Minnesota Sports Facilities Authority
1005 4th Street South, Minneapolis, MN 55415

MINNESOTA SPORTS FACILITIES AUTHORITY MEETING AGENDA
Friday, December 20, 2019, 9:00 A.M.
US Bank Stadium – Medtronic Club
401 Chicago Ave, Minneapolis, MN 55415

A portion of the meeting will be closed, pursuant to Minnesota Statutes, Section 13D.05, subd. 3(b), to discuss attorney-client privileged matters regarding claims related to the heating, ventilation and cooling system.

1. CALL TO ORDER

2. APPROVAL OF PRIOR MEETING MINUTES – November 15, 2019

3. BUSINESS

   a. **Action Items**
      i. **Stadium Project Labor Agreement (PLA) Addendum**
      ii. **Approve ASM Contract**

   b. Reports
      i. MSFA 2019 Comprehensive Annual Financial Report
      ii. MSFA 2019 Final Annual Budget Report
      iii. ASM Global Stadium Events Update
      iv. Executive Director Report

4. PUBLIC COMMENTS

5. DISCUSSION

6. ANNOUNCEMENT OF NEXT MEETING – 8:00 a.m. Tuesday, January 21 at Medtronic Club

7. **CLOSED SESSION**
   a. **Action Items**
      i. **HVAC Settlement**

8. ADJOURNMENT

***Items in bold require action**

Minnesota Sports Facilities Authority

1005 4th Street South, Minneapolis, MN 55415

MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – November 15, 2019 at 9:00 A.M.
Mill City Museum
710 South 2nd Street
Minneapolis, MN 55401

1. CALL TO ORDER

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority ("MSFA" or "Authority") to order at 9:00 A.M.

2. ROLL CALL

Commissioners present: Chair Michael Vekich, Bill McCarthy, Barbara Butts Williams, Tony Sertich, and Angela Burns Finney.

3. APPROVAL OF MEETING MINUTES – October 18, 2019. *See,* Exhibit A.

4. BUSINESS

a. Action Items

i. Sale of Turf Protection System

Jim Farstad, Executive Director of the MSFA, stated that U.S. Bank Stadium continues to host major events including concerts, dirt events, trade shows, and many others, all of which require a turf protection system. Due to the abundance of events held at the stadium since its opening in 2016, the current OmniDeck turf protection system functionality has deteriorated. In order to continue to attract and host high profile events at U.S. Bank Stadium, this system needs to be replaced to protect the field and ensure the safety of stadium guests. *See*, Exhibit B.

Commissioner Sertich moved and Commissioner Butts Williams seconded the motion to approve the following recommended motion, which was unanimously adopted:

The MSFA authorizes the Executive Director to conduct a sealed bid auction to dispose of surplus Turf Protection System.

b. Report Items

i. Audubon Minnesota Report

Rob Schultz, Executive Director of Audubon Minnesota, presented the results of the U.S. Bank Stadium Bird Collision Study. *See*, Exhibit C.

Chair Vekich thanked Mr. Schultz for his detailed report, and then reported a few initiatives that the MSFA has already implemented in order to reduce bird glass collisions. The first initiative is the stadium's "lights out" program, where stadium officials have begun turning off the lights each night to reduce the illusion that birds can fly through the glass. Secondly, MSFA staff has been working with landscape architects to determine how to scale back vegetation to deter birds from nesting and living within the stadium perimeter. And lastly, the MSFA has been looking into the solutions and costs for retrofitting the stadium with bird safe glass.

Mr. Vekich asked Mr. Schultz if the patterned window treatment decals will eliminate all bird collisions. Mr. Schultz stated that it would not eliminate all collisions, however; it would significantly reduce them by roughly 80-85%. Mr. Schultz then stated that Audubon Minnesota strongly requests that the MSFA do its due diligence before making such a large and expensive decision. He noted that the decision should not be rushed, and that Audubon Minnesota has experts who are willing to help the MSFA make the best, most informative, and cost-efficient solution.

Commissioner McCarthy thanked Mr. Schultz for the report and stated that many of these bird collisions happen at night. He asked Mr. Schultz how effective the window film would be at night, and Mr. Schultz stated that he believes it would greatly reduce the collisions, however every building is unique, and an expert would be able to provide more specific information.

Chair Vekich noted that he looks forward to working with Audubon Minnesota and Audubon Minneapolis in the near future, and that the MSFA will hopefully make a decision by the 3rd quarter of next year.

ii. ASM Global Event Update

John Drum, Interim General Manager of U.S. Bank Stadium, gave an update about events at U.S. Bank Stadium. *See*, Exhibit D.

Commissioner Sertich asked Mr. Drum what needs to be done to convert the stadium from a MSHSL game to a Minnesota Vikings game, and Mr. Drum stated that cleaning and grooming the field in such a short amount of time is their greatest challenge. It is a very detail-oriented task, but it is a task that ASM Global staff is prepared for, and they have executed it flawlessly.

iii. Executive Director Report

Mr. Farstad stated that the MSFA and ASM Global completed a walk-through of the SE parking lot, Mills Fleet Farm parking ramp, and the Downtown East ramp to identify potential locations for e-Car charging stations. We are currently at the exploration stage for this concept and will continue to develop ideas. Our next scheduled review point is in late December 2019.

Mr. Farstad then stated that the MSFA made a transition to a new IT Management Services Provider, which is in full swing with a targeted migration date of November 26, 2019. The MSFA will continue to leverage Stadium network and data center infrastructure, but will be shifting the majority of its email, calendaring, productivity tools, accounting systems and electronic document management system and records to hosted cloud data center locations. This will increase the resiliency of MSFA's IT environment while reducing costs.

Mr. Farstad announced that the stadium maintenance updates have recently been completed. An area of the stadium's northwest prow has been prone to icicle formation, and in an effort to mitigate this recurring condition, a new heat trace and gutter were installed.

Lastly, Mr. Farstad noted that the MSFA is continuing to oversee maintenance of the parking ramps, and we are currently working on projects that will increase customer experience. Some of these projects include: adding additional cameras and call boxes for enhanced security purposes, installation of carpet tile replacements, and the addition of ADA door hardware.

5. <u>PUBLIC COMMENTS</u>

1. Constance Pepin: Ms. Pepin stated that the study presented by Mr. Schultz mirrored the results from Dr. Loss' study that was previously presented to the MSFA board. Ms. Pepin stated that the study validates the findings from the fall of 2016 that the most dangerous sections of the stadium's glass are the west wall, the north/northwest area, and the south wall. She noted that the study identified three main factors contributing to bird-building collisions: lighting, vegetation, and glass. Ms. Pepin also noted that the number of bird fatalities reported in Dr. Loss' study may not be accurate, as many of the birds may have flown away after a collision. Lastly, Ms. Pepin noted that Dr. Loss' study substantiates their findings about the number of bird deaths per year and validates their conclusion that retrofitting the glass should be prioritized over other mitigation strategies.

2. Wendy Haan: Ms. Haan stated that early design discussions included options for bird-safe glass, that were consistent with the wishes of the community. Ms. Haan noted that birds play an essential role in our ecosystem as they provide a variety of beneficial services that are vital to the natural world, and that while people may think 111 bird deaths a year does not sound drastic, however, breeding will decrease,

and this will significantly reduce the bird population. Lastly, she stated that retrofitting the stadium has environmental benefits and will be a huge public relations boost for the stadium.

3. Stephen Greenfield: Mr. Greenfield stated that the changes needed to retrofit the stadium are simple. He noted that birds cannot see glass, but they can see a small and unobtrusive white or translucent spot placed on the glass surface. Spots placed on the glass will reduce the number of bird collisions, and it is most beneficial if the spots are installed within the first 50 feet of the height of the building. Mr. Greenfield then stated that the best long-term solution for bird safe windows is fritted glass, but banners, netting, and film with paint or dots are effective as well. Lastly, he stated that 3M has come up with a window film for buildings that will reduce bird collisions.

4. Jerry Bahls: Mr. Bahls stated that reducing vegetation and participating in the “Lights Out” program will reduce fatalities as Dr. Loss stated in his study. The study also suggests that a major reduction in collisions may be achieved by focusing mitigation on one or more particularly problematic spans of glass. Mr. Bahls stated that Audubon Minneapolis would like to assist the MSFA in assessing the most economical, architecturally compatible, and effective retrofit possible. In order to be ready for the spring migration, he suggested that the MSFA begin the process as soon as possible to do a thorough analysis of retrofit options. Mr. Bahl’s coalition recently contacted Michael Mesure of the Fatal Light Awareness Program (FLAP), who offered to meet with the MSFA to share his knowledge of retrofitting buildings to make them safe for birds.

5. Representative Phyllis Kahn: Ms. Kahn stated that she was involved with the safe bird glass initiative law which was passed by the Minnesota Legislature before U.S. Bank Stadium was built, however, the law did not go into effect until after construction of the stadium was completed. Ms. Kahn believes that the stadium should have been constructed in accordance with the law in order to prevent bird collisions and protect the environment. She noted that the Javits Center in New York City will be replacing all of the glass on their building to prevent bird fatalities, and she highly recommends that stadium officials consider replacing the glass at U.S. Bank Stadium.

6. Lisa Venable: Ms. Venable stated that activists have petitioned for bird safe glass at the stadium for many years. She also stated that the Dallas Cowboys’ stadium has bird safe glass, and questioned why U.S. Bank Stadium does not, as both buildings were designed by the same architectural firm. She noted

that millions of birds die each year in North America from building collisions, and bird species are declining around the world. Lastly, Ms. Venable stated that the Audubon study confirms that U.S. Bank Stadium is simply not bird safe and that the glass should be altered. She noted that stadium officials will set a great example for other buildings and stadium projects around the country if action is taken.

6. DISCUSSION

There was no discussion

7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced that the next MSFA meeting will be held on December 20, 2019, at U.S. Bank Stadium in the Medtronic Club at 9:00 A.M.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 9:40 A.M.

Approved and adopted the 20th day of December 2019, by the Minnesota Sports Facilities Authority.

____

Tony Sertich, Secretary/Treasurer

____

James Farstad, Executive Director

Minnesota Sports Facilities Authority
1005 4th Street South, Minneapolis, MN 55415

December 20, 2019

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: Project Labor Agreement for Stadium Capital Improvements

The MSFA has consistently required that all contracts for construction or improvement at U.S. Bank Stadium maintain labor harmony. In order to do so, in November 2015, SMG (as predecessor to ASM Global) entered into a Project Labor Agreement with the Minneapolis Building and Construction Trades Council with respect to all post-opening construction projects at the Stadium. This was a requirement of the MSFA's contract with SMG and was done in anticipation that SMG would be letting the contracts for construction projects. Since that time, it has become a more effective procurement process for construction contracts to be entered into with the MSFA directly. Therefore, the Building Trades have requested that the terms of the PLA apply directly to the MSFA rather than running through ASM Global. In staff's opinion, the outcome is the same and all past and current construction contracts are subject to the PLA, which has a current term through August 1, 2021. Therefore, it is appropriate to have an Addendum to the PLA that makes clear that all PLA terms apply to contracts that are let by the MSFA, as well as those let by ASM Global.

Recommended Motion: The MSFA Board authorizes the Chair and the Executive Director to finalize and execute an Addendum to the referenced Project Labor Agreement.

Minnesota Sports Facilities Authority
1005 4th Street South, Minneapolis, MN 55415-1752

December 20, 2019

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director

SUBJECT: Approve ASM Global Contract

The MSFA has wishes to consolidate communications efforts with ASM Global at U.S. Bank Stadium. ASM Global leadership team and staff have been very effective in supporting MSFA since September, 2019. MSFA would like to continue this practice on a going forward basis. ASM Global will therefore serve as the source of communications representation for both MSFA and ASM Global at U.S. Bank Stadium. This representation will include:

- Communication Strategy
- Media Relations/Inquiries
- Crisis Communications
- Marketing And Branding

Due to their intimate knowledge and hands on day to day management of stadium communications, MFSA recommends that ASM Global provide these services for MSFA. Staff requests approval for the Chair and Executive Director to negotiate and execute a contract agreement with ASM Global in an amount not to exceed $120,000.

Recommended Motion: *The MSFA authorizes the Chair and Executive Director to negotiate and execute a contract agreement with ASM Global in an amount not to exceed $120,000.*

Minnesota Sports Facilities Authority
1005 4th Street South, Minneapolis, MN 55415-1752

December 20, 2019

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director
Mary Fox-Stroman, Director of Finance

SUBJECT: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019

We are pleased to present to you our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The CAFR has three major sections: introductory, financial, and statistical. The financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements including the notes to the financial statements, and required supplementary information. CliftonLarsonAllen LLP (CLA) performed the audit and issued an unmodified audit opinion dated November 22, 2019, that the financial statements present fairly the financial position of the Authority as of June 30, 2019, and the respective changes in financial position and cash flows for the fiscal year then ended. CLA also issued a separate audit report titled: *Independent Auditors' Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards,* and they issued a governance letter. The additional report and the letter will be presented by CLA.

The basic financial statements include: statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows, and notes to the financial statements. The Authority's financial statements include SMG's third year of operations of U.S. Bank Stadium.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the fiscal year ended June 30, 2018. This was the sixth award that the Authority received. We believe this CAFR meets the certificate program requirements and we have submitted it to the GFOA to determine its eligibility. The award is typically received six months after submission of the financial report.

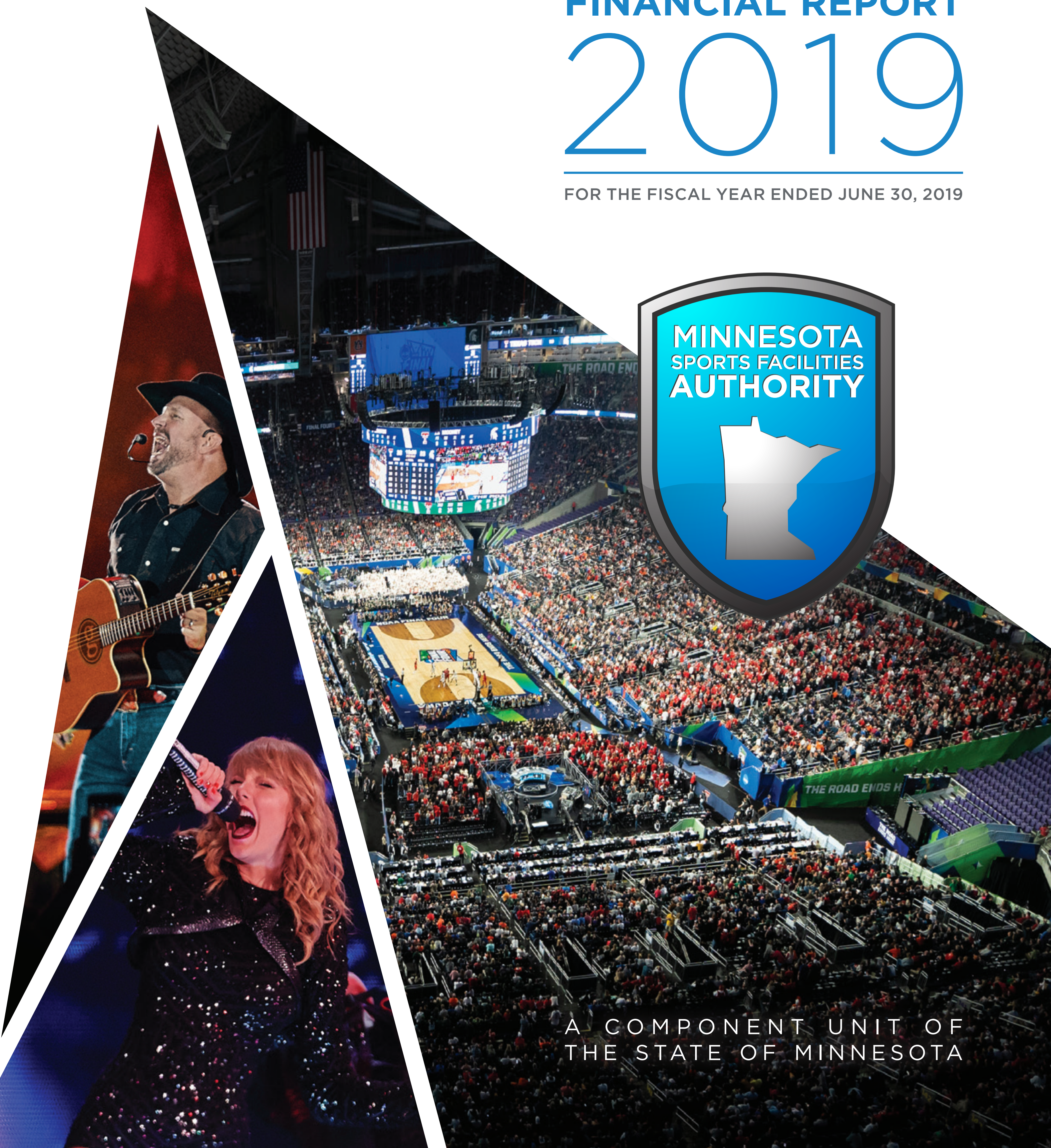
Recommended Motion: ***None.***

MINNESOTA SPORTS FACILITIES AUTHORITY

MINNEAPOLIS, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT 2019

FOR THE FISCAL YEAR ENDED JUNE 30, 2019



A COMPONENT UNIT OF THE STATE OF MINNESOTA

MINNESOTA
SPORTS FACILITIES
AUTHORITY

MINNESOTA SPORTS FACILITIES AUTHORITY • MINNEAPOLIS, MINNESOTA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

— A COMPONENT UNIT OF THE STATE OF MINNESOTA —

FINANCE DEPARTMENT
1005 FOURTH STREET SOUTH
MINNEAPOLIS, MINNESOTA 55415-1752

MINNESOTA SPORTS FACILITIES AUTHORITY

TABLE OF CONTENTS

MINNESOTA
SPORTS FACILITIES
AUTHORITY

INTRODUCTORY SECTION

The Introductory Section contains the letter of transmittal, which provides an overview of the Minnesota Sports Facilities Authority's finances, economic prospects, and achievements. Also, included in this section is the list of commissioners and administrative officials, the organization chart, and the Certificate of Achievement for Excellence in Financial Reporting, awarded by the Government Finance Officers Association. It is the highest form of recognition in governmental financial reporting.


VIKINGS


usbank
stadium
NCAA 2019
FINAL FOUR
MINNEAPOLIS
THE ROAD


78

Minnesota Sports Facilities Authority
1005 4th Street South, Suite 401, Minneapolis, MN 55415-1752

November 22, 2019

To the Honorable Chairman and Commissioners of the Minnesota Sports Facilities Authority:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Minnesota Sports Facilities Authority (Authority) for the fiscal year ended June 30, 2019. The financial statements included in this report conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority's management. To the best of my knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the Authority. All necessary disclosures have been included to enable the reader to gain the maximum understanding of the Authority's financial affairs.

The Authority's management is responsible for establishing and maintaining an internal control structure designed to ensure that its assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable but not absolute assurance that these objectives are met and that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management.

The reader is referred to Management's Discussion and Analysis (MD&A) section for additional information regarding the activities and financial position of the Authority. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The following subjects are discussed in this letter:

- Profile of the Authority,
- Economic Condition and Outlook,
- Major Initiatives and Accomplishments,
- Independent Audit,
- Awards, and
- Acknowledgments.

Phone: 612-332-0386 TTY: 1-800-627-3529 Fax: 612-332-8334
www.msfa.com Affirmative Action/Equal Opportunity Employer

PROFILE OF THE AUTHORITY

In May 2012, the Minnesota legislature established the Authority as a public body and political subdivision of the state. Per Minnesota Statutes, 473J.07, Subd. 2 the Authority is comprised of five members, the governor of the state of Minnesota appoints the chair and two additional members, and the mayor of the city of Minneapolis appoints two members. The members serve four-year terms. The governing body sets policy for the administration of the Authority and the executive director directs the Authority's operations and carries out the policies established by the board.

The Authority was established to provide for the construction, financing, and long-term use of U.S. Bank Stadium and related stadium infrastructure as a venue for professional football and a broad range of other civic, community, athletic, educational, cultural, and commercial activities.

In 2018 the Authority began to implement a long-term strategic plan. Management identified the need to address organizational changes and develop a more thoughtful and intentional planning approach than the informal approach used in prior years. A strategic planning project team was established to solicit input from staff, Commissioners, and stadium partners for the creation of the strategic plan.

At its December 21, 2018 board meeting the Authority adopted MSFA Guiding Principles which includes the Authority's Core Values, Purpose, Mission, and Vision. The Authority's core values are: integrity, accountability, equity, community focus and involvement, innovation and responsiveness, and stewardship. The Authority's shared mission with U.S. Bank Stadium is: "We commit to creating memorable experiences through service excellence while providing a safe, world class sports and entertainment environment for all." The Authority's vision is "U.S. Bank Stadium, home of the Minnesota Vikings, will be the world-class entertainment and event facility in this region and be recognized as one of the top venues in the nation." Work on the strategic plan continued into 2019 as the project team refined the plan's goals, objectives and initiatives that will lead the Authority toward long-term success.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Minnesota is known for its 10,000 lakes, six professional sports teams, the world's largest skyway system, an extensive park, trail and green space system, and its vibrant arts, music, and theatre entertainment districts. The sporting and retail venues are a magnet for entertainment. Guests from the Minneapolis-St. Paul metropolitan area, greater Minnesota, and from other states attend events in and around the stadium.

Minnesota boasts that there are 16 Fortune 500 companies headquartered in the Minneapolis-St. Paul metropolitan area. Corporations in Minnesota are recognized every year for their innovation, sustainability, ethical leadership, brand values, and corporate citizenship.

Employment growth, consumer purchases, and household finances are important economic indicators for the sports and entertainment industry as they influence stadium event attendance, ticket revenues, food and beverage revenues, and event space rental revenues.

The outlook for Minnesota's economy is solid due to its strong labor markets, strong growth in consumer spending, and GDP growth. Minnesota gained 1,100 jobs in August 2019 according to the Minnesota Department of Employment and Economic Development, and the state's seasonally adjusted unemployment rate dropped one-tenth percent to 3.3 percent in August 2019 from 3.4 percent in July 2019. Minnesota's labor force participation rate increased slightly to 70.1 percent as employers continued to add jobs. The Bureau of Labor Statistics reported that in September 2019 the U.S. unemployment rate declined 0.2 percentage point to 3.5 percent, the lowest unemployment rate since December 1969 and 0.2 percentage point lower than the prior year.

Minnesota employers reported 146,513 job vacancies in the second quarter of 2019, the highest total job vacancies on record and an indication that the state's labor market remains tight according to Minnesota Department of Employment and Economic Development. This has led to a strong hiring demand in Minnesota with the largest percentage of job openings in the healthcare and social assistance sector (19.2%), followed by food services (16.9%), retail trade (15.3%), manufacturing (7.6%), and educational services (5.0%).

The Consumer Price Index (CPI) for All Urban Consumers in the Minneapolis-St. Paul-Bloomington metropolitan area increased 1.7 percent from September 2018 to September 2019 as reported by the U.S. Bureau of Labor Statistics. The CPI is a measure of the average change in prices over time in a fixed market basket of goods and services.

The Bureau of Economic analysis estimates that real GDP grew at an annual rate of 2.0 percent during the second quarter of 2019. Minnesota's macroeconomic consultant, IHS Markit, expects GDP to grow 1.6 percent in the third quarter 2019.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Stadium Operator

SMG continues to aggressively market the stadium for future events and has booked a wide variety of events in U.S. Bank Stadium for its fourth year of operations. In addition to event promotion and sales, SMG is responsible for event services, stadium security, and stadium management and operations. U.S. Bank Stadium's operations are included in the Authority's financial statements. Following are highlights of the 2018-2019 events:

Minnesota Vikings Home Football Games, Concerts, Motorsports and Other Events

Minnesota Vikings kicked off their first 2018 football preseason game at U.S. Bank Stadium on August 18, 2018. Nine additional home football games were hosted in the stadium and the final Minnesota Vikings football game was played on December 30, 2018. Total attendance for all ten games was 565,881.

Four major concerts took to the stage at U.S. Bank Stadium during the year with music for all ages and all genres from pop, hip hop, and country: Jay-Z and Beyonce's *On The Run II Tour* was held on

August 8, 2018, Taylor Swift's *Reputation Tour* was held on August 31 and September 1, 2018, Ed Sheeran's *2018 North American Stadium Tour* was held on October 20, 2018, and Garth Brooks' Stadium Tour was held on May 3 and 4, 2019.

Monster Jam motorsport shows were held on December 8, 2018 and February 16, 2019, and Monster Energy AMA Supercross was held on February 9, 2019. These events were successful in entertaining over 99,000 guests. Minneapolis X Games 2018 held its second stadium event from July 19 to 22, 2018. The Minnesota State High School League also hosted many soccer and football championship games at the stadium in October and November 2018 with a total attendance of 86,362.

2019 NCAA Men's Basketball Final Four
U.S. Bank Stadium hosted the 2019 National Collegiate Athletic Association (NCAA) Final Four Men's Basketball tournament. The event began with open practice sessions for the four teams on Friday, April 5, 2019, then two semifinal games were played on Saturday, April 6, 2019 and the championship game was played on Monday, April 8, 2019. The stadium was transformed from a football field into a basketball court complete with court side seating and bleachers, a center hung scoreboard, and basketball hoops. The stadium's roof and windows were covered with curtains to provide the proper lighting for a basketball tournament, purple stadium seats were removed and replaced with black folding chairs, and a large circular spaceship like scoreboard loomed over the court. Attendance for the three days was 172,299 with food and beverage concession and catering sales of $4,620,270. This was the largest event held at the stadium.

Tour Program
U.S. Bank Stadium is a popular tourist activity for guests to learn the facts and figures of the stadium's operations, view the beautiful artwork throughout the stadium, and experience the clubs and stadium's back-of-house operations. Over 43,000 guests from all fifty states and many countries toured the stadium from August 2018 through June 2019. There were 1,114 public tours, 162 group tours, and 312 event tours. SMG offered customized educational tours for elementary, middle school and high school students. Approximately 9,100 students participated in the two-hour Sustainability Education tours and Career Path Education tours. Students journeyed through the stadium while the tour guides linked the stadium's operations to the tour's topics.

Future Events
Planning is underway for future events to be hosted at U.S. Bank Stadium. The following events will be hosted in U.S. Bank Stadium in the next year:

- 10 NFL Minnesota Vikings home football games
- 1 large concert
- 2 Monster Jam events
- 2020 D1 Men's Wrestling Championships
- Minneapolis X Games 2019
- Many tradeshows, galas, turf and club events
- High school and collegiate baseball, soccer and football games

Stadium Concessionaire

Aramark Sports and Entertainment Services, LLC (Aramark) the stadium's food and beverage service, premium catering service, and concession services provider reported gross sales of $37,854,235 for its third year of operations at U.S. Bank Stadium. Aramark paid commissions on certain food and beverage sales to the Minnesota Vikings for their events and the Authority reported food and beverage commission revenues of $6,781,700 for the third year of operations for Authority events. The Authority also reported capital contributions of $918,370 from Aramark, which is 2.5 percent of commissionable gross food and beverage sales, for deposit into the Authority's concession capital reserve account.

Capital improvements

The following capital and concession capital improvements were made to U.S. Bank Stadium during the fiscal year:

- Installation of stadium darkening solution $5,214,144
- Electrical and HVAC modifications to the stadium $800,979
- Installation of Americans with Disabilities Act (ADA) platform railings $204,378
- Aramark office modifications $173,776
- Exterior door modifications $95,450
- Purchase of various equipment items $127,457
- Installation of signage and graphics in the stadium $85,806
- Plaza building modifications $54,959
- Purchase of concession equipment $50,421
- Installation of broadcast cabling in the stadium $48,681
- Elevator audio system improvements $37,117
- Construction of a mother's suite in the stadium $30,232

Sustainability

Sustainability initiatives continue to expand and improve at U.S. Bank Stadium. U.S. Green Building Council awarded Leadership in Energy and Environmental Design (LEED) GOLD Certification for Design and Construction to U.S. Bank Stadium in 2017 and it awarded LEED Platinum Certification for Operations and Maintenance in 2019. More information about the LEED program may be found in the Award section of this letter.

U.S. Bank Stadium's environmental practices in water reduction, waste diversion/reduction, energy efficiency, promotion of alternative transportation, and education continue to make the stadium more efficient and cost effective. During its first three years of operations the stadium has:

- Received a Bike Friendly Business Certification for supplying over 180 bike racks,
- Diverted 1,862,000 pounds of recyclable materials and 950,000 pounds of compost materials from the landfill,
- Donated 25,000 pounds of food,
- Used renewable energy credits to power the stadium 100% by wind energy, and
- Maximized the stadium's eco-friendly design features including the usage of natural daylight and heating/cooling benefits of the Ethylene tetrafluorethylene (ETFE) roof structure.

Downtown East Parking Garage and Mills Fleet Farm Parking Garage

The Authority owns the Downtown East Parking Garage which has 455 parking spaces and is located beneath the stadium plaza on a site adjacent to the stadium. The Authority also owns the six-level Mills Fleet Farm Parking Garage which has 1,610 parking spaces and is connected via the stadium skyway to U.S. Bank Stadium. Beginning on December 31, 2015 Ryan Companies assumed operational responsibility for the ramps. Ryan Companies hired a parking management company to operate both parking facilities. All parking revenues belong to Ryan Companies during their management period and they are responsible for all parking expenses.

INDEPENDENT AUDIT

The Authority's financial statements have been audited as required by state statute and received an unmodified opinion by the accounting firm of CliftonLarsonAllen LLP (CLA). Minnesota Statutes 473J.07, subd.7, requires the Minnesota Office of the Legislative Auditor (Legislative Auditor) conduct an annual audit of the financial statements of the Authority. The Legislative Auditor delegated this responsibility for the current audit to CLA. In addition to meeting the requirements of the state statutes, the audit was designed to meet the requirements of the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The report of the independent auditors on the basic financial statements can be found in the financial section of this annual report.

AWARDS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Authority with the Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the fiscal year ended June 30, 2018. This was the sixth year that the Authority received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is a prestigious national award which recognizes conformance with the highest standards for preparation of state and local government financial reports. The Certificate of Achievement is valid for a period of one year only. Management believes that the current CAFR meets the Certificate of Achievement Program's requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

2019 LEED Platinum Certification – Operations and Maintenance

U.S. Bank Stadium was the first professional sports stadium to achieve Leadership in Energy and Environmental Design (LEED) Platinum certification using the Arc performance platform. The stadium earned the designation using the Building Operations and Maintenance (O&M) rating system for existing buildings. LEED platinum is the highest rating level offered through the LEED program that was created by U.S. Green Building Council. This prestigious recognition signifies achievements in sustainability for the ongoing daily operations and maintenance of U.S. Bank Stadium.

Minnesota Sports Facilities Authority
1005 4th Street South, Suite 401, Minneapolis, MN 55415-1752

2019 Venue Excellence Award

U.S. Bank Stadium was recognized with the Venue Excellence Award a prestigious award for operational excellence from the International Association of Venue Managers. This award annually recognizes five venues that demonstrate excellence in the management and operation of a public assembly venue. A wide array of venues may apply for the award including: amphitheaters, arenas, auditoriums, casinos, complexes, convention centers, exhibit halls, fair/festival grounds, performing arts centers, race tracks, stadiums and university venues. Award criteria included operational excellence, safety and security, team building/professional development, and service to the community.

2019 Best Sports Venue

Minnesota Meetings & Events has an annual Best of Awards program that honors “the best” in various categories in the regional meetings and events industry. The awards are a celebration of the hard work and above-and-beyond service of suppliers who help planners be at the top of their game. U.S. Bank Stadium was awarded the 2019 Best Sports Venue.

ACKNOWLEDGMENTS

I express my sincere appreciation to Suzanne Arcand, Elizabeth Proeitz, and Caryn Goettsch, RSM, who contributed to this report. They have my sincere appreciation for the contributions they made in the preparation of this report. Appreciation is also expressed to the Commissioners for their cooperation and outstanding assistance in matters pertaining to the financial affairs of the Authority.

Respectfully submitted,

Mary Fox-Stroman

Mary Fox-Stroman, CPA
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Minnesota Sports Facilities Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

COMMISSIONERS and ADMINISTRATIVE OFFICIALS

June 30, 2019

COMMISSIONERS (left to right)

TONY SERTICH • MIKE VEKICH
BARBARA BUTTS WILLIAMS • BILL MCCARTHY

	TERM OF OFFICE	
COMMISSIONERS[1]	**Appointed**	**End of Term**
MICHAEL VEKICH, *Chair*	July 2017	January 2023
BARBARA BUTTS WILLIAMS, *Vice Chair*	June 2012	December 2019
TONY SERTICH, *Secretary & Treasurer*	August 2015	December 2019
BILL MCCARTHY	June 2012	December 2020

KEY ADMINISTRATIVE STAFF

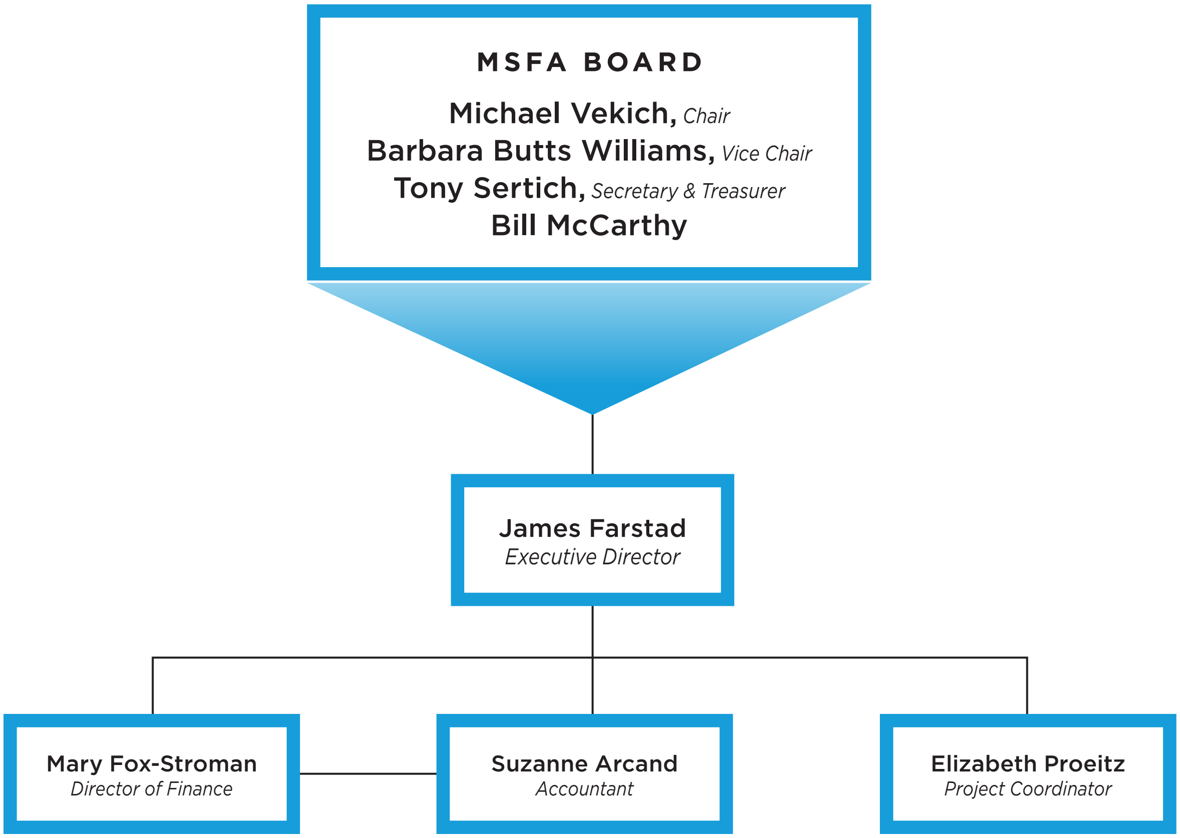
Executive Director
JAMES FARSTAD

Director of Finance
MARY FOX-STROMAN, CPA

1 Ms. Angela Burns Finney was appointed by Governor Walz as a Commissioner in September 2019, her position was vacant from December 2018 until her appointment.

ORGANIZATION CHART

AS OF JUNE 30, 2019



FINANCIAL SECTION

The Financial Section includes the independent auditors' report, management's discussion and analysis, and the basic financial statements including the notes to the financial statements, and required supplementary information.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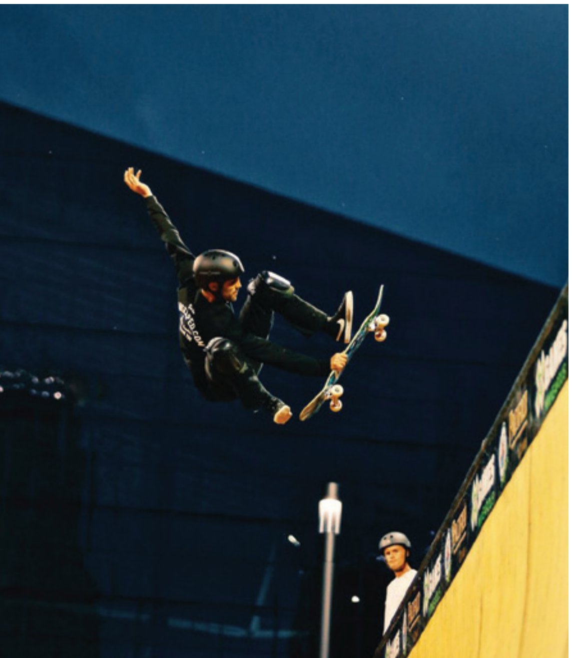
#MonsterJam



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Minnesota Sports Facilities Authority
Minneapolis, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the Minnesota Sports Facilities Authority, a component unit of the state of Minnesota, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Minnesota Sports Facilities Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Commissioners
Minnesota Sports Facilities Authority

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position the Minnesota Sports Facilities Authority as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the Authority's share of the net pension liability – State Employees Retirement Fund, and the schedule of the Authority's contributions – State Employees Retirement Fund, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Minnesota Sports Facilities Authority's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. They have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019, on our consideration of the Minnesota Sports Facilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Minnesota Sports Facilities Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Minnesota Sports Facilities Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 22, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Minnesota Sports Facilities Authority (Authority) Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of the Authority's financial performance for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Letter of Transmittal, located in the Introductory Section of the CAFR.

Financial Highlights

The basic financial statements report information about the Authority using the economic resources measurement focus and accrual basis of accounting. Key financial highlights for the Authority's fiscal year ended June 30, 2019 are as follows:

- Overall, the Authority's net position decreased $42,093,207, from $1,049,839,413 as of June 30, 2018 to $1,007,746,206 as of June 30, 2019.
- Operating expenses of $99,110,542 exceeded operating revenues of $47,857,056 resulting in an operating loss of $51,253,486 for the fiscal year ended June 30, 2019. Depreciation expense of $50,675,172 was the largest operating expense.
- The net increase in capital assets was $5,655,035 as of June 30, 2019. The largest capital project this year was installation of a darkening solution to limit natural light exposure in the stadium for $5,280,844.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The financial section of this report consists of:

(1) Independent Auditors' Report
(2) Management's Discussion and Analysis (presented here)
(3) Basic (Enterprise fund) Financial Statements:
  a. Statement of net position
  b. Statement of revenues, expenses, and changes in net position
  c. Statement of cash flows
(4) Notes to the Financial Statements

This report also includes other required supplementary information in addition to the basic financial statements.

The Authority uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The Authority maintains one proprietary fund, an enterprise fund. The enterprise fund financial statements report information about the Authority using accounting methods similar to those used by private-sector businesses in which costs are recovered primarily through user charges. Enterprise fund financial statements provide both short-term and long-term financial information about the Authority's overall financial status. The statements present information on the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position and show how net position has changed during the year. These financial statements and explanatory notes are prepared in conformance with generally accepted governmental accounting principles, and are reported using the accrual basis of accounting.

Statement of net position

The statement of net position presents information on the financial resources and obligations of the Authority on June 30, 2019. The difference between the sum of total assets and deferred outflows of resources and the sum of total liabilities and deferred inflows of resources is net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating.

Statement of revenues, expenses and changes in net position

The statement of revenues, expenses and changes in net position presents information showing how the Authority's net position changed during the fiscal year ended June 30, 2019. All of the fiscal year's revenues and expenses are accounted for in this statement, regardless of when cash is received or paid.

Statement of cash flows

The statement of cash flows reports cash and cash equivalent activities for the fiscal year ended June 30, 2019 as a result of operating, noncapital financing, capital, and investing activities.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the enterprise fund financial statements.

Required supplementary information

The required supplementary information consists of two schedules, Schedule of the Authority's Share of Net Pension Liability State Employees Retirement Fund and Schedule of Authority's Contributions State Employees Retirement Fund.

Financial Analysis

Statement of Net Position

Following is a table that presents the Authority's Statement of Net Position as of June 30, 2019 and 2018:

Statement of Net Position at June 30, 2019 and 2018

	June 30, 2019	June 30, 2018	Increase/ (decrease)
ASSETS:			
Current and other assets	$23,070,700	$36,239,958	($13,169,258)
Capital assets (net of accumulated depreciation)	1,000,408,761	1,044,474,586	(44,065,825)
Noncurrent assets	6,639,163	8,452,625	(1,813,462
Total assets	**1,030,118,624**	**1,089,167,169**	**(59,048,545)**
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources related to pensions	241,494	881,804	(640,310)
LIABILITIES:			
Current liabilities	13,599,075	28,702,479	(15,103,404)
Noncurrent liabilities	8,038,239	10,224,082	(2,185,843)
Total liabilities	**21,637,314**	**38,926,561**	**(17,289,247)**
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources related to pensions	976,598	1,282,999	(306,401)
NET POSITION:			
Investment in capital assets	1,000,408,761	1,044,474,586	(44,065,825)
Restricted for capital projects	3,845,171	5,993,494	(2,148,323)
Unrestricted	3,492,274	(628,667	4,120,941
Total net position	**$1,007,746,206**	**$1,049,839,413**	**($42,093,207)**

The Authority's net position decreased 4.0 percent to $1,007,746,206. The three components of net position are: investment in capital assets, restricted for capital projects, and unrestricted. The largest portion of the Authority's net position (99.3%) at June 30, 2019 reflects its investment in capital assets of $1,000,408,761. These assets are comprised of land, construction in progress, buildings, building equipment, land improvements, and equipment of U.S. Bank Stadium, Mills Fleet Farm Parking Garage, and the Downtown East Parking Garage. Accordingly, these assets are not available for future spending. Restricted net position at June 30, 2019 was $3,845,171 and this represents resources that are restricted for future capital purchases. Unrestricted net position at June 30, 2019 was $3,492,274. These resources are available and may be used to meet the Authority's ongoing and future obligations.

Summary of Changes in Net Position

The following table summarizes the changes in net position for the fiscal year ended June 30, 2019 and 2018.

Summary of Changes in Net Position

	June 30, 2019	June 30, 2018	Increase/ (decrease)
Operating revenues	$47,857,056	$44,896,992	$2,960,064
Operating expenses	(99,110,542)	(95,451,522)	(3,659,020)
Total operating income or (loss)	**(51,253,486)**	**(50,554,530)**	**(698,956)**
Nonoperating revenues (expenses):			
Nonoperating revenues	3,739,117	6,539,620	(2,800,503)
Nonoperating expenses	(1,650,775)	(4,874,956)	3,224,181
Total nonoperating revenues (expenses)	2,088,342	1,664,664	423,678
(Loss) before capital contributions	**(49,165,144)**	**(48,889,866)**	**(275,278)**
Capital contributions	7,071,937	6,462,962	608,975
Changes in net position	**(42,093,207)**	**(42,426,904)**	**333,697**
Total net position-beginning of year	1,049,839,413	1,092,266,317	(42,426,904)
Total net position-end of year	**$1,007,746,206**	**$1,049,839,413**	**($42,093,207)**

Operating revenues, which include operating payments from the state of Minnesota and Minnesota Vikings, stadium operating revenues, and other revenues, increased $2,960,064 (6.6 percent) to $47,857,056. Factors contributing to these results are:

- Stadium operating revenues increased $1,240,522 (4.2 percent) from the prior fiscal year primarily due to a one-time major event, the 2019 NCAA Final Four Men's Basketball tournament, was hosted by U.S. Bank Stadium in April 2019. The Authority received commissions from food and beverage concession and catering sales, merchandise sales, and program revenues of $1,994,864 from this event.

- Operating payments from the state of Minnesota and Minnesota Vikings increased by $423,272 (2.8 percent) from the prior fiscal year due to the Minnesota Vikings' contractually required payment increase of 3 percent per year and the state of Minnesota's annual adjustment factor.

- Other revenues increased $1,296,270 from the prior year mainly due to the Authority receiving a contribution of $1,321,654 from the Minneapolis Final Four Local Organizing Committee as a funding source for the 2019 NCAA Final Four Men's Basketball event related expenses.

Operating expenses, which include personal services, professional services, supplies, repairs and maintenance, rent, other expenses, stadium operating expenses, and depreciation, increased $3,659,020 (3.8 percent) to $99,110,542. Factors contributing to these results are:

- Stadium operating expenses increased $6,920,832 (18.5 percent) from the prior fiscal year due to an increase in event service expenses for the 2019 NCAA Final Four Men's Basketball event. This was a one-time cost for hosting this national event at the stadium.

- Other expenses decreased $2,400,210. The Authority was mandated by state statute to reimburse sales tax expenses related to Super Bowl LII to a maximum of $1,600,000 to the National Football League, its affiliates, and the Minnesota Super Bowl Host Committee. Super Bowl LII was held on February 4, 2018 and reimbursement expenses of $1,600,000 were reported in the prior year.

Capital Assets

The following table compares the Authority's capital assets as of June 30, 2019 and 2018 net of accumulated depreciation:

Capital Assets

	June 30, 2019	June 30, 2018	Increase/ (decrease)
CAPITAL ASSETS: (net of depreciation):			
Non-depreciable-			
Land	$31,983,174	$31,983,174	$-
Construction in progress	544,162	232,463	311,699
Depreciable-			
Buildings	766,770,828	794,943,290	(28,172,462)
Building equipment	79,991,868	85,929,055	(5,937,187)
Land improvements	28,000,173	29,633,884	(1,633,711)
Equipment	93,118,556	101,752,720	(8,634,164)
Total capital assets	**$1,000,408,761**	**$1,044,474,586**	**($44,065,825)**

The Authority's investment in capital assets as of June 30, 2019 was $1,000,408,761 (net of accumulated depreciation) and consists of land, construction in progress, buildings, building equipment, land improvements, and equipment of U.S. Bank Stadium, Mills Fleet Farm Parking Garage, and Downtown East Parking Garage. Total capital assets decreased $44,065,825 from the prior year. This decrease is primarily due to depreciation expense of $50,675,172.

Additional information on the Authority's capital assets can be found in the notes to the financial statements, see note I.C.5 and note II.C.

Next Year's Budget

An annual operating budget is adopted on a basis consistent with generally accepted accounting principles. Discussion and preparation of the fiscal year 2019-2020 annual operating and capital budgets began in March 2019. The Authority then approved and adopted the 2019-2020 operating and capital budgets in June 2019. This budget process will be followed for adoption of the 2020-2021 budget. Per Minnesota Statutes 3.8842, the Legislative Commission on Minnesota Sports Facilities

(Legislative Commission) is required to oversee the Authority's operating and capital budgets. An annual report is presented to the Legislative Commission. Staff presents quarterly budget reports to the Authority.

The Authority's adopted 2019-2020 operating budget includes operating revenues of $41,688,477 which includes: stadium operating payments from the state of Minnesota of $6,672,378 and the Minnesota Vikings of $9,288,180 for a combined total of $15,960,558, stadium operating revenues of $25,663,719, and miscellaneous revenues of $64,200. Also included in this budget are operating expenses of $38,939,699 which includes stadium operating expenses of $34,630,201, professional services of $1,609,725, rent $957,569, personal services of $712,866, supplies, repairs and maintenance of $221,000, and other expenses of $808,338.

Operating revenues of $41,688,477 are budgeted to exceed operating expenses of $38,939,699 for total operating income of $2,748,778. Also, sales tax revenues of $2,430,018, and investment earnings of $84,000 are included in the budget as nonoperating revenues. Net income is budgeted to be $5,262,796.

In addition to the 2019-2020 operating budget, the capital and concession capital budget includes capital expenses of $3,444,721 and concession capital expenses of $705,080. These expenses will be funded by capital revenues from the state of Minnesota and the Minnesota Vikings of $3,356,358 and the 2.5 percent concession capital reserve payment of $800,000.

The Authority considered the following factors when setting the 2019-2020 budget and fees that will be charged for use of U.S. Bank Stadium:

- Stadium event schedule,
- Number and type of stadium events,
- Stadium event attendance,
- Stadium rental pricing, and
- Product pricing.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its financial position and to demonstrate the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, Minnesota Sports Facilities Authority, 1005 Fourth Street South, Minneapolis, Minnesota 55415. This report may also be found on the Authority's website at www.msfa.com.

MINNESOTA SPORTS FACILITIES AUTHORITY
STATEMENT OF NET POSITION
June 30, 2019

ASSETS	
Current assets:	
Cash and cash equivalents	$15,480,449
Restricted cash and cash equivalents	360,020
Investments	25,773
Receivables:	
Accounts and other receivables	3,712,088
Construction contributions receivable	2,964,298
Prepaid items	528,072
Total current assets	23,070,700
Noncurrent assets:	
Restricted investments	6,328,143
Capital assets:	
Non-depreciable:	
Land	31,983,174
Construction in progress	544,162
Depreciable:	
Buildings	853,470,644
Building equipment	101,209,764
Land improvements	32,916,971
Equipment	132,387,950
Accumulated depreciation	(152,103,904)
Total capital assets (net of accumulated depreciation)	1,000,408,761
Prepaid project insurance	311,020
Total noncurrent assets	1,007,047,924
Total assets	1,030,118,624
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	241,494
LIABILITIES	
Current liabilities:	
Salaries and compensated absences payable	451,365
Accounts and other payables	2,549,269
Construction retainage payable	1,616,241
Advanced ticket sales and deposits	5,303,691
Restricted stadium builders licenses liability	119,169
Revenue sharing distribution payable	650,379
Unearned revenue	2,908,961
Total current liabilities	13,599,075
Noncurrent liabilities:	
Compensated absences payable	39,318
Net pension liability	162,375
Unearned revenue	7,836,546
Total liabilities	21,637,314
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	976,598
NET POSITION	
Investment in capital assets	1,000,408,761
Restricted for capital projects	3,845,171
Unrestricted	3,492,274
Total net position	$1,007,746,206

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

MINNESOTA SPORTS FACILITIES AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2019

Operating revenues:	
Operating payments from state of Minnesota and Minnesota Vikings	$15,569,573
Stadium operating revenues	30,897,106
Other revenues	1,390,377
Total operating revenues	47,857,056
Operating expenses:	
Personal services	361,383
Professional services	1,224,722
Supplies, repairs and maintenance	910,439
Rent	796,939
Other expenses	803,290
Stadium operating expenses	44,338,597
Depreciation	50,675,172
Total operating expenses	99,110,542
Total operating (loss)	(51,253,486)
Nonoperating revenues (expenses):	
Investment earnings	303,420
Other contributions for stadium project	1,005,680
Sales tax revenues	2,430,017
Stadium project expenses	(386,289)
Stadium builders licenses expenses	(513,393)
Commemorative brick expenses	(1,210)
Loss on disposal of assets	(749,883)
Total nonoperating revenues	2,088,342
(Loss) before capital contributions	(49,165,144)
Capital contributions	7,071,937
Change in net position	(42,093,207)
Total net position, July 1, 2018	1,049,839,413
Total net position, June 30, 2019	$1,007,746,206

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

MINNESOTA SPORTS FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from state of Minnesota and Minnesota Vikings	$16,247,255
Receipts from events	24,183,942
Receipts from food and beverage commissions	6,781,700
Receipts from others	2,042,657
Payments for employee services	(11,191,455)
Payments to suppliers and others	(27,499,403)
Payments for event and stadium operations	(21,017,046)
Net cash (used for) operating activities	(10,452,350)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Sales taxes received from state of Minnesota	2,238,197
Other contributions received for stadium project	1,005,680
Payments for stadium project	(368,388)
Net cash provided by noncapital financing activities	2,875,489
CASH FLOWS FROM CAPITAL ACTIVITIES	
Capital contributions received	5,898,774
Acquisition and construction of assets	(7,054,298)
Payments for commemorative bricks	(1,210)
Net cash (used for) capital activities	(1,156,734)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	25,680,030
Purchase of investments	(21,822,851)
Interest on investments	264,940
Net cash provided by investing activities	4,122,119
Net (decrease) in cash and cash equivalents	(4,611,476)
Cash and cash equivalents, July 1, 2018	20,451,945
Cash and cash equivalents, June 30, 2019	$15,840,469

Reconciliation of operating (loss) to net cash (used for) operating activities:	
Operating (loss)	($51,253,486)
Adjustments to reconcile operating loss to net cash (used for) operating activities:	
Depreciation expense	50,675,172
Change in assets and liabilities:	
Decrease in accounts receivable	3,938,980
Decrease in prepaid items	339,030
Decrease in net pension liability and related deferred inflows and deferred outflows	(542,223)
Increase in salaries and compensated absences payable and accounts and other payables	504,502
Increase in revenue sharing distribution payable	338,850
(Decrease) in unearned revenues	(82,568)
(Decrease) in advanced ticket sales and deposits	(14,370,607)
Total adjustments	40,801,136
Net cash (used for) operating activities	($10,452,350)
Noncash investing, capital and financing activities:	
Increase in fair value of investments	$62,710
Accrued capital contributions	$1,620,370

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

I. Summary of significant accounting policies

A. Organization and reporting entity

1. Organization

In May 2012, the Minnesota legislature enacted 2012 Minnesota Laws, Chapter 299 (codified at Minnesota Statutes Chapter 473J) to establish the Minnesota Sports Facilities Authority (Authority). The Authority is comprised of five board members: the chair and two members appointed by the governor of Minnesota and two members appointed by the mayor of the city of Minneapolis. Members serve four-year terms beginning January 1. The chair serves at the pleasure of the governor. The board makes policies for the administration of the Authority and it appoints an executive director to act as the administrative head of the Authority. The executive director serves at the pleasure of the board, carries out the policies established by the board, directs business and administrative procedures, and recommends personnel to be appointed by the board.

The Authority was created to provide for the construction, financing, and long-term operation of U.S. Bank Stadium and the related stadium infrastructure as a venue for professional football and a broad range of other civic, community, athletic, educational, cultural and commercial activities.

2. Financial reporting entity

As defined by U.S. generally accepted accounting principles (GAAP), the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the officials of the primary government are financially accountable. Financial accountability is defined as:

a. Appointment of a voting majority of the component unit's board and either (1) the ability to impose will by the primary government or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
b. Fiscal dependency on the primary government.

Based upon the application of these criteria, the Authority has no component units. However, the Authority is a component unit of the state of Minnesota because the governor appoints three of the five board members and the state of Minnesota is responsible for the debt incurred for the Authority's share of the cost of construction of the stadium and stadium infrastructure.

B. Basis of presentation and measurement focus

1. Basis of presentation

The financial statements of the Authority have been prepared in conformity with GAAP as applied to government units in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies of the Authority are described below.

I. Summary of significant accounting policies (continued)

The Authority reports its activities as a business-type activity. The operations of the Authority are accounted for in an enterprise fund which is a set of self-balancing accounts comprised of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses. The fund is used to account for the operation of U.S. Bank Stadium and related stadium infrastructure. The financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. All assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the statement of net position. Reported net position is segregated into three categories: investment in capital assets, restricted, and unrestricted. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position.

2. Measurement focus and basis of accounting
The Authority's enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

C. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position
1. Cash, cash equivalents and investments
The Authority has defined cash and cash equivalents as cash on hand, cash on deposit in demand deposit accounts, commercial paper, and short-term investments with original maturities of three months or less from the date of acquisition. Authority deposits are backed by a combination of Federal Deposit Insurance Corporation (FDIC) and a letter of credit from Federal Home Loan Bank for the account of U.S. Bank National Association, Cincinnati, Ohio for an amount of $3 million. The letter of credit is irrevocable, unconditional, and nontransferable. Certain accounts are segregated and classified as restricted and may not be used except in accordance with contractual terms.

The Authority may invest funds as authorized by Minnesota Statutes, Chapter 118A, and the Authority's internal investment policy. Investments are reported at fair value and are based on quoted market prices.

2. Receivables
   a. Accounts and other receivables

Accounts and other receivables consist of estimates of amounts due for sales tax revenues, operating payment from the Minnesota Vikings, commissions from the concessionaire, event revenues from promoters, and other receivables.

I. Summary of significant accounting policies (continued)

b. Construction contributions receivable

Construction contributions receivable consist of amounts due to fund construction expenses ($1,616,241) that were incurred prior to June 30, 2019, and it includes amounts due from the stadium builders licenses (SBLs) program ($1,348,057).

Effective July 31, 2014, the Authority entered into an Amended and Restated Purchase and Sale Agreement with Minnesota Stadium Funding Trust whereby the Authority agreed to sell its interest in stadium builders licenses (SBL) tranches of SBL revenues to Minnesota Stadium Funding Trust pursuant to SBL contracts. SBLs entitle the holder to buy season tickets to certain Minnesota Vikings games held at U.S. Bank Stadium and for a certain seat in the stadium. The Authority has recognized a receivable and revenue in accordance with GASB Statement No. 48, *"Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues,"* as the transaction qualifies as a sale of receivables.

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statement. Prepaid items include software and maintenance agreement costs and insurance costs. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

4. Prepaid project insurance

Prepaid project insurance consists of the prefunded loss reserve fund that was established at construction inception. The insurance carrier for the owner controlled insurance program maintains the loss reserve fund. Insurance costs are expensed when incurred.

5. Capital assets

Capital assets include land, construction in progress, buildings, building equipment, land improvements, and equipment. Capital assets are defined by the Authority as assets with an individual or system cost of $5,000 or more and an estimated useful life greater than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated over their estimated useful lives using the straight-line method. Land and construction in progress are not depreciated. Estimated useful lives are as follows:

Capital assets	Useful life
Buildings	20 - 30 years
Building equipment	5 - 20 years
Land improvements	20 - 30 years
Equipment	3 - 30 years

I. Summary of significant accounting policies (continued)

6. Liabilities

a. Salaries and compensated absences payable

Salaries and compensated absences payable includes salaries and benefits incurred and unpaid as of June 30, 2019. The Authority accrues vacation and sick leave when earned. Certain employees qualify for a vacation leave and a sick leave benefit paid at termination or retirement. The pay rate in effect at the end of the fiscal year and the employer's share of social security contributions are used to calculate compensated absences accruals at June 30.

b. Construction retainage payable

Construction retainage payable consist of costs incurred as of June 30, 2019 for stadium construction. Construction retainage is released upon completion of the contractor's work.

c. Advanced ticket sales and deposits

Revenues related to advance ticket sales for events that have not yet occurred are deferred until the event has been held at U.S. Bank Stadium. U.S. Bank Stadium box office sells tickets through box office sales, Ticketmaster sales, and consignment sales. Consignment sales consist of tickets pulled in advance for the promoter. Consignment sales are considered advance ticket sales, as the promoter is obligated to pay for the tickets at settlement which is after the event has occurred. Deposits represent payments received from event organizers in advance of an event.

d. Restricted stadium builders licenses liability

Restricted stadium builders licenses liability consists of funds held at June 30, 2019 for the stadium builders licenses program.

e. Revenue sharing distribution payable

As defined in the Management and Pre-Opening Agreement between the Authority and SMG, SMG is entitled to share in U.S. Bank Stadium's net operating income for the third year of operations that exceeds $7,022,700. The revenue sharing amount accrued for the third year of operations was $650,379. As of June 30, 2019 the revenue sharing distribution was unpaid.

f. Unearned revenues

Unearned revenues primarily consist of the unamortized amount of the capital investments from Aramark, Minnesota Vikings, and SMG and revenues received from the Minnesota Vikings in advance of the contractual time period.

7. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (an expense) until then. The amount recognized as deferred outflows of resources is related to pensions.

I. Summary of significant accounting policies (continued)

In addition to liabilities, the Statement of Net Position also reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The amount recognized as deferred inflows of resources is related to pensions.

8. Net position
Net position represents the sum of total assets and deferred outflows of resources less the sum of total liabilities and deferred inflows of resources. At June 30, 2019 the Authority had three categories of net position, investment in capital assets, restricted and unrestricted.

- Investment in capital assets is the amount of net position representing capital assets net of accumulated depreciation.
- Restricted net position represents resources that have external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments or restrictions imposed by law through constitutional provisions or enabling legislation. This category represents resources that are restricted for future capital purchases.
- Unrestricted net position is the amount of net position that does not meet the definition of restricted or investment in capital assets.

9. Revenues and expenses
   a. Operating and nonoperating revenues and expenses

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are: operating payments from the state of Minnesota and Minnesota Vikings, stadium operating revenues, and other revenues. Stadium operating revenues include: rent, service revenues, food and beverage, advertising, ticket rebates and facility fees, suite ticket sales, merchandise sales, and other revenues.

Operating expenses include personal services, professional services, supplies, repairs and maintenance, rent, other expenses, stadium operating expenses, and depreciation on capital assets. Stadium operating expenses include operating and event expenses incurred by SMG to manage U.S. Bank Stadium including service expenses, compensation and benefits, contract services, general and administrative, operations, repairs and maintenance, operational supplies, insurance, utilities, and other expenses.

All revenues and expenses not meeting this definition and certain construction related activities are reported as nonoperating revenues and expenses.

   b. Other contributions for stadium project

Amounts reported as other contributions for the stadium project include contributions from the Minnesota Vikings and other sources. These contributions are reported as nonoperating revenues.

I. Summary of significant accounting policies (continued)

c. Sales tax revenues

In accordance with Minnesota Statutes, 16A.726(b) and 297A.994, Subd.4.(5)(i) and (ii), a portion of the city of Minneapolis sales tax collections, are for the benefit of the Authority. Amounts are recognized as revenue by the Authority in the year the sales taxes are imposed on the underlying exchange transaction by the city of Minneapolis. The state of Minnesota withholds a portion of the Minneapolis sales tax disbursement to the city and issues the payment to the Authority. These revenues are reported as nonoperating revenues.

II. Detailed notes

A. Cash deposits with financial institutions

Minnesota Statutes, Chapter 118A, require that all Authority deposits in excess of available federal deposit insurance be protected by a corporate surety bond or collateral security. An irrevocable standby letter of credit issued by a Federal Home Loan Bank is an allowable form of collateral. The statute further requires the total amount of collateral computed at its fair value shall be at least ten percent more than the amount on deposit at the close of the financial institution's banking day, except for irrevocable standby letters of credit, the amount of collateral shall be at least equal to the amount on deposit at the close of the financial institution's banking day. At June 30, 2019, the carrying amount of the Authority's combined demand deposit bank accounts was $13,388,975. Bank balances were $14,365,342 of which $14,364,342 was invested in commercial paper, and $1,000 was covered by federal depository insurance. At June 30, 2019 the balance in the money markets account was $50,907 and the balance in the trust accounts was $2,037,729.

At June 30, 2019, the carrying amount of the Authority's restricted cash demand deposit accounts was $360,020. Bank balances of $360,020 were partially covered by federal depository insurance and the balance was collateralized by the letter of credit described in the above paragraph.

B. Cash equivalent investments

The Authority's investment policy addresses certain risks to which it is currently exposed as follows:

Interest rate risk. Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. Although the Authority does not have a formal specific duration investment risk policy, it does have a formal investment policy by which the Authority manages its exposure to declines in fair value. To meet short-term cash flow needs, the Authority's investment portfolio will remain sufficiently liquid to enable the Authority to meet anticipated cash requirements without the occurrence of significant investment losses. To meet long-term needs, the average duration of the investment portfolio should match the average duration of liabilities subject to regulatory requirements. The Authority's investments in commercial paper have a maturity of less than 270 days.

II. Detailed notes (continued)

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investment instruments purchased by the Authority must comply with Minnesota Statutes, Chapter 118A, and its investment policy which is more restrictive than state law. The Authority's investment policy limits investments to the following: money market funds, savings/demand deposits, bankers acceptances, commercial paper, U.S. Treasury Obligations, U.S. Agency Securities Government Sponsored Enterprises (GSE), Municipal Securities, Repurchase Agreements, and Guaranteed Investment Contracts. It is the Authority's policy not to invest in inverse floaters, range notes, interest only strips derived from a pool of mortgages, and any security that could result in a zero interest accrual if held to maturity. The Authority's investments in commercial paper were in a U.S. corporation that was rated in the highest quality category and had maturities of less than 270 days.

Concentration of credit risk. Concentration of credit risk is the risk associated with investing a significant portion of investments in the securities of a single issuer, excluding U.S. Guaranteed investments, investment pools, and mutual funds. The Authority's investments in commercial paper are in a single U.S. corporation.

Custodial credit risk. The custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, then the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counter party to a transaction, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Minnesota Statute Chap, 118A requires that deposits be secured by depository insurance or a combination of depository insurance and collateral securities held in the Authority's name. Throughout the current fiscal year, the combined depository insurance and collateral were sufficient to meet legal requirements and secure all Authority deposits, thus eliminating exposure to custodial credit risk.

The Authority had no foreign currency exposure at June 30, 2019.

Following is a summary of the carrying amount of cash and cash equivalents and investments at June 30, 2019:

Security Type	Credit Risk	Custodial Credit Risk	Maturities	Carrying Amount	% of Total Portfolio
Cash and cash equivalents	(a)	(b)(c)	n/a	$15,840,469	71.4%
U.S. Treasury Bills	AAA	(c)	11/7/2019	6,353,916	28.6%
Total				$22,194,385	100.0%

(a) Cash and cash equivalents include Commercial paper which has a AAA credit rating.
(b) Individual bank balances less than or equal to $250,000 are FDIC insured. Individual balances greater than $250,000 are collateralized by the Authority holding a letter of credit from the Federal Home Loan Bank of Cincinnati for $3 million.
(c) Commercial paper and securities held in custody are in the Authority's name.

II. Detailed notes (continued)

Fair value reporting: The Authority's investments that are not recorded at amortized cost or using the equity method are recorded at fair value as of June 30, 2019. GASB Statement No. 72, *"Fair Value Measurement and Application,"* defines fair value as the price that would be received to sell an asset between market participants at the measure date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the market place. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1: Investment values are based on quoted prices (unadjusted) for identical assets (liabilities) in active markets that a government can access at measurement date.
Level 2: Investments have inputs, other than quoted prices within Level 1 that are observable for an asset (liability), either directly or indirectly.
Level 3: Investments classified as Level 3 have unobservable inputs for an asset (liability) and may require a degree of professional judgment.

The following table summarizes the Authority's investments within the fair value hierarchy at June 30, 2019:

Security Type		Level 1	Level 2	Level 3	Total
U.S. Treasury Bills.		$-	$6,353,916	$-	$6,353,916
	Total	$-	$6,353,916	$-	$6,353,916

U.S. government obligations classified in Level 2 are valued using either bid evaluations or a matrix based pricing technique. Bid evaluations are typically based on market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

II. Detailed notes (continued)

C. Capital assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	$31,983,174	$-	$ -	$31,983,174
Construction in progress	232,463	544,162	(232,463)	544,162
Total capital assets, not being depreciated	32,215,637	544,162	(232,463)	32,527,336
Capital assets, being depreciated:				
Buildings	853,193,720	276,924	-	853,470,644
Building equipment	100,008,995	1,200,769	-	101,209,764
Land improvements	32,916,971	-	-	32,916,971
Equipment	128,522,307	5,569,839	(1,704,196)	132,387,950
Total capital assets, being depreciated	1,114,641,993	7,047,532	(1,704,196)	1,119,985,329
Less: accumulated depreciation for:				
Buildings	(58,250,430)	(28,449,386)	-	(86,699,816)
Building equipment	(14,079,940)	(7,137,956)	-	(21,217,896)
Land improvements	(3,283,087)	(1,633,711)	-	(4,916,798)
Equipment	(26,769,587)	(13,454,120)	954,313	(39,269,394)
Total accumulated depreciation	(102,383,044)	(50,675,173)	954,313	(152,103,904)
Total capital assets, being depreciated, net	1,012,258,949	(43,627,640)	(749,883)	967,881,425
Total capital assets, net	$1,044,474,586	($43,083,479)	($982,346)	$1,000,408,761

III. Other information

A. Retirement plans

Authority employees are covered by one of two Minnesota State Retirement System (MSRS) retirement plans.

1. Minnesota State Retirement System-State Employees Retirement Fund (SERF)
   a. Plan Description

SERF is administered by the Minnesota State Retirement System (MSRS), and is established and administered in accordance with Minnesota Statutes, Chapters 352. SERF includes the General Employees Retirement Plan (General Plan), a multiple-employer, cost-sharing defined benefit plan. Certain employees of the Authority are covered by the General Plan. The General Plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

III. Other information (continued)

Minnesota Statutes, Section 352.04 requires that eligible employees contribute 5.75 percent of their total compensation to the fund. Participating employers are also required to contribute 5.875 percent to this fund. The Authority's contribution to the General Plan for the year ended June 30, 2019 was $32,926. These contributions were equal to the contractually required contributions for each year as set by state statute. All active and deferred members are fully vested to the extent of their contributions plus interest at a rate of 6.0 percent through June 30, 2011, 4.0 percent through June 30, 2018, and 3.0 percent thereafter. For monthly retirement benefits, members hired before July 1, 2010, are vested after three years of covered service; members hired after June 30, 2010, are vested after five years of covered service. MSRS issues a publicly available financial report that may be obtained at www.msrs.state.mn.us/financial-information; by writing to Minnesota State Retirement System, 60 Empire Drive, #300, St Paul, Minnesota 55103 or by calling (651) 296-2761 or 1-800-657-5757.

b. Benefits provided

Retirement benefits can be computed using one of two methods: the Step formula and the Level formula. Members hired before July 1, 1989, may use the Step or Level formula, whichever is greater. Members hired on or after July 1, 1989, must use the Level formula. Each formula converts years and months of service to a certain percentage. Under the Step formula, members receive 1.20 percent of the high-five average salary for each of the first ten years of covered service, plus 1.70 percent for each year thereafter. It also includes full benefits under the Rule of 90 (age plus years of allowable service equals 90). In contrast, the Level formula does not include the Rule of 90. Under the Level formula, members receive 1.70 percent of the high-five average salary for all years of covered service, and full benefits are available at normal retirement age.

Annuitants receive post-retirement benefit increases of 1.0 percent for five years beginning January 1, 2019, and 1.50 percent per year thereafter.

c. Pension liabilities, pension expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Authority reported a liability of $162,375 for its proportionate share of MSRS' net pension liability. The net pension liability was measured at June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the contributions received by MSRS during the measurement period July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of MSRS' participating employers. At June 30, 2018 the Authority's proportion was .012 percent, which was a decrease of .002 percent from its proportion measured as of June 30, 2017.

The only change to the actuarial assumptions since the prior measurement date was a change in the single discount rate from 5.42 percent to 7.50 percent. The following changes were made to plan provisions since the prior measurement date. Member contributions increased from 5.50 percent to 5.75 percent of pay, effective July 1, 2018, and 6.0 percent of pay effective July 1, 2019. Employer contributions increased from 5.50 percent to 5.875 percent of pay, effective July 1, 2018, and 6.25 percent of pay effective July 1, 2019. Interest credited on member contributions will decrease from 4.0 to 3.0 percent, beginning July 1, 2019. Post-retirement benefit increases were changed to a fixed rate of 1.0 percent for five years beginning January 1, 2019, and 1.50 percent per year thereafter. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age. 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. Deferred augmentation was changed to zero percent for future accruing benefits effective January 1, 2019. Contribution stabilizer provisions were repealed.

For the year ended June 30, 2019, the Authority recognized pension income of $542,223 for its proportionate share of the MSRS-SERF pension expense. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$5,954	$33,333
Changes in assumptions	832,550	799,092
Difference between projected and actual investment earnings	-	2,357
Changes in proportion and differences between actual contributions and proportionate share of contributions	(629,936)	141,816
Contributions paid to MSRS subsequent to the measurement date	32,926	-
Total	$241,494	$976,598

Amounts reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Year ended June 30:	Pension Expense/(Income)
2020	($113,377)
2021	(48,321
2022	(466,722)
2023	(139,610)
Net pension expense/(income)	($768,030)

III. Other information (continued)

d. Actuarial Assumptions

The Authority's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent per year
Active Member Payroll Growth	3.25 percent per year
Investment Rate of Return	7.50 percent per year

Salary increases were based on service related rates. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 generational mortality tables projected with mortality improvement scale MP-2015 from a base year of 2014.

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the period July 1, 2008, through June 30, 2014.

The Minnesota State Board of Investment (SBI) invests all state funds and manages the investments of MSRS. During MSRS's fiscal year 2016, the SBI hired an outside consultant to perform a thorough asset and liability study. Based on the study, the SBI staff proposed an update to the asset allocation, which yields a lower nominal expected return. As a result of this study and keeping in mind the national trends toward lower investment rate assumptions, the MSRS Board of Directors approved the use of a 7.50 percent long term expected rate of return assumption for MSRS's fiscal year 2018 actuarial valuations. The SBI's long-term expected rate of return was determined using a building-block method. Best estimates of expected future real rates of return were developed for each major asset class using both long-term historical returns and long-term capital market expectations from a number of investment management and consulting organizations. The asset class estimates and target allocations were then combined to produce a geometric, long-term expected real rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio. The Executive Director of the SBI implemented the approved Board changes beginning in January 2018. The private markets allocation was increased from 20.0 percent to 25.0 percent. Until the allocation to private markets reaches its target of 25.0 percent, the uninvested portion of the allocation will continue to be invested in the public equity pool. In order to increase the private markets allocation, the public equities target allocation was reduced from 58.0 percent to 53.0 percent. The combined funds fixed income allocation is undergoing a transition which may continue through the end of fiscal year 2019. The target allocation for fixed income remains at 20.0 percent. However, during the transitional period from January 1, 2018 through the end of fiscal year 2019, there may be combined asset classes, which in total will be composed of fixed income investment instruments and may exceed 20.0 percent in aggregate. A new asset class called treasuries was created which holds U.S. Treasury bonds and has a current allocation of 8.0 percent. The fixed income asset classes will be drawn down through the end of fiscal year 2019 from the current allocations to a level where the aggregation of the fixed income investment asset classes will total 20.0 percent. Results are summarized in the following table:

III. Other information (continued)

Asset Class	Transitional Target Allocation as of June 20, 2018	Final Target Allocation	SBI's Long-term Expected Real Rate of Return (Geometric Mean)
Domestic equity	33%	36%	5.10%
International equity	16%	17%	5.30%
Fixed income	16%	20%	0.75%
Treasuries	8%	0%	0.50%
Private markets	25%	25%	5.90%
Cash	2%	2%	0.0%
Total	100%	100%	

e. Single discount rate

Projected benefit payments are discounted to their actuarial present values using a single discount rate. The single discount rate reflects (1) the long-term expected rate of return on pension plan investments for the period in which assets are projected to be available to pay benefits, and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligations bonds. The fiduciary net position of SERF was projected to be available to make all future benefit payments of current plan members through fiscal year 2118. Therefore, the discount rate is the long-term expected rate of return on pension plan investments, which was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability was 7.50 percent. The use of a 7.50 percent discount rate was an improvement from the previous year, when the singled blended rate was 5.42 percent.

f. Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate

The following presents the Authority's proportionate share of the net pension liability, calculated using the discount rate of 7.50 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than these percentages:

	1% Decrease in Discount Rate (6.50%)	Current Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Authority's proportionate share of the net pension liability	$384,450	$162,375	($14,725)

Additional information related to the plan is presented in Required Supplementary Information (RSI) following the Notes to the Financial Statements.

2. Minnesota State Retirement System-Unclassified Employees Retirement Fund (UER)
   a. Plan description and contributions

III. Other information (continued)

The MSRS-UER is a tax-deferred, defined contribution fund entirely composed of a single, multiple-employer defined contribution plan. Participation is limited to certain specified employees. Minnesota Statutes, Section 352D.01, authorized creation of this plan. The Authority's executive director participates in the plan.

It is considered a money purchase plan, with participants vesting only to the extent of the value of their accounts (employee and employer contributions plus/minus investment gains/losses, less administrative expenses), but functions as a hybrid between a defined contribution plan and a defined benefit plan.

Minnesota Statutes, Section 352D.04, subdivision 2, requires a contribution rate of 5.75 percent of salary from participating employees. The employer contribution rate is 6.0 percent of salary. Employees of this plan also contribute to Social Security.

Participants in this plan are eligible to apply for the balance in their account after termination of public service. There is no minimum employment requirement to qualify for this lump-sum payment. Since contributions made to this plan are not taxed, participants pay taxes when funds are withdrawn and may be subject to a 10.0 percent penalty if funds are withdrawn in a lump sum before the member reaches age 59½. Monthly benefits are available to terminated participants at age 55 or later, regardless of the individual's length of service. Participants age 55 or older may also apply for a portion of their account balance as a lump-sum payment and the remainder in lifetime, monthly benefits.

Retirement and disability benefits are available to some participants through conversion, at the participant's option, to the General Plan provided the employee has at least ten years of allowable service in this plan and/or the General Plan if hired prior to July 1, 2010, or has no more than seven years of service if hired after June 30, 2010.

Employer contributions to MSRS-UEP which equaled the required contributions are:

Year	Contributions
2017*	$22,791
2018	$6,143
2019	$9,920

* The required contribution is for the 18-month fiscal period.

B. Risk management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; work related injuries; and natural disasters. The Authority purchased insurance policies for the following exposures with the deductible or the amount of risk retention indicated in parenthesis: general liability ($1,000 per claim for employee benefits only), excess

III. Other information (continued)

liability (none), automobile/garage keepers liability ($1,000 per auto and $5,000 maximum for theft or vandalism), crime insurance ($10,000), workers compensation (none), public officials and employee liability insurance ($10,000), cyber/privacy liability ($15,000 per claim), property ($100,000), and terrorism insurance (none).

The Authority had an Owner Controlled Insurance Program (OCIP) during construction of the stadium whereby the construction manager, all subcontractors and all direct contractors enrolled in this program for liability insurance coverage. This policy has a prefunded insurance loss reserve for claim and service fee expenses.

Within the past three fiscal years, settled claims have not exceeded commercial coverage.

C. Operating leases

The Authority entered into two separate agreements to lease a total of 1,085 parking spaces for each of the ten Minnesota Vikings home games. The lease periods were from July 1, 2018 to June 30, 2019. Total rent expense for the parking spaces was $509,981.

On November 20, 2015, the Authority entered into a lease agreement to lease 35,860 square feet of space at a location adjacent to U.S. Bank Stadium plaza area. The lease period began March 1, 2016 and will expire upon the expiration of the stadium use agreement. The lease agreement requires an annual base rent amount of $282,398, and provides for a fair market adjustment of the base rent on March 31, 2031, March 31, 2036, March 31, 2041, and March 31, 2046, subject to the terms of the agreement and agreement of the Authority. Rent expenses were $282,398 for the year ended June 30, 2019.

Future rent expense for the lease agreement is as follows:

Fiscal Year(s)	Rent Expense
2020	$282,398
2021	$282,398
2022	$282,398
2023	$282,398
2024	$282,398
2025 - 2029	$1,411,988
2030 - 2034	$1,411,988
2035 – 2039	$1,411,988
2040 – 2044	$1,411,988
2045 – 2046	$470,405

In accordance with the lease agreement, the landlord has the option to terminate the lease on the annual anniversary of the commencement date, March 1, 2016. If the landlord elects to terminate the lease, the landlord must reimburse the Authority for unamortized improvement costs, as defined by the lease agreement.

III. Other information (continued)

D. Agreements

1. Use agreement and football playing agreement

Effective November 22, 2013 the Authority and Minnesota Vikings Football Stadium, LLC entered into a long-term amended and restated stadium use agreement that grants the Team the right to use the stadium. The initial term of the agreement was from date of substantial completion of the stadium to the 30th National Football League (NFL) football season played by the Team in the stadium. As payment for its occupancy and use of the stadium, the Team is obligated to pay a use fee (operating payment) as defined in the agreement. This agreement also requires the Authority to have sole responsibility for the operation, direction, maintenance, supervision, and management of the stadium and stadium infrastructure.

On February 19, 2016 the Authority entered into the Second Amended and Restated Stadium Use Agreement to incorporate the amendments into this agreement. This amended and restated use agreement superseded and replaced the prior agreements.

In addition to the use agreement the Authority and the Team entered into a long-term football playing agreement concerning the use of the stadium whereby the Team agreed to play home games during the NFL season at the stadium. This agreement terminates in conjunction with the termination of the amended and restated use agreement.

2. Parking agreement

On February 10, 2014 the Authority entered into a parking agreement with Ryan Companies US, Inc. (Ryan) and the city of Minneapolis whereby the Authority owns the Downtown East Parking Ramp and the Mills Fleet Farm Parking Garage and Ryan operates the parking facilities for the first ten years. Since December 31, 2015 Ryan has managed both parking facilities. The revenues and expenses from the parking operation are not included in the Authority's statement of revenues, expenses and changes in net position.

3. Management and pre-opening services agreement

Effective August 22, 2014 the Authority entered into a management and pre-opening services agreement with a third party management company, SMG, who is responsible for managing, operating, maintaining and marketing U.S. Bank Stadium for ten years commencing with the stadium opening (operating period). The Authority has the option to extend the agreement for an additional five years. SMG is required to operate in accordance with certain policies of the Authority.

The agreement required SMG to pay the Authority $2,750,000 for capital investment costs by April 1, 2016. On June 30, 2017 SMG contributed an additional $250,000 for event marketing. The unamortized capital investment will be paid to SMG upon early termination of the agreement. The capital investment amount was deferred and will be recognized as revenue over the term of the agreement. The unamortized capital investment balance at June 30, 2019 was $2,051,430.

The agreement also required SMG to guarantee $6,750,000, increased by 2.0 percent each year, of

III. Other information (continued)

net operating income (NOI) to the Authority for the first year of operations. In addition to the NOI guarantee of $6,750,000, the Authority is entitled to a pro rata share of NOI above $7,250,000, as defined by the agreement. The NOI guarantee for the third year of operations was $7,022,700. The agreement assigns SMG agent rights to certain bank accounts held by the Authority in relation to stadium operations and payroll. All stadium operating revenues are required to be deposited to the stadium operating bank account.

4. Food and beverage, catering and concession agreement
The Authority entered into a food and beverage, catering and concession agreement with Aramark Sports and Entertainment Services, LLC for the provision of premium food and beverage operations, catering services and concession services in the suites, the clubs, and the concession stands in the concourses and on the plaza. The ten-year agreement has a designated commission option which established the commission rates that would be paid by Aramark and it provided an option for the Minnesota Vikings to contribute to the required $10 million capital investment. The Minnesota Vikings chose the option to contribute $6.5 million to the capital investment, Aramark then contributed $3.5 million in February 2016 to the capital investment. This capital investment was a stadium project funding source for the purchase of concession equipment. The total capital investment of $10 million was deferred and will be recognized as revenue over the 10-year term of the agreement. The unamortized capital investment will be paid to the Minnesota Vikings and Aramark upon early termination of this agreement. The unamortized capital investment balance at June 30, 2019 was $7,088,710.

In addition to payment of commissions for food and beverage, catering and concession sales, Aramark is required to pay 2.50 percent of gross receipts to the Authority for deposit into the concession capital reserve account for future purchases.

5. Commemorative bricks program
The first $1,600,000 of net proceeds from the sale of commemorative bricks has been restricted by the stadium development agreement for plaza improvements. Any net proceeds from the sale of commemorative bricks in excess of $1,600,000 are designated to the stadium plaza improvements budget. Based on this restriction, cash related to the sale of commemorative bricks is shown as restricted assets of $240,852 on the statement of net position for the year ended June 30, 2019.

E. Construction commitments and contingencies
Construction on the stadium project began in 2013 and continued until June 17, 2016, the date of substantial completion of U.S. Bank Stadium. Since that date construction closeout tasks have continued through June 30, 2019.

The Authority had two construction contracts that had commitments at June 30, 2019:

	Spent to Date	Remaining Commitment
Architectural and engineering services	$41,926,321	$97,505
Construction management services	$898,169,913	$11,586,662

III. Other information (continued)

The Authority did not accrue a liability for the outstanding issues and claims related to the design and construction of U.S. Bank Stadium as it is not probable that a liability had been incurred as of June 30, 2019 and the amount of the liability could not be reasonably estimated.

The Authority is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. Although the outcome of these matters is not presently determinable, in the opinion of the Authority's management, the resolution of these matters will not have a material adverse effect on the Authority's financial condition.

MINNESOTA SPORTS FACILITIES AUTHORITY
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
Last 10 Years[1]

Schedule of the Authority's Share of Net Pension Liability
Minnesota State Retirement System - State Employees Retirement Fund

Fiscal Year	Authority's Proportion of the Net Pension Liability	Authority's Proportionate Share of the Net Pension Liability	Authority's Covered Payroll	Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.051%	$827,002	$1,303,478	63.45%	87.64%
2015	0.033%	$507,998	$874,171	58.11%	88.32%
2016	0.021%	$2,603,765	$563,727	461.88%	47.51%
2017	0.014%	$1,038,507	$383,628	270.71%	62.73%
2018	0.012%	$162,375	$367,562	44.18%	90.56%

The measurement date is June 30 of each year.

1 This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

2 The amounts presented for each fiscal year were determined as of June 30.

Schedule of Authority's Contributions
Minnesota State Retirement System - State Employees Retirement Fund

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (excess)	Authority's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	$48,519	$48,519	$-	$928,080	5.23%
2015	$40,403	$40,403	$-	$735,734	5.49%
2017	$36,066	$36,066	$-	$638,223	5.65%
2018	$20,216	$20,216	$-	$367,562	5.50%
2019	$32,926	$32,926	$-	$492,379	6.69%

1 This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

2 The amounts presented for 2014 and 2015 were determined as of December 31.

3 The amounts presented for 2017 are for the 18-month fiscal period from January 1, 2016 through June 30, 2017.

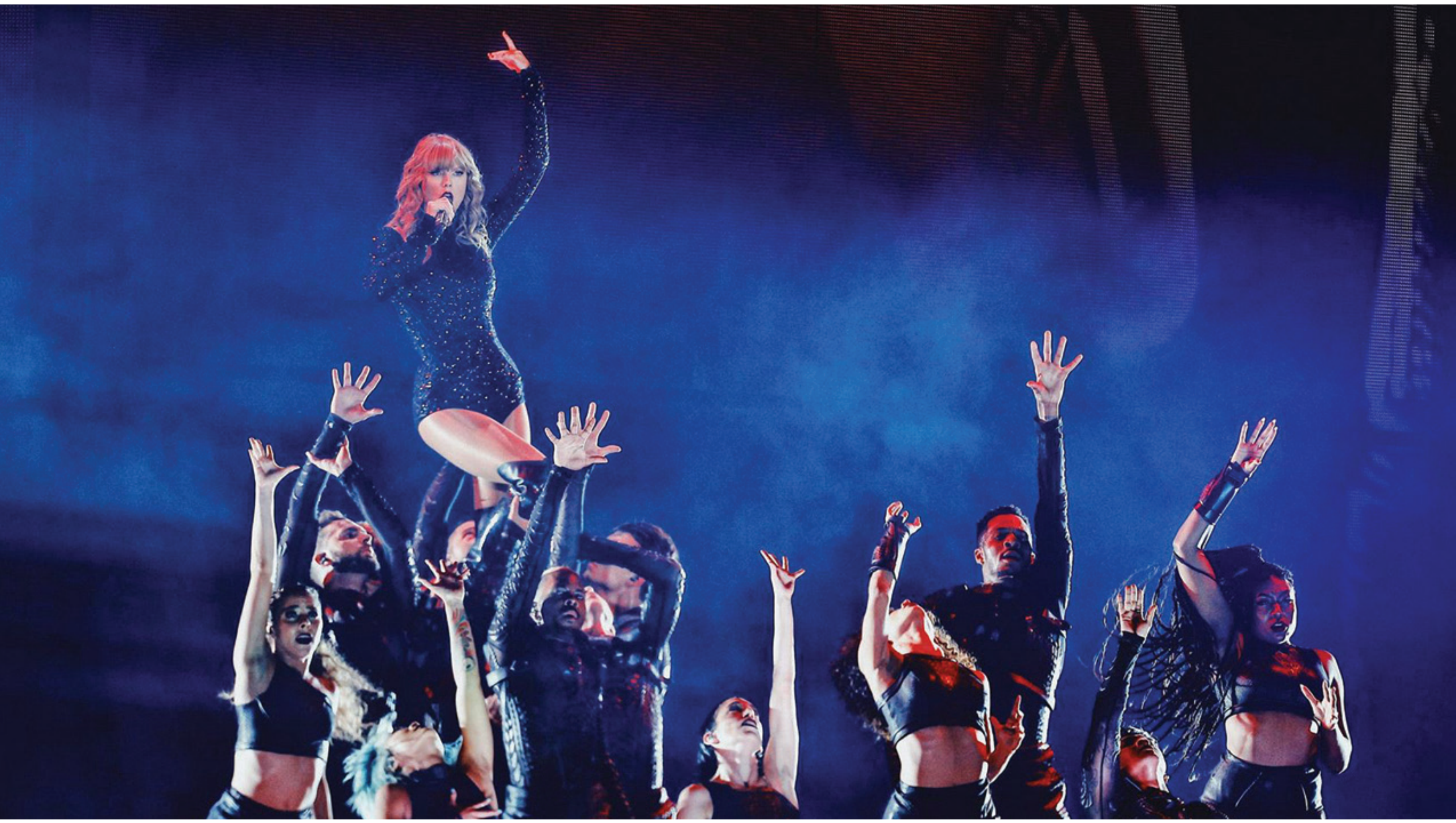
4 The amounts presented for 2018 and 2019 were determined as of June 30.

STATISTICAL SECTION

The Statistical Section provides financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, including the accompanying notes.


stadium
X GAMES


MAX-D
MAXIMUM DESTRUCTION




usbankstadium
ELITE


Dolphins
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LIST OF STATISTICAL TABLES

1.0 FINANCIAL TRENDS

This information is intended to assist users in understanding and assessing how the Authority's financial position has changed over time. There are two tables presented in this section.

2.0 REVENUE CAPACITY

This information is intended to assist users in understanding and assessing the factors affecting the Authority's ability to generate its own-source revenues. Only one table is presented in this section.

3.0 DEMOGRAPHIC AND ECONOMIC INFORMATION

This information is intended to assist users in understanding the socioeconomic environment within which the Authority operates and to provide information that facilitates comparisons of financial statement information over time. There are two tables presented in this section.

4.0 OPERATING INFORMATION

This information is intended to provide contextual information about the Authority's operations and resources to assist readers in using financial statement information to understand and assess the Authority's employment. There is one table presented in this section.

MINNESOTA SPORTS FACILITIES AUTHORITY **Table 1.1**
Net Position by Component
Last Seven Fiscal Years

Fiscal Year	Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2019	$1,000,408,761	$3,845,171	$3,492,274	$1,007,746,206
2018	1,044,474,586	5,993,494	(628,667)	1,049,839,413
2017	1,090,575,542	-	1,690,775	1,092,266,317
2015	907,139,710	-	7,910,770	915,050,480
2014	389,507,399	-	16,692,006	406,199,405
2013	52,256,276	-	24,144,345	76,400,621
2012	15,497,844	-	12,080,223	27,578,067

1 The Authority began operations on August 1, 2012 and net position for 2012 is reported as of December 31, 2012, for the five-month period then ended.

2 Net position for 2013, 2014, and 2015 is reported as of December 31 of each year.

3 The Authority changed its year-end from December 31 to June 30 and net position for 2017 is reported as of June 30, 2017, for the 18-month fiscal period then ended.

Unaudited
Source: Authority Finance department

MINNESOTA SPORTS FACILITIES AUTHORITY — Table 1.2
Changes in Net Position
For the Last Seven Fiscal Years

	2019	2018	2017	2015	2014	2013	2012
Operating revenues:							
Operating payments from State of Minnesota and Minnesota Vikings	$15,569,573	$15,146,301	$20,910,210	$-	$-	$-	$-
Stadium operating revenues	30,897,106	29,656,584	23,589,302	-	-	-	-
Concessions	-	-	-	-	-	9,438,927	8,479,625
Admission tax	-	-	-	-	-	4,276,114	4,098,350
Rent	-	-	-	-	-	4,810,944	4,068,914
Charges for services	-	-	-	-	13,067	1,501,944	908,813
Other	1,390,377	94,107	1,779,062	44,993	45,816	516,027	336,159
Parking operations and related revenues	-	-	-	524,455	405,166	-	-
Total operating revenues	47,857,056	44,896,992	46,278,574	569,448	464,049	20,543,956	17,891,861
Operating expenses:							
Concession costs	-	-	-	-	221,220	5,072,396	4,101,323
Tenants share of concession receipts	-	-	-	-	-	1,244,224	1,309,240
Facilities cost credit	-	-	-	-	-	3,653,703	3,704,030
Personal services	361,383	560,909	1,611,570	1,057,640	1,841,609	2,623,548	1,085,418
Professional services	1,224,722	1,795,052	2,797,081	865,679	616,112	981,614	922,956
Contractual services	-	-	-	-	68,521	1,711,276	1,137,579
Supplies, repairs and maintenance	910,439	1,268,687	1,256,214	273,015	214,056	685,645	470,478
Utilities	-	-	-	-	96,842	3,148,122	1,436,919
Rent	796,939	746,505	1,432,607	171,462	172,210	-	-
Insurance	-	-	-	58,518	113,373	856,543	367,127
Parking operations	-	-	-	235,013	719,573	-	-
Event costs	-	-	-	-	-	673,132	388,508
Miscellaneous/other	803,290	3,203,500	901,419	294,954	203,832	327,711	303,098
Stadium operating expenses	44,338,597	37,417,765	32,143,313	-	-	-	-
Depreciation	50,675,172	50,459,104	51,313,184	318,463	292,293	4,250,905	1,898,121
Total operating expenses	99,110,542	95,451,522	91,455,388	3,274,744	4,559,641	25,228,819	17,124,797
Total operating income (loss)	(51,253,486)	(50,554,530)	(45,176,814)	(2,705,296)	(4,095,592)	(4,684,863)	767,064
Nonoperating revenues (expenses)	2,088,342	1,664,664	(1,652,928)	(327,314)	1,765,515	993,582	70,645
Income (loss) before capital contributions	(49,165,144)	(48,889,866)	(46,829,742)	(3,032,610)	(2,330,077)	(3,691,281)	837,709
Capital contributions	7,071,937	6,462,962	224,045,579	511,883,685	334,047,793	52,513,835	2,546,938
Change in net position	($42,093,207)	($42,426,904)	$177,215,837	$508,851,075	$331,717,716	$48,822,554	$3,384,647

1 The Authority began operations on August 1, 2012 and net position for 2012 is reported as of December 31, 2012, for the five-month period then ended.

2 Net position for 2013, 2014, and 2015 is reported as of December 31 of each year.

3 The Authority changed its year-end from December 31 to June 30 and net position for 2017 is reported as of June 30, 2017, for the 18-month fiscal period then ended.

Unaudited

Source: Authority Finance department

MINNESOTA SPORTS FACILITIES AUTHORITY

Table 2.1

User Fee Revenues by Source
For the Last Seven Fiscal Years

Fiscal Period	Operating Payments	Stadium Operating Revenues	Concessions	Admission Tax	Rent	Parking Operations	Charges for Services	Other
2019	$15,569,573	$30,897,106	$-	$-	$-	$-	$-	$1,390,377
2018	15,146,301	29,656,584	-	-	-	-	-	94,107
2017	20,910,210	23,589,302	-	-	-	-	-	1,779,062
2015	-	-	-	-	-	524,455	-	44,993
2014	-	-	-	-	-	405,166	13,067	45,816
2013	-	-	9,438,927	4,276,114	4,810,944	-	1,501,944	516,027
2012	-	-	8,479,625	4,098,350	4,068,914	-	908,813	336,159

1 The Authority began operations on August 1, 2012 and revenues by source for 2012 are reported as of December 31, 2012, for the five-month period then ended.

2 Revenues by source for 2013, 2014, and 2015 are reported as of December 31 of each year.

3 The Authority changed its year-end from December 31 to June 30 and revenues by source for 2017 are reported as of June 30, 2017, for the 18-month fiscal period then ended.

4 Operating payments include payments from the State of Minnesota and the Minnesota Vikings for U.S. Bank Stadium.

5 Stadium operating revenues include all revenues from U.S. Bank Stadium operations.

6 Concessions include Metrodome food and beverage concession revenues.

7 Admission tax includes 10% tax assessed on all ticket sales at Metrodome.

8 Rent includes 9.5% rental fee on Minnesota Vikings ticket sales and $500 hourly rental fees for other Metrodome events.

Unaudited

Source: Authority Finance department

MINNESOTA SPORTS FACILITIES AUTHORITY
Table 3.1
Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	Population (1,3)	Personal Income (In Millions) (1,3)	Per Capita Income (1,3)	Unemployment Rate (2)
2009	3,330,508	$147,914	$44,412	7.7%
2010	3,355,763	153,074	45,615	7.3%
2011	3,389,448	163,306	48,181	6.3%
2012	3,422,542	173,992	50,837	5.5%
2013	3,458,513	175,414	50,719	4.8%
2014	3,491,838	186,385	53,377	4.0%
2015	3,518,252	195,613	55,599	3.5%
2016	3,551,036	201,427	56,723	3.6%
2017	3,600,618	215,087	59,736	3.3%
2018	3,600,618	215,087	59,736	2.8%

Unaudited

Sources:
1 U.S. Commerce Department and Bureau of Economic Analysis for the Minneapolis-St. Paul Metropolitan Statistical Area.
2 State of Minnesota, Department of Employment and Economic Development (Seven-county area).
3 2018 data not available at time of report.

MINNESOTA SPORTS FACILITIES AUTHORITY
Table 3.2
Principal Employers in Minnesota
Current Year and Nine Years Ago

	Number of Minnesota Only Employees in thousands (except percentage)					
	2018			**2009**		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
State of Minnesota	56	1	2.78%	54	1	3.16%
Mayo Clinic	42	2	2.09%	37	2	2.16%
United States Federal Gov't	34	3	1.69%	33	3	1.93%
Allina Health System	28	4	1.39%	24	5	1.40%
University of Minnesota	27	5	1.34%	20	9	1.17%
Target Corporation	27	6	1.34%	29	4	1.69%
Fairview Health Services	33	7	1.64%	22	6	1.29%
HealthPartners Inc.	24	8	1.19%	-	-	-
Wells Fargo Minnesota	19	9	0.94%	21	7	1.23%
United Health Group, Inc.	18	10	0.90%	-	-	-
Wal-Mart stores, Inc.	-	-	-	20	8	1.17%
3M Co.	-	-	-	15	10	0.88%
Total	308		15.30%	275		16.08%

Unaudited

Source: Metropolitan Council Comprehensive Annual Financial Report 12/31/2018-Minneapolis/St. Paul Business Journal July 13, 2018 and Business Journal Book of Lists, December 25, 2009.

Note: Available list covers employment for entire State of Minnesota.
Wal-mart was not included because it declined to provide data for 2018.

MINNESOTA SPORTS FACILITIES AUTHORITY **Table 4.1**
Full-Time Employees by Department
Last Seven Fiscal Years

Fiscal Year	Administrative	Building Maintenance	Security	Total
2019	4	-	-	4
2018	5	-	-	5
2017	5	-	-	5
2015	8	-	-	8
2014	10	-	-	10
2013	8	11	2	21
2012	7	11	2	20

1 The Authority began operations on August 1, 2012 and full-time employees by department for 2012 are reported as of December 31, 2012, for the five-month period then ended.

2 Employees by department for 2013, 2014, and 2015 are reported as of December 31 of each year.

3 The Authority changed its year end from December 31 to June 30 and employees by department for 2017 are reported as of June 30, 2017 for the 18-month fiscal period then ended.

Unaudited

Source: Authority Finance department

MINNESOTA
SPORTS FACILITIES
AUTHORITY

MINNESOTA SPORTS FACILITIES AUTHORITY • MINNEAPOLIS, MINNESOTA

— A COMPONENT UNIT OF THE STATE OF MINNESOTA —

Minnesota Sports Facilities Authority
1005 Fourth Street South
Minneapolis, Minnesota 55415-1752

Photos in this annual report provided by:
Adam Bettcher. Courtesy of ASM Global.
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James Farstad.
Joe Lemke. Courtesy of ASM Global.

Minnesota Sports Facilities Authority
1005 Fourth Street South, Minneapolis, MN 55415

December 20, 2019

MEMORANDUM

TO: MSFA Commissioners

FROM: James Farstad, Executive Director
Mary Fox-Stroman, Director of Finance

SUBJECT: 4th Quarter Budget Report – June 30, 2019

Attached is the 2018-2019 budget report for the fiscal year ended June 30, 2019 for the operating account, capital reserve account, and concession capital reserve account.

Operating Account

The operating account is used to account for MSFA operations including operation of U.S. Bank Stadium. Following is a summary of the fiscal year 2018-2019 operating account activities for the fiscal year ended June 30, 2019:

Operating revenues	$ 47,857,056
Operating expenses	($47,799,340)
Operating income	$ 57,716
Nonoperating revenues	$ 2,349,109
Change in account balance	$ 2,406,825
Beginning account balance	$ 5,999,496
Ending account balance	**$ 8,406,321**

Capital Reserve Account

The capital reserve account is used to account for capital improvements. Following is a summary of the capital reserve account activities for the fiscal year ended June 30, 2019:

Capital reserve revenues	$ 4,928,568
Capital reserve expenses	($7,506,636)
Change in account balance	($2,578,068)
Beginning account balance	$ 4,712,356
Ending account balance	**$ 2,134,288**

Concession Capital Reserve Account

The concession capital reserve account is used to account for concession capital improvements. Following is a summary of the concession capital reserve account activities for the fiscal year ended June 30, 2019:

Concession capital reserve revenues	$ 918,370
Concession capital reserve expenses	($ 637,738)
Change in account balance	$ 280,632
Beginning account balance	$ 1,429,865
Ending account balance	**$ 1,710,497**

Minnesota Sports Facilities Authority
1005 Fourth Street South, Minneapolis, MN 55415

SUMMARY OF CASH AND INVESTMENTS Operating Account, Capital Reserve Account, and Concession Capital Reserve Account June 30, 2019	
Cash and Cash Equivalents:	
U. S. Bank - operating account	$2,443,453.79
U.S. Bank - payroll account	$1,000.32
U.S. Bank/SMG managed accounts – operating account, box office account, event marketing account and cash on hand	$11,239,118.00
Total Cash and Cash Equivalents	**$13,683,572.11**
Investments:	
U.S. Bank investment account	$6,353,916.84
Total Investments	**$6,353,916.84**

Phone: 612-332-0386 TTY: 1-800-627-3529 Fax: 612-332-8334 www.msfa.com

MINNESOTA SPORTS FACILITIES AUTHORITY
YEAR 2018-2019 BUDGET REPORT
July 1, 2018 to June 30, 2019

Operating Account	**Amended Budget 2019**	**Q4 - Actual 7/1/18-6/30/19**
Revenues:		
Stadium operating payments		
State of Minnesota operating payment	$ 6,484,384	$ 6,541,547
Minnesota Vikings operating payment	$ 9,017,650	$ 9,028,026
Stadium operating revenue-SMG	$ 32,667,250	$ 28,902,242
NCAA Final Four 2019 concessions	$ 2,000,000	$ 1,994,864
MN LOC NCAA Final Four 2019 contribution	$ 1,321,654	$ 1,321,655
Miscellaneous revenues	$ 64,200	$ 68,722
Total revenues	**$ 51,555,138**	**$ 47,857,056**
Expenses:		
Personal services	$ 815,370	$ 361,383
Professional services	$ 1,864,450	$ 1,224,722
Meeting and other expenses		
Supplies and network administration	$ 221,000	$ 274,409
Rent, stadium contractual commitments and leases	$ 857,641	$ 796,939
Insurance	$ 190,916	$ 198,447
Miscellaneous and marketing	$ 516,668	$ 304,843
NCAA Final Four event expense	$ 6,935,989	$ 6,938,638
Event cabin license fee	$ 300,000	$ 300,000
Stadium operating expenses-SMG	$ 40,720,144	$ 37,399,959
Total expenses	**$ 52,422,178**	**$ 47,799,340**
Operating income/(loss)	**$ (867,040)**	**$ 57,716**
Nonoperating revenues/(expenses):		
Revenues-Investment earnings	$ 60,000	$ 279,001
Revenues-Taxes-State of Minnesota	$ 1,854,554	$ 2,430,018
Expenses-Stadium project costs	$ (210,000)	$ (358,700)
Expenses-Commemorative Brick program	$ -	$ (1,210)
Total nonoperating revenues/(expenses)	$ 1,704,554	$ 2,349,109
Net income/(loss) before transfers	$ 837,514	$ 2,406,825
Transfers:		
Transfer to Capital Reserve fund	$ (1,000,000)	$ -
Change in account balance	$ (162,486)	$ 2,406,825
Beginning Operating Account Balance	$ 5,999,496	$ 5,999,496
Ending Operating Account Balance	**$ 5,837,010**	**$ 8,406,321**

Capital Reserve Account		
Revenues:		
State of Minnesota Capital payment	$ 1,636,989	$ 1,635,387
Minnesota Vikings Capital Cost payment	$ 1,639,091	$ 1,593,181
Minnesota NCAA LOC Final Four 2019 Contribution	$ 1,700,000	$ 1,700,000
Total revenues	$ 4,976,080	$ 4,928,568
Capital expenses	$ 8,968,792	$ 7,506,636
Net income/(loss) before transfers	$ (3,992,712)	$ (2,578,068)
Transfers:		
Transfer from Operating Account	$ 1,000,000	$ -
Transfer from Concession Capital Account	$ 600,000	$ -
Total transfers	$ 1,600,000	$ -
Change in Account Balance	$ (2,392,712)	$ (2,578,068)
Beginning Capital Reserve Account Balance	$ 4,712,356	$ 4,712,356
Ending Capital Reserve Account Balance	**$ 2,319,644**	**$ 2,134,288**

Concession Capital Reserve Account		
Revenues:		
Concession Capital Reserve payment	$ 850,000	$ 918,370
Expenses	$ 1,085,055	$ 637,738
Net income/(loss) before transfers	$ (235,055)	$ 280,632
Transfers:		
Transfer to Capital Reserve Account	$ (600,000)	$ -
Change in Account Balance	$ (835,055)	$ 280,632
Beginning Concession Capital Reserve Account Balance	$ 1,429,865	$ 1,429,865
Ending Concession Capital Reserve Account Balance	**$ 594,810**	**$ 1,710,497**