



St. Cloud Metropolitan Transit Commission  
St. Cloud, MN

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended September 30, 2025

METRO BUS



# **St. Cloud Metropolitan Transit Commission St Cloud, Minnesota**

**Annual Comprehensive Financial Report  
For The Fiscal Year Ended September 30, 2025**

**Ryan Daniel - Chief Executive Officer  
Nene Israel - Chief Financial Officer**

**Prepared by  
Department of Finance**



**St. Cloud Metropolitan Transit Commission  
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665 Franklin Ave. NE  
St. Cloud, MN 56304

March 23, 2026

To the Board of Commissioners and the Communities Served by St. Cloud Metropolitan Transit Commission (Metro Bus)

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the St. Cloud Metropolitan Transit Commission (Metro Bus) for the fiscal year ended September 30, 2025. This report provides a comprehensive overview of the Commission's financial position and operating results and is intended to provide transparency and accountability to the Board of Commissioners, funding partners, policymakers, and the communities served by Metro Bus. The report fulfills the requirements of Minnesota state law that all general-purpose local governments publish annually a complete set of financial statements prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of independent certified public accountants.

During the fiscal year ended September 30, 2025, Metro Bus continued to advance strategic initiatives that strengthen the region's public transportation network and support long-term mobility planning. Key accomplishments included continued planning for a future transit center following the acquisition of land in fiscal year 2024, development of a long-range transit plan to guide future service expansion, and system improvements designed to enhance accessibility and usability for riders. The Commission also invested in operational infrastructure by installing an additional compressor at the compressed natural gas (CNG) fueling island to support the reliability of its alternative fuel fleet. In addition, Metro Bus applied for approximately \$14 million through the Federal Transit Administration's Low or No-Emission Vehicle Program to support the replacement of 23 CNG buses as part of its ongoing fleet modernization strategy.

This report was prepared by the Commission's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, supporting schedules, and statistical tables, rests with the Commission. Management believes that the data presented in this report is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of Metro Bus as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial position have been included.

Management of Metro Bus has established a comprehensive internal control framework designed to safeguard the agency's assets from loss, theft, or misuse and to compile reliable information necessary for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Commission's system of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. This system of internal controls supports the Commission's

commitment to strong financial stewardship, accountability, and the responsible management of public resources.

The Commission's financial statements were audited by BerganKDV, Ltd., a firm of licensed and certified public accountants. The objective of the independent audit is to provide reasonable assurance that the Commission's financial statements for the fiscal year ended September 30, 2025, are free from material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Commission's financial statements are fairly presented in conformity with GAAP. The Independent Auditor's Report appears as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The Commission's MD&A can be found in the financial section of this report immediately following the Independent Auditor's Report.

## **PROFILE OF THE COMMISSION**

The St. Cloud Metropolitan Transit Commission is a public transit agency operated by and for the Cities of St. Cloud, Waite Park, Sauk Rapids, and Sartell, Minnesota. The Commission was organized in 1969 under Minnesota Statutes §458A and provides fixed-route and dial-a-ride services throughout the region.

Metro Bus plays a critical role in supporting mobility and economic opportunity across the greater St. Cloud region. By providing reliable and accessible public transportation, the Commission connects residents to employment centers, educational institutions, healthcare services, and community resources. As the region continues to grow and diversify, public transportation remains an essential component of a sustainable and connected regional transportation network.

The Commission currently operates three primary facilities. The Operations Center, originally constructed in 1985 and expanded several times, most recently in 2017, houses Metro Bus administrative offices, the Dial-a-Ride call center, the maintenance shop, and vehicle storage. The Transit Center, located in downtown St. Cloud, is a multimodal transfer facility built in 1992 and remodeled and expanded in 2012. Metro Bus also serves as the local stop for Jefferson Lines and provides connections with private transportation providers and regional transit systems.

The Mobility Training Center, located in downtown St. Cloud, is the first facility of its kind in Minnesota. It provides a comfortable and controlled environment where customers learn how to safely use the transit system. The center features a simulated street environment used to train and assess individuals' physical and cognitive abilities related to public transportation. The facility is also home to Metro Bus's Community Outreach and Travel Training program.

## **ORGANIZATIONAL STRUCTURE**

The Commission is governed by a five-member Board of Commissioners comprised of one representative from each member city, except the City of St. Cloud, which appoints two representatives. Each member is entitled to one vote.

Subject to policy direction and delegation from the Board, the Chief Executive Officer (CEO) is responsible for the overall operations and administration of Metro Bus.

## **BUDGET PROCESS**

The annual budget process begins with the executive team establishing goals and parameters for the upcoming fiscal year. Department heads prepare and submit budget requests to the Chief Financial Officer (CFO). After reviewing these requests, the CFO and Chief Executive Officer (CEO) determine which items will be included in the initial draft budget.

The CFO prepares a draft budget incorporating estimated inflationary factors, cost-of-living adjustments, and projected operating costs. Once the executive team has reviewed the proposed budget and the levy to be certified, the draft is presented to the Board of Commissioners for discussion. Following Board feedback, revisions are incorporated, and the final budget and tax levy are presented to the Board of Commissioners for approval.

Future projections are determined once the final budget is adopted each year. While the approved levy may be reduced before December 31, it is not typical for changes to be made to the budget or levy after the September approval.

## **FINANCIAL PLANNING**

### *Operations*

Metro Bus operations are supported through a combination of state and federal grants, levy contributions, passenger fares, and other miscellaneous revenues. State funding continues to represent the primary source of operating support, while federal funding levels may fluctuate depending on grant program availability and funding cycles.

The operating budget for fiscal year 2026 totals \$20.8 million, reflecting the Commission's commitment to providing safe, reliable, and affordable public transportation. Service enhancements included in the fiscal year 2026 operating budget reflect continued implementation of the *Metro Bus Forward* Long Range Plan through adjustments to service patterns and frequencies.

### *Long-Term Capital Improvement Program*

The \$3 million fiscal year 2026 Capital Budget and the \$34 million five-year Capital Improvement Program (CIP) for fiscal years 2026–2030 support strategic capital investments focused on safety, state of good repair, and reliable transit service.

The CIP aligns available funding sources with the capital investments needed to maintain and improve Metro Bus assets. Major investment categories include:

- **Bus, Bus Facilities, and Paratransit** – Replacement and purchase of buses and paratransit vehicles, rehabilitation and maintenance of fleet assets, and improvements to maintenance and customer facilities.
- **Operations and Business Support** – Investments in technology infrastructure, system data networks, information technology systems, and the non-revenue vehicle fleet.

## **ECONOMIC CONDITIONS AND OUTLOOK**

The greater St. Cloud region continues to experience stable economic growth supported by key sectors including healthcare, education, manufacturing, and professional services. As the region grows, public transportation remains an essential component of the transportation network, providing access to employment, education, healthcare, and community services.

Metro Bus continues to monitor economic conditions that may influence operating costs and service delivery, including inflationary pressures related to fuel, vehicle parts, insurance, and contracted services. Workforce availability within the transit industry also remains an important factor as agencies work to recruit and retain qualified operators and maintenance personnel.

Despite these challenges, Metro Bus remains committed to maintaining financial stability while delivering safe, reliable, and accessible transit services. Strategic investments in fleet modernization, infrastructure improvements, and long-range planning will help ensure the Commission continues to meet the mobility needs of the communities it serves.

## **KEY INITIATIVES AND ACCOMPLISHMENTS**

During fiscal year 2025, Metro Bus continued to advance initiatives designed to strengthen transit infrastructure and improve the rider experience.

Planning efforts continued following the fiscal year 2024 acquisition of land for a future transit center. The Commission is currently developing a long-range transit plan that will guide the development and integration of this future facility into the regional transportation network.

Metro Bus also began implementing a system-wide program to formally name bus stops and improve stop identification. Additional improvements are underway to enhance accessibility at bus stops and better serve passengers with mobility challenges while maintaining compliance with accessibility standards.

Operational improvements were made to support the agency's alternative fuel fleet through the installation of an additional compressor at the compressed natural gas (CNG) fueling island, increasing fueling capacity and improving operational reliability.

Looking ahead, Metro Bus continues to pursue opportunities to modernize its fleet. In fiscal year 2025, the Commission applied for approximately \$14 million through the Federal Transit Administration's Low or No Emission Vehicle Program (Low-No) to support the replacement of 23 compressed natural gas buses.

These initiatives reflect Metro Bus's commitment to responsible planning, infrastructure investment, and service improvements that support the long-term transportation needs of the communities it serves.

#### **ACKNOWLEDGMENTS**

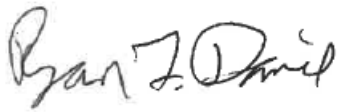
We would like to express our sincere appreciation to the Board of Commissioners for their continued leadership and strategic direction. We also extend our gratitude to the employees of Metro Bus, whose dedication and professionalism ensure the safe and reliable delivery of transit services every day.

We also thank the Finance Department staff for their contributions to the preparation of this report. The Finance Department is responsible for oversight of the financial system, year-end closing adjustments, coordination of the annual audit, compilation of statistical information, and preparation of this Annual Comprehensive Financial Report.

Finally, we thank our community partners, riders, and funding agencies for their continued support of public transportation in the St. Cloud region.

Metro Bus remains committed to continuous improvement in financial reporting and transparency. The Commission prepares the Annual Comprehensive Financial Report to provide clear, accurate, and accessible financial information to the public and its stakeholders. The Commission will continue to evaluate opportunities to enhance financial reporting practices consistent with the best practices of governmental finance organizations.

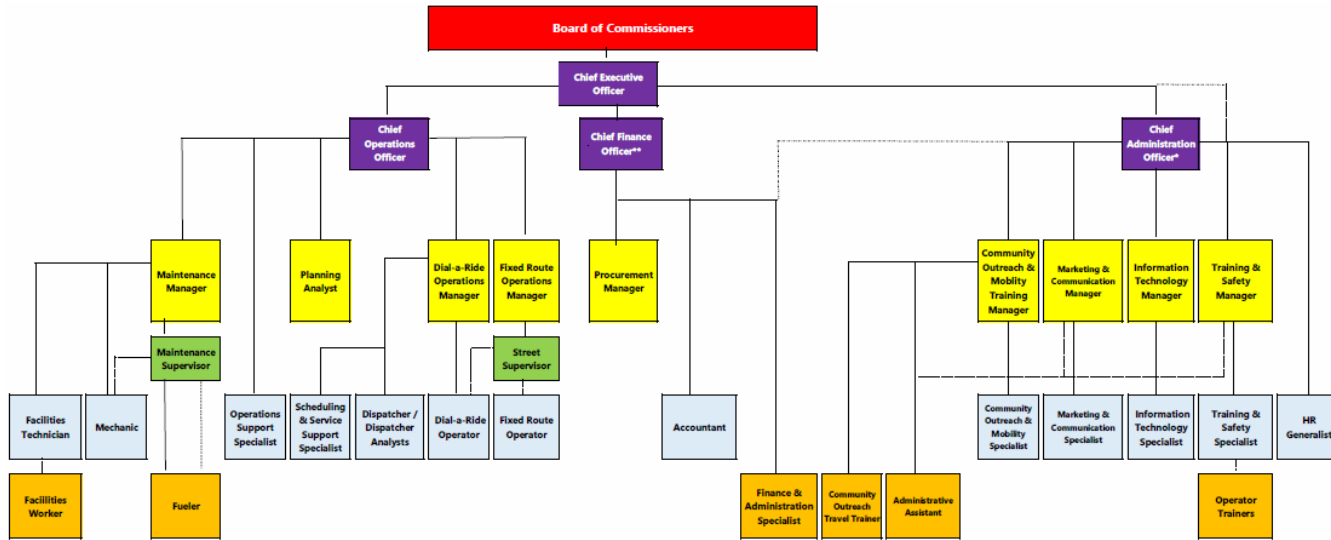
Respectfully submitted,

A handwritten signature in black ink that reads "Ryan J. Daniel". The signature is written in a cursive, flowing style.

Chief Executive Officer  
St. Cloud Metropolitan Transit Commission

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# St. Cloud Metropolitan Transit Commission Organizational Chart



\* Designated as Title VI Manager, EEO Officer  
 \*\* Designated as DBE Liaison Officer  
 DOTTED LINE refers to work direction only, not direct supervision

**St. Cloud Metropolitan Transit Commission  
Board of Commissioners, Administration, and Other Data  
September 30, 2025**

Elected Officials	Position	Represented	Term Expires
David Kleis	Chairperson	St. Cloud	June 30, 2027
Ryan Fitzthum	Vice Chairperson	Sartell	June 30, 2027
Dave Masters	Secretary	St. Cloud	June 30, 2027
Kurt Hunstiger	Treasurer	Sauk Rapids	June 30, 2026
Ken Schmitt	Member	Waite Park	June 30, 2028

Administration

Ryan I. Daniel	Chief Executive Officer
Nene Israel	Chief Financial Officer

Other Data

Revenue Bus Miles	1,765,198
Number of Passengers	809,467
Revenue Bus Hours Operated	129,165



## Independent Auditor's Report

To the Board of Commissioners  
St. Cloud Metropolitan Transit Commission  
St. Cloud, Minnesota

### **Report on the Audit of the Financial Statements**

We have audited the financial statements of St. Cloud Metropolitan Transit Commission, St. Cloud, Minnesota, as of and for the year ended September 30, 2025, and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of St. Cloud Metropolitan Transit Commission as of September 30, 2025, and the respective changes in financial position and, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 St. Cloud Metropolitan Transit Commission 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.

#### **Emphasis of Matter**

The Commission has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

The management of St. Cloud Metropolitan Transit Commission is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission'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 Commission'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 which raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2026, on our consideration of the Commission'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 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 Commission's internal control over financial reporting and compliance.

*BerganKDV, Ltd.*

St. Cloud, Minnesota  
March 23, 2026



**St. Cloud Metropolitan Transit Commission  
Management's Discussion and Analysis  
(Unaudited)**

As management of the St. Cloud Metropolitan Transit Commission (the "Commission"), we present this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended September 30, 2025. This discussion is intended to assist readers in understanding the Commission's financial performance and should be read in conjunction with the Commission's financial statements and accompanying notes.

Unless otherwise indicated, all amounts are expressed in dollars. Comparative information between the current fiscal year and the prior fiscal year is presented where appropriate to provide additional context for evaluating financial trends.

**FINANCIAL HIGHLIGHTS**

At the close of fiscal year 2025, the Commission's assets exceeded its liabilities by \$55.9 million, representing the Commission's net position. Of this amount, \$28.9 million is classified as unrestricted net position, which may be used to meet the Commission's ongoing operational obligations to riders, employees, and creditors.

The Commission's net position increased by \$4.7 million during fiscal year 2025. Unrestricted net position increased by \$4.8 million, while net investment in capital assets decreased by \$44,017 compared with the prior fiscal year.

Total current assets for fiscal year 2025 are \$34.9 million, an increase of \$4.7 million from fiscal year 2024. Current and noncurrent liabilities increased slightly during the year.

Metro Bus received pandemic-related federal relief funding through the CARES, CRRSA, and ARP programs, totaling \$17.3 million. The remaining balance of these Emergency Relief funds was utilized during fiscal year 2025 to reimburse operating expenditures.

The Commission also continues to administer and operate the Northstar Link Commuter Bus Service, which connects the City of St. Cloud with the Northstar Commuter Rail station in Big Lake, Minnesota. The Commission receives \$36,000 annually in administrative fees and is reimbursed for all operating expenses, less retained passenger fare revenue.

Following the disbanding of the Northstar Corridor Development Authority in 2016, participating counties continued the program through regional rail authorities. Beginning January 1, 2022, a new agreement was implemented with the Stearns, Sherburne, and Hennepin County Regional Rail Authorities, which provides the local share of operating costs for the service.

Overall revenues increased by \$1.1 million in fiscal year 2025. Charges for services—including passenger fares, school district contracts, Northstar Link service, and U-Pass agreements with local colleges—increased by \$89,979. State and federal operating funding increased by \$378,711, while capital funding increased by \$1,305,083. Additional revenue included \$387,926 in CNG tax credits related to tax years 2023 and 2024.

**St. Cloud Metropolitan Transit Commission  
Management's Discussion and Analysis  
(Unaudited)**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Commission's basic financial statements. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) as applicable to governmental entities using the accrual basis of accounting.

Under the accrual basis of accounting:

- Revenues are recognized when earned
- Expenses are recognized when incurred

This report also includes **Required Supplementary Information (RSI)** and additional compliance reporting related to governmental auditing standards and federal and state grant requirements.

The Commission's financial statements include:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

The **Statement of Net Position** presents information on all of the Commission's assets and liabilities, with the difference reported as net position. Changes in net position over time can serve as a useful indicator of the Commission's financial health. However, readers should also consider additional indicators such as ridership levels, trends in federal and state funding, and general economic conditions within the service area.

The **Statement of Revenues, Expenses, and Changes in Net Position** presents the Commission's operating revenues, federal and state assistance, investment income, capital contributions, and operating expenses for the fiscal year, showing how the Commission's net position changed from the prior year.

The **Statement of Cash Flows** provides information on cash receipts and cash payments during the reporting period and helps financial statement users assess the Commission's ability to generate sufficient cash flows to meet its obligations.

The **Notes to the Financial Statements** provide additional information that is essential for a full understanding of the financial statements.

With the implementation of GASB 68 in 2015, the Statement of Net Position and the Statement of Activities now recognize a portion of the overall liability a pension fund has. Metro Bus employees contribute to two pension funds, PERA and Central States.

**NET POSITION**

As noted earlier, net position may serve as a useful indicator of the Commission's financial condition. At the close of fiscal year 2025, the Commission reported total net position of \$56.0 million compared with \$51.2 million in fiscal year 2024.

**St. Cloud Metropolitan Transit Commission  
Management's Discussion and Analysis  
(Unaudited)**

**NET POSITION (CONTINUED)**

Of the Commission's net position:

- \$29.0 million (52%) is unrestricted
- \$27.0 million (49%) represents the Commission's investment in capital assets

	2025	2024
Current assets	\$ 34,992,985	\$ 30,275,062
Capital assets, net of depreciation	26,987,351	27,031,368
Non current asset	70,068	-
Total assets	62,050,404	57,306,430
 Deferred outflows of resources related to pension	758,961	945,149
 Current liabilities	1,419,668	1,220,747
Long-term liabilities outstanding	951,051	903,933
Net pension liabilities	2,655,921	2,988,905
Total liabilities	5,026,640	5,113,585
 Deferred inflows of resources related to pension	1,734,444	1,946,807
Deferred inflows of resources related to leases	91,188	-
Total deferred inflows of resources	1,825,632	1,946,807
 Net Position		
Net investment in capital resources	26,987,351	27,031,368
Unrestricted	28,969,742	24,159,819
Total net position	\$ 55,957,093	\$ 51,191,187

**St. Cloud Metropolitan Transit Commission  
Management's Discussion and Analysis  
(Unaudited)**

**NET POSITION (CONTINUED)**

The Commission's capital assets include land, buildings, transit vehicles, equipment, and infrastructure used to deliver public transportation services. Because these assets are used to provide services within the transit service area as defined by Minnesota Statutes Chapter 458A, they are not available for future spending.

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

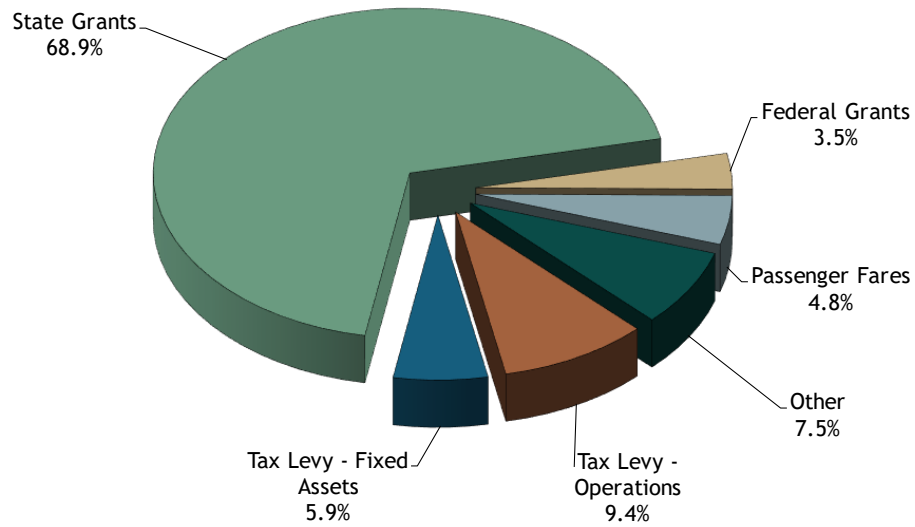
	<b>2025</b>	<b>2024</b>
<b>Operating Revenues</b>		
Charges for services	\$ 1,213,250	\$ 1,055,952
MNDOT grants - operating assistance	16,204,156	13,533,753
Federal operating grants	820,033	3,111,725
Total program revenues	18,237,439	17,701,430
<b>Non-Operating Revenues(Expenses)</b>		
Property taxes	2,204,468	3,352,854
Auxiliary	136,989	141,557
Grants not restricted to specific programs	612,217	164,286
Unrestricted investment earnings	947,931	931,537
Total general revenues	3,901,605	4,590,234
Total revenues	\$ 22,139,044	\$ 22,291,664
<b>Operating Expenses</b>	\$ 18,315,996	\$ 17,467,742
Depreciation	3,552,041	3,282,871
Loss on disposal of capital assets	43,272	1,711
Total expenses	\$ 21,911,309	\$ 20,752,324
<b>Income (loss) before contribution</b>	227,735	1,539,340
Capital grants and contributions	4,538,171	3,233,088
<b>Change in Net Position</b>	4,765,906	4,772,428
Net position, beginning of the year	51,191,187	46,418,758
Net position, end of year	\$ 55,957,093	\$ 51,191,187

**St. Cloud Metropolitan Transit Commission  
Management's Discussion and Analysis  
(Unaudited)**

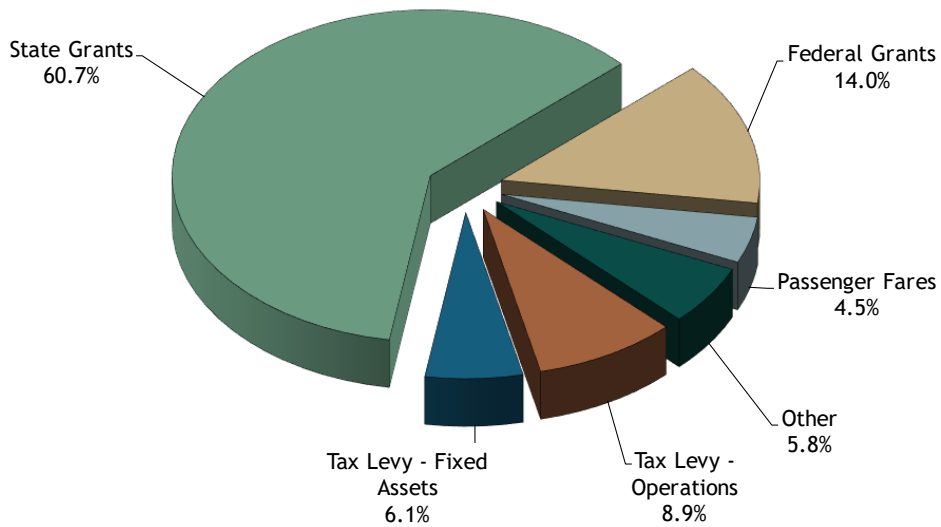
**NET POSITION (CONTINUED)**

**Revenue Analysis**

**2025 Operating Revenues by Source**



**2024 Operating Revenues by Source**



A comparison of operating revenues by source between fiscal years 2024 and 2025 shows several shifts in the Commission's funding composition, primarily driven by changes in grant funding levels.

**St. Cloud Metropolitan Transit Commission  
Management's Discussion and Analysis  
(Unaudited)**

**NET POSITION (CONTINUED)**

**Revenue Analysis (Continued)**

State operating assistance increased as a share of total operating revenue, rising from 60.7% in 2024 to 68.9% in 2025. This increase reflects greater reliance on state funding to support transit operations and helped offset reductions in other funding sources.

Federal operating grant revenue declined significantly, representing 14.0% of operating revenue in 2024 compared to 3.5% in 2025. This decrease is largely attributable to the timing and availability of federal operating assistance programs, which can fluctuate year to year depending on grant allocations and eligibility requirements.

Passenger fare revenue remained relatively stable, accounting for 4.5% of operating revenue in 2024 and 4.8% in 2025. While fares represent a smaller portion of overall operating revenue, the modest increase suggests continued stabilization in ridership and fare collection.

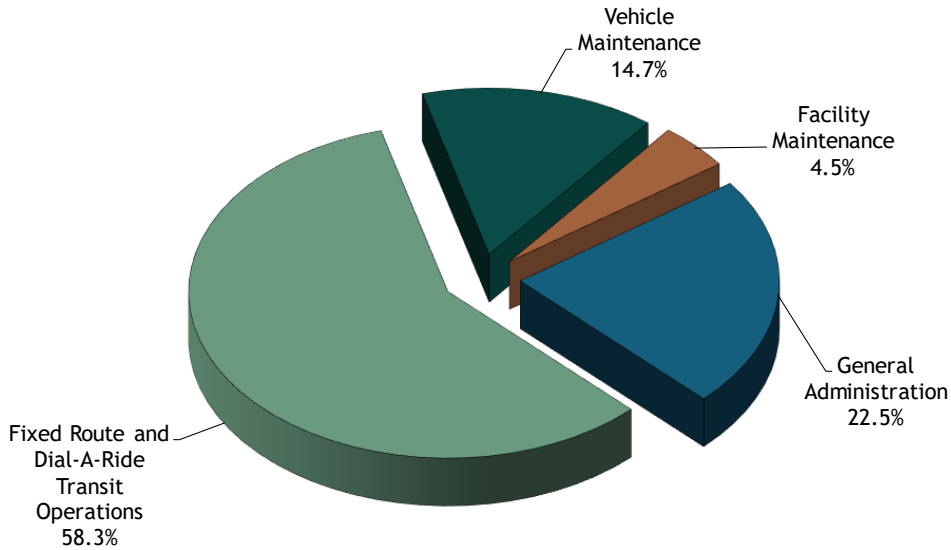
Overall, the Commission continues to rely heavily on state and federal funding sources to support transit operations, a funding structure that is typical for public transportation systems.

St. Cloud Metropolitan Transit Commission  
Management's Discussion and Analysis  
(Unaudited)

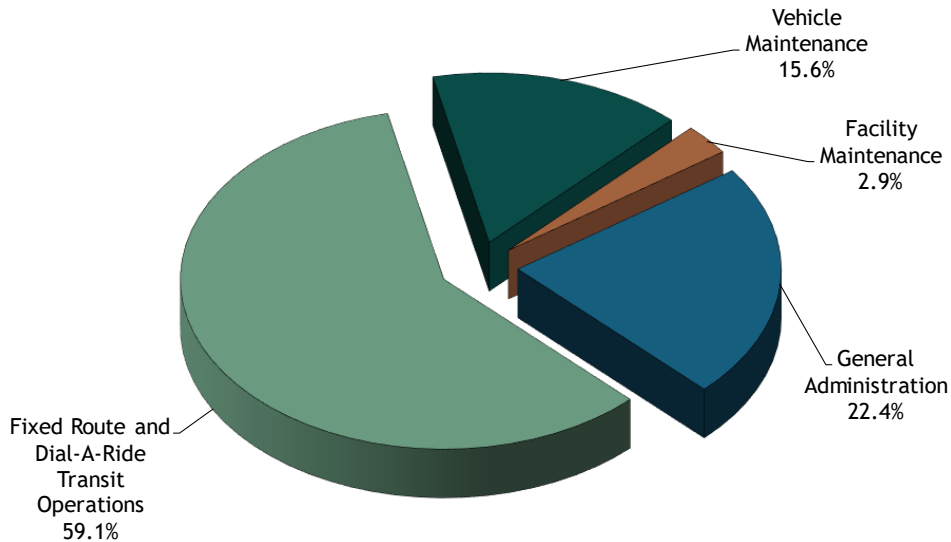
NET POSITION (CONTINUED)

Expense Analysis

**2025 Operating Expenses by Department  
(Excluding Depreciation and Loss on Disposal of Assets)**



**2024 Operating Expenses by Department  
(Excluding Depreciation and Loss on Disposal of Assets)**



A review of operating expenses by department for fiscal years 2024 and 2025 (excluding depreciation and loss on disposal of assets) shows that Transit Operations continues to represent the majority of organizational spending, while the relative distribution among other departments remains generally consistent.

**St. Cloud Metropolitan Transit Commission  
Management's Discussion and Analysis  
(Unaudited)**

**NET POSITION (CONTINUED)**

**Expense Analysis (Continued)**

Fixed Route and Dial-A-Ride Operations accounted for 59.1% of total operating expenses in 2024 and 58.3% in 2025. Although still the largest expense category, the slight decrease reflects modest shifts in resource allocation across departments.

General Administration remained relatively stable, increasing slightly from 22.4% in 2024 to 22.5% in 2025, indicating administrative costs remained proportionate to overall organizational operations.

Vehicle Maintenance expenses decreased modestly from 15.6% in 2024 to 14.7% in 2025, potentially reflecting improved maintenance efficiencies or changes in fleet maintenance requirements.

Facility Maintenance experienced the most noticeable change, increasing from 2.9% of expenses in 2024 to 4.5% in 2025. While still representing the smallest portion of operating expenses, the increase reflects additional investment in facilities, infrastructure improvements, and maintenance activity.

Overall, the Commission's cost structure remained consistent year over year, reflecting the labor-intensive and service-oriented nature of public transit operations, where the majority of resources are appropriately directed toward delivering transportation services to the community.

The chart on the next page illustrates monthly activity levels for fiscal years 2023, 2024, and 2025, covering the period from October through September. Overall, the data shows a consistent upward trend across the three fiscal years, indicating sustained growth in activity levels and improved performance over time.

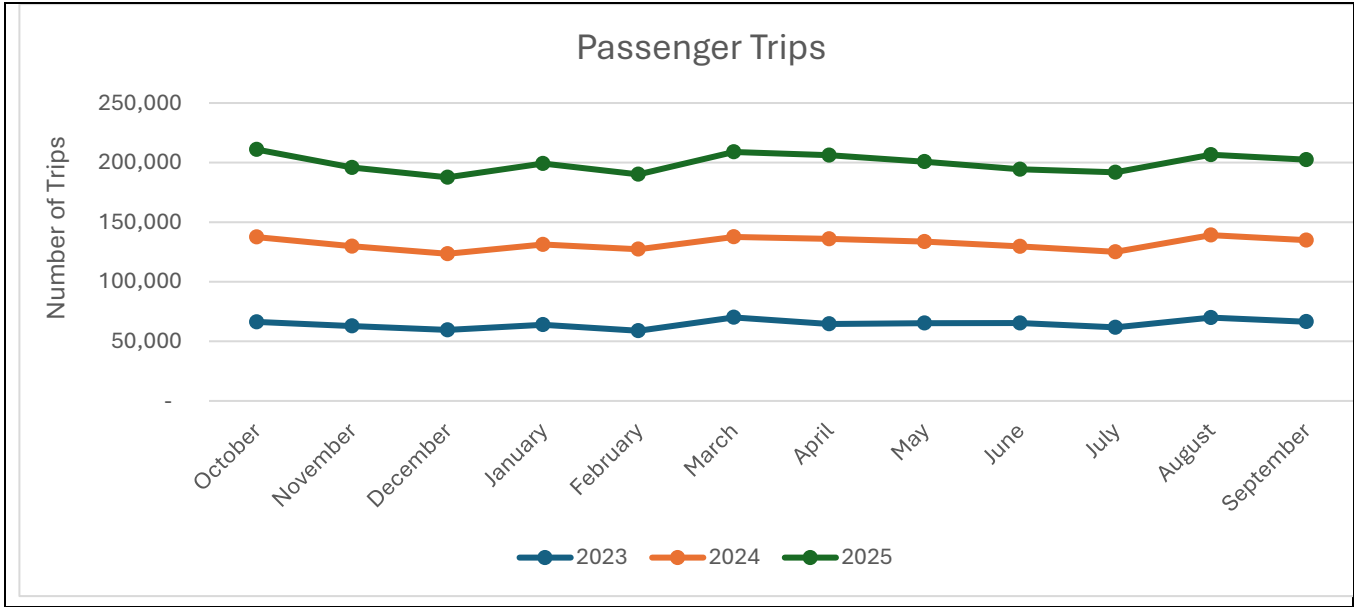
Fiscal year 2023 represents the baseline year, with monthly totals generally ranging between approximately 60,000 and 70,000 rides. Activity during this period remained relatively stable throughout the year with only modest fluctuations month to month. Minor declines were observed in December and February, followed by moderate increases during the spring and late summer months.

**St. Cloud Metropolitan Transit Commission  
Management's Discussion and Analysis  
(Unaudited)**

**NET POSITION (CONTINUED)**

**Expense Analysis (Continued)**

The year-over-year increases observed from fiscal year 2023 through fiscal year 2025 demonstrate continued growth and strengthening performance. Each fiscal year reflects a higher baseline level of activity than the prior year, suggesting increased demand and utilization over time. Despite modest seasonal variations, the trend indicates stable and sustained growth throughout the reporting period.



**CAPITAL ASSETS**

As of September 30, 2025, the Commission's investment in capital assets totaled \$27.0 million (net of accumulated depreciation). These assets include land, construction in progress, buildings, transit vehicles, and equipment used to support transit operations.

Capital assets remained relatively stable year over year. Construction in progress increased during the year as the Commission continued planning and preparing for future capital improvements, including the development of additional transit infrastructure.

**St. Cloud Metropolitan Transit Commission  
Management's Discussion and Analysis  
(Unaudited)**

**CAPITAL ASSETS (CONTINUED)**

Additional information regarding capital assets is presented in Note 4 to the financial statements.

**CAPITAL ASSETS  
(Net of Depreciation)**

	2025	2024
Land	\$ 2,220,072	\$ 2,220,072
Construction in progress (not depreciated)	1,180,918	1,029,975
Buildings and Bus Shelters	12,300,107	12,144,815
Buses and bus equipment	8,939,378	9,595,951
Furnishings and equipment	2,302,216	1,961,701
Non-revenue vehicles	44,660	78,854
Total Capital Assets	\$ 26,987,351	\$ 27,031,368

**LONG-TERM DEBT**

In 2014, the Commission issued \$7.1 million in long-term revenue bonds to finance capital improvements. The Commission initiated an early payoff of these bonds in fiscal year 2021.

As a result, the Commission currently has no outstanding long-term debt, strengthening its financial position and reducing future debt service obligations.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Several economic and operational factors were considered when developing the Commission's budget for fiscal year 2026. Like many public transit systems, the Commission continues to monitor changes in operating costs, funding availability, ridership trends, and workforce conditions that may affect financial stability and service delivery.

The Commission's 2026 operating budget assumes stable Federal Transit Administration funding allocations, while passenger fare revenues are projected to increase slightly. Special transit revenues associated with local college programs continue to be budgeted at lower levels due to declining enrollment.

Auxiliary revenues-including concessions, bus advertising, Jefferson Lines commissions, and interest earnings—are expected to remain consistent with prior year levels.

The overall operating budget for 2026 decreased by \$734,500, primarily due to the planned conclusion of Northstar Link service in December 2025.

**St. Cloud Metropolitan Transit Commission  
Management's Discussion and Analysis  
(Unaudited)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)**

Personnel costs remain the largest component of operating expenditures. Employees will receive a 2% cost-of-living adjustment, and health insurance costs increased slightly. Personnel expenditures overall increased by \$1,983,479, representing the largest cost driver within the 2026 operating budget.

To support long-term financial stability and future initiatives, the Commission has established several net position designations. As of September 30, 2025, designated balances include:

- Self-insurance: \$384,738
- Future route expansion: \$1,200,000
- Employee retention: \$46,957
- CNG capital repairs: \$240,000
- Employee well-being fund: \$1,882
- Fixed asset acquisitions: \$8,027,536

The Commission is also updating its long-range transit plan, originally adopted in 2017. A new planning process is underway with Nelson\Nygaard Consulting Associates assisting in the development of the next phase of system expansion and service improvements. The planning process includes consideration of a future transit hub, which is expected to align with the implementation of the updated long-range plan in 2026.

Capital plans for 2026 include the purchase of two operations vehicles, technology improvements, including website and digital upgrades, and facility improvements at the Transit Center and Operations facility.

In addition, the Commission submitted an application under the Federal Transit Administration's Low- or No-Emission Vehicle (Low-No) Grant Program to replace 23 compressed natural gas (CNG) buses that are expected to reach the end of their useful life in 2026.

Inflationary pressures remain a key consideration in future budget planning. Rising costs for vehicle parts, insurance, and contracted services continue to affect transit systems nationwide. Workforce challenges, particularly in recruiting and retaining qualified drivers and maintenance personnel, may also place pressure on wage and benefit expenditures.

Looking ahead, the Commission will continue to emphasize financial stewardship, operational efficiency, and strategic investment in transit services to ensure the long-term sustainability of public transportation within the community.

**REQUESTS FOR INFORMATION**

This financial report provides a general overview of the Commission's finances for individuals with an interest in the organization's financial condition.

Questions concerning this report or requests for additional financial information should be directed to:

Chief Financial Officer  
St. Cloud Metropolitan Transit Commission  
665 Franklin Avenue NE  
St. Cloud, Minnesota 56304

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## **BASIC FINANCIAL STATEMENTS**

**St. Cloud Metropolitan Transit Commission**  
**St. Cloud, Minnesota**  
**Statement of Net Position**  
**September 30, 2025**

<b>Assets</b>	
Current assets	
Cash and investments	\$ 31,512,650
Receivables	
Local tax levies - current	1,746,694
Local tax levies - delinquent	22,399
Federal grants	444,389
State grants	673,959
Other	170,732
Lease receivable - current	21,120
Materials and supplies inventory	390,630
Prepaid items	10,412
Total current assets	<u>34,992,985</u>
Noncurrent assets	
Lease receivable - long-term	70,068
Capital assets	
Land	2,220,072
Construction in progress	1,180,918
Buildings and structures	22,843,664
Vehicles and equipment	30,870,714
Office furniture and equipment	3,319,836
Subscription asset	303,624
Transit priority systems	27,707
Total cost	<u>60,766,535</u>
Less accumulated depreciation	<u>(33,779,184)</u>
Total capital assets	<u>26,987,351</u>
Total noncurrent assets	<u>27,057,419</u>
Total assets	<u>62,050,404</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows of resources related to pensions	<u>758,961</u>
Total assets and deferred outflows of resources	<u>\$ 62,809,365</u>
<b>Liabilities</b>	
Current liabilities	
Accounts and contracts payable	\$ 493,274
Salaries and benefits payable	285,139
Compensated absences payable	641,255
Total current liabilities	<u>1,419,668</u>
Noncurrent liabilities	
Compensated absences payable	951,051
Net pension liability	2,655,921
Total noncurrent liabilities	<u>3,606,972</u>
Total liabilities	<u>5,026,640</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflows of resources related to pensions	1,734,444
Deferred inflows of resources related to leases	91,188
Total deferred inflows of resources	<u>1,825,632</u>
<b>Net Position</b>	
Net investment in capital assets	26,987,351
Unrestricted	28,969,742
Total net position	<u>55,957,093</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 62,809,365</u>

See notes to basic financial statements.

**St. Cloud Metropolitan Transit Commission**  
**St. Cloud, Minnesota**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**Year Ended September 30, 2025**

<b>Operating Revenues</b>	
Charges for services	\$ 1,213,250
<b>Operating Expenses</b>	
Personnel services	14,729,882
Supplies	1,345,441
Insurance	501,024
Utilities	336,084
Professional and technical services	933,796
Advertising	91,041
Sublet mechanic labor and preventative maintenance	103,584
Other services and charges	151,856
Dues, subscriptions, travel and meetings	92,928
Miscellaneous expenses	30,360
Depreciation	3,552,041
Total operating expenses	<u>21,868,037</u>
Operating Income (Loss)	(20,654,787)
<b>Nonoperating Revenues (Expenses)</b>	
Investment earnings	947,931
Auxiliary transportation revenues	136,989
Property taxes	2,204,468
Grants	
Federal	820,033
State	16,204,156
Other nontransportation revenue	612,217
Loss on disposal of fixed asset	(43,272)
Total nonoperating revenues (expenses)	<u>20,882,522</u>
Income (loss) before contributions	227,735
Capital contributions	<u>4,538,171</u>
Change in net position	4,765,906
<b>Net Position</b>	
Beginning of year	<u>51,191,187</u>
End of year	<u>\$ 55,957,093</u>

**St. Cloud Metropolitan Transit Commission**  
**St. Cloud, Minnesota**  
**Statement of Cash Flows**  
**Year Ended September 30, 2025**

<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 1,113,852
Payments to suppliers	(3,186,561)
Payments to employees	(15,013,940)
Net cash provided by (used in) operating activities	<u>(17,086,649)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Intergovernmental receipts	16,948,590
Miscellaneous revenue	749,206
Property taxes	2,082,175
Net cash provided by (used in) noncapital financing activities	<u>19,779,971</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Capital contributions	4,538,171
Purchases of capital assets	(3,508,198)
Loss on disposal of capital assets	(43,098)
Cash flows from capital and related financing activities	<u>986,875</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	<u>947,931</u>
Net increase (decrease) in cash and investments	4,628,128
Cash and investments at January 1	<u>26,884,522</u>
Cash and investments at December 31	<u>\$ 31,512,650</u>
<b>Reconciliation of Cash and Investments to the Statement of Net Position</b>	
Cash and investments	<u>\$ 31,512,650</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>	
Operating income (loss)	<u>\$ (20,654,787)</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>	
Depreciation expense	3,552,041
Accounts receivable	(99,398)
Inventories	1,212
Prepays	60,387
Accounts payable	337,954
Salaries payable	11,343
Compensated absences payable	63,758
Pension expense	(359,159)
Total adjustments	<u>3,568,138</u>
Net cash provided by (used in) operating activities	<u>\$ (17,086,649)</u>

See notes to basic financial statements.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The St. Cloud Metropolitan Transit Commission (the "Commission") is a transit agency, operated by and for the Cities of St. Cloud, Waite Park, Sauk Rapids, and Sartell, Minnesota. The Commission was organized in 1969 under *Minnesota Statutes* § 458A. The Commission is governed by a five member board comprised of one representative member from each City, except the City of St. Cloud has two members. Each representative is entitled to one vote.

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The following is a summary of the more significant policies.

**A. Reporting Entity**

For financial reporting purposes, the Commission's basic financial statements include all funds which the Commission exercises financial accountability. Component units are legally separate organizations for which the elected officials of the Commission are financially accountable and are included with the basic financial statements of the Commission because of the significance of their operational or financial relationships with the Commission. Based on the component unit definition criteria stated, it has been determined the Commission has no component units.

**B. Basic Financial Statement Information**

The Commission's operations are accounted for as an enterprise fund, with a set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses. Enterprise funds are used to account for: (1) operations that provide a service to citizens financed primarily by charging users for that service; and (2) activities where the periodic measurement of net income is considered appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Commission's net position is reported in two parts: (1) net investment in capital assets and (2) unrestricted net position.

**C. Measurement Focus and Basis of Accounting**

The Commission's financial statements are reported using the economic resources measurement focus and the full 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**1. Revenue Recognition**

The Commission distinguishes operating revenues from nonoperating revenues. Operating revenues generally result from providing services in connection with an activity's principal ongoing operations. Operating revenues include charges for services since they constitute the Commission's ongoing operations. All revenues not meeting this definition are reported as nonoperating revenues.

**2. Recording of Expenditures**

The Commission recognizes expenses, including compensated absences, when incurred. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

**2. Recording of Expenditures (Continued)**

Intergovernmental capital grants and some of property taxes received are reported as capital contributions.

The Commission applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available.

**D. Cash and Investments**

Cash and investments are invested to the extent available in various securities as authorized by state law. State statutes authorize the Commission to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

Cash and investments at September 30, 2025, were comprised of deposits, including certificates of deposit, and money market mutual funds.

*Minnesota Statutes* requires all deposits be protected by federal deposit insurance, corporate surety bonds or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

**E. Taxes Receivable**

Current taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the Commission. Delinquent property taxes receivable represent uncollected taxes for the past six years.

**F. Materials and Supplies Inventory**

Materials and supplies inventory are stated at cost which does not exceed market on a first-in, first-out (FIFO) basis.

**G. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**H. Tax Levies**

The Commission levies its property tax during the month of December. December 28 is the last day the Commission can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. Benton, Sherburne, and Stearns Counties are the collecting agencies for the levy and remit the collections to the Commission three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Tax Levies (Continued)**

A portion of taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the basic financial statements.

**I. Lease Receivable**

The Commission is a lessor for a noncancellable lease. The Commission recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position.

At the commencement of a lease, the Commission measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

Key estimates and judgments include how the Commission determines (1) the discount rate, (2) lease term, (3) lease receipts, and (4) amortization.

The Commission determines the discount rate for leases based on the market conditions. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**J. Capital Assets**

Capital assets include property, facilities, equipment, and transit vehicles. Capital assets are defined by the Commission as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded as capital assets at its 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 asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized when they are placed in service.

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

Assets	Years
Buildings	40
Building improvements	7 - 20
Furniture and equipment	5 - 20
Vehicles	7 - 12

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Capital Assets (Continued)**

Capital assets not being depreciated include land and construction in progress. The Commission does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

**K. Deferred Outflows/Inflows 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 represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Commission has one item that qualifies for reporting in this category and is reported in the Statement of Net Position. Deferred outflows of resources related to pensions is recorded for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the Statement of Net Position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has two types of items which qualify for reporting in this category. The first item is deferred inflows of resources related to pensions and is recorded on the Statement of Net Position for various estimate differences that will be amortized and recognized over future years. Deferred inflows of resources related to lease receivable is reported in the Statement of Net Position.

**L. Long-Term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium.

**M. Compensated Absences**

The liability for compensated absences reported in the Statement of Net Position consists of leave that has not been used that is attributable to services already rendered, accumulated, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**N. 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. 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.

Pension expense for the Central States, Southeast, and Southwest Areas Pension Plan (the "Plan") is recognized as the Commission's required contributions to the Plan during the reporting period.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Risk Management**

The Commission is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees for which the Commission carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the Commission's insurance coverage during the year ending September 30, 2025.

**P. Net Position**

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the Statement of Net Position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**Q. Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

**R. Budgetary Information**

The Commission annually prepares an operating budget. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. State statutes define the source, method, and allocation of a major portion of its funding. Budget amounts are amended only upon approval of the Board of Commissioners.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

**A. Deposits**

In accordance with applicable *Minnesota Statutes*, the Commission maintains deposits at depository banks authorized by the Commission's Governing Board.

**Custodial Credit Risk - Deposits:** This is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. In accordance with the Commission's investment policy and applicable *Minnesota Statutes*, the Commission maintains deposits at depository banks authorized by the Commission's Board. *Minnesota Statutes* requires all deposits be protected by federal depository insurance, corporate security bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds. As of September 30, 2025, the Commission's bank balance was not exposed to custodial credit risk because it was insured through FDIC and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the Commission's name.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

The Commission's deposits had a book balance as follows:

Checking and savings	\$ 8,162,783
Certificates of deposit	<u>2,097,292</u>
Total deposits and investments	<u><u>\$ 10,260,075</u></u>

**B. Investments**

Investments at September 30, 2025, were comprised of Wells Fargo Money Market Mutual Funds.

The following is a summary of total investments as of September 30, 2025:

Wells Fargo Money Market Mutual Funds	<u><u>\$ 21,252,525</u></u>
---------------------------------------	-----------------------------

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments held by investment pools are measured at amortized cost.

The Commission has the following recurring fair value measurements as of September 30, 2025:

- \$21,252,525 are valued using quoted market prices (Level 1 inputs)

The following is a summary of total deposits and investments as of September 30, 2025:

Deposits	\$ 10,260,075
Investments	21,252,525
Petty cash	<u>50</u>
Total deposits and investments	<u><u>\$ 31,512,650</u></u>

Deposits and investments are presented in the September 30, 2025, basic financial statements as follows:

Statement of Net Position	
Cash and investments	<u><u>\$ 31,512,650</u></u>

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Credit Risk: This is the risk of loss due to failure of the security issuer or backer. Credit risk may be mitigated by A. Limiting investments to the safest types of securities; and B. Diversifying the investment portfolio so that potential losses from any type of security or from any on individual issuer will be minimized.

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of an investment in a single issuer. The Commission's policy states the Commission shall diversify its investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities.

Interest Rate Risk: This is the risk that market value of securities will fall due to changes in general interest rates. The Commission's investment policy states the Commission shall mitigate this risk by A. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open prior to maturity; and B. By investing operating funds primarily in shorter-term securities.

Custodial Credit Risk - Investments: This is the risk that in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Per the Commission's investment policy, all investment securities purchased by the Commission shall be held in third party safekeeping by an institution designated as custodial agent. The custodial agent may be any Federal Reserve Bank, any bank authorized under the laws of the United States or any state to exercise corporate trust powers, a primary reporting dealer in the United States government securities to the Federal Reserve Bank of New York, or a securities broker-dealer defined in *Minnesota Statutes* § 118A.06.

**NOTE 3 - RECEIVABLES AND UNAVAILABLE REVENUE**

**A. Local Tax Levies**

Tax levies receivable at September 30, 2025, were:

Current taxes receivable	
Stearns County	\$ 1,360,949
Benton County	329,191
Sherburne County	<u>56,554</u>
Total current taxes receivable	<u><u>\$ 1,746,694</u></u>

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 3 - RECEIVABLES AND UNAVAILABLE REVENUE (CONTINUED)**

**A. Local Tax Levies (Continued)**

Delinquent taxes receivable	
Stearns County	\$ 17,668
Benton County	4,255
Sherburne County	<u>476</u>
 Total delinquent taxes receivable	 <u><u>\$ 22,399</u></u>

**B. Lease Receivable**

The Commission entered into a Lease agreement with HMA Architects, Ltd, for an office lease. This lease was entered into in 2024 and will continue to 2028. The monthly rent due is \$2,100 for the length of the term. The Commission received payments of \$20,092 in principal and \$5,108 in interest payments during the fiscal year. The deferred inflow and receivable balance related to this lease is \$91,188 as of September 30, 2025.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2025, was as listed below:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 2,220,072	\$ -	\$ -	\$ 2,220,072
Construction in progress	1,029,975	840,213	689,270	1,180,918
Total capital assets not being depreciated	<u>3,250,047</u>	<u>840,213</u>	<u>689,270</u>	<u>3,400,990</u>
Capital assets being depreciated				
Buildings and bus shelters	22,034,266	809,572	174	22,843,664
Buses and bus equipment	30,898,045	1,854,364	1,881,695	30,870,714
Office furniture, computers, and equipment	2,703,331	616,505	-	3,319,836
Vehicles	286,803	76,814	59,993	303,624
Transit priority systems	27,707	-	-	27,707
Total capital assets being depreciated	<u>55,950,152</u>	<u>3,357,255</u>	<u>1,941,862</u>	<u>57,365,545</u>
Less accumulated depreciation for				
Buildings and bus shelters	9,889,451	654,106	-	10,543,557
Buses and bus equipment	21,302,094	2,510,937	1,881,695	21,931,336
Office furniture, computers, and equipment	741,630	335,983	59,993	1,017,620
Vehicles	207,949	51,015	-	258,964
Transit priority systems	27,707	-	-	27,707
Total accumulated depreciation	<u>32,168,831</u>	<u>3,552,041</u>	<u>1,941,688</u>	<u>33,779,184</u>
Total capital assets being depreciated, net	<u>23,781,321</u>	<u>(194,786)</u>	<u>174</u>	<u>23,586,361</u>
Governmental activities, capital assets, net	<u>\$ 27,031,368</u>	<u>\$ 645,427</u>	<u>\$ 689,444</u>	<u>\$ 26,987,351</u>

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 5 - LONG-TERM LIABILITIES**

**A. Components of Long-Term Liabilities**

	Total Outstanding	Due Within One Year
Compensated absences payable	\$ 1,592,306	\$ 641,255

**B. Changes in Long-Term Liabilities**

	Beginning Balance	Net Change	Ending Balance
Compensated absences	\$ 1,528,548	\$ 63,758	\$ 1,592,306

**NOTE 6 - PENSION PLANS**

**Public Employees' Retirement Association**

**A. Plan Description**

The Commission participates in the following cost-sharing multiple-employer defined benefit pension plan administered by PERA. PERA's defined benefit pension plans are established and administered in accordance with *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**

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.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any 5 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 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% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the 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% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% 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% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**C. Contributions**

*Minnesota Statutes* Chapter 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 6.5% of their annual covered salary in fiscal year 2025 and the Commission was required to contribute 7.5% for General Plan members. The Commission's contributions to the General Employees Fund for the year ended September 30, 2025, were \$549,477. The Commission's contributions were equal to the required contributions as set by state statute.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs**

General Employees Fund Pension Costs

At September 30, 2025, the Commission reported a liability of \$2,655,921 for its proportionate share of the General Employees Fund's net pension liability. The Commission'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 Commission totaled \$64,069.

Commission's proportionate share of the net pension liability	\$ 2,655,921
State of Minnesota's proportionate share of the net pension liability associated with the Commission	<div style="border-top: 1px solid black; width: 100%; margin-bottom: 5px;"></div> 64,069
Total	<div style="border-top: 3px double black; width: 100%; margin-bottom: 5px;"></div> \$ 2,719,990

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportionate share of the net pension liability was based on the Commission's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024, through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The Commission's proportionate share was 0.0801% at the end of the measurement period and 0.0808% for the beginning of the period.

For the year ended September 30, 2025, the Commission recognized pension expense of \$180,493 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the Commission recognized an additional \$(9,827) 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.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

At September 30, 2025, the Commission reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 251,284	\$ -
Changes in actuarial assumptions	63,992	581,495
Net difference between projected and actual investments earnings	-	1,133,440
Changes in proportion	306,316	19,509
Contributions paid to PERA subsequent to the measurement date	137,369	-
Total	\$ 758,961	\$ 1,734,444

The \$137,369 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Pension Expense Amount
2026	\$ (145,930)
2027	(405,609)
2028	(372,528)
2029	(188,785)
Total	\$ (1,112,852)

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**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:

<u>Asset Class</u>	<u>Final Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.0 %</u>	

**F. Actuarial Methods and Assumptions**

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025 using the entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine of the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.5% for the General Employees.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3.0% after 27 years of service.

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

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, 2025, actuarial valuation.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**F. Actuarial Methods and Assumptions (Continued)**

General Employees Fund

The following changes in actuarial assumptions and plan provisions occurred in 2025:

Changes in Actuarial Assumptions

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members. The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75% , beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2025 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**H. Pension Liability Sensitivity**

The following presents the Commission'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 Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate 6.0%	Current Discount Rate 7.0%	1% Increase in Discount Rate 8.0%
Commission's proportionate share of the General Employee's Fund net pension liability	\$ 6,450,817	\$ 2,655,921	\$ (422,592)

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**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 basic financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**Central States, Southeast, and Southwest Areas Pension Plan**

**A. Plan Description**

Union employees are covered by a defined benefit pension plan administered by a Board of Trustees composed of four Teamsters Union employees and four nonunion employees. The Trustees administer the Central States, Southeast, and Southwest Areas Pension Fund (the "Plan") which is a cost sharing, multiple employer defined benefit plan that is not a state or local government pension plan, is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and has no predominant state or local governmental employer. As of September 30, 2025, the Commission had 54 employees covered by the Plan. The Commission's payroll for employees covered by the Plan for the year ended September 30, 2025, was \$3,389,658 and the Commission's total payroll was \$10,957,519.

Employers and the Union may apply to have eligible employees participate in the Plan. Participation is based on covered service as defined by the collective bargaining agreement. Benefits under the Plan are generally based on the participant's age, accumulated service credit (including certain noncontributory service credit) and the rate at which contributions were required to be made to the Plan.

The principal benefit under the Plan is a 20 year service pension, which is available to participants who attain age 57 and have 20 years of service credit. A 30-and-Out Pension is available to participants of any age who have 30 years of contributory service credit and meet certain other requirements. The Plan provides a 10 Year Vested Pension upon completion of 10 years of vesting service and satisfaction of certain other conditions. An Age 65 Vested Pension is available to participants who attain age 65, have 5 years of vesting service and satisfy certain other conditions. A Joint and Survivor Pension and pre-retirement and post retirement survivor benefits are provided, and an Early Retirement Pension is available at reduced amounts. Eligible participants may defer the payment of their 20 Year Service Pension or Early Retirement Pension to receive a larger monthly benefit. The Plan also provides for a disability pension benefit and for lump sum disability and death benefits. Under certain conditions, partial pensions are available at reduced amounts where participation has been divided between the Plan and other pension plans that have reciprocal agreements with the Plan.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION PLANS (CONTINUED)**

**Central States, Southeast, and Southwest Areas Pension Plan (Continued)**

**A. Plan Description (Continued)**

The Contribution Based Pension and Transition Pension are available to participants whose pensions were first payable on or after January 1, 1987, and who have established a specified contribution rate and have met certain other requirements. The Contribution Based Pension provides for monthly pensions equal to 2% of the amount of contributions required to be paid on behalf of a qualifying participant after January 1, 1986, plus the participant's accrued benefit as of that date. The Transition Pension is a fixed amount payable to pensioners who are at least age 57 at retirement, have 25 or more years of contributory service credit and meet certain other requirements. The Contributory Credit Pension also provides a fixed amount payable to pensioners who are at least age 57 at retirement, have at least 20 years of contributory service credit and have established Benefit Class 16.

On September 25, 2015, the Plan filed an application with the U.S. Department of Treasury seeking approval for a pension rescue plan under the Multiemployer Pension Reform Act of 2014 to ensure that the Plan will continue providing benefits for many years in the future.

**B. Contributions**

Employers make contributions to the Plan, on behalf of employee participants, at the rate specified in the applicable collective bargaining agreement. Participating employees, under specified conditions, may make self-contributions to secure benefits. Trustees are empowered to establish and amend the level of plan benefits. Although an individual Trustee may participate in collective bargaining in the capacity of an employer or Union representative, the Plan itself is not a party to such negotiations. Collective bargaining agreements are generally negotiated for three-year periods with varying expiration dates, terms, and employer contribution rates.

The current collective bargaining agreement, which is effective October 1, 2023, through September 30, 2026, requires the commission to contribute to the Plan for each employee covered by the collective bargaining agreement who has completed 30 days of employment. For each eligible employee, contributions shall be made for each week according to the following rates: \$162.28 weekly effective March 24, 2024, \$165.53 weekly effective October 1, 2024, and \$168.84 weekly effective October 1, 2025.

Total contributions made by the Commission during the year ended September 30, 2025, were:

Central States, Southeast, and Southwest

Areas Pension Plan

Employee contributions	\$	-
Employer contributions		404,396

The December 31, 2024, Central States, Southeast, and Southwest Areas Pension Plan annual report was the most recent annual report available as of the date of the Commission's September 30, 2024, audited basic financial statements.

**St. Cloud Metropolitan Transit Commission  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION PLANS (CONTINUED)**

**Central States, Southeast, and Southwest Areas Pension Plan (Continued)**

**C. Funding Status and Progress**

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effect of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among the Plan. The Plan does not make separate measurements of assets and pension benefit obligations for individual employers.

The fair market value of Plan assets was \$38,345,142,157 as of December 31, 2024.

The measurement of the pension benefit obligation is based on an actuarial valuation as of January 1, 2024. Net position available to pay pension benefits was valued as of December 31, 2024. The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get funded percentage. In general, the higher the percentage, the better funded the plan. The funded percentage was 15.0%. After including the \$35.5 billion special financial assistance (SFA) received last year, the Fund is 96.9% fund as of 2024; and all assets are invested in highly secure US Treasury and investment grade corporate bonds. All pension funds that receive SFA are deemed to be in critical status until 2051 no matter how well funded the plan is. It is important to reiterate the pension regulations dictate that the \$35.8 billion SFA received by Central State be disregarded in the original calculation of 15% funded. However, because of the SFA, Central States projects that it will no longer become insolvent and instead will be will funded into the future.

The Plan does not issue a publicly available financial report.

**D. Related Party**

The Plan has common Trustees and shares the cost of common office facilities, personnel, and other functions with Central States, Southeast, and Southwest Areas Health and Welfare Fund (Health and Welfare Fund). In addition, all Plan employees are covered by one of the Health and Welfare Fund's benefit plans. Shared costs are allocated between the Plan and the Health and Welfare Fund on the basis of estimated utilization.

**NOTE 7 - COMMITMENTS**

The Commission had commitments for future bus purchases in the amount of \$2,455,765.

**REQUIRED SUPPLEMENTARY INFORMATION**

**St. Cloud Metropolitan Transit Commission  
Schedule of Commission's Proportionate Share  
of Net Pension Liability - General Employees Retirement Fund  
Last Ten Years\***

For Plan's Fiscal Year Ended June 30,	Commission's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	Commission's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the Commission	Commission's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the Commission	Commission's Covered - Employee Payroll	Commission's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered - Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0609%	\$ 4,944,778	\$ -	\$ 4,944,778	\$ 3,777,147	130.91%	68.91%
2017	0.0611%	3,900,584	49,022	3,949,606	3,934,240	99.14%	75.90%
2018	0.0638%	3,539,362	116,110	3,655,472	4,287,333	82.55%	79.53%
2019	0.0668%	3,693,222	114,662	3,807,884	4,724,547	78.17%	80.23%
2020	0.0706%	4,232,793	130,565	4,363,358	5,032,987	84.10%	79.06%
2021	0.0671%	2,865,471	87,443	2,952,914	4,828,173	59.35%	87.00%
2022	0.0682%	5,401,463	158,356	5,559,819	5,109,467	105.71%	76.67%
2023	0.0740%	4,137,997	114,010	4,252,007	5,884,733	70.32%	83.10%
2024	0.0808%	2,988,905	77,287	3,066,192	6,842,627	43.68%	89.08%
2025	0.0801%	2,655,921	64,069	2,719,990	7,258,587	36.59%	90.78%

**Schedule of Commission Contributions  
General Employees Retirement Fund  
Last Ten Years**

Fiscal Year Ending September 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Commission's Covered - Employee Payroll	Contributions as a Percentage of Covered - Employee Payroll
2016	\$ 297,115	\$ 297,115	\$ -	\$ 3,961,533	7.50%
2017	301,332	301,332	-	4,017,760	7.50%
2018	344,582	344,582	-	4,594,427	7.50%
2019	370,358	370,358	-	4,938,107	7.50%
2020	371,017	371,017	-	4,946,893	7.50%
2021	364,660	364,660	-	4,862,133	7.50%
2022	383,369	383,369	-	5,111,587	7.50%
2023	467,591	467,591	-	6,234,547	7.50%
2024	529,307	529,307	-	7,057,427	7.50%
2025	549,477	549,477	-	7,326,360	7.50%

**St. Cloud Metropolitan Transit Commission  
Schedule of Commission Contributions - Central States,  
Southeast, and Southwest Areas Pension Fund  
Last Ten Years**

<u>For Fiscal Year Ended September 30,</u>	<u>Employer Contributions to the Plan</u>
2016	\$ 356,687
2017	409,503
2018	418,168
2019	398,792
2020	422,538
2021	401,469
2022	381,617
2023	406,328
2024	377,717
2025	404,396

Note: Significant factors that affect trends in the amounts of employer contributions include changes in the size of the population covered by the benefit and changes in the required contribution rates.

**St. Cloud Metropolitan Transit Commission**  
**Notes to the Required Supplementary Information**

## **General Employees Fund**

### **2025 Changes**

#### Changes in Actuarial Assumptions

- The combined service annuity loading factors increased from 15% to 19% for vested, terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

#### Changes in Plan Provisions

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

### **2024 Changes**

#### 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.

### **2023 Changes**

#### Changes in Actuarial Assumptions

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

#### Changes in Plan Provisions

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

### **2022 Changes**

#### Changes in Actuarial Assumptions

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

**St. Cloud Metropolitan Transit Commission  
Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2022 Changes (Continued)**

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- 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 and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

**2019 Changes**

Changes in Actuarial Assumptions

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

**St. Cloud Metropolitan Transit Commission  
Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2019 Changes (Continued)**

Changes in Plan Provisions

- 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 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- 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% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, 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. This 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 Changes**

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- 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 Changes**

Changes in Actuarial Assumptions

- The assumed annual increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.

**St. Cloud Metropolitan Transit Commission  
Notes to the Required Supplementary Information**

**General Employees Fund (Continued)**

**2016 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

- The assumed annual increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- 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; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.



**SUPPLEMENTARY INFORMATION**



**St. Cloud Metropolitan Transit Commission**  
**Schedule of Revenues and Expenses**  
**Compared to Budget**  
**Year Ended September 30, 2025**

	Budgeted Amounts		Variance with Final Budget Over (Under)
	Original and Final	Actual Amounts	
<b>Revenues</b>			
<b>Charges for services</b>			
Passenger fares for transit service	\$ 770,000	\$ 1,016,807	\$ 246,807
Northstar Link fares	12,000	24,298	12,298
Special transit fares - other	44,000	80,502	36,502
Special transit fares - students	2,000	7,752	5,752
Charges for service - other	-	83,891	83,891
Total	<u>828,000</u>	<u>1,213,250</u>	<u>385,250</u>
<b>Operating Expenses</b>			
Operators' salaries and wages	\$ 5,413,122	\$ 5,804,718	\$ 391,596
Other salaries and wages	5,240,386	5,152,801	(87,585)
Payroll taxes	813,922	827,735	13,813
Hospital, medical, and surgical plans	1,991,498	1,988,661	(2,837)
Uniform and work clothing allowances, employee parking	41,620	26,072	(15,548)
Other fringe benefits - retirement	1,055,118	584,889	(470,229)
Unemployment insurance	12,000	10,095	(1,905)
Workers' compensation	294,036	334,911	40,875
Advertising fees	12,000	12,602	602
Professional and technical services	1,098,158	933,796	(164,362)
Sublet mechanic labor and preventative maintenance	99,260	103,584	4,324
Other services	143,887	151,856	7,969
Fuel and lubricants	719,924	536,750	(183,174)
Tires and tubes	59,634	67,437	7,803
Other materials and supplies	643,369	741,254	97,885
Utilities	354,302	336,084	(18,218)
Insurance	534,577	501,024	(33,553)
Dues and subscriptions	50,088	50,006	(82)
Travel and meetings	37,105	42,922	5,817
Advertising - promotion/media	80,000	78,439	(1,561)
Miscellaneous expenses	15,050	29,580	14,530
Transit way structures and equipment	-	780	780
Depreciation	-	3,552,041	3,552,041
Total operating expenses	<u>18,709,056</u>	<u>21,868,037</u>	<u>3,158,981</u>
Operating Income (Loss)	(17,881,056)	(20,654,787)	(2,773,731)
<b>Nonoperating Revenues (Expenses)</b>			
Nontransportation revenues - investment income	65,000	947,931	882,931
Auxiliary transportation revenues	126,500	136,989	10,489
Taxes levied by transit system - operations	2,204,000	2,204,468	468
Grants			
State	15,365,358	16,204,156	838,798
Federal	-	820,033	820,033
Other nontransportation revenue	120,200	612,217	492,017
Loss on disposal of fixed assets	-	(43,272)	(43,272)
Total nonoperating revenues (expenses)	<u>17,881,058</u>	<u>20,882,522</u>	<u>3,001,464</u>
Income (loss) before contributions	2	227,735	227,733
<b>Capital contributions</b>			
Taxes levied for fixed asset acquisitions	1,396,000	1,396,000	-
Federal capital grant aid	1,024,000	2,819,144	1,795,144
State capital grant aid	2,460,000	323,027	(2,136,973)
Total capital contributions	<u>4,880,000</u>	<u>4,538,171</u>	<u>(341,829)</u>
Change in Net Position	<u>\$ 4,880,002</u>	<u>\$ 4,765,906</u>	<u>\$ (114,096)</u>

**St. Cloud Metropolitan Transit Commission  
Schedule of Expenses and Functions  
Year Ended September 30, 2025**

<b>Expense Object Classes</b>	<u>Total Expenses</u>	<u>Fixed Route Operations</u>	<u>Dial-A-Ride Operations</u>
Labor			
Operators' salaries and wages	\$ 5,804,718	\$ 3,405,337	\$ 2,399,381
Other salaries and wages	5,152,801	1,055,029	619,621
Fringe benefits			
Payroll taxes	827,735	337,543	228,096
Hospital, medical, and surgical plans	1,988,661	897,222	646,375
Uniforms and work clothing allowances, employee parking	26,072	8,174	5,905
Other fringe benefits			
Retirement	584,889	426,313	96,076
Reemployment insurance	10,095	6,442	3,653
Workers' compensation	334,911	227,222	69,681
Services			
Advertising fees	12,602	-	-
Professional and technical services	933,796	143,567	91,907
Sublet mechanic labor and preventative maintenance	103,584	-	-
Other services	151,856	-	-
Materials and supplies consumed			
Fuel and lubricants	536,750	-	-
Tires and tubes	67,437	-	-
Other materials and supplies	741,254	3,774	2,216
Utilities	336,084	1,181	694
Insurance	501,024	-	-
Miscellaneous expenses			
Dues and subscriptions	50,006	75	-
Travel and meetings	42,922	6,401	3,191
Advertising - promotion/media	78,439	-	-
Other miscellaneous expenses	29,580	1,000	-
Transit way structures and equipment	780	-	-
Total expenses before depreciation and loss on disposal of capital assets	<u>18,315,996</u>	<u>6,519,280</u>	<u>4,166,796</u>
Depreciation expense	3,552,041	1,483,905	449,767
Loss on disposal of capital assets	43,272	43,272	-
Total operating expenses	<u>\$ 21,911,309</u>	<u>\$ 8,046,457</u>	<u>\$ 4,616,563</u>

<u>Vehicle Maintenance</u>	<u>Facility Maintenance</u>	<u>General Administration</u>
\$ -	\$ -	\$ -
1,148,692	119,954	2,209,505
90,725	9,035	162,336
189,334	14,801	240,929
8,389	629	2,975
10,782	10,414	41,304
-	-	-
6,059	-	31,949
-	-	12,602
18,940	504	678,878
41,729	61,855	-
3,921	147,935	-
536,493	257	-
67,437	-	-
559,836	144,564	30,864
1,120	302,649	30,440
-	-	501,024
-	-	49,931
495	-	32,835
-	-	78,439
1,097	15,059	12,424
180	600	-
2,685,229	828,256	4,116,435
656,657	556,027	405,685
-	-	-
\$ 3,341,886	\$ 1,384,283	\$ 4,522,120



**St. Cloud Metropolitan Transit Commission  
Schedule of Tax Levies, Tax Capacity, and Rates  
For Taxes Payable in 2025**

	Levy					Initial Net Tax Capacity Rates
	Total	St. Cloud	Waite Park	Sauk Rapids	Sartell	
Stearns County	\$ 2,795,889	\$ 1,721,393	\$ 401,113	\$ -	\$ 673,383	2.925
Benton County	686,542	190,330	-	436,921	59,291	2.925
Sherburne County	117,569	117,569	-	-	-	2.925
<b>Total net levy</b>	<b><u>3,600,000</u></b>	<b><u>\$ 2,029,292</u></b>	<b><u>\$ 401,113</u></b>	<b><u>\$ 436,921</u></b>	<b><u>\$ 732,674</u></b>	
<b>Total gross levy</b>	<b><u>\$ 3,600,000</u></b>					

<u>Tax Capacity</u>	<u>Valuations</u>
Stearns County - City of St. Cloud	\$ 58,848,747
Stearns County - City of Waite Park	13,712,729
Stearns County - City of Sartell	23,020,746
Benton County - City of St. Cloud	6,506,760
Benton County - City of Sauk Rapids	14,936,890
Benton County - City of Sartell	2,026,946
Sherburne County - City of St. Cloud	4,019,307
<b>Total</b>	<b><u>\$ 123,072,125</u></b>



**STATISTICAL SECTION**



**St. Cloud Metropolitan Transit Commission  
Statistical Section  
(Unaudited)**

This part of St. Cloud Metropolitan Transit Commission's Annual 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 transit's overall financial health.

**Contents**

**FINANCIAL TRENDS**

These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.

**REVENUE CAPACITY**

These schedules contain information to help the reader assess the Commission's most significant revenue source.

**DEBT CAPACITY**

These schedules present information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the Commission'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 Commission's financial activities take place.

**OPERATING INFORMATION**

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

**St Cloud Metropolitan Transit Commission**  
**St. Cloud, Minnesota**  
**Net Position By Component**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year			
	2025	2024	2023	2022
Governmental activities				
Net investment in capital assets	\$ 26,987,351	\$ 27,031,368	\$ 26,229,677	\$ 28,591,041
Restricted	-	-	-	-
Unrestricted	28,969,742	24,159,819	20,189,081	16,985,835
Total governmental activities net position	<u>\$ 55,957,093</u>	<u>\$ 51,191,187</u>	<u>\$ 46,418,758</u>	<u>\$ 45,576,876</u>

*Source: St Cloud Metropolitan Transit Commission financial Report*

Table 1

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 30,748,694	\$ 27,909,447	\$ 27,476,797	\$ 24,891,599	\$ 20,861,080	\$ 19,186,468
-	959,096	966,100	948,829	936,627	930,002
13,486,702	9,657,266	10,034,116	7,086,865	5,225,645	5,735,991
<u>\$ 44,235,396</u>	<u>\$ 38,525,809</u>	<u>\$ 38,477,013</u>	<u>\$ 32,927,293</u>	<u>\$ 27,023,352</u>	<u>\$ 25,852,461</u>

**St Cloud Metropolitan Transit Commission**  
**St. Cloud, Minnesota**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year			
	2025	2024	2023	2022
<b>Operating Revenues</b>				
Passenger fares	\$ 1,016,807	\$ 891,970	\$ 903,657	\$ 775,984
Special Fare	112,552	107,698	95,229	94,441
Other	83,891	56,284	63,437	51,835
Total operating revenues	<u>1,213,250</u>	<u>1,055,952</u>	<u>1,062,323</u>	<u>922,260</u>
<b>Operating Expenses</b>				
Labor and fringe benefits	14,729,882	14,219,141	13,591,300	11,832,336
Services	1,201,838	935,485	1,020,319	1,154,546
Materials and Supplies	2,182,549	2,126,181	2,205,097	2,198,735
Other operating expenses	201,727	186,935	184,753	210,926
Total operating expenses before Depreciation	<u>18,315,996</u>	<u>17,467,742</u>	<u>17,001,469</u>	<u>15,396,543</u>
Depreciation and amortization	3,552,041	3,282,871	3,194,589	3,237,818
Total operating expenses	<u>21,868,037</u>	<u>20,750,613</u>	<u>20,196,058</u>	<u>18,634,361</u>
Operating Income (Loss)	(20,654,787)	(19,694,661)	(19,133,735)	(17,712,101)
Nonoperating revenues	20,925,794	19,874,713	17,961,515	17,134,953
Loss on disposal of fixed assets	(43,272)	(1,711)	(34,676)	(7,995)
Special item	-	-	-	-
Income (Loss) before capital contributions	227,735	178,341	(1,206,896)	(585,143)
Capital contributions	<u>4,538,171</u>	<u>4,594,088</u>	<u>2,048,778</u>	<u>1,926,623</u>
Change in Net Position	<u>\$ 4,765,906</u>	<u>\$ 4,772,429</u>	<u>\$ 841,882</u>	<u>\$ 1,341,480</u>

Source: St Cloud Metropolitan Transit Commission financial Report

Table 2

		Fiscal Year					
		2021	2020	2019	2018	2017	2016
\$	6,454	\$ 482,910	\$ 982,512	\$ 1,033,535	\$ 994,374	\$ 1,116,955	
	-	282,460	477,009	608,298	683,741	590,802	
	74,354	51,186	51,555	81,643	52,933	205,144	
	<u>80,808</u>	<u>816,556</u>	<u>1,511,076</u>	<u>1,723,476</u>	<u>1,731,048</u>	<u>1,912,901</u>	
	10,558,102	11,917,978	11,466,027	10,706,965	10,171,836	9,347,505	
	765,718	755,108	686,514	447,621	444,199	491,871	
	1,749,516	1,497,356	1,926,413	1,854,534	1,660,524	1,793,849	
	199,423	218,166	331,149	399,743	339,323	432,718	
	<u>13,272,759</u>	<u>14,388,608</u>	<u>14,410,103</u>	<u>13,408,863</u>	<u>12,615,882</u>	<u>12,065,943</u>	
	2,785,019	2,785,198	3,108,198	2,832,110	2,425,183	2,093,989	
	<u>16,057,778</u>	<u>17,173,806</u>	<u>17,518,301</u>	<u>16,240,973</u>	<u>15,041,065</u>	<u>14,159,932</u>	
	(15,976,970)	(16,357,250)	(16,007,225)	(14,517,497)	(13,310,017)	(12,247,031)	
	17,073,234	13,452,193	16,494,052	13,828,376	12,110,004	10,736,691	
	(114,322)	-	-	(119,685)	(2,872)	-	
	-	-	-	-	(991,723)	-	
	981,942	(2,905,057)	486,827	(808,806)	(2,194,608)	(1,510,340)	
	<u>2,513,014</u>	<u>2,953,853</u>	<u>5,062,893</u>	<u>6,712,747</u>	<u>3,365,499</u>	<u>1,839,605</u>	
\$	<u>3,494,956</u>	<u>\$ 48,796</u>	<u>\$ 5,549,720</u>	<u>\$ 5,903,941</u>	<u>\$ 1,170,891</u>	<u>\$ 329,265</u>	

**St Cloud Metropolitan Transit Commission**  
**St. Cloud, Minnesota**  
**Revenue Base**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year			
	2025	2024	2023	2022
<b>Operating Revenue</b>				
Passenger Fares	\$ 1,016,807	\$ 891,970	\$ 903,657	\$ 775,984
NorthStar Link Fares	24,298	18,058	20,647	18,141
Special Transit Fare	80,502	78,461	72,314	65,099
School District Fare	7,752	11,179	2,268	11,201
CNG Fuel	83,891	56,284	63,437	51,835
Total Charges for service	<u>1,213,250</u>	<u>1,055,952</u>	<u>1,062,323</u>	<u>922,260</u>
<b>Non-Operating Revenue</b>				
Investment Earnings	\$ 947,931	\$ 931,538	\$ 559,752	\$ 55,757
Advertising	136,989	141,557	159,043	157,666
Other nontransportation revenue	612,217	96,967	235,248	435,317
Property Tax	2,204,468	3,352,854	3,352,778	3,139,373
Grants				
Federal	820,033	3,111,725	3,837,420	3,724,708
State	16,204,156	13,533,753	11,249,274	10,569,432
Loss on Disposal of Fixed Asset	<u>(43,272)</u>	<u>(1,711)</u>	<u>(34,676)</u>	<u>(7,995)</u>
<b>Total nonoperating revenue (expenses)</b>	<u>\$ 20,882,522</u>	<u>\$ 21,166,683</u>	<u>\$ 19,358,839</u>	<u>\$ 18,074,258</u>

Source: St Cloud Metropolitan Transit Commission financial Report

Table 3

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 6,454	\$ 482,910	\$ 982,512	\$ 1,033,535	\$ 994,374	\$ 1,116,955
-	33,072	81,974	86,384	83,563	87,149
-	239,281	373,115	412,626	436,555	477,623
-	10,107	21,920	24,635	25,919	26,030
74,354	51,186	51,555	81,643	52,933	205,144
<u>80,808</u>	<u>816,556</u>	<u>1,511,076</u>	<u>1,638,823</u>	<u>1,593,344</u>	<u>1,912,901</u>
\$ 8,597	\$ 64,820	\$ 90,845	\$ 22,795	\$ 8,345	\$ 17,776
174,972	149,578	141,197	145,115	156,958	148,294
334,279	219,684	80,510	341,842	74,271	100,460
3,140,250	3,138,826	3,140,470	2,469,292	2,478,528	2,467,387
2,065,535	1,508,193	2,300,000	2,300,000	-	-
11,787,301	9,181,791	11,505,011	9,364,452	10,105,886	8,266,706
(114,322)	-	-	(119,685)	(2,872)	-
<u>\$ 17,396,612</u>	<u>\$ 14,262,892</u>	<u>\$ 17,258,033</u>	<u>\$ 14,523,811</u>	<u>\$ 12,821,116</u>	<u>\$ 11,000,623</u>

**St Cloud Metropolitan Transit Commission**  
**St. Cloud, Minnesota**  
**Tax Levy**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year			
	2025	2024	2023	2022
Benton County	\$ 686,542	\$ 645,708	\$ 618,241	\$ 564,678
Sherburne County	117,569	117,367	116,066	104,772
Stearns County	2,795,889	2,586,925	2,615,693	2,466,953
Total levy amount	<u>3,600,000</u>	<u>3,350,000</u>	<u>3,350,000</u>	<u>3,136,403</u>
Benton County	663,998	633,759	596,590	556,881
Sherburne County	117,686	114,307	113,565	99,773
Stearns County	2,696,023	2,362,282	2,503,432	2,422,564
Amount of Levy collected as of the end of the fiscal year	<u>3,477,707</u>	<u>3,110,348</u>	<u>3,213,588</u>	<u>3,079,218</u>
% collected based on levied amount	<u>97%</u>	<u>93%</u>	<u>96%</u>	<u>98%</u>
Benton County Annual Tax Amount	23,470,596	23,666,367	20,621,943	17,498,887
Sherburne County Annual Tax Amount	4,019,307	4,301,727	3,871,477	3,246,782
Stearns County Annual Tax Amount	95,582,222	94,815,542	87,248,566	76,448,744
Transit Tax Rate	2.925%	2.728%	2.998%	3.227%

Source: St Cloud Metropolitan Transit Commission financial Report

Table 4

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 559,907	\$ 547,671	\$ 536,540	\$ 421,668	\$ 426,335	\$ 424,153
105,749	92,970	97,084	72,425	72,236	73,027
2,470,694	2,495,762	2,502,779	1,975,907	1,971,429	1,966,087
3,136,349	3,136,403	3,136,403	2,470,000	2,470,000	2,463,267
566,151	542,831	485,716	421,594	426,335	429,674
103,092	92,970	84,947	71,950	72,236	72,409
2,462,076	2,495,762	2,243,355	1,975,907	1,964,696	1,960,094
3,131,320	3,131,563	2,814,019	2,469,451	2,463,267	2,462,177
100%	100%	90%	100%	100%	100%
16,736,085	15,493,715	14,535,561	13,817,647	13,348,213	12,899,142
3,160,914	2,630,146	2,630,146	2,373,296	2,261,649	2,220,858
73,851,109	70,605,610	67,803,560	64,748,528	61,723,940	59,791,641
3.346%	3.535%	3.691%	3.052%	3.194%	3.288%



**St Cloud Metropolitan Transit Commission  
St. Cloud, Minnesota  
Ratios of Outstanding Debt By Type  
Last Ten Fiscal Years  
(Unaudited)**

**Table 5**

Year	Governmental Activities		Total Primary Government	Percentage of Personal Income <sup>(2)</sup>	Per Capita <sup>(1)</sup>
	Gross Revenue Bonds	Leases			
2025	\$ -	\$ -	\$ -	*	\$ -
2024	-	-	-	*	-
2023	-	-	-	*	-
2022	-	-	-	0%	-
2021	3,090,000	-	3,090,000	18%	18
2020	3,820,000	-	3,820,000	25%	25
2019	4,515,000	-	4,515,000	32%	32
2018	5,190,000	-	5,190,000	38%	38
2017	5,850,000	-	5,850,000	45%	44
2016	6,495,000	-	6,495,000	53%	51
2015	7,100,000	-	7,100,000	59%	56

\* Data is not available

<sup>(1)</sup> See Demographic and Economic Statistics Population

<sup>(2)</sup> See Demographic and Economic Statistics Personal Income

In 2021, St. Cloud MTC paid off the remaining balance of its 2014 Gross bond.

Source: St Cloud Metropolitan Transit Commission financial Report

**St Cloud Metropolitan Transit Commission**  
**St. Cloud, Minnesota**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year			
	2025	2024	2023	2022
<b>System Ridership</b>				
Fixed route	640,588	751,445	624,605	598,396
Dial a Ride	154,745	152,528	138,321	117,617
NorthStar	14,134	13,811	11,899	10,507
Total system ridership	<u>809,467</u>	<u>917,784</u>	<u>774,825</u>	<u>726,520</u>
<b>Vehicle Revenue Hours</b>				
Fixed route	70,913	71,103	71,782	72,234
Dial a Ride	55,503	53,311	48,741	44,507
NorthStar	2,752	2,757	2,049	2,058
Total vehicle revenue hours	<u>129,168</u>	<u>127,171</u>	<u>122,572</u>	<u>118,799</u>
<b>Vehicle Revenue Miles</b>				
Fixed route	988,408	991,069	986,951	998,090
Dial a Ride	687,309	695,480	647,807	578,039
NorthStar	89,484	89,682	59,971	60,858
Total vehicle revenue miles	<u>1,765,201</u>	<u>1,776,231</u>	<u>1,694,729</u>	<u>1,636,987</u>

Source: St Cloud Metropolitan Transit Commission ridership data

Table 6

Fiscal Year					
2021	2020	2019	2018	2017	2016
677,354	958,648	1,481,377	1,623,048	1,754,333	1,939,776
101,125	98,687	152,239	139,399	136,422	139,414
8,330	24,088	47,147	47,570	50,305	51,569
<u>786,809</u>	<u>1,081,423</u>	<u>1,680,763</u>	<u>1,810,017</u>	<u>1,941,060</u>	<u>2,130,759</u>
77,881	84,194	98,495	96,058	97,699	88,012
37,145	35,917	50,564	47,167	44,827	44,278
2,058	3,848	5,882	5,832	5,866	5,900
<u>117,084</u>	<u>123,959</u>	<u>154,941</u>	<u>149,057</u>	<u>148,392</u>	<u>138,190</u>
1,063,747	1,114,789	1,280,621	1,283,305	1,301,353	1,234,868
489,388	458,601	662,468	598,097	572,227	559,451
60,808	93,602	174,446	172,754	173,886	174,828
<u>1,613,943</u>	<u>1,666,992</u>	<u>2,117,535</u>	<u>2,054,156</u>	<u>2,047,466</u>	<u>1,969,147</u>

**St Cloud Metropolitan Transit Commission  
St. Cloud, Minnesota  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

Table 7

Year	Population	(1) Personal Income	(1) Per Capita Personal Income	Unemployment Rate
*2025	117,219	\$ 19,837,579	\$ 188,667	3.34%
2024	114,921	19,448,607	184,968	3.27%
2023	113,183	18,499,163	177,972	3.13%
2022	112,731	17,716,168	171,954	2.77%
2021	110,366	17,201,558	168,999	4.00%
2020	110,435	15,583,216	154,561	6.17%
2019	109,676	14,264,537	143,079	3.53%
2018	108,687	13,598,846	137,350	3.23%
2017	107,570	13,068,738	133,843	3.67%
2016	106,196	12,367,163	127,815	4.07%
2015	87,930	12,121,244	125,868	4.10%

*Data Sources:*

*\* 2025 Data is estimated at 2% increase*

*Population is the total of St. Cloud, Sartell, Sauk Rapids and Waite Park Cities*

*BEA only shows data by state or County. Personal Income, Per Capita rate is the total for Benton, Stearns, and Sherburne County*

*Unemployment rate is the average of Benton, Stearns and Sherburne County*

*Website from from the Cities of St. Cloud, Sartell, Sauk Rapids, and Waite Park*

*Website information from the Counties of Benton, Sherburne, and Stearns*

U.S. Census Bureau QuickFacts: Sauk Rapids city, Minnesota; Sartell city, Minnesota; Waite Park city, Minnesota; St. Cloud city, Minnesota

PopFinder For Cities & Townships / MN State Demographic Center

MNDEED - LMI - LAUS

**St Cloud Metropolitan Transit Commission  
St. Cloud, Minnesota  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

**Table 8**

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
CentraCare Health System *	6,257	1	17.20%	6,142	1	17.29%
State of Minnesota	1,897	2	5.21%	2,219	2	6.25%
St. Cloud Veterans Administration	1,771	3	4.87%	1,523	3	4.29%
St. Cloud Area School District #742 *	1,270	4	3.49%	1,207	4	3.40%
New Flyer of America, Inc	885	5	2.43%	705	9	1.98%
Anderson Trucking Service, Inc	661	6	1.82%			
Stearns County **	608	7	1.67%			
Essilor of America	528	8	1.45%			
Coborn's Inc. *	550	9	1.51%	754	7	2.12%
City of St. Cloud	475	10	1.31%			
Electrolux Home Products			*	1,100	5	3.10%
Capital One			*	850	6	2.39%
Blustem Brands, Inc.			*	743	8	2.09%
Fulfillment Distribution Center			*	700	10	1.97%
<b>Total</b>	<b>14,902</b>		<b>40.96%</b>	<b>15,943</b>		<b>44.88%</b>

\* Business has significant part-time staff in addition to the full-time employee count indicated.

\*\*Does not include Stearns County full-time employees now working at county satellite offices outside of the City of St. Cloud.

Workforce Data in St. Cloud, MN

Source: City of St. Cloud Financial report

**St Cloud Metropolitan Transit Commission**  
**St. Cloud, Minnesota**  
**Full-Time Equivalent Employees**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year				
	2025	2024	2023	2022	2021
Teamster	95	108	107	105	104
ASCFME	6	6	6	6	6
Non Union	41	40	40	39	37
<b>Total</b>	<b>142</b>	<b>154</b>	<b>153</b>	<b>150</b>	<b>147</b>

*Source: St Cloud Metropolitan Transit Commission budget record*

Table 9

Fiscal Year				
2020	2019	2018	2017	2016
100	100	98	97	93
6	6	6	6	5
36	34	31	26	26
<u>142</u>	<u>140</u>	<u>135</u>	<u>129</u>	<u>124</u>

**St Cloud Metropolitan Transit Commission**  
**St. Cloud, Minnesota**  
**Capital Asset Statistics By Function/Program**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year				
	2025	2024	2023	2022	2021
Transit Operations					
Transit Revenue Vehicles	80	80	80	80	80
Number of Transit Facilities	4	4	4	4	4
Number of Bus Garage	1	1	1	1	1
Maintenance Bay	11	11	11	11	11
Service Vehicles-Non Revenue	14	14	14	14	14
Bus Stop Shelter					
Owned	70	70	70	70	70
Leased	4	4	4	4	4

*Source: St Cloud Metropolitan Transit Commission Asset Report*

Table 10

Fiscal Year				
2020	2019	2018	2017	2016
80	80	80	80	80
4	4	4	4	4
1	1	1	1	1
11	11	11	11	11
14	14	14	14	14
70	70	70	70	70
4	4	4	4	4

**St Cloud Metropolitan Transit Commission**  
**St. Cloud, Minnesota**  
**Operating Statistics**  
**Farebox Recovery Percentage and Fare Structure**  
**Last 10 Fiscal Years**  
**(Unaudited)**

Table 11

Farebox Recover Percentage	
Year	Percentage
2025	6.6%
2024	6.0%
2023	6.2%
2022	6.0%
2021	0.6%
2020	5.7%
2019	10.5%
2018	12.9%
2017	13.7%
2016	15.9%

Cash Fares	Peak Hours	Nonpeak Hours
Adults (13-64)	\$ 1.25	\$ 0.60
Seniors (65+), Youth (6-12)	\$ 1.25	\$ 1.25
Children (5 and Under)	Free*	Free*
Dial-A-Ride (Paratransit)	\$ 2.50	\$ 2.50
Disabled Veterans	Free	Free

\* When Accompanied by paying adult (limit 3)

Off Peak Hours: Monday through Friday 8:40 a.m.- 3:40 p.m. and 5:40 p.m.-10:40 p.m.

Source: *St Cloud Metropolitan Transit Commission website*  
[Metro Bus Fares | Metro Bus](#)



**St. Cloud Metropolitan  
Transit Commission**

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