug-38	45,000	8,200	3,200	-	33,600	-	3,200	30,400
	26-Nov-19	20-Aug-38	50,000	9,500	2,800	-	37,700	-	2,800	34,900
	1-Mar-21	20-Aug-39	50,000	6,250	3,000	-	40,750	-	2,950	37,800
	12-Jan-22	20-Aug-40	50,000	3,250	2,750	-	44,000	-	2,750	41,250
	14-Mar-23	20-Aug-42	40,000	2,000	2,000	4,756	36,000	-	2,000	34,000
	3-Mar-24	20-Aug-43	27,998	(b)	2,100	27,998	25,898	-	1,363	24,535
Subtotal: Minnesota Public Facility Authority Loans-Wastewater			962,998	442,855	64,285	32,754	455,858	-	54,400	401,458
Total G.O. Wastewater Revenue Bonds/Loans Payable			1,945,263	666,980	125,785	92,394	1,152,498	-	117,920	1,034,578
Total Business-type Activities G.O. Bonds/Loans/Notes Payable			2,301,478	752,480	169,350	92,394	1,379,648	-	163,660	1,215,988
Total General Obligation Bonds/Loans/Notes Payable			\$ 2,783,503	\$ 996,280	\$ 229,070	\$ 92,394	\$ 1,558,153	\$ -	\$ 193,850	\$ 1,364,303

(a) G.O. Transit Bonds Series 2012C and 2012H were called in full on 10/1/2024

(b) Of the \$42 million 2024 MPFA Loan, only the amount shown has been drawn as of 12/31/24.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024
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		\$ 105,775	\$ -
Section 8 Housing Choice Vouchers - Emergency Housing Vouchers	14.871		2,999	-
Total Direct Assistance Listing #14.871			108,774	-
Mainstream Vouchers	14.879		3,354	-
Passed Through City of Minneapolis, Minnesota				
Housing Opportunities for Persons with AIDS	14.241	C-02454	611	-
Passed Through City of Minneapolis Public Housing Authority				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	MPHA 22.059	724	-
Total Assistance Listing #14.871			109,498	-
Total U. S. Department of Housing and Urban Development			113,463	-
U.S. Department of Transportation				
Direct				
Federal Transit Administration				
Federal Transit Cluster				
Federal Transit-Capital Investment Grants	20.500		139,587	235
Federal Transit-Formula Grants	20.507		95,392	1,702
COVID-19 Federal Transit-Formula Grants	20.507		113,091	-
Total Assistance Listing #20.507			208,483	1,702
State of Good Repair Grants Program	20.525		18,412	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526		7,862	-
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		116	116
Community Project Funding Congressionally Directed Spending	20.534		500	-
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction	20.205	1055229	5,048	59
Highway Planning and Construction	20.205	1051589	9	-
Highway Planning and Construction	20.205	1046170	(50)	-
Total Assistance Listing #20.205			5,007	59
Formula Grants for Rural Areas and Tribal Transit Program	20.509	1054545	877	-
Total U.S. Department of Transportation			380,844	2,112

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, 2024
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		<u>124</u>	<u>-</u>
Passed Through Minnesota Public Facilities Authority				
Clean Water State Revolving Fund	66.458	MPFA-CWRF-L-043-FY23	4,756	-
Clean Water State Revolving Fund	66.458	MPFA-CWRF-L-047-FY24	<u>27,998</u>	<u>-</u>
Total Assistance Listing #66.458			<u>32,754</u>	<u>-</u>
Total U. S. Environmental Protection Agency			<u>32,878</u>	<u>-</u>
Total Federal Awards			<u>\$ 527,185</u>	<u>\$ 2,112</u>
Totals by Cluster				
Total expenditures for Housing Voucher Cluster			\$ 112,852	
Total expenditures for Federal Transit Cluster			374,344	
Total expenditures for Transit Services Programs Cluster			116	

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, 2024**

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, 2024. 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. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the 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. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

B. De Minimis Cost Rate

The Metropolitan Council has elected not to use the 10.00 percent de minimis indirect cost rate nor the 15.00 percent de minimis indirect cost rate, as applicable, allowed under the Uniform Guidance.

Metropolitan Council



METROPOLITAN COUNCIL

STATISTICAL SECTION





METROPOLITAN COUNCIL

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
Financial Trends	104-107
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	108-112
These schedules contain information to help the reader assess the Council's most significant local revenue source, the property tax.	
Debt Capacity	113-121
These schedules present information to help the reader assess the affordability of the Council's current levels of outstanding debt and the Council's ability to issue additional debt in the future.	
Demographic and Economic Information	122-123
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Council's financial activities take place.	
Operating Information	124-126
These schedules contain service and infrastructure data to help the reader understand how the information in the Council's financial report relates to the services the Council provides and the activities it performs.	

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 90,088	\$ 75,128	\$ 76,617	\$ 77,929	\$ 75,276	\$ 98,575	\$ 103,150	\$ 88,398	\$ 81,285	\$ 77,789
Restricted	814,059	499,915	380,619	403,371	355,823	457,845	346,016	335,559	284,575	309,633
Unrestricted	(113,532)	(115,852)	(77,862)	(125,423)	(62,116)	(188,659)	(114,316)	(153,830)	(126,124)	(159,310)
Total governmental activities net position	<u>\$ 790,615</u>	<u>\$ 459,191</u>	<u>\$ 379,374</u>	<u>\$ 355,877</u>	<u>\$ 368,983</u>	<u>\$ 367,761</u>	<u>\$ 334,850</u>	<u>\$ 270,127</u>	<u>\$ 239,736</u>	<u>\$ 228,112</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 2,786,866
Restricted	759,097	704,825	751,040	778,460	287,424	106,812	108,634	90,725	45,132	108,188
Unrestricted	390,075	429,270	183,256	145,316	60,090	(95,849)	(112,749)	(303,553)	(119,454)	(62,933)
Total business-type activities net position	<u>\$ 6,476,457</u>	<u>\$ 5,956,972</u>	<u>\$ 5,268,833</u>	<u>\$ 4,679,959</u>	<u>\$ 3,895,832</u>	<u>\$ 3,303,236</u>	<u>\$ 3,008,067</u>	<u>\$ 2,643,450</u>	<u>\$ 2,766,568</u>	<u>\$ 2,832,121</u>
Total										
Net investment in capital assets	\$ 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	\$ 2,864,655
Restricted	1,573,156	1,204,740	1,131,659	1,181,831	643,247	564,657	454,650	426,284	329,707	417,821
Unrestricted	276,543	313,418	105,394	19,893	(2,026)	(284,508)	(227,065)	(457,383)	(245,578)	(222,243)
Total governmental and business-type activities net position	<u>\$ 7,267,072</u>	<u>\$ 6,416,163</u>	<u>\$ 5,648,207</u>	<u>\$ 5,035,836</u>	<u>\$ 4,264,815</u>	<u>\$ 3,670,997</u>	<u>\$ 3,342,917</u>	<u>\$ 2,913,577</u>	<u>\$ 3,006,304</u>	<u>\$ 3,060,233</u>
Unaudited										

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

	2024	2023	2022	2021	2020	2019	2018	2017 ¹	2016	2015
Expenses										
Governmental activities:										
General government	\$ 11,304	\$ 14,418	\$ 9,043	\$ (7,781)	\$ 15,655	\$ 14,289	\$ (3,225)	\$ 28,128	\$ 29,151	\$ 6,159
Transportation	245,643	221,767	206,297	194,361	194,598	176,640	167,991	146,429	146,214	143,681
Culture and recreation	46,137	49,503	30,319	27,473	43,375	56,383	34,830	33,277	48,704	27,984
Economic revitalization	9,139	9,720	7,574	8,810	12,464	16,835	7,807	8,812	10,756	12,250
Environment development	3,668	2,787	5,320	3,467	5,363	6,216	4,926	5,347	6,413	7,268
Housing	4,556	3,893	5,620	1,050	1,358	3,607	2,234	1,859	732	1,404
Interest and other charges	4,218	5,340	4,646	5,305	7,290	6,999	5,037	5,979	6,496	2,297
Total governmental activities expenses	<u>\$ 324,665</u>	<u>\$ 307,428</u>	<u>268,819</u>	<u>232,685</u>	<u>280,103</u>	<u>280,969</u>	<u>219,600</u>	<u>229,831</u>	<u>248,466</u>	<u>201,043</u>
Business-type activities:										
Environmental services	296,023	271,723	217,200	214,675	270,791	263,824	219,380	245,869	274,544	207,812
Transit bus	520,143	441,831	392,531	300,492	410,907	411,291	291,133	431,815	475,809	334,213
Transit light rail	181,833	176,711	162,355	146,813	148,492	151,400	127,480	172,079	166,464	141,209
Transit commuter rail	21,067	18,340	17,411	14,317	23,208	26,458	25,233	26,738	27,936	24,478
Housing	113,796	105,435	97,387	88,950	84,740	79,416	74,817	75,434	69,417	64,869
Total business-type activities expenses	<u>1,132,862</u>	<u>1,014,040</u>	<u>886,884</u>	<u>765,247</u>	<u>938,138</u>	<u>932,389</u>	<u>738,043</u>	<u>951,935</u>	<u>1,014,170</u>	<u>772,581</u>
Total expenses	<u>\$ 1,457,527</u>	<u>\$ 1,321,468</u>	<u>\$ 1,155,703</u>	<u>\$ 997,932</u>	<u>\$ 1,218,241</u>	<u>\$ 1,213,358</u>	<u>\$ 957,643</u>	<u>\$ 1,181,766</u>	<u>\$ 1,262,636</u>	<u>\$ 973,624</u>
Program Revenues										
Governmental activities:										
Charges for services										
Transit fares	\$ 7,390	\$ 8,318	\$ 7,964	\$ 7,274	\$ 5,076	\$ 10,074	\$ 10,261	\$ 7,885	\$ 7,895	\$ 10,015
Insurance reimbursements	560	637	276	385	364	125	95	89	586	140
Other activities	-	-	-	-	-	405	371	395	8,375	290
Operating grants and contributions	191,932	224,652	196,634	151,250	188,276	160,287	150,442	135,895	124,564	117,803
Capital grants and contributions	75,884	57,959	42,692	44,961	34,096	54,714	50,969	46,970	64,569	54,921
Total governmental activities program revenues	<u>275,766</u>	<u>291,566</u>	<u>247,566</u>	<u>203,870</u>	<u>227,812</u>	<u>225,605</u>	<u>212,138</u>	<u>191,234</u>	<u>205,989</u>	<u>183,169</u>
Business-type activities:										
Charges for services										
Wastewater	344,129	331,708	331,454	314,439	299,236	288,390	281,990	265,497	254,223	243,035
Transit fares	44,935	46,777	51,703	33,145	45,036	104,464	109,799	103,017	104,120	103,270
Other activities	1,070	1,023	948	856	856	880	875	819	1,116	1,112
Operating grants and contributions	532,351	728,317	534,494	403,014	581,316	411,574	413,859	416,209	373,874	323,292
Capital grants and contributions	459,352	485,585	585,717	669,904	517,959	347,007	277,340	174,810	156,981	181,712
Total business-type activities program revenues	<u>1,381,837</u>	<u>1,593,410</u>	<u>1,504,316</u>	<u>1,421,358</u>	<u>1,444,403</u>	<u>1,152,315</u>	<u>1,083,863</u>	<u>960,352</u>	<u>890,314</u>	<u>852,421</u>
Total program revenues	<u>\$ 1,657,603</u>	<u>\$ 1,884,976</u>	<u>\$ 1,751,882</u>	<u>\$ 1,625,228</u>	<u>\$ 1,672,215</u>	<u>\$ 1,377,920</u>	<u>\$ 1,296,001</u>	<u>\$ 1,151,586</u>	<u>\$ 1,096,303</u>	<u>\$ 1,035,590</u>
Net (Expense) Revenue										
Governmental activities	\$ (48,899)	\$ (15,862)	\$ (21,253)	\$ (28,815)	\$ (52,291)	\$ (55,364)	\$ (7,462)	\$ (38,597)	\$ (42,477)	\$ (17,874)
Business-type activities	248,975	579,370	617,432	656,111	506,265	219,926	345,820	8,417	(123,856)	79,840
Total net (expenses) revenues	<u>\$ 200,076</u>	<u>\$ 563,508</u>	<u>\$ 596,179</u>	<u>\$ 627,296</u>	<u>\$ 453,974</u>	<u>\$ 164,562</u>	<u>\$ 338,358</u>	<u>\$ (30,180)</u>	<u>\$ (166,333)</u>	<u>\$ 61,966</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property tax	\$ 92,572	\$ 90,443	\$ 89,164	\$ 87,640	\$ 88,027	\$ 86,228	\$ 84,416	\$ 83,620	\$ 81,859	\$ 77,435
Regional transportation sales and use tax	331,702	-	-	-	-	-	-	-	-	-
Investment earnings	28,120	25,308	(7,636)	56	6,951	13,009	5,642	5,360	2,891	3,371
Gain on sale of capital assets	767	201	415	218	639	1,050	369	473	813	310
Transfers	(72,838)	(20,273)	(37,193)	(72,205)	(42,104)	(12,012)	(18,242)	(19,263)	(31,462)	(29,100)
Total governmental activities	<u>380,323</u>	<u>95,679</u>	<u>44,750</u>	<u>15,709</u>	<u>53,513</u>	<u>88,275</u>	<u>72,185</u>	<u>70,190</u>	<u>54,101</u>	<u>52,016</u>
Business-type activities:										
Taxes										
Property tax	-	-	-	-	-	-	-	-	-	2,000
Regional transportation sales and use tax	92,560	-	-	-	-	-	-	-	-	-
Investment earnings	105,112	88,496	(65,751)	55,811	44,227	63,059	431	47,482	26,841	6,227
Gain on sale of capital assets	-	-	-	-	-	172	124	20	-	-
Transfers	72,838	20,273	37,193	72,205	42,104	12,012	18,242	19,263	31,462	29,100
Total business-type activities	<u>270,510</u>	<u>108,769</u>	<u>(28,558)</u>	<u>128,016</u>	<u>86,331</u>	<u>75,243</u>	<u>18,797</u>	<u>66,765</u>	<u>58,303</u>	<u>37,327</u>
Total general revenues and other changes in net position	<u>\$ 650,833</u>	<u>\$ 204,448</u>	<u>\$ 16,192</u>	<u>\$ 143,725</u>	<u>\$ 139,844</u>	<u>\$ 163,518</u>	<u>\$ 90,982</u>	<u>\$ 136,955</u>	<u>\$ 112,404</u>	<u>\$ 89,343</u>
Changes in Net Position										
Governmental activities	\$ 331,424	\$ 79,817	\$ 23,497	\$ (13,106)	\$ 1,222	\$ 32,911	\$ 64,723	\$ 31,593	\$ 11,624	\$ 34,142
Business-type activities	519,485	688,139	588,874	784,127	592,596	295,169	364,617	75,182	(65,553)	117,167
Total changes in net position	<u>\$ 850,909</u>	<u>\$ 767,956</u>	<u>\$ 612,371</u>	<u>\$ 771,021</u>	<u>\$ 593,818</u>	<u>\$ 328,080</u>	<u>\$ 429,340</u>	<u>\$ 106,775</u>	<u>\$ (53,929)</u>	<u>\$ 151,309</u>

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)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund										
Committed	\$ 9,175	\$ 9,500	\$ 9,114	\$ 8,463	\$ 7,283	\$ 7,152	\$ 7,146	\$ 7,339	\$ 6,145	\$ 6,153
Assigned	9,688	9,277	8,498	7,811	4,254	6,622	5,090	3,387	3,608	5,832
Unassigned	38,728	32,805	26,082	26,624	27,293	21,070	17,318	17,433	15,634	13,514
Total general fund	<u>\$ 57,591</u>	<u>\$ 51,582</u>	<u>\$ 43,694</u>	<u>\$ 42,898</u>	<u>\$ 38,830</u>	<u>\$ 34,844</u>	<u>\$ 29,554</u>	<u>\$ 28,159</u>	<u>\$ 25,387</u>	<u>\$ 25,499</u>
All Other Governmental Funds										
Restricted	\$ 837,670	\$ 591,520	\$ 440,096	\$ 403,371	\$ 474,141	\$ 457,845	\$ 346,016	\$ 335,559	\$ 284,575	\$ 309,633
Committed	82,165	116,100	100,669	93,419	116,629	95,026	79,137	70,844	59,788	53,204
Assigned	638	607	561	567	533	586	545	592	598	-
Unassigned	(110,586)	(117,226)	(46,604)	(52,340)	(54,113)	(35,534)	(34,034)	(38,202)	(6,557)	(20,074)
Total all other governmental funds	<u>\$ 809,887</u>	<u>\$ 591,001</u>	<u>\$ 494,722</u>	<u>\$ 445,017</u>	<u>\$ 537,190</u>	<u>\$ 517,923</u>	<u>\$ 391,664</u>	<u>\$ 368,793</u>	<u>\$ 338,404</u>	<u>\$ 342,763</u>
Total all governmental funds	<u>\$ 867,478</u>	<u>\$ 642,583</u>	<u>\$ 538,416</u>	<u>\$ 487,915</u>	<u>\$ 576,020</u>	<u>\$ 552,767</u>	<u>\$ 421,218</u>	<u>\$ 396,952</u>	<u>\$ 363,791</u>	<u>\$ 368,262</u>

Unaudited

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Taxes	\$ 424,302	\$ 89,980	\$ 88,891	\$ 87,778	\$ 87,803	\$ 86,381	\$ 84,803	\$ 83,048	\$ 81,487	\$ 77,766
Intergovernmental revenue:										
Federal	68,969	59,401	80,728	36,599	47,713	18,322	30,716	24,159	22,840	36,677
Build America bonds interest subsidy				186	421	703	389	664	738	800
State	198,793	222,992	158,376	159,203	174,034	195,915	170,029	153,153	163,701	133,488
Local/other	193	261	276	363	314	186	372	4,978	10,815	2,189
Investment income	28,120	25,308	(7,636)	56	6,951	13,009	5,642	5,360	2,891	3,371
Other	7,811	8,912	8,186	7,519	5,330	10,479	10,632	8,280	7,895	10,015
Total revenues	<u>\$ 728,188</u>	<u>\$ 406,854</u>	<u>\$ 328,821</u>	<u>\$ 291,704</u>	<u>\$ 322,566</u>	<u>\$ 324,995</u>	<u>\$ 302,583</u>	<u>\$ 279,642</u>	<u>\$ 290,367</u>	<u>\$ 264,306</u>
EXPENDITURES										
Current:										
General government	\$ 17,970	\$ 11,644	\$ 13,351	\$ 11,895	\$ 12,044	\$ 11,439	\$ 11,722	\$ 13,337	\$ 10,568	\$ 8,913
Transportation	159,686	143,382	123,170	115,796	112,360	112,004	105,262	94,357	87,148	85,187
Intergovernmental:										
Transportation	59,806	54,080	67,605	55,078	52,573	40,621	41,165	32,460	39,262	40,705
Culture and recreation	46,137	49,503	30,319	27,473	43,375	56,383	34,830	33,277	48,704	27,984
Economic revitalization	9,139	9,720	7,574	8,810	12,464	16,835	7,807	8,812	10,756	12,250
Environment development	3,668	2,787	5,320	3,467	5,363	6,216	4,926	5,347	6,413	7,268
Housing	4,556	3,893	5,620	1,050	1,358	3,607	2,234	1,859	732	1,404
Debt service:										
Principal	61,212	38,193	30,097	59,127	42,760	39,930	39,295	42,350	59,905	66,450
Interest and other charges	10,047	9,442	7,480	9,322	11,628	7,368	7,752	7,775	8,561	7,696
Capital outlay	59,378	20,161	13,126	22,410	11,508	16,669	43,582	31,940	37,276	39,109
Total expenditures	<u>\$ 431,599</u>	<u>\$ 342,805</u>	<u>\$ 303,662</u>	<u>\$ 314,428</u>	<u>\$ 305,433</u>	<u>\$ 311,072</u>	<u>\$ 298,575</u>	<u>\$ 271,514</u>	<u>\$ 309,325</u>	<u>\$ 296,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 296,589</u>	<u>\$ 64,049</u>	<u>\$ 25,159</u>	<u>\$ (22,724)</u>	<u>\$ 17,133</u>	<u>\$ 13,923</u>	<u>\$ 4,008</u>	<u>\$ 8,128</u>	<u>\$ (18,958)</u>	<u>\$ (32,660)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 2,607	\$ 3,505	\$ 3,210	\$ 5,660	\$ 3,986	\$ 5,267	\$ 1,213	\$ 2,902	\$ 5,138	\$ 4,018
Transfers out	(75,445)	(23,778)	(40,403)	(77,865)	(26,595)	(17,279)	(21,465)	(22,165)	(36,600)	(28,646)
Bonds issued	-	55,180	53,245	6,120	8,800	117,000	37,680	40,000	34,700	51,000
Refunding bonds issued	-	-	-	-	15,155	-	-	-	6,025	-
Premium on bonds and capital related debt	-	4,767	5,551	343	295	11,588	2,461	3,823	3,903	5,119
Inception of right-to-use asset	377	243	3,324	143	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	3,840	-	-	-	797	-
Sale of capital assets	767	201	415	218	639	1,050	369	473	524	342
Total other financing sources (uses)	<u>\$ (71,694)</u>	<u>\$ 40,118</u>	<u>\$ 25,342</u>	<u>\$ (65,381)</u>	<u>\$ 6,120</u>	<u>\$ 117,626</u>	<u>\$ 20,258</u>	<u>\$ 25,033</u>	<u>\$ 14,487</u>	<u>\$ 31,833</u>
Net change in fund balances	<u><u>\$ 224,895</u></u>	<u><u>\$ 104,167</u></u>	<u><u>\$ 50,501</u></u>	<u><u>\$ (88,105)</u></u>	<u><u>\$ 23,253</u></u>	<u><u>\$ 131,549</u></u>	<u><u>\$ 24,266</u></u>	<u><u>\$ 33,161</u></u>	<u><u>\$ (4,471)</u></u>	<u><u>\$ (827)</u></u>
Debt service as a percentage of noncapital expenditures	19.1%	14.8%	12.9%	23.4%	18.5%	16.1%	18.5%	20.9%	25.2%	28.8%
Unaudited										

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

Year	Taxes					Intergovernmental Revenue				Investment Income			
	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
2015	11,852	-	-	16,505	49,409	7,379	800	110,197	1,829	2,083	752	16,242	217,048
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

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)**

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>		<u>Ratio of Net Tax Capacity Value to Market Value</u>	<u>Total Direct Tax Rate</u>
	<u>Market Value</u>	<u>Market Value</u>	<u>Market Value</u>	<u>Net Tax Capacity Value</u>		
2015	312,067,619	3,522,198	315,589,817	3,634,111	1.2%	0.01
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

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
2014	0.00	0.00	0.00	0.01	0.01	0.40	0.36	0.35	0.44
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

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

<u>Taxpayer</u>	2024			2015		
	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	\$ 15,279	1	0.23%	\$ 12,984	2	0.36%
Xcel Energy / Northern States Power Co	10,874	2	0.17%	16,124	1	0.44%
BRI 1855 IDS Center LLC	5,137	3	0.08%	4,199	4	0.12%
225 6th St Prop Owner LLC	5,067	4	0.08%	3,758	6	0.10%
90 7th Street South LLC	4,527	5	0.07%	3,865	5	0.11%
City Center 33 So Prop LLC	4,146	6	0.06%	2,776	10	0.08%
US Bank Corp	3,490	7	0.05%	2,890	8	0.08%
CenterPoint Energy	3,466	8	0.05%	-	-	-
Bigos Winslow Commns LLC	3,437	9	0.05%	-	-	-
Wells REIT - 800 Nicollett	3,430	10	0.05%	2,911	7	0.08%
3M Company	-	-	-	4,551	3	0.13%
Best Buy Co. Inc	-	-	-	2,784	9	0.08%
Total	<u>\$ 58,853</u>		<u>0.89%</u>	<u>\$ 56,842</u>		<u>1.58%</u>

Unaudited

Source: Hennepin County abstract of property taxes

Ramsey County abstract of property taxes

- Notes
- ¹ Net tax capacity value for 2024 = \$6,567,474
 - ² Net tax capacity value for 2015 = \$3,634,111
 - 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		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2015	80,431	80,431	79,757	99.16%	84	79,841	99.27%
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%	235	88,525	99.76%
2021	88,739	88,739	88,305	99.51%	25	88,330	99.54%
2022	90,514	90,514	89,700	99.10%	(23)	89,677	99.08%
2023	92,324	92,324	91,341	98.94%	154	91,495	99.10%
2024	94,170	94,170	93,050	98.81%	-	93,050	98.81%

Unaudited

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

Fiscal Year	General Bonded Debt Outstanding					Percentage of	
	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	Actual Taxable Value ¹ of Property	Per Capita ²
2015	200,370	13,379	754,130	100,944	866,935	23.86%	246.41
2016	187,903	11,043	744,148	97,548	845,546	21.92%	238.11
2017	195,627	5,021	806,832	105,480	902,000	21.69%	250.51
2018	198,206	3,114	872,861	114,667	959,514	21.43%	265.49
2019	287,309	1,221	808,829	122,105	975,254	20.36%	267.92
2020	262,994	8,866	870,578	144,606	997,832	19.60%	272.82
2021	210,588	6,403	861,185	121,669	956,507	18.09%	259.15
2022	239,185	4,729	729,765	129,935	843,744	13.86%	228.55
2023	256,118	7,945	762,631	145,330	881,364	13.44%	237.44
2024	194,626	5,174	760,385	136,312	823,873	12.54%	221.95

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.

¹See market value and net tax capacity value of taxable property schedule for property value data.

²See demographic and economic statistics schedule for population data.

³Presented net of original issuance discounts and premiums.

⁴This 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- Transit⁴	General Obligation Bonds- Parks⁴	PFA Transit Loan¹	Certifications of Participation	Right-to-Use Liabilities⁵	Total Governmental Activities
2015	200,370	13,379	4,495	7,875	-	226,119
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

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 Notes³	General Obligation Bonds Wastewater⁴	PFA Wastewater⁴	Hennepin County Loan	Loan Payable	Right-to-Use Liabilities⁵	Total Business- Type Activities	Total Primary Government	Percentage of Personal Income²	Per Capita²
8,931	754,130	567,813	1,949	1,405	-	1,334,228	1,560,347	0.80%	443.50
-	744,148	571,683	1,597	1,405	-	1,318,833	1,528,049	0.76%	430.31
-	806,832	556,423	2,713	1,405	-	1,367,373	1,576,161	0.73%	437.75
-	872,861	554,642	3,971	1,405	-	1,432,879	1,640,384	0.72%	453.88
-	808,829	540,595	2,395	1,405	-	1,353,224	1,646,664	0.70%	452.37
129,038	870,578	524,131	-	1,405	-	1,525,152	1,800,647	0.73%	492.32
466,714	861,185	524,984	-	1,826	-	1,854,709	2,074,405	0.77%	562.02
384,114	729,765	505,666	-	3,338	12,793	1,635,676	1,883,694	0.67%	510.26
319,375	762,632	487,389	-	3,338	12,440	1,585,174	1,850,865	0.63%	498.61
264,014	760,385	455,858	-	3,338	10,949	1,494,544	1,694,858	0.57%	456.59

COMPILATION OF OVERLAPPING DEBT ¹
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS

Page (1 of 5)

Jurisdiction	Net G.O. Debt Outstanding	Percent Applicable to Council	Overlapping Debt
Counties:			
Anoka	\$ 27,070	100.0%	\$ 27,070
Carver	5,930	100.0%	5,930
Dakota	-	99.7%	-
Hennepin	1,530,570	99.9%	1,529,039
Ramsey	231,222	100.0%	231,222
Scott	92,810	98.0%	90,954
Washington	112,695	100.0%	112,695
Total counties	<u>2,000,297</u>		<u>1,996,910</u>
School districts:			
SSD #1 Minneapolis	901,880	100.0%	901,880
SSD #6 South St. Paul	22,450	100.0%	22,450
ISD #11 Anoka	231,070	100.0%	231,070
ISD #12 Centennial	115,659	100.0%	115,659
ISD #13 Columbia Heights	14,494	100.0%	14,494
ISD #14 Fridley	42,320	100.0%	42,320
ISD #15 St. Francis	73,170	92.0%	67,316
ISD #16 Spring Lake Park	83,665	100.0%	83,665
ISD #108 Norwood-Young America	51,265	97.1%	49,778
ISD #110 Waconia	98,010	100.0%	98,010
ISD #111 Watertown-Mayer	43,968	90.0%	39,571
ISD #112 Chaska	117,520	100.0%	117,520
ISD #191 Burnsville	99,160	100.0%	99,160
ISD #192 Farmington	97,115	100.0%	97,115
ISD #194 Lakeville	179,275	100.0%	179,275
ISD #195 Randolph	8,860	88.7%	7,859
ISD #196 Rosemount	372,305	100.0%	372,305
ISD #197 West St. Paul	139,705	100.0%	139,705
ISD #199 Inver Grove Heights	43,930	100.0%	43,930
ISD #200 Hastings	62,284	99.9%	62,222
ISD #252 Cannon Falls	22,285	5.2%	1,159
ISD #270 Hopkins-Golden Valley	133,460	100.0%	133,460
ISD #271 Bloomington	180,485	100.0%	180,485
ISD #272 Eden Prairie	97,360	100.0%	97,360
ISD #273 Edina	268,115	100.0%	268,115
ISD #276 Minnetonka	187,870	100.0%	187,870
ISD #277 Westonka	67,615	100.0%	67,615
ISD #278 Orono	51,675	100.0%	51,675
ISD #279 Osseo	383,490	100.0%	383,490
ISD #280 Richfield	128,130	100.0%	128,130
ISD #281 Robbinsdale	210,670	100.0%	210,670
ISD #282 St Anthony-New Brighton	23,295	100.0%	23,295
ISD #283 St. Louis Park	240,940	100.0%	240,940
ISD #284 Wayzata	187,700	100.0%	187,700
ISD #286 Brooklyn Center	43,172	100.0%	43,172
ISD #424 Lester Prairie	13,685	0.1%	14
ISD #621 Mounds View	202,130	100.0%	202,130
ISD #622 North St. Paul-Maplewood-Oakdale	167,920	100.0%	167,920
ISD #623 Roseville	174,615	100.0%	174,615
ISD #624 White Bear Lake	423,440	100.0%	423,440
ISD #625 St. Paul	720,495	100.0%	720,495
ISD #659 Northfield	42,400	17.0%	7,208
ISD #716 Belle Plaine	11,865	86.2%	10,228

**COMPILATION OF OVERLAPPING DEBT ¹
FOR THE YEAR ENDED DECEMBER 31, 2024**

IN THOUSANDS

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Jurisdiction	Net G.O. Debt Outstanding	Percent Applicable to Council	Overlapping Debt
School districts (continued):			
ISD #717 Jordan	64,550	100.0%	64,550
ISD #719 Prior Lake	149,325	100.0%	149,325
ISD #720 Shakopee	124,179	100.0%	124,179
ISD #721 New Prague	61,665	62.9%	38,787
ISD #728 Elk River	263,240	31.6%	83,184
ISD #831 Forest Lake	166,915	87.2%	145,550
ISD #832 Mahtomedi	41,390	100.0%	41,390
ISD #833 South Washington	376,230	100.0%	376,230
ISD #834 Stillwater	167,695	100.0%	167,695
ISD #877 Buffalo-Hanover-Montrose	74,120	15.0%	11,118
ISD #879 Delano	54,625	32.0%	17,480
ISD #883 Rockford	26,933	68.9%	18,557
ISD #916 Special Intermediate-Vo Tech	66,840	100.0%	66,840
ISD #2144 Chisago Lakes	56,320	3.5%	1,971
ISD #2397 LeSueur-Henderson	42,450	1.2%	509
ISD #2687 Howard Lake-Waverly-Winsted	29,998	0.4%	120
ISD #2859 Glencoe-Sliver Lake	20,215	0.1%	20
Total school districts	8,567,607		8,003,995
Cities:			
Afton	3,943	100.0%	3,943
Andover	44,925	100.0%	44,925
Anoka	46,520	100.0%	46,520
Apple Valley	54,986	100.0%	54,986
Arden Hills	1,325	100.0%	1,325
Bayport	1,700	100.0%	1,700
Belle Plaine	19,970	100.0%	19,970
Bethel	515	100.0%	515
Blaine	172,129	100.0%	172,129
Bloomington	119,531	100.0%	119,531
Brooklyn Center	56,308	100.0%	56,308
Brooklyn Park	27,895	100.0%	27,895
Burnsville	60,887	100.0%	60,887
Carver	36,632	100.0%	36,632
Centerville	1,204	100.0%	1,204
Champlin	16,380	100.0%	16,380
Chanhassen	46,390	100.0%	46,390
Chaska	85,584	100.0%	85,584
Circle Pines	17,085	100.0%	17,085
Cologne	18,573	100.0%	18,573
Columbia Heights	22,945	100.0%	22,945
Columbus	5,916	100.0%	5,916
Coon Rapids	81,030	100.0%	81,030
Corcoran	35,035	100.0%	35,035
Cottage Grove	54,370	100.0%	54,370
Credit River	2,150	100.0%	2,150
Crystal	7,175	100.0%	7,175
Dayton	18,240	100.0%	18,240
Deephaven	970	100.0%	970
Dellwood	3,680	100.0%	3,680
Eagan	52,985	100.0%	52,985
East Bethel	14,810	100.0%	14,810
Eden Prairie	22,015	100.0%	22,015
Edina	186,366	100.0%	186,366
Elko/New Market	18,562	100.0%	18,562
Empire	1,475	100.0%	1,475
Excelsior	27,946	100.0%	27,946

COMPILATION OF OVERLAPPING DEBT ¹
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS

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Jurisdiction	Net G.O. Debt Outstanding	Percent Applicable to Council	Overlapping Debt
Cities (continued):			
Falcon Heights	1,055	100.0%	1,055
Farmington	11,085	100.0%	11,085
Forest Lake	33,640	100.0%	33,640
Fridley	73,355	100.0%	73,355
Gem Lake	750	100.0%	750
Golden Valley	54,335	100.0%	54,335
Grant	970	100.0%	970
Greenfield	4,915	100.0%	4,915
Hamburg	1,767	100.0%	1,767
Ham Lake	375	100.0%	375
Hampton	5,252	100.0%	5,252
Hastings	31,050	100.0%	31,050
Hopkins	84,160	100.0%	84,160
Hugo	15,145	100.0%	15,145
Independence	4,120	100.0%	4,120
Inver Grove Heights	32,160	100.0%	32,160
Jordan	19,354	100.0%	19,354
Lake Elmo	59,185	100.0%	59,185
Lakeland	355	100.0%	355
Lakeville	155,450	100.0%	155,450
Lauderdale	600	100.0%	600
Lexington	1,413	100.0%	1,413
Lilydale	1,843	100.0%	1,843
Lino Lakes	31,066	100.0%	31,066
Little Canada	2,215	100.0%	2,215
Long Lake	1,595	100.0%	1,595
Loretto	3,450	100.0%	3,450
Mahtomedi	16,475	100.0%	16,475
Maple Grove	96,980	100.0%	96,980
Maple Plain	13,311	100.0%	13,311
Maplewood	49,000	100.0%	49,000
Marine	750	100.0%	750
Mayer	6,305	100.0%	6,305
Medicine Lake	3,825	100.0%	3,825
Medina	7,680	100.0%	7,680
Mendota Heights	21,290	100.0%	21,290
Minneapolis	862,360	100.0%	862,360
Minnetonka	55,100	100.0%	55,100
Minnetonka Beach	9,155	100.0%	9,155
Minnetrista	24,919	100.0%	24,919
Mound	32,084	100.0%	32,084
Mounds View	9,414	100.0%	9,414
New Brighton	30,210	100.0%	30,210
New Germany	6,436	100.0%	6,436
New Hope	36,274	100.0%	36,274
Newport	12,755	100.0%	12,755
North St. Paul	30,950	100.0%	30,950
Northfield	72,407	100.0%	72,407
Norwood-Young America	19,034	100.0%	19,034
Nowthen	2,940	100.0%	2,940

COMPILATION OF OVERLAPPING DEBT ¹
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS

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Jurisdiction	Net G.O. Debt Outstanding	Percent Applicable to Council	Overlapping Debt
Cities (continued):			
Oak Grove	457	100.0%	457
Oak Park Heights	2,460	100.0%	2,460
Oakdale	43,955	100.0%	43,955
Orono	16,430	100.0%	16,430
Osseo	12,765	100.0%	12,765
Plymouth	54,610	100.0%	54,610
Prior Lake	26,340	100.0%	26,340
Ramsey	38,035	100.0%	38,035
Randolph City	250	100.0%	250
Richfield	66,225	100.0%	66,225
Robbinsdale	58,795	100.0%	58,795
Rogers & Hassan Combined	32,560	100.0%	32,560
Rosemount	111,365	100.0%	111,365
Roseville	11,680	100.0%	11,680
St. Anthony	18,155	100.0%	18,155
St. Bonifacius	4,700	100.0%	4,700
St. Francis	36,223	100.0%	36,223
St. Louis Park	87,840	100.0%	87,840
St. Paul	651,836	100.0%	651,836
St. Paul Park	4,544	100.0%	4,544
Savage	32,835	100.0%	32,835
Scandia	6,170	100.0%	6,170
Shakopee	41,480	100.0%	41,480
Shoreview	48,125	100.0%	48,125
Shorewood	23,275	100.0%	23,275
South St. Paul	23,218	100.0%	23,218
Spring Lake Park	7,942	100.0%	7,942
Spring Park	2,725	100.0%	2,725
Stillwater	31,510	100.0%	31,510
Sunfish Lake	1,320	100.0%	1,320
Tonka Bay	12,065	100.0%	12,065
Vadnais Heights	4,028	100.0%	4,028
Victoria	20,140	100.0%	20,140
Waconia	52,847	100.0%	52,847
Watertown	23,080	100.0%	23,080
Wayzata	22,265	100.0%	22,265
West St. Paul	44,745	100.0%	44,745
White Bear Lake	40,355	100.0%	40,355
Woodbury	52,335	100.0%	52,335
Woodland	360	100.0%	360
Total cities	5,208,511		5,208,511
Townships:			
Baytown	565	100.0%	565
Denmark	2,965	100.0%	2,965
Douglas	160	100.0%	160
Laketown	680	100.0%	680
New Market	1,490	100.0%	1,490
Spring Lake	840	100.0%	840
Waconia	125	100.0%	125
White Bear	10,520	100.0%	10,520
Total townships	17,345		17,345

COMPILATION OF OVERLAPPING DEBT ¹
FOR THE YEAR ENDED DECEMBER 31, 2024
IN THOUSANDS

(Page 5 of 5)

Jurisdiction	Net G.O. Debt Outstanding	Percent Applicable to Council	Overlapping Debt
Miscellaneous:			
Anoka County HRA	7,935	100.0%	7,935
Bloomington Port Authority	4,815	100.0%	4,815
Capital Region Watershed District	8,725	100.0%	8,725
Carn-Marine Watershed	206	100.0%	206
Carver County CDA	22,855	100.0%	22,855
Cedar Lake Sewer Sanitary District	844	67.0%	565
Chaska EDA	74,730	100.0%	74,730
Dakota County CDA	360,879	100.0%	360,879
Hennepin Regional Railroad Authority	76,945	100.0%	76,945
HRA of St. Paul	38,885	100.0%	38,885
Metropolitan Airports Commission	2,071,540	100.0%	2,071,540
Minnesota Municipal Power Agency	148,528	66.2%	98,326
MN Valley Transit Auth	1,371	100.0%	1,371
Mound HRA	1,700	100.0%	1,700
Norwood-Young America EDA	3,750	100.0%	3,750
Plymouth HRA	6,030	100.0%	6,030
Ramsey-Washington Metro Watershed District	2,483	100.0%	2,483
Regional Railroad Authority-Anoka County	4,215	100.0%	4,215
Scott County CDA	55,315	100.0%	55,315
South Metro EMS	830	100.0%	830
South Washington Watershed District	1,940	100.0%	1,940
St. Anthony HRA	3,865	100.0%	3,865
St. Paul Port Authority	77,876	100.0%	77,876
Three Rivers Park	60,050	100.0%	60,050
VB Watershed	5,620	100.0%	5,620
Waconia EDA	6,442	100.0%	6,442
Washington County HRA	30,238	100.0%	30,238
Total miscellaneous	<u>3,078,612</u>		<u>3,028,131</u>
Subtotal, overlapping debt	<u>\$ 18,872,382</u>		<u>18,254,892</u>
Metropolitan Council direct debt			<u>200,314</u>
Total direct and overlapping debt			<u>\$ 18,455,206</u>

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)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt limit	\$ 426,400	\$ 430,455	\$ 412,960	\$ 439,420	\$ 366,605	\$ 415,905	\$ 360,910	\$ 397,655	\$ 307,390	\$ 353,595
Total net debt applicable to limit	<u>178,505</u>	<u>238,225</u>	<u>218,520</u>	<u>193,320</u>	<u>221,585</u>	<u>263,285</u>	<u>185,340</u>	<u>186,105</u>	<u>187,630</u>	<u>206,020</u>
Legal debt margin	<u>\$ 247,895</u>	<u>\$ 192,230</u>	<u>\$ 194,440</u>	<u>\$ 246,100</u>	<u>\$ 145,020</u>	<u>\$ 152,620</u>	<u>\$ 175,570</u>	<u>\$ 211,550</u>	<u>\$ 119,760</u>	<u>\$ 147,575</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>41.86%</u>	<u>55.34%</u>	<u>52.92%</u>	<u>43.99%</u>	<u>60.44%</u>	<u>63.30%</u>	<u>51.35%</u>	<u>46.80%</u>	<u>61.04%</u>	<u>58.26%</u>

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 ^{1,3}	Personal Income ^{1,3} (In Millions)	Per Capita ^{1,3} Income	Unemployment Rate ²
2015	3,518,252	195,613	55,599	3.50%
2016	3,551,036	201,427	56,723	3.60%
2017	3,600,618	215,087	59,736	3.30%
2018	3,614,162	227,292	62,889	2.80%
2019	3,640,043	233,890	64,255	3.00%
2020	3,657,477	245,833	67,214	4.50%
2021	3,690,987	268,164	72,654	2.60%
2022	3,691,666	281,137	76,155	2.50%
2023	3,712,020	295,677	79,654	2.40%
2024	3,712,020	295,677	79,654	2.40%

Unaudited

Source: ¹ Internally updated information based on the U.S. Commerce Department and Bureau of Economic Analysis for the Minneapolis-St. Paul Metropolitan Statistical Area.

² State of Minnesota, Department of Employment and Economic Development (Seven-county area).

³ 2024 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

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
State of Minnesota	52	1	2.60%	54	1	2.88%
Mayo Clinic	51	2	2.55%	40	2	2.14%
Fairview Health Services	37	3	1.85%	21	9	1.12%
Target Corporation	35	4	1.75%	30	4	1.60%
Allina Health System	29	5	1.45%	26	5	1.39%
University of Minnesota	28	6	1.40%	26	6	1.39%
HealthPartners Inc.	26	7	1.30%	23	7	1.23%
Wal-Mart Stores Inc.	24	8	1.20%	22	8	1.18%
United States Federal Government	21	9	1.05%	31	3	1.66%
UnitedHealth Group, Inc.	19	10	0.95%	-	-	-
Wells Fargo Minnesota	-	-	-	20	10	1.07%
Total	322		16.10%	293		15.66%

Unaudited.

Source: Department of Employment and Economic Development, Minneapolis-St. Paul Business Journal, July 24, 2024

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**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Regional Administration</u>										
Human Resources	76	71	64	56	56	53	51	45	47	42
Information Services	134	122	114	117	117	111	112	111	110	107
Finance/Central Services	68	62	59	57	60	58	58	55	54	53
Other	117	116	111	113	112	105	109	107	116	108
Total Regional Administration	395	371	348	343	345	327	330	318	327	310
<u>Community Development</u>										
Metro HRA	50	48	47	42	40	39	40	41	40	40
Other	58	51	48	50	46	43	40	41	38	36
Total Community Development	108	99	95	92	86	82	80	82	78	76
<u>Environmental Services Division</u>										
Environmental Quality Assurance	100	95	97	95	89	93	93	100	101	101
Treatment Services	540	531	528	520	529	526	510	506	503	506
Other	27	28	32	30	34	35	34	32	29	27
Total Environmental Services	667	654	657	645	652	654	637	638	633	634
<u>Transportation Services Division</u>										
Special Transportation Services	24	23	21	20	19	18	17	17	17	12
Transportation Planning	34	31	30	29	29	27	29	28	27	33
Other	0	1	1	1	1	1	1	1	1	-
Total Transportation Services	58	55	52	50	49	46	47	46	45	45
<u>Metro Transit Bus</u>										
Operations	1,405	1,291	1,297	1,321	1,498	1,621	1,638	1,654	1,640	1,617
Maintenance	418	402	415	439	483	493	487	477	466	432
Administration/Clerical	794	742	686	679	686	695	662	642	646	616
Total Metro Transit	2,617	2,435	2,398	2,439	2,667	2,809	2,787	2,773	2,752	2,665
<u>Metro Transit Commuter Rail</u>										
Maintenance	27	20	18	18	26	30	28	30	29	28
Administration/Clerical	4	3	3	3	4	4	4	4	4	4
Total Metro Transit	31	23	21	21	30	34	32	34	33	32
<u>Metro Transit Light Rail</u>										
Operations	70	57	56	58	65	66	65	67	64	62
Maintenance	146	138	137	147	151	155	155	146	141	138
Administration/Clerical	235	237	247	253	255	255	246	250	237	231
Total Metro Transit	451	432	440	458	471	476	466	463	442	431
Total	4,327	4,069	4,011	4,048	4,300	4,428	4,379	4,354	4,310	4,193

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Special Transportation Services miles	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	22,168,347
Special Transportation Services trips	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	2,020,700
Parks visits to Metro Parks System ²	69,242,600	69,242,600	64,900,000	63,300,000	63,300,000	63,300,000	59,633,200	58,106,842	47,860,600	47,328,887
Business-type activities										
Wastewater										
Average daily sewage treatment (millions of gallons)	248	233	223	225	243	266	241	247	245	250
Transit-bus										
Total route miles	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	31,198,704
Passenger trips ¹	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	62,106,089
Transit-commuter rail										
Total route miles	330,274	203,933	158,841	160,249	256,360	603,692	623,923	582,726	550,196	547,051
Passenger trips ¹	127,370	97,265	77,077	50,433	152,456	767,768	787,327	793,798	711,167	722,637
Transit-light rail										
Total passenger car miles	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	5,202,174
Passenger trips ¹	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	23,003,457
Housing										
Metro HRA unit months leased	86,773	86,836	87,033	84,815	87,543	87,745	86,065	87,638	87,096	86,076

Unaudited

Sources: Various Metropolitan Council Divisions

Notes:

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

² 2024 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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Special Transportation Services										
Total fleet size	566	681	629	633	640	679	642	571	519	485
Number of Parks/Trails	122	119	119	119	111	105	105	104	102	102
Acres of Regional Parks and Trails open to the public	57,169	54,465	54,465	54,465	54,465	55,755	59,354	56,022	54,613	54,488
Business-type activities										
Wastewater										
Treatment Plants	9	9	9	9	9	9	8	8	8	8
Miles of MCES Interceptors	634	634	635	637	637	637	634	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	602	628	716	805	904	904	907	909	902	907
Transit-commuter rail										
Total fleet size	6	6	6	6	6	6	6	6	6	6
Transit-light rail										
Total fleet size	104	91	91	91	91	91	91	86	86	86
Housing										
Metro HRA unit months available	88,286	88,172	84,899	85,239	86,685	87,596	85,681	85,278	85,270	86,539
Family Affordable Housing Units	149	154	154	150	150	150	150	150	150	150

Unaudited

Source: Metropolitan Council external and internal reports.



390 North Robert Street
Saint Paul, MN 55101-1805

Phone (651) 602.1000
Fax (651) 605.1550
TTY (651) 291.0904

public.info@metc.state.mn.us

metro council.org

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