Minnesota
Valley
Transit
Authority

Annual Comprehensive Financial Report

Fiscal Year Ended 2024

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Minnesota Valley Transit Authority
Burnsville, Minnesota

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

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, 2024

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Minnesota Valley Transit Authority (MVTA) for the fiscal year ended December 31, 2024. This report provides a thorough account of the Authority's financial condition and operations and is prepared in accordance with Minnesota State Law. It is intended to inform the MVTA Board of Commissioners, member cities, and all interested stakeholders of the Authority's fiscal stewardship and accountability. In accordance with U.S. Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board (GASB), the financial statements in this report have been prepared using a consistent basis of accounting. Furthermore, an independent audit was conducted by Abdo, a certified public accounting firm, in accordance with Generally Accepted Auditing Standards (GAAS). Their unmodified opinion confirms that MVTA's financial statements are presented fairly, in all material respects, in conformity with GAAP. The Independent Auditor's Report is located at the beginning of the Financial Section of this ACFR.

Responsibility for Financial Reporting

The accuracy, completeness, and fairness of the information presented in this report are the responsibility of MVTA management. We maintain a comprehensive system of internal controls to safeguard the Authority's assets and ensure the reliability of financial data. While recognizing that internal controls cannot provide absolute assurance, we believe they are effective in preventing material misstatements and support strong financial management practices.

Structure of the ACFR

This Annual Comprehensive Financial Report is structured into the following three sections:

- Introductory Section – Includes this transmittal letter, a Certificate of Achievement for Excellence in Financial Reporting, the organizational chart, and a list of elected and appointed officials.
- Financial Section – Contains the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), audited financial statements, notes to the financial statements, and required supplementary information.

Organizational Overview

MVTA was formed on January 1, 1991. As of December 31, 2024, MVTA has established joint powers agreements with the following partners: Apple Valley, Burnsville, Eagan, Prior Lake, Rosemount, Savage, and Shakopee, along with Scott County. MVTA is the regional transit provider for these jurisdictions, delivering public transportation through fixed-route, express, and on-demand services. MVTA's vision is to establish MVTA as the most connected transit agency through service, innovation, technology, and partnerships.

Budgetary and Financial Policy Framework
MVTA's operating and capital budgets are developed collaboratively each year with input from departments, the Finance Director, and the Chief Executive Officer. Following review by the Management Committee, the proposed budget is submitted to the Board for adoption. The Capital Improvement Plan (CIP), updated annually, supports long-term infrastructure and fleet investment and is coordinated with the Metropolitan Council's regional capital plan.

MVTA adheres to key financial policies, including:

- Incorporating operating impacts of new capital investments in budget planning
- Seeking funding alignment for new services or programs
- Maintaining a multi-year CIP for sustainable capital growth

Financial Condition and Outlook
In 2024, MVTA sustained investments in transit operations, facilities, and technology to meet increasing demand and maintain service quality. While revenues from the Motor Vehicle Sales Tax (MVST) and capital grants remain stable, the Authority is also focused on securing future funding and enhancing cost efficiency to ensure continued financial health.

Notable Highlights for 2024

- Ridership growth: 10.4% increase over 2023, with special services up 52%
- Connect Service expansion: Enhanced coverage with new electric vehicles added
- Facility upgrades: Design and execution of the Burnsville Bus Garage modernization
- Safety improvements: New training programs and infrastructure enhancements
- Grants: Submitted applications to seven major funding programs to support future capital initiatives

Respectfully submitted,

Luther Wynder

Luther Wynder
Chief Executive Officer
Minnesota Valley Transit Authority

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, 2023

Christopher P. Morrill

Executive Director/CEO

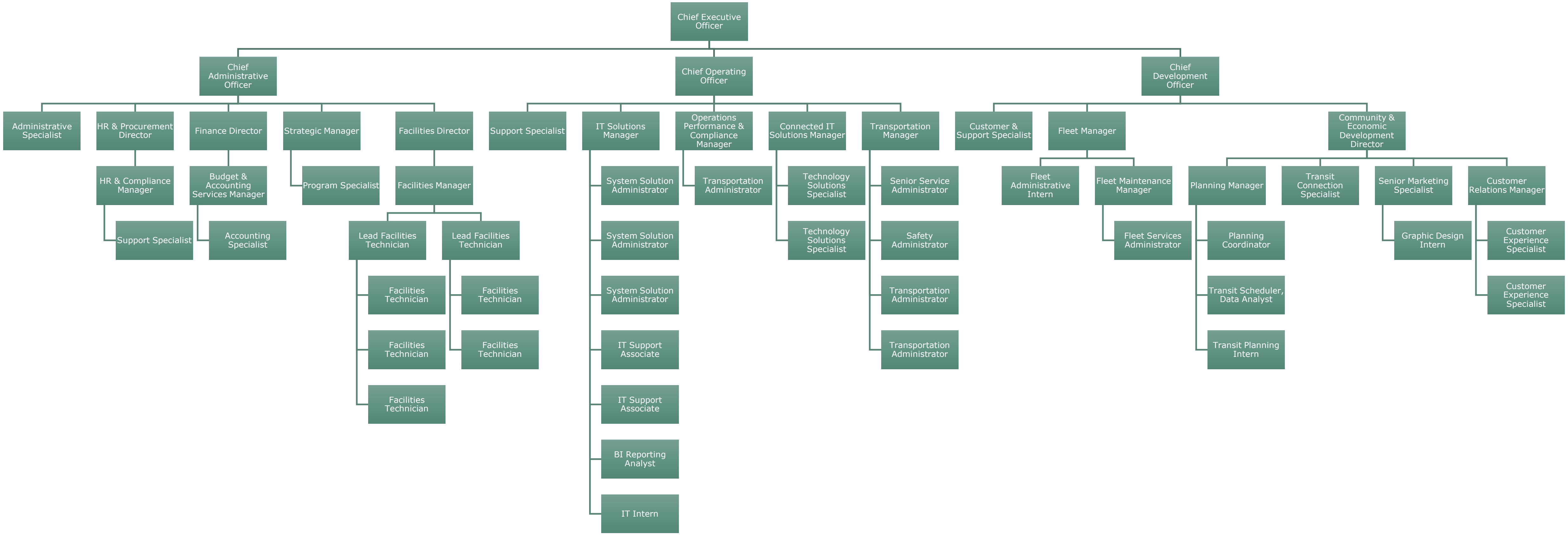
Minnesota Valley Transit Authority
Burnsville, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2024

ELECTED

Name	Title
Dan Kealy	Chair
Stacy Crakes	Vice Chair
Paul Essler	Secretary Treasurer
Gary Hansen	Board Member
Clint Hooppaw	Board Member
Jay Whitting	Board Member
Jon Ulrich	Board Member

APPOINTED

Luther Wynder	Chief Executive Officer
Heidi Scholl	Chief Administrative Officer
Elle Larkin	Finance Director
Clifford Crimmins	Accounting Supervisor
Dawn McGuire	Accounting Specialist


Chief Executive Officer
Chief Administrative Officer
Chief Operating Officer
Chief Development Officer
Administrative Specialist
HR & Procurement Director
Finance Director
Strategic Manager
Facilities Director
Support Specialist
IT Solutions Manager
Operations Performance & Compliance Manager
Connected IT Solutions Manager
Transportation Manager
Customer & Support Specialist
Fleet Manager
Community & Economic Development Director
HR & Compliance Manager
Budget & Accounting Services Manager
Program Specialist
Facilities Manager
System Solution Administrator
Transportation Administrator
Technology Solutions Specialist
Senior Service Administrator
Fleet Administrative Intern
Fleet Maintenance Manager
Planning Manager
Transit Connection Specialist
Senior Marketing Specialist
Customer Relations Manager
Support Specialist
Accounting Specialist
Lead Facilities Technician
Lead Facilities Technician
System Solution Administrator
Technology Solutions Specialist
Safety Administrator
Fleet Services Administrator
Planning Coordinator
Graphic Design Intern
Customer Experience Specialist
Facilities Technician
Facilities Technician
System Solution Administrator
Transportation Administrator
Transit Scheduler, Data Analyst
Customer Experience Specialist
Facilities Technician
Facilities Technician
IT Support Associate
Transportation Administrator
Transit Planning Intern
Facilities Technician
IT Support Associate
BI Reporting Analyst
IT Intern

FINANCIAL SECTION

MINNESOTA VALLEY TRANSIT AUTHORITY
BURNSVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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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, 2024, 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, 2024, 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.

Change in Accounting Principle

The Authority adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

The Authority adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

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 19 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 60 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 Authority'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 22, 2025 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

Abdo
Minneapolis, Minnesota
May 22, 2025

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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, 2024.

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 the loss in the General fund.

- 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 and actual results were substantially close to the budget although transit operation costs and intergovernmental revenue did come in below budget.

- The unassigned fund balance in the General fund as shown in the financial analysis of the Authority’s funds section increased 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

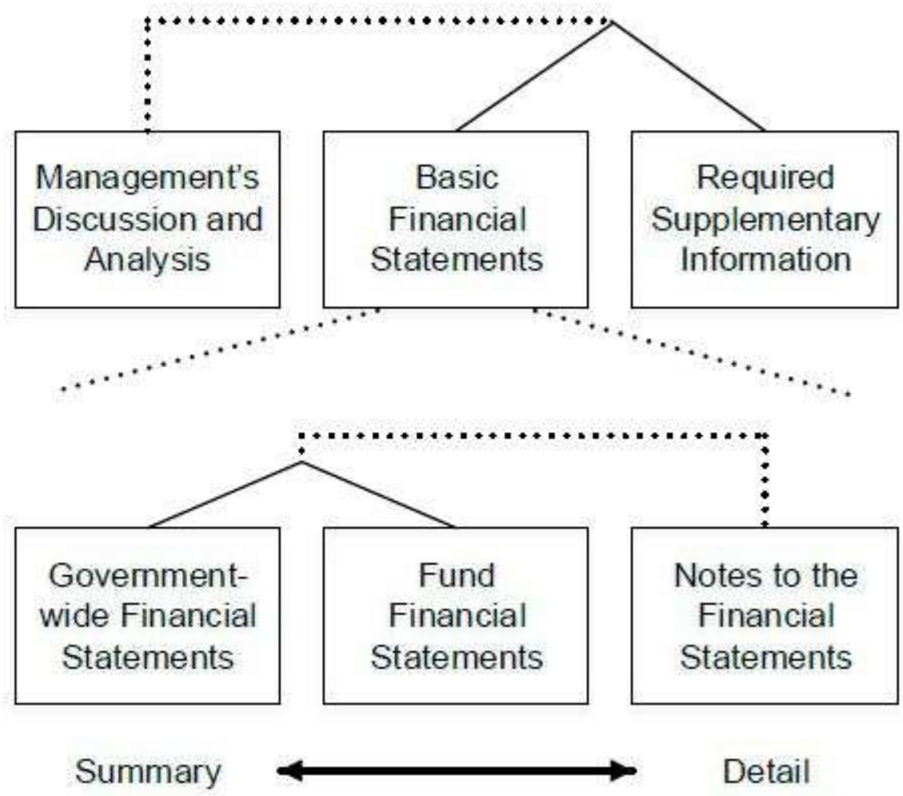


Figure 2 summarizes the major features of the Authority's financial statements, including the portion of the Authority government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of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

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

		Fund Financial Statements	
	Government-wide 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	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• 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 32 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 36 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 41 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 60 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		
	2024	2023	Increase (Decrease)
Assets			
Current and other assets	$ 16,411,837	$ 18,401,909	$ (1,990,072)
Capital assets	52,432,435	53,535,396	(1,102,961)
Total Assets	68,844,272	71,937,305	(3,093,033)
Deferred Outflows of Resources			
Pension resources	498,714	576,368	(77,654)
Liabilities			
Noncurrent liabilities outstanding	3,238,721	3,857,779	(619,058)
Other liabilities	4,025,313	4,319,894	(294,581)
Total Liabilities	7,264,034	8,177,673	(913,639)
Deferred Inflows of Resources			
Lease resources	1,367,659	1,419,269	(51,610)
Pension resources	878,366	566,227	312,139
Total Deferred Inflows of Resources	2,246,025	1,985,496	260,529
Net Position			
Net investment in capital assets	51,027,435	51,790,396	(762,961)
Restricted	497,469	497,019	450
Unrestricted	8,308,023	10,063,089	(1,755,066)
Total Net Position	$ 59,832,927	$ 62,350,504	$ (2,517,577)
Net Position as a Percent of Total			
Net investment in capital assets	85.3 %	83.1 %	
Restricted	0.8	0.8	
Unrestricted	13.9	16.1	
	100.0 %	100.0 %	

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 decreased the Authority's net position. Key elements of the overall decrease are as follows:

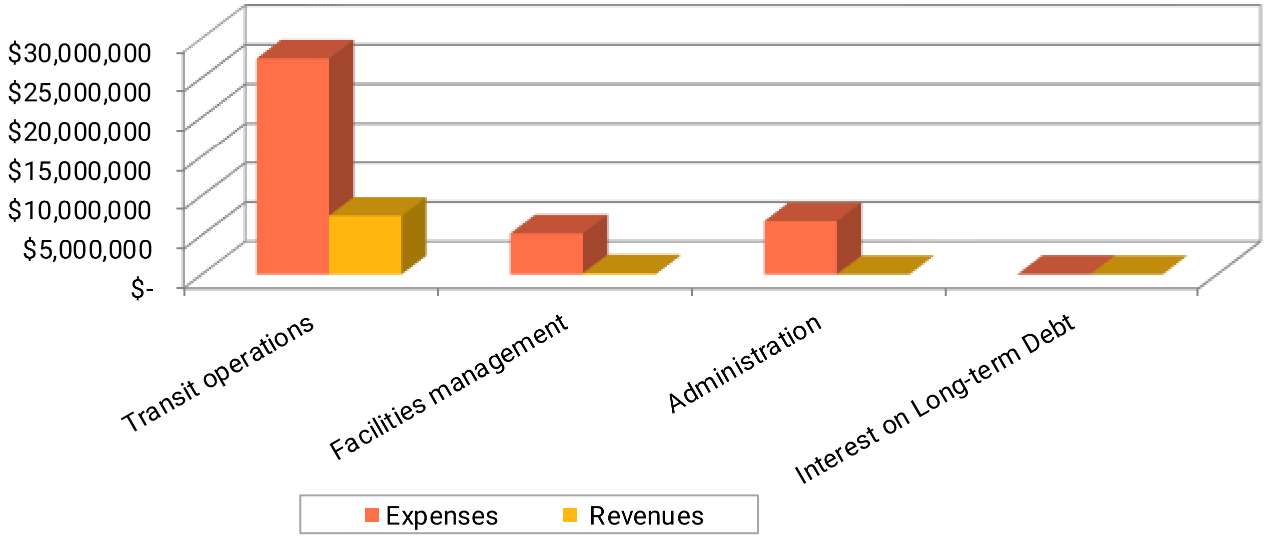
Minnesota Valley Transit Authority 's Changes in Net Position

	Governmental Activities		
	2024	2023	Increase (Decrease)
Revenues			
Program Revenues			
Charges for services	$ 3,078,034	$ 2,715,745	$ 362,289
Operating grants and contributions	1,738,373	2,299,209	(560,836)
Capital grants and contributions contributions	2,736,596	1,177,320	1,559,276
General Revenues			
Motor vehicle sales tax	29,160,687	25,085,754	4,074,933
Advertising and concession revenues	22,173	2,975	19,198
Unrestricted investment earnings	649,287	707,690	(58,403)
Miscellaneous	207,458	674,221	(466,763)
Total Revenues	37,592,608	32,662,914	4,929,694
Expenses			
Transit operations	27,417,364	25,083,494	2,333,870
Facilities management	5,177,999	7,319,399	(2,141,400)
Administration	6,742,588	5,567,141	1,175,447
Interest on long-term debt	23,490	28,645	(5,155)
Total Expenses	39,361,441	37,998,679	1,362,762
Change in Net Position	(1,768,833)	(5,335,765)	3,566,932
Net Position, January 1	62,350,504	67,686,269	(5,335,765)
Error Correction (See Note 6)	(748,744)	-	(748,744)
Net Position, December 31	$ 59,832,927	$ 62,350,504	$ (2,517,577)

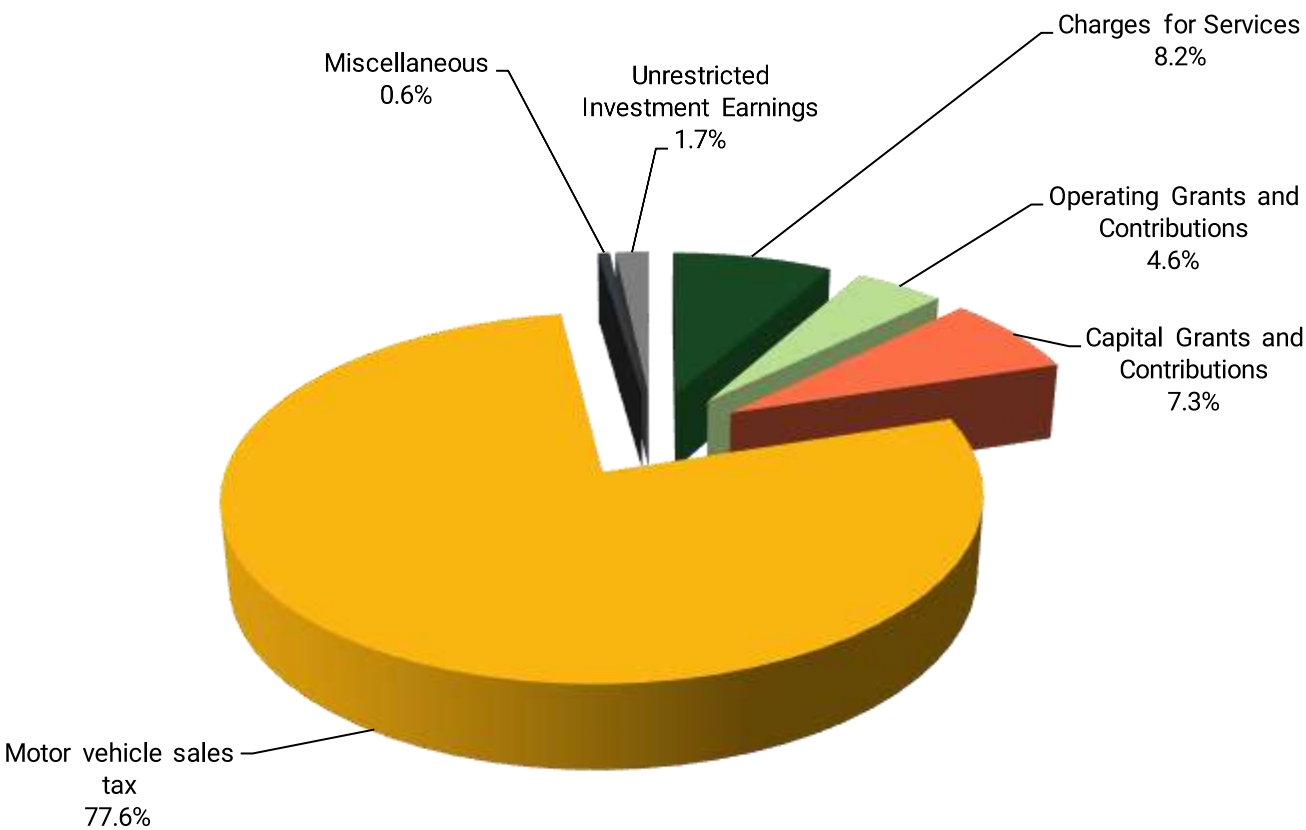
- Motor vehicles sales tax rose in the current year due to a one time payments for sales and use tax.
- Capital grants and contributions increased from prior year due to the funding related to the Burnsville Garage Modernization project.
- Overall expenses increased due to an increase in personnel and transit operation costs.
- Error Correction is due to duplicated assets during the prior year audit which resulted in a material overstatement of assets and an error correction was needed.

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, 2024.

	General	Debt Service	Capital Improvement	Total Governmental Funds	Prior Year Total	Increase/ (Decrease)
Fund Balances						
Nonspendable	$ 570,235	$ -	$ 74,398	$ 644,633	$ 569,691	$ 74,942
Restricted	-	499,229	-	499,229	499,229	-
Committed	732,430	-	-	732,430	638,541	93,889
Assigned	3,470,569	-	-	3,470,569	7,841,909	(4,371,340)
Unassigned	5,748,162	-	(74,398)	5,673,764	3,115,586	2,558,178
	$ 10,521,396	$ 499,229	$ -	$ 11,020,625	$ 12,664,956	$ (1,644,331)

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	$ 570,235	$ 414,133	$ 156,102
Committed	732,430	638,541	93,889
Assigned	3,470,569	7,841,909	(4,371,340)
Unassigned	5,748,162	3,271,144	2,477,018
	$ 10,521,396	$ 12,165,727	$ (1,644,331)
General Fund expenditures	$ 34,725,628	$ 35,077,763	
Unassigned as a percent of expenditures	16.6%	9.3%	
Total Fund Balance as a percent of expenditures	30.3%	34.7%	

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 2024. The Debt Service fund's intergovernmental revenues were equal to debt service payments. The Capital Improvement fund had a decrease in fund balance during 2024. 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	$ 34,142,066	$ 33,162,046	$ (980,020)
Expenditures	38,834,816	34,725,628	4,109,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,692,750)	(1,563,582)	3,129,168
Transfers out	-	(80,749)	(80,749)
Net Change in Fund Balances	(4,692,750)	(1,644,331)	3,048,419
Fund Balances, January 1	12,165,727	12,165,727	-
Fund Balances, December 31	$ 7,472,977	$ 10,521,396	$ 3,048,419

Total revenues show a negative budget variance due to passenger fare and intergovernmental revenues being less than expected. The authority had budgeted for more vehicle sales tax and federal funding than received. The expenditures show a positive variance due to lower transit operations and 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, 2024, 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
- Beginning of Eagan Bus Garage Office Conversion Project
- Beginning of Burnsville Transit Station Roof and Ramp Repair Project

Additional information on the Authority's capital assets can be found in Note 3C starting on page 51 of this report.

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

	Governmental Activities		
	2024	2023	Increase (Decrease)
Land	$ 10,296,809	$ 10,296,809	$ -
Land improvements	13,741,742	14,883,378	(1,141,636)
Buildings and improvements	14,165,983	15,148,729	(982,746)
Transit Vehicles	3,219,096	2,059,788	1,159,308
Furniture and equipment	4,581,173	5,055,676	(474,503)
Construction in Progress	6,427,632	5,342,272	1,085,360
Total	$ 52,432,435	$ 52,786,652	$ (354,217)

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		
	2024	2023	Increase (Decrease)
General Obligation Bonds	$ 1,405,000	$ 1,745,000	$ (340,000)

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 50 of this report.

Economic Factors and Next Year's Budgets and Rates

Annual ridership in 2024 is growing month over month, but still down from pre-pandemic levels. In 2024, ridership increased 10.4% from 2023, totaling 1,426,317 rides at year-end. Special service experienced the largest increase with a 52% increase in ridership. State Fair service experienced a 15% increase in ridership, and downtown Minneapolis express route ridership increased 15%. Local and weekend fixed route service decreased 2.1% and 6.9% respectively, while Connect service is continuing to experience rapid growth, with 44% growth over 2023. Connect service provided 158,446 rides in 2024.

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, Connect was expanded into Apple Valley and Rosemount, creating a cohesive service area providing east-west connections between the four cities. In 2021, a new stand-alone Connect service in the Eagan city boundaries began. New added vehicles supported increased ridership in 2024 and the Authority's first electric vehicles (the E-Jests) were brought into revenue service for Connect in December 2024.

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, 2024

Minnesota Valley Transit Authority
Burnsville, Minnesota
Statement of Net Position
December 31, 2024

	Primary Government Governmental Activities
Assets	
Cash and temporary investments	$ 10,618,583
Receivables	
Due from other governments	3,780,962
Lease	1,442,829
Inventory	89,910
Prepaid items	479,553
Capital assets (net of accumulated depreciation)	
Land and construction work in process	16,724,443
Depreciable buildings, property and equipment, net	35,707,992
Total Assets	68,844,272
Deferred Outflows of Resources	
Deferred pension resources	498,714
Liabilities	
Accounts payable	3,895,599
Accrued interest payable	1,760
Accrued salaries payable	65,504
Unearned revenue	62,450
Noncurrent liabilities	
Due within one year	
Long-term liabilities	581,023
Due in more than one year	
Long-term liabilities	1,284,035
Net pension liability	1,373,663
Total Liabilities	7,264,034
Deferred Inflows of Resources	
Deferred pension resources	878,366
Deferred lease resouces	1,367,659
Total Deferred Inflows of Resources	2,246,025
Net Position	
Net investment in capital assets	51,027,435
Restricted	
Debt service	497,469
Unrestricted	8,308,023
Total Net Position	$ 59,832,927

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, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Primary Government: Governmental Activities
Primary Government					
Governmental Activities					
Transit operations	$ 27,417,364	$ 2,940,093	$ 1,738,373	$ 2,736,596	$ (20,002,302)
Facilities management	5,177,999	137,941	-	-	(5,040,058)
Administration	6,742,588	-	-	-	(6,742,588)
Interest on long-term debt	23,490	-	-	-	(23,490)
Total Governmental Activities	$ 39,361,441	$ 3,078,034	$ 1,738,373	$ 2,736,596	$ (31,808,438)
General Revenues					
Motor vehicle sales tax					$ 29,160,687
Advertising and concession revenues					22,173
Unrestricted investment earnings					649,287
Miscellaneous					207,458
Total General Revenues and Transfers					30,039,605
Change in Net Position					(1,768,833)
Net Position, January 1					62,350,504
Error Correction (See Note 6)					(748,744)
Net Position, December 31					$ 59,832,927

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, 2024

Minnesota Valley Transit Authority
Burnsville, Minnesota
Balance Sheet
Governmental Funds
December 31, 2024

	General	Debt Service	Capital Improvement	Total Governmental Funds
Assets				
Cash and temporary investments	$ 10,394,007	$ 224,576	$ -	$ 10,618,583
Receivables				
Due from other governments	2,556,489	-	1,224,473	3,780,962
Lease	1,442,829	-	-	1,442,829
Due from other funds	922,444	274,653	-	1,197,097
Inventory	89,910	-	-	89,910
Prepaid items	405,155	-	74,398	479,553
Total Assets	$ 15,810,834	$ 499,229	$ 1,298,871	$ 17,608,934
Liabilities				
Accounts payable	$ 3,793,825	$ -	$ 101,774	$ 3,895,599
Accrued salaries payable	65,504	-	-	65,504
Due to other funds	-	-	1,197,097	1,197,097
Unearned revenue	62,450	-	-	62,450
Total Liabilities	3,921,779	-	1,298,871	5,220,650
Deferred Inflows of Resources				
Deferred lease resources	1,367,659	-	-	1,367,659
Fund Balances				
Nonspendable	570,235	-	74,398	644,633
Restricted	-	499,229	-	499,229
Committed	732,430	-	-	732,430
Assigned	3,470,569	-	-	3,470,569
Unassigned	5,748,162	-	(74,398)	5,673,764
Total Fund Balances	10,521,396	499,229	-	11,020,625
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 15,810,834	$ 499,229	$ 1,298,871	$ 17,608,934

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, 2024

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

Total Fund Balances - Governmental	$ 11,020,625
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	93,437,401
Less: accumulated depreciation	(41,004,966)
Long-term liabilities from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	(1,373,663)
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	(460,058)
Bond payable	(1,405,000)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	498,714
Deferred inflows of pension resources	(878,366)
Governmental funds do not report a liability for accrued interest until due and payable.	(1,760)
Total Net Position - Governmental Activities	$ 59,832,927

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, 2024

	General	Debt Service	Capital Improvement	Total Governmental Funds
Revenues				
Intergovernmental	$ 29,204,412	$ 363,940	$ 4,067,304	$ 33,635,656
Passenger fares	2,740,943	-	-	2,740,943
Advertising	22,173	-	-	22,173
Interest on investments	649,287	-	-	649,287
Miscellaneous	545,231	-	-	545,231
Total Revenues	33,162,046	363,940	4,067,304	37,593,290
Expenditures				
Current				
Transit operations	24,257,123	-	-	24,257,123
Facilities management	3,209,412	-	-	3,209,412
Administration	6,627,069	-	-	6,627,069
Capital outlay				
Transit operations	353,933	-	4,148,053	4,501,986
Facilities management	272,627	-	-	272,627
Administration	5,464	-	-	5,464
Debt service				
Principal	-	340,000	-	340,000
Interest and other	-	23,940	-	23,940
Total Expenditures	34,725,628	363,940	4,148,053	39,237,621
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,563,582)	-	(80,749)	(1,644,331)
Other Financing Sources (Uses)				
Transfers in	-	-	80,749	80,749
Transfers out	(80,749)	-	-	(80,749)
Total Other Financing Sources (Uses)	(80,749)	-	80,749	-
Net Change in Fund Balances	(1,644,331)	-	-	(1,644,331)
Fund Balances , January 1	12,165,727	499,229	-	12,664,956
Fund Balances, December 31	$ 10,521,396	$ 499,229	$ -	$ 11,020,625

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, 2024

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

Total Net Change in Fund Balances - Governmental Funds	$ (1,644,331)
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	4,090,235
Depreciation expense	(4,373,038)
The statement of activities reports gains and losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely the governmental funds do not report any gain or loss on a trade-in of capital assets.	(71,412)
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	340,000
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.	450
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	(153,459)
Long-term pension activity is not reported in governmental funds.	
Pension expense	43,404
Pension revenue	(682)
Change in Net Position - Governmental Activities	$ (1,768,833)

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 -
Budget and Actual
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental	$ 24,000,000	$ 30,448,810	$ 29,204,412	$ (1,244,398)
Passenger fares	3,059,375	3,100,000	2,740,943	(359,057)
Advertising	1,000	1,000	22,173	21,173
Interest on investments	300,000	300,000	649,287	349,287
Miscellaneous	268,256	292,256	545,231	252,975
Total Revenues	27,628,631	34,142,066	33,162,046	(980,020)
Expenditures				
Current				
Transit operations	23,646,060	26,350,836	24,257,123	2,093,713
Facilities management	3,652,430	3,751,930	3,209,412	542,518
Administration	7,382,050	7,507,050	6,627,069	879,981
Capital outlay				
Transit operations	734,000	934,000	353,933	580,067
Facilities management	41,000	276,000	272,627	3,373
Administration	15,000	15,000	5,464	9,536
Total Expenditures	35,470,540	38,834,816	34,725,628	4,109,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,841,909)	(4,692,750)	(1,563,582)	3,129,168
Other Financing Sources (Uses)				
Transfers out	-	-	(80,749)	(80,749)
Net Change in Fund Balances	(7,841,909)	(4,692,750)	(1,644,331)	3,048,419
Fund Balances, January 1	12,165,727	12,165,727	12,165,727	-
Fund Balances, December 31	$ 4,323,818	$ 7,472,977	$ 10,521,396	$ 3,048,419

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

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.

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.

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.

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.

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.

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 $227,663.

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.

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.

Note 2: Stewardship, Compliance and Accountability

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 Boad 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.

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	$ 10,618,583

(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	$ 1,442,829

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
2025	$ 26,739	$ 26,323	$ 53,062
2026	29,898	25,817	55,715
2027	33,141	25,227	58,368
2028	33,755	24,612	58,367
2029	34,382	23,986	58,368
2030 - 2034	202,804	109,465	312,269
2035 - 2039	254,984	88,512	343,496
2040 - 2044	315,453	62,392	377,845
2045 - 2049	385,337	30,293	415,630
2050 - 2053	126,336	1,848	128,184
Total	$ 1,442,829	$ 418,475	$ 1,861,304

Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Error Correction	Ending Balance
Governmental Activities					
Capital Assets not Being Depreciated					
Land	$ 10,296,809	$ -	$ -	$ -	$ 10,296,809
Construction in progress	6,091,016	1,085,360	-	(748,744)	6,427,632
Total Capital Assets, not Being Depreciated	16,387,825	1,085,360	-	(748,744)	16,724,441
Capital Assets Being Depreciated					
Land improvements	30,171,170	-	(99,318)	-	30,071,852
Buildings and improvements	32,915,042	380,335	(74,004)	-	33,221,373
Transit Vehicles	3,211,440	1,754,754	(178,088)	-	4,788,106
Furniture and equipment	9,354,489	869,786	(1,592,646)	-	8,631,629
Total Capital Assets Being Depreciated	75,652,141	3,004,875	(1,944,056)	-	76,712,960
Less Accumulated Depreciation					
Land improvements	(15,287,792)	(1,141,636)	99,318	-	(16,330,110)
Buildings and improvements	(17,766,313)	(1,363,081)	74,004	-	(19,055,390)
Transit Vehicles	(1,151,652)	(595,444)	178,086	-	(1,569,010)
Furniture and equipment	(4,298,813)	(1,272,877)	1,521,234	-	(4,050,456)
Total Accumulated Depreciation	(38,504,570)	(4,373,038)	1,872,642	-	(41,004,966)
Total Capital Assets Being Depreciated, Net	37,147,571	(1,368,163)	(71,414)	-	35,707,994
Governmental Activities Capital Assets, Net	$ 53,535,396	$ (282,803)	$ (71,414)	$ (748,744)	$ 52,432,435

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

Governmental Activities	
Land improvements	$ 1,141,635
Buildings and improvements	1,363,080
Transit Vehicles	595,444
Furniture and equipment	1,272,879
Total Depreciation / Amortization Expense - Governmental Activities	$ 4,373,038

Note 3: Detailed Notes on All Funds (Continued)

D. Interfund Receivables, Payables, and Transfers

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

Receivable Fund	Payable Fund	Amount
General	Capital Improvement	$ 922,444
Debt Service	Capital Improvement	274,653
Total		$ 1,197,097

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	$ 1,405,000

Requirement to maturity for general obligation revenue bonds follows:

	Gross Revenue Refunding Bond, Series 2021 Governmental Activities		
Year Ending December 31,	Principal	Interest	Total
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	$ 1,405,000	$ 43,054	$ 1,448,054

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
Gross revenue refunding bond	$ 1,745,000	$ -	$ (340,000)	$ 1,405,000	$ 345,000
Compensated Absences Payable*	306,599	153,459	-	460,058	236,023
Governmental Activities Long-term Liabilities	$ 2,051,599	$ 153,459	$ (340,000)	$ 1,865,058	$ 581,023

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

F. Components of Fund Balance

At December 31, 2024, 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	$ 405,155	$ -	$ 74,398	$ 479,553
Inventory	89,910	-	-	89,910
Lease	75,170	-	-	75,170
Total Nonspendable	570,235	-	74,398	644,633
Restricted				
Debt service	-	499,229	-	499,229
Committed				
Insurance Claims	570,430	-	-	570,430
City of Prior Lake	162,000	-	-	162,000
Total Committed	732,430	-	-	732,430
Assigned				
Capital projects	3,470,569	-	-	3,470,569
Unassigned	5,748,162	-	(74,398)	5,673,764
Total	$ 10,521,396	$ 499,229	$ -	$ 11,020,625

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

The Authority participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employee Plan Benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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. The 2024 annual increase was 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 prorated increase.

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

C. Contributions

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the Authority was required to contribute 7.50 percent for Coordinated Plan members. The Authority's contributions to the General Employees Fund for the years ending December 31, 2024, 2023 and 2022, were $271,069, $207,640 and $174,204, respectively. The Authority'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, 2024, the Authority reported a liability of $1,373,663 for its proportionate share of the General Employees Fund's net pension liability. The Authority'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 Authority totaled $35,520.

Authority's Proportionate Share of the Net Pension Liability	$	1,373,663
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the Authority		35,520
Total	$	1,409,183

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The Authority's proportionate share was 0.0372 percent at the end of the measurement period and 0.0323 percent for the beginning of the period.

For the year ended December 31, 2024, the Authority recognized pension expense of $228,345 for its proportionate share of the General Employees Plan's pension expense. In addition, the Authority recognized an additional negative $682 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.

During the plan year ended June 30, 2024, the State of Minnesota contributed $170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the $170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The Authority recognized $63,277 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

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

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 122,667	$ -
Changes in Actuarial Assumptions	5,090	470,282
Net Difference Between Projected and Actual Investment Earnings	-	408,084
Changes in Proportion	216,976	-
Contributions Paid to PERA Subsequent to the Measurement Date	153,981	-
Total	$ 498,714	$ 878,366

The $153,981 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	$ (223,410)
2026	(42,529)
2027	(162,412)
2028	(105,282)

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 Return on Investment
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.0 %	

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

F. Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service. Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed 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 2024:

<u>General Employees Fund</u>

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

-The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 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 Plans were 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 Authority'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 Authority'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:

	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	$ 3,000,301	$ 1,373,663	$ 35,605

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.

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, 2024. The amount of the commitments are as follows:

Contract Number and Projects	Spent to Date	Remaining Commitment
C-10188; Adbo	$ 106,650	$ 51,900
*C-10018; Schmitty & Sons Transit, Inc.	99,334,187	25,801,163
*C-10085; Best Lawn Guys	340,409	35,108
*C-10161; Every Season	136,400	170,500
*C-10200; Snow Pros	29,744	327,184
C-10082; Remix Software	174,000	571,300
*C-10150; LHB, Inc.	530,085	132,051
*C-10154; Loeffler Construction & Consulting	93,800	161,200
C-10169; Kimley-Horn	251,390	107,000
C-10198; Equity Builders & Construction Services Inc.	155,630	21,900
C-10199; Equity Builders & Construction Services Inc.	189,431	454,000
C-10202; Rochon	-	11,222,576
C-10195; Bloom Hay Dobbs	23,310	364,100

**Early Termination Clause*

Note 6: Correction of an Error in Previously Issued Financial Statements

The Authority duplicated assets during the prior year audit, which resulted in a material overstatement of assets. An error correction of $748,744 was needed for the fiscal year ended December 31, 2024.

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REQUIRED SUPPLEMENTARY INFORMATION

MINNESOTA VALLEY TRANSIT AUTHORITY
BURNSVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Retirement 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
6/30/2024	0.0372 %	$ 1,373,663	$ 35,520	$ 1,409,183	$ 2,881,674	47.7 %	86.7 %
6/30/2023	0.0323	1,806,180	49,805	1,855,985	2,524,349	71.6	83.1
6/30/2022	0.0282	2,233,449	65,643	2,299,092	1,246,403	97.2	76.7
6/30/2021	0.0271	1,157,291	35,306	1,192,597	1,948,208	57.8	87.0
6/30/2020	0.0254	1,522,846	46,810	1,569,656	1,808,093	83.9	79.0
6/30/2019	0.0238	1,315,849	40,832	1,356,681	1,681,147	79.1	80.2
6/30/2018	0.0226	1,253,755	41,053	1,294,808	1,517,552	83.7	79.5
6/30/2017	0.0207	1,321,474	16,611	1,338,085	1,333,078	96.9	75.9
6/30/2016	0.0209	1,696,976	22,191	1,719,167	1,258,954	134.8	68.9
6/30/2015	0.0179	927,671	-	927,671	1,066,295	87.0	78.2

Schedule of Employer's PERA Contributions - General Employees Retirement 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)
12/31/2024	$ 271,069	$ 271,069	$ -	$ 3,614,256	7.50 %
12/31/2023	207,640	207,640	-	2,768,530	7.50
12/31/2022	174,204	174,204	-	2,322,723	7.50
12/31/2021	157,634	157,634	-	2,101,787	7.50
12/31/2020	142,816	142,816	-	1,904,213	7.50
12/31/2019	129,511	129,511	-	1,726,813	7.50
12/31/2018	119,861	119,861	-	1,598,147	7.50
12/31/2017	104,929	104,929	-	1,399,053	7.50
12/31/2016	99,633	99,633	-	1,328,440	7.50
12/31/2015	85,500	85,500	-	1,140,000	7.50

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023 - The investment return and single discount rates were changed from 6.5 percent to 7.0 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.

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

Changes in Plan Provisions

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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

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 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 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 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 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, 2024

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental	$ 363,940	$ 363,940	$ 363,940	$ -
Expenditures				
Debt service				
Principal	340,000	340,000	340,000	-
Interest	23,940	23,940	23,940	-
Total Expenditures	363,940	363,940	363,940	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, January 1	499,229	499,229	499,229	-
Fund Balances, December 31	$ 499,229	$ 499,229	$ 499,229	$ -

STATISTICAL SECTION (UNAUDITED)

MINNESOTA VALLEY TRANSIT AUTHORITY
BURNSVILLE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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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			
	2015	2016	2017	2018
Governmental activities:				
Net investment in capital assets	$ 44,168,256	$ 44,521,482	$ 42,721,137	$ 42,806,701
Restricted	674,449	732,687	738,517	747,917
Unrestricted	11,319,594	12,899,411	9,558,635	9,338,054
Total governmental activities net position	$ 56,162,299	$ 58,153,580	$ 53,018,289	$ 52,892,672

Source: Minnesota Valley Transit Authority financial records

Table 1

Fiscal Year						
2019	2020	2021	2022	2023	2023	2024
$ 47,001,307	$ 46,497,057	$ 48,344,203	$ 52,808,435	$ 51,027,435	$ 51,790,396	$ 51,027,435
761,613	764,913	485,742	496,594	497,469	497,019	497,469
11,425,562	16,091,434	14,841,735	14,381,240	8,308,023	10,063,089	8,308,023
$ 59,188,482	$ 63,353,404	$ 63,671,680	$ 67,686,269	$ 59,832,927	$ 62,350,504	$ 59,832,927

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

	Fiscal Year			
	2015	2016	2017	2018
Expenses:				
Governmental activities:				
Transit operations	$ 21,662,463	$ 22,683,944	$ 23,993,885	$ 25,509,187
Facilities management	2,245,417	4,337,808	4,460,739	4,399,941
Administration	4,200,518	2,765,475	2,977,661	3,352,218
Interest on long-term debt	195,209	189,402	186,454	175,377
Total expenses	$ 28,303,607	$ 29,976,629	$ 31,618,739	$ 33,436,723
Program revenues:				
Governmental activities:				
Charges for services:				
Passenger fares	$ 5,653,801	$ 5,565,307	$ 5,798,513	$ 6,217,639
Ground lease	54,371	55,282	61,787	77,068
Operating grants and contributions	3,203,076	4,573,433	5,073,960	6,696,635
Capital grants and contributions	2,341,870	2,563,056	676,361	1,728,035
Total program revenue	$ 11,253,118	$ 12,757,078	$ 11,610,621	$ 14,719,377
Net expense	$ (17,050,489)	$ (17,219,551)	$ (20,008,118)	$ (18,717,346)
General revenue:				
Motor vehicle sales tax	18,021,624	19,131,811	14,774,709	18,242,465
Revenues not restricted to specific programs	37,055	66,701	29,520	234,957
Miscellaneous revenue	855	12,320	68,598	114,307
Total general revenue	18,059,534	19,210,832	14,872,827	18,591,729
Special item and error corrections	1,620,750	-	-	-
Change in net position	$ 2,629,795	$ 1,991,281	$ (5,135,291)	$ (125,617)

Source: Minnesota Valley Transit Authority financial records

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 24,689,253	$ 18,000,046	$ 21,652,837	$ 23,673,742	$ 25,083,494	$ 27,417,364
4,496,819	6,584,638	4,814,814	6,293,956	7,319,399	5,177,999
3,632,427	4,228,257	4,580,857	5,962,795	5,567,141	6,742,588
163,370	151,008	147,202	33,770	28,645	23,490
$ 32,981,869	$ 28,963,949	$ 31,195,710	$ 35,964,263	$ 37,998,679	$ 39,361,441
$ 6,035,953	$ 1,512,737	$ 1,117,947	$ 2,040,515	$ 2,610,871	$ 2,940,093
90,102	61,726	71,948	148,344	104,874	137,941
4,891,621	9,913,725	5,987,100	10,032,178	2,299,209	1,738,373
8,778,427	2,614,615	1,494,611	4,517,035	1,177,320	2,736,596
$ 19,796,103	$ 14,102,803	$ 8,671,606	$ 16,738,072	$ 6,192,274	$ 7,553,003
$ (13,185,766)	$ (14,861,146)	$ (22,524,104)	$ (19,226,191)	$ (31,806,405)	$ (31,808,438)
18,920,458	18,775,395	22,545,445	22,891,235	25,085,754	29,160,687
356,091	185,639	295,433	275,899	710,665	671,460
205,027	65,034	1,502	73,646	674,221	207,458
19,481,576	19,026,068	22,842,380	23,240,780	26,470,640	30,039,605
-	-	-	-	-	(748,744)
$ 6,295,810	$ 4,164,922	$ 318,276	$ 4,014,589	$ (5,335,765)	$ (2,517,577)

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

	Fiscal Year			
	2015	2016	2017	2018
General Fund:				
Nonspendable	$ 130,938	$ 112,042	$ 119,129	$ 136,630
Committed	1,711,606	667,047	349,628	212,936
Assigned	-	-	933,690	-
Unassigned	10,041,304	13,301,527	8,984,335	10,375,076
Total General Fund	$ 11,883,848	$ 14,080,616	$ 10,386,782	$ 10,724,642
Capital Projects Fund:				
Nonspendable	$ -	$ -	$ -	$ -
Unassigned	-	-	-	-
Total Capital Projects Fund	$ -	$ -	$ -	$ -
Debt Service Fund:				
Restricted	$ 691,003	$ 748,683	$ 753,663	$ 762,188
Subsequent years' budgeted expenditures	$ 27,665,782	$ 29,537,255	$ 31,108,068	$ 31,800,197
Months of expenditures in Unassigned Fund Balance	4.36	5.40	3.47	3.92

Source: Minnesota Valley Transit Authority financial records

Table 3

			Fiscal Year			
	2019	2020	2021	2022	2023	2024
	$ 132,114	$ 186,422	$ 229,671	$ 353,851	$ 414,133	$ 570,235
	184,787	193,632	481,187	523,430	638,541	732,430
	1,420,035	8,858,313	9,394,113	10,850,988	7,841,909	3,470,569
	9,335,433	8,318,062	5,751,307	4,505,197	3,271,144	5,748,162
	$ 11,072,369	$ 17,556,429	$ 15,856,278	$ 16,233,466	$ 12,165,727	$ 10,521,396
	$ -	$ 412,140	$ 317,880	$ 236,719	$ 155,558	$ 74,398
	-	(313,597)	(317,880)	(236,719)	(155,558)	(74,398)
	$ 6,419	$ 98,543	$ -	$ -	$ -	$ -
	$ 774,984	$ 777,359	$ 499,229	$ 499,229	$ 499,229	$ 499,229
	$ 30,557,926	$ 30,395,916	$ 34,627,570	$ 37,797,479	$ 35,470,540	$ 42,744,165
	3.67	3.28	1.99	1.56	1.11	1.61

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

	Fiscal Year			
	2015	2016	2017	2018
Revenues:				
Intergovernmental revenue	$ 23,566,570	$ 26,261,683	$ 20,524,550	$ 26,657,562
Passenger fares	5,653,801	5,565,307	5,798,513	6,217,639
Miscellaneous:				
Advertising income	-	-	-	184,179
Investment income	855	12,320	68,598	114,307
Miscellaneous	91,426	121,983	91,307	127,846
Total revenues	29,312,652	31,961,293	26,482,968	33,301,533
Expenditures:				
Current:				
Transit operations	20,605,999	21,904,307	23,485,315	25,210,183
Facilities management	1,581,121	1,719,538	1,731,290	1,773,685
Administration	2,090,118	2,529,010	2,728,528	3,137,500
Total current	24,277,238	26,152,855	27,945,133	30,121,368
Debt service:				
Principal	325,000	335,000	368,856	382,708
Interest and other charges	201,900	195,300	192,644	181,592
Issuance expense	-	-	-	-
Capital outlay	2,629,439	3,023,690	1,836,231	2,269,480
Total expenditures	27,433,577	29,706,845	30,342,864	32,955,148
Revenue over (under) expenditures	1,879,075	2,254,448	(3,859,896)	346,385
Other financing sources (uses):				
Refunding bond issuance	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	248,019	270,336	248,369	435,915
Transfers out	(248,019)	(270,336)	(248,369)	(435,915)
Issuance of capital lease	-	-	171,042	-
Total other financing sources (uses)	-	-	171,042	-
Special item	1,620,750	-	-	-
Net change in fund balance	3,499,825	2,254,448	(3,688,854)	346,385
Fund balance - January 1	9,075,026	12,574,851	14,829,299	11,140,445
Fund balance - end of year	$ 12,574,851	$ 14,829,299	$ 11,140,445	$ 11,486,830
Debt service as a percent of noncapital expenditures	2.1%	2.0%	1.9%	1.8%

Source: Minnesota Valley Transit Authority financial records

Table 4

	Fiscal Year					
	2019	2020	2021	2022	2023	2024
	$ 32,587,448	$ 31,299,661	$ 30,024,307	$ 37,440,448	$ 28,562,283	$ 33,635,656
	6,035,953	1,512,737	1,117,947	2,040,515	2,610,871	2,740,943
	201,650	110,799	128,890	56,538	2,975	22,173
	205,027	65,034	1,502	195,386	707,690	649,287
	199,543	91,566	206,491	236,156	778,871	545,231
	39,229,621	33,079,797	31,479,137	39,969,043	32,662,690	37,593,290
	24,249,746	17,641,283	21,117,272	23,509,589	25,398,537	24,257,123
	1,733,508	1,662,457	1,869,087	3,130,513	3,085,740	3,209,412
	3,332,203	4,050,634	4,436,280	4,982,116	5,289,791	6,627,069
	29,315,457	23,354,374	27,422,639	31,622,218	33,774,068	34,093,604
	394,040	405,427	1,156,871	340,000	335,000	340,000
	169,610	157,273	117,649	44,622	29,070	23,940
	-	-	68,113	-	-	-
	8,983,572	2,584,164	4,790,689	7,585,015	2,592,291	4,780,077
	38,862,679	26,501,238	33,555,961	39,591,855	36,730,429	39,237,621
	366,942	6,578,559	(2,076,824)	377,188	(4,067,739)	(1,644,331)
	-	-	2,420,000	-	-	-
	-	-	(2,420,000)	-	-	-
	-	-	2,314,235	718,945	111,276	80,749
	-	-	(2,314,235)	(718,945)	(111,276)	(80,749)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	366,942	6,578,559	(2,076,824)	377,188	(4,067,739)	(1,644,331)
	11,486,830	11,853,772	18,432,331	16,355,507	16,732,695	12,664,956
	$ 11,853,772	$ 18,432,331	$ 16,355,507	$ 16,732,695	$ 12,664,956	$ 11,020,625
	1.9%	2.3%	4.4%	1.2%	1.1%	1.0%

Minnesota Valley Transit Authority

Table 5

Ratios Of Outstanding Debt By Type
Last 10 Fiscal Years
(Unaudited)
Governmental Activities

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)
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
2024	1,405,000	-	1,405,000	0.006%	4

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

Table 6

Direct and Overlapping Governmental Activities Debt
December 31, 2024
(Unaudited)

(Amt in Thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct			
MVTA	$1,405	100 %	$1,405
Overlapping			
Counties			
Scott County	$ 102,467	$ 100 %	102,467
Cities			
City of Apple Valley	$ 30,975	$ 100 %	30,975
City of Burnsville	61,000	100	61,000
City of Eagan	36,405	100	36,405
City of Rosemount	112,310	100	112,310
Elko New Market	16,333	100	16,333
Prior Lake	2,760	100	2,760
Savage	27,780	100	27,780
Shakopee	43,960	100	43,960
School Districts:			
ISD No. 191-Burnsville-Eagan-Savage	$ 106,710	$ 100 %	$ 106,710
ISD No. 196-Rosemount-Apple Valley-Eagan	385,260	100	385,260
ISD No. 719-Prior Lake-Savage	139,768	100	139,768
ISD No. 720-Shakopee-Prior Lake	200,569	100	200,569
Special Taxing Districts			
Metropolitan Council	$ 1,694,829	5.04 %	$85,419
Subtotal, overlapping debt			1,351,716
Total underlying and overlapping debt			$ 1,353,121

(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

Table 7

Demographic And Econmic Statistics
Last 10 Fiscal Years
(Unaudited)

Fiscal Year	Population(1)	Per Capita Personal Income (2)	Personal Income (thousands of dollars) (3)	K-12 Enrollment (4)	Unemployment Rate (5)
2015	297,947	$ 54,493	$ 16,235,877	51,971	3.1 %
2016	301,417	56,007	16,881,311	52,698	3.2
2017	305,020	58,179	17,745,759	53,632	2.9
2018	307,823	60,958	18,764,121	54,029	2.5
2019	312,396	62,447	19,508,037	54,303	2.8
2020	318,976	65,202	20,797,714	54,440	5.9
2021	322,105	68,585	22,091,571	53,410	3.3
2022	325,326	70,711	23,004,174	53,356	1.8
2023	318,108	72,706	23,128,360	53,075	2.5
2024	325,954	78,116	25,462,223	52,386	2.1

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)

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

	2023*		
Employer	Employees	Rank	Percentage of Total Cities Employment
Thomson Reuters	5,000	1	3.5%
ISD 196, Rosemount-Apple Valley-Eagan	4,330	2	3.1%
BlueCross/BlueShield of Minnesota	3,000	3	2.1%
Amazon	2,500	4	1.8%
US Postal Service	2,100	5	1.5%
Prime Therapeutics	2,100	6	1.5%
Collins Aerospace	1,800	7	1.3%
Valley Fair	1,721	8	1.2%
Emerson Manufacturing	1,563	9	1.1%
United Parcel Service	1,500	10	1.1%
Burnsville Public Schools - ISD #191			
Ecolab			
Canterbury Park			
Total principal employees	25,614		18.1%
Total employees in cities	141,149		100.0%

**Data is one year behind due to other governments working their reports as well.*

Sources:
2023 Annual Comprehensive Financial Reports for Member Cities

Table 8

2014		
Employees	Rank	Percentage of Total Cities Employment
7,000	1	5.0%
1,414	7	1.0%
3,250	2	2.3%
2,000	4	1.4%
1,400	8	1.0%
1,670	5	1.2%
1,400	8	1.0%
2,871	3	2.0%
1,500	6	1.1%
1,272	10	0.9
23,777		17.0%
140,210		100.0%

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

Function	Fiscal Year 2015	2016	2017	2018
Transit Operations	6.5	7.9	8.2	7.6
Facilities Management	0.5	0.5	1.6	2.5
Administration	6.2	7.1	6.8	10.1
Total	13.2	15.5	16.6	20.2

Source: Minnesota Valley Transit Authority personnel records

Table 9

2019	2020	2021	2022	2023	2024
7.6	7.6	11.2	11.6	11.0	20.17
2.5	3.5	3.4	3.5	6.0	6.17
10.1	10.0	10.6	12.3	13.0	13.67
20.2	21.1	25.2	27.4	30.0	40.0

Minnesota Valley Transit Authority

Operating Statistics
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
SYSTEM RIDERSHIP:	2015	2016	2017	2018
Minneapolis Express	$ 1,723,273	$ 1,681,239	$ 1,645,271	$ 1,605,319
St. Paul Express	192,425	195,125	192,171	189,128
Suburb to Suburb Express	-	13,239	64,163	78,774
Red Line BRT	265,410	266,811	270,400	254,125
Local	564,261	527,954	509,091	494,290
Reverse Commute	57,538	52,149	52,850	54,908
Weekend	95,291	88,152	102,969	109,758
State Fair/Special Events	67,766	77,729	87,449	86,082
Vikings Shuttle	-	-	-	1,076
Connect Services	-	-	-	-
Special Services	-	-	-	456
	2,965,964	2,902,398	2,924,364	2,873,916
VEHICLE REVENUE HOURS:				
Fixed Route	165,945	182,903	173,386	180,721
Special Events	1,480	1,112	1,164	1,164
Connect Services	-	-	-	-
VEHICLE REVENUE MILES:				
Fixed Route	3,446,765	3,829,560	3,561,802	3,652,965
Special Events	31,194	32,219	33,891	33,891
Connect Services	-	-	-	-

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					
2019	2020*	2021	2022*	2023	2024
$ 1,576,529	$ 373,443	$ 172,599	$ 372,733	$ 467,791	$ 537,254
185,011	44,009	10,297	24,392	30,724	27,182
81,151	60,035	54,862	58,036	72,261	60,219
238,833	117,414	-	-	-	-
451,710	222,543	229,104	266,101	314,648	308,182
47,444	14,845	7,497	12,922	16,448	14,465
104,296	67,228	72,865	82,235	110,420	102,790
97,291	-	37,463	95,354	110,718	127,220
718	-	1,162	-	-	-
3,505	9,295	37,054	87,842	109,925	158,446
-	2,112	9,030	19,082	59,461	90,559
2,786,488	910,924	631,933	1,018,697	1,292,396	1,426,317
170,273	103,086	141,806	153,635	139,141	151,661
1,164	-	1,129	1,088	2,145	4,302
-	-	18,075	36,258	39,249	52,106
3,555,521	2,086,426	2,839,792	3,062,768	3,252,817	3,049,550
32,820	-	37,249	34,587	60,306	60,972
-	-	271,400	589,642	676,779	890,236

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

	Fiscal Year			
FUNCTION/PROGRAM	2015	2016	2017	2018
Transit Operations				
Transit Revenue Vehicles - #	150	164	165	165
Maximum # of Rev. Vehicles in Operation	127	139	133	134
Facilities Management				
Transit Stations - # owned	5	5	5	5
Transit Stations - # leased	2	2	3	3
Transit Stations - # of parking spaces	3,790	3,790	3,790	3,790
Park & Rides - # owned	3	3	3	3
Park & Rides - # leased	4	4	4	4
Park & Rides - # of parking spaces	2,479	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	1

Table 11

Fiscal Year					
2019	2020	2021	2022	2023	2024
165	162	172	174	166	169
136	136	116	124	132	101
5	5	5	5	5	5
3	1	1	1	1	1
3,790	4,016	4,016	4,016	4,016	4,016
3	3	3	2	2	2
4	4	4	5	5	5
2,479	2,479	2,479	2,479	2,479	2,479
2	0	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