



**MINNESOTA
SPORTS FACILITIES
AUTHORITY**

2022 LEGISLATIVE REPORT



January 12, 2023

To: Senator Kari Dziedzic
Representative Melissa Hortman
Senator Mark Johnson
Representative Lisa Demuth
Senator Erin Murphy
Representative Ginny Klevorn
Senator Bruce Anderson
Representative Jim Nash
Senator Bobby Joe Champion
Senator Karin Housley
Senator Jeremy Miller
Senator Melissa Wiklund
Representative Esther Agbaje
Representative Paul Anderson
Representative Dave Baker
Representative John Huot
Representative Dave Lislegard

We are pleased to present to you the 2022 legislative report for the Minnesota Sports Facilities Authority (Authority). This report is mandated by Minnesota Statutes, Chapter 473J.09, Subd. 13 and requires the Authority to report annually to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance on the following:

- 1. Any recommended increases in the rate or dollar amount of tax;**
- 2. Any recommended increases in the debt of the Authority;**
- 3. The overall work and role of the Authority;**
- 4. The Authority's proposed operating and capital budgets; and**
- 5. The Authority's implementation of the operating and capital budgets.**

Per Minnesota Statutes 3.197, a report to the legislature must contain the cost of preparing the report, including any costs incurred by another agency or another level of government, at the beginning of the report. This report was prepared by U.S. Bank Stadium staff and no costs were incurred by another agency or another level of government.

The following information includes the Authority's responses to items #1 to #5 as listed above, as well as an overview of the organization and stadium operations, its mission and stadium partners, 2022 awards, 2022 events, ongoing programs, 2022 capital improvements, the 2022-2023 Operating and Capital Budgets, and the Budget Report for Fiscal Year 2021-2022.

1. Any recommended increases in the rate or dollar amount of tax?

The Authority does not recommend an increase in the rate or dollar amount of tax.

2. Any recommended increases in the debt of the Authority?

The Authority does not recommend an increase in the debt of the Authority.

3. Overall work and role of the Authority

In May 2012, the Minnesota legislature established the Authority as a public body and political subdivision of the state. Per Minnesota Statutes, 473J.07, Subd. 2 the Authority is comprised of five board members who serve four-year terms. The governor of the State of Minnesota appoints the chair and two additional members, and the mayor of the City of Minneapolis appoints two members. Governor Mark Dayton appointed Michael Vekich as the Chair in 2017, and he was reappointed by Governor Tim Walz in 2019. The Board appointed Mary Fox-Stroman to serve as Interim Executive Director in March 2022. In December 2022, the Board appointed Ben Jay as its Executive Director. The Board sets policy for the administration of the Authority. The Executive Director directs the Authority’s operations and carries out the policies established by the Board.

MINNESOTA SPORTS FACILITIES AUTHORITY BOARD

Michael Vekich, Chair, *Appointed by the Governor of the State of Minnesota*

William McCarthy, Vice Chair, *Appointed by the Mayor of the City of Minneapolis*

Angela Burns Finney, Secretary and Treasurer, *Appointed by the Governor of the State of Minnesota*

Tony Sertich, *Appointed by the Governor of the State of Minnesota*

Sharon Sayles Belton, *Appointed by the Mayor of the City of Minneapolis*

MISSION AND STADIUM PARTNERS

When the Authority was created its mission was to provide for the construction, financing, and long-term use of the stadium and the related stadium infrastructure. The stadium was to be a venue for professional football and a broad range of other civic, community, athletic, educational, cultural, and commercial activities. Construction of U.S. Bank Stadium began in 2013. During construction, the Authority acted as the Stadium’s developer and was responsible for construction oversight and management.

When construction was completed and U.S. Bank Stadium opened in July 2016, the Authority’s mission evolved to include oversight responsibility for stadium operations. The Authority hired SMG (now known as ASM Global) to manage and operate the venue. ASM Global is responsible for booking events, sales, marketing, guest services, cleaning, operations, and oversight of the Stadium’s two security contractors.

Aramark Sports and Entertainment Services was hired to provide food and beverage services for all U.S. Bank Stadium events, including premium catering services in the six clubs and the suites,

and food and beverage services in the concession stands, various bars, portable carts, and various vending locations for all U.S. Bank Stadium events.

All stadium partners (Authority, ASM Global, Aramark, and security contractors) follow a shared mission: *“We commit to creating memorable experiences through service excellence while providing a safe, world class sports and entertainment environment for all.”* There is also a shared commitment between the Authority, ASM Global, Aramark, and all service partners to promote the Stadium’s employment and economic opportunities with proactive outreach to diverse communities and targeted businesses.

2022 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 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. This is the ninth year that the Authority received this prestigious award.

2022 EVENTS

U.S. Bank Stadium annually hosts a diverse mix of events including community activities, major concerts, and sporting events. Events range from small, intimate gatherings in one of the stadium’s unique club spaces to large, full-stadium events that maximize the use of the entire facility. These events have tremendous economic benefits for the State and provide a multitude of opportunities for Minnesotans to work and play. In 2022, U.S. Bank Stadium welcomed 1,120,612 guests at over 180 events.

Community Events

Public use, access, and enjoyment are at the center of U.S. Bank Stadium’s event programming initiatives. A variety of community-based events are held annually, including indoor running and inline skating, youth sports, band competitions, and college baseball. U.S. Bank Stadium is also home to the Minnesota State High School League Championships for soccer and football. In 2022, U.S. Bank Stadium held the following community events:

- Winter Warm-Up (Indoor Running and Inline Skating): 17 Calendar Dates
- Minnesota Department of Health COVID-19 Testing Site: 5 Calendar Dates
- GatherWell COVID-19 Testing Site: 159 Calendar Dates
- University of Minnesota and Various College Baseball: 126 Games over 15 Calendar Dates
- High School and College Graduations: 2 Calendar Dates
- High School and College Band Competition: 1 Calendar Date
- High School Proms: 5 Events over 2 Calendar Dates
- Super Eid Religious Ceremony: 1 Calendar Date

- Charity Walk/Runs: 2 Calendar Dates
- Minnesota State High School League Championship Dates: 8 Calendar Dates
- Youth and Semi-Professional Football: 15 Calendar Dates

Minnesota Vikings Football

U.S. Bank Stadium hosted the Minnesota Vikings for their seventh season in 2022, featuring one pre-season game and nine regular season home games. The Minnesota Vikings front office staff collaborate closely with all stadium partners to build a positive culture through SKOL Service, an employee-focused program that promotes service excellence and rewards employees for their contributions to hosting world-class event experiences for all.

Major Concerts

U.S. Bank Stadium hosted four exciting and successful concerts ranging in genre from country to classic rock this summer, including three concert dates that were originally scheduled for 2020. Each concert included several days of labor and staging, followed by a full day of activity for eventgoers with pre-show events before the main acts. Highlights for the season include:

- **Eric Church with Morgan Wallen “One Hell of A Night in Minneapolis” (June 11, 2022)** – ASM Global booked a unique offering with the pairing of these two artists as they did not tour together in 2022 for any other dates in any other cities. The two country artists agreed to play a one night only duo-engagement in Minnesota and welcomed a sold-out crowd of over 51,000 guests to U.S. Bank Stadium.
- **Kenny Chesney “Here and Now 2022” (August 6, 2022)** – Kenny Chesney entertained a sold-out crowd when he returned to U.S. Bank Stadium for the second time since the stadium opened in 2016.
- **Def Leppard and Motley Crue “The Stadium Tour” (August 13, 2022)** – In a jam-packed evening, thousands of fans enjoyed classic hits from Def Leppard, Motley Crue, Poison, and Joan Jett and the Blackhearts.
- **Rammstein “North American Stadium Tour 2022” (August 28, 2022)** – As one of just eight total dates in the United States for the band’s 2022 tour, Rammstein returned to Minnesota for the first time in a decade.

Family and Consumer Shows

Monster Energy AMA Supercross and Monster Jam returned to U.S. Bank Stadium for three major events in February 2022. These events welcome eventgoers from surrounding states for family fun year-over-year. U.S. Bank Stadium also hosted two return consumer shows with the Twin Cities Metro RV Dealers’ Super Sale and the Minneapolis Home + Remodeling show.

Conventions

Minnesota became home to the first ever VeeCon, an NFT-ticketed convention for the Vee Friends community, when the event ascended on the stadium for three days of speakers, musical acts, and networking in May 2022.

Private Events

ASM Global also maximizes the facility through booking private events, including corporate meetings, industry meetings and summits, receptions, holiday parties, filming opportunities, galas, trade shows, special occasions, and celebrations. Among the events hosted this year, was the Green Sports Alliance Summit and the opening night reception for the Event and Arena Marketing Conference.

Future Events

ASM Global is responsible for programming an event-mix capable of achieving revenue goals while preserving public access and promoting the dynamic capabilities of the facility. Below is a sample of events planned for the coming year:

- Minnesota Vikings NFL Home Football Games
- Six Major Concerts
- One NCAA Football Game
- Minnesota State High School League Football and Soccer Championships
- Amateur and Collegiate Baseball and Softball Games
- Youth Sporting Events
- Graduations
- Tradeshows and Conferences
- Corporate Meetings
- Special Occasions and Private Events
- U.S. Bank Stadium Tours
- Winter Warm-Up (Inline Skating and Indoor Running Program)

ASM Global also promotes U.S. Bank Stadium for future, large-scale bid events in close collaboration with Meet Minneapolis and Minnesota Sports and Events. The bidding process for mega-events begins several years in advance and is a community-wide effort. ASM Global works closely with these community partners to promote Minnesota as a premier entertainment destination and secure future activity for U.S. Bank Stadium.

ONGOING PROGRAMS

U.S. Bank Stadium Tours

The U.S. Bank Stadium Tour Program is in its seventh year of operation, hosting a variety of tours including public, private, group, and educational tours. This year, 16,150 guests explored the facility and learned about its history, architecture, operation, and events across 1,391 tours. The Ultimate Touchdown Tours, a brand-new tour offering, was unveiled this fall showcasing the behind-the-scenes experience of the NFL with dedicated time to play on the field, a peek at the broadcast operation, and an unmatched view of the Locker Room being prepared for game day.

Sustainability

In 2019, U.S. Bank Stadium was certified LEED Platinum for Operations and Maintenance. Environmental initiatives for stadium partners focus on the areas of water reduction, waste reduction/diversion, energy efficiency, sustainable purchasing, and the promotion of alternative transportation. This year, ASM Global launched the ASM Global Acts program, a world-wide corporate social responsibility program, with a deeper focus on sustainability efforts in ASM Global venues.

Health and Safety

VenueShield, ASM Global's environmental hygiene program, was implemented to enhance venue management procedures and provide the highest standards of cleanliness and safety. VenueShield continues to offer comprehensive coverage for facility operation with a focus on environmental, employee, and customer health and safety protocols.

2022 CAPITAL IMPROVEMENTS

Annual capital improvements are a critical function for maintaining and preserving U.S. Bank Stadium as a world-class, state-of-the-art venue. The Authority works with stadium partners to identify, review, evaluate, procure, implement, and execute capital projects. The following major capital and concession capital improvements were made to U.S. Bank Stadium this year:

- **Lighting Fixtures** - Hundreds of fluorescent fixtures were removed and replaced with LED style fixtures in certain areas of the stadium. These upgrades enhance the look of the space and reduce the energy consumption of the facility.
- **HVAC Building Management System Update** - The building automation system was upgraded from both a hardware and software perspective.
- **Steam Flash Tank** - A new steam flash tank skid was installed in the steam room.
- **Ceiling Tile Installation** - The addition of a ceiling grid system in two separate office locations was installed to improve the HVAC and sound.
- **Long Term Capital Planning Services** - An architecture firm was retained to develop a long-term master plan for the facility.
- **Perimeter Project** - An architecture firm was retained to develop the security perimeter plan for the stadium site.
- **Multi-Purpose Room Addition and Club Renovations** – An architecture firm was retained to develop plans for a multi-purpose room addition and for club renovations.
- **Drink Market** - An existing concession location was redesigned into a drink market. This concept includes new flooring, coolers, and technology to expedite the checkout process.
- **Field Wrap (Scrim) Upgrade** - The scrim that lines the walls around the field was replaced with an upgraded material.
- **Club Kitchen Modifications** - The FMP Club and Little Six Casino's Club Gold kitchens were modified, and heat induction units were added to better serve the culinary demands in the spaces.

- **Other Capital Projects** - Various other capital projects were completed during the year, including the replacement of exterior glass, a sewage ejector pump, and other technology improvements.

4. The Authority's Proposed Operating and Capital Budgets.

In June 2022, the Authority adopted its 2022-2023 Operating and Capital Budgets for the period from July 1, 2022 through June 30, 2023. Exhibit 1 presents the Authority's 2022-2023 Operating and Capital Budgets.

The budget includes three accounts: the operating account, capital reserve account, and concession capital account. The operating account is used to account for the Authority's operations of U.S. Bank Stadium, the capital reserve account is used to account for capital improvements, and the concession capital reserve account is used to account for concession capital improvements.

5. The Authority's Implementation of the Operating and Capital Budgets.

The Authority's Budget Report for Fiscal Year 2021-2022 presents revenues and expenses for the period from July 1, 2021 through June 30, 2022 for the three accounts: operating account, capital reserve account, and concession capital account. Exhibit 2 presents the Authority's Budget Report for Fiscal Year 2021-2022.

Additional Exhibit

The Authority would like to share an additional report with the legislative committees: the Authority's Annual Comprehensive Financial Report (Annual Report) for the fiscal year ended June 30, 2022 as presented in Exhibit 3. 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, including the notes to the financial statements, and required supplementary information. This is the fifth year that an independent audit firm, CliftonLarsonAllen LLP (CLA), conducted the audit. CLA issued an unmodified audit opinion, dated November 9, 2022, and opined that the financial statements present fairly the financial position of the Authority as of June 30, 2022, and the respective changes in financial position and cash flows for the fiscal year then ended.

The Authority is proud of the operation of U.S. Bank Stadium and the ongoing work to preserve this tremendous asset for the State of Minnesota. We welcome any questions you may have. Please feel free to contact us.

Sincerely,



Michael Vekich, Chair

Minnesota Sports Facilities Authority
1005 Fourth Street
Minneapolis, MN 55415
Email: Vekich@MSFA.com



Mary Fox-Stroman, Interim Executive Director
and Director of Finance

Minnesota Sports Facilities Authority
1005 Fourth Street
Minneapolis, MN 55415
Email: mary.fox-stroman@MSFA.com

EXHIBIT 1

YEAR 2022-2023 BUDGET
 Operating Account, Capital Reserve Account, Concession Capital Reserve Account
 July 1, 2022 to June 30, 2023

Operating Account	Original Budget 2022	Amended-3/17/22 Budget 2022	Projection 7/1/21-6/30/22	Recommended Budget 2022 - 2023
Revenues:				
Stadium operating payments				
State of Minnesota operating payment	\$ 6,608,293	\$ 6,608,293	\$ 6,938,708	\$ 7,077,482
Minnesota Vikings operating payment	\$ 9,853,830	\$ 9,853,830	\$ 9,853,830	\$ 10,149,445
Stadium operating revenue-ASM Global	\$ 14,464,197	\$ 14,464,197	\$ 14,464,197	\$ 24,402,296
Miscellaneous revenues	\$ 64,200	\$ 64,200	\$ 287,400	\$ 64,200
Total operating revenues	<u>\$ 30,990,520</u>	<u>\$ 30,990,520</u>	<u>\$ 31,544,135</u>	<u>\$ 41,693,423</u>
Expenses:				
Personal services				
Professional services	\$ 739,108	\$ 739,108	\$ 700,717	\$ 806,081
Supplies and network support	\$ 1,151,020	\$ 1,151,020	\$ 1,003,583	\$ 1,319,763
Stadium contractual commitments	\$ 112,405	\$ 112,405	\$ 181,818	\$ 111,731
Insurance	\$ 957,507	\$ 957,507	\$ 794,674	\$ 798,619
Miscellaneous	\$ 301,837	\$ 301,837	\$ 259,169	\$ 350,990
Stadium operating expenses-ASM Global	\$ 451,830	\$ 451,830	\$ 140,495	\$ 472,636
Total operating expenses	<u>\$ 28,788,501</u>	<u>\$ 28,788,501</u>	<u>\$ 28,155,250</u>	<u>\$ 38,212,581</u>
Operating income/(loss)	<u>\$ 2,202,019</u>	<u>\$ 2,202,019</u>	<u>\$ 3,388,885</u>	<u>\$ 3,480,842</u>
Nonoperating Revenues/(Expenses):				
Revenues-Investment earnings	\$ 12,000	\$ 12,000	\$ 5,637	\$ 12,000
Revenues-Taxes-State of Minnesota			\$ -	\$ -
Stadium costs-project			\$ (35,153)	
Total nonoperating revenues/(expenses)	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ (29,516)</u>	<u>\$ 12,000</u>
Net Income/(loss) before transfers	<u>\$ 2,214,019</u>	<u>\$ 2,214,019</u>	<u>\$ 3,359,369</u>	<u>\$ 3,492,842</u>
Transfers:				
Transfer to Capital Reserve fund	\$ (4,000,000)	\$ (4,000,000)	\$ (2,000,000)	\$ (5,000,000)
Change in Account Balance	<u>\$ (1,785,981)</u>	<u>\$ (1,785,981)</u>	<u>\$ 1,359,369</u>	<u>\$ (1,507,158)</u>
Beginning Operating Account Balance	<u>\$ 15,366,265</u>	<u>\$ 15,366,265</u>	<u>\$ 15,366,265</u>	<u>\$ 16,725,634</u>
Ending Operating Account Balance	<u><u>\$ 13,580,284</u></u>	<u><u>\$ 13,580,284</u></u>	<u><u>\$ 16,725,634</u></u>	<u><u>\$ 15,218,476</u></u>
Capital Reserve Account				
Revenues:				
Minnesota Vikings Capital Cost payment				
State of Minnesota Capital payment	\$ 1,791,078	\$ 1,791,078	\$ 1,791,078	\$ 1,844,811
Other	\$ 1,652,074	\$ 1,652,074	\$ 1,734,677	\$ 1,769,370
Total revenues	<u>\$ 3,573,529</u>	<u>\$ 3,573,529</u>	<u>\$ 7,016,152</u>	<u>\$ -</u>
Capital Expenses:				
Net Income/(loss) before transfers	<u>\$ 5,850,023</u>	<u>\$ 5,850,023</u>	<u>\$ 3,959,083</u>	<u>\$ 5,334,952</u>
Net Income/(loss) before transfers	<u>\$ 1,166,658</u>	<u>\$ 1,166,658</u>	<u>\$ 6,582,824</u>	<u>\$ (1,720,771)</u>
Transfers:				
Transfer from Operating Account	\$ 4,000,000	\$ 4,000,000	\$ 2,000,000	\$ 5,000,000
Change in Account Balance	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 5,000,000</u>
Change in Account Balance	<u>\$ 5,166,658</u>	<u>\$ 5,166,658</u>	<u>\$ 8,582,824</u>	<u>\$ 3,279,229</u>
Beginning Capital Reserve Account Balance	<u>\$ 10,234,110</u>	<u>\$ 10,234,110</u>	<u>\$ 10,234,110</u>	<u>\$ 18,816,934</u>
Ending Capital Reserve Account Balance	<u><u>\$ 15,400,768</u></u>	<u><u>\$ 15,400,768</u></u>	<u><u>\$ 18,816,934</u></u>	<u><u>\$ 22,096,163</u></u>
Concession Capital Reserve Account				
Revenues:				
Concession Capital Reserve payment				
Other	\$ 600,000	\$ 600,000	\$ 686,369	\$ 800,000
Total revenues	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 13,000</u>	<u>\$ 800,000</u>
Total revenues	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 699,369</u>	<u>\$ 800,000</u>
Concession Capital Expenses:				
Net Income/(loss) before transfers	<u>\$ 175,363</u>	<u>\$ 609,260</u>	<u>\$ 509,933</u>	<u>\$ 259,122</u>
Net Income/(loss) before transfers	<u>\$ 424,637</u>	<u>\$ (9,260)</u>	<u>\$ 189,436</u>	<u>\$ 540,878</u>
Transfers:				
Transfer to Capital Reserve Account	\$ -	\$ -	\$ -	\$ -
Change in Account Balance	<u>\$ 424,637</u>	<u>\$ (9,260)</u>	<u>\$ 189,436</u>	<u>\$ 540,878</u>
Beginning Concession Capital Reserve Account Balance	<u>\$ 749,386</u>	<u>\$ 749,386</u>	<u>\$ 749,386</u>	<u>\$ 938,822</u>
Ending Concession Capital Reserve Account Balance	<u><u>\$ 1,174,023</u></u>	<u><u>\$ 740,126</u></u>	<u><u>\$ 938,822</u></u>	<u><u>\$ 1,479,700</u></u>

EXHIBIT 2



YEAR 2021-2022 BUDGET
Operating Account, Capital Reserve Account, Concession Capital Reserve Account
Q4-July 1, 2021 to June 30, 2022

	Original Budget 2021-2022	8/19/2021 Amended Budget 2021-2022	12/16/2021 Amended Budget 2021-2022	3/17/2022 Amended Budget 2021-2023	Q4 Actual 7/1/21-6/30/22
Operating Account					
Operating revenues:					
Stadium operating payments					
State of Minnesota operating payment	\$ 6,608,293	\$ 6,608,293	\$ 6,608,293	\$ 6,608,293	\$ 6,938,707
Minnesota Vikings operating payment	\$ 9,853,830	\$ 9,853,830	\$ 9,853,830	\$ 9,853,830	\$ (400,120)
Stadium operating revenue-ASM Global	\$ 14,464,197	\$ 14,464,197	\$ 14,464,197	\$ 14,464,197	\$ 23,225,268
Lease revenues per GASB Statement No. 87	\$ -	\$ -	\$ -	\$ -	\$ 11,526,619
Miscellaneous revenues	\$ 64,200	\$ 64,200	\$ 64,200	\$ 64,200	\$ 282,119
Total operating revenues	\$ 30,990,520	\$ 30,990,520	\$ 30,990,520	\$ 30,990,520	\$ 41,572,593
Operating expenses:					
Personal services	\$ 739,108	\$ 739,108	\$ 739,108	\$ 739,108	\$ 389,693
Professional services	\$ 1,151,020	\$ 1,151,020	\$ 1,151,020	\$ 1,151,020	\$ 987,603
Supplies and network support	\$ 112,405	\$ 112,405	\$ 112,405	\$ 112,405	\$ 182,507
Stadium contractual commitments	\$ 957,507	\$ 957,507	\$ 957,507	\$ 957,507	\$ 700,541
Insurance	\$ 301,837	\$ 301,837	\$ 301,837	\$ 301,837	\$ 308,311
Miscellaneous	\$ 451,830	\$ 451,830	\$ 451,830	\$ 451,830	\$ 142,908
Stadium operating expenses-ASM Global	\$ 25,074,794	\$ 25,074,794	\$ 25,074,794	\$ 25,074,794	\$ 32,830,061
Total operating expenses	\$ 28,788,501	\$ 28,788,501	\$ 28,788,501	\$ 28,788,501	\$ 35,541,624
Operating income/(loss)	\$ 2,202,019	\$ 2,202,019	\$ 2,202,019	\$ 2,202,019	\$ 6,030,969
Nonoperating Revenues/(Expenses):					
Revenues-Investment earnings	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 4,798,273
Revenues-Taxes-State of Minnesota	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses-Stadium project costs	\$ -	\$ -	\$ -	\$ -	\$ (35,153)
Expenses-Interest per GASB Statement No. 87	\$ -	\$ -	\$ -	\$ -	\$ (32,595)
Expenses-Loss on disposal of assets	\$ -	\$ -	\$ -	\$ -	\$ (87,546)
Total nonoperating revenues/(expenses)	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 4,642,979
Net Income/(loss) before transfers	\$ 2,214,019	\$ 2,214,019	\$ 2,214,019	\$ 2,214,019	\$ 10,673,948
Transfers:					
Transfer to Capital Reserve fund	\$ (4,000,000)	\$ (4,000,000)	\$ (4,000,000)	\$ (4,000,000)	\$ (2,000,000)
Change in Account Balance	\$ (1,785,981)	\$ (1,785,981)	\$ (1,785,981)	\$ (1,785,981)	\$ 8,673,948
Beginning Operating Account Balance	\$ 15,366,265	\$ 15,366,265	\$ 15,366,265	\$ 15,366,265	\$ 15,366,265
Ending Operating Account Balance	\$ 13,580,284	\$ 13,580,284	\$ 13,580,284	\$ 13,580,284	\$ 24,040,213
Capital Reserve Account					
Revenues:					
Minnesota Vikings Capital Cost payment	\$ 1,791,078	\$ 1,791,078	\$ 1,791,078	\$ 1,791,078	\$ 48,255
State of Minnesota Capital payment	\$ 1,652,074	\$ 1,652,074	\$ 1,652,074	\$ 1,652,074	\$ 1,734,677
Other - Stadium Builders Licenses revenues	\$ 3,573,529	\$ 3,573,529	\$ 3,573,529	\$ 3,573,529	\$ 7,016,151
Lease revenue per GASB Statement No. 87	\$ -	\$ -	\$ -	\$ -	\$ 2,034,109
Interest revenue per GASB Statement No. 87	\$ -	\$ -	\$ -	\$ -	\$ 838,165
Total revenues	\$ 7,016,681	\$ 7,016,681	\$ 7,016,681	\$ 7,016,681	\$ 11,671,357
Capital Expenses:					
Capital Expenses	\$ 5,850,023	\$ 5,850,023	\$ 5,850,023	\$ 5,850,023	\$ 3,062,208
Interest expense per GASB Statement No. 87	\$ -	\$ -	\$ -	\$ -	\$ 9,082
Total expenses	\$ 5,850,023	\$ 5,850,023	\$ 5,850,023	\$ 5,850,023	\$ 3,071,290
Net Income/(loss) before transfers	\$ 1,166,658	\$ 1,166,658	\$ 1,166,658	\$ 1,166,658	\$ 8,600,067
Transfers:					
Transfer from Operating Account	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 2,000,000
Total transfers	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 2,000,000
Change in Account Balance	\$ 5,166,658	\$ 5,166,658	\$ 5,166,658	\$ 5,166,658	\$ 10,600,067
Beginning Capital Reserve Account Balance	\$ 10,234,110	\$ 10,234,110	\$ 10,234,110	\$ 10,234,110	\$ 10,234,110
Ending Capital Reserve Account Balance	\$ 15,400,768	\$ 15,400,768	\$ 15,400,768	\$ 15,400,768	\$ 20,834,177
Concession Capital Reserve Account					
Revenues:					
Concession Capital Reserve payment-2.5% concession	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 746,694
Gain on disposal of capital assets	\$ -	\$ -	\$ -	\$ -	\$ 13,000
Total revenues	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 759,694
Concession Capital Expenses:					
Net Income/(loss) before transfers	\$ 424,637	\$ 350,000	\$ 106,463	\$ (9,260)	\$ 281,868
Beginning Concession Capital Reserve Account Balance	\$ 749,386	\$ 749,386	\$ 749,386	\$ 749,386	\$ 749,386
Ending Concession Capital Reserve Account Balance	\$ 1,174,023	\$ 1,099,386	\$ 855,849	\$ 740,126	\$ 1,031,254

Note: The Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, for the fiscal year ended June 30, 2022. As a result of this implementation the Authority recognized lease revenues in the operating and capital reserve accounts and reduced the operating and capital revenues from the Minnesota Vikings in these accounts, and the Authority recognized interest expense in the operating and capital reserve accounts and reduced stadium commitments expense in the operating account and capital expense in the capital reserve account.

EXHIBIT 3



ANNUAL
**COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

MINNESOTA SPORTS FACILITIES AUTHORITY

Minneapolis, Minnesota • A component unit of the State of Minnesota

ANNUAL
**COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



**MINNESOTA
SPORTS FACILITIES
AUTHORITY**

Finance Department
1005 4th Street South
Minneapolis, MN 55415-1752

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	4
Letter of Transmittal	5
GFOA Certificate of Achievement	10
Commissioners and Administrative Officials.....	11
Organization Chart	12
FINANCIAL SECTION	13
Independent Auditors' Report.....	14
Management's Discussion and Analysis	17
Basic Financial Statements	
Statement of Net Position	24
Statement of Revenues, Expenses and Changes in Net Position.....	25
Statement of Cash Flows	26
Notes to the Financial Statements	27
Required Supplementary Information	
Schedule of the Authority's Share of Net Pension Liability	
State Employees Retirement Fund	41
Schedule of Authority's Contributions	
State Employees Retirement Fund	41
STATISTICAL SECTION	42
	Table
List of Statistical Tables.....	43
Net Position by Component	1.1 44
Changes in Net Position	1.2 45
User Fee Revenues by Source.....	2.1 46
Demographic and Economic Statistics.....	3.1 47
Principal Employers in Minnesota.....	3.2 47
Full-time Employees by Department.....	4.1 48

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**



November 9, 2022

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

I am pleased to submit to you the Annual Comprehensive Financial Report (Annual Report) of the Minnesota Sports Facilities Authority (Authority) for the fiscal year ended June 30, 2022. The financial statements included in this report conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The accuracy, completeness, and presentation of the financial statements, along with the entire contents of this report, are the sole responsibility of management. To the best of my knowledge, 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, 2022.

The reader is referred to Management's Discussion and Analysis (MD&A) section for additional information regarding the activities and financial position of the Authority. 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.



PROFILE OF THE AUTHORITY

The Authority is a public body and political subdivision of the state of Minnesota created pursuant to the Stadium Act enacted by the Minnesota legislature and approved by Governor Dayton on May 14, 2012. The Authority operates under the policy oversight of a 5-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

Minnesota's economic growth is impacted by population growth, employment growth, consumer purchases, property rights, and household finances. Employment opportunities and property rights are the foundation for a market-based economy. These indicators are important for the sports and entertainment industry as they influence stadium event attendance, ticket revenues, food and beverage revenues, and event space rental revenues.

Minnesota Management and Budget's, Revenue and Economic Update dated October 10, 2022, reported that the outlook for real GDP growth in 2022 has weakened and now includes a three-quarter recession beginning in the fourth quarter of 2022. IHS Markit, Minnesota's macroeconomic consultant, expects annual real GDP to grow 1.7 percent this year and decline 0.5 percent next year. They expect this will be a mild recession with a weak recovery beginning in the third quarter of 2023. For years 2023 and 2024, the forecast for real GDP growth is 1.3 percent in 2023 and 2.0 percent in 2025. The negative outlook for the near-term is due to three factors. First, a higher than anticipated acceleration in inflation in August 2022 led the Federal Open Market Committee (FOMC) to increase the federal funds rate by 75 basis points at the September 2022 meeting. Second, the FOMC signaled a commitment to fight inflation even at the risk of a recession. Third, in response to this, financial market conditions tightened. Stock and bond prices fell, the dollar appreciated, and the spreads between Treasuries and private bonds widened. Their forecast is for a true recession with contracting GDP.

U.S. Bureau of Labor Statistics reported prices in the Minneapolis-St. Paul metropolitan area as measured by the Consumer Price Index (CPI) increased 0.4 percent for the two months ending in September 2022. The food index increased 1.2 percent, and the energy index declined 5.9 percent from July to September. The decrease in the energy index was mainly due to lower prices for gasoline. Prices were higher for the same period for apparel, household furnishings, tuition and school fees, childcare, and recreation.

According to Minnesota Employment and Economic Development, *September 2022 Employment Analysis*, the unemployment rate inched up one-tenth of a point to 2.0 percent in September 2022 due to an increase in the number of unemployed. Employment growth following the pandemic has been uneven, Minnesota employment has grown 2.4 percent since



January 2022 however growth has slowed down in the last three months to 0.2 percent. Job gains were in education and health services, professional and business services, leisure and hospitality, manufacturing, and construction. Job losses were in government, financial services, and information.

The CPI inflation index for all urban consumers rose 8.2 percent over the year and 14.1 percent over two years. The CPI is a measure of the average change in prices over time in a fixed market basket of goods and services.

Minnesota has seen moderate job growth for twelve months. Minnesota has a tight labor market with 4.1 job openings for every unemployed worker, and its labor force is up 1.1 percent year-to-date. Wages grew faster in September than in August, up 5.7 percent overall.

Minnesota will face strong headwinds in 2023 as the economic outlook for next year is for a weakening job market, an increase in the unemployment rate, strong inflationary pressures, a drop in in consumer spending and business fixed investment, and slower GDP growth.

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 2021-2022 stadium events:

Minnesota Vikings Home Football Games and Other Events

Minnesota Vikings held a practice game at the stadium on August 7, 2021, this was followed by two preseason games in August, and starting in September 2021 the Team began their regular season and played eight additional home football games at U.S. Bank Stadium.

Other stadium events included: Rolling Stones concert was held on October 24, 2021, George Strait concert was held on November 13, 2021, and Eric Church concert was held on June 11, 2022. In addition, there were dirt shows, many high school and collegiate athletic events, high school proms, graduation ceremonies, and a variety of corporate and other private rental events.

Future Events

Event planning for fiscal year 2023 is robust. There were three major concerts in August 2022, Kenny Chesney concert, Def Leppard & Motley Crue concert, and Rammstein concert, and the Luke Combs concert is scheduled for May 13, 2023. Other events include two Monster Jam events in January 2023, ten Minnesota Vikings home football games, several special events, and many private rental events and tours.

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 \$30,841,334 for its sixth 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 \$3,827,761



for the sixth year of operations for Authority events. The Authority also reported capital contributions from Aramark of \$746,694, 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

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

- Construction in progress projects of \$982,932 included the Digital Video Recording Upgrade project, Content Management System project, and Little Six and FMP Club kitchen modifications.
- Purchase of Building Equipment of \$157,411
- Purchase of Furniture, Fixtures & Equipment of \$95,985
- Purchase of technology equipment \$215,396

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) conduct an annual audit of the financial statements of the Authority. The Legislative Auditor delegated this responsibility for the current audit to CLA. In addition to meeting the requirements of the state statutes, the audit was designed to meet the requirements of the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The report of the independent auditors on the basic financial statements can be found in the financial section of this annual report.

AWARDS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Authority with the Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Annual Report for the fiscal year ended June 30, 2021. This was the ninth year that the Authority received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is a prestigious national award which recognizes conformance with the highest standards for preparation of state and local government financial reports. The Certificate of Achievement is valid for a period of one year only. Management believes that the current Annual 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. She has my sincere appreciation for the contributions she made in the preparation of this report. Appreciation is also expressed to the 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,

A handwritten signature in black ink that reads "Mary Fox-Stroman".

Mary Fox-Stroman, CPA
Interim Executive Director
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

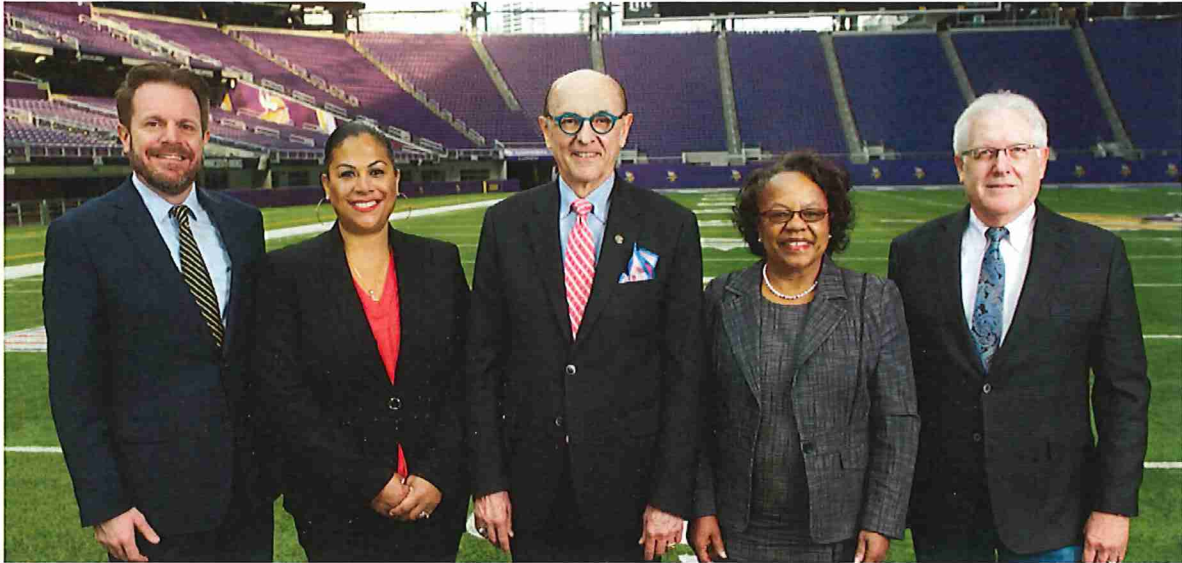
June 30, 2021

Christopher P. Morill

Executive Director/CEO

COMMISSIONERS and ADMINISTRATIVE OFFICIALS

As of June 30, 2022



COMMISSIONERS (left to right)

TONY SERTICH • ANGELA BURNS FINNEY • MIKE VEKICH • SHARON SAYLES BELTON • BILL MCCARTHY

COMMISSIONERS	TERM OF OFFICE	
	Appointed	End of Term
MICHAEL VEKICH, <i>Chair</i>	July 2017	January 2023
BILL MCCARTHY, <i>Vice Chair</i>	June 2012	December 2020 ¹
ANGELA BURNS FINNEY, <i>Secretary & Treasurer</i>	September 2019	January 2023
SHARON SAYLES BELTON	September 2021	December 2023
TONY SERTICH	August 2015	December 2023

KEY ADMINISTRATIVE STAFF

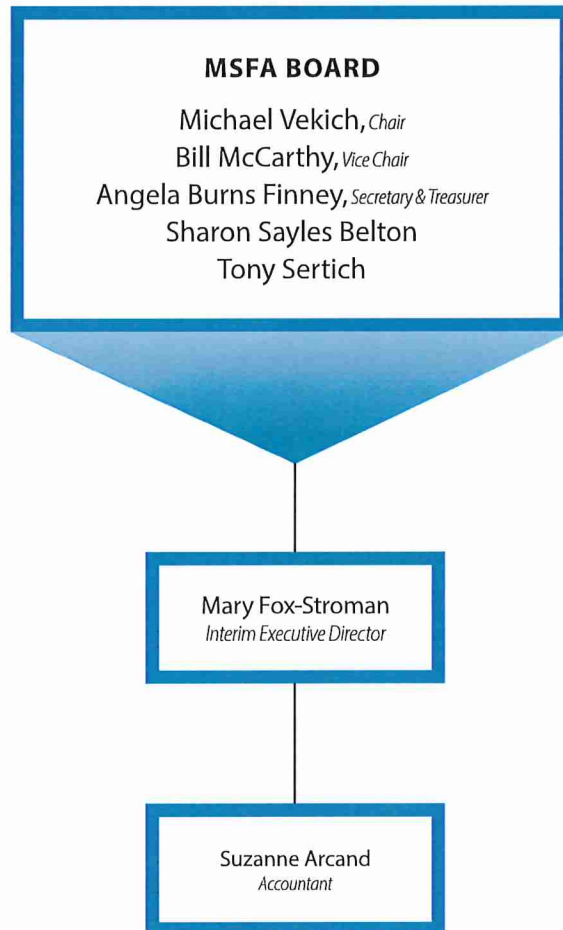
Interim Executive Director
MARY FOX-STROMAN, CPA

Accountant
SUE ARCAND

1. Mr. McCarthy continues in his position until an appointment is made.

ORGANIZATION CHART

As of June 30, 2022



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, 2022, 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 respective financial position of the Minnesota Sports Facilities Authority, as of June 30, 2022, and the respective 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.

Emphasis of Matter

As discussed in Note 1.C to the financial statements, effective July 1, 2021, the Minnesota Sports Facilities Authority adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

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 November 9, 2022, 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

Minneapolis, Minnesota
November 9, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Minnesota Sports Facilities Authority (Authority) Annual Comprehensive Financial Report (Annual Report) presents a narrative overview and analysis of the Authority's financial performance for the fiscal year ended June 30, 2022. 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 Annual Report.

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, 2022 are as follows:

- The Authority's net position decreased \$26,544,284, or 2.9 percent, from \$927,730,100 as of June 30, 2021 to \$901,185,816 as of June 30, 2022.
- Operating revenues increased \$20,319,386, or 95.6 percent, from \$21,253,207 as of June 30, 2021 to \$41,572,593 as of June 30, 2022 primarily due to an increase in stadium operating revenues of \$20,257,631. COVID-19 restrictions limited event attendance during fiscal year 2021 which greatly reduced stadium operating revenues, then in fiscal year 2022 the restrictions were lifted, and the stadium was able to host events with guests in attendance and stadium operating revenues grew to \$23,069,152.
- Operating expenses increased \$16,330,905, or 23.6 percent, from \$69,242,474 as of June 30, 2021 to \$85,573,379 as of June 30, 2022 primarily due to an increase in stadium operating expenses of \$18,548,110. More events were hosted in the stadium in 2022 which led to an increase in event expenses such as event security, event staffing, and event support costs.
- Total capital and right-to-use assets, net of depreciation and amortization, decreased by \$40,479,671 as of June 30, 2022 primarily due to depreciation and amortization expense of \$48,948,196.

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, 2022. 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, 2022. 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, 2022 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, 2022 and 2021.

Statement of Net Position at June 30, 2022 and 2021

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase/ (decrease)</u>
ASSETS:			
Current and other assets	\$44,385,950	\$45,439,221	(\$1,053,271)
Capital assets and right-to-use assets (net of accumulated depreciation and amortization)	863,572,420	904,052,091	(40,479,671)
Noncurrent assets	<u>348,442,108</u>	<u>15,762,711</u>	<u>332,679,397</u>
Total assets	<u>1,256,400,478</u>	<u>965,254,023</u>	<u>291,146,455</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources related to pensions	<u>270,782</u>	<u>131,670</u>	<u>139,112</u>
LIABILITIES:			
Current liabilities	19,006,664	31,549,061	(12,542,397)
Noncurrent liabilities	<u>10,491,308</u>	<u>5,497,825</u>	<u>4,993,483</u>
Total liabilities	<u>29,497,972</u>	<u>37,046,886</u>	<u>(7,548,914)</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources related to pensions	529,971	608,707	(78,736)
Deferred inflows of resources related to leases	<u>325,457,501</u>	<u>—</u>	<u>325,457,501</u>
Total deferred inflows of resources	<u>325,987,472</u>	<u>608,707</u>	<u>325,378,765</u>
NET POSITION:			
Net investment in capital assets	856,803,912	904,052,091	(47,248,179)
Restricted for capital projects	20,454,094	19,447,786	1,006,308
Unrestricted	<u>23,927,810</u>	<u>4,230,223</u>	<u>19,697,587</u>
Total net position	<u>\$901,185,816</u>	<u>\$927,730,100</u>	<u>(\$26,544,284)</u>

The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 87 *Leases* effective as of July 1, 2021, and this standard required recognition of a current lease receivable of \$6,483,796 and noncurrent lease receivable of \$324,831,160 and deferred inflows of resources related to leases of \$325,457,501 based on the present value of expected receipts over the term of the Stadium Use Agreement with the Minnesota Vikings. The standard also required recognition of right-to-use assets of \$7,104,347, current lease liability of \$278,903, and noncurrent lease liability of \$6,489,605 as the Authority had an agreement to lease land improvements and a separate agreement to lease equipment. Lease liabilities represent the Authority's obligation to make lease payments arising from the lease.

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 (95.1 percent) as of June 30, 2022 reflects its net investment in capital assets of \$856,803,912. 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.

Accordingly, these assets are not available for future spending. Restricted net position as of June 30, 2022 was \$20,454,094 and this represents resources that are restricted for future capital purchases. Unrestricted net position as of June 30, 2022 was \$23,927,810. 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, 2022 and 2021.

Summary of Changes in Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase/ (decrease)</u>
Operating revenues:			
Operating payments from State of Minnesota and Minnesota Vikings	\$6,538,586	\$16,185,325	(\$9,646,739)
Lease revenue	11,526,620	-	11,526,620
Stadium operating revenues	23,069,152	2,811,521	20,257,631
Other revenues	<u>438,235</u>	<u>2,256,361</u>	<u>(1,818,126)</u>
Total operating revenues	<u>41,572,593</u>	<u>21,253,207</u>	<u>20,319,386</u>
Operating expenses	<u>(85,573,379)</u>	<u>(69,242,474)</u>	<u>16,330,905</u>
Total operating income or (loss)	(44,000,786)	(47,989,267)	3,988,481
Nonoperating revenues (expenses):			
Nonoperating revenues:			
Interest revenue and Investment earnings	5,636,438	8,801	5,627,637
Other nonoperating revenues	1,014,788	12,663	1,002,125
Lease revenues	2,034,109	-	2,034,109
Nonoperating expenses	<u>(1,999,610)</u>	<u>(9,426,254)</u>	<u>(7,426,644)</u>
Total nonoperating revenues (expenses)	6,685,725	(9,404,790)	16,090,515
(Loss) before capital contributions	(37,315,061)	(57,394,057)	20,078,996
Capital contributions	10,770,777	4,572,022	6,198,755
Changes in net position	(26,544,284)	(52,822,035)	26,277,751
Total net position-beginning of year	<u>927,730,100</u>	<u>980,552,135</u>	<u>(52,822,035)</u>
Total net position-end of year	<u>\$901,185,816</u>	<u>\$927,730,100</u>	<u>(\$26,544,284)</u>

Operating revenues include operating payments from the state of Minnesota and Minnesota Vikings, lease revenue, stadium operating revenues, and other revenues. In fiscal year 2022 operating revenues increased by \$20,319,386 (95.6 percent) when compared to the prior fiscal year and the changes in operating revenues include the following:

- Implementation of GASB Statement No. 87 *Leases* required recognition of operating lease revenues of \$11,526,620 based on the present value of expected receipts over the term of the Stadium Use Agreement with the Minnesota Vikings, and it resulted in a reduction in operating payments from state of Minnesota and Minnesota Vikings of \$9,646,739.
- Stadium operating revenues increased \$20,257,631 (720.5 percent) from the prior fiscal year due to an increase in major and private rental events in fiscal year 2022. In fiscal year 2021 event attendance was limited due to COVID-19 restrictions.
- Other revenues decreased by \$1,818,126 from the prior year.

Operating expenses include personal services, professional services, supplies, repairs, and maintenance, rent, other expenses, stadium operating expenses, and depreciation. For fiscal year 2022 operating expenses totaled \$85,573,379 which is an increase of \$16,330,905 (23.6 percent) when compared to fiscal year 2021. This increase is primarily due to a increase in stadium operating expenses of \$18,548,110 (129.1 percent) from the prior fiscal year. This increase is associated with additional event costs due to the increase in the number of major and private rental events.

Other changes in fiscal year 2022 include the following:

- Nonoperating revenues increased by \$8,663,871 primarily due to implementation of GASB Statement No. 87 *Leases* in fiscal 2022 this standard required recognition of interest revenue of \$5,587,764 and nonoperating lease revenue of \$2,034,109 which was not recognized in the prior year.
- Nonoperating expenses decreased by \$7,426,644, primarily due to the reduction in the exterior metal panel repair project expenses of \$8,001,363. This project was completed in fiscal year 2022.
- Capital contributions increased by \$6,198,755 due to the recognition of the contribution from the Stadium Builders Licenses Program of \$7,016,151 in fiscal year 2022.

Capital Assets

The following table compares the Authority's capital assets as of June 30, 2022 and 2021 net of accumulated depreciation:

	<u>Capital Assets</u>		
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase/ (decrease)</u>
Capital assets (net of depreciation):			
Non-depreciable-			
Land	\$31,983,174	\$31,983,174	–
Construction in progress	982,932	–	\$982,932
Depreciable-			
Buildings	687,538,407	716,216,959	(28,678,552)
Building equipment	58,568,951	65,087,936	(6,518,985)
Land improvements	23,020,574	24,732,751	(1,712,177)
Equipment	54,599,922	66,031,271	(11,431,349)
Right-to-use assets (net of amortization):			
Building equipment	1,027,759	–	1,027,759
Land improvements	<u>5,850,701</u>	<u>–</u>	<u>5,850,701</u>
Total capital and right-to-use assets, being depreciated/amortized net	<u>\$863,572,420</u>	<u>\$904,052,091</u>	<u>(\$40,479,671)</u>

The Authority's investment in capital and right-to-use assets as of June 30, 2022 was \$863,572,420 (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 \$40,479,671 from the prior year. This decrease is due to depreciation expense of \$48,722,309, amortization expense of \$225,887, and the disposition of land improvements of \$78,794 and concession equipment of \$50,921.

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.C.5 and note II.C.

Next Year's Budget

An annual operating budget is adopted on a basis consistent with generally accepted accounting principles. Discussion and preparation of the fiscal year 2022-2023 annual operating and capital budgets began in the spring 2022. The Authority then approved and adopted the 2022-2023 operating and capital budgets in June 2022. This budget process will be followed for adoption of the 2023-2024 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 2022-2023 operating budget includes operating revenues of \$41,693,423 which includes: stadium operating payments from the state of Minnesota of \$7,077,482 and the Minnesota Vikings of \$10,149,445 for a combined total of \$17,226,927, stadium operating revenues of \$24,402,296, and miscellaneous revenues of \$64,200. Also included in this budget

are operating expenses of \$38,212,581 which includes stadium operating expenses of \$34,352,761, professional services of \$1,319,763, rent of \$798,619, personal services of \$806,081, supplies and network support of \$111,731, insurance of \$350,990, and other expenses of \$472,636.

Operating revenues of \$41,693,423 are budgeted to exceed operating expenses of \$38,212,581 by \$3,480,842, investment earnings of \$12,000 are included in the budget as nonoperating revenues, and net income before transfers is budgeted to be \$3,492,842.

In addition to the 2022-2023 operating budget, the capital and concession capital budgets include capital expenses of \$5,334,952 and concession capital expenses of \$259,122. These expenses will be funded by capital revenues of \$3,614,181, concession capital revenues of \$800,000, and the capital reserve and concession capital reserve.

The Authority considered the following factors when setting the 2022-2023 budget and fees that will be charged for use of U.S. Bank Stadium:

- Stadium event schedule
- Number and type of stadium events
- Stadium event attendance
- Stadium rental pricing
- 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, 2022

ASSETS

Current assets:	
Cash and cash equivalents	\$30,264,993
Restricted cash and cash equivalents	1,222,420
Receivables:	
Accounts and other receivables	5,781,192
Lease receivable	6,483,796
Prepaid items	633,549
Total current assets	<u>44,385,950</u>
Noncurrent assets:	
Restricted cash and cash equivalents	22,309,552
Lease receivable	324,831,160
Capital assets:	
Non-depreciable:	
Land	31,983,174
Construction in progress	982,932
Depreciable:	
Buildings	860,270,853
Building equipment	100,206,534
Land improvements	32,838,177
Equipment	131,272,943
Right-to-Use assets:	
Amortizable:	
Land improvements	5,929,765
Building equipment	1,174,582
Accumulated depreciation and amortization	<u>(301,086,540)</u>
Total capital and right-to-use assets (net of accumulated depreciation and amortization)	<u>863,572,420</u>
Prepaid project insurance	1,301,396
Total noncurrent assets	<u>1,212,014,528</u>
Total assets	<u>1,256,400,478</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources related to pensions	<u>270,782</u>
--	----------------

LIABILITIES

Current liabilities:	
Salaries and compensated absences payable	432,918
Accounts and other payables	4,690,844
Advanced ticket sales and deposits	11,991,679
Restricted stadium builders licenses liability	261,659
Lease liability	278,903
Unearned revenue	1,350,661
Total current liabilities	<u>19,006,664</u>
Noncurrent liabilities:	
Compensated absences payable	65,919
Net pension liability	9,786
Unearned revenue	3,925,998
Lease liability	6,489,605
Total noncurrent liabilities	<u>10,491,308</u>
Total liabilities	<u>29,497,972</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources related to pensions	529,971
Deferred inflows of resources related to leases	325,457,501
Total deferred inflows of resources	<u>325,987,472</u>

NET POSITION

Net investment in capital assets	856,803,912
Restricted for capital projects	20,454,094
Unrestricted	23,927,810
Total net position	<u>\$901,185,816</u>

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, 2022

Operating revenues:	
Operating payments from state of Minnesota and Minnesota Vikings	\$6,538,586
Lease revenue	11,526,620
Stadium operating revenues	23,069,152
Other revenues	438,235
Total operating revenues	<u>41,572,593</u>
Operating expenses:	
Personal services	389,693
Professional services	987,603
Supplies, repairs and maintenance	1,324,155
Rent	700,541
Other expenses	306,330
Stadium operating expenses	32,916,861
Depreciation and amortization	48,948,196
Total operating expenses	<u>85,573,379</u>
Total operating (loss)	<u>(44,000,786)</u>
Nonoperating revenues/(expenses):	
Interest revenue and investment earnings	5,636,438
Other contributions	1,014,788
Lease revenues	2,034,109
Interest expense	(41,677)
Stadium project expenses	(1,061,812)
Stadium builders licenses expenses	(821,575)
Loss on disposal of assets	(74,546)
Total nonoperating revenues/(expenses)	<u>6,685,725</u>
(Loss) before capital contributions	(37,315,061)
Capital contributions	<u>10,770,777</u>
Change in net position	(26,544,284)
Total net position, July 1, 2021	<u>927,730,100</u>
Total net position, June 30, 2022	<u><u>\$901,185,816</u></u>

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, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from state of Minnesota and Minnesota Vikings	\$6,916,536
Receipts from events	15,505,390
Receipts from food and beverage commissions	2,787,797
Receipts from others	312,266
Payments for ticket sales	(6,079,130)
Payments for employee services	(7,029,494)
Payments to suppliers and others	(19,601,496)
Payments for event and stadium operations	(6,833,914)
Net cash used for operating activities	<u>(14,022,045)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Other contributions received	2,391,483
Payments for stadium project and other activities	(3,483,514)
Net cash used for noncapital financing activities	<u>(1,092,031)</u>

CASH FLOWS FROM CAPITAL ACTIVITIES

Capital contributions received	7,165,474
Lease payments received	13,652,935
Lease principal payments	(147,574)
Lease interest payments	(41,677)
Acquisition and construction of assets	(1,266,298)
Net cash provided by capital activities	<u>19,362,860</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	25,236
Net cash provided by investing activities	<u>25,236</u>
Net increase in cash and cash equivalents	4,274,020

Cash and cash equivalents, July 1, 2021	<u>49,522,945</u>
Cash and cash equivalents, June 30, 2022	<u><u>\$53,796,965</u></u>

Reconciliation of operating (loss) to net cash used for operating activities:

Operating (loss)	<u>\$(44,000,786)</u>
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation and amortization expense	48,948,196
Change in assets, liabilities, deferred outflows, and deferred inflows:	
Decrease in accounts receivable	2,460,291
Decrease in prepaid items	253,162
(Decrease) in net pension liability and related deferred inflows and deferred outflows	(367,442)
(Decrease) in deferred inflows related to leases	(11,526,620)
Increase in salaries and compensated absences payable and accounts and other payables	3,545,633
(Decrease) in unearned revenues	(64,680)
(Decrease) in advance deposits and ticket sales	(13,269,799)
Total adjustments	<u>29,978,741</u>
Net cash used for operating activities	<u><u>\$(14,022,045)</u></u>

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, directs business and administrative procedures, and recommends personnel to be appointed by the board.

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

2. Financial reporting entity

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

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

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

B. Basis of presentation and measurement focus

1. Basis of presentation

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

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 revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position.

I. Summary of significant accounting policies (continued)

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. Adoption of New Accounting Standard

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority adopted the requirements of the guidance effective July 1, 2021 and has elected to apply the provisions of this standard to the beginning of the period of adoption. As a result of the implementation of this standard, the Authority, as of July 1, 2021, has reported a lease receivable and deferred inflow of resources related to leases of \$337,346,017 and \$339,018,230, respectively. Additionally, the Authority also recorded right-to-use assets and a lease liability of \$7,104,347 and \$6,916,082, respectively.

D. 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.

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, Net Operating Income (NOI) payment and NOI shortfall payment from ASM Global, and stadium builders licenses (SBLs) receivables from the transfer or resale of the SBLs. SBLs entitle the holder to buy season tickets to Minnesota Vikings games held at U.S. Bank Stadium for a certain seat in the stadium.

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.

MINNESOTA SPORTS FACILITIES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

I. Summary of significant accounting policies (continued)

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.

5. Capital and right-to-use assets

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

Capital 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:

<u>Capital assets</u>	<u>Useful life</u>
Buildings	20 - 30 years
Building equipment	5 - 20 years
Land improvements	20 - 30 years
Equipment	3 - 30 years
<u>Right-to-use assets</u>	<u>Useful life</u>
Land improvements	25 years
Building equipment	5 - 10 years

6. Liabilities

a. Salaries and compensated absences payable

Salaries and compensated absences payable include salaries and benefits incurred and unpaid as of June 30, 2022. 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. Advanced ticket sales and deposits

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

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 as 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. Deferred outflows/inflows of resources related to pensions

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.

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. 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, 2022 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.

11. 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, lease revenue, stadium operating revenues, and other revenues. 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 on capital assets. Stadium operating expenses include operating 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 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.

II. Detailed notes

A. Cash deposits with financial institutions

Minnesota Statutes, Chapter 118A, require that all Authority deposits in excess of available federal deposit insurance be protected by a corporate surety bond or collateral security. An irrevocable standby letter of credit issued by a Federal Home Loan Bank is an allowable form of collateral. The statute further requires the total amount of collateral computed at its fair value shall be at least ten percent more than the amount on deposit at the close of the financial institution's banking day, except for irrevocable standby letters of credit, the amount of collateral shall be at least equal to the amount on deposit at the close of the financial institution's banking day. The Authority holds a letter of credit from the Federal Home Loan Bank of Cincinnati for \$3,000,000. On June 30, 2022, the carrying amount of the Authority's combined demand deposit bank accounts was \$22,982,194. Bank balances were \$24,407,721 of which \$23,401,961 was invested in commercial paper, \$250,000 was covered by federal depository insurance, and \$755,760 was covered by the letter of credit. On June 30, 2022 the balance in the money markets account was \$30,814,771.

MINNESOTA SPORTS FACILITIES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

II. Detailed notes (continued)

B. Cash and Cash equivalents

Following is a summary of the carrying amount of cash and cash equivalents at June 30, 2022:

<u>Security Type</u>	<u>Credit Risk</u>	<u>Custodial Credit Risk</u>	<u>Maturities</u>	<u>Carrying Amount</u>	<u>% of Total Portfolio</u>
Cash and cash equivalents	(a)	(b)(c)	n/a	\$53,796,965	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.

C. Capital and Right-to-Use assets

Capital and right-to-use asset activity for the year ended June 30, 2022, was as follows:

	<u>Balance July 1, 2021*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>
Capital assets, not being depreciated:				
Land	\$31,983,174	\$-	\$-	\$ 31,983,174
Construction in progress	—	982,932	—	982,932
Total capital assets, not being depreciated	<u>31,983,174</u>	<u>982,932</u>	<u>—</u>	<u>32,966,106</u>
Capital assets, being depreciated:				
Buildings	860,270,853	—	—	860,270,853
Building equipment	100,049,123	157,411	—	100,206,534
Land improvements	32,916,971	—	(78,794)	32,838,177
Equipment	131,012,483	311,381	(50,921)	131,272,943
Total capital assets, being depreciated	<u>1,124,249,430</u>	<u>468,792</u>	<u>(129,715)</u>	<u>1,124,588,507</u>
Right-to-Use Assets, being amortized:				
Building equipment	1,174,582	—	—	1,174,582
Land improvement	5,929,765	—	—	5,929,765
Total right-to-use assets, being amortized	<u>7,104,347</u>	<u>—</u>	<u>—</u>	<u>7,104,347</u>
Less: accumulated depreciation for:				
Buildings	(144,053,894)	(28,678,552)	—	(172,732,446)
Building equipment	(34,961,187)	(6,718,565)	42,169	(41,637,583)
Land improvements	(8,184,220)	(1,633,383)	—	(9,817,603)
Equipment	(64,981,212)	(11,691,809)	—	(76,673,021)
Total accumulated depreciation	<u>(252,180,513)</u>	<u>(48,722,309)</u>	<u>42,169</u>	<u>(300,860,653)</u>
Less: accumulated amortization for:				
Building equipment	—	(146,823)	—	(146,823)
Land improvement(79,064)	—	(79,064)	—	(79,064)
Total accumulated amortization	<u>—</u>	<u>(225,887)</u>	<u>—</u>	<u>(225,887)</u>
Total capital and right-to-use assets, being depreciated/amortized net	<u>879,173,264</u>	<u>(48,479,404)</u>	<u>(87,546)</u>	<u>830,606,314</u>
Total capital and right-to-use assets, net	<u>\$911,156,438</u>	<u>(\$47,496,472)</u>	<u>(\$87,546)</u>	<u>\$863,572,420</u>

*Restated due to the implementation of GASB Statement No. 87 Leases, see Note IC.

III. Other information

A. Retirement plans

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

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

a. Plan Description

SERF is administered by the Minnesota State Retirement System (MSRS) and is established and administered in accordance with Minnesota Statutes, Chapters 352. SERF includes the General Employees Retirement Plan (General Plan), a multiple-employer, cost-sharing defined benefit plan. Certain employees of the Authority are covered by the General Plan. The General Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. 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 6.0 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, 2022 was \$23,836. All active and deferred members are fully vested to the extent of their contributions plus interest at a rate of 6.0 percent through June 30, 2011, 4.0 percent through June 30, 2018, and 3.0 percent thereafter. For monthly retirement benefits, members hired before July 1, 2010, are vested after three years of covered service; members hired after June 30, 2010, are vested after five years of covered service. MSRS issues a publicly available financial report that may be obtained at www.msrs.state.mn.us/financial-information; by writing to Minnesota State Retirement System, 60 Empire Drive, 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, 2022, the Authority reported a liability of \$9,786 for its proportionate share of MSRS' net pension liability. The net pension liability was measured at June 30, 2021, 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of MSRS' participating employers. At June 30, 2021 the Authority's proportion was .012 percent, which was unchanged from its proportion measured as of June 30, 2020.

MINNESOTA SPORTS FACILITIES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

III. Other information (continued)

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 decreased from 7.50 percent to 6.50 percent.

For the year ended June 30, 2022, the Authority recognized pension income of \$367,442 for its proportionate share of the MSRS-SERF pension expense. At June 30, 2022, 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	\$2,422	(\$1,129)
Changes in assumptions	\$180,018	(\$134,781)
Differences between projected and actual investment earnings	-	(\$270,563)
Changes in proportion and differences between actual contributions and proportionate share of contributions	\$64,506	(\$123,498)
Contributions paid to MSRS subsequent to measurement date	<u>\$23,836</u>	<u>-</u>
Total	<u>\$270,782</u>	<u>(\$529,971)</u>

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, 2021. 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 Income
2023	(\$162,543)
2024	(\$29,200)
2025	(\$62,664)
2026	<u>(\$28,618)</u>
Net pension income	<u>(\$283,025)</u>

d. Actuarial Assumptions

The Authority's net pension liability was measured as of June 30, 2021, 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	6.50 percent per year

MINNESOTA SPORTS FACILITIES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

III. Other information (continued)

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) 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return (Geometric Mean)</u>
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	<u>25.0%</u>	5.90%
Total	<u>100.0%</u>	

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 2121. 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 6.50 percent and the municipal bond rate was 1.92 percent.

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

The following presents the Authority's proportionate share of the net pension liability, calculated using the current single discount rate of 6.50 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50 percent) or one percentage-point higher (7.50 percent) than the current rate:

	<u>1% Decrease in Discount Rate (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase in Discount Rate (7.50%)</u>
Authority's proportionate share of the net pension liability	\$282,150	\$9,786	(\$215,238)

MINNESOTA SPORTS FACILITIES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

III. Other information (continued)

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

2. Minnesota State Retirement System-Unclassified Employees Retirement Fund (UER)

a. Plan description and contributions

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 former 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 6.0 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 age 55 or older may also apply for a portion of their account balance as a lump-sum payment and the remainder in lifetime, monthly benefits.

Retirement and disability benefits are available to some participants through conversion 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:

<u>Year</u>	<u>Contributions</u>
2022	\$7,802

B. Risk management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; work related injuries; and natural disasters. The Authority purchased insurance policies for the following exposures with the deductible or the amount of risk retention indicated in parenthesis: general liability (\$1,000 per claim for employee benefits only), excess liability (none), automobile/garage keepers liability (\$1,000 deductible hired auto physical damage, \$2,500 comprehensive deductible, and \$500 collision deductible per auto), crime insurance (\$10,000), 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, 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).

MINNESOTA SPORTS FACILITIES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

III. Other information (continued)

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

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

C. Lease receivables and liabilities

1. 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, 2022, the Authority recognized revenue related to this agreement of \$13,560,729. During the year ended June 30, 2022, the Authority does not have any lease revenue related to variable receipts that were not previously included in the initial measurement of the lease receivable.

The Authority entered into a Stadium Use Agreement with the Minnesota Vikings, in accordance with GASB Statement No. 87 *Leases*, this 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 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.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$6,483,796	\$5,483,593	\$11,967,389
2024	6,954,687	5,371,724	12,326,411
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
2028-2032	51,102,545	22,553,666	73,656,211
2033-2037	67,763,800	17,623,935	85,387,735
2038-2042	87,820,358	11,167,430	98,987,788
2043-2046	<u>87,309,356</u>	<u>3,064,359</u>	<u>90,373,715</u>
Total	<u>\$331,314,956</u>	<u>\$80,626,987</u>	<u>\$411,941,943</u>

MINNESOTA SPORTS FACILITIES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

III. Other information (continued)

2. 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 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 .8 percent.

Schedule of changes in long-term liabilities:

	<u>Balance</u> <u>July 1, 2021*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due within</u> <u>1 Year</u>
Long-term Lease liabilities	\$6,916,082	\$ -	\$147,574	\$6,768,508	\$278,903

*Restated due to the implementation of GASB Statement No. 87 *Leases*, see Note IC.

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

<u>Year Ending, June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$278,903	\$104,059	\$382,962
2024	344,190	99,861	444,051
2025	361,830	95,296	457,126
2026	366,514	90,612	457,126
2027	371,266	85,860	457,126
2028-2032	1,384,819	362,067	1,746,886
2033-2037	1,146,473	265,517	1,411,990
2038-2042	1,248,733	163,257	1,411,990
2043-2047	<u>1,265,780</u>	<u>52,077</u>	<u>1,317,857</u>
Total	<u>\$6,768,508</u>	<u>\$1,318,606</u>	<u>\$8,087,114</u>

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

Land improvement	\$5,929,765
Equipment	1,174,582
Less: accumulated amortization	<u>(225,887)</u>
Total right-to-use assets net of amortization	<u>\$6,878,460</u>

D. Agreements

1. Use agreement and football playing agreement

Effective November 22, 2013, the Authority and Minnesota Vikings Football Stadium, LLC entered into a long-term amended and restated stadium use agreement that grants the Team the right to use the stadium. The initial term of the agreement was from date of substantial completion of the stadium to the 30th National Football League (NFL) football season played

III. Other information (continued)

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 the 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 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, 2022 was \$1,140,804.

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 sixth year of operations was \$7,163,154. 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

MINNESOTA SPORTS FACILITIES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

III. Other information (continued)

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 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, 2022 was \$4,088,710.

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, 2022.

E. 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 Years¹

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

<u>Fiscal Year</u>	<u>Authority's Proportion of the Net Pension Liability</u>	<u>Authority's Proportionate Share of the Net Pension Liability</u>	<u>Authority's Covered Payroll</u>	<u>Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2014	0.051%	\$827,002	\$1,303,478	63.45%	87.64%
2015	0.033%	\$507,998	\$874,171	58.11%	88.32%
2016	0.021%	\$2,603,765	\$563,727	461.88%	47.51%
2017	0.014%	\$1,038,507	\$383,628	270.71%	62.73%
2018	0.012%	\$162,375	\$367,562	44.18%	90.56%
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%	90.53%

The measurement date is June 30 of each year.

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

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

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

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (excess)</u>	<u>Authority's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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%

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

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

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

4 The amounts presented for 2018, 2019, 2020, 2021, and 2022 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.



**MINNESOTA
SPORTS FACILITIES
AUTHORITY**

LIST OF STATISTICAL TABLES

1.0 FINANCIAL TRENDS

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

Table 1.1 Net Position by Component

Table 1.2 Changes in Net Position

2.0 REVENUE CAPACITY

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

Table 2.1 User Fee Revenues by Source

3.0 DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Table 3.1 Demographic and Economic Statistics

Table 3.2 Principal Employers in Minnesota

4.0 OPERATING INFORMATION

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

Table 4.1 Full-Time Employees by Department

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

Table 1.1

<u>Fiscal Period</u>	<u>Net Investment in Capital Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total Net Position</u>
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
2013	52,256,276	-	24,144,345	76,400,621
2012	15,497,844	-	12,080,223	27,578,067

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

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

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

MINNESOTA SPORTS FACILITIES AUTHORITY
Changes in Net Position
For the Last Ten Fiscal Years

Table 1.2

	2022	2021	2020	2019	2018	2017	2015	2014	2013	2012
Operating revenues:										
Operating payments from State of Minnesota and Minnesota Vikings	\$6,538,586	\$16,185,325	\$15,907,958	\$15,569,573	\$15,146,301	\$20,910,210	\$-	\$-	\$-	\$-
Lease revenues	11,526,620	-	-	-	-	-	-	-	-	-
Stadium operating revenues	23,069,152	2,811,521	14,142,738	30,897,106	29,656,584	23,589,302	-	-	-	-
Concessions	-	-	-	-	-	-	-	-	9,438,927	8,479,625
Admission tax	-	-	-	-	-	-	-	-	4,276,114	4,098,350
Rent	-	-	-	-	-	-	-	-	4,810,944	4,068,914
Charges for services	-	-	-	-	-	-	-	13,067	1,501,944	908,813
Other	438,235	2,256,361	2,022,141	1,390,377	94,107	1,779,062	44,993	45,816	516,027	336,159
Parking operations and related revenues	-	-	-	-	-	-	524,455	405,166	-	-
Total operating revenues	41,572,593	21,253,207	32,072,837	47,857,056	44,896,992	46,278,574	569,448	464,049	20,543,956	17,891,861
Operating expenses:										
Concession costs	-	-	-	-	-	-	-	221,220	5,072,396	4,101,323
Tenants share of concession receipts	-	-	-	-	-	-	-	-	1,244,224	1,309,240
Facilities cost credit	-	-	-	-	-	-	-	-	3,653,703	3,704,030
Personal services	389,693	604,003	660,059	361,383	560,909	1,611,570	1,057,640	1,841,609	2,623,548	1,085,418
Professional services	987,603	1,450,545	1,385,177	1,224,722	1,795,052	2,797,081	865,679	616,112	981,614	922,956
Contractual services	-	-	-	-	-	-	-	68,521	1,711,276	1,137,579
Supplies, repairs and maintenance	1,324,155	1,191,647	920,323	910,439	1,268,687	1,256,214	273,015	214,056	685,645	470,478
Utilities	-	-	-	-	-	-	-	96,842	3,148,122	1,436,919
Rent	700,541	286,957	800,699	796,939	746,505	1,432,607	171,462	172,210	-	-
Insurance	-	-	-	-	-	-	58,518	113,373	856,543	367,127
Parking operations	-	-	-	-	-	-	235,013	719,573	-	-
Event costs	-	-	-	-	-	-	-	-	673,132	388,508
Miscellaneous/other	306,330	588,778	311,155	803,290	3,203,500	901,419	294,954	203,832	327,711	303,098
Stadium operating expenses	32,916,861	14,368,751	25,106,754	44,338,597	37,417,765	32,143,313	-	-	-	-
Depreciation and amortization	48,948,196	50,751,793	50,795,764	50,675,172	50,459,104	51,313,184	318,463	292,293	4,250,905	1,898,121
Total operating expenses	85,573,379	69,242,474	79,979,931	99,110,542	95,451,522	91,455,388	3,274,744	4,559,641	25,228,819	17,124,797
Total operating income (loss)	(44,000,786)	(47,989,267)	(47,907,094)	(51,253,486)	(50,554,530)	(45,176,814)	(2,705,296)	(4,095,592)	(4,684,863)	767,064
Nonoperating revenues (expenses)										
Income (loss) before capital contributions	(37,315,061)	(57,394,057)	(55,959,528)	(49,165,144)	(48,889,866)	(46,829,742)	(3,032,610)	(2,330,077)	(3,691,281)	837,709
Capital contributions	10,770,777	4,572,022	28,765,457	7,071,937	6,462,962	224,045,579	511,883,685	334,047,793	52,513,835	2,546,938
Change in net position	\$(26,544,284)	\$(52,822,035)	\$(27,194,071)	\$(42,093,207)	\$(42,426,904)	\$177,215,837	\$508,851,075	\$331,717,716	\$48,822,554	\$3,384,647

1 The Authority began operations on August 1, 2012 and net position for 2012 is reported as of December 31, 2012, for the five-month period then ended.
2 Net position for 2013, 2014, and 2015 is reported as of December 31 of each year.
3 The Authority changed its year-end from December 31 to June 30 and net position for 2017 is reported as of June 30, 2017, for the 18-month fiscal period then ended.
4 The Authority adopted GASB Statement No. 87, *Leases*, effective July 1, 2021 and began to recognize lease revenues.

MINNESOTA SPORTS FACILITIES AUTHORITY
User Fee Revenues by Source
For the Last Ten Fiscal Years

Table 2.1

Fiscal Period	Operating Payments	Lease Revenues	Stadium Operating Revenues	Concessions	Admission Tax	Rent	Parking Operations	Charges for Services	Other
2022	\$6,538,586	\$11,526,620	\$23,069,152	\$-	\$-	\$-	\$-	\$-	\$438,235
2021	16,185,325	-	2,811,521	-	-	-	-	-	2,256,361
2020	15,907,958	-	14,142,738	-	-	-	-	-	2,022,141
2019	15,569,573	-	30,897,106	-	-	-	-	-	1,390,377
2018	15,146,301	-	29,656,584	-	-	-	-	-	94,107
2017	20,910,210	-	23,589,302	-	-	-	-	-	1,779,062
2015	-	-	-	-	-	-	524,455	-	44,993
2014	-	-	-	-	-	-	405,166	13,067	45,816
2013	-	-	-	9,438,927	4,276,114	4,810,944	-	1,501,944	516,027
2012	-	-	-	8,479,625	4,098,350	4,068,914	-	908,813	336,159

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

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

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

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

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

6 Concessions include Metrodome food and beverage concession revenues

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

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

9 The Authority adopted GASB Statement No. 87, *Leases*, effective July 1, 2021 and began to recognize lease revenues

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⁾
2012	3,422,542	173,992	50,837	5.5%
2013	3,458,513	175,414	50,719	4.8%
2014	3,491,838	186,385	53,377	4.0%
2015	3,518,252	195,613	55,599	3.5%
2016	3,551,036	201,427	56,723	3.6%
2017	3,600,618	215,087	59,736	3.3%
2018	3,614,162	227,292	62,889	2.8%
2019	3,640,043	233,890	64,255	3.0%
2020	3,657,477	245,833	67,214	4.5%
2021	3,657,477	245,833	67,214	2.4%

Unaudited

Sources:

1 U.S. Commerce Department and Bureau of Economic Analysis for the Minneapolis-St. Paul Metropolitan Statistical Area.

2 State of Minnesota, Department of Employment and Economic Development (Seven -county area)

3 2021 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)

Employer	2021			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
State of Minnesota	56	1	2.86%	54	1	3.07%
Mayo Clinic	48	2	2.45%	33	3	1.88%
United States Federal Gov't	35	3	1.79%	45	2	2.56%
Target Corporation	31	4	1.58%	20	9	1.14%
Fairview Health Services	30	5	1.53%	31	4	1.76%
Allina Health System	29	6	1.48%	24	6	1.37%
University of Minnesota	27	7	1.38%	25	5	1.42%
HealthPartners Inc.	25	8	1.28%	-	-	-
Wells Fargo Minnesota	18	9	0.92%	18	10	1.02%
United Health Group, Inc.	18	10	0.92%	20	8	1.14%
Wal-Mart Stores, Inc.	-	-	-	21	7	1.20%
Total	317		16.19%	291		16.56%

Unaudited

Source: Metropolitan Council Annual Comprehensive Financial Report 12/31/2021-State of Minnesota Department of Employment and Economic Development, Minneapolis-St. Paul Business Journal, July 8, 2021 and Twin Cities Business B.I.G. Book, 2013.

Note: Available list covers employment for entire State of Minnesota. Walmart was not included because it declined to provide data for 2021.

State of Minnesota includes Minnesota State Colleges & Universities.

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

Table 4.1

Fiscal Year	Administrative	Building Maintenance	Security	Total
2022	2	-	-	2
2021	4	-	-	4
2020	4	-	-	4
2019	4	-	-	4
2018	5	-	-	5
2017	5	-	-	5
2015	8	-	-	8
2014	10	-	-	10
2013	8	11	2	21
2012	7	11	2	20

- 1 The Authority began operations on August 1, 2012 and full-time employees by department for 2012 are reported as of December 31, 2012, for the five-month period then ended.
- 2 Employees by department for 2013, 2014, and 2015 are reported as of December 31 of each year.
- 3 The Authority changed its year end from December 31 to June 30 and employees by department for 2017 are reported as of June 30, 2017 for the 18-month fiscal period then ended.

Unaudited

Source: Authority Finance department



**MINNESOTA
SPORTS FACILITIES
AUTHORITY**

A COMPONENT UNIT OF THE STATE OF MINNESOTA

Finance Department • 1005 4th Street South • Minneapolis, MN 55415-1752 • msfa.com

