MINNESOTA SPORTS FACILITIES AUTHORITY

MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – October 31, 2024, 8:00 A.M.
U.S. Bank Stadium
401 Chicago Avenue, Minneapolis, MN 55415

1. CALL TO ORDER

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority ("MSFA" or "Authority") to order at 8:09 A.M.

2. ROLL CALL

Commissioners present: Chair Michael Vekich, Bill McCarthy, Tony Sertich, Angela Burns Finney.

Commissioners absent: Sharon Sayles Belton

3. APPROVAL OF MEETING MINUTES – September 19, 2024.

Chair Vekich asked for a motion to approve the minutes of the September 19, 2024, meeting. Commissioner McCarthy moved, and Commissioner Burns Finney seconded the motion. The minutes of the September 19, 2024, board meeting were unanimously approved and adopted as presented. *See, Exhibit A.*

4. BUSINESS

a. **Action Items**

i. **Authorize Negotiations and Execute a Design Services Agreement for the Secured Perimeter Project Phase II**

Chair Vekich asked Mr. Ed Kroics, Executive Director, to discuss the Design Services Agreement for the Secured Perimeter Project Phase II. Mr. Kroics said on September 3, 2024, the Authority published a request for proposal for the design services for the architectural, structural, and civil design of a permanent secured perimeter for Phase II on the west side of the stadium. Proposals were received and evaluated on multiple criteria including interviews with proposers. HKS proposal is recommended as the best value to the Authority.

Chair Vekich said Phase I of the secured perimeter project has been substantially completed. Chair Vekich said the Authority received funding for Phase I from the state for $15,700,000. Chair Vekich said he is working with Governor Walz and legislators on funding for Phase II and estimates the project to cost $85,000,000. Chair Vekich said Mr. Amos Briggs has been very helpful coordinating meetings with various legislators. Chair Vekich said the Authority had recently hosted a tour with legislators and the group was receptive to the project. Chair Vekich said more information will be forthcoming once MMB's November forecast is released and the elections are completed. Chair Vekich said HKS was the original architect for the stadium and performed very well. *See, Exhibit B.*

Commissioner Burns Finney moved, and Commissioner McCarthy seconded the motion to approve the following recommended motion, which was unanimously adopted:

The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to finalize negotiations and execute a design services agreement with HKS for the Secure Perimeter Project Phase II for a total cost not to exceed $1,504,949.60.

ii. **Authorize Negotiations and Execute a Trade Contract for the Wireless Intercom System**

Chair Vekich asked Mr. Kroics to discuss the Trade Contract for the Wireless Intercom System. Mr. Kroics said on October 9, 2024, the Authority published a request for proposal for replacement of the wireless intercom system. The current system was installed prior to opening the stadium in 2016 and has reached end of life. The system is utilized for public and private events providing communication from the broadcast booth to support staff around the facility. Proposals were received on October 23, 2024, and were reviewed and evaluated on multiple criteria. Alpha Video's proposal is recommended as the best value to the Authority. *See, Exhibit C.*

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

The Minnesota Sports Facilities Authority authorized the Chair and Executive Director to finalize negotiations and execute a trade contract agreement with Alpha Video for the Wireless Intercom System for a total cost not to exceed $371,903.00.

b. Reports

i. MSFA Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2024

Chair Vekich invited Ms. Michelle Hoffman, Director of Finance, to present the Authority's annual financial report and discuss the results of the audit. Ms. Hoffman then introduced Mr. Christopher Knopik and Mr. Troy Gabler, CliftonLarsonAllen, LLC (CLA) and thanked them for their efforts during the audit. Ms. Hoffman discussed the various sections of the annual report. Ms. Hoffman discussed the Letter of Transmittal, the organizational chart, and the Government Finance Officers Association (GFOA) Certificate of Achievement For Excellence in Financial Reporting Award for the prior year's report, and she said this year's report would be submitted to the GFOA for the certificate program. Ms. Hoffman discussed the Independent Auditors' Report and their unmodified (clean) opinion on the financial statements, Management's Discussion and Analysis, and the Basic Financial Statements and the Notes to the Financial Statements. Ms. Hoffman asked Mr. Knopik to discuss the audit.

Mr. Knopik said he is a principal with CLA and this was the seventh audit he has worked with the Authority. Mr. Knopik said the auditing standards require them to communicate directly with the Board on internal controls and other matters of governance. Mr. Knopik thanked the various staff who took the time to answer questions from CLA. Chair Vekich asked Mr. Knopik what were the results of the audit? Mr. Knopik said they issued an unmodified opinion on the Authority's basic Financial Statements. Mr. Knopik said no deficiencies were identified and the Authority has strong internal controls. Mr. Knopik said CLA also worked with Baker Tilly to review the ASM audit workpapers. Mr. Gabler said the results of the audit were positive and worth noting since the Authority has a small team. Mr. Gabler said there were no material audit adjustments and no financial reporting deficiencies. Chair Vekich thanked Mr. Knopik and Mr. Gabler for their work. *See,* <u>Exhibit D</u>

ii. Q4 2023-2024 MSFA Budget Report For the Fiscal Year Ended June 30, 2024

Chair Vekich asked Ms. Hoffman to provide the Budget Report for the Authority's Q4 2023-2024 Budget Report. Ms. Hoffman said the summary memo is provided in the board packet for review. Ms. Hoffman discussed the operating, capital reserves, and concession capital accounts and provided updates. *See, Exhibit E.*

iii. 2024-2025 Property Insurance Report

Chair Vekich asked Ms. Mary Fox-Stroman, Chief Financial Officer, to discuss the 2024-2025 Property Insurance Report. Ms. Fox-Stroman said Willis Tower Watson Midwest, Inc, the Authority's property insurance broker, marketed the program to multiple carriers. Ms. Fox-Stroman said the market was challenging this year due to weather-related claims in the industry. Ms. Fox-Stroman said the insurance program has a layered approach where the primary property layer provides coverage for $1 billion and the excess layer, which sits above the primary layer, provides coverage of $362 million. She said for this renewal, AIG reduced its capacity for the all-risk property policy primary layer from $1 billion to a limit of $500 million. Ms. Fox-Stroman said other carriers were then approached to fill out the layer, and AXA XL agreed to participate in the primary property layer on a 50%/50% quota share basis with AIG where each carrier provides a coverage limit of $500 million. Ms. Fox-Stroman said the policies have a $10 million deductible for hail and wind perils, $1 million deductible for snow, sleet, or ice perils, a $50,000 deductible for the Vikings Ship, and a $500,000 deductible for all other perils. Ms. Fox-Stroman said Willis Tower Watson then approached Chubb Bermuda and they agreed to provide the program's excess layer of $362 million limit which includes terrorism coverage. Chair Vekich asked Ms. Fox-Stroman to discuss the deductible buy downs. Ms. Fox-Stroman said the deductible buy down policies were purchased in order to meet contractual requirements. Ms. Fox-Stroman said policies were purchased for the $10 million deductible for hail and wind perils and for the $1 million deductible for snow, sleet, and ice perils to reduce both deductibles to $500,000. Chair Vekich said the Authority has been working hard on the program.

Chair Vekich thanked Ms. Sue Arcand, Accountant, for her hard work and dedication for the audit. *See, Exhibit F.*

iv. U.S. Bank Stadium Updates

1. ASM Global and Aramark

Chair Vekich asked Mr. John Drum, General Manager U.S. Bank Stadium, and Ms. Jenifer Freeman, General Manager Aramark, to comment on events. Mr. Drum congratulated the Minnesota Vikings on their great start to the season. Mr. Drum said the stadium has recently hosted multiple youth football events over the last month. Mr. Drum said the stadium hosted the annual Youth in Music band competition which showcased 35 high school marching bands as well as three college marching bands from Minnesota and surrounding states. Mr. Drum said the stadium is currently hosting the Minnesota State High School League (MSHSL) soccer state finals which conclude on Friday, November 1st. Mr. Drum said the stadium is looking forward to hosting the MSHSL football semifinals and prep bowl during the month of November. Mr. Drum said the stadium is hosting many private events and holiday parties during the next few months and looks forward to working with Aramark on those events. Mr. Drum said the stadium is excited to host the winter warm-up and dates are still being finalized.

Ms. Freeman said she recently returned from a trip to Philadelphia where she attended an executive leadership program. Ms. Freeman said the program emphasized providing emotional safe spaces in the workplace. Ms. Freeman said providing an emotional safe space for employees starts with leaders and she was looking forward to sharing the information with her team. Ms. Freeman said her staff was recently ranked number two in the NFL Voice of the Fan survey and she was very proud of the achievement. Ms. Freeman said Aramark has begun providing a post-game meal to support staff who are facing housing and food insecurities. Ms. Freeman said Aramark has worked diligently with stadium partners and is happy to provide this meal at no additional cost. She said the program will provide meals for an additional 375 employees. Ms. Freeman said the management of Aramark provides the services and has received very positive reviews. Chair Vekich thanked Ms. Freeman and her team for the new program.

Mr. Drum said ASM and Aramark have a great staff and it’s important to recognize their efforts. Mr. Drum said the stadium staff work hard to provide a safe, clean, and welcoming venue for all our guests. Mr. Drum said several surveys are used to gauge the performance of staff including the Voice of the Fan and secret shoppers. Mr. Drum said ASM and stadium partners host various events to express appreciation for the hard work and dedication the staff shows on a daily basis. Mr. Drum said the annual movie on the field night is going to be held on November 11th. Mr. Drum said the SKOL Service MVP annual awards will be presented at the last game of the year and is a great way to recognize staff who go above and beyond in their work.

Chair Vekich asked Mr. Lester Bagley, Executive Vice President of Public Affairs Minnesota Vikings, to provide an update for the Vikings. Mr. Bagley said the team recently returned from their London game and had a great trip. Mr. Bagley said the team is off to a good start and is excited to be back home playing at U.S. Bank Stadium. Mr. Bagley said their game with the Indianapolis Colts was flexed to Sunday night into a primetime slot. Mr. Bagley thanked Ms. Freeman for the expanded meal program for staff and said it is another way to make their gameday special. Mr. Bagley said the Vikings are participating in the NFL Votes activation. Mr. Bagley said the Vikings' facility in Eagan as well as U.S. Bank Stadium are provided as backup polling locations for election day. Mr. Bagley said the NFL Votes activation encourages players and staff to register to vote. Mr. Bagley said the activation will take place for the next home game. Mr. Bagley said legislative discussions are on pause while the national election is taking place. He said several issues are still on the table including Minnesota Sports and Events funding. Mr. Bagley said he expects discussions to pick up after the elections. Chair Vekich asked Mr. Bagley if U.S. Bank Stadium is the loudest NFL stadium? Mr. Bagley said U.S. Bank Stadium is among the loudest, but he was not sure if it is the loudest stadium. Mr. Bagley said the fans provide a strong home field advantage.

Chair Vekich thanked Mr. Bagley for the report. Chair Vekich said future board meetings will be held in the MSFA Board Room.

5. <u>PUBLIC COMMENTS</u>

There were no public comments.

6. <u>DISCUSSION</u>

There was no discussion.

7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced the next MSFA meeting will be held on Thursday, December 19, 2024, at U.S. Bank Stadium in the MSFA Office Board Room.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 9:03 A.M.

Approved and adopted the 19th day of December 2024, by the Minnesota Sports Facilities Authority.

Sharon Sayles Belton, Secretary/Treasurer

Ed Kroics, Executive Director

MINNESOTA SPORTS FACILITIES AUTHORITY

MINNESOTA SPORTS FACILITIES AUTHORITY
Meeting Minutes – September 19, 2024, 8:00 A.M.
U.S. Bank Stadium
401 Chicago Avenue, Minneapolis, MN 55415

1. CALL TO ORDER

Chair Vekich called the meeting of the Minnesota Sports Facilities Authority ("MSFA" or "Authority") to order at 8:00 A.M.

2. ROLL CALL

Commissioners present: Chair Michael Vekich, Bill McCarthy, Tony Sertich, Sharon Sayles Belton.

Commissioner Angela Burns Finney participated remotely as she was not physically located in Minnesota due to a work commitment.

3. APPROVAL OF MEETING MINUTES – August 22, 2024.

Chair Vekich asked for a motion to approve the minutes of the August 22, 2024, meeting. Commissioner McCarthy moved, and Commissioner Sayles Belton seconded the motion.

A roll call vote was conducted. The vote was as follows:

Commissioner Angela Burns Finney	Yea
Commissioner Bill McCarthy	Yea
Commissioner Sharon Sayles Belton	Yea
Commissioner Tony Sertich	Yea
Chair Michael Vekich	Yea

The minutes of the August 22, 2024, board meeting were unanimously approved and adopted as presented. *See,* *Exhibit A.*

4. BUSINESS

a. **Action Items**

i. Authorize Negotiations for the 2024-2025 Property Insurance Program

Chair Vekich asked Ms. Mary Fox-Stroman, Chief Financial Officer, to discuss the Property Insurance Program. Ms. Fox-Stroman said the Authority has worked with Willis Towers Watson Minnesota to market the Authority's property insurance program to our incumbent carriers and to new carriers to obtain competitive quotes. Ms. Fox-Stroman discussed the various policies and she said Willis Towers Watson expects to receive final quotes in the next few days. Chair Vekich asked Ms. Fox-Stroman if there were increases in the premiums. Ms. Fox-Stroman said yes, the premiums have increased 40% to 50%. Ms. Fox-Stroman said the increase is due to an increase in property valuation and higher premiums. Chair Vekich said the increase is not unusual in the current market. Chair Vekich asked who is responsible for paying the premiums. Ms. Fox-Stroman stated the Authority pays the premium and then requests reimbursement from ASM, and ASM records the cost as an operating expense. Commissioner McCarthy asked what are the deductible buy down policies limitations. Ms. Fox Stroman said the use agreement with the Vikings requires deductibles not to exceed $500,000. Ms. Fox-Stroman said, for example, the Authority buys down the wind and hail deductibles to $500,000. *See, Exhibit B.*

Commissioner Sayles Belton moved, and Commissioner Sertich seconded the motion to approve the recommended motion.

A roll call vote was conducted. The vote was as follows:

Commissioner Angela Burns Finney	Yea
Commissioner Bill McCarthy	Yea
Commissioner Sharon Sayles Belton	Yea
Commissioner Tony Sertich	Yea
Chair Michael Vekich	Yea

The following recommended motion was unanimously adopted:

The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to finalize negotiations and enter into contracts for the property insurance program for a total premium amount not to exceed $2,450,000.00. A full insurance report will be presented at a future board meeting.

b. Reports

i. U.S. Bank Stadium Updates

a. ASM Global & Aramark Update

Chair Vekich asked Mr. John Drum, General Manager of U.S. Bank Stadium, and Ms. Jenifer Freeman, General Manager Aramark, to provide a stadium update. Mr. Drum said the stadium recently hosted the Viking's home opener and is preparing for the next home game. Mr. Drum said the stadium recently hosted the Metallica concert and was very successful. Ms. Freeman said she agreed, and all the concerts this last year were very successful. Mr. Drum said the Zach Bryan concert was an amazing show and was the concert's last stadium show on their current tour. Mr. Drum said it was amazing to see Zach Bryan's growth from playing at the Fillmore Minneapolis three years ago to now selling out U.S. Bank Stadium. Chair Vekich asked Mr. Drum how Zach Bryan went from the Fillmore Minneapolis to U.S. Bank Stadium so quickly. Mr. Drum said Zach Bryan has a younger audience and does an incredible job connecting with his fan base.

Mr. Drum said he was proud of the staff for successfully hosting the recent events. Ms. Freeman said Aramark hosted a media event before the home opener to showcase stadium vendors. She said the event was very energetic and fifteen of the sixteen stadium partners provided samples of their food. Ms. Freeman said this was the second largest home opener at the stadium for Aramark for food and beverage sales. Commissioner Sayles Belton asked if that meant the stadium had more visitors. Ms. Freeman said it was a combination of sales and a sold-out crowd which contributed to the higher sales. Mr. John Drum said the stadium is hosting youth football this week. Mr. Drum said this Sunday will be the second Vikings' home game of the season, followed by Youth In Music in three weeks. Mr. Drum said the stadium looks forward to hosting the annual Page Gala at the end of the month, and the MSHSL soccer tournament will be hosted at the end of October.

Ms. Freeman said the culinary department is fully staffed and Aramark has hired additional administrative positions. Ms. Freeman said Aramark currently has a wait list for nonprofit groups and the large number of events hosted at the stadium is helping to retain staff. Chair Vekich asked if Ms. Freeman could provide a preview of new food for the upcoming season. Ms. Freeman said the vendors enjoy working at U.S. Bank Stadium. She said Aramark encourages and supports small business participation. Chair Vekich asked if there was a new chicken vendor in the building. Ms. Freeman said yes, they are located at section 132 and she believes they will resonate well with stadium guests. Mr. Drum said Aramark has continued to elevate the catering experience and continues to make annual events successful.

5. PUBLIC COMMENTS

There were no public comments.

6. DISCUSSION

Chair Vekich said the Authority continues to work through the architectural services request for proposal and will have an update at the next board meeting.

7. ANNOUNCEMENT OF NEXT MEETING

Chair Vekich announced the next MSFA meeting will be held on Thursday, October 31, 2024, at U.S. Bank Stadium in Mystic Lake's Club Purple.

8. ADJOURNMENT

There being no further business to come before the MSFA, the meeting was adjourned at 8:18 A.M.

Approved and adopted the 31st day of October 2024, by the Minnesota Sports Facilities Authority.

Sharon Sayles Belton, Secretary/Treasurer

Ed Kroics, Executive Director

MINNESOTA SPORTS FACILITIES AUTHORITY

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

MEMORANDUM

TO: MSFA Commissioners

FROM: Ed Kroics, Executive Director

DATE: October 31, 2024

SUBJECT: Authorize Negotiation and Execution of a Design Services Agreement for the Secure Perimeter Project Phase II

On September 3, 2024, the Authority published a Request for Proposal (RFP) for design services for the architectural, structural, and civil design of a permanent secured perimeter on the west side of the stadium. This project also includes pedestrian entry and ticketing structures on all four sides of the stadium, assessment of the Downtown East facility, and redesign of the west plaza concrete.

Proposals were received on October 1, 2024. Proposals were reviewed and evaluated on multiple criteria including interviews with each proposer. HKS is recommended as the best value to the Authority.

Recommended Motion:
The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to finalize negotiations and execute a design services agreement with HKS for the Secure Perimeter Project Phase II for a total cost not to exceed $1,504,949.60.

MINNESOTA SPORTS FACILITIES AUTHORITY

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

MEMORANDUM

TO: MSFA Commissioners

FROM: Ed Kroics, Executive Director

DATE: October 31, 2024

SUBJECT: Authorize Negotiation and Execution of a Trade Contract Agreement for the Wireless Intercom System

On October 9, 2024, the Authority published a Request for Proposal (RFP) for replacement of the wireless intercom system. The current wireless intercom system was installed prior to opening the stadium in 2016 and has reached its end of life. The system is utilized for public and private events providing communication from the broadcast booth to support staff on the field, truck dock, and other event spaces. The new system will provide additional antennas and communication channels for all stadium events.

Proposals were received on October 23, 2024. Proposals were reviewed and evaluated on multiple criteria. Alpha Video is recommended as the best value to the Authority.

Recommended Motion:

The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to finalize negotiations and execute a trade contract agreement with Alpha Video for the Wireless Intercom System for a total cost not to exceed $371,903.00.

MINNESOTA SPORTS FACILITIES AUTHORITY

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

MEMORANDUM

TO: MSFA Commissioners

FROM: Michelle Hoffman, Director of Finance

DATE: October 31, 2024

SUBJECT: MSFA Annual Comprehensive Financial Report - June 30, 2024

We are pleased to present to you our Annual Comprehensive Financial Report (Annual Report) for the fiscal year ended June 30, 2024. The Annual Report 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, and the required supplementary information. The basic financial statements include the 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 ASM Global's eighth year of operations of U.S. Bank Stadium.

CliftonLarsonAllen LLP (CLA) performed the audit and issued an unmodified audit opinion that the financial statements present fairly the financial position of the Authority as of June 30, 2024, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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 Communication letter. A summary of what is included in the additional report and letter will be presented by CLA.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Annual Report for the fiscal year ended June 30, 2023. This was the eleventh award that the Authority has received. We believe this Annual Report meets the certificate program requirements and we will submit it to the GFOA to determine its eligibility. The award is typically received around six months after submission of the financial report.

Attached to this memorandum are the following: Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, Governance Letter, and the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with Government Auditing Standards.

Recommended Motion:
None.

MINNESOTA SPORTS FACILITIES AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A COMPONENT UNIT OF THE STATE OF MINNESOTA

MINNESOTA SPORTS FACILITIES AUTHORITY

Finance Department 1005
Fourth Street South
Minneapolis, MN 55415

TABLE OF CONTENTS

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.

MINNESOTA SPORTS FACILITIES AUTHORITY

MINNESOTA
SPORTS FACILITIES
AUTHORITY

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

October 10, 2024

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

I am pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Minnesota Sports Facilities Authority (Authority) for the fiscal year ended June 30, 2024. 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, rest with 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. Disclosures have been included to enable the reader to gain the maximum understanding of the Authority's financial and business affairs.

Management has been diligent in adhering to internal control guidelines to ensure the highest degree of accuracy in the data presented. 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. 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.

CliftonLarsonAllen, LLP, an independent audit firm, performed the audit of the financial statements included in this report to determine whether the financial statements are fairly presented in all material respects. They have concluded that the financial statements present fairly, in all material respects, the financial position of the Authority as of and for the fiscal year ended June 30, 2024.

The reader is referred to the Management's Discussion and Analysis (MD&A) section for additional information regarding the activities and financial position of the Authority. All necessary disclosures have been included to enable the reader to gain the maximum understanding of the Authority's financial position. 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
- Acknowledgements.

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PROFILE OF THE AUTHORITY

The Authority is a public body and political subdivision of the state of Minnesota created pursuant to the Stadium Act, Minnesota Statutes, 473j, enacted by the Minnesota legislature and approved by the governor on May 14, 2012. The Authority operates under the policy oversight of a five-member board per Minnesota Statutes, 473J.07, Subd. 2, the governor of the state of Minnesota appoints the chair and two additional commissioners, and the mayor of the city of Minneapolis appoints two commissioners. Commissioners serve four-year terms. The Executive Director, appointed by the board, directs the daily operations of the Authority, oversees management of the stadium, and carries out the policies established by the board.

U. S. Bank Stadium's multi-purpose design allows for hosting local as well as major national and international events that create community, economic, fiscal, and social benefits for the region. Working closely with stadium partners and staff, the community, and event promoters and planners, the Authority ensures that everyone benefits from this award-winning facility.

U.S. Bank Stadium, located in Minneapolis, Minnesota, is a magnet for entertainment as guests from the Minneapolis-St. Paul metropolitan area and throughout Minnesota have attended and/or participated in events in and around the stadium.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

U.S. Bank Stadium provides a top-tier entertainment destination in the heart of Minneapolis welcoming guests nationally and internationally to Minnesota to experience some of the world's greatest events. Since opening in July 2016 U.S. Bank Stadium has welcomed almost 8 million guests at 1,727 events. The stadium has hosted some of the largest events in Minnesota including a record-breaking weekend of back-to-back Taylor Swift concerts which broke downtown hotel occupancy records (96.3%) for the city of Minneapolis.

Minnesota is home to more than 5.7 million people, it has a diverse culture and environment and economic landscape, and it is full of opportunities for job seekers and businesses. Minnesotans enjoy a high quality of life as Minnesota has the eighth highest home ownership rate and the third lowest poverty rate (9.3 percent) in the country (U. S. poverty rate is 12.5 percent).

Minnesota's economy grew in the first half of 2024 despite predictions that the U.S. would slip into a mild recession this year. Inflation has been slowing down as unemployment is low and job growth has been positive and consistent this year. Economists now believe the U.S. economy is likely not in a recession or on the cusp of one.

Minnesota's economic growth is impacted by population growth, employment growth, consumer purchases, and household finances. These indicators are important for the sports and entertainment industry as they influence stadium and event attendance, ticket revenues, food and beverage revenues, and event space rental revenues.

Minnesota ranks tenth nationwide in 1-year natural population increase with more than 11,600 people. Minnesota's employers have added jobs and are nearing overall pre-pandemic employment levels. The number of job vacancies in sectors that have not regained pre-pandemic employment levels is a sign that job growth in the state is constrained by lack of workers to fill open positions despite Minnesota's high labor force participation rate at 68.3 percent which is higher than the national labor force participation rate at 62.6 percent.

Minnesota ranks 17th nationally in per capita gross domestic product ($66,857) which is slightly more than the national average ($66,814). Minnesota exported $25 billion in goods to more than 200 countries worldwide. Minnesota's largest markets in 2023 were Canada, Mexico, and China.

The unemployment rate rose to 3.9 percent in Minnesota in August 2024, the number of unemployed grew to 103,239 workers, and the number of employed was 2,990,653. This is below the U. S. unemployment rate of 4.4 percent.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Stadium Operator

ASM Global, stadium operator, is responsible for marketing and sales, event services, stadium security, management, and operations at U.S. Bank Stadium. The stadium's financial operations are included in the Authority's financial statements. Following are highlights of the 2023-2024 stadium events:

Minnesota Vikings Home Football Games and Other Events

Minnesota Vikings played their 2023-2024 NFL pre-season and regular season home football games in U.S. Bank Stadium, the Minnesota Vikings also hosted the Vikings Draft party on April 25, 2024.

In fiscal year 2024 the stadium hosted 152 events with 1,197,426 attendees. Major concerts took to the stage at U.S. Bank Stadium with music for all ages and all genres: Ed Sheeran's *Mathematics Tour* was held on August 12, 2023, Billy Joel and Stevie Nicks' *Two Icons, One Night Tour* was held on November 10, 2023, Chris Stapleton's *All-American Road Show Tour* was held on April 6, 2024, Kenny Chesney's *Sun Goes Down 2024 Tour* was held on May 4, 2024, and Morgan Wallen's *One Night At A Time 2024 Tour* had back-to-back shows on June 20 and June 21, 2024.

In addition, the stadium hosted an FCS football game featuring North Dakota State University v. Eastern Washington University on September 2, 2023, Monster Jam shows, Upper Deck golf, many high school and collegiate athletic events, high school proms, graduation ceremonies, and a variety of corporate and other private rental events.

Future Events

U. S. Bank Stadium's event calendar for fiscal year 2025, includes nine Minnesota Vikings home football games, Metallica's *M72 World Tou*r on August 16 and August 18, 2024, Zach Bryan's *The Quittin Time Tour* on August 24, 2024, two Monster Jam events in February 2025, collegiate and high school athletic events, and many private rental events, and tours. U.S. Bank stadium was also announced as a host site for two 2025 Gold Cup soccer games, to be held in June 2025.

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 revenues of $40,878,797 for its eighth 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 to the Authority for Authority events. The Authority reported food and beverage commission revenues of $6,968,423 for the eighth year of operations for Authority events. The Authority also reported capital contributions from Aramark of $987,746, which is 2.5 percent of commissionable gross food and beverage sales, that were deposited into the Authority's concession capital reserve account.

Capital Improvements

In the summer 2022 the Authority began planning for the Secure Perimeter Project-Phase 1. The Tegra Group was hired as the owner's representative for the project, and a project budget of $15,700,000 was established. Populous, Inc., an architectural and engineering design firm, was hired in November 2022 to design a crash-rated secure perimeter that includes installation of anti-ram/anti-climb fencing, wedge barriers, and bollards on the north, east and south sides of the stadium. A construction manager, JE Dunn Construction, was hired in December 2022 to develop a Guaranteed Maximum Price (GMP) for construction of the project and a construction schedule.

The Authority requested funding from the state of Minnesota for this project and on June 30, 2023, a contribution of $15,700,000 was received from the state of Minnesota. On July 14, 2023, a contract revision with JE Dunn Construction was executed to add the GMP of $12,788,701 to the contract, and it established the project's substantial completion date of May 14, 2024.

Planning for the Secure Perimeter Project-Phase 2 began in the summer of 2023. This project will extend the secured perimeter to the west side of the stadium including the plaza area for an estimated budget of $62 million. A separate funding request for this project will be submitted to the state of Minnesota at a future date.

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

- Construction in progress projects of $4,225,395 included the turf replacement project, the Wi-Fi upgrade project, and planning for the Secured Perimeter Project-Phase 2
- Secured Perimeter Project-Phase 1 completion of $11,391,772
- IPTV System project completion of $1,934,896
- Concessions point of sale system of $1,247,832
- Field speakers of $544,690

Downtown East Parking Ramp and Stadium Parking Ramp

The Authority owns the Downtown East Parking Ramp 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 Stadium Parking Ramp 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 and management responsibility for the ramps. Ryan Companies hired a parking management company, Denison Parking, Inc., 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 independent accounting firm of CliftonLarsonAllen LLP (CLA). Minnesota Statutes 473J.07, subd.7, requires the Minnesota Office of the Legislative Auditor (Legislative Auditor) to 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 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the eleventh 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 Annual Comprehensive 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 Annual Comprehensive Financial Report meets the Certificate of Achievement Program's requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

I express my sincere appreciation to Suzanne Arcand who contributed to this report. I commend her for her professionalism, hard work, dedication, and continued efforts to improve this report. In addition, Mary Fox-Stroman has been instrumental in the continuous progress of the stadium and the Authority, and I express my deepest gratitude for her assistance. Appreciation is also expressed to the Executive Director, Chair of the Authority, and the Commissioners for their cooperation and outstanding assistance in matters pertaining to the financial affairs of the Authority.

Respectfully submitted,

Michelle Hoffman

Michelle Hoffman, CPA
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Minnesota Sports Facilities Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

COMMISSIONERS and ADMINISTRATIVE OFFICIALS

As of June 30, 2024

TONY SERTICH

ANGELA BURNS FINNEY

MICHAEL VEKICH

SHARON SAYLES BELTON

BILL MCCARTHY

	TERM OF OFFICE	
COMMISSIONERS	**Appointed**	**End of Term**
MICHAEL VEKICH, Chair	July 2017	December 2026
BILL MCCARTHY, Vice Chair	June 2012	December 2020*
SHARON SAYLES BELTON, Secretary & Treasurer	September 2021	December 2023*
ANGELA BURNS FINNEY	September 2019	December 2026
TONY SERTICH	August 2015	December 2027

* The Commissioner will continue in his/her position until an appointment is made.

KEY ADMINISTRATIVE STAFF

Executive Director
ED KROICS

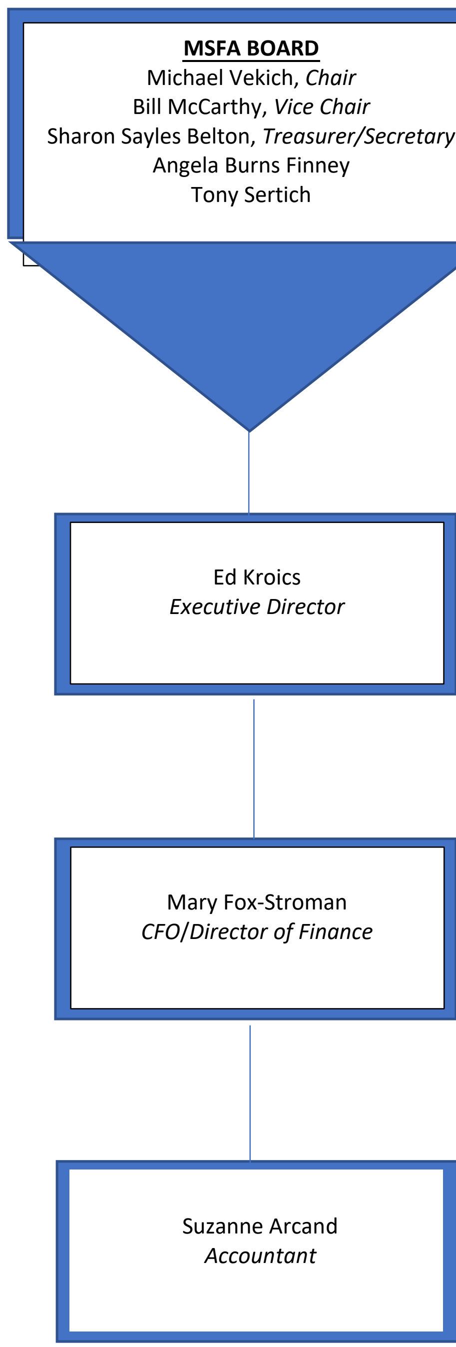
CFO/Director of Finance
MARY FOX-STROMAN, CPA

Accountant
SUE ARCAND

MINNESOTA SPORTS FACILITIES AUTHOIRTY

ORGANIZATION CHART

As of June 30, 2024



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.

MINNESOTA SPORTS FACILITIES AUTHORITY

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Minnesota Sports Facilities Authority
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinion

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, 2024, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Minnesota Sports Facilities Authority, as of June 30, 2024, and the changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Minnesota Sports Facilities Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Minnesota Sports Facilities Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Minnesota Sports Facilities Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Minnesota Sports Facilities Authority's ability to continue as a going concern for a reasonable period of time.

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

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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2024, 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 the 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 the Minnesota Sports Facilities Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 10, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Minnesota Sports Facilities Authority (Authority) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the Authority's financial performance for the fiscal year ended June 30, 2024. 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 ACFR.

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, 2024, are as follows:

- The Authority's net position decreased $17,141,426, or 1.93 percent, from $889,800,593 as of June 30, 2023, to $872,659,167 as of June 30, 2024.
- Operating revenues increased $6,807,043 (12.1 percent) from $56,266,687 as of June 30, 2023, to $63,073,730 as of June 30, 2024 primarily due to an increase in stadium operating revenues of $6,939,187. Stadium operating revenues grew in fiscal 2024 mainly due to an increase in shared ticket fee and facility fee revenue of $3,326,439. Rent revenue also increased $2,090,654.
- Operating expenses decreased $1,676,964 (1.7 percent), from $98,604,775 as of June 30, 2023 to $96,927,811 as of June 30, 2024, primarily due to a decrease in repairs and maintenance as well as depreciation expense, which was partially offset by an increase in stadium operating expenses.

Overview of the Financial Statements
The purpose of these financial statements, along with the accompanying notes to the financial statements and required supplementary information, is to present the financial position and results of operations to the financial statement users. 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, 2024. 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, 2024. 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, 2024, 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, 2024 and 2023.

Statement of Net Position at June 30, 2024 and 2023

	June 30, 2024	June 30, 2023	Increase/ (decrease)
ASSETS			
Current and other assets	$ 66,961,129	$ 60,547,121	$ 6,414,008
Capital assets and right-to-use assets (net of accumulated depreciation and amortization)	792,582,747	818,148,889	(25,566,142)
Noncurrent assets	356,282,606	362,658,338	(6,375,732)
Total assets	1,215,826,482	1,241,354,348	(25,527,866)
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	109,911	188,617	(78,706)
LIABILITIES			
Current liabilities	37,602,521	30,650,214	6,952,307
Noncurrent liabilities	7,193,779	9,046,173	(1,852,394)
Total liabilities	44,796,300	39,696,387	5,099,913
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	144,883	149,213	(4,330)
Deferred inflows of resources related to leases	298,336,043	311,896,772	(13,560,729)
Total deferred inflows of resources	298,480,926	312,045,985	(13,565,059)
NET POSITION			
Net investments in capital assets	779,287,616	811,522,713	(32,235,097)
Restricted for capital projects	47,634,443	46,363,608	1,270,835
Unrestricted	45,737,108	31,914,272	13,822,836
Total net position	872,659,167	889,800,593	(17,141,426)

Total assets decreased $25,527,866 from $1,241,354,348 as of June 30, 2023 to $1,215,826,482 as of June 30, 2024. The decrease was primarily due to depreciation and amortization expense of $43,710,058 which increased accumulated depreciation and amortization as of year-end. This decrease was partially offset by an increase in cash and investments of $8,624,680, the result of cash receipts from events exceeding corresponding cash outlays.

Total liabilities increased by $5,099,913 as of June 30, 2024 due to an increase of $5,692,352 in accounts and other payables related to ongoing capital projects at year-end.

The three components of net position are: net investment in capital assets, restricted for capital projects, and unrestricted. The largest portion of the Authority's net position (89.3 percent) as of June 30, 2024 reflects its net investment in capital assets of $779,287,616. These assets are comprised of land, buildings, building equipment, land improvements, and equipment of U.S. Bank Stadium, Stadium Parking Ramp, and the Downtown East Parking Ramp and right-to-use assets less lease liabilities and subscription liability. Accordingly, these assets are not available for future spending. Restricted net position as of June 30, 2024, was $47,634,443 and this represents resources that are restricted for future capital purchases. Unrestricted net position as of June 30, 2024 was $45,737,108. 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, 2024 and 2023.

Summary of Changes in Net Position

	June 30, 2024	June 30, 2023	Increase/ (decrease)
Operating revenues:			
Operating payments from State of Minnesota (city of Minneapolis) and Minnesota Vikings	$ 7,626,408	$ 7,262,810	$ 363,598
Lease revenue	11,526,620	11,526,620	-
Stadium operating revenue	43,832,603	36,893,416	6,939,187
Other revenues	88,099	583,841	(495,742)
Total operating revenues	63,073,730	56,266,687	6,807,043
Operating expenses	(96,927,811)	(98,604,775)	1,676,964
Total operating income (loss)	(33,854,081)	(42,338,088)	8,484,007
Nonoperating revenues (expenses):			
Interest revenue and investment earnings	8,518,876	6,781,771	1,737,105
Sales tax revenue	2,250,569	2,210,197	40,372
Other nonoperating revenue	410,092	573,107	(163,015)
Lease revenue	2,034,109	2,034,109	-
Nonoperating expenses	(677,412)	(485,497)	(191,915)
Total nonoperating revenues (expenses)	12,536,234	11,113,687	1,422,547
Income (loss) before capital contributions	(21,317,847)	(31,224,401)	9,906,554
Capital contributions	4,176,421	19,839,178	(15,662,757)
Changes in net position	(17,141,426)	(11,385,223)	(5,756,203)
Total net position - beginning of year	889,800,593	901,185,816	(11,385,223)
Total net position - end of year	$ 872,659,167	$ 889,800,593	$ (17,141,426)

Operating revenues include operating payments from the state of Minnesota (city of Minneapolis) and Minnesota Vikings, lease revenue, stadium operating revenues, and other revenues. In fiscal year 2024 operating revenues increased by $6,807,043 (12.1 percent) when compared to the prior fiscal year. The changes in operating revenues include the following:

- Stadium operating revenues increased $6,939,187 (18.8 percent) from the prior fiscal year primarily due to an increase in shared ticket fee and facility fee revenue of $3,326,439. This was due to an increase in service and processing fees of about 19% combined with an increase in the facility fee from $3.50 per ticket to $5.00 per ticket. Rent revenue also increased $2,090,654 as there were more private events held in fiscal year 2024.

Operating expenses include personal services, professional services, supplies, repairs, and maintenance, rent, other expenses, stadium operating expenses, and depreciation. For fiscal year 2024 operating expenses totaled $96,927,811 which is a decrease of $1,676,964 (1.7 percent) when compared to fiscal year 2023. This decrease is primarily due to a decrease in repairs and maintenance as well as depreciation expense, partially offset by an increase in stadium operating expenses. Repairs and maintenance expenses decreased due to a higher number of projects occurring in 2023, including repairs to the stadium's large glass doors, while depreciation expense decreased as fiscal year 2024 was the eighth year of stadium operations and much of the stadium's technology equipment was depreciated over a seven-year useful life. Stadium operating expenses increased $4,802,899, or 10.8%, mostly due to an increase in contract services cost, which is based on net financial results of the stadium's events. Insurance and utilities costs also increased a combined $1,176,646.

Other changes in fiscal year 2024 include the following:

- Nonoperating revenues increased by $1,614,462 primarily due to an increase in interest revenue and investment earnings as interest rates were more favorable over the last fiscal year.
- Nonoperating expenses increased by $191,915.
- Capital contributions decreased by $15,662,757 primarily due to receiving a contribution from the state of Minnesota in the prior year in the amount of $15,700,000 for construction of the Secured Perimeter Project-Phase 1.

Additional information on the Authority's lease liability can be found in the notes to the financial statements, see note III.D.

Capital Assets

The following table compares the Authority's capital assets as of June 30, 2024 and 2023, net of accumulated depreciation and amortization:

Capital Assets

	June 30, 2024	June 30, 2023	Increase/ (decrease)
Capital assets, non-depreciable			
Land	$ 31,983,174	$ 31,983,174	$ -
Construbtion in progress	4,225,395	2,685,902	1,539,493
Capital assets, net of accumulated depreciation			
Buildings	630,181,302	658,859,854	(28,678,552)
Building equipment	45,875,070	52,197,606	(6,322,536)
Land improvements	30,878,700	21,414,018	9,464,682
Equipment	43,238,370	44,378,434	(1,140,064)
Right-to-use assets, net of accumulated amortization			
Building equipment	734,113	880,936	(146,823)
Land improvements	5,376,320	5,613,511	(237,191)
Subscription assets	90,303	135,454	(45,151)
Total capital and right-to-use assets, net of accumulated depreciation/amortization	$ 792,582,747	$ 818,148,889	$(25,566,142)

The Authority's investment in capital and right-to-use assets as of June 30, 2024 was $792,582,747 (net of accumulated depreciation and amortization) and consists of land, buildings, building equipment, land improvements, and equipment of U.S. Bank Stadium, Stadium Parking Ramp, and Downtown East Parking Ramp. Total capital and right-to-use assets, being depreciated decreased $25,566,142 from the prior year. This decrease is primarily due to depreciation and amortization expense of $43,710,058 combined with several larger additions including $10,742,193 as part of the secured perimeter – phase 1 project, $2,724,423 for a Wi-Fi upgrade project, $1,247,832 for a point-of-sale system, and $1,020,012 as part of the turf replacement project.

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

Long-Term Liabilities

The following table compares the Authority's long-term liabilities as of June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023	Increase/ (decrease)
Lease Liabilities	$ 6,184,982	$ 6,489,605	$ (304,623)
Subscription Liabilities	91,799	136,570	(44,771)
Total long-term liabilities	$ 6,276,781	$ 6,626,175	$ (349,394)

The Authority did not enter into any new lease or subscription agreements in 2024.

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 2024-2025 annual operating and capital budgets began in the spring 2024. The Authority then approved and adopted the 2024-2025 operating and capital budgets in June 2024. This budget process will be followed for adoption of the 2025-2026 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 board.

The Authority's adopted 2024-2025 operating budget includes operating revenues of $49,049,714 which includes: stadium operating payments from the state of Minnesota (city of Minneapolis) of $7,810,658 and the Minnesota Vikings of $10,767,546 for a combined total of $18,578,204, stadium operating revenues of $30,407,310, and miscellaneous revenues of $64,200. Also included in this budget are operating expenses of $45,481,169 which includes stadium operating expenses of $40,825,085, professional services of $1,388,815, rent of $828,890, personal services of $955,199, supplies and network support of $139,043, insurance of $466,553, and other expenses of $877,584.

Operating revenues of $49,049,714 are budgeted to exceed operating expenses of $45,481,169 by $3,568,545, investment earnings of $1,000,000 are included in the budget as nonoperating revenues, and net income before transfers is budgeted to be $4,568,545. The budget also includes a transfer of $10,000,000 from the operating account to the capital reserve account.

In addition to the 2024-2025 operating budget, the capital and concession capital budgets include capital expenses of $22,740,608 and concession capital expenses of $2,445,613. These expenses will be funded by capital revenues of $6,189,092, concession capital revenues of

$800,000, the transfer from the operating account of $10,000,000, and the capital reserve and concession capital reserve.

The Authority considered the following factors when setting the 2024-2025 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
- Market rental pricing
- 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, 2024

ASSETS	
Current assets:	
Cash and cash equivalents	$ 50,079,113
Restricted cash and cash equivalents	1,594,246
Receivables:	
Accounts and other receivables	5,173,864
Restricted accounts receivables	1,368,095
Lease receivable	7,444,356
Prepaid items	1,301,455
Total current assets	66,961,129
Noncurrent assets:	
Restricted cash and cash equivalents	44,579,583
Lease receivable	310,432,118
Capital assets:	
Non-depreciable:	
Land	31,983,174
Construction in progress	4,225,395
Depreciable:	
Buildings	860,270,853
Building equipment	101,063,849
Land improvements	43,813,606
Equipment	132,471,652
Right-to-Use assets, amortizable:	
Building equipment	1,174,582
Land improvements	5,929,765
Subscription assets	180,604
Accumulated depreciation and amortization	(388,530,733)
Total capital and right-to-use assets (net of accumulated depreciation and amortization)	792,582,747
Prepaid project insurance	1,270,905
Total noncurrent assets	1,148,865,353
Total assets	1,215,826,482
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	109,911
LIABILITIES	
Current liabilities:	
Salaries and compensated absences payable	909,358
Accounts and other payables	9,698,997
Restricted accounts payable	7,305,339
Advance ticket sales and deposits	17,743,907
Lease liability	401,397
Subscription liability	45,519
Unearned revenue	1,498,004
Total current liabilities	37,602,521
Noncurrrent liabilities:	
Compensated absences payable	8,499
Net pension liability	96,080
Unearned revenue	1,259,335
Lease liabillity	5,783,585
Subscription liability	46,280
Total noncurrent liabilities	7,193,779
Total liabilities	44,796,300
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	144,883
Deferred inflows of resources related to leases	298,336,043
Total deferred inflows of resources	298,480,926
NET POSITION	
Net investment in capital assets	779,287,616
Restricted for capital projects	47,634,443
Unrestricted	45,737,108
Total net position	$ 872,659,167

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, 2024

Operating revenues:	
Operating payments from state of Minnesota (city of Minneapolis) and Minnesota Vikings	$ 7,626,408
Lease revenue	11,526,620
Stadium operating revenues	43,832,603
Other revenues	88,099
Total operating revenues	63,073,730
Operating expenses:	
Personal services	616,856
Professional services	1,049,802
Supplies, repairs, and maintenance	888,955
Rent	552,185
Other expenses	630,159
Stadium operating expenses	49,479,796
Depreciation and amortization	43,710,058
Total operating expenses	96,927,811
Total operating (loss)	(33,854,081)
Nonoperating revenues/(expenses):	
Interest revenue and investment earnings	8,518,876
Other contributions	410,092
Sales tax revenues	2,250,569
Lease revenue	2,034,109
Interest expense	(99,825)
Other expenses	(17,296)
Stadium builders licenses expenses	(300,778)
Gain/(loss) on disposal of capital assets	(259,513)
Total nonoperating revenues/(expenses)	12,536,234
(Loss) before capital contributions	(21,317,847)
Capital contributions	4,176,421
Change in net position	(17,141,426)
Total net position, July 1, 2023	889,800,593
Total net position, June 30, 2024	$ 872,659,167

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, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from state of Minnesota (city of Minneapolis) and Minnesota Vikings	$ 7,626,404
Receipts from events	22,392,143
Receipts from food and beverage commissions	6,570,060
Receipts from others	85,219
Payments for ticket sales	10,705,855
Payments for employee services	(7,178,384)
Payments to suppliers and others	(22,076,818)
Payments for event and stadium operations	(17,590,934)
Net cash provided by operating activities	533,545
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Sales taxes received	2,111,721
Payments for other activities	(17,296)
Net cash provided by noncapital financing activities	2,094,425
CASH FLOWS FROM CAPITAL ACTIVITIES	
Capital contributions received	3,069,865
Lease payments received	12,326,411
Lease principal payments	(304,624)
Lease interest payments	(99,826)
Subscription principal payments	(44,770)
Acquisition and construction of assets	(11,974,547)
Net cash provided by capital activities	2,972,509
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	62,032,023
Purchase of investments	(32,684,599)
Interest on investments	3,064,277
Net cash provided by investing activities	32,411,701
Net increase in cash and cash equivalents	38,012,180
Cash and cash equivalents, July 1, 2023	58,240,762
Cash and cash equivalents, June 30, 2024	$ 96,252,942
Cash and cash equivalents per the Statement of Net Position:	
Current assets - cash and cash equivalents	50,079,113
Current assets - restricted cash and cash equivalents	1,594,246
Noncurrent assets - restricted cash and cash equivalents	44,579,583
Total cash and cash equivalents per the Statement of Net Position	$ 96,252,942

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, 2024

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$	(33,854,081)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense		43,710,058
Revenue distribution payment to facility manager		(2,401,578)
Change in assets, liabilities, deferred outflows, and deferred inflows:		
(Increase) Decrease in accounts receivable		4,603,288
(Increase) Decrease in prepaid items		(286,804)
Increase (Decrease) in net pension liability and related deferred inflows and deferred outflows		(10,307)
Increase (Decrease) in salaries and compensated absences payable and accounts and other payables		(470,303)
Increase (Decrease) in unearned revenues		(49,024)
Increase (Decrease) in advance deposits and ticket sales		818,916
Increase (Decrease) in deferred inflows related to leases		(11,526,620)
Total adjustments		34,387,626
Net cash provided (used) by operating activities	$	533,545
Noncash investing, capital, and financing activities:		
Increase/(decrease) in fair value of investments	$	40,076

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

The Minnesota Sports Facilities Authority (Authority) was established pursuant to Minnesota Statutes, Section 473J.07, as amended. The Authority is comprised of five commissioners: the chair and two commissioners appointed by the governor of Minnesota and two commissioners appointed by the mayor of the city of Minneapolis. Commissioners 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, and directs business and administrative procedures.

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 primary government is financially accountable. Financial accountability is defined as:

a. Appointment of a voting majority of an organization's governing body and either (1) the ability to impose will by the primary government or (2) the possibility that the organization 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 was 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.

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: net investment in capital assets, restricted, and unrestricted. The statement of

I. Summary of significant accounting policies (continued)

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 and cash equivalents

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. Certain cash and cash equivalents balances are restricted for the SBL program, commemorative brick program, and capital improvements.

2. Receivables

   a. Accounts and other receivables

   Accounts and other receivables consist of estimates of amounts due for commissions from Aramark, stadium event revenues from promoters, and amounts due for ticket revenues and shared fee revenue from the ticketing vendor.

   b. Lease receivable

   The Authority's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under some lease agreements, the Authority may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

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

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 insurance costs and software and maintenance agreement 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 stadium construction inception. The insurance carrier for the owner-controlled insurance program maintains the loss reserve fund. Insurance costs are expensed when incurred.

I. Summary of significant accounting policies (continued)

5. Capital and right-to-use assets

Capital assets include land, buildings, building equipment, land improvements, equipment, and construction in progress. Capital assets are defined by the Authority as assets or groups of 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.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term and payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term with applicable and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized as an outflow of resources over the subscription term.

Capital and right-to-use assets are depreciated or amortized over their estimated useful lives using the straight-line method. Land is 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
Right-to-use assets	
Land improvements	25 years
Building equipment	5 – 10 years
Subscription assets	3 – 30 years

6. Payroll liabilities and unearned revenue

a. Salaries and compensated absences payable

Salaries and compensated absences payable include salaries and benefits incurred and unpaid as of June 30, 2024. 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. Advance ticket sales and deposits

Revenues related to advance ticket sales for events that have not yet occurred are recorded as unearned until the event has been held at U.S. Bank Stadium. This includes ticket rebates, consisting of service and facility fees, which relate to events that have yet to occur. 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 once the event has occurred. Deposits represent payments received from event organizers in advance of an event.

I. Summary of significant accounting policies (continued)

c. Unearned revenues

Unearned revenues primarily consist of the unamortized amount of the capital investments from Aramark, Minnesota Vikings, and ASM Global. Amounts received in advance of an event are also recorded as unearned until the event has been held.

7. Lease liabilities and Right-to-use assets

The Authority determines if an arrangement is a lease at inception. Leases are included in right-to-use assets and lease liabilities in the statement of net position. Right-to-use assets represent the Authority's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Right-to-use assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Right-to-use assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Authority's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Authority will exercise that option.

The Authority recognizes payments for short-term leases with a lease term of twelve months or less as expenses when incurred and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position.

The Authority accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the Authority treats the components as a single lease unit.

8. Subscription-Based Information Technology Arrangements (SBITAs)

The Authority determines if an arrangement is a SBITA at inception. SBITAs are included in subscription assets and subscription liabilities in the Statement of Net Position. SBITA subscription liabilities represent the Authority's obligation to make SBITA payments arising from the arrangement. SBITA subscription liabilities are recognized at the commencement date based on the present value of expected SBITA payments over the SBITA term, less any SBITA vendor incentives. Interest expense is recognized ratably over the contract term.

9. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Minnesota State Retirement System (MSRS) and additions to/deductions from MSRS' fiduciary net position have been determined on the same basis as they are reported by MSRS. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

I. Summary of significant accounting policies (continued)

10. 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 assets 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.

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 assets 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 and leases.

11. 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, 2024 the Authority had three categories of net position: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets is the amount of net position representing capital and right-to-use assets net of accumulated depreciation and amortization and related liabilities.
- 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 net investment in capital assets.

The Authority will first apply restricted resources then unrestricted resources when an expense occurs for which both are available.

12. 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 (city of Minneapolis) and the Minnesota Vikings, lease revenues, stadium operating revenues, and other revenues. The major revenue generating activities for the stadium are concerts, consumer shows, trade shows, sporting events and other event rentals. Stadium operating revenues include rent, service revenues, food and beverage, advertising, ticket rebates and facility fees, suite tickets, and other revenues.

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

I. Summary of significant accounting policies (continued)

and maintenance, operational supplies, insurance, and utilities. All revenues and expenses not meeting this definition and other related activities are reported as nonoperating revenues and expenses.

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

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 to 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 where the amount of collateral shall be at least equal to the amount on deposit at the close of the financial institution's banking day. The Authority holds a letter of credit from the Federal Home Loan Bank of Cincinnati for $3,000,000. On June 30, 2024, the carrying amount of the Authority's combined demand deposit bank accounts was $40,560,347. Bank balances were $41,241,887 of which $41,154,833 was invested in commercial paper and $87,054 was covered by federal depository insurance. On June 30, 2024, the balance in the money markets account was $55,692,595.

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 not to exceed 270 days.

C*redit 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,

II. Detailed notes (continued)

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, Chapter 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 was 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, 2024.

Following is a summary of the carrying amount of cash and cash equivalents at June 30, 2024:

Security Type	Credit Risk	Custodial Credit Risk	Maturities	Carrying Amount	% of Total
Cash and cash equivalents	(a)	(b) (c)	n/a	$ 92,252,942	100%

(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

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, 2024. 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 marketplace. 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.

II. Detailed notes (continued)

> **Level 2:** Investments have inputs, other than quoted prices within Level 1, which 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 Authority did not hold any investments at June 30, 2024.

C. Capital and Right-to-Use assets

Capital and right-to-use asset activity for the year ended June 30, 2024, was as follows:

Capital assets, not being depreciated:	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Land	$ 31,983,174	$ -	$ -	$ 31,983,174
Construction in progress	2,685,902	15,721,410	(14,181,917)	4,225,395
Total capital assets, not being depreciated	34,669,076	15,721,410	(14,181,917)	36,208,569
Capital assets, being depreciated:				
Buildings	860,270,853	-	-	860,270,853
Building equipment	100,621,384	442,465	-	101,063,849
Land improvements	32,838,177	11,391,772	(416,343)	43,813,606
Equiment	132,862,276	5,029,699	(5,420,323)	132,471,652
Total capital assets, being depreciated	1,126,592,690	16,863,936	(5,836,666)	1,137,619,960
Right-to-Use Assets, being amortized:				
Land improvements	5,929,765	-	-	5,929,765
Building equipment	1,174,582	-	-	1,174,582
Equipment	180,604	-	-	180,604
Total right-to-use assets, being amortized	7,284,951	-	-	7,284,951
Less: Accumulated depreciation for:				
Buildings	(201,410,999)	(28,678,552)	-	(230,089,551)
Building equipment	(48,423,778)	(6,765,001)	-	(55,188,779)
Land improvements	(11,424,159)	(1,675,502)	164,755	(12,934,906)
Equiment	(88,483,842)	(6,161,838)	5,412,398	(89,233,282)
Total accumulated depreciation	(349,742,778)	(43,280,893)	5,577,153	(387,446,518)
Less: Accumulated amortization for:				
Building equipment	(293,646)	(146,823)	-	(440,469)
Land Improvements	(316,254)	(237,191)	-	(553,445)
Subscription assets	(45,150)	(45,151)	-	(90,301)
Total accumulated amortization	(655,050)	(429,165)	-	(1,084,215)
Total capital and right-to-use assets, being depreciated/amortized, net	783,479,813	(26,846,122)	(259,513)	756,374,178
Total capital and right-to-use assets, net	$ 818,148,889	$ (11,124,712)	$ (14,441,430)	$ 792,582,747

D. Lease receivables

The Authority recorded a lease receivable and deferred inflow of resources based on the present value of expected receipts over the term of the agreement. The expected receipts are discounted using an estimated interest rate as the Authority does not have bonding authority or other finance type arrangements. Variable payments are excluded from the valuation unless they are fixed in substance. During the year ended June 30, 2024, the Authority recognized revenue related to this agreement of $13,560,729.

II. Detailed notes (continued)

The Authority entered into a Stadium Use Agreement with the Minnesota Vikings and in accordance with GASB Statement No. 87 *Leases*, this agreement is referred to as a lessor agreement. The agreement commenced on June 17, 2016 and is in place for 30 years. The

agreement also includes two optional 10-year renewal periods, which were excluded from the initial calculation as it is undetermined if those options will be exercised at this time. Payments are made in the form of an operating payment which is due monthly each year from July through December and a capital payment which is due in January each year. The agreement also includes an annual increase of three percent per year, and this was factored into the present value of the receipts for the initial recording. The discount rate used for the agreement was 1.67 percent.

The Authority's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the applicable lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Year Ending	Principal	Interest	Total
2025	$ 7,444,356	$ 5,251,847	$ 12,696,203
2026	7,953,444	5,123,645	13,077,089
2027	8,482,614	4,986,788	13,469,402
2028	9,032,548	4,840,936	13,873,484
2029	9,603,953	4,685,736	14,289,689
2029 - 2034	57,394,553	20,747,321	78,141,874
2034 - 2039	75,347,197	15,240,652	90,587,849
2039 - 2044	96,925,999	8,090,145	105,016,144
2044 - 2049	45,691,810	804,599	46,496,409
Totals	$ 317,876,474	$ 69,771,669	$ 387,648,143

E. 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, Chapter 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. Employee and employer contributions were funded at 100.0 percent of the required contributions set by statute.

   Minnesota Statutes, Section 352.04 requires that eligible employees contribute 5.5 percent of their total compensation to the fund. Participating employers are also required to contribute 6.25 percent to this fund. The Authority's contribution to the General Plan for the year ended June 30, 2024 was $23,095. 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

II. Detailed notes (continued)

are vested after three 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, Suite #300, St Paul, Minnesota 55103 or by calling (651) 296-2761 or 1-800-657-5757 or via e-mail at info@msrs.us.

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. It also includes full benefits under the Rule of 90 (age plus years of allowable service equals 90). 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). 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 with full benefits at normal retirement age.

Annuitants receive post-retirement benefit increases of 1.0 percent through 2023, 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, 2024, the Authority reported a liability of $96,080 for its proportionate share of MSRS' net pension liability. The net pension liability was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the contributions received by MSRS during the measurement period July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of MSRS' participating employers. At June 30, 2023 the Authority's proportion was .010 percent.

The following change in actuarial assumptions affected the measurement of the total pension liability since the prior measurement date:

- The investment rate of return and single discount rates increased from 6.75 percent to 7.00 percent.

The following changes in plan provisions were made since the prior measurement date:

- The member contribution rate was changed from 6.00 percent to 5.50 percent of pay for two years, effective July 1, 2023.
- A one-time direct state aid contribution of $76.4 million will be contributed to the Plan on October 1, 2023.
- The benefit increase delay for early retirements on or after January 1, 2024 was eliminated.
- A 1.00 percent one-time, non-compounding benefit increase will be payable in a lump sum by March 31, 2024.
- The vesting period for members hired after June 30, 2010 was changed from five years to three years.

II. Detailed notes (continued)

For the year ended June 30, 2024, the Authority recognized pension expense of $12,788 for its proportionate share of the MSRS-SERF pension expense. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,550	$ 661
Changes in assumptions	75,007	80,934
Differences between projected and actual investment earnings	-	9,581
Changes in proportion and differences between actual contributions and proportionate share of contributions	259	53,707
Contributions paid to MSRS subsequent to measurement date	23,095	-
	$ 109,911	$ 144,883

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, 2025. 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)
2025	$ (44,437)
2026	(10,659)
2027	13,130
2028	(16,101)
Total pension expense(income)	$ (58,067)

d. Actuarial Assumptions

The Authority's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent per year
Active Member Payroll Growth	3.00 percent per year
Long-Term Expected Rate of Return	7.00 percent per year

Salary increases were based on service-related rates. Mortality rates were based on Pub-2010 mortality tables using projection scale MP-2018, adjusted by a multiplier to match fund experience. Actuarial assumptions are based on experience studies conducted every four years.

The Minnesota State Board of Investment (SBI) invests all state funds and manages the investments of MSRS. To match the long-term nature of pension obligations, SBI maintains a strategic asset allocation that includes allocations to public equity, fixed income, and private markets. The long-term expected rate of return is based on an asset allocation completed by SBI in 2016. The SBI's long-term expected rate of return was determined using a building-block method. Best estimates of future real rates of return (expected returns, net of inflation)

II. Detailed notes (continued)

were developed for each 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 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 current SBI Target Asset Allocations and Long-Term Expected Real Rate of Return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Geometric Mean)
Domestic Equity	33.5%	5.00%
International Equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Total	100.0%	

e. Single discount rate

Projected benefit payments are discounted to their actuarial present values using a single discount rate. The single discount rate reflects 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 a tax-exempt municipal bond rate based on an index of 20-year general obligations bonds with an average AA credit rating for the remaining years. The fiduciary net position of SERF was projected to be available to make all future benefit payments of current plan members through fiscal year 2123. 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 7.00 percent, an increase of .25 percent from the single discount rate that was used in fiscal year 2023.

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 current single discount rate of 7.00 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 one percentage-point lower (6.00 percent) or one percentage-point higher (8.00 percent) than the current rate:

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Authority's proportionate share of the net pension liability	$ 323,898	$ 96,080	$ 78,826

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

II. Detailed notes (continued)

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

   The MSRS-UER is a tax-deferred, defined contribution fund entirely composed of a single, multiple-employer, defined contribution plan. Minnesota Statutes, Section 352D.01, authorized creation of this plan. Participation is limited to certain, specific employees of the State of Minnesota and various statutorily designated entities. The Authority's Executive Director participated 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 of a defined contribution plan and a defined benefit plan.

   Minnesota Statutes, Section 352D.04, subdivision 2, requires a contribution rate of 5.50 percent of salary from participating employees. The employer contribution rate is 6.25 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 59 ½. Monthly benefits are available to terminated participants at age 55 or later, regardless of the individual's length of service. Participants aged 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 to the General Plan, at the participant's option, 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
2024	$ 6,664

F. Long-term Liabilities

1. Lease liabilities

On November 20, 2015, the Authority entered into an agreement to lease land improvements, 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 on February 28, 2047. The initial lease liability for this land improvement was $5,741,500. The discount rate used for the agreement was 1.71 percent.

The Authority also entered into an agreement to lease equipment for air purification equipment in the stadium. The lease period began June 15, 2019 and will expire on June 15, 2029. The initial lease liability for this equipment was $1,174,582. The discount rate used for the agreement was 0.8 percent.

II. Detailed notes (continued)

2.Subscription-Based Information Technology Arrangements
The Authority entered into SBITAs for firewall software. The SBITA began September 24, 2021 and expires on September 24, 2026.

Schedule of changes in long-term liabilities:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Long-term lease liabilities	$ 6,489,605	$ -	$ 304,623	$ 6,184,982
Long-term subscription liabilities	136,570	-	44,771	91,799
Total long-term liabilities	$ 6,626,175	$ -	$ 349,394	$ 6,276,781

Total future minimum lease payments under the lease agreements are as follows:

Year Ending	Principal	Interest	Total
2025	$ 401,397	$ 95,296	$ 496,693
2026	366,514	90,612	457,126
2027	371,266	85,860	457,126
2028	376,088	81,039	457,127
2029	366,419	76,147	442,566
2029 - 2034	1,089,182	322,808	1,411,990
2034 - 2039	1,186,332	225,658	1,411,990
2039 - 2044	1,292,147	119,843	1,411,990
2044 - 2049	735,637	17,424	753,061
Totals	$ 6,184,982	$ 1,114,687	$ 7,299,669

Total future minimum subscription payments under SBITA are as follows:

Year Ending	Principal	Interest	Total
2025	$ 45,519	$ 954	$ 46,473
2026	46,280	192	46,472
Totals	$ 91,799	$ 1,146	$ 92,945

Right-to-use assets acquired through outstanding leases and SBITAs are shown below, by underlying asset class.

Building equipment	$ 1,174,582
Land improvement	5,929,765
Subscription assets	180,604
Less: assumulated amortization	(1,084,215)
Total right-to-use assets, net of amortization	$ 6,200,736

III. Other information

A. Risk management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and 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 liability (none), automobile/garage keepers liability ($1,000 deductible hired auto physical damage, $1,000 comprehensive deductible, and $1,000 collision deductible per auto), crime insurance ($10,000, except for a $5,000 deductible for social engineering fraud and a $1,000 deductible for telecommunication fraud), workers compensation (none), public officials and employee liability insurance ($25,000 and $50,000 for employment practices), cyber/privacy liability ($25,000 per claim), property ($1,000,000 for snow, sleet, or ice perils, $2,500,000 for hail perils, a $50,000 deductible for the Vikings ship, and $100,000 for all other perils), property insurance buy down deductible ($500,000 for snow, sleet or ice), property insurance buy down deductible ($500,000 for hail) 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.

B. 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 the 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 an annual operating cost payment and an annual capital cost 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 amendments into this agreement. This amended and restated use agreement superseded and replaced the prior agreements. This agreement is reflected as a lease receivable in accordance with GASB Statement No. 87, *Leases*.

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

III. Other information (continued)

Ramp and the Stadium Parking Ramp 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, now known as ASM Global, who is responsible for managing, operating, maintaining and marketing U.S. Bank Stadium for ten years commencing with the stadium opening (operating period) with an option to extend the agreement for an additional five years. ASM Global is required to operate in accordance with certain policies of the Authority.

The agreement required ASM Global to pay the Authority $2,750,000 for capital investment costs by April 1, 2016. On June 30, 2017, ASM Global contributed an additional $250,000 for event marketing. The unamortized capital investment will be paid to ASM Global 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, 2024 was $533,694.

The agreement also required ASM Global to guarantee $6,750,000, increased by 2.0 percent each year, of 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 eighth year of operations was $7,452,546. The agreement assigns ASM Global 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.

On May 20, 2021, the Authority executed an amendment to the agreement to adjust revenue sharing and ASM Global's compensation, and to make other changes due to COVID-19 and its impact on stadium events. The parties agreed to the following: a reduction in the NOI guarantee of $225,000 per year beginning with the current fiscal year and continuing through the end of the agreement, deferral of the NOI shortfall payment for years ending June 30, 2020, 2021, and 2022 until excess funds are paid to the Authority or the end of the agreement, annual management fee of $350,000, which is increased by 2.0 percent a year beginning with the current fiscal year through the end of the agreement, and the term of the agreement was extended to June 30, 2032.

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 (Aramark) 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, 2024 was $2,088,710.

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, 2024.

C. Contingencies

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

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

Measurement Date	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	4751.00
2017	0.014%	1,038,507	383,628	270.71	62.73
2018	0.012%	162,375	367,562	44.18	90.56
2019	0.016%	225,096	494,074	45.56	90.73
2020	0.012%	159,380	380,884	41.84	91.25
2021	0.012%	9,786	390,352	2.51	99.53
2022	0.011%	180,763	381,379	47.40	90.60
2023	0.010%	96,080	356,566	26.95	94.54

The measurement date is June 30 of each year.

[1] 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	29,089	29,089	-	494,074	5.89
2020	23,805	23,805	-	380,884	6.25
2021	24,397	24,397	-	390,352	6.25
2022	23,836	23,836	-	381,379	6.25
2023	22,285	22,285	-	356,566	6.25
2024	23,095	23,095	-	369,520	6.25

[1] The amounts presented for 2014 and 2015 were determined as of December 31.
[2] The amounts presented for 2017 were for the 18-month fiscal period from January 1, 2016 through June 30, 2017.
[3] The amounts presented for 2018-2023 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 to assess the Authority's economic condition.

MINNESOTA SPORTS FACILITIES AUTHORITY

LIST OF STATISTICAL TABLES

MINNESOTA SPORTS FACILITIES AUTHORITY
Net Position by Component
Last Ten Fiscal Years

Table 1.1

Fiscal Period	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2024	$ 779,287,616	$ 47,634,443	$ 45,737,108	$ 872,659,167
2023	811,522,713	46,363,608	31,914,272	889,800,593
2022	856,803,912	20,454,094	23,927,810	901,185,816
2021	904,052,091	19,447,786	4,230,223	927,730,100
2020	953,867,695	21,845,565	4,838,875	980,552,135
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

1 Net position for 2014 and 2015 is reported as of December 31 of each year.
2 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
Changes in Net Position
For the Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2015	2014
Operating revenues:										
Operating payments from State of Minnesota (city of Minneapolis) and Minnesota Vikings	$ 7,626,408	$ 7,262,810	$ 6,538,586	$ 16,185,325	$ 15,907,958	$ 15,569,573	$ 15,146,301	$ 20,910,210	$ -	$ -
Lease revenue	11,526,620	11,526,620	11,526,620	-	-	-	-	-	-	-
Stadium operating revenues	43,832,603	36,893,416	23,069,152	2,811,521	14,142,738	30,897,106	29,656,584	23,589,302	-	-
Charges for services	-	-	-	-	-	-	-	-	-	13,067
Other	88,099	583,841	438,235	2,256,361	2,022,141	1,390,377	94,107	1,779,062	44,993	45,816
Parking operations and related revenues	-	-	-	-	-	-	-	-	524,455	405,166
Total operating revenues	63,073,730	56,266,687	41,572,593	21,253,207	32,072,837	47,857,056	44,896,992	46,278,574	569,448	464,049
Operating expenses:										
Concession costs		-	-	-	-	-	-	-	-	221,220
Personal services	616,856	515,763	389,693	604,003	660,059	361,383	560,909	1,611,570	1,057,640	1,841,609
Professional services	1,049,802	1,013,467	987,603	1,450,545	1,385,177	1,224,722	1,795,052	2,797,081	865,679	616,112
Contractual services	-	-	-	-	-	-	-	-	-	68,521
Supplies, repairs and maintenance	888,955	2,097,304	1,324,155	1,191,647	920,323	910,439	1,268,687	1,256,214	273,015	214,056
Utilities	-	-	-	-	-	-	-	-	-	96,842
Rent	552,185	580,568	700,541	286,957	800,699	796,939	746,505	1,432,607	171,462	172,210
Insurance	-	-	-	-	-	-	-	-	58,518	113,373
Parking operations	-	-	-	-	-	-	-	-	235,013	719,573
Miscellaneous/other	630,159	409,488	306,330	588,778	311,155	803,290	3,203,500	901,419	294,954	203,832
Stadium operating expenses	49,479,796	44,676,897	32,916,861	14,368,751	25,106,754	44,338,597	37,417,765	32,143,313	-	-
Depreciation and amortization	43,710,058	49,311,288	48,948,196	50,751,793	50,795,764	50,675,172	50,459,104	51,313,184	318,463	292,293
Total operating expenses	96,927,811	98,604,775	85,573,379	69,242,474	79,979,931	99,110,542	95,451,522	91,455,388	3,274,744	4,559,641
Total operating income (loss)	(33,854,081)	(42,338,088)	(44,000,786)	(47,989,267)	(47,907,094)	(51,253,486)	(50,554,530)	(45,176,814)	(2,705,296)	(4,095,592)
Nonoperating revenues (expenses)	12,536,234	11,113,687	6,685,725	(9,404,790)	(8,052,434)	2,088,342	1,664,664	(1,652,928)	(327,314)	1,765,515
Income (loss) before capital contributions	(21,317,847)	(31,224,401)	(37,315,061)	(57,394,057)	(55,959,528)	(49,165,144)	(48,889,866)	(46,829,742)	(3,032,610)	(2,330,077)
Capital contributions	4,176,421	19,839,178	10,770,777	4,572,022	28,765,457	7,071,937	6,462,962	224,045,579	511,883,685	334,047,793
Change in net position	$ (17,141,426)	$ (11,385,223)	$ (26,544,284)	$ (52,822,035)	$ (27,194,071)	$ (42,093,207)	$ (42,426,904)	$ 177,215,837	$ 508,851,075	$ 331,717,716

1 Net position for 2014 and 2015 is reported as of December 31 of each year.
2 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.
3 The Authority adopted GASB Statement No. 87, *Leases*, effective July 1, 2021 and began to recognize lease revenues.

Unaudited
Source: Authority Finance department

MINNESOTA SPORTS FACILITIES AUTHORITY **Table 2.1**

User Fee Revenues by Source

For the Last Ten Fiscal Years

Fiscal Period	Operating Payments	Lease Revenues	Stadium Operating Revenues	Parking Operations	Charges for Services	Other	Total
2024	$ 7,626,408	$ 11,526,620	$ 43,832,603	$ -	$ -	$ 88,099	$ 63,073,730
2023	7,262,810	11,526,620	36,893,416	-	-	583,841	56,266,687
2022	6,538,586	11,526,620	23,069,152	-	-	438,235	41,572,593
2021	16,185,325	-	2,811,521	-	-	2,256,361	21,253,207
2020	15,907,958	-	14,142,738	-	-	2,022,141	32,072,837
2019	15,569,573	-	30,897,106	-	-	1,390,377	47,857,056
2018	15,146,301	-	29,656,584	-	-	94,107	44,896,992
2017	20,910,210	-	23,589,302	-	-	1,779,062	46,278,574
2015	-	-	-	524,455	-	44,993	569,448
2014	-	-	-	405,166	13,067	45,816	464,049

1 Revenues by source for 2014 and 2015 are reported as of December 31 of each year.
2 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.
3 Operating payments include payments from the State of Minnesota (city of Minneapolis) and the Minnesota Vikings for U.S. Bank Stadium
4 Stadium operating revenues include all revenues from U.S. Bank Stadium operations
5 The Authority adopted GASB Statement No. 87, Leases, effective July 1, 2021 and began to recognize lease revenues.

Unaudited
Source: Authority Finance department

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

Table 3.1

Fiscal Year	Population (1,3)	Personal Income (In Millions) (1,3)	Per Capita Income (1,3)	Unemployment Rate (2)
2023	3,693,729	$ 277,635	$ 75,164	2.4%
2022	3,693,729	277,635	75,164	2.4%
2021	3,690,987	268,164	72,654	2.6%
2020	3,657,477	245,833	67,214	4.5%
2019	3,640,043	233,890	64,255	3.0%
2018	3,614,162	227,292	62,889	2.8%
2017	3,600,618	215,087	59,736	3.3%
2016	3,551,036	201,427	56,723	3.6%
2015	3,518,252	195,613	55,599	3.5%
2014	3,491,838	186,385	53,377	4.0%

Unaudited

Sources:

[1] Metropolitan Council Annual Comprehensive Financial Report 12/31/2023-information from U.S. Commerce Department and Bureau of Economic Anlaysis for the Minneapolis-St. Paul Metropolitan Statistical Area.

[2] State of Minnesota, department of Employment and Economic Development (seven-county area)

[3] 2024 data not available at time of report.

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

Table 3.2

	Number of Minnesota Only Employees in thousands (except percentage)					
	2023			2014		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
State of Minnesota	53	1	2.67%	55	1	2.98%
Mayo Clinic	49	2	2.47%	41	2	2.22%
Fairview Health Services	38	3	1.92%	21	9	1.14%
Target Corporation	35	4	1.77%	31	4	1.68%
United States Federal Goverı	34	5	1.72%	31	3	1.68%
Allina Health System	29	6	1.46%	27	5	1.47%
University of Minnesota	27	7	1.36%	25	6	1.36%
HealthPartners, Inc.	25	8	1.26%	22	7	1.19%
Wal-Mart Stores, Inc.	24	9	1.21%	22	8	1.19%
UnitedHealth Group, Inc.	19	10	0.96%	-	-	-
Wells Fargo Minnesota	-		-	20	10	1.09%
Total	333		16.80%	295		16.00%

Unaudited

Source: Metropolitan Council Annual Comprehensive Financial Report 12/31/2023-State of Minnesota Department of Employment and Economic Development, Minneapolis-St. Paul Business Journal, July 13, 2023.

Note: Available list covers employment for entire State of Minnesota.
State of Minnesota includes Minnesota State Colleges & Universities.

MINNESOTA SPORTS FACILITIES AUTHORITY
Ratios of Outstanding Debt/Liabilities by Type
Last Three Fiscal Years

Table 4.1

Fiscal Period	Lease Liability[3]	Subscription Liability[3]	Total	Percentage of Personal Income[2]	Per Capita[2]
2024	$ 6,184,982	$ 91,799	$ 6,276,781	0.0023%	$ 1.70
2023	6,489,605	136,570	6,626,175	0.0025%	1.80
2022	6,768,508	-	6,768,508	0.0026%	1.83

`

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

[2] See the demographic and economic statistics table for personal income and population data. All ratios are calculated using personal income and population from prior calendar year.

[3] Lease liability related to GASB Statement No. 87 and Subscription liability related to GASB Statement No. 96.

Unaudited
Source: Authority Finance department

MINNESOTA SPORTS FACILITIES AUTHORITY
Full-Time Employees by Department
Last Ten Fiscal Years

Table 5.1

Fiscal Year	Administrative	Total
2024	3	**3**
2023	3	3
2022	2	2
2021	4	4
2020	4	4
2019	4	4
2018	5	5
2017	5	5
2015	8	8
2014	10	10

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

A COMPONENT UNIT OF THE STATE OF MINNESOTA

Finance Department • 1005 Fourth Street South • Minneapolis, MN 55415 • msfa.com

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Board of Commissioners
Minnesota Sports Facilities Authority
Minneapolis, Minnesota

We have audited the financial statements of the Minnesota Sports Facilities Authority (Authority) as of and for the year ended June 30, 2024, and have issued our report thereon dated October 10, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our statement of work dated July 11, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Minnesota Sports Facilities Authority are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2024.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 10, 2024.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor's work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the introductory and statistical sections. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

This communication is intended solely for the information and use of the Board of Commissioners and management of the Minnesota Sports Facilities Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 10, 2024

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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*

Board of Commissioners
Minnesota Sports Facilities Authority
Minneapolis, Minnesota

We have audited, in accordance with 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 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, 2024, and the related notes to the financial statements, which collectively comprise the Minnesota Sports Facilities Authority's basic financial statements, and have issued our report thereon dated October 10, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements we considered the Minnesota Sports Facilities Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Minnesota Sports Facilities Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Minnesota Sports Facilities Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Minnesota Sports Facilities Authority‘s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this communication is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 10, 2024

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

Minnesota Sports Facilities Authority

Year Ending June 30, 2024

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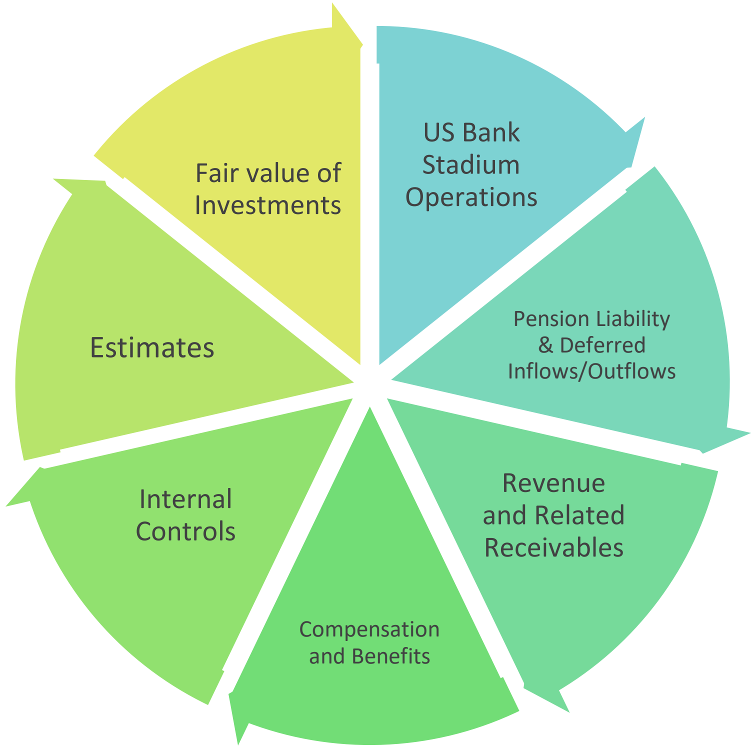
Overview

Overview of the Audit Process

Audit Results

Governance Communication

Financial Statement Audit Process - Risk Assessment



Audit Approach - Financial Statement Audit

- Planning Process
- IT Understanding
- Internal Controls – Understanding design and walkthrough of effectiveness as well as expanded tests of certain controls
- Separate audit of ASM Global/US Bank Stadium's Operations

Audit Results

Opinion

- Unmodified Opinion – Financial Statements

Adjustments and Results

- No material audit adjustments
- No financial reporting deficiencies

Governance Communication Letter

Overall

- Purpose is to provide an update on the audit since the planning meeting
- No changes in scope of audit

Difficulties

- No difficulties encountered
- No disagreements encountered
- No other findings to report

Other

- No material adjustments recorded
- No uncorrected or waived misstatements

Questions and Feedback

We welcome any questions pertaining to the audit, governance communication letter, management letter or other matters related to the engagement

We appreciate the opportunity to serve as the auditors for the Minnesota Sports Facilities Authority!

Chris Knopik, CPA, CFE

Principal

612-397-3266

Christopher.Knopik@CLAconnect.com

CLAconnect.com

CPAs | CONSULTANTS | WEALTH ADVISORS

Exhibit E

MINNESOTA SPORTS FACILITIES AUTHORITY

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

MEMORANDUM

TO: MSFA Commissioners

FROM: Michelle Hoffman, Director of Finance

DATE: October 31, 2024

SUBJECT: Q4 - 2023-2024 Budget Report as of June 30, 2024

Attached is the Q4 Budgetary Comparison Report for the period from July 1, 2023 through June 30, 2024 for the MSFA's operating account, capital reserve account, and concession capital reserve account. Following is a high-level summary of the accounts' activities for the fiscal year ended June 30, 2024:

Operating Account

The operating account is used to account for the MSFA's operations including ASM Global's operation of U.S. Bank Stadium.

OPERATING ACCOUNT	2023-2024 Original Budget	2023-2024 Amended Budget	Q4 – Actual* 7/01/23-6/30/24
Operating revenues	$48,939,020	$48,939,020	$63,073,730
Operating expenses	($44,952,280)	($44,952,280)	($52,646,776)
Operating income/(loss)	$3,986,740	$3,986,740	$10,426,954
Net nonoperating revenues/(expenses)	$1,080,000	$1,080,000	$7,657,300
Transfer to Capital Reserve Account	($7,000,000)	($7,000,000)	($7,000,000)
Change in Account Balance	($1,933,260)	($1,933,260)	$11,084,254
Beginning Operating Account Balance	$30,491,241	$30,491,241	$30,491,241
Ending Operating Account Balance	**$28,557,981**	**$28,557,981**	**$41,575,495**

* Note: The Authority implemented Governmental Accounting Standards Board Statement No. 87, Leases, beginning in fiscal year 2022. This required recognition of lease revenues in the operating and capital reserve accounts and reductions in the operating and capital payment revenues from the Minnesota Vikings in these accounts. The Authority also recognized (lease) interest expense in the operating and capital reserve accounts related to the stadium purification system and reduced stadium commitments expense in the operating account and capital expense in the capital reserve account.
The Authority implemented Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangement*s beginning in the prior fiscal year. As a result of this implementation the Authority recognized interest expense in the capital reserve account.
During this fiscal year the Minnesota Vikings made operating payments that totaled $10,453,928 and a capital payment of $1,900,155 per the terms of the Stadium Use Agreement.

Capital Reserve Account

The capital reserve account is used to account for the stadium's capital improvement projects including the Secured Perimeter Project-Phase I.

CAPITAL RESERVE ACCOUNT	2023-2024 Original Budget	2023-2024 Amended Budget	Q4 – Actual* 7/01/23-6/30/24
Capital revenues	$5,496,703	$5,496,703	$7,054,112
Capital expenses	($25,710,411)	($33,510,411)	($17,844,091)
Net income/(loss)	($20,213,708)	($28,013,708)	($10,789,979)
Transfer from Operating Account	$7,000,000	$7,000,000	$7,000,000
Change in Account Balance	($13,213,708)	($21,013,708)	($3,789,979)
Beginning Capital Reserve Account Balance	$43,067,577	$43,067,577	$43,067,577
Ending Capital Reserve Account Balance	**$29,853,869**	**$22,053,869**	**$39,277,598**

Concession Capital Reserve Account

The concession capital reserve account is used to account for the stadium's concession capital improvement projects.

CONCESSION CAPITAL RESERVE ACCOUNT	2023-2024 Original Budget	2023-2024 Amended Budget	Q4 – Actual 7/01/23-6/30/24
Concession capital reserve revenues	$800,000	$800,000	$987,746
Concession capital reserve expenses	($655,674)	($1,718,514)	($1,352,121)
Net income/(loss)	$144,326	($918,514)	($364,375)
Transfers	-	-	-
Change in Account Balance	$144,326	($918,514)	($364,375)
Beginning Concession Capital Reserve Account Balance	$1,786,381	$1,786,381	$1,786,381
Ending Concession Capital Reserve Account Balance	**$1,930,707**	**$867,867**	**$1,422,006**

SUMMARY OF CASH AND INVESTMENTS
As of June 30, 2024

Description	Amount
Cash and Cash Equivalents:	
U.S. Bank – operating and payroll accounts (DDA)	$223,054
U.S. Bank – SBL account (DDA)	$1,353,394
U.S. Bank – ASM Global managed accounts (DDA) operating, box office, event marketing, and cash on hand	$38,983,899
U.S. Bank investment account:	
Money Market – (Includes Operating of $11.01M, Capital reserve of $35.03M, Secured Perimeter project of $6.98M, Concession Capital reserve of $2.56M)	$55,692,595
Total Cash and Cash Equivalents	**$96,252,942**

The Q4 – July 1, 2023 – June 30, 2024 Budget Comparison Summary is attached.

MINNESOTA
SPORTS FACILITIES
AUTHORITY

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

YEAR 2023-2024 BUDGET
Operating Account, Capital Reserve Account, Concession Capital Reserve Account
Q4 - July 1, 2023 to June 30, 2024

Operating Account	2023-2024 Original Budget	2023-2024 Amended Budget as of January 25, 2024	2023-2024 Amended Budget as of May 3, 2024	Q4 Actual 7/1/23-6/30/2024
Revenues:				
Stadium operating payments				
State of Minnesota/City of Minneapolis operating payment	$ 7,362,000	$ 7,362,000	$ 7,362,000	$ 7,626,408
Minnesota Vikings operating payment	$ 10,453,928	$ 10,453,928	$ 10,453,928	$ 11,526,620
Stadium operating revenue-ASM Global	$ 31,058,892	$ 31,058,892	$ 31,058,892	$ 43,832,603
Miscellaneous revenues	$ 64,200	$ 64,200	$ 64,200	$ 88,100
Total operating revenues	$ 48,939,020	$ 48,939,020	$ 48,939,020	$ 63,073,730
Expenses:				
Personal services	$ 855,180	$ 855,180	$ 855,180	$ 616,856
Professional services	$ 1,341,154	$ 1,341,154	$ 1,341,154	$ 1,049,802
Supplies and network support	$ 131,453	$ 131,453	$ 131,453	$ 216,813
Stadium contractual commitments	$ 836,888	$ 836,888	$ 836,888	$ 552,186
Insurance	$ 421,532	$ 421,532	$ 421,532	$ 446,980
Miscellaneous	$ 660,436	$ 660,436	$ 660,436	$ 335,462
Stadium operating expenses-ASM Global	$ 40,705,637	$ 40,705,637	$ 40,705,637	$ 49,428,678
Total operating expenses	$ 44,952,280	$ 44,952,280	$ 44,952,280	$ 52,646,776
Operating income/(loss)	$ 3,986,740	$ 3,986,740	$ 3,986,740	$ 10,426,955
Nonoperating Revenues/(Expenses):				
Revenues-Investment earnings	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 7,657,300
Total nonoperating revenues/(expenses)	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 7,657,300
Net Income/(loss) before transfers	$ 5,066,740	$ 5,066,740	$ 5,066,740	$ 18,084,254
Transfers:				
Transfer to Capital Reserve Account *	$ (7,000,000)	$ (7,000,000)	$ (7,000,000)	$ (7,000,000)
Change in Account Balance	$ (1,933,260)	$ (1,933,260)	$ (1,933,260)	$ 11,084,254
Beginning Operating Account Balance	$ 30,491,241	$ 30,491,241	$ 30,491,241	$ 30,491,241
Ending Operating Account Balance	**$ 28,557,981**	**$ 28,557,981**	**$ 28,557,981**	**$ 41,575,495**

Capital Reserve Account				
Revenues:				
Minnesota Vikings Capital Cost payment	$ 1,900,155	$ 1,900,155	$ 1,900,155	$ 2,891,061
State of Minnesota/City of Minneapolis Capital payment	$ 1,841,000	$ 1,841,000	$ 1,841,000	$ 1,912,481
State of Minnesota/City of Minneapolis Excess Sales Tax	$ 1,755,548	$ 1,755,548	$ 1,755,548	$ 2,250,569
Total revenues	$ 5,496,703	$ 5,496,703	$ 5,496,703	$ 7,054,112
Capital Expenses:	$ 25,710,411	$ 25,710,411	$ 33,510,411	$ 17,844,091
Net Income/(loss) before transfers	$ (20,213,708)	$ (20,213,708)	$ (28,013,708)	$ (10,789,979)
Transfers:				
Transfer from Operating Account	$ 7,000,000	$ 7,000,000	$ 7,000,000	$ 7,000,000
	$ 7,000,000	$ 7,000,000	$ 7,000,000	$ 7,000,000
Change in Account Balance	$ (13,213,708)	$ (13,213,708)	$ (21,013,708)	$ (3,789,979)
Beginning Capital Reserve Account Balance	$ 43,067,577	$ 43,067,577	$ 43,067,577	$ 43,067,577
Ending Capital Reserve Account Balance	**$ 29,853,869**	**$ 29,853,869**	**$ 22,053,869**	**$ 39,277,598**

Concession Capital Reserve Account								
Revenues:								
Concession Capital Reserve payment	$	800,000	$	800,000	$	800,000	$	987,746
Total revenues	$	800,000	$	800,000	$	800,000	$	987,746
Concession Capital Expenses:	$	655,674	$	1,718,514	$	1,718,514	$	1,352,121
Net Income/(loss) before transfers	$	144,326	$	(918,514)	$	(918,514)	$	(364,375)
Beginning Concession Capital Reserve Account Balance	$	1,786,381	$	1,786,381	$	1,786,381	$	1,786,381
Ending Concession Capital Reserve Account Balance	**$**	**1,930,707**	**$**	**867,867**	**$**	**867,867**	**$**	**1,422,006**

* Note: The Authority implemented Governmental Accounting Standards Board Statement No. 87, Leases, in fiscal year 2022. This required recognition of lease revenues in the operating and capital reserve accounts and reductions in the operating and capital payment revenues from the Minnesota Vikings. The Authority also recognized lease interest expense in the operating and capital reserve accounts related to the stadium purification system and reduced stadium expenses in the operating and capital expense in the capital reserve account.
The Authority implemented Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangement* s, in the prior fiscal year. As a result of this implementation the Authority recognized interest expense in the capital reserve account.

During this fiscal year the Minnesota Vikings made operating payments that totaled $10,453,928 and a capital payment of $1,900,155 per the terms of the Stadium Use Agreement.

MINNESOTA SPORTS FACILITIES AUTHORITY

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

MEMORANDUM

TO: MSFA Commissioners

FROM: Mary Fox-Stroman, CFO

DATE: October 31, 2024

SUBJECT: 2024-2025 Property Insurance Program Report

Willis Towers Watson Midwest, Inc. (WTW), our property insurance broker, marketed the Authority's property insurance program, and found that the property insurance marketplace is one of the most challenging they have seen in recent history due to the major losses the carriers have experienced. Natural catastrophes, hurricanes, severe convective thunderstorms, and tornadoes dominate the loss category for insurance claims. These losses have led to a hard property market and caused carriers to reduce capacity, increase rates, and impose more restrictive coverage terms and deductibles in their policies to control their loss exposure. The Authority's property insurance program for the policy period from October 1, 2024, to October 1, 2025, was faced with these issues.

The property program has a layered approach where the primary property layer provides coverage of $1 billion and the excess layer which sits above the primary layer provides coverage of $362 million. The layered approach provides the best pricing and terms for the program. These policies provide coverage for real and personal property, business interruption, and boiler and machinery equipment.

For this renewal American Home Assurance Company (AIG) reduced its capacity for the all-risk property policy primary layer from $1 billion to a limit of $500 million. Other carriers were then approached to fill out the layer, and AXA XL agreed to participate in the primary property layer on a 50%/50% quota share basis with AIG where each carrier provides a coverage limit of $500 million. AIG's premium is $550,000.00 and AXA XL premium is $714,155.00 for a combined premium of $1,264,155.00 including taxes and fees. The policies have a $10 million deductible for hail and wind perils, $1 million deductible for snow, sleet, or ice perils, a $50,000 deductible for the Vikings ship, and a $500,000 deductible for all other perils. These policies do not include terrorism coverage.

AXA XL, who previously wrote the excess layer, declined to participate in the excess layer this year due to their participation in the primary layer coverage. WTW then approached Chubb Bermuda and they agreed to provide the program's excess layer of $362 million limit, for a premium, including taxes and fees, of $208,000.00. This policy includes terrorism coverage.

Deductible buy down policies were purchased for the $10 million deductible for hail and wind perils and for the $1 million deductible for snow, sleet, and ice perils to reduce both deductibles to $500,000 to meet contractual requirements.

Underwriters at Lloyds, London and Starr agreed to provide a quota share approach for a shared limit for the hail and wind buy down deductible policy. The policies buy down the deductible for hail and wind perils from $10 million to $500,000. Starr agreed to a quota share limit of $5 million and Lloyds agreed to a quota share limit of $4.5 million for a total combined limit of $9.5 million, Starr's premium is $341,007.79 and Lloyds' premium is $305,513.60 for a combined premium of $646,521.39 including taxes and fees.

Underwriters at Lloyds, London agreed to provide coverage for the snow, sleet, or ice buy down deductible policy which buys down the deductible for snow, sleet, or ice perils from $1 million to $500,000 for a premium of $103,555.20.

The "stand alone" terrorism insurance coverage also has a layered approach for the $1 billion limit. Underwriters at Lloyds, London (Beazley Syndicate) agreed to provide the primary $500 million coverage for the terrorism policy for a premium of $110,400.15, and Underwriters at Lloyds, London (Amlin Syndicate) agreed to provide the excess coverage limit of $500 million which is excess of the primary terrorism policy limit of $500 million for a premium of $57,408.01 for a combined premium of $167,808.16 including taxes and fees. This policy provides coverage for domestic terrorism, certified and non-certified acts of terrorism and sabotage. Sabotage means an act committed for political, religious, or ideological purposes including the intention to influence any government or to put the public in fear for such purpose. The policy has a deductible of $100,000.

PROPERTY INSURANCE PREMIUM SUMMARY:

POLICY	CARRIER	RATING	2023-2024 PREMIUM	2024-2025 PREMIUM
PROPERTY ALL-RISK-PRIMARY LAYER $1 Billion	AIG-100%	A, XV	$ 881,174.65	
	AIG-50% Quota Share-$500 M	A, XV		$ 550,000.00
	AXA XL-50% Quota Share-$500 M	A+,XV		$ 714,155.00
PROPERTY ALL-RISK-EXCESS LAYER $362 Million	AXA XL Bermuda	A, XV	$ 205,000.00	
	Chubb Bermuda	A++, XV		$ 208,000.00
HAIL and WIND DEDUCTIBLE BUY DOWN-$10 Million	Underwriters at Lloyds, London	A, XV	$ 171,024.50	
	Starr-Quota Share-$5 M/$9.5 M	A, XV		$ 341,007.79
	Underwriters at Lloyds, London-Quota Share-$4.5 M/$9.5 M	A, XV		$ 305,513.60
SNOW, SLEET OR ICE DEDUCTIBLE BUY DOWN-$ 1 Million	Underwriters at Lloyds, London-$500 K	A, XV	$ 119,606.26	$ 103,555.20
TERRORISM $1 Billion	Underwriters at Lloyds, London	A, XV	$ 168,540.24	
	Underwriters at Lloyds, London, Beazley Syndicate-$500 M	A, XV		$ 110,400.15
	Underwriters at Lloyds, London, Amlin Syndicate-$500 M excess of $500 M	A, XV		$ 57,408.01
Broker fee-Willis Towers Watson			$ 55,697.00	$ 59,960.25
	Total		$1,601,042.65	$2,450,000.00
	Increase			$ 848,957.35
	Increase %			53.03%

Recommended Motion:

None.