

People

Transportation

Housing

Bikes

Planning

Financial Condition

Future

Bus

Parks

Cars

Sustainability

Efficient

3rd QUARTER 2023 FINANCIAL REPORT

Prosperity

Train

Growth

Light Rail

December 13, 2023

Livability

Light Rail

Trails

Diversity

Treatment

Equity

Airplane

Communities

Wastewater & Water

Lakes

Treatment

Regional

Economic

Roads



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OPERATING FUNDS - STATEMENT OF REVENUES & EXPENSES

OPERATING FUNDS
STATEMENT OF REVENUES AND EXPENSES
2023 - 3rd Quarter Results
(in thousands)
Unaudited

	General Fund					Environmental Services					Housing and Redevelopment Authority				
	2023 YTD Results	% Budget	Projected Year-End	2023 Budget	Variance*	2023 YTD Results	% Budget	Projected Year-End	2023 Budget	Variance*	2023 YTD Results	% Budget	Projected Year-End	2023 Budget	Variance*
Revenues	9,962	53%	19,035	18,860	175	219,288	74%	296,501	294,998	1,503	71,526	74%	97,186	96,536	650
Expenses	62,706	59%	99,975	106,322	6,347	119,160	71%	166,869	167,136	267	69,525	72%	95,267	96,867	1,600
Transfers	51,247	61%	80,984	83,678	(2,694)	(94,991)	73%	(129,006)	(129,684)	678	(804)	43%	(1,805)	(1,850)	45
Change in Reserve Balance	(1,497)		44	(3,784)	3,828	5,137		626	(1,822)	2,448	1,197		114	(2,181)	2,295
Beginning Reserve Balance			31,144					38,249					16,446		
Assigned/Committed			(7,729)												
Carry Forward - Amendment			(3,829)												
Ending Reserve Balance			19,630					38,875					16,560		
Target Balance			10,632					16,714					8,193		

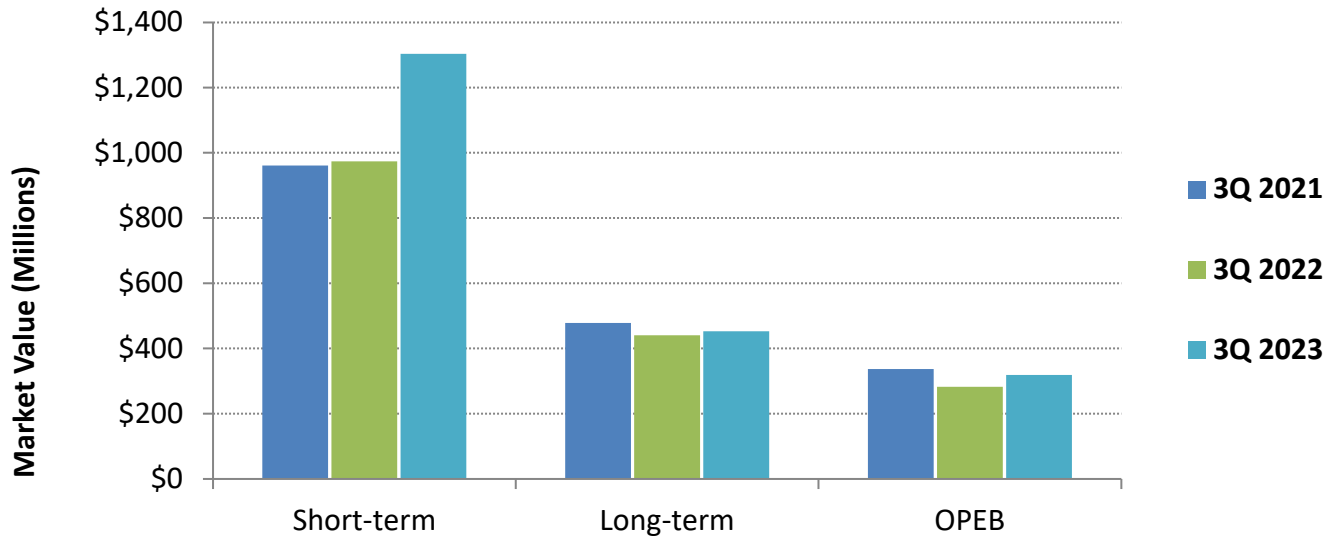
	Metro Transit - Bus					Metro Transit - Light Rail					Metro Transit - Commuter Rail				
	2023 YTD Results	% Budget	Projected Year-End	2023 Budget	Variance*	2023 YTD Results	% Budget	Projected Year-End	2023 Budget	Variance*	YTD Results	% Budget	Projected Year-End	2023 Budget	Variance*
Revenues	367,390	78%	473,466	470,885	2,581	83,041	81%	100,288	102,175	(1,887)	11,329	74%	13,642	15,390	(1,748)
Expenses	219,884	58%	307,030	380,291	73,261	50,727	65%	75,033	78,072	3,039	7,916	51%	12,446	15,374	2,928
Transfers	(19,220)	47%	(44,389)	(41,310)	(3,079)	(16,117)	67%	(23,102)	(24,144)	1,042	(699)	28%	(1,115)	(2,466)	1,351
Change in Reserve Balance	128,286		122,047	49,284	72,763	16,197		2,153	(41)	2,194	2,714		81	(2,450)	2,531
Beginning Reserve Balance			139,482					17,178					11,033		
Ending Reserve Balance			261,529					19,331					11,114		
Target Balance			34,138					8,484					1,481		

	MTS - Transportation Planning					MTS - Metro Mobility					MTS - Contracted Service				
	2023 YTD Results	% Budget	Projected Year-End	2023 Budget	Variance*	2023 YTD Results	% Budget	Projected Year-End	2023 Budget	Variance*	YTD Results	% Budget	Projected Year-End	2023 Budget	Variance*
Revenues	7,119	68%	10,319	10,531	(212)	85,227	84%	101,223	101,883	(660)	25,531	80%	33,326	31,855	1,471
Expenses	4,426	50%	7,185	8,820	1,635	74,705	73%	101,194	101,854	660	24,043	74%	32,330	32,593	263
Transfers	(1,246)	59%	(2,065)	(2,129)	64	(1,644)	58%	(2,743)	(2,828)	85	(2,256)	86%	(2,611)	(2,629)	18
Change in Reserve Balance	1,447		1,069	(418)	1,487	8,878		(2,714)	(2,799)	85	(768)		(1,615)	(3,367)	1,752
Beginning Reserve Balance			9,608					31,870					17,904		
Ending Reserve Balance			10,677					29,156					16,289		
Target Balance			3,449					10,468					3,522		

*Variance = Favorable / (Unfavorable)

Financial Management Report

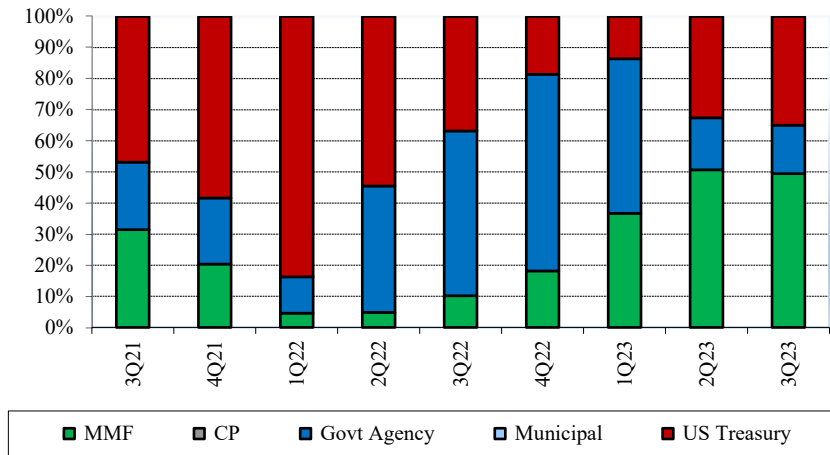
INVESTMENT PORTFOLIOS BALANCES



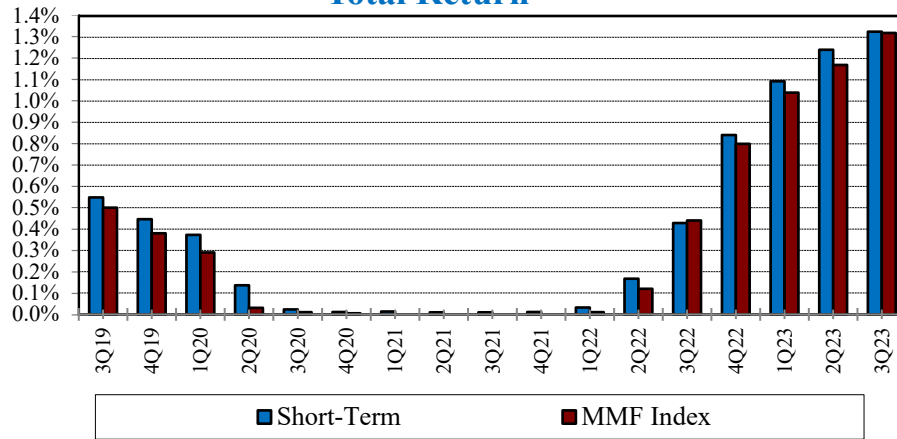
Balances - Market Value (millions)

	3Q 2021	3Q 2022	3Q 2023
Short-term	960.9	973.8	1,303.4
Long-term	477.9	440.4	452.6
OPEB	336.9	282.5	318.8
Total	\$ 1,775.70	\$ 1,696.70	\$ 2,074.80

Sector Allocation



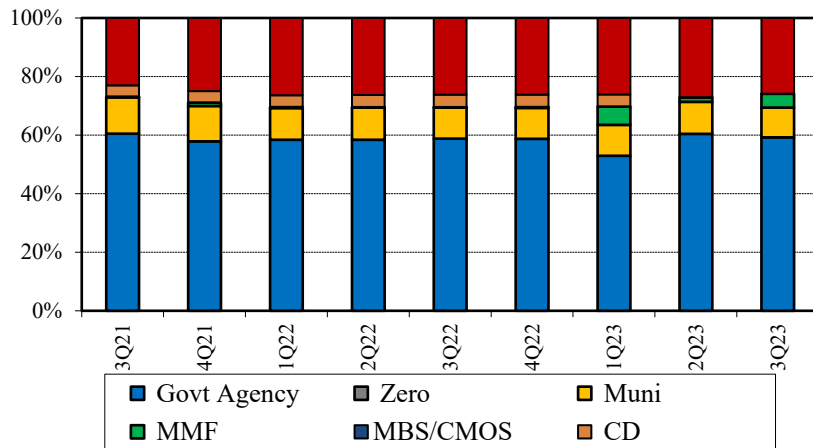
Total Return



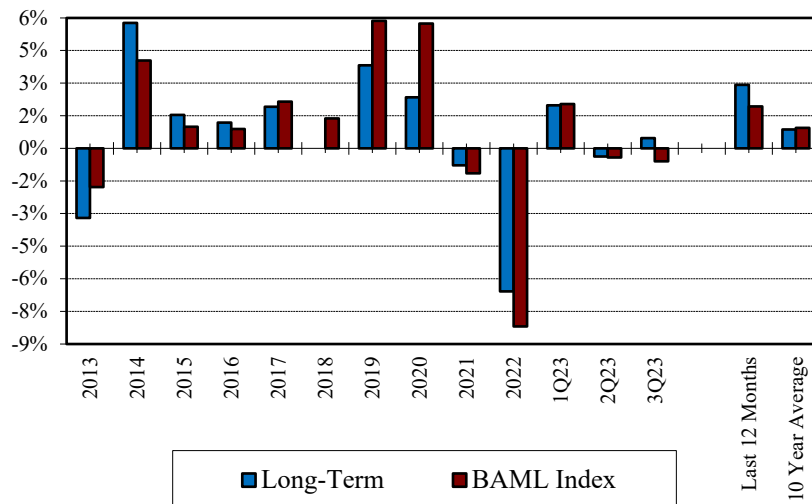
Short-term Portfolio 3Q23 Performance. The Short-term portfolio invests available short-term funds around the Council’s cash-flow. The portfolio outperformed for the quarter with a total return of 1.33%, compared to 1.32% for the portfolio’s benchmark. The average yield of portfolio increased to 5.35% during the quarter, up from 5.14% in the second quarter and 4.77% in the first quarter. Portfolio earnings rose to \$15.2 million for the quarter, up from \$11.9 million in the second quarter and \$10.8 million in the first quarter. The \$1.3 billion portfolio was invested in U.S. Treasury Bills (\$456 million, 32%), U.S. Government Agency Discount Notes (\$203 million, 17%), and government money market funds (\$644 million, 51%). Portfolio investments range from 0 to 5 months in length.

Strategy. This portfolio will continue investing available short-term funds around the cash flow needs of the Council. Maturities align with large cash outflows such as capital expenditures, payroll, and debt service. The portfolio is diversified among high quality short-term securities permissible under MN. Statutes Chapter 118A. Allocation to U.S. Treasury Bills and money market funds increased during the quarter due to their yield advantage over Discount Notes. Short-term yields have increased quickly over the past 18 months. The Fed has hiked short-term interest rates eleven times since March 2022, increasing their target rate from 0% to 5.25 - 5.50%.

Sector Allocation



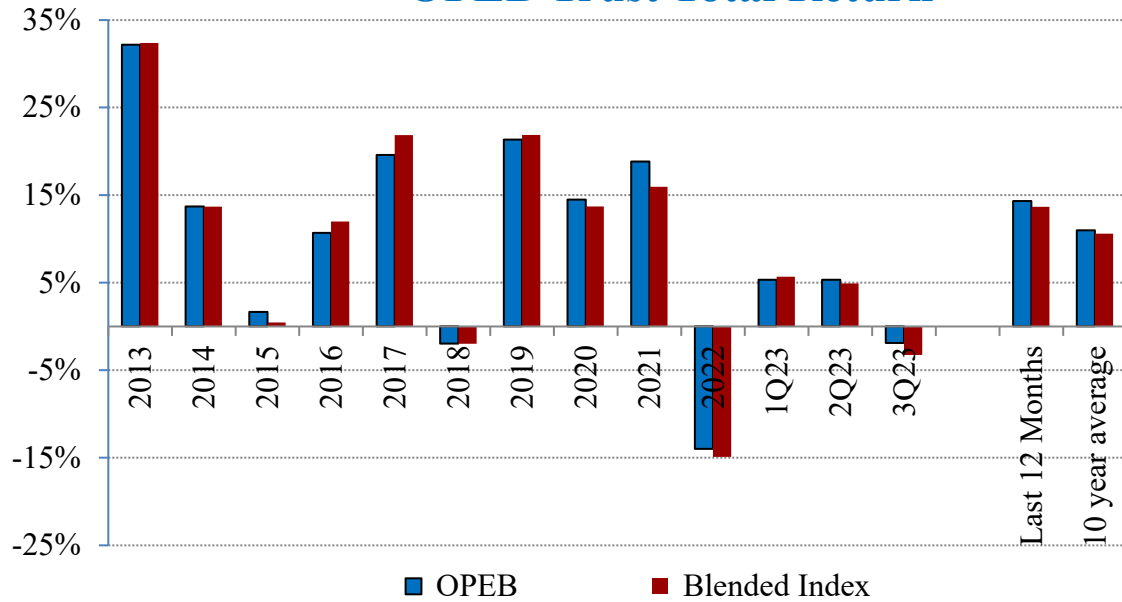
Total Return



Long-term Portfolio 3Q23 Results. The Long-term portfolio invests the Council’s longer-term reserves. The portfolio outperformed for the quarter with a total return of .469%, compared to -.595% for the portfolio’s benchmark. Some fixed-income securities experienced negative total returns as intermediate-term interest rates rose during the third quarter. The portfolio outperformed due to its shorter duration, therefore being less price sensitive to the increase in yields than the benchmark. The \$452 million portfolio was invested in U.S. Government Agency securities (\$268 million, 60%), U.S. Treasury Notes (\$117 million, 27%), taxable municipal bonds (\$46 million, 11%), government money funds (\$21 million, 2.0%) and a very small amount of mortgage-backed securities. The duration of the portfolio remains short of the benchmark, 1.50 years vs 3.29 years.

Strategy. As investments mature in the second half of 2023 and CD re-investments are made, the portfolio will begin to take advantage of higher yields. There has been little activity in the portfolio over the past few quarters due to a lack of maturing investments and available cash. The Council is researching the health of the local community banking sector as it considers reinvesting its CD program in the fourth quarter. The yield curve flattening and the increase in intermediate-term yields will benefit this portfolio. The portfolio will be reinvesting about \$20 million of maturities in the fourth quarter and capture higher yields.

OPEB Trust Total Return



OPEB Trust 3Q23 Results. The OPEB Trust contains assets set aside to fund future OPEB liabilities, which stretch 30+ years into the future. The Trust had a total return of -1.89% for the quarter, which outperformed the benchmark return of -3.26%, Trust YTD total return is 8.85%. Outperformance came in the fixed income portion of the Trust, which had a shorter duration than the fixed income portion of the index and realized less market price loss as longer-term interest rates rose during the quarter. The market value of the Trust decreased from \$324.9 million to \$318.8 million during the quarter. The Trust experienced quarterly total returns of -3.27% on its \$189 million allocation to the SBI S&P 500 pool, -.15% on its \$116 million portfolio of fixed income securities, and 1.38% on its Cash Pool balance of \$13 million. At quarter end, investments in the trust were allocated 59% to the S&P 500 pool, 37% to US Treasury and Government Agency securities, and 4% to the cash pool.

Strategy. Trust assets are managed by the Minnesota State Board of Investment and allocated at the Council’s direction. The trust uses the S&P 500 index pool to realize the historically higher average returns of the equity markets over the long term. Trust returns have averaged 7.15% over the past 5 years and 10.97% over the past 10 years. These solid returns have resulted in projected future OPEB liabilities being currently fully funded. OPEB liability funding levels and trust investment allocations are monitored monthly. Periodic adjustments are made to trust investments to remain near the allocation target of 60/40 equity-to-fixed income/cash. The Council also withdraws funds from the trust annually to fund OPEB benefits.

Financial Management Report

GENERAL FUND

Unaudited - dollars in thousands

2023 3rd Quarter Financial Report General Fund Unaudited - dollars in thousands

	General Fund				
	2023 YTD		Projected		Variance
	Results	% Budget	Year-End	2023 Budget	
Revenues	9,962	53%	19,035	18,860	175
Expenses	62,706	59%	99,975	106,322	6,347
Transfers	51,247	61%	80,984	83,678	(2,694)
Change in Reserve Balance	(1,497)		44	(3,784)	3,828
Beginning Fund Balance			31,144		
Assigned/Committed			(7,729)		
Carry Forward - Amendment			(3,829)		
Ending Unassigned Reserve Balance			19,630		
Target Balance (10%)			10,632		

General Fund

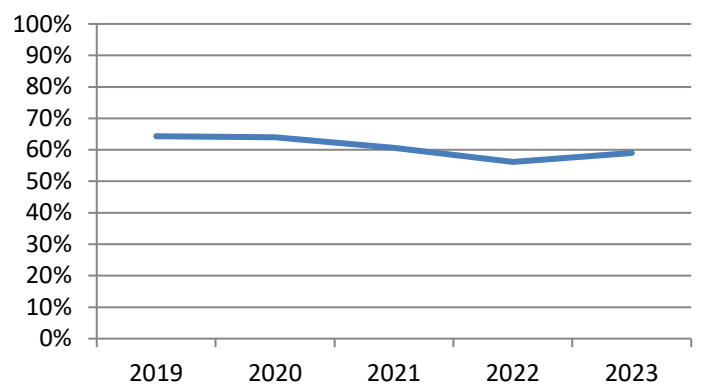
Revenues for the General fund are primarily from property tax. Total revenues are expected to surpass budgeted amounts due to greater than anticipated investment earnings.

At the completion of the third quarter, the General Fund has spent 59% of annual budgeted operating expense. While this is slightly higher than last year, it is lower than the five years prior to last year. This slight increase is mainly due to open positions in IS requiring a need for increased contracted workers.

The 2023 General Fund budget approved by the Council reflects a \$3.8M use of General Fund reserves, while year-end projection shows \$44K increase to reserves. This is due to the equity projects spending rate

The projected year-end available reserve balance is \$19.6M.

General Fund % of Budget Spent - 3rd Quarter



Environmental Services

Unaudited - dollars in thousands

2023 3rd Quarter Financial Report Environmental Services Unaudited - dollars in thousands

	Environmental Services				
	2023 YTD		Projected		Variance
	Results	% Budget	Year-End	2023 Budget	
Revenues	219,288	74%	296,501	294,998	1,503
Expenses	119,160	71%	166,869	167,136	267
Transfers	(94,991)	73%	(129,006)	(129,684)	678
Change in Reserve Balance	5,137		626	(1,822)	2,448
Beginning Reserve Balance			38,249		
Ending Unassigned Reserve Balance			<u>38,875</u>		
Target Balance			16,714		

Environmental Services

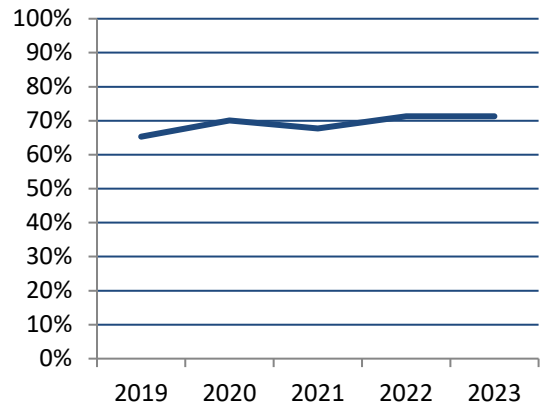
Total revenues are expected to exceed budget by \$1.5M. Investment earnings are expected to be \$1.25M above budget due to rising interest rates. In addition, revenues are expected to be \$0.25M above budget due to the timing of American Rescue Plan dollars for Covid wastewater testing.

Total expenses are expected to be \$0.3M under budget. Salaries are expected to be \$3.5M under budget due to vacancies. In addition, Capital Outlay and Travel/Training are expected to be under budget by a combined \$0.5M. These underruns will be partially offset by Materials and Supplies (\$3.6M/inflation) and utilities (\$0.1M). Other variances are mostly offsetting.

Transfers are expected to be under budget by \$0.7M and are driven by lower-than-expected interdivisional costs (RA Expense Allocation).

The operating reserves are projected to increase by \$0.6M (compared to the budgeted \$1.8M decrease), which will increase the operating reserve balance to \$38.9M. This exceeds the year-end target balance of \$16.7M.

Environmental Services % of Budget Spent - 3rd Quarter



Financial Management Report

HOUSING AND REDEVELOPMENT FUND

Unaudited - dollars in thousands

2023 3rd Quarter Financial Report Housing and Redevelopment Fund Unaudited - dollars in thousands

	Housing and Redevelopment Authority				
	2023 YTD		Projected		Variance
	Results	% Budget	Year-End	2023 Budget	
Revenues	71,526	74%	97,186	96,536	650
Expenses	69,525	72%	95,267	96,867	1,600
Transfers	(804)	43%	(1,805)	(1,850)	45
Change in Reserve Balance	1,197		114	(2,181)	2,295
Beginning Reserve Balance			16,446		
Ending Reserve Balance			<u>16,560</u>		
Target Balance			8,193		

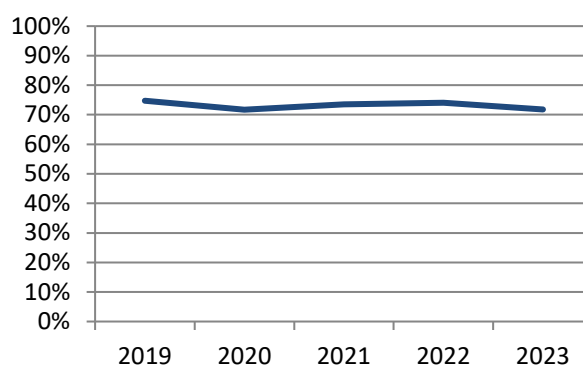
Housing and Redevelopment Authority

HRA revenues are projected to be \$0.7M favorable to budget. The main reason for the favorable variance is higher interest earnings than anticipated.

Expenses are projected to be under budget by \$1.6M. This variance is primarily the result of Housing Choice Voucher (HCV) subsidy payments being less than projected (-\$1.1M). The HRA budget was amended earlier in the year to account for higher HCV monthly rent and utility costs than planned. These costs have grown slower than anticipated the second half of the year, resulting in a favorable variance to the amended budget. Lower spending than budgeted on contracted services and other general administrative expenses (-\$0.5M) is also contributing to the lower than anticipated budget.

The projected reserve balance for the HRA is \$16.6M, which is above the Council's minimum reserve target balance of \$8.2M.

HRA % of Budget Spent - 3rd Quarter



Financial Management Report

METRO TRANSIT - BUS

Unaudited - dollars in thousands

2023 3rd Quarter Financial Report

Metro Transit - Bus

Unaudited - dollars in thousands

	Metro Transit - Bus				
	2023 YTD Results	% Budget	Projected Year-End	2023 Budget	Variance
Revenues	367,390	78%	473,466	470,885	2,581
Expenses	219,884	58%	307,030	380,291	73,261
Transfers	(19,220)	47%	(44,389)	(41,310)	(3,079)
Change in Reserve Balance	128,286		122,047	49,284	72,763
Beginning Reserve Balance			139,482		
Ending Reserve Balance			<u>261,529</u>		
Target Balance			34,138		

Metro Transit - Bus

Passenger fares are expected to be \$5.2M below the revised budget due to lower than expected ridership. Auxiliary Revenues (advertising) are down due to service reductions so fewer opportunities for advertising. Interest earning will be \$9.0M over budget due to higher fund balances from federal revenues.

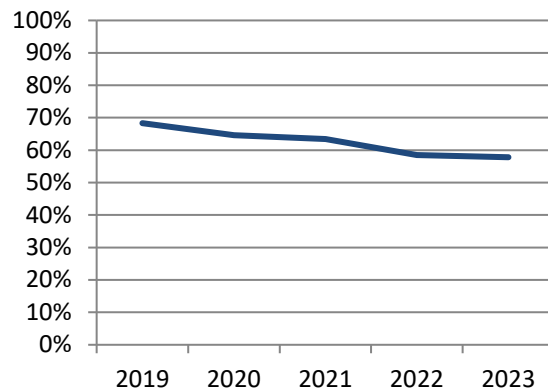
Operating expenses in the amended budget are \$421.6M and are expected to be below budget by \$70.1M. These savings are due to:

Reduced service and vacant positions with labor and benefits under budget \$53.0M. Professional and technical services should be \$3.1M below budget. Fuel savings were \$4.6M due to lower service levels. Increases in parts and materials will cause a budget overage of \$3.3M. Other expenses budgeted for enhancing the bus system that are continuously under review are under budget by \$15.1M.

Modal allocations will be below the budgeted level due to the savings in labor and benefits.

The 2023 Amended budget has an addition to reserves of \$49.3M with a forecasted positive balance of \$261.5M.

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



Financial Management Report

METRO TRANSIT - LIGHT RAIL

Unaudited - dollars in thousands

2023 3rd Quarter Financial Report Metro Transit - Light Rail Unaudited - dollars in thousands

	Metro Transit - Light Rail				
	2023 YTD		Projected		Variance
	Results	% Budget	Year-End	2023 Budget	
Revenues	83,041	81%	100,288	102,175	(1,887)
Expenses	50,727	65%	75,033	78,072	3,039
Transfers	(16,117)	67%	(23,102)	(24,144)	1,042
Change in Reserve Balance	16,197		2,153	(41)	2,194
Beginning Reserve Balance			17,178		
Ending Reserve Balance			<u>19,331</u>		
Target Balance			8,484		

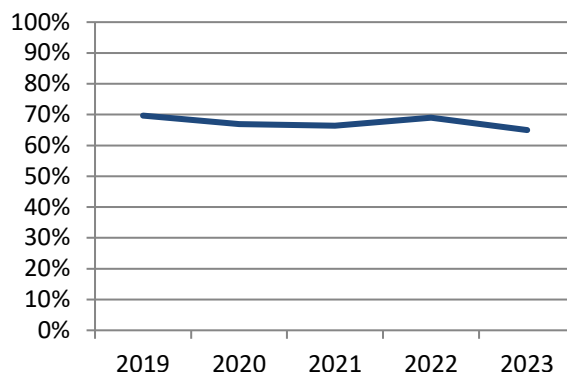
Metro Transit - Light Rail

Passenger fares are expected to be \$100K under budget. Federal CARES act funds of \$30.4M will be drawn in 2023 consistent with the budget.

Operating expenses are expected to be \$4.1M below the budgeted level due to: Labor and benefits will be under budget by \$1.6M due to open positions. Materials and supplies were \$4.0M under budget. Utilities will be \$1.9M over budget due to changes in utility rates. Transit allocations will be \$1.4M under budget due to labor reductions in these departments resulting in decreases in the allocations.

The 2023 amended budget for LRT is to use \$41K from reserves. The forecast is a positive balance of \$3.47M bringing ending reserve contributions of \$2.2M (after refunds to funding partners) with a forecasted reserve balance of \$19.3M.

Metro Transit - Light Rail % of Budget Spent - 3rd Quarter



Financial Management Report

METRO TRANSIT - COMMUTER RAIL

Unaudited - dollars in thousands

2023 3rd Quarter Financial Report Metro Transit - Commuter Rail Unaudited - dollars in thousands

	Metro Transit - Commuter Rail				
	2023 YTD Results	% Budget	Projected Year-End	2023 Budget	Variance
Revenues	11,329	74%	13,642	15,390	(1,748)
Expenses	7,916	51%	12,446	15,374	2,928
Transfers	(699)	28%	(1,115)	(2,466)	1,351
Change in Reserve Balance	2,714		81	(2,450)	2,531
Beginning Reserve Balance			11,033		
Ending Reserve Balance			<u>11,114</u>		
Target Balance			1,481		

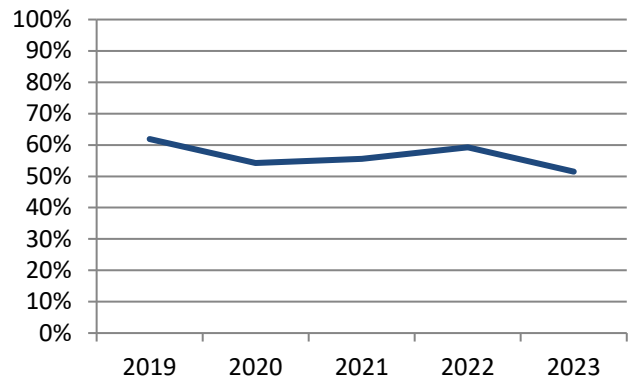
Metro Transit - Commuter Rail

Passenger fares will be \$139K under budget due to lower than anticipated ridership.

Labor and benefits are expected to be \$2.9M under budget due reduced service. Consulting expenses (which include BNSF services) are projected to be \$211K over the budget. Transit allocations will be \$1.4M under budget due to labor reductions in the allocation departments resulting in decreases in the allocations.

Commuter Rail has an amended budget to use fund balance of \$2.5M for 2023. The forecast is a positive balance of \$4.4M bringing ending reserve contributions of \$81K with a forecasted reserve balance of \$11.1M.

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



Financial Management Report

MTS - Transportation Planning

Unaudited - dollars in thousands

2023 3rd Quarter Financial Report Metropolitan Transportation Services - Transportation Planning Unaudited - dollars in thousands

	MTS - Transportation Planning				
	2023 YTD		Projected		Variance
	Results	% Budget	Year-End	2023 Budget	
Revenues	7,119	68%	10,319	10,531	(212)
Expenses	4,426	50%	7,185	8,820	1,635
Transfers	(1,246)	59%	(2,065)	(2,129)	64
Change in Reserve Balance	1,447		1,069	(418)	1,487
Beginning Reserve Balance			9,608		
Ending Reserve Balance			<u>10,677</u>		
Target Balance			3,449		

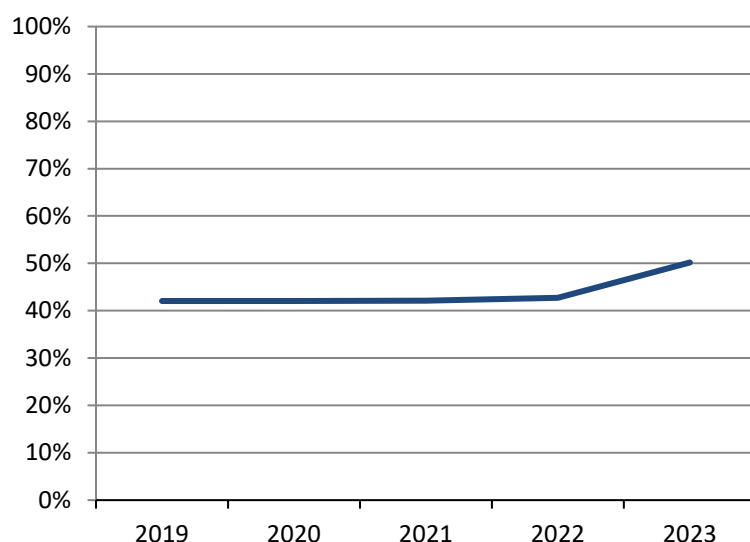
MTS - Transportation Planning

Transportation Planning's revenue is projected to be unfavorable by \$0.2M as a result of less federal planning grant revenue anticipated in 2023 than originally budgeted. This grant revenue will be available to spend in 2024.

Expenses are projected to be favorable to budget by \$1.6M primarily due to lower consulting activity and administrative expenses.

The projected ending reserve balance is \$10.7M for 2023, which is above the Council's reserve target balance of \$3.4M.

MTS - Planning % of Budget Spent - 3rd Quarter



MTS - METRO MOBILITY

Unaudited - dollars in thousands

2023 3rd Quarter Financial Report Metropolitan Transportation Services - Metro Mobility Unaudited - dollars in thousands

	MTS - Metro Mobility				
	2023 YTD		Projected		
	Results	% Budget	Year-End	2023 Budget	Variance
Revenues	85,227	84%	101,223	101,883	(660)
Expenses	74,705	73%	101,194	101,854	660
Transfers	(1,644)	58%	(2,743)	(2,828)	85
Change in Reserve Balance	8,878		(2,714)	(2,799)	85
Beginning Reserve Balance			31,870		
Ending Reserve Balance			<u>29,156</u>		
Target Balance			10,468		

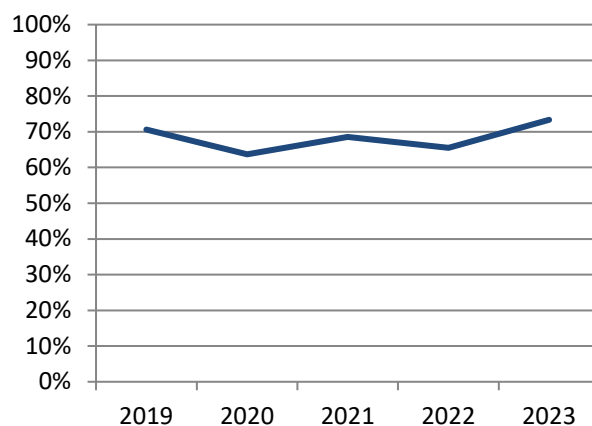
MTS - Metro Mobility

Metro Mobility's revenue is projected to be unfavorable by \$0.7M as a result of lower passenger fare revenue than budgeted. Ridership is below budget and pre-COVID levels year-to-date.

Total expenses for Metro Mobility are projected to end the year on budget. Higher contracted service expenses as a result of recent rate increases (+\$6.2M) are being offset by lower fuel costs (-\$6.2M) and general administrative expenses (-\$0.7M) than budgeted. Contract rates were increased at the end of 2022 to raise driver wages. Fuel costs are down as a result of lower gas prices than anticipated and fewer vehicle hours on the road than budgeted.

The projected ending reserve balance is \$29.2M for 2023, which is above the Council's reserve target balance of \$10.5M.

MTS - Metro Mobility % of Budget Spent - 3rd Quarter



MTS-CONTRACTED SERVICES

Unaudited - dollars in thousands

2023 3rd Quarter Financial Report Metropolitan Transportation Services - Contracted Service Unaudited - dollars in thousands

	MTS - Contracted Service				
	2023 YTD Results	% Budget	Projected Year-End	2023 Budget	Variance
Revenues	25,531	80%	33,326	31,855	1,471
Expenses	24,043	74%	32,330	32,593	263
Transfers	(2,256)	86%	(2,611)	(2,629)	18
Change in Reserve Balance	(768)		(1,615)	(3,367)	1,752
Beginning Reserve Balance			17,904		
Ending Reserve Balance			<u>16,289</u>		
Target Balance			3,522		

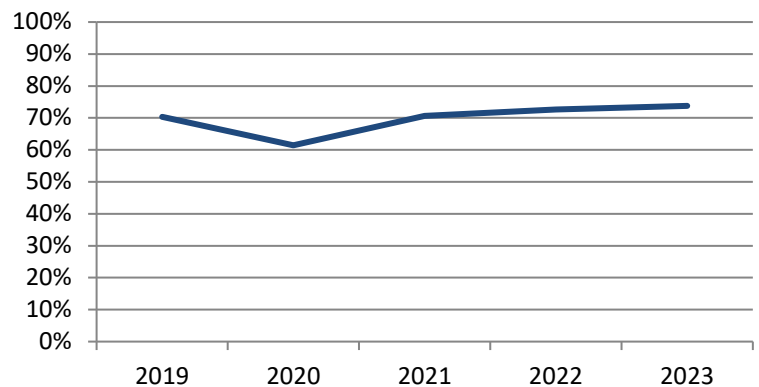
MTS - Contracted Service

Contracted Services revenue are projected to be favorable to budget by \$1.5M as a result of additional federal grant revenue and higher interest earnings.

Total expenses for Contracted Services are projected to end the year \$0.3M favorable to budget. Increased expenses in Fixed Route (+\$0.1M) are mostly being offset by lower Transit Link costs (-\$0.4M). Fixed Route is unfavorable to budget as a result of increased rates and service activity. The favorable variance in Transit Link expenses is a result of lower than planned consulting and contracted services.

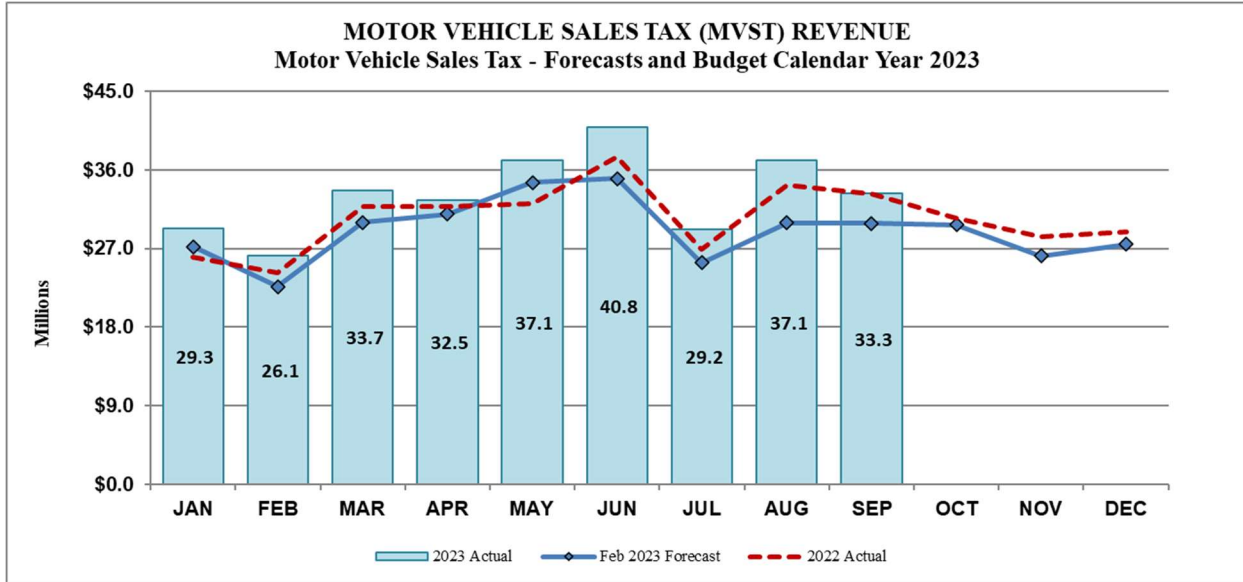
The projected ending reserve balance is \$16.3M for 2023, which is above the Council's reserve target balance of \$3.5M.

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

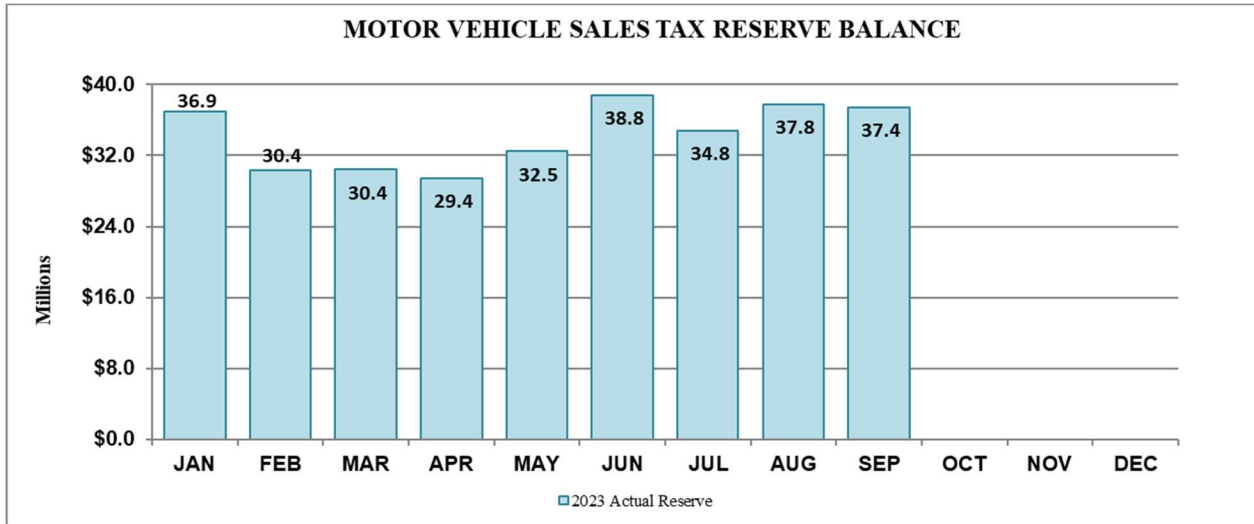


Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES



Motor vehicle sales tax receipts for 2023 thru September totaled around \$299.2 million, 112.7% of February 2023 forecast thru September. MVST reserves were \$37.4 million at the end of September.



Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

Dollars in millions

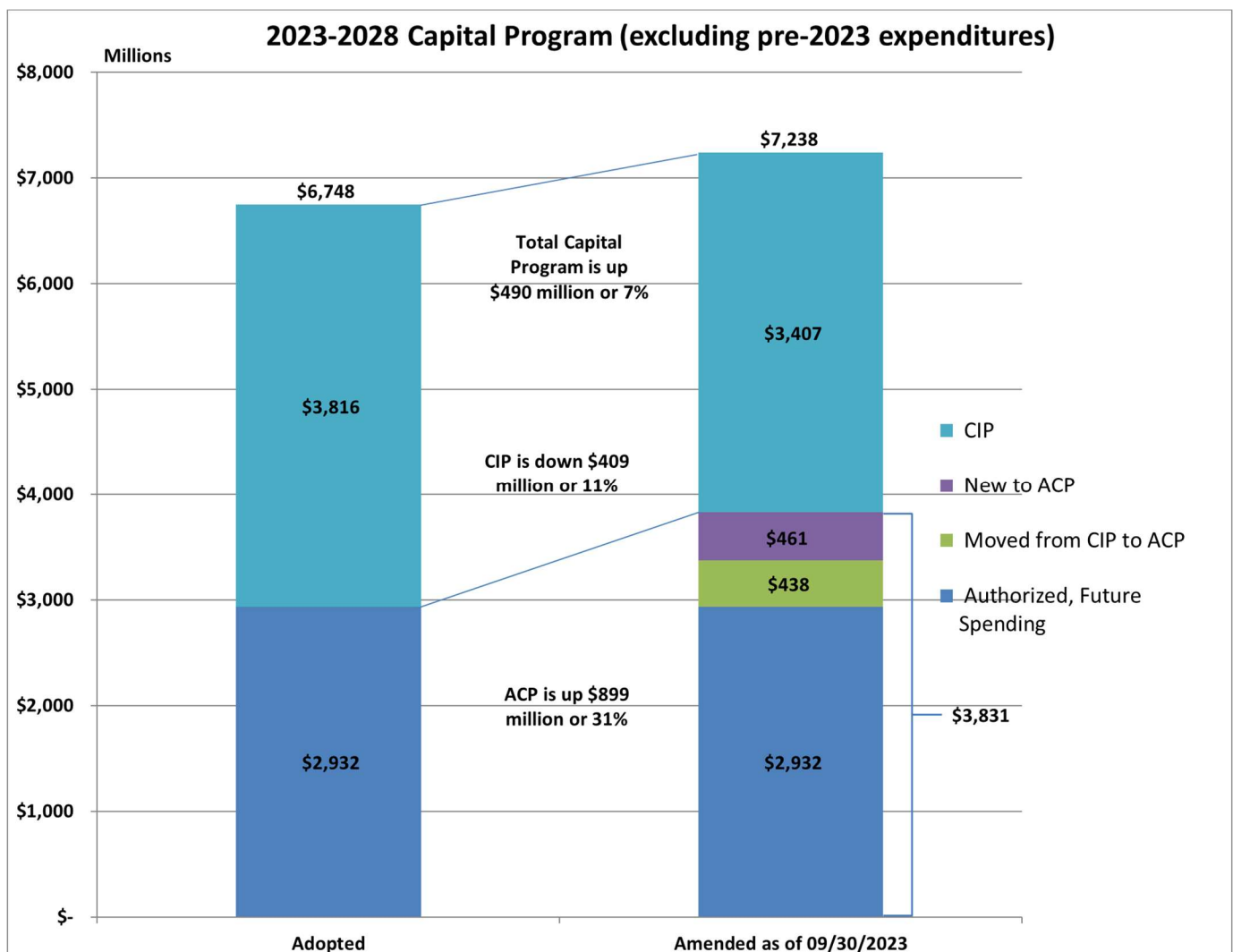
MOTOR VEHICLE SALES TAX – FORECASTS AND BUDGET CALENDAR YEAR 2023

Motor Vehicle Sales Tax – Forecasts and Budget Calendar Year 2023			
(Millions)			
	Total	Jan-Jun	Jul-Dec
Nov 2022 Forecast (2023 Adopted Budget)	366.9	183.5	183.5
2023 Council Budget:			
Current MVST Revenues	350.7	175.4	175.4
Use of MVST Reserve	16.2	8.1	8.1
November 2022 Forecast	366.9	183.5	183.5
YTD Actuals	299.2	199.6	99.6
February 2023 Forecast	348.9	180.4	168.6
YTD Actuals	299.2	199.6	99.6
% of November 2022 Forecast	81.6%	108.8%	54.3%
% of February 2023 Forecast	85.8%	110.7%	59.1%

2023-2028 CAPITAL PROGRAM

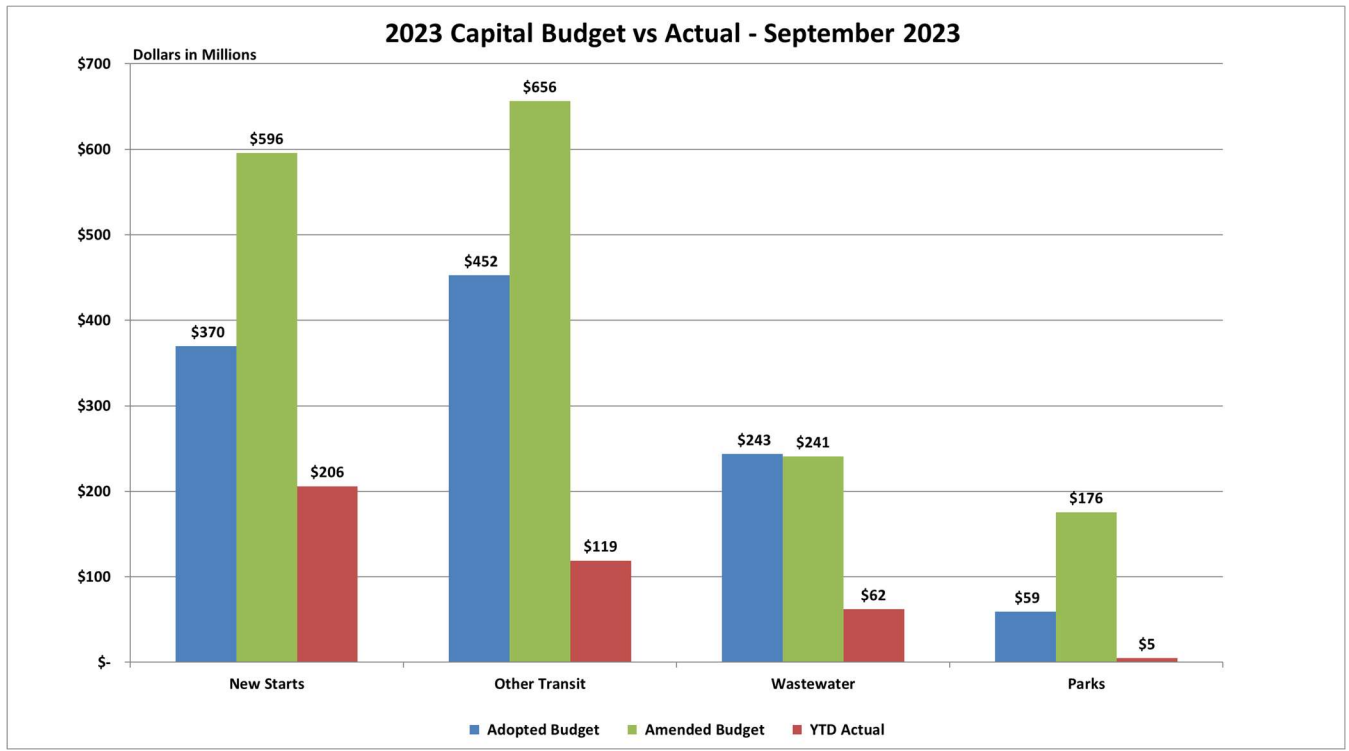
Capital Program (Excluding Pre-2023 Expenditures)

The Capital Program (excluding pre-2023 expenditures) increased by \$490 million, or a 7% increase, for amendments through September 2023. The authorized portion of the capital program (ACP) is up \$899 million, or a 31% increase, through September 2023. The ACP typically increases during the year as federal, state, and regional funding becomes available to transit and parks. Additionally, projects are moved from the planned portion of the capital program, called the capital improvement plan (CIP), to the authorized capital program (ACP) throughout the year.



CAPITAL SPENDING

Capital Budget



The adopted 2023 Capital Budget was \$1.125 billion. Amendments through September 2023 increased the amended 2023 Capital Budget to \$1.668 billion. Actual 2023 capital expenditures total 35% of the adopted budget and 23% percent of the amended budget. Actual expenditures as a percent of their amended budget were 26% for transit projects, 26% for wastewater projects and 3% for parks projects.

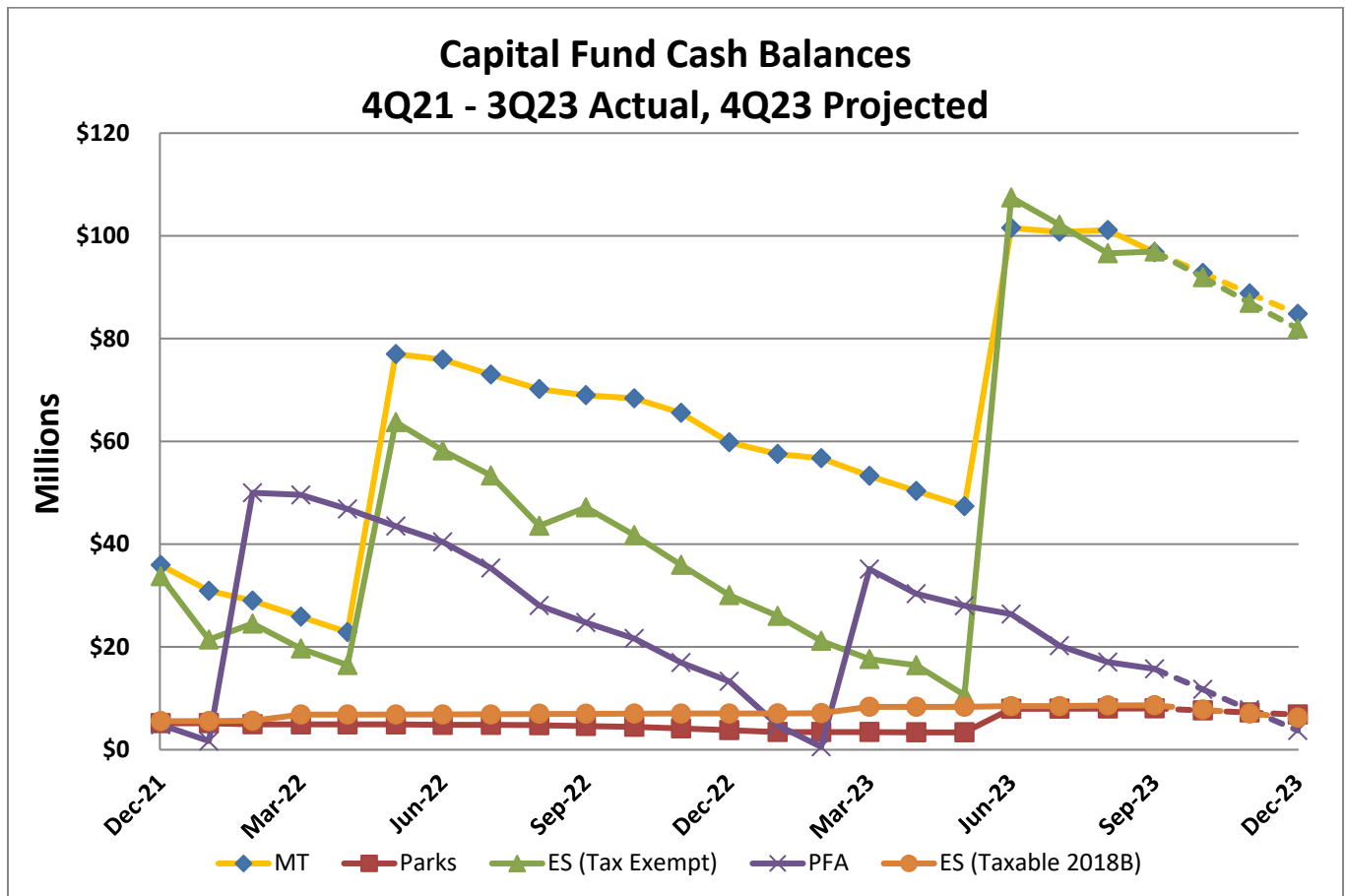
CAPITAL FUND CASH BALANCES

At the end of the quarter, Transit had approximately \$96.7 million of cash remaining to be spent from its 2022 and 2023 bond issuance. The pace of Transit capital spending decreased slightly during the 3rd quarter, as the average monthly capital spend went from \$2.2 million per month in the second quarter to \$1.5 million per month in the third quarter.

At the end of the quarter, Environmental Services had approximately \$96.9 million of cash remaining to be spent from its 2023 bond issuance. The pace of Environmental Services capital spending increased slightly during the third quarter, as the average monthly spend was \$4.0 million per month in the third quarter, compared to \$3.4M per month in the second quarter. In addition to bond debt, Environmental Services has a 2023 PFA loan outstanding, which had an available balance to draw on of \$15.7 million at quarter end. The average monthly draw on this loan has been \$4.1 million YTD.

At the end of the quarter, Parks has approximately \$8.0 million of cash remaining to be spent from its 2021 and 2023 bond issuance. Parks capital spending was near zero for the quarter, down from \$275,000 spent in the second quarter.

The Council's outstanding debt is continually monitored for refunding opportunities. No additional new or refunding bond issuance is expected for the remainder of 2023.



STATEMENT OF REVENUES AND EXPENSES
General Fund
September 30, 2023
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2023 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Property Taxes	8,494,007	16,833,034	16,833,034	-
Investment Earnings	1,135,847	1,514,463	630,389	884,074
Chargebacks - MAC	154,946	206,000	-	206,000
Other Revenue	177,489	420,000	1,150,000	(730,000)
Total Revenues	9,962,289	19,035,247	18,860,423	174,824
<u>EXPENSES</u>				
Salary and Benefits	39,665,649	55,359,832	60,037,986	4,678,154
Consulting & Contractual Services	15,944,277	34,932,500	36,712,867	1,780,367
Rent & Utilities	4,671,405	6,417,754	6,417,754	-
Printing	7,101	20,000	55,000	35,000
Travel & Professional Development	526,021	720,000	927,700	207,700
Insurance	159,202	215,000	123,000	(92,000)
Other Operating Expense	1,732,156	2,309,541	2,047,911	(261,630)
Total Expenses	62,705,811	99,974,627	106,322,218	6,347,591
<u>TRANSFERS</u>				
Transfer In	56,725,801	87,088,626	89,782,089	(2,693,463)
Transfer Out	(5,479,140)	(6,104,567)	(6,104,567)	-
Total Transfers	51,246,661	80,984,059	83,677,522	(2,693,463)
Change in Reserve Balance	\$ (1,496,861)	\$ 44,679	\$ (3,784,273)	\$ 3,828,952
Beginning Fund Balance		31,144,372		
Assigned/Committed		(7,728,798)		
Carry Forward - Amendment		(3,829,000)		
Ending Unassigned Reserve Balance		19,631,253		
2023 Target Balance (10%)		10,632,222		

STATEMENT OF REVENUES AND EXPENSES
Environmental Services
September 30, 2023

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2023 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Municipal Wastewater Charges	197,777,250	263,703,000	263,703,000	-
Industrial Charges	12,958,737	18,500,000	18,500,000	-
State Appropriations Revenue	6,086,721	11,072,000	10,819,000	253,000
Investment Earnings	2,221,587	2,500,000	1,250,000	1,250,000
Other Revenue	243,610	726,417	726,417	-
Total Revenues	219,287,904	296,501,417	294,998,417	1,503,000
<u>EXPENSES</u>				
Salary and Benefits	54,711,761	77,842,087	81,332,786	3,490,699
Consulting & Contractual Services	15,227,815	21,916,363	20,350,268	(1,566,095)
Rent & Utilities	17,978,411	24,943,089	24,816,090	(126,999)
Travel	280,010	532,512	730,636	198,124
Materials & Supplies	11,918,659	15,819,007	12,250,559	(3,568,448)
Chemicals	12,287,102	16,650,366	16,650,366	-
Capital Outlay	1,152,521	2,258,323	2,520,460	262,137
I&I, Storm water, CWF, WOMP Grant Expense	4,832,348	5,484,500	5,065,000	(419,500)
Other Operating Expense	771,775	1,422,724	3,419,889	1,997,165
Total Expenses	119,160,402	166,868,971	167,136,054	267,083
<u>TRANSFERS</u>				
SAC Transfer	45,042,750	60,057,000	60,057,000	-
Transfers In	362,015	350,000	350,000	-
Debt Service	(117,375,000)	(156,500,000)	(156,500,000)	-
Transfer Out - RA Expense Allocation	(14,770,873)	(21,913,056)	(22,590,780)	677,724
Transfers Out	(8,250,000)	(11,000,000)	(11,000,000)	-
Total Transfers	(94,991,108)	(129,006,056)	(129,683,780)	677,724
Change in Reserve Balance	5,136,394	626,390	(1,821,417)	2,447,807
Beginning Reserve Balance		38,249,024		
Ending Unassigned Reserve Balance		38,875,414		
2023 Target Balance (10%)		16,713,605		

STATEMENT OF REVENUES AND EXPENSES
Housing and Redevelopment Authority (HRA)
September 30, 2023

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2023 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<u>REVENUES</u>					
Federal Revenue	67,371,906	91,430,238	92,044,941	(614,703)	61,258,664
State Revenue	156,909	318,000	318,000	-	148,008
Investment Earnings	731,174	731,174	-	731,174	-
Other Revenue	3,266,094	4,706,425	4,172,896	533,529	-
Total Revenues	71,526,083	97,185,837	96,535,837	650,000	61,406,672
<u>EXPENSES</u>					
Salary and Benefits	4,330,901	6,230,777	6,480,777	250,000	-
Consulting & Contractual Services	673,761	1,024,577	1,197,194	172,617	-
Rent & Utilities	107,217	145,956	145,956	-	-
Housing Expenses	64,077,793	87,412,537	88,554,920	1,142,383	62,238,293
Travel	30,547	42,000	67,000	25,000	-
Insurance	86,653	90,000	100,000	10,000	-
Other Operating Expense	218,192	320,680	320,680	-	-
Total Expenses	69,525,064	95,266,527	96,866,527	1,600,000	62,238,293
<u>TRANSFERS</u>					
Transfer Out - RA Expense Allocation	(954,102)	(1,955,450)	(2,000,066)	44,616	-
Transfer In - Allocation	150,000	150,000	150,000	-	-
Total Transfers	(804,102)	(1,805,450)	(1,850,066)	44,616	-
Change in Reserve Balance	1,196,917	113,860	(2,180,756)	2,294,616	(831,621)
Beginning Reserve Balance:					
Operating		15,464,312			
Federal Passthrough (HAP Assistance)		981,428			
Total Beginning Balance		16,445,740			
Change in Reserve Balance:					
Total Change in Reserve Balance		113,860			
Ending Reserve Balance		16,559,600			
2023 Target Balance (8.3%)		8,193,477			

STATEMENT OF REVENUES AND EXPENSES

Metro Transit - Bus Operations

September 30, 2023

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2023 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	21,683,862	29,005,103	34,179,194	(5,174,091)
Auxiliary Transit Revenue	795,794	1,061,119	2,439,348	(1,378,229)
State Revenue - MVST	244,646,606	327,028,808	327,028,808	-
Regional Sales Tax	-	617,000	617,000	-
Federal Grants	94,259,107	103,579,522	103,579,522	-
Investment Earnings	6,745,449	8,993,213	50,000	8,943,213
Other Revenue	(740,885)	3,181,121	2,991,306	189,815
Total Revenues	367,389,933	473,465,886	470,885,178	2,580,708
<u>EXPENSES</u>				
Salary and Benefits	179,742,387	245,860,656	298,817,316	52,956,660
Consulting & Contractual Services	8,665,989	12,419,349	15,513,440	3,094,091
Fuel	6,011,349	9,644,841	14,287,380	4,642,539
Materials & Supplies	18,024,597	24,715,915	21,357,024	(3,358,891)
Utilities	3,611,433	5,061,000	5,798,268	737,268
Other Operating Expense	3,828,288	9,327,836	24,517,944	15,190,108
Total Expenses	219,884,043	307,029,597	380,291,372	73,261,775
<u>TRANSFERS</u>				
Transfer In - Transit Allocations	12,346,965	17,488,947	20,567,928	(3,078,981)
Transfer Out - RA Expense Allocation	(31,566,622)	(51,577,936)	(51,577,936)	-
Transfer Out - Capital Funds	-	(10,300,000)	(10,300,000)	-
Total Transfers	(19,219,657)	(44,388,989)	(41,310,008)	(3,078,981)
Change in Reserve Balance	128,286,233	122,047,300	49,283,798	72,763,502
Beginning Reserve Balance		139,481,675		
Ending Reserve Balance		261,528,975		
2023 Target Balance (8.3 - 12.5%)		34,138,015		

STATEMENT OF REVENUES AND EXPENSES
Metro Transit - Light Rail Operations
September 30, 2023
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2023 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	9,055,937	11,958,226	12,058,965	(100,739)
Auxiliary Transit Revenue	320,906	427,874	1,178,352	(750,478)
Regional Sales Tax	-	7,311,873	7,311,873	-
State Revenue - GF Appropriation	21,918,087	29,224,116	29,224,116	-
Local Revenue	21,935,619	20,618,876	21,935,619	(1,316,743)
Investment Earnings	310,526	331,662	50,688	280,974
Other Revenue	29,500,000	30,415,728	30,415,728	-
Total Revenues	83,041,075	100,288,355	102,175,341	(1,886,986)
<u>EXPENSES</u>				
Salary and Benefits	40,496,089	56,092,446	57,727,464	1,635,018
Consulting & Contractual Services	2,787,591	4,529,814	3,818,370	(711,444)
Fuel	30,275	40,367	50,544	10,177
Materials & Supplies	2,114,745	5,754,206	9,690,315	3,936,109
Utilities	4,995,262	7,910,348	6,020,664	(1,889,684)
Other Operating Expense	303,160	705,621	764,821	59,200
Total Expenses	50,727,122	75,032,802	78,072,178	3,039,376
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(12,119,119)	(17,358,825)	(18,759,480)	1,400,655
Transfer Out - RA Expense Allocation	(3,997,949)	(5,742,801)	(5,384,328)	(358,473)
Total Transfers	(16,117,068)	(23,101,626)	(24,143,808)	1,042,182
Change in Reserve Balance	16,196,885	2,153,927	(40,645)	2,194,572
Beginning Reserve Balance		17,178,266		
Ending Reserve Balance		19,332,193		
2023 Target Balance (8.3 - 12.5%)		8,483,927		

STATEMENT OF REVENUES AND EXPENSES
Metro Transit - Commuter Rail Operations
September 30, 2023

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2023 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	233,338	333,649	472,747	(139,098)
State Revenue - MVST	2,572,407	3,429,876	3,429,876	-
Regional Sales Tax	-	1,487,001	1,487,001	-
Local Revenue - Counties / MNDOT	6,003,828	4,566,775	6,518,590	(1,951,815)
Federal Revenues	2,176,185	3,481,896	3,481,896	-
Investment Earnings	342,985	342,985	-	342,985
Total Revenues	11,328,743	13,642,182	15,390,110	(1,747,928)
<u>EXPENSES</u>				
Salary and Benefits	2,461,442	3,629,436	6,525,945	2,896,509
Consulting & Contractual Services	2,609,757	3,999,233	3,787,668	(211,565)
Fuel	368,852	676,778	871,704	194,926
Materials & Supplies	420,175	847,157	712,536	(134,621)
Utilities	448,425	626,173	402,936	(223,237)
Other Operating Expense	1,607,548	2,667,168	3,073,369	406,201
Total Expenses	7,916,199	12,445,945	15,374,158	2,928,213
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(227,848)	(397,838)	(1,808,448)	1,410,610
Transfer Out - RA Expense Allocation	(471,576)	(717,147)	(657,504)	(59,643)
Total Transfers	(699,424)	(1,114,985)	(2,465,952)	1,350,967
Change in Reserve Balance	2,713,120	81,252	(2,450,000)	2,531,252
Beginning Reserve Balance		11,032,770		
Ending Reserve Balance		11,114,022		
2023 Target Balance (8.3 - 12.5%)		1,480,729		

STATEMENT OF REVENUES AND EXPENSES
MTS -Transportation Planning
September 30, 2023

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2023 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Federal Revenue	3,485,841	5,462,804	5,844,813	(382,009)
State Revenue - MVST	3,412,500	4,550,000	4,550,000	-
Investment Earnings	197,181	256,000	-	256,000
Chargebacks from MAC	23,225	50,000	136,000	(86,000)
Total Revenues	7,118,747	10,318,804	10,530,813	(212,009)
<u>EXPENSES</u>				
Salary and Benefits	2,565,289	3,714,633	3,914,633	200,000
Consulting & Contractual Services	1,662,164	3,186,517	4,513,125	1,326,608
Rent & Utilities	112,267	150,415	150,415	-
Travel	20,899	40,000	65,000	25,000
Other Operating Expense	65,729	93,759	176,450	82,691
Total Expenses	4,426,348	7,185,324	8,819,623	1,634,299
<u>TRANSFERS</u>				
Total Transfers - RA Expense Allocation	(1,246,055)	(2,065,130)	(2,129,000)	63,870
Change in Reserve Balance	1,446,344	1,068,350	(417,810)	1,486,160
Beginning Reserve Balance		9,608,387		
Ending Reserve Balance		10,676,737		
2023 Target Balance (Combined 15%, 31.5% TP Fund)		3,449,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Metro Mobility
September 30, 2023
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2023 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenue	5,132,508	6,847,000	8,907,000	(2,060,000)
Federal Revenue	37,000,000	37,000,000	37,000,000	-
State Appropriations	41,982,000	55,976,000	55,976,000	-
Investment Earnings	1,112,256	1,400,000	-	1,400,000
Total Revenues	85,226,764	101,223,000	101,883,000	(660,000)
<u>EXPENSES</u>				
Salary and Benefits	2,030,370	2,853,647	3,010,838	157,191
Consulting & Contractual Services	66,601,722	89,498,771	83,283,674	(6,215,097)
Fuel	5,788,218	8,484,920	14,718,092	6,233,172
Rent & Utilities	65,695	87,594	135,927	48,333
Other Operating Expense	219,238	269,510	705,910	436,400
Total Expenses	74,705,243	101,194,441	101,854,441	660,000
<u>TRANSFERS</u>				
Total Transfers - RA Expense Allocation	(1,644,084)	(2,743,159)	(2,827,999)	84,840
Change in Reserve Balance	8,877,437	(2,714,600)	(2,799,440)	84,840
Beginning Reserve Balance		<u>31,870,308</u>		
Ending Reserve Balance		29,155,708		
2023 Target Balance (10%)		10,468,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Contracted Service
September 30, 2023

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2023 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	1,072,187	1,411,687	1,358,000	53,687
Federal Revenue	3,064,813	3,520,331	2,497,070	1,023,261
State Revenue - MVST	21,000,000	28,000,000	28,000,000	-
Investment Earnings	393,954	393,953	-	393,953
Total Revenues	25,530,954	33,325,971	31,855,070	1,470,901
<u>EXPENSES</u>				
Salary and Benefits	720,998	983,049	1,048,207	65,158
Consulting & Contractual Services	22,923,464	30,789,831	31,049,665	259,834
Rent & Utilities	41,004	68,421	109,669	41,248
Travel	3,804	6,929	12,500	5,571
Other Operating Expense	354,143	481,516	373,000	(108,516)
Total Expenses	24,043,413	32,329,746	32,593,041	263,295
<u>TRANSFERS</u>				
Transfer Out - RA Expense Allocation	(524,366)	(878,693)	(897,001)	18,308
Transfers Out	(1,732,070)	(1,732,070)	(1,732,070)	-
Total Transfers	(2,256,436)	(2,610,763)	(2,629,071)	18,308
Change in Reserve Balance	(768,895)	(1,614,538)	(3,367,042)	1,752,504
Beginning Reserve Balance		<u>17,903,737</u>		
Ending Reserve Balance		16,289,199		
2023 Target Balance (Combined 15%, 10% Cont Svc Funds)		3,522,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Federal Pass Through
September 30, 2023

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2023 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Federal Revenue	1,131,177	1,785,000	2,685,000	(900,000)
Total Revenues	1,131,177	1,785,000	2,685,000	(900,000)
<u>EXPENSES</u>				
Grants	1,131,177	1,785,000	2,685,000	900,000
Total Expenses	1,131,177	1,785,000	2,685,000	900,000

Revenues and expenses are under budget by \$900K by year-end. Service modifications and delays in the fleet supply chain following the pandemic have resulted in reduced spending on these federal grants.