



**Minnesota
Valley
Transit
Authority**

Annual Comprehensive Financial Report

2023



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Minnesota Valley Transit Authority
Burnsville, Minnesota

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

LUTHER WYNDER – CHIEF EXECUTIVE OFFICER
ELLE LARKIN – FINANCE DIRECTOR

PREPARED BY
DEPARTMENT OF FINANCE

Member of the Government Finance Officers' Association
of the United States and Canada

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Minnesota Valley Transit Authority
Burnsville, Minnesota
Annual Financial Report
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INTRODUCTORY SECTION
MINNESOTA VALLEY TRANSIT AUTHORITY
BURNSVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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May 30, 2024

To the Citizens, Honorable Chair, and Members of the Board
Minnesota Valley Transit Authority

We are pleased to submit the Minnesota Valley Transit Authority (the Authority) Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023, to the Minnesota Valley Transit Authority Board of Commissioners, the citizens of this area and all interested in its financial condition. The Authority is a public agency created by a joint powers agreement between the Cities of Apple Valley, Burnsville, Eagan, Prior Lake, Rosemount, Savage and Shakopee and the County of Scott for the purposes of providing public transit services to the Cities of Apple Valley, Burnsville, Eagan, Prior Lake, Rosemount, Savage and Shakopee and surrounding areas and made pursuant to the authority conferred upon the Cities by Minnesota § 473.388, 473.384 and 471.59. This report is published to fulfill the requirements of the Minnesota state law requiring all general-purpose local governments publish annually a complete set of financial statements in conformance with U.S. generally accepted accounting principles (GAAP) and are audited in accordance with U.S. general accepted accounting standards by a firm of licensed certified public accountants.

This report was prepared by the Authority's Finance Division and responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, supporting schedules and statistical tables rests with the Authority. Management believes the data, as presented, is accurate in all material respects; that it is presented in a manner designated to fairly set forth the financial position and results of the Authority as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain an understanding of the Authority's financial position have been included. Management of the Authority has established a comprehensive internal control framework designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh their benefit, the Authority's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

The Authority's financial statements were audited by Abdo, a firm of licensed and certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; assessing the accounting principles used and any significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on their audit, that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended December 31, 2023, are presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Authority was part of a broader, federally mandated "Single Audit" 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 are available in the Authority's separately issued Single Audit Report.

The Annual Comprehensive Financial Report is presented in three sections. The Introductory Section includes the transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, the

Authority's organizational chart, and a list of elected and appointed officials. The Financial Section includes Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, and individual fund statements and schedules, as well as the independent auditor's report on the basic financial statements. The Statistical Section includes selected financial and demographic information generally presented in a multi-year basis.

PROFILE OF THE GOVERNMENT

The Authority

The Minnesota Valley Transit Authority (MVTA) is the public transportation agency for seven suburbs located approximately 15 miles south of Minneapolis and St. Paul: Apple Valley, Burnsville, Eagan, and Rosemount in Dakota County, Savage, Prior Lake, and Shakopee in Scott County. The MVTA is one of several independent bus transportation agencies formed in the late 1980s under state legislation that allowed outer-ring suburbs to "opt-out" of centrally provided transportation services.

The Authority's mission is to connect customer to desired destinations. To achieve its mission, the Authority has established five principal strategies:

- Increase & Strengthen Partnerships
- Promote the MVTA Brand
- Provide Real-Time Information
- Prioritize Customer Support & Feedback
- Explore Last-Mile, Special Event, & Other Innovative Services

These strategies and mission are combined into one over-arching vision for the Authority: to be a trusted partner in transportation, serving as an innovative leader in moving people to destinations.

Governing Body

The Authority was formed on January 1, 1991, by a joint power agreement (JPA) between the Cities of Apple Valley, Burnsville, Eagan, Prior Lake (who withdrew in 2001 and rejoined in 2014) Rosemount and Savage to provide public transit services. From its forming in 1991 until 2012, the Authority was governed by an eight-member board (nine members when Prior Lake was a participant) consisting of elected officials or their designee(s) and one member-at-large. Each of the cities appointed one member to the Authority Board, and one alternate board member (frequently a city staff person who also served on the Technical Work Group). The Apple Valley, Burnsville, and Eagan board members collectively appointed the member-at-large and an alternate. The remaining two seats were filled by a Scott County and a Dakota County Commissioner though the counties were not "Parties" (the cities that entered into the JPA were the only ones classified as "Parties") to the agreement; Dakota County withdrew from their MVTA seat in 2022.

In 2014, the Cities of Prior Lake and Shakopee approached the Authority to merge their transit services with that operated by the Authority. After much study and discussion, the Cities of Prior Lake and Shakopee entered into a consolidation agreement with the Authority. This agreement outlines the terms and conditions of the merger. At the same time, the Authority board approved an amendment to the JPA. The amendment was formally adopted by all parties and became effective on September 9, 2014. There are now nine "Parties" to the JPA: the seven cities and two counties previously mentioned.

The Minnesota Valley Transit Authority Bond Board, a legally separate financing authority, was established in 2012 to issue bonds or obligations on behalf of the "Parties" and may use the proceeds to carry out the powers and duties of the Authority. The Minnesota Valley Transit Authority Bond Board, since it provides financing for the Authority, has been included as an integral part of the Authority's financial statements. Additional information on the Minnesota Valley Transit Authority Bond Board can be found in Note 1.A. in the notes to the financial statements.

Each year, the Board of Directors elects a Chair, Vice Chair, and Secretary/Treasurer to conduct its business and affairs. It is the responsibility of the Secretary/Treasurer to provide guidance and direction about the financial records of the Authority to the Chief Executive Officer who is the official custodian of these records. The Secretary/Treasurer also serves as the Chair of the Management Committee.

The Chief Executive Officer is appointed by the Authority's Board of Commissioners to administer and supervise the day-to-day activities of the Authority including, but not limited to, administration of the transit system, contracts for transportation services, marketing and promotion of such services, maintenance of transit vehicles, facilities, and equipment, as well as recommendations for changes and additions to the transportation services provided.

Services Provided

In keeping with its vision and mission, the Authority provides fixed route transit services within the seven cities and connects people within these communities to other metropolitan destinations, including downtown Minneapolis and St. Paul, the University of Minnesota, the Mall of America, the Minnesota Zoo, and the Blue Line (light rail), as well as providing reverse commute services to businesses within the Authority's service area. The Authority services are provided by a fleet of 171 vehicles. Operations and maintenance services are provided by one private contractor working out of two bus garages.

The Authority's Budget Process

The annual operating budget serves as the basis for the Authority's financial planning and control. Departments then submit detailed budget requests for their line items to the Finance Manager in the fall. The requests are compiled, reviewed, and revised by the Finance Manager and Chief Executive Officer and presented to the Management Committee in November for its review and direction. Following the Management Committee meeting, the operating budget is revised based on the Committee's feedback. The proposed budget is then presented to the full Board for its approval. In spring of the following year, the budget assumptions are reviewed, and adjustments are made before an amendment is adopted. The Capital Improvement Plan (CIP) which covers a six-year period follows the same timeframe as the Operating Budget with budget preparation occurring in the summer, preliminary approval of the CIP in September or October and final adoption of the CIP taking place in December.

For the operating budget, actual amounts exceeding the line-item budget are allowed if there is a corresponding revenue increase or if the total expenses for the department are within the department budgeted amount. Management cannot overspend the budget without approval of the governing body at the General Fund level. For the CIP or Capital Fund, management must obtain approval to exceed the project budget. If significant changes occur after the budget is adopted, budget adjustments are proposed by the Authority staff and adopted by the Board.

FACTORS AFFECTING FINANCIAL CONDITION

Operating Funds

In the fall of 2006, a constitutional amendment passed dedicating all Motor Vehicle Sales Tax (MVST) revenue to transportation, with 40% percent dedicated to transit. This was an increase from 21.5% of MVST revenue dedicated to transit. The enabling legislation, passed in the following legislative session, required that 34.3% of the MVST revenue be assigned to the Twin Cities metropolitan area with the remaining 5.7% used for Greater Minnesota transit programs. The legislation also stated that the Opt-out providers were guaranteed the same percentage they were receiving prior to the constitutional amendment or our portion of the 21.5%. This guarantee is known as Base MVST. The incremental increase in MVST revenue was phased-in over a five-year period and is known as Regionally Allocated MVST. The law did not outline how the Regionally Allocated MVST funds should be distributed by the Met Council within the metropolitan area. However, the Met Council created a procedure that distributes these additional MVST funds based on regional priorities. The Authority has been receiving a portion of this Regionally Allocated MVST revenue. In 2022, the Authority was allocated \$25,085,754.06 of MVST.

Capital Funds

Historically, capital expenditures for facilities, such as park & ride lots, transit stations and bus garage facilities as well as bus purchases have been funded by state, local and federal grants. Most of the capital funds are awarded based on competitive proposals submitted by regional providers. The Authority has developed and maintains a long-range Capital Improvement Plan (CIP) to plan for future needs and services and to support an application for the capital funds. Included in this plan are the capital expenditures necessary to sustain and improve the equipment, facilities, and technology of the Minnesota Valley Transit Authority.

Significant project activity in 2023 included the following:

- Transportation Projects
- Support Facility Improvements at Burnsville Bus Garage
- Regional Solicitation funding to support projects at AVTS and Technology, ADA Enhancements

LONG TERM FINANCIAL PLANNING

The Authority has implemented various financial/budget policies to guide the Board and staff when making financial decisions and to ensure the long-term stability of the Authority finances and operations.

The Authority has also adopted the following Capital Policies:

- The development of the Capital Improvement Plan (CIP) and budget will be coordinated with the operating budget to ensure that all operating costs associated with new capital projects are included in the proper operating budget.
- The impact on the operating budget from any new programs or activities should be offset by additional funding from current or newly created resources whenever possible.
- The Authority implemented a six-year CIP in coordination with the Metropolitan Council and their Regional Capital Plan. Each year, this CIP is submitted to the Metropolitan Council for potential inclusion in their plan.

MAJOR INITIATIVES

Service Improvements

MVTA has seen growth in ridership for fixed routes, Connect, and multiple event services. This is due in part to the implementation of additional route and route improvements, resulting in added efficiency and improved customer service.

- State Fair Record Ridership - 110,718 rides (16% increase from 2022 and highest in MVTA history).
- Renaissance Festival Record Ridership - 48,393 rides (218% increase from 2022).
- 4FUN Record Ridership - 7,873 rides (123% increase from 2022).
 - Addition of Thursday and Friday service
 - Additional stop at BTS
- MVTA Connect - Each month in 2023, Connect has been consistently seeing around 25% increase from 2022. October brought 10,862 Connect rides, an all-time record. Connect has been steadily growing, especially in mid to late 2023, with one record breaking month after another.
- Seven new event services were added this year. There are both express services and extensions of current routes. Purple and Green Routes were implemented to allow for more connections.
 - Purple Route: Southbridge Crossings and BTS
 - Green Route: Apple Valley and Eagan
 - First ever Concert Series served 6 concerts for a total of 5,116 riders
 - Taylor Swift was a massively successful campaign and service, bringing in 3,406 total riders over the course of just two days.

- Addition of service to the Minneapolis-Saint Paul International Airport with the Winter Service Change on December 2nd

Transportation & Facility Achievements

- In 2023 MVTA continued modernizing facilities at the following locations:
 - Eagan Bus Garage - Upgraded Bus Wash.
 - Standard state of good repair items at BBG, EBG and BTS
 - Construction began and was nearly completed on Phase 1 of the Burnsville Bus Garage Modernization Project.
- Procured five new connect vehicles
- Had record ridership for State Fair
- Started the rollout of Ticket Vendor Machines
- Connect on-demand service expansion

Health and Safety Measures

Several projects were completed in 2023 to enhance safety and security at MVTA facilities.

- June safety meetings were held at EBG and focused on safe garage procedures.
- MVTA employee Non-Revenue Vehicle Training complete with all staff.
- MVTA is on pace to achieve our NTD safety performance targets established by Metropolitan Council.
- Continued focus on cameras and other safety measures for both riders and employees, in active conversation with both groups.

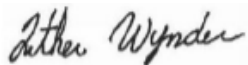
Grant Submissions

The Programs team has applied to 7 grant programs in 2023, ending the year with Regional Solicitation in December. MVTA was not awarded funding for the 2023 RAISE Grant, Bus and Bus Facilities program, or Low or No Emissions program; however the team has been actively attending debriefs and consultations in order to make future applications more competitive.

Acknowledgements

The preparation of this report would not have been possible without the dedicated services of the Finance staff. We would like to express our appreciation to all members of the staff who assisted and contributed to the preparation of this report. In addition, we need to give credit to the MVTA Management Committee members and the Authority's MVTA Board for their dedication and commitment to maintaining the financial integrity of the organization and guiding decision-making that protects the Authority's financial position.

Respectfully submitted,



Luther Wynder
Chief Executive Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Minnesota Valley Transit Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrell

Executive Director/CEO

Minnesota Valley Transit Authority
Burnsville, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2023

ELECTED

<u>Name</u>	<u>Title</u>
Kevin Burkart	Chair
Dan Kealy	Vice Chair
Jon Ulrich	Secretary Treasurer
Stacy Crakes	Board Member
Paul Essler	Board Member
Clint Hooppaw	Board Member
Gary Hansen	Board Member
Jay Whitting	Board Member

APPOINTED

Luther Wynder	Chief Executive Officer
Heidi Scholl	Chief Administrative Officer
Elle Larkin	Interim Finance Director
Nene Israel	Accounting Supervisor
Dawn McGuire	Accounting Specialist

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FINANCIAL SECTION
MINNESOTA VALLEY TRANSIT AUTHORITY
BURNSVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board Members
Minnesota Valley Transit Authority
Burnsville, Minnesota

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Minnesota Valley Transit Authority (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of December 31, 2023, and the respective changes in financial position and, where applicable, and the budgetary comparison for the General fund 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 (GAAS) 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 Authority 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Authority'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 23 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions and the related note disclosures starting on page 64 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statement 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.



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying individual fund financial schedule is 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 related 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 individual fund financial schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2024 on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.



Abdo
Minneapolis, Minnesota
May 30, 2024



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Management's Discussion and Analysis

As management of the Minnesota Valley Transit Authority of Burnsville, Minnesota, (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2023.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted amount of net position may be used to meet the Authority's ongoing obligations to citizens and creditors.
- The Authority's total net position decreased as shown in the summary of changes in net assets table on the following pages. The decrease this year was due to a decrease in grants and contributions.
- For the current fiscal year, the Authority's governmental funds fund balances are shown in the Financial Analysis of the Authority's Funds section of the MD&A. The total fund balance decreased in comparison with the prior year. This decrease was budgeted.
- The unassigned fund balance in the General fund as shown in the financial analysis of the Authority's funds section decreased from prior year.
- The Authority's total bonded debt decreased during the fiscal year. The decrease was a result of scheduled debt service payments as shown on the outstanding debt table.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another.

Figure 1
Required Components of the
Authority's Annual Financial Report

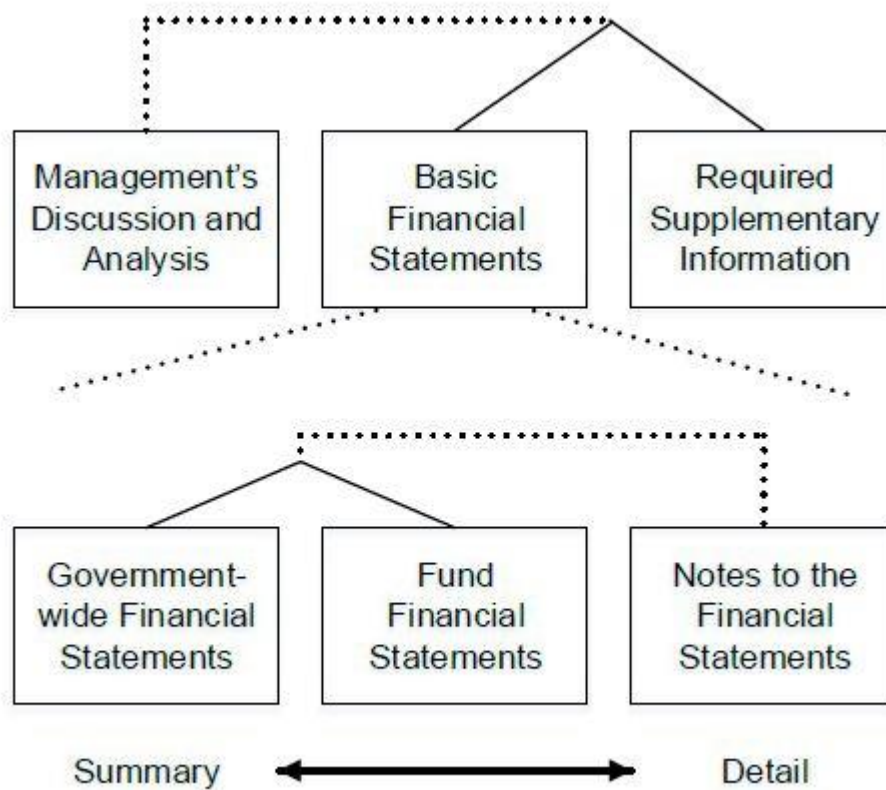


Figure 2 summarizes the major features of the Authority's financial statements, including the portion of the Authority government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire Authority government (except fiduciary funds) and the Authority's component units	The activities of the Authority that are not proprietary or fiduciary, such as police, fire and parks	Activities the Authority operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Fund Net Position • Statements of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority'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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., lease revenue and earned but unused vacation leave).

In the government-wide financial statements, the Authority's activities are shown in one category titled "governmental activities".

Governmental Activities: The Authority's basic services are reported here, including transit operations, facilities management, and administration. Motor vehicle sales tax fund most of these operations.

The government-wide financial statements start on page 36 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 Authority, 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 Authority are governmental funds.

Governmental Funds. These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds 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 evaluating a government'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 by the Authority's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority maintains three individual governmental funds, Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General fund, Capital Improvement fund and the Debt Service funds, which are considered to be major funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The Authority 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 start on page 40 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 45 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Authority's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found starting on page 64 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year.

The largest portion of the Authority's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that are still outstanding.

The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Minnesota Valley Transit Authority 's Summary of Net Position

	Governmental Activities		Increase (Decrease)
	2023	2022	
Assets			
Current and other assets	\$ 18,401,909	\$ 23,288,505	\$ (4,886,596)
Capital assets	53,535,396	54,888,435	(1,353,039)
Total Assets	<u>71,937,305</u>	<u>78,176,940</u>	<u>(6,239,635)</u>
Deferred Outflows of Resources			
Pension resources	<u>576,368</u>	<u>723,038</u>	<u>(146,670)</u>
Liabilities			
Noncurrent liabilities			
outstanding	3,447,029	4,235,866	(788,837)
Other liabilities	<u>4,730,644</u>	<u>5,475,983</u>	<u>(745,339)</u>
Total Liabilities	<u>8,177,673</u>	<u>9,711,849</u>	<u>(1,534,176)</u>
Deferred Inflows of Resources			
Lease resources	1,419,269	1,470,879	(51,610)
Pension resources	<u>566,227</u>	<u>30,981</u>	<u>535,246</u>
Total Deferred Inflows of Resources	<u>1,985,496</u>	<u>1,501,860</u>	<u>483,636</u>
Net Position			
Net investment in			
capital assets	51,790,396	52,808,435	(1,018,039)
Restricted	497,019	496,594	425
Unrestricted	<u>10,063,089</u>	<u>14,381,240</u>	<u>(4,318,151)</u>
Total Net Position	<u>\$ 62,350,504</u>	<u>\$ 67,686,269</u>	<u>\$ (5,335,765)</u>
Net Position as a Percent of Total			
Net investment in			
capital assets	83.1 %	78.0 %	
Restricted	0.8	0.7	
Unrestricted	<u>16.1</u>	<u>21.3</u>	
	<u>100.0 %</u>	<u>100.0 %</u>	

At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position, for the Authority as a whole, as well as for its separate governmental activities.

Statement of Activities. Governmental type activities increased the Authority's net position. Key elements of the overall increase are as follows:

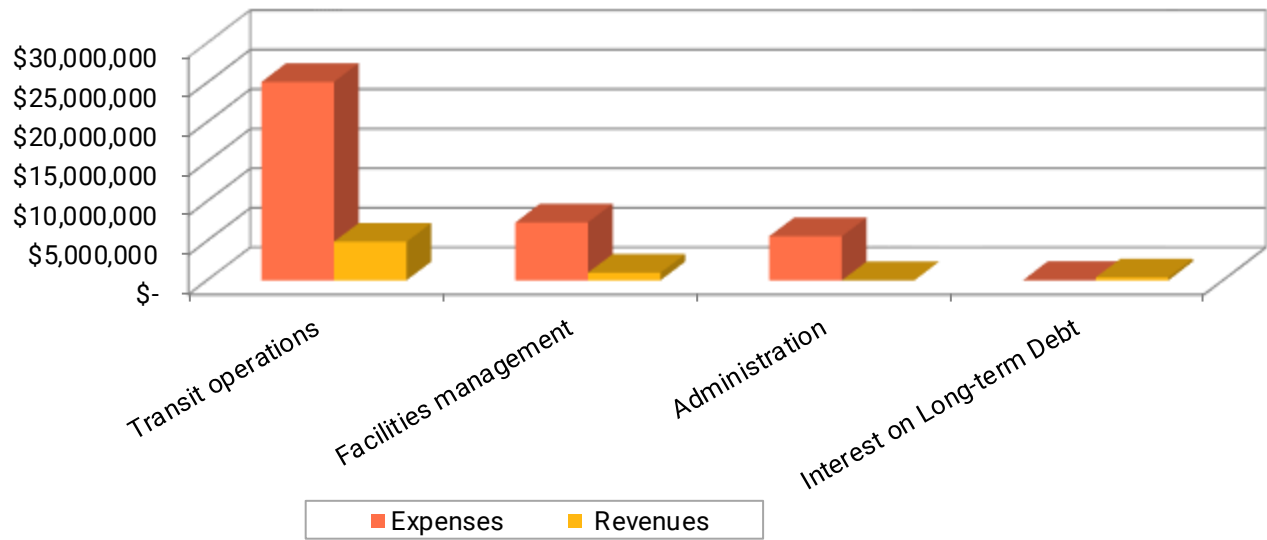
Minnesota Valley Transit Authority 's Changes in Net Position

	Governmental Activities		
	2023	2022	Increase (Decrease)
Revenues			
Program Revenues			
Charges for services	\$ 2,715,745	\$ 2,188,859	\$ 526,886
Operating grants and contributions	2,299,209	10,032,178	(7,732,969)
Capital grants and contributions	1,177,320	4,517,035	(3,339,715)
General Revenues			
Motor vehicle sales tax	25,085,754	22,891,235	2,194,519
Advertising and concession revenues	2,975	56,538	(53,563)
Unrestricted investment earnings	707,690	219,361	488,329
Miscellaneous	674,221	73,646	600,575
Total Revenues	<u>32,662,914</u>	<u>39,978,852</u>	<u>(7,315,938)</u>
Expenses			
Transit operations	25,083,494	23,673,742	1,409,752
Facilities management	7,319,399	6,293,956	1,025,443
Administration	5,567,141	5,962,795	(395,654)
Interest on long-term debt	28,645	33,770	(5,125)
Total Expenses	<u>37,998,679</u>	<u>35,964,263</u>	<u>2,034,416</u>
Change in Net Position	(5,335,765)	4,014,589	(9,350,354)
Net Position, January 1	<u>67,686,269</u>	<u>63,671,680</u>	<u>4,014,589</u>
Net Position, December 31	<u>\$ 62,350,504</u>	<u>\$ 67,686,269</u>	<u>\$ (5,335,765)</u>

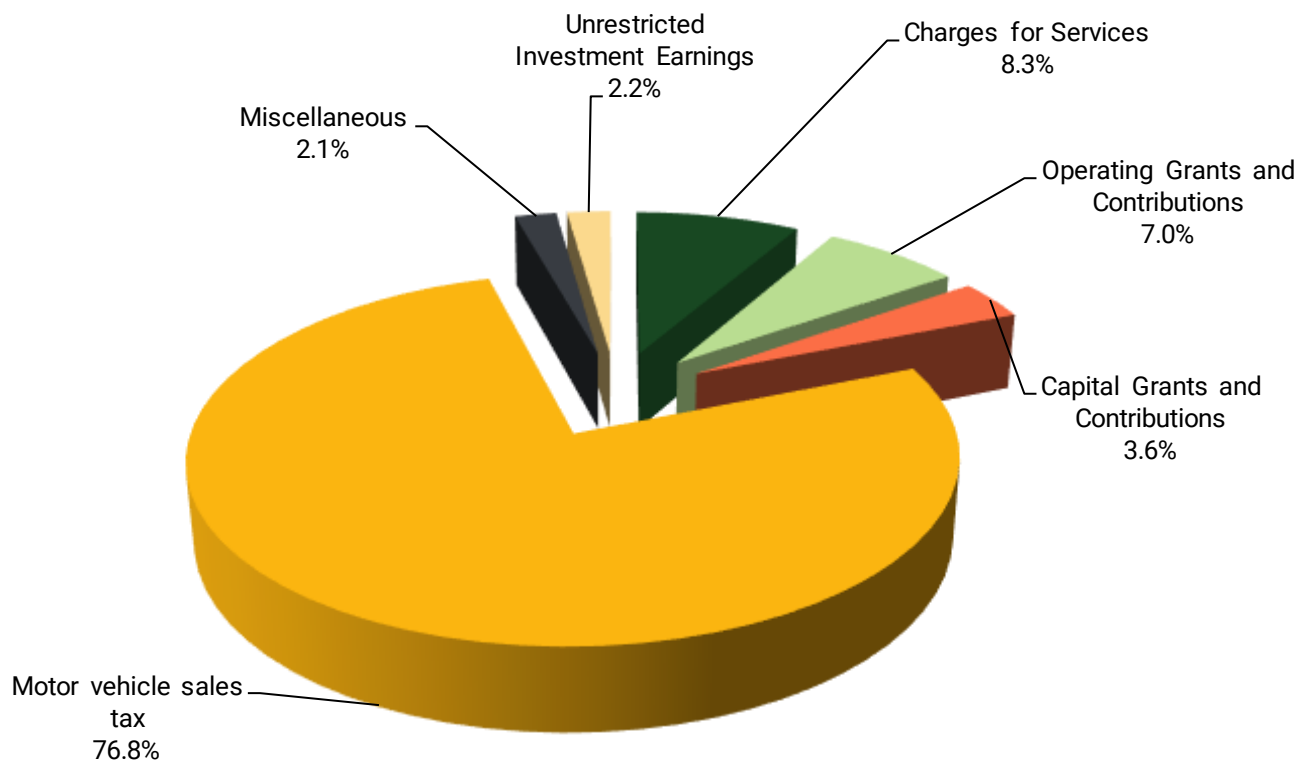
- Operating grants and contributions decreased from prior year due to the American Rescue Plan Act funding received from Met Council in prior year.
- Capital grants and contributions decreased from prior year due to the funding related to the Burnsville Garage Modernization project in prior year.
- Overall expenses decreased due to a decrease in personnel costs and capital projects.

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Authority's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table below outlines the governmental fund balances for the year ending December 31, 2023.

	General	Debt Service	Capital Improvement	Total Governmental Funds	Prior Year Total	Increase/ (Decrease)
Fund Balances						
Nonspendable	\$ 414,133	\$ -	\$ 155,558	\$ 569,691	\$ 590,570	\$ (20,879)
Restricted	-	499,229	-	499,229	499,229	-
Committed	638,541	-	-	638,541	523,430	115,111
Assigned	7,841,909	-	-	7,841,909	10,850,988	(3,009,079)
Unassigned	3,271,144	-	(155,558)	3,115,586	4,268,478	(1,152,892)
	<u>\$ 12,165,727</u>	<u>\$ 499,229</u>	<u>\$ -</u>	<u>\$ 12,664,956</u>	<u>\$ 16,732,695</u>	<u>\$ (4,067,739)</u>

As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances as shown above. Additional information on the Authority's fund balances can be found in Note 1.

The General fund is the chief operating fund of the Authority. At the end of the current year, the fund balance of the General fund is shown in the table below. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 414,133	\$ 353,851	\$ 60,282
Committed	638,541	523,430	115,111
Assigned	7,841,909	10,850,988	(3,009,079)
Unassigned	3,271,144	4,505,197	(1,234,053)
	<u>\$ 12,165,727</u>	<u>\$ 16,233,466</u>	<u>\$ (4,067,739)</u>
General Fund expenditures	\$ 35,077,763	\$ 33,419,694	
Unassigned as a percent of expenditures	9.3%	13.5%	
Total Fund Balance as a percent of expenditures	34.7%	48.6%	

The fund balance of the Authority's General fund decreased during the current fiscal year as shown in the table above. More detail on the fund balance increase is shown below in the budgetary highlights.

Other Major Funds Analysis

The Debt Service fund had no change in fund balance during 2023. The Debt Service fund's intergovernmental revenues were equal to debt service payments. The Capital Improvement fund had a decrease in fund balance during 2023. The Capital Improvement fund's capital expenditures exceed its intergovernmental revenues.

General Fund Budgetary Highlights

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 26,946,490	\$ 31,121,300	\$ 4,174,810
Expenditures	37,797,479	35,077,763	2,719,716
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,850,989)	(3,956,463)	6,894,526
Transfers out	-	(111,276)	(111,276)
Net Change in Fund Balances	(10,850,989)	(4,067,739)	6,783,250
Fund Balances, January 1	16,233,466	16,233,466	-
Fund Balances, December 31	<u>\$ 5,382,477</u>	<u>\$ 12,165,727</u>	<u>\$ 6,783,250</u>

Total revenues show a positive budget variance due to passenger fare and intergovernmental revenues being greater than expected. The expenditures show a positive variance due to lower administration costs than anticipated.

Capital Asset and Debt Administration

Capital Assets. The Authority's net investment in capital assets for its governmental and business-type activities as of December 31, 2023, is shown below. This investment in capital assets includes land, buildings, infrastructure, machinery and equipment, vehicles, roads, highways and bridges. The total increase in the Authority's investment in capital assets for the current fiscal year for governmental and business-type activities is shown in the table below.

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

- Purchase of five Ride-Sharing Vehicles
- Purchase of Eagan Bus Garage Bush Wash Upgrade
- Purchase of two Ticket Vending Machines

Additional information on the Authority's capital assets can be found in Note 3C starting on page 53 of this report.

Minnesota Valley Transit Authority 's Capital Assets
(Net of Depreciation)

	Governmental Activities		
	2023	2022	Increase (Decrease)
Land	\$ 10,296,809	\$ 10,296,809	\$ -
Land improvements	14,883,378	15,866,921	(983,543)
Buildings and improvements	15,148,729	16,034,286	(885,557)
Transit Vehicles	2,059,788	1,786,763	273,025
Furniture and equipment	5,055,676	4,956,155	99,521
Construction in Progress	6,091,016	5,947,501	143,515
Total	<u>\$ 53,535,396</u>	<u>\$ 54,888,435</u>	<u>\$ (1,353,039)</u>

Long-term Debt. At the end of the current fiscal year, the Authority had total bonded debt outstanding consisting of general obligation debt and general obligation revenue debt. While all of the Authority's bonds have revenue streams, they are all backed by the full faith and credit of the Authority.

Minnesota Valley Transit Authority 's Outstanding Debt

	Governmental Activities		
	2023	2022	Increase (Decrease)
General Obligation Bonds	<u>\$ 1,745,000</u>	<u>\$ 2,080,000</u>	<u>\$ (335,000)</u>

The Authority's total debt decreased during the current fiscal year. The main reason for the decrease in overall debt is due to the Authority making regularly scheduled debt payments during the year.

Additional information on the Authority's long-term debt can be found in Note 3E starting on page 54 of this report.

Economic Factors and Next Year's Budgets and Rates

Annual ridership in 2023 is growing month over month, but still down from pre-pandemic levels. In 2023, ridership increased 27% overall compared to the prior year totaling 1,292,396 rides at year-end. Special service experienced the largest increase with a 212% increase in ridership. State Fair service experienced a 16% increase in ridership, and suburb to suburb express service (route 495) was up by 25%. Local and weekend service increased 18% and 34% respectively, while Connect service is experiencing continuous month over month growth since November 2020 resulting in an increase in ridership of 25% compared to 2022.

MVTA Connect is the Authority's first and only on-demand bus service. The service launched in June 2019 and originally served the cities of Savage and Burnsville. In October 2020, the Authority Connect was expanded into Apple Valley and Rosemount, creating a cohesive service area providing east-west connections between the four cities. In 2021 new stand-alone Connect service in the Eagan Authority boundaries began.

Operating Funds

In the fall of 2006, a constitutional amendment passed dedicating all Motor Vehicle Sales Tax (MVST) revenue to transportation, with 40% percent dedicated to transit. This was an increase from 21.5% of MVST revenue dedicated to transit. The enabling legislation, passed in the following legislative session, required that 36% of the MVST revenue be assigned to the Twin Cities metropolitan area with the remaining 4% used for Greater Minnesota transit programs. The legislation also stated that the Opt-out providers were guaranteed the same percentage they were receiving prior to the constitutional amendment or our portion of the 21.5%. This guarantee is known as Base MVST. The incremental increase in MVST revenue was phased-in over a five-year period and is known as Regionally Allocated MVST. The law did not outline how the Regionally Allocated MVST funds should be distributed by the Met Council within the metropolitan area. However, the Met Council created a procedure that distributes these additional MVST funds based on regional priorities. The Authority has been receiving a portion of this Regionally Allocated MVST revenue. In 2023, the Legislature increased the tax rate from 6.5 percent to 6.875 percent. This includes sales by car dealers and private individuals. Since 2012, MVST revenues have been distributed 60 percent to Highway User Tax Distribution (HUTD) and 40 percent to transit. In 2023, the Legislature changed the distribution of the 40% portion of MVST, so that in FY 2024 and beyond Greater Minnesota transit receives 5.7% (increased from 4%) and the Twin Cities metro area receives 34.3% (decreased from 36%) .

Capital Funds

Historically, capital expenditures for facilities, such as park & ride lots, transit stations and bus garage facilities as well as bus purchases have been funded by state, local and federal grants. Most of the capital funds are awarded based on competitive proposals submitted by regional providers. The Authority has developed and maintains a long-range Capital Improvement Plan (CIP) to plan for future needs and services and to support an application for the capital funds. Included in this plan are the capital expenditures necessary to sustain and improve the equipment, facilities, and technology of the Minnesota Valley Transit Authority.

Long-term Financial Planning

The Authority has implemented various financial/budget policies to guide the Board and staff when making financial decisions and to ensure the long-term stability of the authority finances and operations. These policies include the following:

- Strive to maintain the unassigned fund balance in the General Fund at four months of next year's operating expenditures.
- A reserve/contingency line item in the operating budget equal to two percent of the budget.
- Restrict fund balance as needed to meet legal mandates.

The Authority has also adopted the following Capital Policies:

- The development of the Capital Improvement Plan (CIP) and budget will be coordinated with the operating budget to ensure that all operating costs associated with new capital projects are included in the proper operating budget.
- The impact on the operating budget from any new programs or activities should be offset by additional funding from current or newly created resources whenever possible.
- The Authority implemented a six-year CIP in coordination with the Metropolitan Council and their Regional Capital Plan. Each year, this CIP is submitted to the Metropolitan Council for potential inclusion in their plan.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Minnesota Valley Transit Authority , Authority Finance Director, 100 State Hwy 13, Burnsville, MN 55337.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

MINNESOTA VALLEY TRANSIT AUTHORITY
BURNSVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

Minnesota Valley Transit Authority
Burnsville, Minnesota
Statement of Net Position
December 31, 2023

	<u>Primary Government Governmental Activities</u>
Assets	
Cash and temporary investments	\$ 12,881,109
Receivables	
Due from other governments	3,531,840
Lease	1,469,081
Inventory	78,027
Prepaid items	441,852
Capital assets (net of accumulated depreciation)	
Land and construction work in process	16,387,825
Depreciable buildings, property and equipment, net	37,147,571
Total Assets	<u>71,937,305</u>
Deferred Outflows of Resources	
Deferred pension resources	<u>576,368</u>
Liabilities	
Accounts payable	4,088,541
Accrued interest payable	2,210
Accrued salaries payable	168,109
Unearned revenue	61,034
Noncurrent liabilities	
Due within one year	
Long-term liabilities	410,750
Due in more than one year	
Long-term liabilities	1,640,849
Net pension liability	1,806,180
Total Liabilities	<u>8,177,673</u>
Deferred Inflows of Resources	
Deferred pension resources	566,227
Deferred lease resources	1,419,269
Total Deferred Inflows of Resources	<u>1,985,496</u>
Net Position	
Net investment in capital assets	51,790,396
Restricted	
Debt service	497,019
Unrestricted	<u>10,063,089</u>
Total Net Position	<u><u>\$ 62,350,504</u></u>

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

Minnesota Valley Transit Authority
Burnsville, Minnesota
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
Primary Government					
Governmental Activities					
Transit operations	\$ 25,083,494	\$ 2,610,871	\$ 1,935,139	\$ 330,581	\$ (20,206,903)
Facilities management	7,319,399	104,874	-	846,739	(6,367,786)
Administration	5,567,141	-	-	-	(5,567,141)
Interest on long-term debt	28,645	-	364,070	-	335,425
Total Governmental Activities	<u>\$ 37,998,679</u>	<u>\$ 2,715,745</u>	<u>\$ 2,299,209</u>	<u>\$ 1,177,320</u>	<u>(31,806,405)</u>
General Revenues					
Motor vehicle sales tax					25,085,754
Advertising and concession revenues					2,975
Unrestricted investment earnings					707,690
Miscellaneous					674,221
Total General Revenues and Transfers					<u>26,470,640</u>
Change in Net Position					(5,335,765)
Net Position, January 1					<u>67,686,269</u>
Net Position, December 31					<u>\$ 62,350,504</u>

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

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FUND FINANCIAL STATEMENTS
MINNESOTA VALLEY TRANSIT AUTHORITY
BURNSVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

Minnesota Valley Transit Authority

Burnsville, Minnesota

Balance Sheet

Governmental Funds

December 31, 2023

	General	Debt Service	Capital Improvement	Total Governmental Funds
Assets				
Cash and temporary investments	\$ 12,656,533	\$ 224,576	\$ -	\$ 12,881,109
Receivables				
Due from other governments	2,645,711	-	886,129	3,531,840
Lease	1,469,081	-	-	1,469,081
Due from other funds	479,703	274,653	-	754,356
Inventory	78,027	-	-	78,027
Prepaid items	286,294	-	155,558	441,852
Total Assets	\$ 17,615,349	\$ 499,229	\$ 1,041,687	\$ 19,156,265
Liabilities				
Accounts payable	\$ 3,801,210	\$ -	\$ 287,331	\$ 4,088,541
Accrued salaries payable	168,109	-	-	168,109
Due to other funds	-	-	754,356	754,356
Unearned revenue	61,034	-	-	61,034
Total Liabilities	4,030,353	-	1,041,687	5,072,040
Deferred Inflows of Resources				
Deferred lease resources	1,419,269	-	-	1,419,269
Fund Balances				
Nonspendable	414,133	-	155,558	569,691
Restricted	-	499,229	-	499,229
Committed	638,541	-	-	638,541
Assigned	7,841,909	-	-	7,841,909
Unassigned	3,271,144	-	(155,558)	3,115,586
Total Fund Balances	12,165,727	499,229	-	12,664,956
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,615,349	\$ 499,229	\$ 1,041,687	\$ 19,156,265

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

Minnesota Valley Transit Authority
Burnsville, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2023

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

Total Fund Balances - Governmental	\$ 12,664,956
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	92,039,966
Less: accumulated depreciation	(38,504,570)
Long-term liabilities from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	(1,806,180)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Compensated absences payable	(306,599)
Bond payable	(1,745,000)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	576,368
Deferred inflows of pension resources	(566,227)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(2,210)</u>
Total Net Position - Governmental Activities	<u><u>\$ 62,350,504</u></u>

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

Minnesota Valley Transit Authority
Burnsville, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Debt Service	Capital Improvement	Total Governmental Funds
Revenues				
Intergovernmental	\$ 27,020,893	\$ 364,070	\$ 1,177,320	\$ 28,562,283
Passenger fares	2,610,871	-	-	2,610,871
Advertising	2,975	-	-	2,975
Interest on investments	707,690	-	-	707,690
Miscellaneous	778,871	-	-	778,871
Total Revenues	<u>31,121,300</u>	<u>364,070</u>	<u>1,177,320</u>	<u>32,662,690</u>
Expenditures				
Current				
Transit operations	25,398,537	-	-	25,398,537
Facilities management	3,085,740	-	-	3,085,740
Administration	5,289,791	-	-	5,289,791
Capital outlay				
Transit operations	599,835	-	270,074	869,909
Facilities management	677,146	-	1,018,522	1,695,668
Administration	26,714	-	-	26,714
Debt service				
Principal	-	335,000	-	335,000
Interest and other	-	29,070	-	29,070
Total Expenditures	<u>35,077,763</u>	<u>364,070</u>	<u>1,288,596</u>	<u>36,730,429</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,956,463)</u>	<u>-</u>	<u>(111,276)</u>	<u>(4,067,739)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	111,276	111,276
Transfers out	(111,276)	-	-	(111,276)
Total Other Financing Sources (Uses)	<u>(111,276)</u>	<u>-</u>	<u>111,276</u>	<u>-</u>
Net Change in Fund Balances	(4,067,739)	-	-	(4,067,739)
Fund Balances , January 1	<u>16,233,466</u>	<u>499,229</u>	<u>-</u>	<u>16,732,695</u>
Fund Balances, December 31	<u>\$ 12,165,727</u>	<u>\$ 499,229</u>	<u>\$ -</u>	<u>\$ 12,664,956</u>

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

Minnesota Valley Transit Authority
Burnsville, Minnesota
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2023

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

Total Net Change in Fund Balances - Governmental Funds	\$ (4,067,739)
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Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	2,740,336
Depreciation expense	(4,093,375)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of 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.

Principal repayments	335,000
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

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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 the governmental funds.

Compensated absences	4,235
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Long-term pension activity is not reported in governmental funds.

Pension expense	(254,871)
Pension revenue	224

Change in Net Position - Governmental Activities	<u>\$ (5,335,765)</u>
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Minnesota Valley Transit Authority
Burnsville, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	\$ 23,777,743	\$ 27,020,893	\$ 3,243,150
Passenger fares	2,924,747	2,610,871	(313,876)
Advertising	77,343	2,975	(74,368)
Interest on investments	-	707,690	707,690
Miscellaneous	166,657	778,871	612,214
Total Revenues	<u>26,946,490</u>	<u>31,121,300</u>	<u>4,174,810</u>
Expenditures			
Current			
Transit operations	25,768,855	25,398,537	370,318
Facilities management	3,045,355	3,085,740	(40,385)
Administration	6,024,369	5,289,791	734,578
Capital outlay			
Transit operations	2,439,900	599,835	1,840,065
Facilities management	512,000	677,146	(165,146)
Administration	7,000	26,714	(19,714)
Total Expenditures	<u>37,797,479</u>	<u>35,077,763</u>	<u>2,719,716</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,850,989)	(3,956,463)	6,894,526
Other Financing Sources (Uses)			
Transfers out	<u>-</u>	<u>(111,276)</u>	<u>(111,276)</u>
Net Change in Fund Balances	(10,850,989)	(4,067,739)	6,783,250
Fund Balances, January 1	<u>16,233,466</u>	<u>16,233,466</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 5,382,477</u>	<u>\$ 12,165,727</u>	<u>\$ 6,783,250</u>

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

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Minnesota Valley Transit Authority, (the Authority) is a transit agency, operated under a joint powers agreement by and among the Cities of Apple Valley, Burnsville, Eagan, Prior Lake, Rosemount, Savage, and Shakopee and the Counties of Dakota and Scott in the State of Minnesota. These Cities are located in the southern Twin Cities Metropolitan Area. The Authority was organized in January 1990 under the "opt-out" statute, Minnesota Statutes 473.388. The opt-out statute allowed cities on the edge of the Metropolitan Transit District to opt-out of the regional transit system and set up a separate system. The Authority is governed by a nine-member Board of Commissioners comprised of one representative from each member Authority and one representative from each County. The component unit discussed below is included in the Authority's reporting entity because of the significance of its operational or financial relationships with the Authority.

Blended component units, although legally separate entities are, in substance, part of the Authority's operations and so data from these units are combined with data of the primary government.

In October 2012, the Authority Bond Board was established by an amendment to the joint powers agreement. The Authority Bond Board may issue bonds or obligations on behalf of the members, under any law by which any member may independently issue bonds or obligations, and may use the proceeds of the bonds or obligations to carry out the purposes of the law under which the bonds or obligations are issued. The Bond Board is reported as a blended component unit because the Minnesota Valley Transit Authority appoints a voting majority of the Bond Board and its purpose is to issue bonds on behalf of the Minnesota Valley Transit Authority. During 2021, the Authority Bond Board issued the 2021 Gross Revenue Refunding Bonds in the amount of \$2,420,000, to refund the 2013 Gross Revenue Bonds.

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 Authority. The Authority has only governmental activities, which normally are supported by intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Motor Vehicle Sales Taxes (MVST) and other items not included among program revenues are reported instead as general revenues. Internally dedicated revenues are reported as general revenues rather than programs.

Separate financial statements are provided for governmental funds. Major individual governmental 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 accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. MVST are recognized in the year the taxes are collected by the State of Minnesota. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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 Authority considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal 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.

MVST, passenger fares, interest and grant funding 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 Authority.

The Authority reports the following major governmental funds:

The *General Fund* is the Authority's only operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in the Capital Projects Fund or the Debt Service Fund.

The *Debt Service Fund* accounts for the debt service payments relating to the 2021 Gross Revenue Refunding Bonds.

The *Capital Projects Fund* accounts for financial resources to be used to acquire transit vehicles, complete transit vehicle repairs that extend its useful life, acquire and construct transit facilities, install major facility improvements and acquire major transit related equipment. The Capital Projects Fund is used to account for funds received through the Metropolitan Council, Minnesota Department of Transportation (MnDOT) and other agencies along with funds transferred from the General Fund that pay for the above listed assets.

In 2001, the Minnesota Legislature amended the transit funding statute. The amendment eliminated property taxes as a source of funding for transit systems and dedicated a portion of the MVST revenues for this purpose instead. These funds were appropriated to the Metropolitan Council. The Metropolitan Council is then mandated to provide the requested financial assistance to the opt-out transit systems.

On November 7, 2006, the citizens of Minnesota authorized changing the Minnesota Constitution to dedicate 100% of MVST revenues for transportation purposes. In 2007, the Minnesota State Legislature passed enabling legislation needed to implement this change. The legislation changed the existing deposit of MVST revenues in Minnesota Statutes 297B.09, subdivision 1 to provide a five year phase-in dedicating 60% of MVST revenue to the Highway User Tax Distribution Fund (HUTDF) for roadway purposes and 40% of MVST revenue to a transit assistance fund. The Transit Assistance Fund was split into two accounts, with 36% of MVST for metropolitan transit programs and 4% of MVST for Greater Minnesota Transit programs. The enabling legislation stated the Authority, along with the other opt-out providers, were guaranteed the same percentage of MVST they had been receiving prior to the Constitutional Amendment. The law does not outline how the supplemental MVST funds should be distributed by the Met Council within the metropolitan area. However, the Met Council has created a procedure that distributes these additional MVST funds based on regional priorities. The Council's Regional Operating Revenue Allocation Procedure establishes the process to distribute supplemental MVST revenue among regional transit providers and establishes minimum and maximum reserve (fund balance) levels. The procedure prioritizes the use of funds as follows: (1) preserve existing services, (2) ensure adequate fund balances among providers (25% minimum for suburban transit providers), and (3) expand transit services based on regional priorities.

Capital funding contracts between the federal government, MnDOT, the Metropolitan Council and the Authority are designated for specific capital projects. These monies are available until the projects for which the funds were allocated are completed or until the end of the grant term, whichever occurs first.

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the Authority. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. The Authority's cash is considered to be cash on hand, deposits and highly liquid debt instruments purchased with original maturities of three months or less from the date of acquisition.

The Authority has not formally adopted a deposit and investment policy to address the risks described on the following page but has limited itself to deposits and investments allowed under Minnesota Statutes. Minnesota Statutes requires all deposits with financial institutions be collateralized in an amount equal to 110% of deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance.

Investments for the Authority are reported at fair value, except for investments in external investment pools that meet GASB 79 requirements, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the Authority's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

Accounts Receivable

Receivables include amounts due from the State of Minnesota through the Metropolitan Council for state appropriations, MVST collected but not received, the Metropolitan Council for passenger fares and various capital grants and other local receivables. No allowance for doubtful accounts has been deemed necessary.

Prepaid items

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. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Receivable

The Authority's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Capital Assets

Capital assets, which include property, facilities equipment, intangibles, and transit vehicles, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and having a useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvement are capitalized as projects are constructed.

Property, plant, and equipment of the Authority are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Land Improvements	10 - 35
Buildings and Improvements	10 - 30
Office Furniture and Fixtures	3 - 15
Vehicles	5 - 12

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

Authority employees earn vacation time based on years of service with a maximum accrual at one-half times their annual vacation time. Upon termination, employees will receive compensation for unused vacation time. Sick leave is accumulated for all regular full-time employees at a rate of one day per calendar month with no maximum. Upon termination, sick leave is converted into cash and deposited into the employee's HCSP account at a rate of 100% for the first 144 hours of sick leave and 50% for any additional balance, with no maximum. Vacation and sick leave benefits are recorded as expenditures in governmental funds only when the obligations have matured and are reflected as a liability in governmental funds for employees that have retired but have yet to receive their entire compensated absence balance. Compensated absences are recorded as expenses in governmental activities when earned. The Authority treats its compensated absences on a first-in – first-out basis. The General fund is typically used to liquidate governmental compensated absences.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the General Employee Plan (GERP) is \$462,510.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes 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 periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, deferred lease resources, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

The Authority has one additional item that qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations. Furthermore, the Authority reports a deferred lease resource related to GASB 87, which is reported in the governmental funds and the statement of net position.

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the Authority is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as due from other funds.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the Authority Board, which is the Authority's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Authority Board modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Authority Board itself or by an official to which the governing body delegates the authority.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

When committed, assigned or unassigned resources are available for use, it is the Authority's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned. The Authority does not currently have a formal fund balance policy.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in following three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

The Authority annually prepares an operating budget for the General Fund and Debt Service Fund. The budget is prepared on a basis consistent with U.S. generally accepted accounting principles. Budget amounts are amended only upon approval of the authority's Board of Commissioners. The legal level of budgetary control is at the fund level for the General Fund and Debt Service Fund. Budgeted amounts in the financial statements are as originally adopted or as amended. Budget expenditure appropriations lapse at year end.

The Authority does not prepare a budget for the Capital Projects Fund. Instead, individual capital project budgets are prepared for existing and potential capital assets for a five-year period. Funding sources along with the timing of funding agreements (appropriations), revenue recognition and project expenditures are budgeted for each project.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

In accordance with Minnesota Statutes, the Authority maintains deposits at those depository banks authorized by the Authority Board, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all Authority deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorize the Authority to invest in United States securities, state and local securities, commercial paper, time deposits, high-risk mortgage-backed securities, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

The Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets; Level 2 investments are valued using inputs that are based on quoted market prices for similar assets or inputs that are observable, either directly or indirectly; Level 3 investments are valued using inputs that are unobservable. The Authority does not have investments subject to categorization.

The Authority's external investment pool investments are with the 4M Fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares.

The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost.

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

The 4M Liquid Asset Fund has no redemption requirements. The 4M Plus Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to seven days interest on the amount withdrawn. The 4M Term Series are designed for each investment to be held for the full term of that series. If an investment made in a Term Series is withdrawn prior to the maturity date of that Series, seven days' notice of redemption if required and a penalty will likely be assessed.

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount
Pooled Investments (at Amortized Cost)			
4M	N/A	less than 1 year	\$ 12,881,109

(1) Ratings are provided by Moody's where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

B. Lease Receivable

Description	Total Lease Receivable	Interest Rate	Issue Date	Payment Terms	Payment Amount	Balance at Year End
Communications Site Lease	\$ 1,522,489	1.84 %	6/14/2001	354 Months	\$ 4,422	<u>\$ 1,469,081</u>

The Authority entered into an agreement with Christus Victor Lutheran Church to lease premises for a Park-and-Ride Lot. The lease began January 1, 2017 and will adhere to the following payment schedule.

Year Ending December 31,	Principal	Interest	Total Receipts
2024	\$ 26,252	\$ 26,810	\$ 53,062
2025	26,739	26,323	53,062
2026	29,898	25,817	55,715
2027	33,141	25,227	58,368
2028	33,756	24,612	58,368
2029 - 2033	193,330	113,102	306,432
2034 - 2038	243,982	93,094	337,076
2039 - 2043	302,714	68,069	370,783
2044 - 2048	370,625	37,236	407,861
2049 - 2053	<u>208,644</u>	<u>4,996</u>	<u>213,640</u>
Total	<u>\$ 1,469,081</u>	<u>\$ 445,286</u>	<u>\$ 1,914,367</u>

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 10,296,809	\$ -	\$ -	\$ 10,296,809
Construction in progress	5,947,501	1,019,951	(876,436)	6,091,016
 Total Capital Assets, not Being Depreciated	 16,244,310	 1,019,951	 (876,436)	 16,387,825
 Capital Assets Being Depreciated				
Land improvements	29,988,610	182,560	-	30,171,170
Buildings and improvements	32,441,947	473,095	-	32,915,042
Transit Vehicles	2,502,340	709,100	-	3,211,440
Furniture and equipment	8,122,423	1,232,066	-	9,354,489
 Total Capital Assets Being Depreciated	 73,055,320	 2,596,821	 -	 75,652,141
 Less Accumulated Depreciation				
Land improvements	(14,121,689)	(1,166,103)	-	(15,287,792)
Buildings and improvements	(16,407,661)	(1,358,652)	-	(17,766,313)
Transit Vehicles	(715,577)	(436,075)	-	(1,151,652)
Furniture and equipment	(3,166,268)	(1,132,545)	-	(4,298,813)
 Total Accumulated Depreciation	 (34,411,195)	 (4,093,375)	 -	 (38,504,570)
 Total Capital Assets Being Depreciated, Net	 38,644,125	 (1,496,554)	 -	 37,147,571
 Governmental Activities Capital Assets, Net	 <u>\$ 54,888,435</u>	 <u>\$ (476,603)</u>	 <u>\$ (876,436)</u>	 <u>\$ 53,535,396</u>

Depreciation expense was charged to functions/programs of the Authority as follows:

Governmental Activities	
Land improvements	\$ 1,166,103
Buildings and improvements	1,358,652
Transit Vehicles	436,075
Furniture and equipment	1,132,545
 Total Depreciation / Amortization Expense - Governmental Activities	 <u>\$ 4,093,375</u>

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Improvement	\$ 479,703
Debt Service	Capital Improvement	274,653
Total		<u>\$ 754,356</u>

The interfund receivable balances in the governmental funds were used to cover project costs and to cover temporary negative cash balances.

E. Long-term Debt

General Obligation Revenue Bonds

The following bonds were issued on August 19, 2021. The Authority issued the \$2,420,000 Gross Revenue Refunding Bonds, Series 2021, with an interest rate of 1.52%. The proceeds were used to refund the Gross Revenue Bonds, Series 2013, which had an average interest rate of 3.98%. The entire amount of the reissue proceeds, plus the \$534,350 funds held with the fiscal agent and \$500,000 paid in cash by the Authority, was used to call the \$3,155,000 outstanding balance of the 2013 Gross Revenue Bonds (\$3,540,000 less \$385,000 principal paid in 2021). The Authority refunded the 2013 Gross Revenue Bonds to reduce its future total debt service payments by \$1,165,139 and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,102,298. The 2013 Gross Revenue Bond was used to finance a portion of the Eagan Bus Garage expansion project. The bond principal and interest payments are secured primarily by motor vehicle sales taxes, passenger fares, and pass-through federal funds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
2021 Gross Revenue Refunding Bond	\$ 2,420,000	1.52 %	08/19/21	06/01/28	<u>\$ 1,745,000</u>

Requirement to maturity for general obligation revenue bonds follows:

Year Ending December 31,	Gross Revenue Refunding Bond, Series 2021 Governmental Activities		
	Principal	Interest	Total
2024	\$ 340,000	\$ 23,940	\$ 363,940
2025	345,000	18,734	363,734
2026	350,000	13,452	363,452
2027	350,000	8,132	358,132
2028	360,000	2,736	362,736
Total	<u>\$ 1,745,000</u>	<u>\$ 66,994</u>	<u>\$ 1,811,994</u>

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
Gross revenue					
refunding bond	\$ 2,080,000	\$ -	\$ (335,000)	\$ 1,745,000	\$ 340,000
Compensated Absences Payable*	310,834	-	(4,235)	306,599	70,750
Governmental Activities					
Long-term Liabilities	<u>\$ 2,390,834</u>	<u>\$ -</u>	<u>\$ (339,235)</u>	<u>\$ 2,051,599</u>	<u>\$ 410,750</u>

* The Authority is presenting the change in compensated absences payable as a net change.

F. Components of Fund Balance

At December 31, 2023, portions of the Authority's fund balance are not available for appropriation due to not being in spendable form (nonspendable), legal restrictions (restricted), Authority Council action (Committed), policy and/or intent (assigned). The following is a summary of the components of fund balance:

	General	Debt Service	Capital Improvement	Total
Nonspendable				
Prepaid items	\$ 286,294	\$ -	\$ 155,558	\$ 441,852
Inventory	78,027	-	-	78,027
Lease	49,812	-	-	49,812
Total Nonspendable	<u>414,133</u>	<u>-</u>	<u>155,558</u>	<u>569,691</u>
Restricted				
Debt service	-	499,229	-	499,229
Committed				
Insurance Claims	476,541	-	-	476,541
City of Prior Lake	162,000	-	-	162,000
Total Committed	<u>638,541</u>	<u>-</u>	<u>-</u>	<u>638,541</u>
Assigned				
Capital projects	7,841,909	-	-	7,841,909
Unassigned	<u>3,271,144</u>	<u>-</u>	<u>(155,558)</u>	<u>3,115,586</u>
Total	<u>\$ 12,165,727</u>	<u>\$ 499,229</u>	<u>\$ -</u>	<u>\$ 12,664,956</u>

Minnesota Valley Transit Authority

Notes to the Financial Statements

December 31, 2023

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employee Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

Minnesota Valley Transit Authority

Notes to the Financial Statements

December 31, 2023

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

C. Contributions

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2023, 2022 and 2021 were \$207,640, \$174,204 and \$157,634, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of \$1,806,180 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$49,805. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0323 percent at the end of the measurement period and 0.0282 percent for the beginning of the period.

City Proportionate Share of the Net Pension Liability	\$ 1,806,180
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>49,805</u>
Total	<u>\$ 1,855,985</u>

For the year ended December 31, 2023, the City recognized pension expense of \$462,286 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized \$224 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

Minnesota Valley Transit Authority
Notes to the Financial Statements
December 31, 2023

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2023, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 57,507	\$ 10,439
Changes in Actuarial Assumptions	245,719	495,059
Net Difference Between Projected and Actual Investment Earnings	-	60,729
Changes in Proportion	174,104	-
Contributions Paid to PERA Subsequent to the Measurement Date	99,038	-
	<u>\$ 576,368</u>	<u>\$ 566,227</u>
Total		

The \$99,038 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	\$ 105,559
2025	(168,077)
2026	12,804
2027	(39,183)

E. Long-term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return 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 of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
	<u>100.0 %</u>	

Minnesota Valley Transit Authority
Notes to the Financial Statements
December 31, 2023

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

F. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Minnesota Valley Transit Authority
Notes to the Financial Statements
December 31, 2023

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	<u>1 Percent Decrease (6.0%)</u>	<u>Current (7.0%)</u>	<u>1 Percent Increase (8.0%)</u>
General Employees Fund	\$ 3,195,277	\$ 1,806,180	\$ 663,594

I. 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 may be obtained on the Internet at www.mnpera.org.

Minnesota Valley Transit Authority
Burnsville, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information

A. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Authority carries insurance. The Authority obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk sharing pool with approximately 800 other governmental units. The Authority pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the Authority's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The Authority's management is not aware of any incurred but not reported claims.

B. Commitments

The Authority has contract commitments at December 31, 2023. The amount of the commitments are as follows:

Contract Number	Vendor and Project	Spent to Date	Remaining Commitment
C-10188	Abdo (auditing firm)	\$ 83,900	\$ 63,050
*C-10018	Schmitt & Sons Transit, Inc. (Amend 09)	24,000,000	24,000,000
C-10085; C-10175	Best Lawn Guys (snow removal)	293,835	27,560
*C-10123	Beniek Property Services, Inc. (snow removal)	8,265	16,530
*C-10192	Every Season (snow removal)	34,100	68,200
C-10193	KP Miller Construction (snow removal)	12,000	24,000
C-10082	Remix Software (Planning Dept software)	43,000	45,000
A-10090	UTA (automatic passenger counter consultant)	42,181	34,444
*C-10169	Kimley-Horn (CR 42 BRT study)	122,385	236,386
*C-10186	SRF Consulting	52,849	1,556
*C-10150	LHB, Inc.	310,980	251,156
*C-10154	Loeffler Construction & Consulting	48,721	181,354

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REQUIRED SUPPLEMENTARY INFORMATION

MINNESOTA VALLEY TRANSIT AUTHORITY
BURNSVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

Minnesota Valley Transit Authority
Burnsville, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2023

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	Authority's Proportion of the Net Pension Liability	Authority's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the Authority (b)	Total (a+b)	Authority's Covered Payroll (c)	Authority's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/23	0.0323 %	\$ 1,806,180	\$ 49,805	\$ 1,855,985	\$ 2,524,349	71.6 %	83.1 %
06/30/22	0.0282	2,233,449	65,643	2,299,092	1,246,403	179.2	76.7
06/30/21	0.0271	1,157,291	35,306	1,192,597	1,948,208	59.4	87.0
06/30/20	0.0254	1,522,846	46,810	1,569,656	1,808,093	84.2	79.0
06/30/19	0.0238	1,315,849	40,832	1,356,681	1,681,147	78.3	80.2
06/30/18	0.0226	1,253,755	41,053	1,294,808	1,517,552	82.6	79.5
06/30/17	0.0207	1,321,474	16,611	1,338,085	1,333,078	99.1	75.9
06/30/16	0.0209	1,696,976	22,191	1,719,167	1,258,954	134.8	68.9
06/30/15	0.0179	927,671	-	927,671	1,066,295	87.0	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Authority's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/23	\$ 207,640	\$ 207,640	\$ -	\$ 2,768,530	7.50 %
12/31/22	174,204	174,204	-	2,322,723	7.50
12/31/21	157,634	157,634	-	2,101,787	7.50
12/30/20	142,816	142,816	-	1,904,213	7.50
12/31/19	129,511	129,511	-	1,726,813	7.50
12/31/18	119,861	119,861	-	1,598,147	7.50
12/31/17	104,929	104,929	-	1,399,053	7.50
12/30/16	99,633	99,633	-	1,328,440	7.50
12/30/15	85,500	85,500	-	1,139,997	7.50

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Minnesota Valley Transit Authority
Burnsville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2023

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2023 - The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - 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 assumed rates that average 0.25% less than 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 and slightly fewer Rule of 90 and 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 2-5 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 base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Minnesota Valley Transit Authority
Burnsville, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2023

Notes to the Required Supplementary Information - General Employee Retirement Fund (Continued)

Changes in Plan Provisions

2023 - An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024, was eliminated. A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - 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. Interest credited on member 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 members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 - There were no changes in plan provisions since the previous valuation.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

INDIVIDUAL FUND FINANCIAL SCHEDULE
MINNESOTA VALLEY TRANSIT AUTHORITY
BURNSVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

Minnesota Valley Transit Authority
Burnsville, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Intergovernmental	\$ 364,070	\$ 364,070	\$ -
Expenditures			
Debt service			
Principal	335,000	335,000	-
Interest	29,070	29,070	-
Total Expenditures	364,070	364,070	-
Net Change in Fund Balances	-	-	-
Fund Balances, January 1	499,229	499,229	-
Fund Balances, December 31	\$ 499,229	\$ 499,229	\$ -

STATISTICAL SECTION (UNAUDITED)
MINNESOTA VALLEY TRANSIT AUTHORITY
BURNSVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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STATISTICAL SECTION

(Unaudited)

This part of the Minnesota Valley Transit Authority'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 government's overall financial health.

Financial Trends

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

These schedules contain information to help the reader assess the government's most significant local revenue source, the Motor vehicle sales tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

Minnesota Valley Transit Authority
Net Position By Component
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$ 45,382,680	\$ 44,168,256	\$ 44,521,482	\$ 42,721,137
Restricted	690,959	674,449	732,687	738,517
Unrestricted	7,458,865	11,319,594	12,899,411	9,558,635
Total governmental activities net position	<u>\$ 53,532,504</u>	<u>\$ 56,162,299</u>	<u>\$ 58,153,580</u>	<u>\$ 53,018,289</u>

Source: Minnesota Valley Transit Authority financial records

Note: GASB 68 was implemented in 2015. Net position was restated for 2014 to reflect the reporting of net pension liability and pension related deferred outflows of resources. Net position for years prior to 2014 was not restated.

Table 1

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 42,806,701	\$ 47,001,307	\$ 46,497,057	\$ 48,344,203	\$ 52,808,435	\$ 51,790,396
747,917	761,613	764,913	485,742	496,594	497,019
9,338,054	11,425,562	16,091,434	14,841,735	14,381,240	10,063,089
<u>\$ 52,892,672</u>	<u>\$ 59,188,482</u>	<u>\$ 63,353,404</u>	<u>\$ 63,671,680</u>	<u>\$ 67,686,269</u>	<u>\$ 62,350,504</u>

Minnesota Valley Transit Authority
Changes In Net Position
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Expenses:				
Governmental activities:				
Transit operations	\$ 19,545,729	\$ 21,662,463	\$ 22,683,944	\$ 23,993,885
Facilities management	4,113,903	2,245,417	4,337,808	4,460,739
Administration	1,894,436	4,200,518	2,765,475	2,977,661
Interest on long-term debt	200,849	195,209	189,402	186,454
Total expenses	<u>\$ 25,754,917</u>	<u>\$ 28,303,607</u>	<u>\$ 29,976,629</u>	<u>\$ 31,618,739</u>
Program revenues:				
Governmental activities:				
Charges for services:				
Passenger fares	\$ 5,315,555	\$ 5,653,801	\$ 5,565,307	\$ 5,798,513
Ground lease	54,489	54,371	55,282	61,787
Operating grants and contributions	4,043,023	3,203,076	4,573,433	5,073,960
Capital grants and contributions	3,557,949	2,341,870	2,563,056	676,361
Total program revenue	<u>\$ 12,971,016</u>	<u>\$ 11,253,118</u>	<u>\$ 12,757,078</u>	<u>\$ 11,610,621</u>
Net expense	<u>\$ (12,783,901)</u>	<u>\$ (17,050,489)</u>	<u>\$ (17,219,551)</u>	<u>\$ (20,008,118)</u>
General revenue:				
Motor vehicle sales tax	15,996,531	18,021,624	19,131,811	14,774,709
Revenues not restricted to specific programs	31,393	37,055	66,701	29,520
Miscellaneous revenue	511	855	12,320	68,598
Total general revenue	<u>16,028,435</u>	<u>18,059,534</u>	<u>19,210,832</u>	<u>14,872,827</u>
Special item	<u>-</u>	<u>1,620,750</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 3,244,534</u>	<u>\$ 2,629,795</u>	<u>\$ 1,991,281</u>	<u>\$ (5,135,291)</u>

Source: Minnesota Valley Transit Authority financial records

Note: GASB 68 was implemented in 2015. Pension expenses for years prior to 2015 were not restated.

Table 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 25,509,187	\$ 24,689,253	\$ 18,000,046	\$ 21,652,837	\$ 23,673,742	\$ 25,083,494
4,399,941	4,496,819	6,584,638	4,814,814	6,293,956	7,319,399
3,352,218	3,632,427	4,228,257	4,580,857	5,962,795	5,567,141
175,377	163,370	151,008	147,202	33,770	28,645
<u>\$ 33,436,723</u>	<u>\$ 32,981,869</u>	<u>\$ 28,963,949</u>	<u>\$ 31,195,710</u>	<u>\$ 35,964,263</u>	<u>\$ 37,998,679</u>
\$ 6,217,639	\$ 6,035,953	\$ 1,512,737	\$ 1,117,947	\$ 2,040,515	\$ 2,610,871
77,068	90,102	61,726	71,948	148,344	104,874
6,696,635	4,891,621	9,913,725	5,987,100	10,032,178	2,299,209
1,728,035	8,778,427	2,614,615	1,494,611	4,517,035	1,177,320
<u>\$ 14,719,377</u>	<u>\$ 19,796,103</u>	<u>\$ 14,102,803</u>	<u>\$ 8,671,606</u>	<u>\$ 16,738,072</u>	<u>\$ 6,192,274</u>
<u>\$ (18,717,346)</u>	<u>\$ (13,185,766)</u>	<u>\$ (14,861,146)</u>	<u>\$ (22,524,104)</u>	<u>\$ (19,226,191)</u>	<u>\$ (31,806,405)</u>
18,242,465	18,920,458	18,775,395	22,545,445	22,891,235	25,085,754
234,957	356,091	185,639	295,433	275,899	710,665
114,307	205,027	65,034	1,502	73,646	674,221
18,591,729	19,481,576	19,026,068	22,842,380	23,240,780	26,470,640
-	-	-	-	-	-
<u>\$ (125,617)</u>	<u>\$ 6,295,810</u>	<u>\$ 4,164,922</u>	<u>\$ 318,276</u>	<u>\$ 4,014,589</u>	<u>\$ (5,335,765)</u>

Minnesota Valley Transit Authority
Fund Balances Of Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
General Fund:				
Nonspendable	\$ 101,811	\$ 130,938	\$ 112,042	\$ 119,129
Committed	81,899	1,711,606	667,047	349,628
Assigned	-	-	-	933,690
Unassigned	8,200,357	10,041,304	13,301,527	8,984,335
Total General Fund	<u>\$ 8,384,067</u>	<u>\$ 11,883,848</u>	<u>\$ 14,080,616</u>	<u>\$ 10,386,782</u>
Capital Projects Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Service Fund:				
Restricted	<u>\$ 690,959</u>	<u>\$ 691,003</u>	<u>\$ 748,683</u>	<u>\$ 753,663</u>
Subsequent years' budgeted expenditures	\$ 26,831,121	\$ 27,665,782	\$ 29,537,255	\$ 31,108,068
Months of expenditures in Unassigned Fund Balance	3.67	4.36	5.40	3.47

Source: Minnesota Valley Transit Authority financial records

Table 3

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 136,630	\$ 132,114	\$ 186,422	\$ 229,671	\$ 353,851	\$ 414,133
212,936	184,787	193,632	481,187	523,430	638,541
-	1,420,035	8,858,313	9,394,113	10,850,988	7,841,909
10,375,076	9,335,433	8,318,062	5,751,307	4,505,197	3,271,144
<u>\$ 10,724,642</u>	<u>\$ 11,072,369</u>	<u>\$ 17,556,429</u>	<u>\$ 15,856,278</u>	<u>\$ 16,233,466</u>	<u>\$ 12,165,727</u>
\$ -	\$ -	\$ 412,140	\$ 317,880	\$ 236,719	\$ 155,558
-	-	(313,597)	(317,880)	(236,719)	(155,558)
<u>\$ -</u>	<u>\$ 6,419</u>	<u>\$ 98,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 762,188</u>	<u>\$ 774,984</u>	<u>\$ 777,359</u>	<u>\$ 499,229</u>	<u>\$ 499,229</u>	<u>\$ 499,229</u>
\$ 31,800,197	\$ 30,557,926	\$ 30,395,916	\$ 34,627,570	\$ 37,797,479	\$ 35,470,540
3.92	3.67	3.28	1.99	1.56	1.11

Minnesota Valley Transit Authority
Changes in Fund Balances Of Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Intergovernmental revenue	\$ 23,597,503	\$ 23,566,570	\$ 26,261,683	\$ 20,524,550
Passenger fares	5,315,555	5,653,801	5,565,307	5,798,513
Miscellaneous:				
Advertising income	-	-	-	-
Investment income	511	855	12,320	68,598
Miscellaneous	85,882	91,426	121,983	91,307
Total revenues	<u>28,999,451</u>	<u>29,312,652</u>	<u>31,961,293</u>	<u>26,482,968</u>
Expenditures:				
Current:				
Transit operations	19,031,207	20,605,999	21,904,307	23,485,315
Facilities management	1,559,293	1,581,121	1,719,538	1,731,290
Administration	1,856,445	2,090,118	2,529,010	2,728,528
Total current	<u>22,446,945</u>	<u>24,277,238</u>	<u>26,152,855</u>	<u>27,945,133</u>
Debt service:				
Principal	280,000	325,000	335,000	368,856
Interest and other charges	206,200	201,900	195,300	192,644
Issuance expense	-	-	-	-
Capital outlay	4,042,781	2,629,439	3,023,690	1,836,231
Total expenditures	<u>26,975,926</u>	<u>27,433,577</u>	<u>29,706,845</u>	<u>30,342,864</u>
Revenue over (under) expenditures	<u>2,023,525</u>	<u>1,879,075</u>	<u>2,254,448</u>	<u>(3,859,896)</u>
Other financing sources (uses):				
Refunding bond issuance	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	62,158	248,019	270,336	248,369
Transfers out	(62,158)	(248,019)	(270,336)	(248,369)
Issuance of capital lease	-	-	-	171,042
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,042</u>
Special item	<u>-</u>	<u>1,620,750</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>2,023,525</u>	<u>3,499,825</u>	<u>2,254,448</u>	<u>(3,688,854)</u>
Fund balance - January 1, as previously stated	6,524,031	9,075,026	12,574,851	14,829,299
Prior period adjustment	527,470	-	-	-
Fund balance - January 1, as restated	<u>7,051,501</u>	<u>9,075,026</u>	<u>12,574,851</u>	<u>14,829,299</u>
Fund balance - end of year	<u>\$ 9,075,026</u>	<u>\$ 12,574,851</u>	<u>\$ 14,829,299</u>	<u>\$ 11,140,445</u>
Debt service as a percent of noncapital expenditures	2.1%	2.1%	2.0%	1.9%

Source: Minnesota Valley Transit Authority financial records

Table 4

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 26,657,562	\$ 32,587,448	\$ 31,299,661	\$ 30,024,307	\$ 37,440,448	\$ 28,562,283
6,217,639	6,035,953	1,512,737	1,117,947	2,040,515	2,610,871
184,179	201,650	110,799	128,890	56,538	2,975
114,307	205,027	65,034	1,502	195,386	707,690
127,846	199,543	91,566	206,491	236,156	778,871
33,301,533	39,229,621	33,079,797	31,479,137	39,969,043	32,662,690
25,210,183	24,249,746	17,641,283	21,117,272	23,509,589	25,398,537
1,773,685	1,733,508	1,662,457	1,869,087	3,130,513	3,085,740
3,137,500	3,332,203	4,050,634	4,436,280	4,982,116	5,289,791
30,121,368	29,315,457	23,354,374	27,422,639	31,622,218	33,774,068
382,708	394,040	405,427	1,156,871	340,000	335,000
181,592	169,610	157,273	117,649	44,622	29,070
-	-	-	68,113	-	-
2,269,480	8,983,572	2,584,164	4,790,689	7,585,015	2,592,291
32,955,148	38,862,679	26,501,238	33,555,961	39,591,855	36,730,429
346,385	366,942	6,578,559	(2,076,824)	377,188	(4,067,739)
-	-	-	2,420,000	-	-
-	-	-	(2,420,000)	-	-
435,915	-	-	2,314,235	718,945	111,276
(435,915)	-	-	(2,314,235)	(718,945)	(111,276)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
346,385	366,942	6,578,559	(2,076,824)	377,188	(4,067,739)
11,140,445	11,486,830	11,853,772	18,432,331	16,355,507	16,732,695
-	-	-	-	-	-
11,140,445	11,486,830	11,853,772	18,432,331	16,355,507	16,732,695
\$ 11,486,830	\$ 11,853,772	\$ 18,432,331	\$ 16,355,507	\$ 16,732,695	\$ 12,664,956
1.8%	1.9%	2.3%	4.4%	1.2%	1.1%

Minnesota Valley Transit Authority
Ratios Of Outstanding Debt By Type
Last 10 Fiscal Years
(Unaudited)
Governmental Activities

Table 5

Fiscal Year	Gross Revenue Bonds	Capital Leases	Total Primary Government	Debt as Percentage of Personal Income (1)(3)	Total Primary Government Debt Per Capita (2)(3)
2014	\$ 5,620,000	\$ -	\$ 5,620,000	0.046%	24
2015	5,295,000	-	5,295,000	0.033%	18
2016	4,960,000	-	4,960,000	0.029%	16
2017	4,620,000	142,186	4,762,186	0.027%	16
2018	4,270,000	109,478	4,379,478	0.023%	14
2019	3,910,000	75,438	3,985,438	0.020%	13
2020	3,540,000	40,011	3,580,011	0.017%	11
2021	2,420,000	36,995	2,456,995	0.011%	8
2022	2,080,000	-	2,080,000	0.009%	6
2023	1,745,000	-	1,745,000	0.008%	5

Source: Minnesota Valley Transit Authority financial records

(1) See Demographic and Economic Statistics Personal Income

(2) See Demographic and Economic Statistics Per Capita Personal Income

(3) Calculations completed using prior year demographic data

* Not applicable

Minnesota Valley Transit Authority
Direct and Overlapping Governmental Activities Debt
December 31, 2022
(Unaudited)

Table 6

Governmental Unit	(Amt in Thousands)		
	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct			
MVTA	<u>\$1,745</u>	100 %	<u>\$1,745</u>
Overlapping			
Counties			
Scott County	\$ 118,427	\$ 100 %	118,427
Dakota County	-		-
Cities			
City of Apple Valley	\$ 33,276	\$ 100 %	33,276
City of Burnsville	68,347	100	68,347
City of Eagan	45,115	100	45,115
City of Rosemount	5,885	100	5,885
Elko New Market	17,207	100	17,207
Prior Lake	30,375	100	30,375
Savage	28,940	100	28,940
Shakopee	45,920	100	45,920
School Districts:			
ISD No. 191-Burnsville-Eagan-Savage	\$ 113,850	\$ 100 %	\$113,850
ISD No. 196-Rosemount-Apple Valley-Eagan	97,905	100	\$97,905
ISD No. 719-Prior Lake-Savage	150,433	100	\$150,433
ISD No. 720-Shakopee-Prior Lake	229,563	100	\$229,563
Special Taxing Districts			
Metropolitan Council	\$ 1,717,186	4.78 %	\$82,081
Subtotal, overlapping debt			<u>1,067,324</u>
Total underlying and overlapping debt			<u><u>\$ 1,069,069</u></u>

(a) Only those taxing units with debt outstanding are shown here.

(b) Scott County data excludes general obligation debt supported by revenues and general obligation tax and aid anticipation certificates of indebtedness, but includes debt supported by tax increments.

(c) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit.

Source: Dakota County, Scott County and Metropolitan Council annual report

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Minnesota Valley Transit Authority
Demographic And Economic Statistics
Last 10 Fiscal Years
(Unaudited)

Table 7

Fiscal Year	Population(1)	Per Capita Personal Income (2)	Personal Income (thousands of dollars) (3)	K-12 Enrollment (4)	Unemployment Rate (5)
2014	230,424	\$ 52,746	\$ 12,153,829	36,787	3.5 %
2015	297,947	54,493	16,235,877	36,608	3.1
2016	301,417	56,007	16,881,311	37,382	3.2
2017	305,020	58,179	17,745,759	45,996	2.9
2018	307,823	60,958	18,764,121	46,087	2.5
2019	312,396	62,447	19,508,037	46,070	2.8
2020	318,976	65,202	20,797,714	46,191	5.9
2021	323,761	67,223	21,764,079	44,973	3.3
2022	325,326	70,711	23,004,174	45,047	1.8
2023	318,108	72,706	23,128,360	44,384	2.5

Data Sources

(1) Population: Metropolitan Council Population Estimates <https://stats.metc.state.mn.us/profile/list.aspx>

(2) Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

(3) These figures are derived by multiplying the population figure times the average of Dakota and Scott County's per capita income figures from the Bureau of Economic Analysis

(4) School enrollment is in ISD# 191 (Burnsville-Savage) and ISD# 196 (Rosemount-Eagan-Apple Valley). Data is compiled by the MN Department of Education

(5) Met Council (Minnesota Community Profile)

Prior Lake and Shakopee was added to service area in 2015.

* Information is not available

Minnesota Valley Transit Authority
Principal Employers
Current Year And Nine Years Ago
(Unaudited)

Employer	2022*		
	Employees	Rank	Percentage of Total Cities Employment
ISD 196	4,500	1	1.9%
Thomson West	4,200	2	1.7%
Blue Cross-Blue Shield	3,000	3	1.2%
Burnsville Center	3,000	4	1.2%
ISD 194	2,268	5	0.9%
US Postal Service	2,100	6	0.9%
Dakota County	1,870	7	0.8%
UTC Aerospace Systems	1,800	8	0.7%
CHS INC	1,600	9	0.7%
ISD 191	1,300	10	0.5%
Total principal employees	25,638		10.7%
Total employees in cities	240,319		100.0%

**Data is one year behind due to other governments working their reports as well. Includes the addition of Prior Lake and*

Sources:

2022 Annual Report for Dakota

2021 Annual Report for Scott County

Table 8

Employer	2013		
	Employees	Rank	Percentage of Total Cities Employment
Shakopee Mdewakanton Sioux	3,900	1	8.7%
Vally Fair	1,700	2	3.8%
Seagate Technology LLC	1,595	3	3.5%
Canterbury Park	1,100	4	2.4%
I.S.D. No. 720 (Shakopee)	1,078	5	2.4%
I.S.D. No. 719 (Prior Lake - Savage)	1,033	6	2.3%
Imagine! Print Solutions	900	7	2.0%
St. Francis Regional Medical Center	789	8	1.8%
Scott County	683	9	1.5%
I.S.D. No. 721 (New Prague)	546	10	1.2%
	13,324		29.6%
	45,059		100.0%

Minnesota Valley Transit Authority
Full-Time Equivalent MVTA Employees By Function
Last 10 Fiscal Years
(Unaudited)

Function	Fiscal Year			
	2014	2015	2016	2017
Transit Operations	5.9	6.5	7.9	8.2
Facilities Management	1.0	0.5	0.5	1.6
Administration	5.8	6.2	7.1	6.8
Total	12.7	13.2	15.5	16.6

Source: Minnesota Valley Transit Authority personnel records

Table 9

2018	2019	2020	2021	2022	2023
7.6	7.6	7.6	11.2	11.6	11.0
2.5	2.5	3.5	3.4	3.5	6.0
10.1	10.1	10.0	10.6	12.3	13.0
20.2	20.2	21.1	25.2	27.4	30.0

Minnesota Valley Transit Authority

Operating Statistics
Last 10 Fiscal Years
(Unaudited)

SYSTEM RIDERSHIP:	Fiscal Year			
	2014	2015*	2016*	2017*
Minneapolis Express	\$ 1,577,581	\$ 1,723,273	\$ 1,681,239	\$ 1,645,271
St. Paul Express	200,851	192,425	195,125	192,171
Suburb to Suburb Express	-	-	13,239	64,163
Red Line BRT	265,514	265,410	266,811	270,400
Local	550,153	564,261	527,954	509,091
Reverse Commute	61,856	57,538	52,149	52,850
Weekend	98,990	95,291	88,152	102,969
State Fair/Special Events	57,320	67,766	77,729	87,449
Vikings Shuttle	-	-	-	-
Connect Services	-	-	-	-
Special Services	-	-	-	-
	<u>2,812,265</u>	<u>2,965,964</u>	<u>2,902,398</u>	<u>2,924,364</u>
VEHICLE REVENUE HOURS:				
Fixed Route	148,942	165,945	182,903	173,386
Special Events	1,050	1,480	1,112	1,164
Connect Services	-	-	-	-
VEHICLE REVENUE MILES:				
Fixed Route	3,059,011	3,446,765	3,829,560	3,561,802
Special Events	27,312	31,194	32,219	33,891
Connect Services	-	-	-	-

*includes the addition of Prior Lake and Shakopee

BRT = Bus Rapid Transit

For 2020: There was low Ridership as a results of COVID-19 Pandemic. There were no Special events and state fair due to COVID-19 Pandemic

*2022: Vikings Shuttle has been pulled into Special Services Category

Source: Planning Department-MVTA

Table 10

Fiscal Year					
2018*	2019*	2020*	2021*	2022*	2023*
\$ 1,605,319	\$ 1,576,529	\$ 373,443	\$ 172,599	\$ 372,733	\$ 467,791
189,128	185,011	44,009	10,297	24,392	30,724
78,774	81,151	60,035	54,862	58,036	72,261
254,125	238,833	117,414	-	-	-
494,290	451,710	222,543	229,104	266,101	314,648
54,908	47,444	14,845	7,497	12,922	16,448
109,758	104,296	67,228	72,865	82,235	110,420
86,082	97,291	-	37,463	95,354	110,718
1,076	718	-	1,162	-	-
-	3,505	9,295	37,054	87,842	109,925
456	-	2,112	9,030	19,082	59,461
2,873,916	2,786,488	910,924	631,933	1,018,697	1,292,396
180,721	170,273	103,086	141,806	153,635	139,141
1,164	1,164	-	1,129	1,088	2,145
-	-	-	18,075	36,258	39,249
3,652,965	3,555,521	2,086,426	2,839,792	3,062,768	3,252,817
33,891	32,820	-	37,249	34,587	60,306
-	-	-	271,400	589,642	676,779

Minnesota Valley Transit Authority
Capital Assets Statistics By Function/Program
Last 10 Fiscal Years
(Unaudited)

FUNCTION/PROGRAM	Fiscal Year			
	2014	2015*	2016*	2017*
Transit Operations				
Transit Revenue Vehicles - #	128	150	164	165
Maximum # of Rev. Vehicles in Operation	106	127	139	133
Facilities Management				
Transit Stations - # owned	5	5	5	5
Transit Stations - # leased	1	2	2	3
Transit Stations - # of parking spaces	3,348	3,790	3,790	3,790
Park & Rides - # owned	3	3	3	3
Park & Rides - # leased	2	4	4	4
Park & Rides - # of parking spaces	1,403	2,479	2,479	2,479
Transit Station Stops - # leased	2	2	2	2
Bus Garages - #	2	2	2	2
Bus Garages - bus storage capacity	150	150	150	150
Bus Garages - # of maintenance bays	15	15	15	15
Layover Facility	-	1	1	1

*includes the addition of Prior Lake and Shakopee

Source: Various MVTa departments

Table 11

Fiscal Year					
2018*	2019*	2020*	2021*	2022*	2023*
165	165	162	172	174	166
134	136	136	116	124	132
5	5	5	5	5	5
3	3	1	1	1	1
3,790	3,790	4,016	4,016	4,016	4,016
3	3	3	3	2	2
4	4	4	4	5	5
2479	2479	2479	2479	2479	2479
2	2	0	0	0	0
2	2	2	2	2	2
150	150	150	150	150	150
15	15	15	15	15	15
1	1	1	1	1	1