

People

Transportation

Housing

Bikes

Planning

Financial Condition

Future

Bus

Parks

Cars

Sustainability

Efficient

2nd QUARTER 2025 FINANCIAL REPORT

Prosperity

Train

Growth

Light Rail

August 13, 2025

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 2025 - 2nd Quarter Results (in thousands) Unaudited

General Fund					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	1,765	8%	21,843	21,971	(128)
Expenses	57,653	38%	139,928	151,470	11,542
Transfers	42,916	34%	124,218	126,890	(2,672)
Change in Reserve Balance	(12,972)		6,133	(2,609)	8,742
Beginning Reserve Balance			38,057		
Assigned/Committed			(7,972)		
Ending Reserve Balance			36,218		
Target Balance			15,147		

Environmental Services					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	155,430	48%	321,106	321,606	(500)
Expenses	75,278	41%	182,844	184,294	1,450
Transfers	(70,519)	48%	(144,919)	(145,994)	1,075
Change in Reserve Balance	9,633		(6,657)	(8,682)	2,025
Beginning Reserve Balance			57,072		
Assigned/Committed					
Ending Reserve Balance			50,415		
Target Balance			18,429		

Housing and Redevelopment Authority					
2025	%	Projected	2025		
YTD	Budget	Year-End	Budget	Variance*	
Revenues	56,354	51%	111,796	111,464	332
Expenses	56,769	51%	115,792	111,392	(4,400)
Transfers	(712)	33%	(2,113)	(2,150)	37
Change in Reserve Balance	(1,127)		(6,109)	(2,078)	(4,031)
Beginning Reserve Balance			17,505		
Assigned/Committed					
Ending Reserve Balance			11,396		
Target Balance			9,430		

Metro Transit - Bus					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	195,889	51%	382,860	382,717	143
Expenses	185,290	37%	434,874	497,052	62,178
Transfers	(25,543)	53%	(48,734)	(47,777)	(957)
Change in Reserve Balance	(14,944)		(100,748)	(162,112)	61,364
Beginning Reserve Balance			229,632		
Ending Reserve Balance			128,884		
Target Balance			45,221		

Metro Transit - Light Rail					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	55,941	35%	156,324	158,510	(2,186)
Expenses	34,069	28%	94,691	120,809	26,118
Transfers	(13,068)	41%	(29,392)	(31,695)	2,303
Change in Reserve Balance	8,804		32,241	6,006	26,235
Beginning Reserve Balance			24,811		
Ending Reserve Balance			57,052		
Target Balance			12,658		

Metro Transit - Commuter Rail					
2025	%	Projected	2025		
YTD	Budget	Year-End	Budget	Variance*	
Revenues	6,051	42%	14,598	14,389	209
Expenses	7,009	42%	15,381	16,717	1,336
Transfers	(694)	34%	(1,755)	(2,040)	285
Change in Reserve Balance	(1,652)		(2,538)	(4,368)	1,830
Beginning Reserve Balance			11,443		
Ending Reserve Balance			8,905		
Target Balance			1,557		

MTS - Transportation Planning					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	3,780	47%	7,967	7,967	0
Expenses	3,021	29%	9,429	10,529	1,100
Transfers	(998)	37%	(2,610)	(2,676)	66
Change in Reserve Balance	(239)		(4,072)	(5,238)	1,166
Beginning Reserve Balance			11,977		
Ending Reserve Balance			7,905		
Target Balance			4,146		

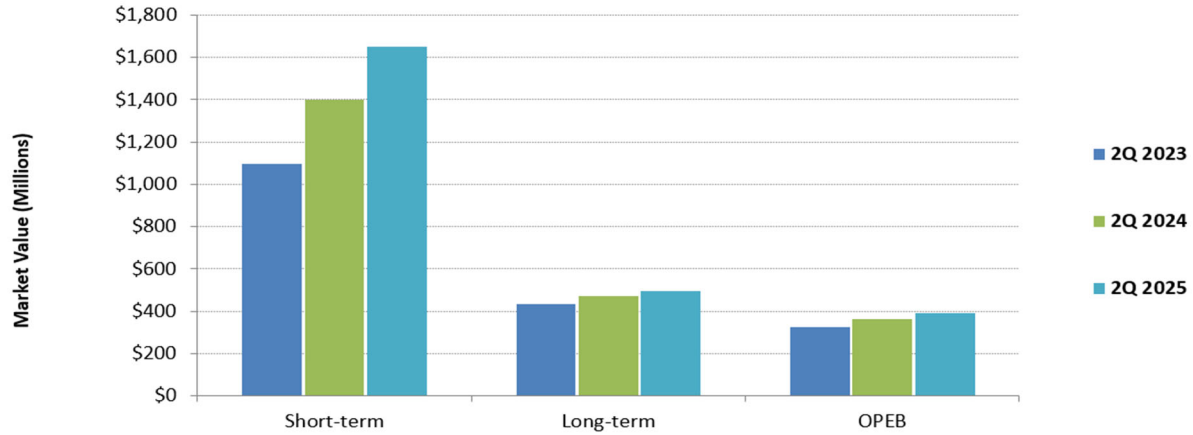
MTS - Special Transportation Services					
2025 YTD	%	Projected	2025		
Results	Budget	Year-End	Budget	Variance*	
Revenues	56,204	48%	119,646	116,983	2,663
Expenses	57,576	45%	123,876	129,147	5,271
Transfers	(1,904)	49%	(3,797)	(3,875)	78
Change in Reserve Balance	(3,276)		(8,027)	(16,039)	8,012
Beginning Reserve Balance			13,501		
Ending Reserve Balance			5,474		
Target Balance			6,651		

MTS - Contracted Service					
2025	%	Projected	2025		
YTD	Budget	Year-End	Budget	Variance*	
Revenues	21,884	50%	44,346	43,913	433
Expenses	22,243	49%	45,723	45,555	(168)
Transfers	(2,035)	75%	(2,703)	(2,731)	28
Change in Reserve Balance	(2,394)		(4,080)	(4,373)	293
Beginning Reserve Balance			8,088		
Ending Reserve Balance			4,008		
Target Balance			4,829		

*Variance = Favorable / (Unfavorable)

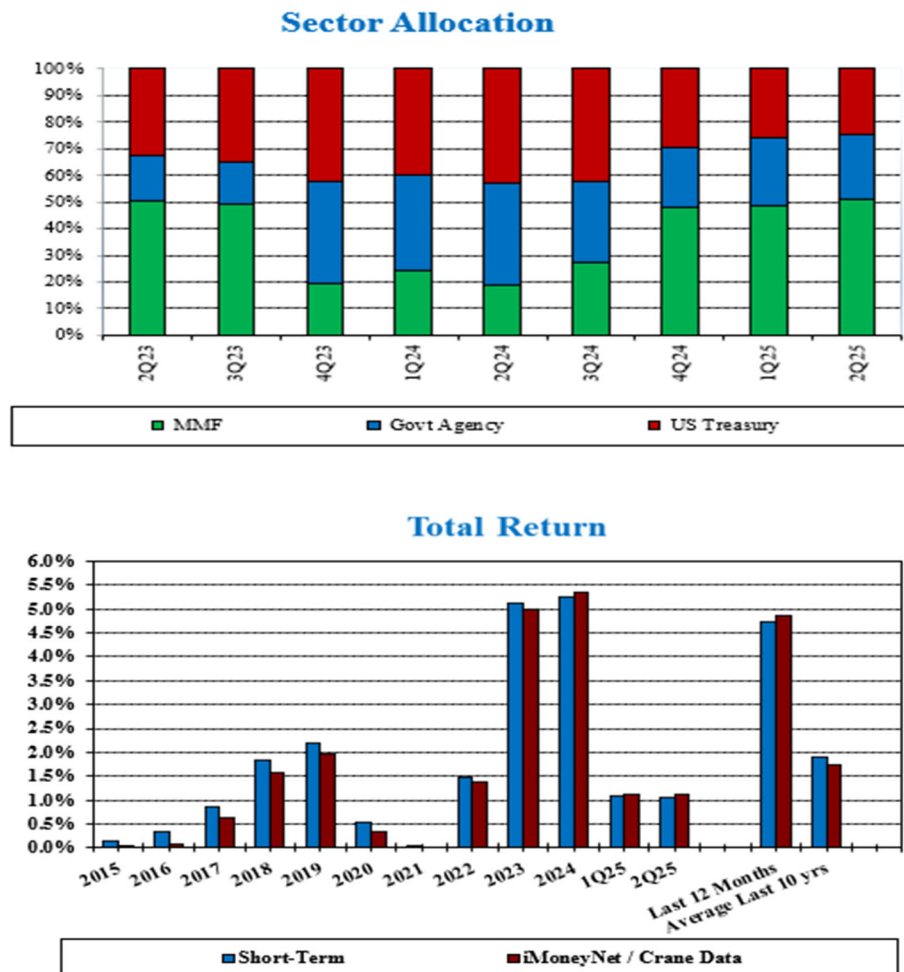
Financial Management Report

INVESTMENT PORTFOLIO BALANCES



	Balances - Market Value (millions)		
	2Q 2023	2Q 2024	2Q 2025
Short-term	1,094.4	1,397.6	1,649.5
Long-term	432.1	470.7	495.4
OPEB	325.0	364.3	392.5
Total	<u>\$ 1,851.50</u>	<u>\$ 2,232.60</u>	<u>\$ 2,537.40</u>

INVESTMENT HOLDINGS AND PERFORMANCE - SHORT-TERM PORTFOLIO

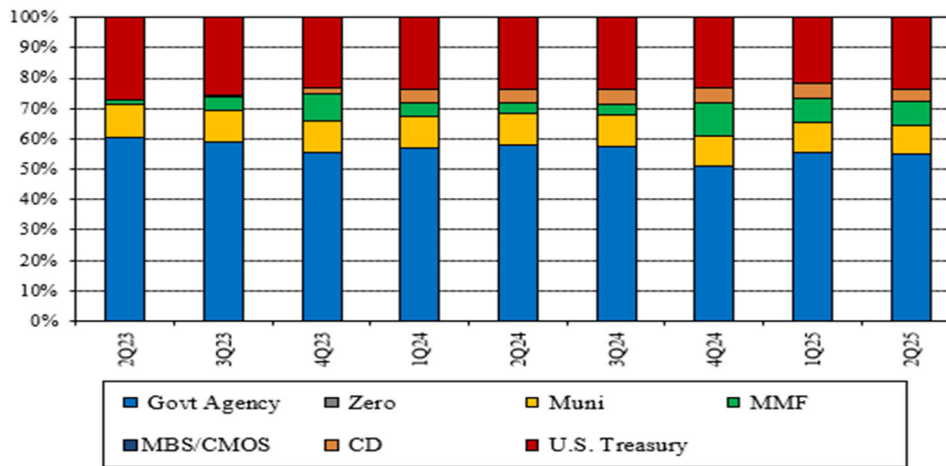


Short-term Portfolio Performance 2Q25. The Short-term portfolio invests available short-term cash around the Council’s cash-flow. The portfolio purchases securities permissible under MN. Statutes Chapter 118A and in compliance with the Council’s Investment Policy. The portfolio’s total return for 2Q25 was 1.06%, comparable to the 1.07% for 1Q25, and slightly less than the 1.10% return of the portfolio’s benchmark. The average annual yield of portfolio holdings increased slightly to 4.30% in 2Q25, compared to 4.29% in 1Q25. Portfolio earnings for 2Q25 increased to \$16.6 million from \$15.3 million in 1Q25. To end the quarter, the \$1.6 billion portfolio was invested in U.S. Treasury Bills (\$407 million, 29%), U.S. Government Agency Discount Notes (\$396 million, 23%), and government money market funds (\$846 million, 48%). Portfolio investments range in maturity length from 0 to 5 months.

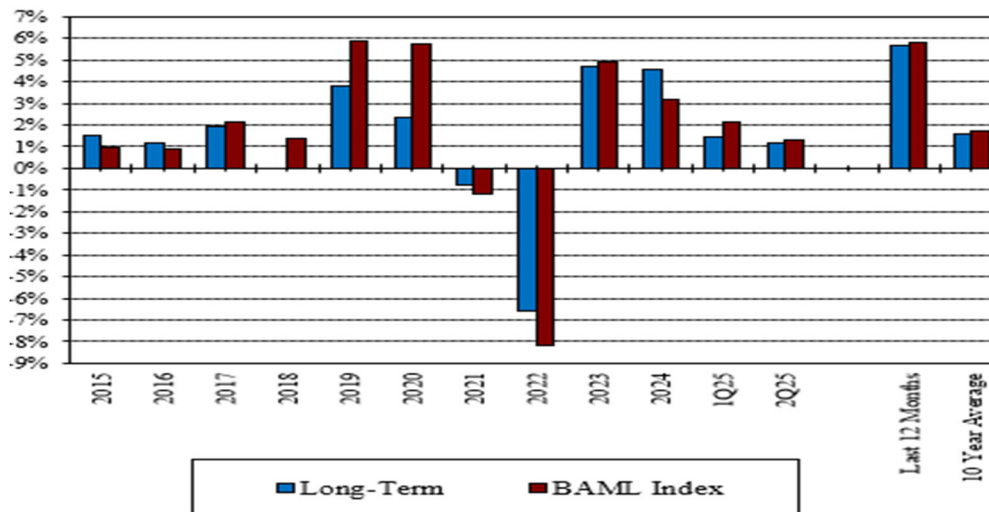
Strategy. The portfolio was liquid in 2Q25, with a large balance in money market funds for yield. Recently there has been no yield incentive to reduce liquidity and invest longer. Short-term yields remained range bound between 4.20% and 4.40%. The short-term yields decrease after six months as financial markets anticipate possible Fed rate cuts later this year. Any rate cut will push portfolio earnings lower.

INVESTMENT HOLDINGS AND PERFORMANCE - LONG-TERM PORTFOLIO

Sector Allocation



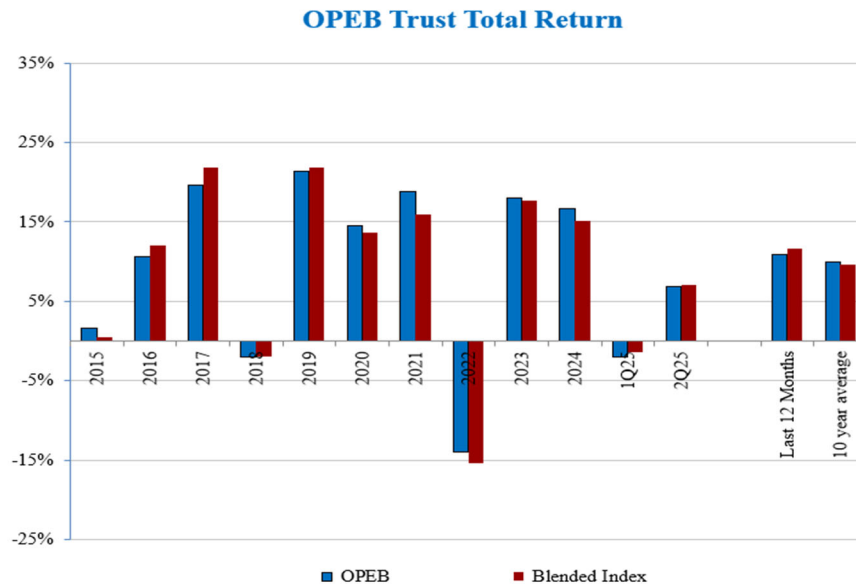
Total Return



Long-term Portfolio Performance 2Q25. This portfolio invests the Council's longer-term reserves. Average yield and interest income continue to slowly increase as lower yielding investments mature and funds are re-invested at higher yields. Average yield increased from 2.62% in 1Q25 to 2.75% in 2Q25. Interest income increased to \$3.3 million, compared to \$3.1 million in 1Q25. Portfolio quarterly total return was 1.21%, vs 1.30% for its benchmark. The \$495 million portfolio was invested very similar to the previous quarter holding U.S. Government Agency securities (\$273 million, 51%), U.S. Treasury Notes (\$117 million, 23%), taxable municipal bonds (\$46 million, 10%), government money funds (\$38 million, 11%), Certificates of Deposit (\$20 million, 5%) and a very small amount of mortgage-backed securities. Duration increased slightly but remained short of the benchmark, 1.31 years vs 3.34 years.

Strategy. Reinvesting maturities to increase yield continued in 2Q25. \$42 million of US Government Agency and Municipal Bond investments matured or were called, and \$50 million of new Treasury Note and US Government Agency Bonds we purchased. New purchases had maturities ranging from 5-7 years to increase duration and were bonds that are non-callable or have very little optionality.

INVESTMENT HOLDINGS AND PERFORMANCE – OPEB TRUST



OPEB Trust Performance 2Q25. The OPEB Trust contains assets set aside to fund future OPEB liabilities, which stretch 30+ years into the future. Trust assets are held at a third-party custodian, managed by the Minnesota State Board of Investment, and allocated at the Council’s direction. The trust had a strong total return of 6.92% for the 2Q25, but slightly underperformed its benchmark return of 7.05%. The trust’s fixed income portion slightly overperformed the index, the equity portion matched the index, and the small money fund balance underperformed the index. The market value of the trust increased \$26.8 million during 2Q25, going from \$365.7 million to \$392.5 million. At quarter-end, trust investments were allocated 64% to the S&P 500 pool, 33% to US Treasury and Government Agency securities, and 3% to the cash pool.

Strategy. The trust uses the S&P 500 index pool to realize the historically higher average returns of the equity markets over the long term. OPEB liability funding levels and trust investment allocations are monitored, and periodic adjustments are made to maintain the portfolio allocation near 60/40 equity-to-fixed income/cash. The trust has averaged returns of 11.33% over the past 5 years and 9.91% over the past 10 years. Projected future OPEB liabilities are currently fully funded. The Council withdraws funds from the trust annually to fund OPEB benefits.

Financial Management Report

GENERAL FUND

Unaudited - dollars in thousands

2025 2nd Quarter Financial Report General Fund Unaudited - dollars in thousands

	General Fund				
	2025 YTD		Projected		
	Results	% Budget	Year-End	2025 Budget	Variance
Revenues	1,765	8%	21,843	21,971	(128)
Expenses	57,653	38%	139,928	151,470	11,542
Transfers	42,916	34%	124,218	126,890	(2,672)
Change in Reserve Balance	(12,972)		6,133	(2,609)	8,742
Beginning Fund Balance			38,057		
Assigned/Committed			(7,972)		
Ending Unassigned Reserve Balance			36,218		
Target Balance			15,147		

General Fund

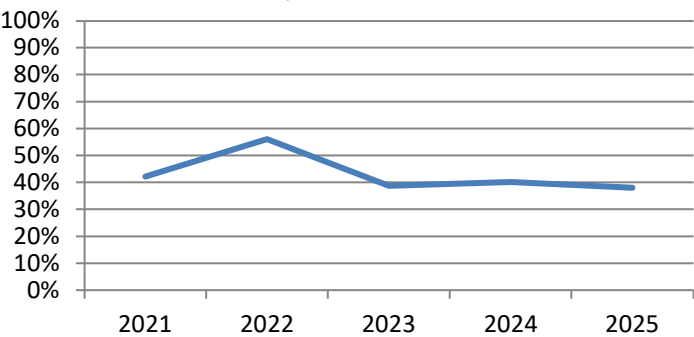
Revenues for the General fund are primarily from property tax and investment earnings.

At mid-year, the General Fund has spent 38% of the annual budgeted operating expense. This is primarily due to vacancies and the uneven timing of expenses throughout the year. Operating expenses are still expected to align closely with the budget over the course of the year.

The 2025 General Fund budget approved by the Council reflects a \$2.6M use of General Fund reserves.

The projected year-end available reserve balance is \$36.2M, which is above the Council's minimum reserve target balance of \$15.1M.

General Fund % of Budget Spent - 2nd Quarter



ENVIRONMENTAL SERVICES

Unaudited - dollars in thousands

2025 2nd Quarter Financial Report Environmental Services Unaudited - dollars in thousands

	Environmental Services				
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	155,430	48%	321,106	321,606	(500)
Expenses	75,278	41%	182,844	184,294	1,450
Transfers	(70,519)	48%	(144,919)	(145,994)	1,075
Change in Reserve Balance	9,633		(6,657)	(8,682)	2,025
Beginning Reserve Balance			57,072		
Ending Unassigned Reserve Balance			50,415		
Target Balance			18,429		

Environmental Services

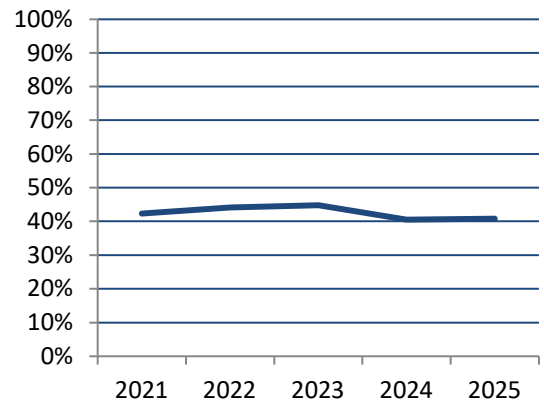
Total revenues are expected to be \$0.5M under budget. Industrial Charges are expected to be \$1.5M under budget due to a billing correction, and the departure of a large industrial waste customer. This will be partially offset by Investment Earnings, which should overrun budget by \$1.0M due to higher interest rates.

Total expenses are expected to be \$1.5M under budget. Salaries and Benefits are projected to underrun by \$1.0M due to vacancies, and Utilities are projected to underrun budget by \$1.0M due to lower fuel charges. Chemicals and Capital Outlay are also expected to underrun budget by a combined \$1.0M. These underruns will be partially offset by Materials and Supplies, which is projected to overrun by \$1.5M due to inflation.

Transfers are expected to be \$1.1M under budget driven by savings in the RA expense allocation.

Based on the above forecasted variances, operating reserves are projected to decrease by \$6.7M compared to the budgeted decrease of \$8.7M. This will decrease the operating fund balance to \$50.4M. This exceeds the year-end target balance of \$18.4M by a healthy margin.

Environmental Services % of Budget Spent - 2nd Quarter



Financial Management Report

HOUSING AND REDEVELOPMENT FUND

Unaudited - dollars in thousands

2025 2nd Quarter Financial Report Housing and Redevelopment Fund Unaudited - dollars in thousands

Housing and Redevelopment Authority					
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	56,354	51%	111,796	111,464	332
Expenses	56,769	51%	115,792	111,392	(4,400)
Transfers	(712)	33%	(2,113)	(2,150)	37
Change in Reserve Balance	(1,127)		(6,109)	(2,078)	(4,031)
Beginning Reserve Balance			17,505		
Ending Reserve Balance			11,396		
Target Balance			9,430		

Housing and Redevelopment Authority

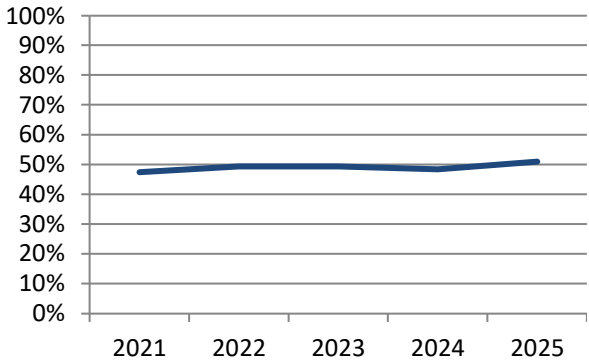
HRA revenues are projected to be \$0.3M favorable to budget. The main reason for the favorable variance is higher interest earnings than anticipated.

Expenses are projected to be unfavorable to budget by \$4.4M. This unfavorable variance is primarily the result of Housing Choice Voucher (HCV) subsidy payments being higher than budgeted due to increased HCV monthly rent and utility costs than planned. Lower spending than budgeted on contracted services and other general administrative expenses partially offsets the unfavorable variance.

The Housing Choice Voucher program is currently in shortfall with HUD, due to the continued inflation outpacing the budget authority. A budget amendment is anticipated in Q3 to request additional HRA reserves to cover the increased expenses.

The projected reserve balance for the HRA is \$11.4M, which is above the Council's minimum reserve target balance of \$9.4M.

HRA % of Budget Spent - 2nd Quarter



Financial Management Report

METRO TRANSIT - BUS

Unaudited - dollars in thousands

2025 2nd Quarter Financial Report

Metro Transit - Bus

Unaudited - dollars in thousands

Metro Transit - Bus					
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	195,889	51%	382,860	382,717	143
Expenses	185,290	37%	434,874	497,052	62,178
Transfers	(25,543)	53%	(48,734)	(47,777)	(957)
Change in Reserve Balance	(14,944)		(100,748)	(162,112)	61,364
Beginning Reserve Balance			229,632		
Ending Reserve Balance			128,884		
Target Balance			45,221		

Metro Transit - Bus

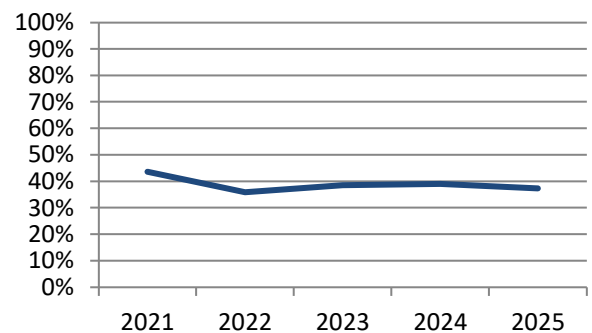
Total Bus revenues are projected to be favorable to budget by \$0.1M as result of higher investment earnings \$0.7M, other revenue \$0.7M and lower passengers fare revenues \$1.2M. Ridership is below budget and pre-COVID level year-to-date.

Total Bus expenses are projected to be favorable to budget by \$62.2M. These savings are due to vacant positions with labor and benefits under budget \$37.6M. Professional and technical services should be \$5.0M below budget as result of lower consulting activities. Fuel savings are expected to be \$3.6M under budget due to service levels and price per gallon of diesel fuels. The decreases in parts and materials will yield a budget savings of \$6.8M. Utilities will be \$2.1M under budget due to changes in utility rates. Other expenses budgeted for enhancing the bus system that are continuously under review are under budget by \$7.0M.

Transfers are projected to be favorable by \$2.4M due to the saving in labor and benefit of modal allocations. Council allocation at the 98% budget level.

The 2025 amended budget includes a planned use of reserves in the amount of \$162.1M. The forecast indicates a positive budget variance of balance of \$61.4M and a forecasted reserve balance of \$128.9M.

Metro Transit - Bus % of Budget Spent - 2nd Quarter



Financial Management Report

METRO TRANSIT - LIGHT RAIL

Unaudited - dollars in thousands

2025 2nd Quarter Financial Report Metro Transit - Light Rail Unaudited - dollars in thousands

Metro Transit - Light Rail					
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	55,941	35%	156,324	158,510	(2,186)
Expenses	34,069	28%	94,691	120,809	26,118
Transfers	(13,068)	41%	(29,392)	(31,695)	2,303
Change in Reserve Balance	8,804		32,241	6,006	26,235
Beginning Reserve Balance			24,811		
Ending Reserve Balance			57,052		
Target Balance			12,658		

Metro Transit - Light Rail

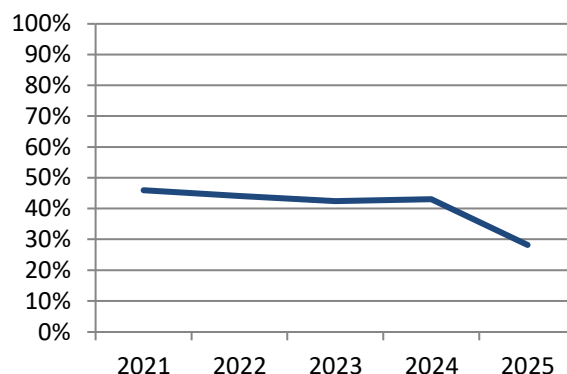
Light Rail revenues are projected to be unfavorable by \$2.2M as a result of lower passenger fare revenues. Ridership is below budget and pre-COVID levels year-to-date.

Total Light Rail expenses are projected to end the year \$26.1M favorable to budget. These savings are due to vacant positions with labor and benefits under budget \$3.4M. Professional and technical services should be \$1.9M below budget due to slow down consulting activity. Materials and supplies will be \$4.5M under budget. Utilities will be \$2.8M under budget due to changes in utility rates. Other expenses budgeted for enhancing the rail system that are continuously under review are under budget by \$13.5M.

Transfers are projected to be unfavorable to budget by \$2.1M due to increase in allocations. Council allocation at the 98% budget level.

The 2025 amended budget includes a planned use of reserves in the amount of \$6.0M. The forecast indicates a positive budget variance of balance of \$26.2M and a forecasted reserve balance of \$57.1M

Metro Transit - Light Rail % of Budget Spent - 2nd Quarter



Financial Management Report

METRO TRANSIT - COMMUTER RAIL

Unaudited - dollars in thousands

2025 2nd Quarter Financial Report Metro Transit - Commuter Rail Unaudited - dollars in thousands

Metro Transit - Commuter Rail					
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	6,051	42%	14,598	14,389	209
Expenses	7,009	42%	15,381	16,717	1,336
Transfers	(694)	34%	(1,755)	(2,040)	285
Change in Reserve Balance	(1,652)		(2,538)	(4,368)	1,830
Beginning Reserve Balance			11,443		
Ending Reserve Balance			8,905		
Target Balance			1,557		

Metro Transit - Commuter Rail

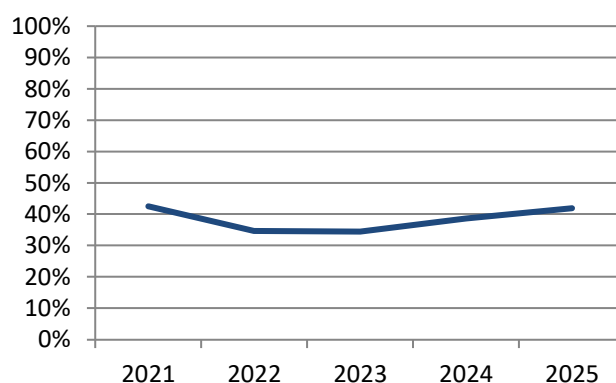
Total Commuter Rail revenues are projected to be favorable by \$0.2M as a result of higher in passenger fares and investment earning.

Total Commuter Rail expenses are projected to end the year \$1.3M favorable to budget. These savings are due to vacant positions with labor and benefits under budget \$0.4M. The favorable variances in Commuter Rail other expense and Consulting services are result of lower than planned consulting and contracted services.

Transfer will be slightly over budget due increase in Transit Modal Allocation expense. Council allocation at the 98% budget level.

The 2025 amended budget includes a planned use of reserves in the amount of \$4.4M. The forecast indicates a positive budget variance of balance of \$1.8M and a forecasted reserve balance of \$8.9M.

MT - Commuter Rail % of Budget Spent - 2nd Quarter



Financial Management Report

MTS - TRANSPORTATION PLANNING

Unaudited - dollars in thousands

2025 2nd Quarter Financial Report Metropolitan Transportation Services - Transportation Planning Unaudited - dollars in thousands

MTS - Transportation Planning					
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	3,780	47%	7,967	7,967	0
Expenses	3,021	29%	9,429	10,529	1,100
Transfers	(998)	37%	(2,610)	(2,676)	66
Change in Reserve Balance	(239)		(4,072)	(5,238)	1,166
Beginning Reserve Balance			11,977		
Ending Reserve Balance			<u>7,905</u>		
Target Balance			4,146		

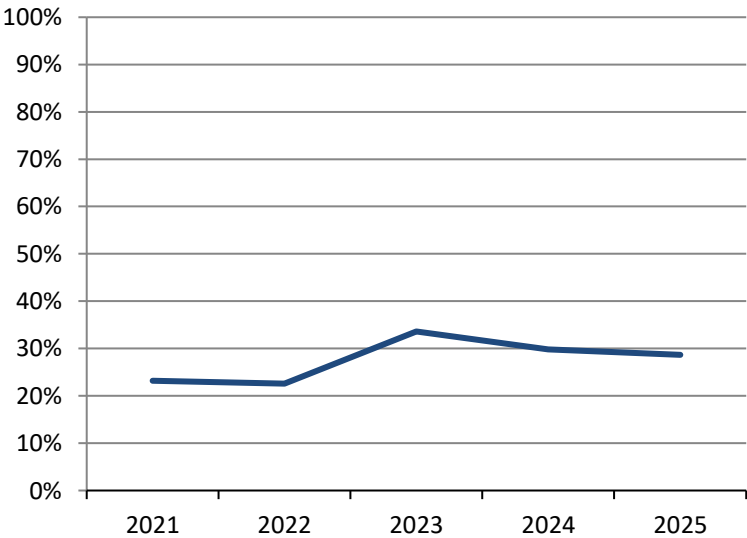
MTS - Transportation Planning

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

Expenses are projected to be favorable to budget by \$1.1M primarily due to lower consulting activity and administrative expenses.

The projected ending reserve balance is \$7.9M for 2025, which is above the Council's reserve target balance of \$4.1M.

MTS - Planning % of Budget Spent - 2nd Quarter



Financial Management Report

MTS - SPECIAL TRANSPORTATION SERVICES

Unaudited - dollars in thousands

2025 2nd Quarter Financial Report Metropolitan Transportation Services - Special Transportation Services Unaudited - dollars in thousands

MTS - Special Transportation Services					
	2025 YTD		Projected		
	Results	% Budget	Year-End	2025 Budget	Variance
Revenues	56,204	48%	119,646	116,983	2,663
Expenses	57,576	45%	123,876	129,147	5,271
Transfers	(1,904)	49%	(3,797)	(3,875)	78
Change in Reserve Balance	(3,276)		(8,027)	(16,039)	8,012
Beginning Reserve Balance			13,501		
Ending Reserve Balance			5,474		
Target Balance			6,651		

MTS - Special Transportation Services

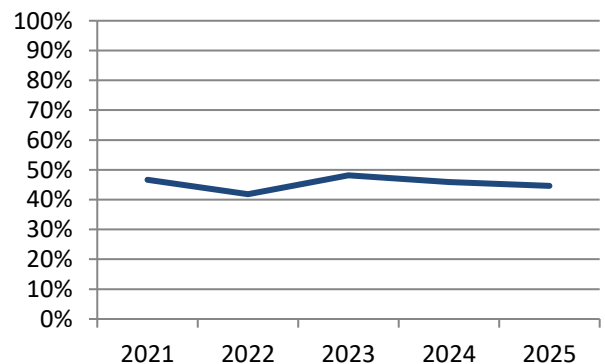
Metro Mobility revenues are projected to be favorable by \$2.7M as a result of state appropriation funding being higher than budget estimates.

Expenses for Metro Mobility are projected to be favorable to budget by \$5.3M, as a result of lower salary and general administrative expenses (+\$2.0M) and fuel costs (+\$3.3M). Lower than anticipated activity in Metro Move is contributing to the favorable variance in service provider expenses and fuel usage.

The projected ending reserve balance is \$5.5M for 2025, which is below the Council's reserve target balance of \$6.7M.

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

MTS - Special Transportation Services % of Budget Spent - 2nd Quarter



Financial Management Report

MTS-CONTRACTED SERVICES

Unaudited - dollars in thousands

2025 2nd Quarter Financial Report Metropolitan Transportation Services - Contracted Service Unaudited - dollars in thousands

MTS - Contracted Service					
	2025 YTD Results	% Budget	Projected Year-End	2025 Budget	Variance
Revenues	21,884	50%	44,346	43,913	433
Expenses	22,243	49%	45,723	45,555	(168)
Transfers	(2,035)	75%	(2,703)	(2,731)	28
Change in Reserve Balance	(2,394)		(4,080)	(4,373)	293
Beginning Reserve Balance			8,088		
Ending Reserve Balance			4,008		
Target Balance			4,829		

MTS - Contracted Service

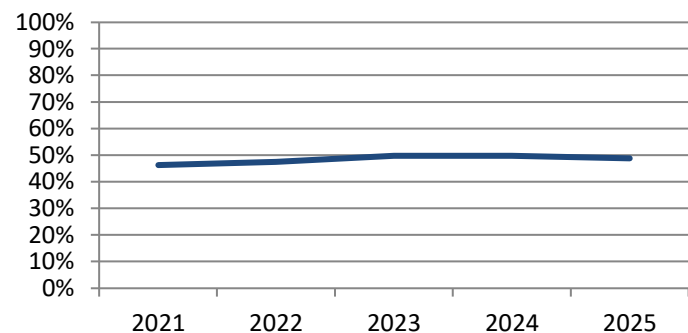
Contracted Services revenues are projected to be favorable to budget by \$0.4M as a result of higher interest earnings.

Expenses are forecasted to end the year \$0.2M unfavorable to budget. Increased expenses in Fixed Route and Transit Link (+\$0.8M) are mostly being offset by lower administrative expenses (-\$0.6M). Fixed Route is unfavorable to budget as a result of slightly higher than anticipated service activity. The unfavorable variance in Transit Link expenses is a result of higher than anticipated activity in the Airport Connect program.

The projected ending reserve balance is \$4.0M for 2025, which is below the Council's reserve target balance of \$4.8M.

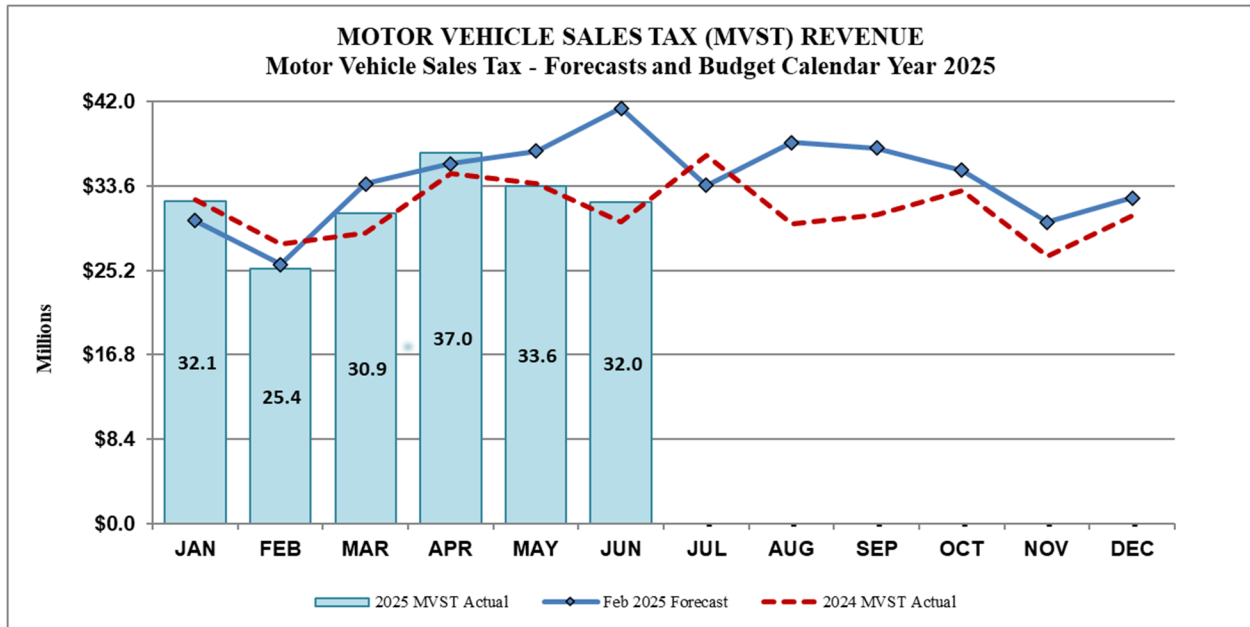
Future reserve balances and budgetary tools are being assessed to increase minimum reserves back to the policy target.

MTS - Contracted Service % of Budget Spent - 2nd Quarter

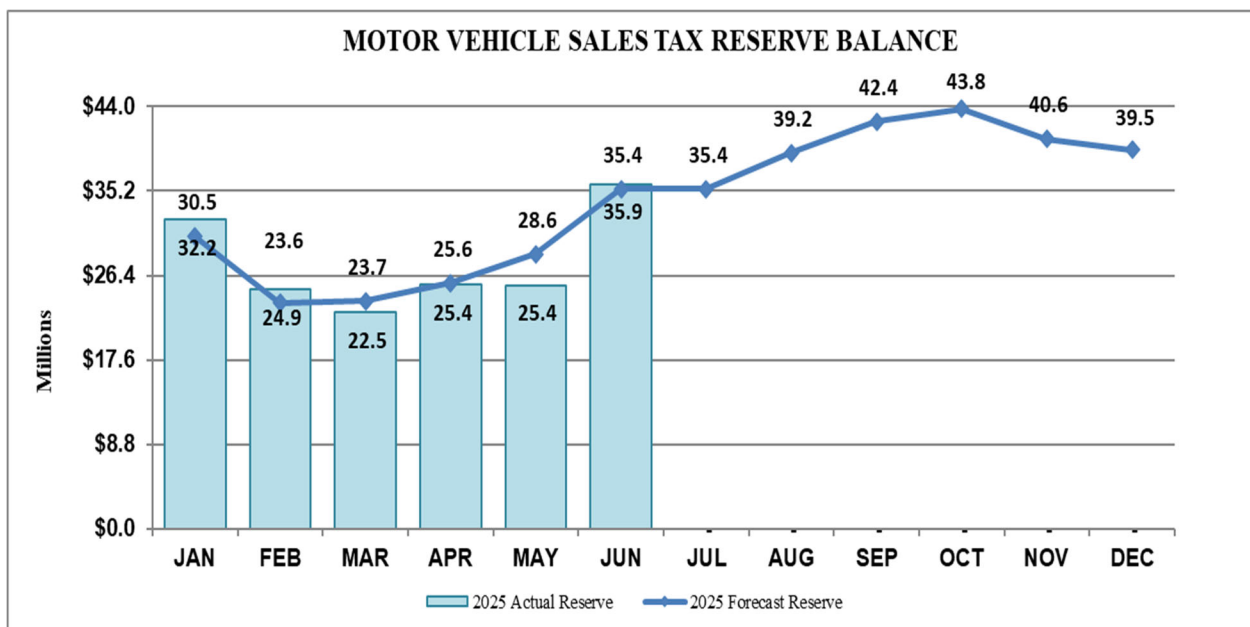


Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES



Motor vehicle sales tax receipts for 2025 thru June totaled around \$190.9 million, 93.5% of February 2025 forecast thru June. MVST reserves were \$35.9 million at the end of June.



Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

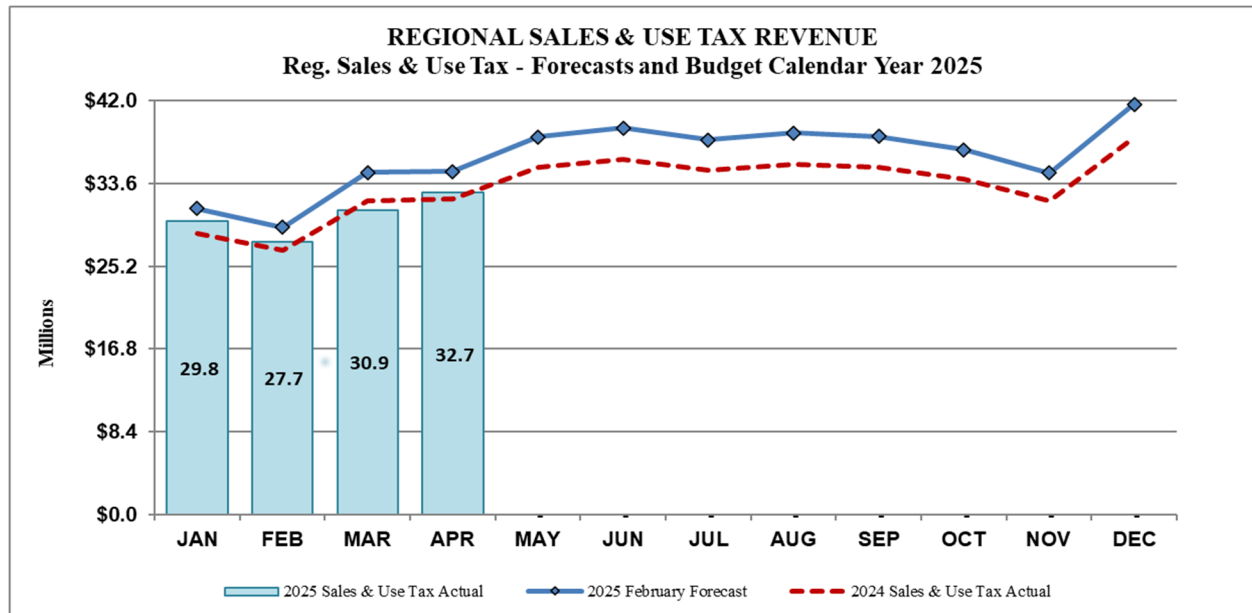
Dollars in millions

MOTOR VEHICLE SALES TAX – FORECASTS AND BUDGET CALENDAR YEAR 2025

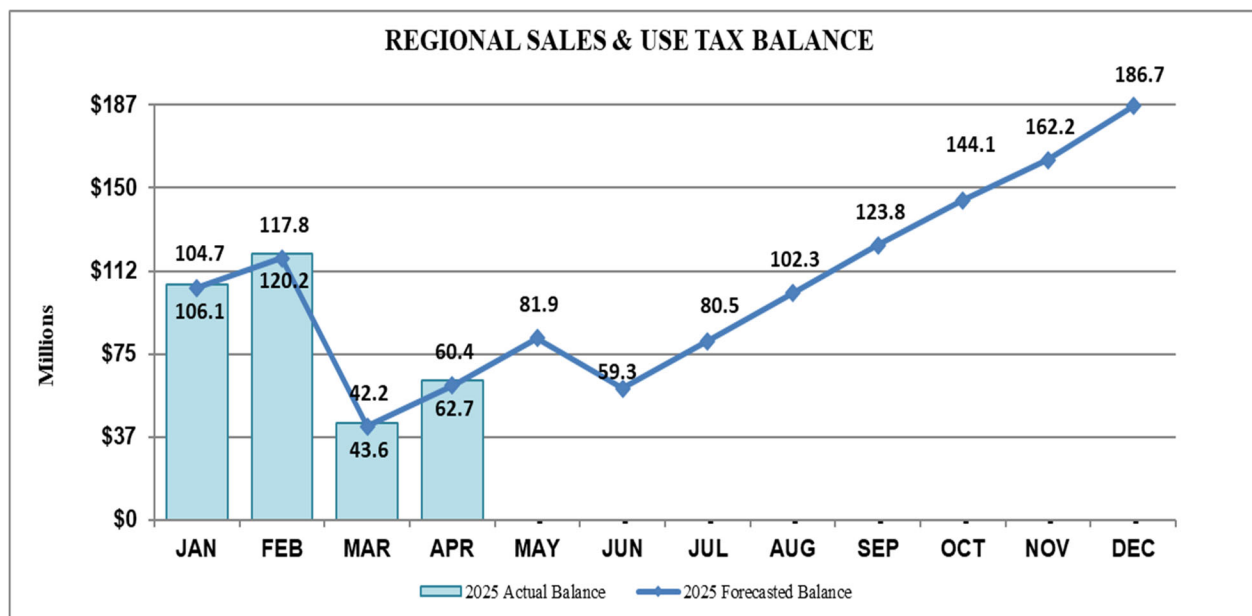
Motor Vehicle Sales Tax – Forecasts and Budget Calendar Year 2025			
(Millions)			
	Total	Jan-Jun	Jul-Dec
Nov 2024 Forecast (2025 Amended Budget)	406.0	203.0	203.0
2025 Council Budget:			
Current MVST Revenues	384.4	192.2	192.2
Use of MVST Reserve	21.6	10.8	10.8
February 2025 Forecast	410.7	204.1	206.6
YTD Actuals	190.9	190.9	0.0
November 2024 Forecast	406.0	201.7	204.3
YTD Actuals	190.9	190.9	0.0
% of February 2025 Forecast	46.5%	93.5%	0.0%
% of November 2024 Forecast	47.0%	94.6%	0.0%

Financial Management Report

REGIONAL SALES & USE TAX REVENUES



Regional sales & use tax receipts for 2025 through April totaled around \$121.0 million, 93.2% of the February 2025 forecast through April. Regional sales & use tax balance was \$62.7 million at the end of April.



Financial Management Report

REGIONAL SALES & USE TAX REVENUES FORECASTS & BUDGET

Dollars in millions

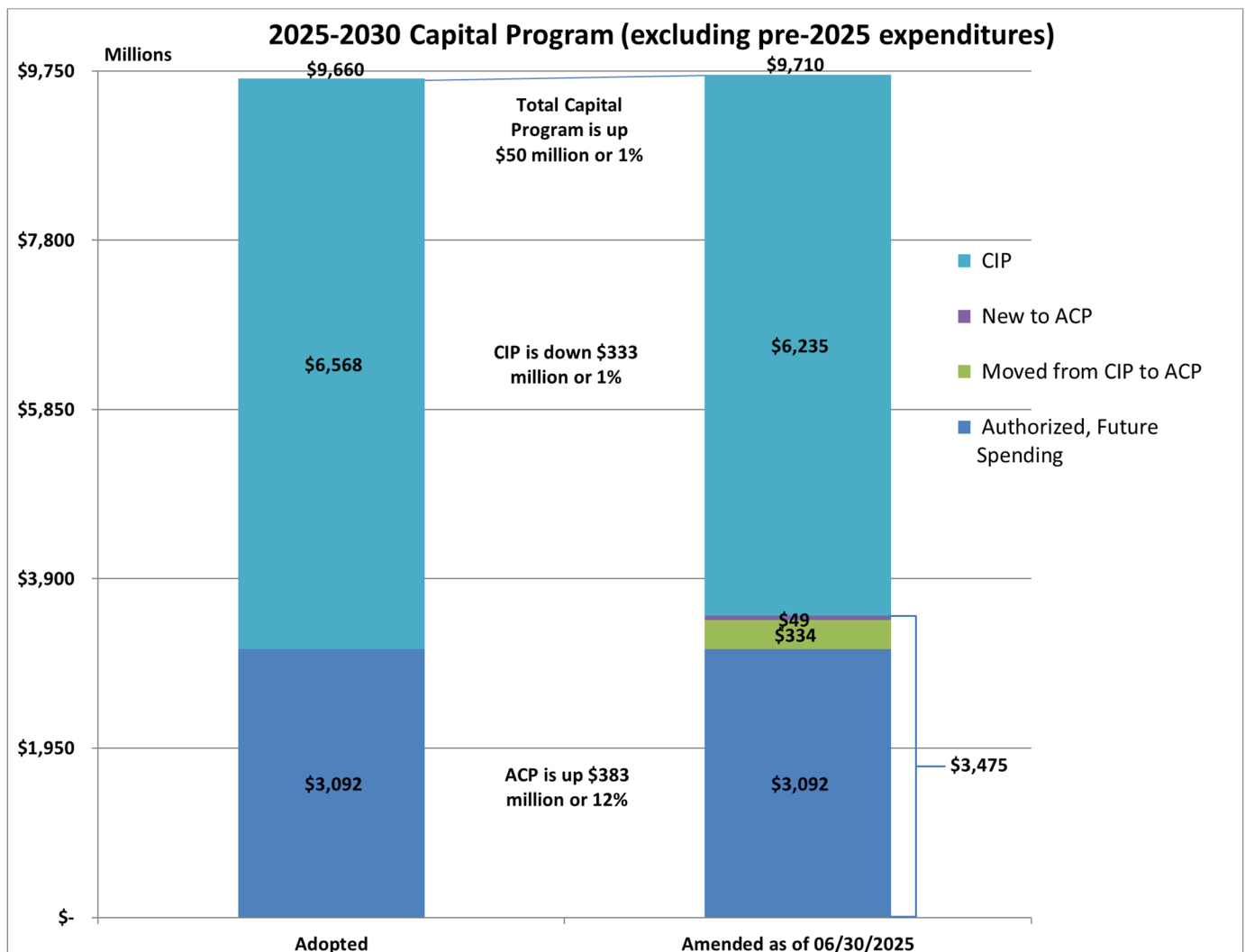
REGIONAL SALES & USE TAX – FORECASTS AND BUDGET CALENDAR YEAR 2025

Regional Sales & Use Tax – Forecasts and Budget Calendar Year 2025			
(Millions)			
	Total	Jan-Jun	Jul-Dec
Nov 2024 Forecast (2025 Adopted Budget)	425.3	202.3	223.0
2025 Council Budget:			
Current Sale Tax Revenues	200.1	95.2	104.9
Use of Sales Tax Balance	225.2	107.1	118.1
November 2024 Forecast	425.3	202.3	223.0
YTD Actuals	121.0	121.0	0.0
February 2025 Forecast	436.1	207.5	228.6
YTD Actuals	121.0	121.0	0.0
% of November 2024 Forecast	28.5%	59.8%	0.0%
% of February 2025 Forecast	27.8%	58.3%	0.0%

2025-2030 CAPITAL PROGRAM

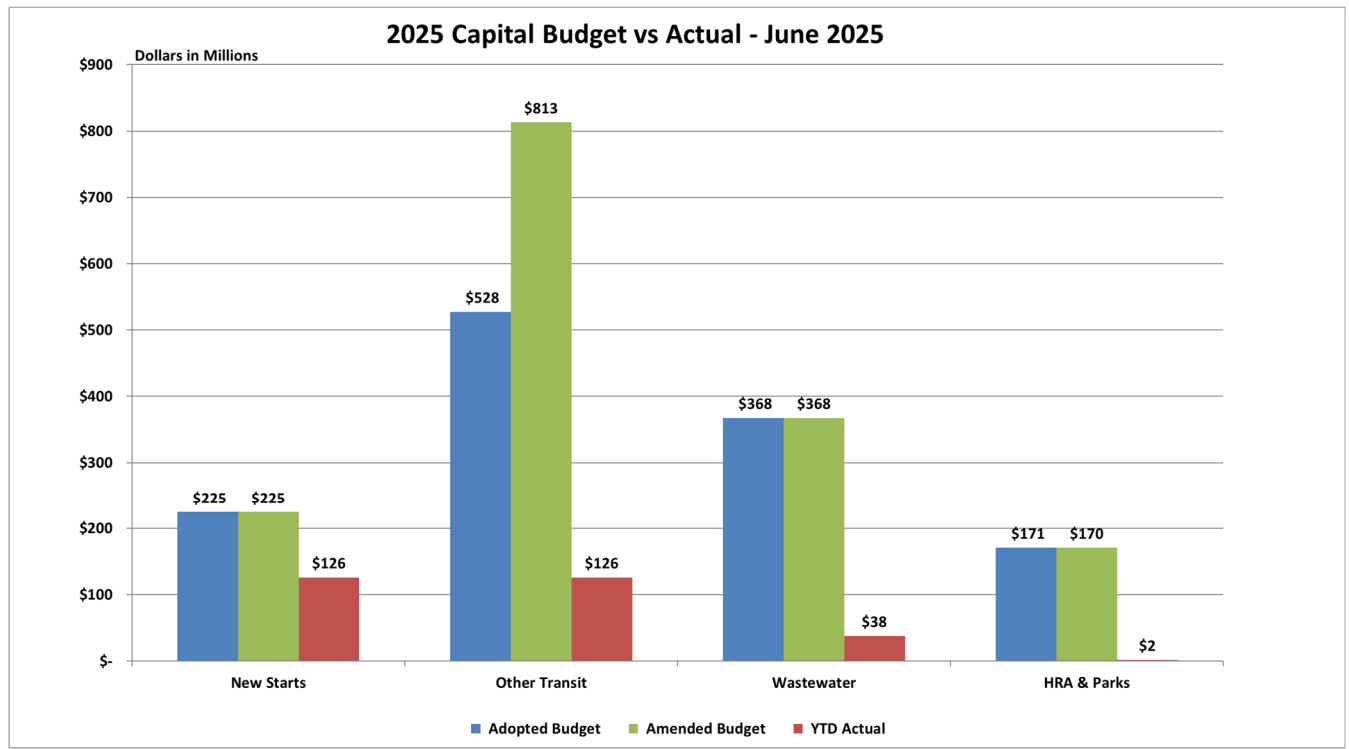
Capital Program (Excluding Pre-2025 Expenditures)

The Capital Program (excluding pre-2025 expenditures) increased by \$50 million, or 1% increase, for amendments through June 2025. The authorized portion of the capital program (ACP) is up \$383 million, or a 12% increase, through June 2025. The ACP typically increases during the year as federal, state, and regional funding becomes available to transit and parks. Additionally, projects are moved from the planned portion of the capital program, called the capital improvement plan (CIP), to the authorized capital program (ACP) throughout the year.



CAPITAL SPENDING

Capital Budget



The adopted 2025 Capital Budget was \$1.292 billion. Amendments through June 2025 increased the amended 2025 Capital Budget to \$1.576 billion. Actual 2025 capital expenditures total 23% of the adopted budget and 19% percent of the amended budget. Actual expenditures as a percent of their amended budget were 24% for transit projects, 10% for wastewater projects and 1% for parks & HRA projects.

Financial Management Report

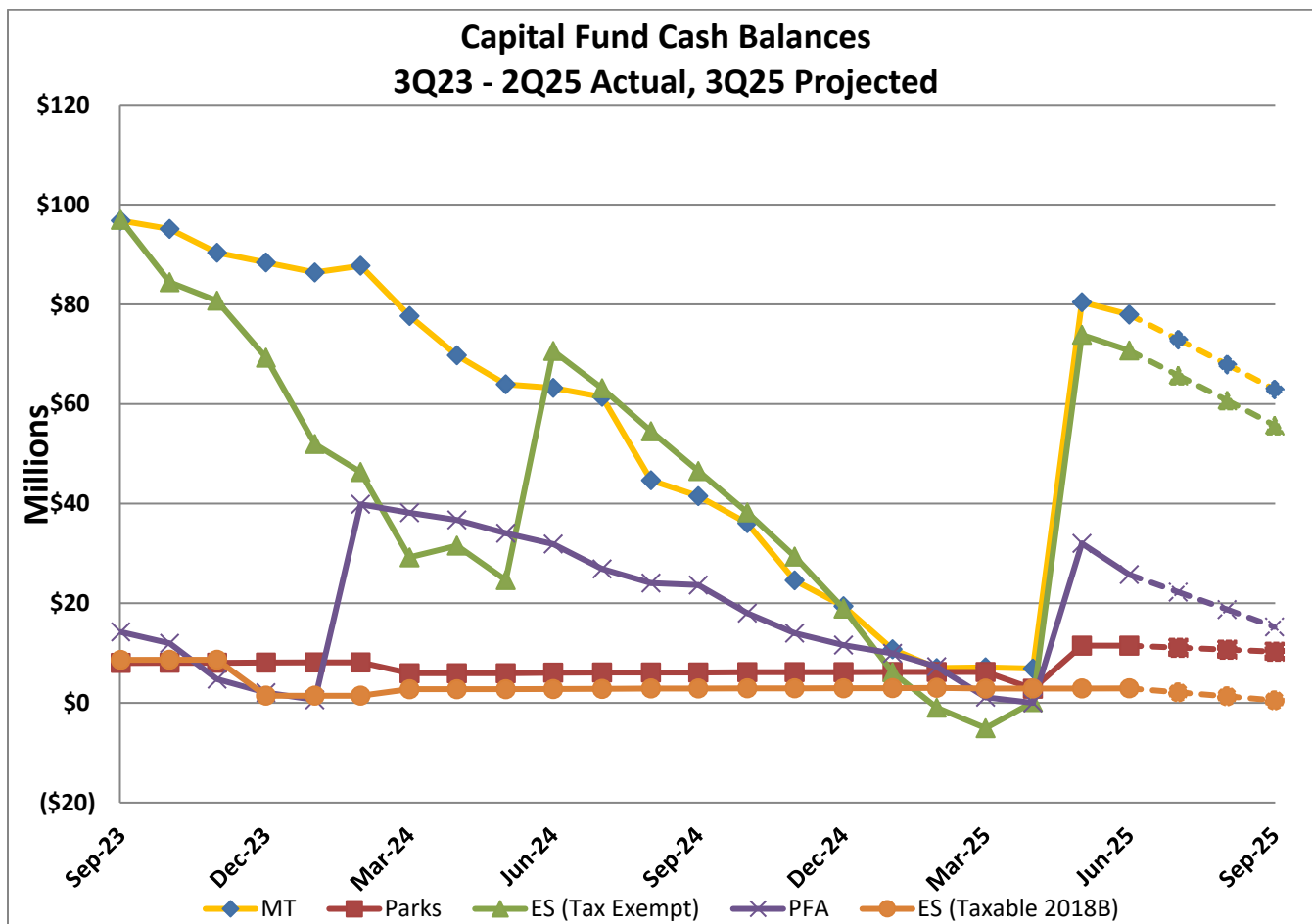
CAPITAL FUND CASH BALANCES

At the end of the 2nd quarter, Transit had approximately \$77.9 million in cash remaining to be spent from its new 2025 bond issuance. The pace of Transit capital spending stayed relatively the same, as the average monthly capital spend increased from \$4 million per month in the first quarter to \$4.1 million per month in the second quarter.

At the end of the quarter, Environmental Services had approximately \$70.7 million of cash remaining to be spent from its new 2025 bond issuance. The pace of Environmental Services capital spending decreased in the second quarter to zero in comparison to the first quarter, which was at \$8 million. In addition to bond debt, Environmental Services had a balance of \$25.7 million to be drawn against its 2025 PFA loan. The average monthly draw on this loan has been \$2.9 million YTD.

At the end of the quarter, Parks had approximately \$11.4 million of cash remaining to be spent from its 2021, 2023 and new 2025 bond issues. Parks capital spending increased to \$1.1 million over the second quarter after spend was at a halt in the first quarter.

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



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

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Property Taxes	502,547	19,318,083	19,318,083	-
Investment Earnings	928,938	1,857,876	702,462	1,155,414
Chargebacks - MAC	26,513	53,026	-	53,026
Other Revenue	307,219	614,438	1,950,000	(1,335,562)
Total Revenues	1,765,217	21,843,423	21,970,545	(127,122)
<u>EXPENSES</u>				
Salary and Benefits	31,755,517	78,132,279	80,143,231	2,010,952
Consulting & Contractual Services	19,854,309	49,708,618	55,854,838	6,146,220
Rent & Utilities	3,037,957	6,075,914	7,020,836	944,922
Printing	9,819	19,638	52,600	32,962
Travel & Professional Development	404,796	809,592	1,375,844	566,252
Insurance	218,137	436,274	150,000	(286,274)
Other Operating Expense	2,372,867	4,745,734	6,873,012	2,127,278
Total Expenses	57,653,402	139,928,049	151,470,361	11,542,312
<u>TRANSFERS</u>				
Transfer In	46,244,723	130,932,067	133,604,150	(2,672,083)
Transfer Out	(3,328,323)	(6,714,067)	(6,714,067)	-
Total Transfers	42,916,400	124,218,000	126,890,083	(2,672,083)
Change in Reserve Balance	\$ (12,971,785)	\$ 6,133,374	\$ (2,609,733)	\$ 8,743,107
Beginning Fund Balance		38,056,597		
Assigned/Committed		(7,971,822)		
Ending Unassigned Reserve Balance		36,218,149		
2024 Target Balance (10%)		15,147,036		

STATEMENT OF REVENUES AND EXPENSES
Environmental Services
June 30, 2025

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Municipal Wastewater Charges	148,667,525	297,360,000	297,360,000	-
Industrial Charges	4,670,292	18,130,000	19,630,000	(1,500,000)
State Appropriations Revenue	44,004	1,240,000	1,240,000	-
Investment Earnings	1,808,421	3,500,000	2,500,000	1,000,000
Other Revenue	240,086	876,277	876,277	-
Total Revenues	155,430,328	321,106,277	321,606,277	(500,000)
<u>EXPENSES</u>				
Salary and Benefits	39,801,364	91,965,978	92,965,978	1,000,000
Consulting & Contractual Services	7,266,277	24,885,005	24,885,005	-
Rent & Utilities	10,295,274	24,054,715	25,054,715	1,000,000
Travel	217,905	858,690	858,690	-
Materials & Supplies	8,704,442	15,819,615	14,319,615	(1,500,000)
Chemicals	7,248,881	16,626,647	17,126,647	500,000
Capital Outlay	1,351,362	1,924,140	2,374,140	450,000
I&I, Storm water, CWF, WOMP Grant Expense	176,128	1,551,000	1,551,000	-
Other Operating Expense	216,605	5,157,726	5,157,726	-
Total Expenses	75,278,238	182,843,516	184,293,516	1,450,000
<u>TRANSFERS</u>				
SAC Transfer	26,375,500	52,751,000	52,751,000	-
Transfers In	50,000	100,000	100,000	-
Debt Service	(78,250,000)	(156,500,000)	(156,500,000)	-
Transfer Out - RA Expense Allocation	(12,961,500)	(30,720,198)	(31,345,198)	625,000
Transfers Out Paygo	(5,500,002)	(11,000,000)	(11,000,000)	-
Transfers Out Other	(233,454)	450,000	-	450,000
Total Transfers	(70,519,456)	(144,919,198)	(145,994,198)	1,075,000
Change in Reserve Balance	9,632,635	(6,656,437)	(8,681,437)	2,025,000
Beginning Reserve Balance		57,072,455		
Ending Unassigned Reserve Balance		50,416,018		
2024 Target Balance (10%)		18,429,352		

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

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<u>REVENUES</u>					
Federal Revenue	54,137,207	107,163,423	107,413,423	(250,000)	49,994,495
State Revenue	42,952	106,920	127,920	(21,000)	-
Investment Earnings	301,116	602,233	-	602,233	-
Other Revenue	1,872,709	3,923,000	3,923,000	-	-
Total Revenues	56,353,984	111,795,576	111,464,343	331,233	49,994,495
<u>EXPENSES</u>					
Salary and Benefits	3,244,093	7,185,111	7,685,111	500,000	-
Consulting & Contractual Services	574,398	1,259,000	1,359,000	100,000	-
Rent & Utilities	140,311	284,521	284,521	-	-
Housing Expenses	52,598,261	106,338,560	101,338,560	(5,000,000)	51,391,082
Travel	43,099	80,769	80,769	-	-
Insurance	64,813	100,000	100,000	-	-
Other Operating Expense	104,188	544,443	544,443	-	-
Total Expenses	56,769,163	115,792,404	111,392,404	(4,400,000)	51,391,082
<u>TRANSFERS</u>					
Transfer In - Allocation	-	75,000	75,000	-	-
Transfer Out - RA Expense Allocation	(712,139)	(1,821,328)	(1,858,498)	37,170	-
Transfer Out - Other	-	(366,447)	(366,447)	-	-
Total Transfers	(712,139)	(2,112,775)	(2,149,945)	37,170	-
Change in Reserve Balance	(1,127,317)	(6,109,604)	(2,078,006)	(4,031,598)	(1,396,587)
Beginning Reserve Balance:					
Operating		17,491,274			
Federal Passthrough (HAP Assistance)		13,493			
Total Beginning Balance		17,504,767			
Change in Reserve Balance:					
Operating		(4,713,017)			
Federal Passthrough		(1,396,587)			
Total Change in Reserve Balance		(6,109,604)			
Ending Reserve Balance		11,395,163			
2024 Target Balance (8.3%)		9,430,240			

STATEMENT OF REVENUES AND EXPENSES

Metro Transit - Bus Operations

June 30, 2025

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	13,868,230	29,419,898	30,601,344	(1,181,447)
Auxiliary Transit Revenue	875,602	1,875,612	2,000,000	(124,388)
Regional Sales Tax	13,239,257	39,717,772	39,717,772	-
State Revenue - MVST	160,501,104	296,922,757	296,922,757	-
Federal Grants	1,917,633	5,400,000	5,400,000	-
Investment Earnings	4,712,113	8,712,113	8,000,000	712,113
Other Revenue	774,603	812,103	75,000	737,103
Total Revenues	195,888,541	382,860,255	382,716,874	143,381
<u>EXPENSES</u>				
Salary and Benefits	150,943,569	341,404,672	379,027,532	37,622,860
Consulting & Contractual Services	9,810,302	32,623,658	37,626,713	5,003,054
Fuel	6,254,844	16,146,224	19,782,761	3,636,537
Materials & Supplies	15,405,539	30,519,159	37,306,054	6,786,895
Utilities	1,370,313	4,852,940	6,965,254	2,112,314
Other Operating Expense	1,505,141	9,327,016	16,343,750	7,016,734
Total Expenses	185,289,708	434,873,670	497,052,064	62,178,394
<u>TRANSFERS</u>				
Transfer In - Transit Allocations	8,626,167	19,604,675	21,957,016	(2,352,341)
Transfer Out - RA Expense Allocation	(34,169,516)	(68,339,031)	(69,733,706)	1,394,674
Total Transfers	(25,543,349)	(48,734,357)	(47,776,690)	(957,667)
Change in Reserve Balance	(14,944,516)	(100,747,772)	(162,111,880)	61,364,108
Beginning Reserve Balance		229,632,473		
Ending Reserve Balance		128,884,702		
2024 Target Balance (8.3 - 12.5%)		45,220,787		

STATEMENT OF REVENUES AND EXPENSES

Metro Transit - Light Rail Operations

June 30, 2025

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	5,065,506	12,538,844	14,687,229	(2,148,385)
Auxiliary Transit Revenue	382,806	1,001,444	1,237,276	(235,832)
Regional Sales Tax	35,530,884	102,861,829	102,861,829	-
State Revenue - GF Appropriation	14,513,918	39,224,121	39,224,121	-
Investment Earnings	432,070	682,070	500,000	182,070
Other Revenue	15,766	15,766	-	15,766
Total Revenues	55,940,950	156,324,074	158,510,455	(2,186,381)
<u>EXPENSES</u>				
Salary and Benefits	29,181,713	75,778,163	79,165,847	3,387,684
Consulting & Contractual Services	1,412,627	4,711,029	6,596,803	1,885,774
Fuel	12,921	57,334	88,826	31,492
Materials & Supplies	323,414	5,144,966	9,643,105	4,498,139
Utilities	2,661,739	8,105,100	10,886,722	2,781,622
Other Operating Expense	476,605	894,767	14,427,453	13,532,686
Total Expenses	34,069,020	94,691,359	120,808,756	26,117,397
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(8,453,280)	(18,997,464)	(21,088,368)	2,090,904
Transfer Out - RA Expense Allocation	(4,614,790)	(10,394,936)	(10,607,078)	212,142
Total Transfers	(13,068,070)	(29,392,400)	(31,695,446)	2,303,046
Change in Reserve Balance	8,803,861	32,240,315	6,006,253	26,234,062
Beginning Reserve Balance		24,811,260		
Ending Reserve Balance		57,051,575		
2024 Target Balance (8.3 - 12.5%)		12,657,849		

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

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	201,196	371,752	341,681	30,071
Regional Sales Tax	2,679,065	7,638,079	7,638,079	-
State Appropriations	1,714,938	3,429,879	3,429,879	-
Local Revenue - Counties / MNDOT	1,226,316	2,879,530	2,879,530	-
Investment Earnings	227,846	277,846	100,000	177,846
Other Revenue	1,311	1,311	-	1,311
Total Revenues	6,050,672	14,598,397	14,389,169	209,228
<u>EXPENSES</u>				
Salary and Benefits	2,614,683	6,161,206	6,588,763	427,557
Consulting & Contractual Services	1,993,734	4,199,318	4,411,169	211,851
Fuel	401,359	985,575	1,168,433	182,858
Materials & Supplies	447,234	842,891	791,313	(51,578)
Utilities	301,256	464,996	327,480	(137,516)
Other Operating Expense	1,251,005	2,726,764	3,430,237	703,473
Total Expenses	7,009,271	15,380,750	16,717,395	1,336,645
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(172,887)	(607,211)	(868,648)	261,437
Transfer Out - RA Expense Allocation	(521,204)	(1,147,472)	(1,170,890)	23,418
Total Transfers	(694,091)	(1,754,683)	(2,039,538)	284,855
Change in Reserve Balance	(1,652,690)	(2,537,036)	(4,367,764)	1,830,728
Beginning Reserve Balance		11,443,130		
Ending Reserve Balance		8,906,094		
2024 Target Balance (8.3 - 12.5%)		1,556,825		

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

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Federal Revenue	3,138,822	6,555,160	6,791,753	(236,593)
State Revenue - MVST	274,998	550,000	550,000	-
Regional Sales Tax	150,000	450,000	450,000	-
Investment Earnings	167,092	236,593	-	236,593
Chargebacks from MAC	49,437	175,000	175,000	-
Total Revenues	3,780,349	7,966,753	7,966,753	-
<u>EXPENSES</u>				
Salary and Benefits	2,233,116	5,501,119	6,001,119	500,000
Consulting & Contractual Services	631,605	3,570,500	4,170,500	600,000
Rent & Utilities	78,859	158,422	158,422	-
Travel	21,897	65,000	65,000	-
Other Operating Expense	55,104	134,000	134,000	-
Total Expenses	3,020,581	9,429,041	10,529,041	1,100,000
<u>TRANSFERS</u>				
Transfers In	615,000	615,000	615,000	-
Transfer Out - RA Expense Allocation	(1,613,444)	(3,225,299)	(3,291,121)	65,822
Total Transfers	(998,444)	(2,610,299)	(2,676,121)	65,822
Change in Reserve Balance	(238,676)	(4,072,587)	(5,238,409)	1,165,822
Beginning Reserve Balance		11,976,854		
Ending Reserve Balance		7,904,267		
2024 Target Balance (30%)		4,146,000		

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

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenue	2,335,489	4,662,838	7,552,503	(2,889,665)
Federal Revenue	22,500,000	22,500,000	28,841,204	(6,341,204)
State Appropriations	30,921,438	91,589,362	80,589,177	11,000,185
Investment Earnings	446,709	893,418	-	893,418
Total Revenues	56,203,636	119,645,618	116,982,884	2,662,734
<u>EXPENSES</u>				
Salary and Benefits	1,577,342	3,154,684	4,239,452	1,084,768
Consulting & Contractual Services	52,664,598	109,416,211	110,095,230	679,019
Fuel	2,927,581	10,478,932	13,822,967	3,344,035
Rent & Utilities	67,624	135,248	153,466	18,218
Travel	8,501	17,003	32,000	14,997
Other Operating Expense	330,171	673,442	804,000	130,558
Total Expenses	57,575,817	123,875,520	129,147,115	5,271,595
<u>TRANSFERS</u>				
Transfer Out - RA Expense Allocation	(1,904,132)	(3,797,110)	(3,874,602)	77,492
Total Transfers	(1,904,132)	(3,797,110)	(3,874,602)	77,492
Change in Reserve Balance	(3,276,313)	(8,027,012)	(16,038,833)	8,011,821
Beginning Reserve Balance		13,501,429		
Ending Reserve Balance		5,474,417		
2024 Target Balance (5%)		6,651,000		

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

	YTD ACTUALS	YEAR-END PROJECTIONS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	793,511	1,620,908	1,657,238	(36,330)
Federal Revenue	2,079,420	2,553,734	2,553,734	-
State Revenue - MVST	16,500,003	33,000,000	33,000,000	-
Regional Sales Tax	2,234,000	6,702,000	6,702,000	-
Investment Earnings	277,036	469,259	-	469,259
Other Revenue	-	-	-	-
Total Revenues	21,883,970	44,345,901	43,912,972	432,929
<u>EXPENSES</u>				
Salary and Benefits	491,751	983,503	1,117,082	133,579
Consulting & Contractual Services	21,644,139	44,533,290	43,747,918	(785,372)
Rent & Utilities	15,400	30,800	85,800	55,000
Travel	1,753	0	12,500	12,500
Other Operating Expense	90,217	175,497	591,500	416,003
Total Expenses	22,243,261	45,723,090	45,554,800	(168,290)
<u>TRANSFERS</u>				
Transfer Out - RA Expense Allocation	(671,012)	(1,339,609)	(1,366,948)	27,339
Transfers Out - MVST Capital Fund	(1,363,734)	(1,363,734)	(1,363,734)	-
Total Transfers	(2,034,746)	(2,703,343)	(2,730,682)	27,339
Change in Reserve Balance	(2,394,036)	(4,080,532)	(4,372,510)	291,978
Beginning Reserve Balance		8,087,701		
Ending Reserve Balance		4,007,169		
2024 Target Balance (10%)		4,829,000		