MINNESOTA
SPORTS FACILITIES
AUTHORITY

MINNESOTA SPORTS FACILITIES AUTHORITY • MINNEAPOLIS, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT 2015

FISCAL YEAR ENDED DECEMBER 31, 2015

— A COMPONENT UNIT OF THE STATE OF MINNESOTA —

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— A COMPONENT UNIT OF THE STATE OF MINNESOTA —

FINANCE DEPARTMENT
511 ELEVENTH AVENUE SOUTH, SUITE 401
MINNEAPOLIS, MINNESOTA 55415

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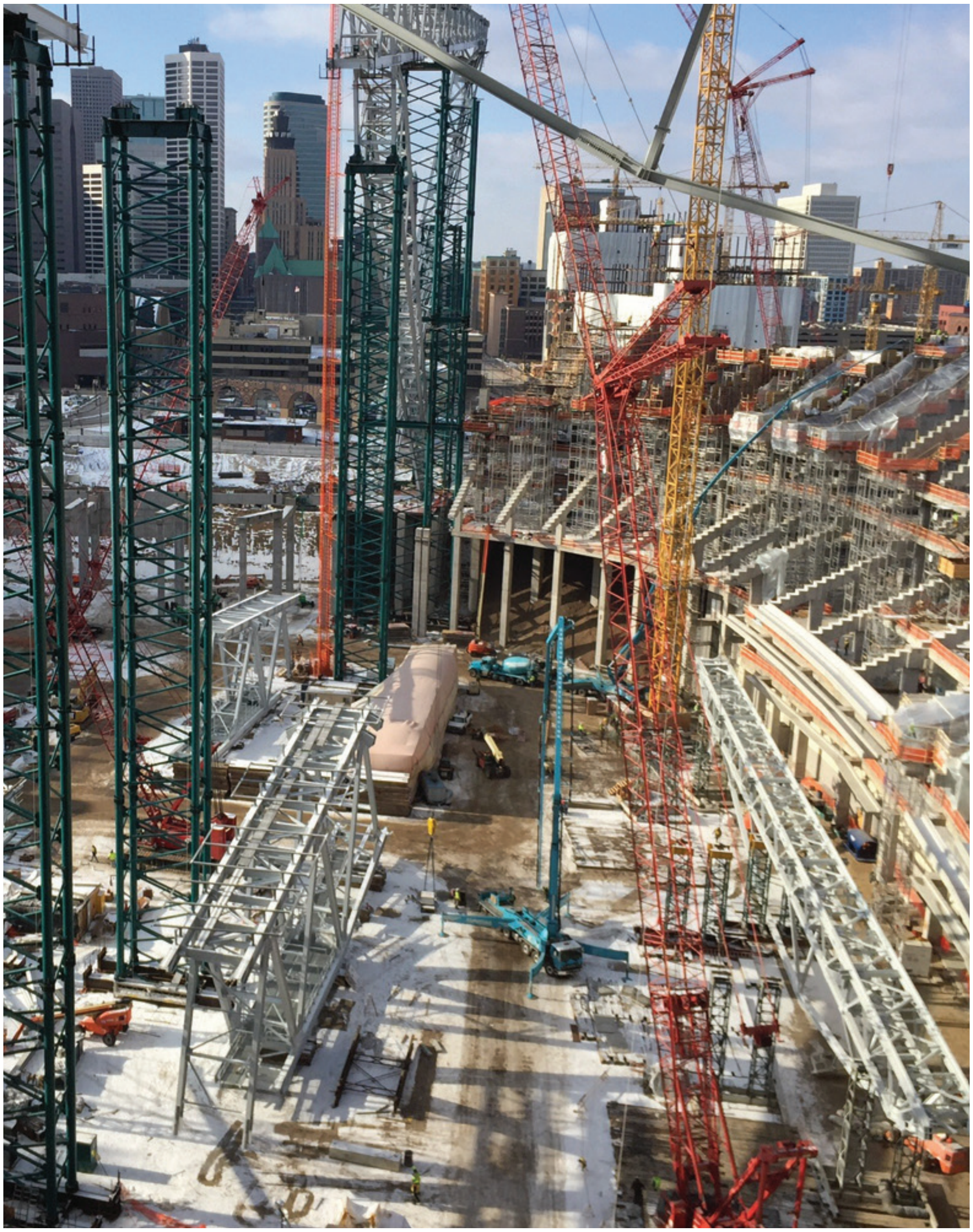
MINNESOTA SPORTS FACILITIES AUTHORITY

INTRODUCTORY SECTION

The Introductory Section contains the letter of transmittal, which provides an overview of the Minnesota Sports Facilities Authority's finances, economic prospects and achievements. Also included in this section is the list of commissioners and administrative officials, the organization chart and 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.



Construction of the U.S. Bank Stadium

Minnesota Sports Facilities Authority
511 Eleventh Avenue South, Suite 401, Minneapolis, MN 55415

June 28, 2016

Chair Michele Kelm-Helgen
And Commissioners of the Minnesota Sports Facilities Authority
511 Eleventh Avenue South, Suite 401
Minneapolis, Minnesota 55415

Dear Chair Kelm-Helgen and Commissioners:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Minnesota Sports Facilities Authority (Authority) for the fiscal year ended December 31, 2015. The financial statements included in this report conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the Authority. All necessary disclosures have been included to enable the reader to gain the maximum understanding of the Authority's financial affairs.

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

Minnesota State Statutes, Chapter 473J.07, Subd.7, require the Minnesota Office of the Legislative Auditor perform an annual audit of the financial statements of the Authority. The independent auditor's report is presented as the first component of the financial section of this report. The goal of the audit is to provide reasonable assurance that the financial statements of the Authority, for the year ended December 31, 2015, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Minnesota Office of the Legislative Auditor has issued an unqualified ("clean") opinion on the Authority's financial statements for the year ended December 31, 2015. A separate Report on Internal Control over Financial Reporting and Compliance and Other Matters will be issued at a later date.

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

PROFILE OF THE AUTHORITY

In May 2012 the Minnesota Legislature established the Authority as a public body and a political subdivision of the state. Per the legislation the Authority is comprised of five members who were appointed within 30 days of enactment of the statutes. The statutes required the governor of the state of Minnesota appoint the chair and two additional members, and it required the mayor of the city of Minneapolis appoint two members. The members serve four year terms.

Governor Mark Dayton appointed Michele Kelm-Helgen as the chair and he appointed two additional members: John Griffith and Duane Benson. Mr. Benson resigned effective July 31, 2015, and Governor Dayton then appointed Tony Sertich on August 3, 2015. City of Minneapolis Mayor appointed Barbara Butts Williams and Bill McCarthy to the Authority. The Authority appointed Ted Mondale as its CEO/Executive Director. The governing body sets policy for the administration of the Authority and the CEO/Executive Director directs the Authority's operations and carries out the policies established by the board.

The Authority's mission is to provide for the construction, financing, and long-term use of a new multi-purpose stadium and related stadium infrastructure as a venue for professional football and a broad range of other civic, community, athletic, educational, cultural, and commercial activities.

An annual operating budget is adopted on a basis consistent with generally accepted accounting principles. Discussion and preparation of the fiscal year 2016 annual operating and capital budgets began in November 2015 and then in December 2015 the Authority approved and adopted the 2016 budgets. This budget process will be followed for adoption of the 2017 budget. Per Minnesota Statutes section 3.8842 the Legislative Commission on Minnesota Sports Facilities (Legislative Commission) is required to oversee the Authority's operating and capital budgets. The Authority submitted its 2016 operating and capital budgets to the Legislative Commission on January 15, 2016. Quarterly budget to actual comparisons are presented to the Authority.

ECONOMIC CONDITION and OUTLOOK

Local Economy

On June 15, 2015 Minnesota's Multi-Purpose Stadium was named U.S. Bank Stadium. The stadium is located in the Downtown East neighborhood of Minneapolis. This neighborhood has seen steady change with construction of the stadium and the recent growth of new office, residential, and retail space. Minneapolis has experienced growth for the past two years, it is the largest city in Minnesota, and it is the region's largest job center. The Minneapolis-Saint Paul metropolitan area is one of the nation's 25 largest metropolitan areas. There are 17 Fortune 500 companies that are headquartered in the metropolitan area.

Patrons, fans, and visitors from the Minneapolis-Saint Paul metropolitan area as well as greater Minnesota are expected to attend stadium events. Employment growth, consumer purchases, and household finances are important economic indicators for the sports and entertainment industry as they influence stadium event attendance, ticket pricing, food and beverage pricing and event space rental pricing.

Minnesota Management & Budget's (MMB) February 2016 economic forecast projects that Minnesota's economy will continue to expand for the next several years but at a slower pace than in 2015. Minnesota's employment and total wage income growth are expected to remain modest in 2016 and 2017 with the average annual wage slowly accelerating for the next few years. In MMB's February 2016 economic outlook, Minnesota's employment will grow at a slower annual pace of 1.0 percent in 2016 and 0.9 percent growth in 2017, reflecting an economy running at or near its full potential and job gains will be more consistent with demographic trends. Total wage income growth is expected to ease to 3.8 percent in 2016 before rising 4.7 percent in 2017.

Minnesota's labor market performance tighten in 2015. Steady job growth pushed the state's unemployment rate down to 3.5 percent in December 2015, one of the lowest among states with major metropolitan areas. Minnesota's unemployment rate held steady at 3.8 percent in April 2016 on a seasonally adjusted basis while the national unemployment rate has been steady at 5.0 percent in April 2016 according to Minnesota Department of Employment and Economic Development.

Real gross domestic product (GDP) growth was 2.4 percent in 2015 and is expected to dip to 2.1 percent in 2016 and then accelerate to 2.8 percent in 2017. Inflation has been below 2.0 percent due to downward pressure from low energy prices and prices of non-energy imports that are due to the strong dollar. Consumer prices (CPI) rose only 0.1 percent in 2015. It is forecasted that the CPI will rise 1.0 percent in 2016 and 2.2 percent in 2017.

Major Initiatives and Accomplishments

U.S. Bank Stadium

Construction work for the stadium began in December 2013 and included mass excavation and retaining wall work. Work continued into 2014 and included drilled piers and caisons, poured foundation walls and columns, underground utility work, waterproofing, poured super truss buttress foundations, poured elevated decks, mechanical electrical plumbing work, poured slab on grades, erection of structural steel for roof trusses, masonry and drywall work, and installation of pre-cast stadia. Construction progressed in 2015 and at year-end 87% of the construction work had been completed. Jobsite workforce peaked at 1,700 workers daily in the summer and fall of 2015. Major milestones met in 2015 included: topping-off of the concrete work in June 2015 and the steel work in September 2015, seat installation began in August 2015, installation of the signature roof comprised of ETFE (ethylene tetrafluoroethylene) panels was completed in November 2015. The stadium was fully enclosed by the end of November 2015. At year-end workers continued their work in the following areas: glazing on the west end of the building, installing five operable doors, pouring concrete steps, installing handrails, installing ductwork, plumbing, electrical and fire protection systems, installing metal studs, drywall, and tile work, and food service equipment was being installed throughout the building.

The stadium's state of the art technology infrastructure will include 13 high-definition video and ribbon boards which is the most in the National Football League (NFL), over 2,000 high-definition televisions throughout the stadium, 1,300 wireless (Wi-Fi) access points, and a distributed antenna system so all major wireless carriers will have equal access. There are two large video boards on the east and west sides of the stadium. The east LED (light emitting diodes) board is 116 feet long by 50 feet tall and the west LED board is 148 feet long and 67 feet tall. LED ribbon boards are installed on two levels in the stadium.

A number of important and significant enhancements to the stadium construction project were approved in 2015 including installation of a LED video board on the west prow of the stadium. This video board will feature game day highlights and live video from other stadium events. Another major enhancement is the Vikings Legacy Ship that will be featured on the west plaza. The ship will have an abstract dragon design with Norse iconography. A curved LED video board standing 55' tall will serve as the ship's sail. The ship will have seating, railings, displays and a timeline exhibit featuring historical Minnesota moments. Commemorative bricks will be installed on the ship's deck.

A commemorative legacy brick sales program was initiated in 2015. The program offered three paver options, 8"x8" logo paver, 8"x8" paver, or a 4"x8" paver with the option to include three to six lines of text. Over 11,000 bricks were sold in 2015 and each brick order also included a replica brick that features the inscription and a certificate of ownership. Additional replicas and custom engraved display cases were also sold.

In October 2015 the Authority announced the selection of local artists who will display art in the stadium. A selection process was initiated and local artists were invited to submit their artistic ideas. Approximately 1,100 submissions were received from local art students to professional artists. It is estimated that there will be more than 500 original pieces of art in the stadium that will showcase the Minnesota Vikings, other Minnesota sports and the regional history of the community.

Expansion of the stadium and stadium infrastructure footprint occurred in November 2015 as the Authority executed an agreement with Hennepin County to lease a portion of the Hennepin County Medical Examiner's Office parking lot, see note III.c. for additional information. The space will serve as an extension of the stadium plaza and will provide key space for programming that will occur in the Downtown East Commons park space. This space will provide space for tents and other structures.

The lease will be for 30 years that is coterminous with the stadium use agreement.

Construction of U.S. Bank Stadium continued into 2016 and in May 2016 the artificial turf for the stadium was installed. The 132,000 square feet of turf lies on an asphalt bed already in place. The Minnesota Vikings Norseman mascot was inlaid at the 50-yard line which complements the purple seats throughout the building. Both end zones are purple like the Norseman logo.

Grand Opening of the stadium is scheduled for July 22, 2016 and the first event, an international soccer game, is scheduled for August 3, 2016. The stadium will have two retail stores, 66,660 seats, 135 private suites, eight club lounges, and 1.75 million square feet of space for hosting the Minnesota Vikings football games, concerts, family shows, conventions, trade/consumer shows, weddings, receptions, corporate events, and various other sporting events. Concourse width will range from 32 to 50 feet and two concourses will have 360-degree circulation and various views into the stadium bowl. The seven levels of the stadium will be connected by stairs, a ramp, 34 escalators, and 11 elevators.

Downtown East Parking Garage

The Authority operated the Downtown East Parking Ramp which has 455 parking spaces and is located beneath the stadium plaza on a site adjacent to the stadium site. The Authority utilized the services of a management company to operate the parking ramp in 2015. Beginning on December 31, 2015 Ryan Companies assumed operational responsibility for the Downtown East parking ramp.

Block 1 Parking Ramp and Skyways

In February 2014 the Authority acquired Block 1 in downtown Minneapolis as the site for a public parking ramp for an acquisition cost of $7,701,120. Demolition of the site began in September 2014 and construction activities were substantially complete on December 30, 2015. The six-level ramp has 1,610 parking spaces that are available for local businesses and stadium event fans, patrons, and visitors. The ramp opened for operations on December 31, 2015 and Ryan Companies assumed operational responsibility for it. Final construction closeout is estimated to be completed in spring 2016. As of December 31, 2015 the Authority recognized capital asset values for the building of $38,634,556, land improvement of $791,168, and equipment of $1,506,569. Additional information may be found in note III.D.4.

In addition to ramp construction there was also construction of two skyways, the stadium skyway and the Ryan skyways. The stadium skyway crosses over Chicago Avenue and Fourth Street South and connects the parking ramp to U.S. Bank Stadium. It is a heated and air conditioned walkway that allows stadium fans, patrons and visitors to access and enter the stadium. As of December 31, 2015 project-to-date costs of $4,014,769 for the stadium skyway were 95 percent complete. The Ryan skyways connect the parking ramp to the two Wells Fargo office towers and the Jerry Haaf public parking ramp. These skyways parallel South Fourth Street and cross over South Fifth Avenue, Portland Avenue, and

Park Avenue as they traverse through the two office towers. As of December 31, 2015 project-to-date construction costs of $6,267,523 for the Ryan skyways were 97 percent complete. Substantial completion date for the stadium skyway and the Ryan skyways was May 27, 2016. Additional information may be found in note III.D.4.

Stadium Operator

SMG, the third-party stadium operator, was hired in 2014 to plan, organize and manage pre-opening stadium activities and assist with stadium design and construction activities. SMG will manage stadium event promotions, sales and marketing, event services, and operations. SMG is aggressively marketing the stadium for future events and has booked a wide variety of events in U.S. Bank Stadium. Additional information may be found in note III.E.

Stadium Concessionaire

Aramark, the food service concessionaire, was hired in 2015 and has developed food and beverage operational plans for the stadium. Aramark has been an integral part of the design team as they advised on various decisions that related to concession areas and equipment. Aramark plans to hire 1,700 concession and catering workers for the new stadium. The concession operation will have 586 points of sale, 42 concession stands, 20 bar locations, and 60 portable and vending locations.

Future Events

Planning is underway for future major events to be hosted at U.S. Bank Stadium. These events will bring tremendous economic benefits to the region as thousands of visitors from all over the country will participate in the events. These events bring a multitude of opportunities for fans and visitors to be involved in the festivities and it will have a large economic impact on the community and the stadium.

Minnesota Super Bowl 2018

Minnesota will host the NFL Super Bowl LII on February 4, 2018 in U.S. Bank Stadium. Seating capacity will be expanded from 66,000 seats to 72,000 seats for the championship game. Approximately 100,000 people will come to the Minneapolis/Saint Paul area to experience this special event and the various related activities. The economic impact for the metropolitan area is estimated to be $338 million according to a projection by Rockport Analytics.

NCAA Final Four

Minneapolis will host the 2019 National Collegiate Athletic Association (NCAA) Final Four Men's Basketball tournament. In August 2015 NCAA staff met with host committee partners to receive updates on ancillary event sites and to provide feedback on planning and preparations. The Authority and SMG provided construction updates on the stadium and stadium infrastructure. Various studies from past host cities' convention and visitors bureaus estimate the impact to the community is estimated to be $200 million.

FINANCIAL INFORMATION

Reserve Policy

In 2012 the Authority implemented a liquidity/reserves policy to ensure that adequate liquidity is maintained to meet operational expense requirements and avoid the use of short-term debt to fund cash flow requirements. Prudent financial management necessitates the maintenance of adequate financial cash balances. The Authority is required to maintain a cash position in its operating fund to meet six months of operational expenses. The minimum liquidity/reserve requirement is $6 million.

OTHER INFORMATION

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the fiscal year ended December 31, 2014. This was the third 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. A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR will meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate. 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.

This CAFR reflects our commitment to the Authority and all interested readers of this report to provide information in conformance with the highest standards of financial reporting. Preparation of this CAFR was made possible by the dedicated service of Sue Arcand and Diana Chance, RSM. They have our sincere appreciation for the contributions they made in the preparation of this report. Appreciation is also expressed to the Commissioners for their cooperation and outstanding assistance in matters pertaining to the financial affairs of the Authority.

Respectfully submitted,

Ted Mondale	Mary Fox-Stroman
Ted Mondale	Mary C. Fox-Stroman, CPA
CEO/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 Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Jeffrey R. Emser

Executive Director/CEO

LIST OF COMMISSIONERS & ADMINISTRATIVE OFFICIALS

— DECEMBER 31, 2015 —

COMMISSIONERS (left to right):

TONY SERTICH • BARBARA BUTTS WILLIAMS • JOHN GRIFFITH
MICHELE KELM-HELGEN • BILL McCARTHY

	TERM OF OFFICE:	
COMMISSIONERS:	**Appointed**	**End of Term**
MICHELE KELM-HELGEN, *Chair*	June 2012	January 2020
BILL McCARTHY, *Vice Chair*	June 2012	December 2016
BARBARA BUTTS WILLIAMS	June 2012	December 2019
JOHN GRIFFITH	June 2012	December 2016
TONY SERTICH	August 2015	December 2019

CEO/Executive Director
TED MONDALE

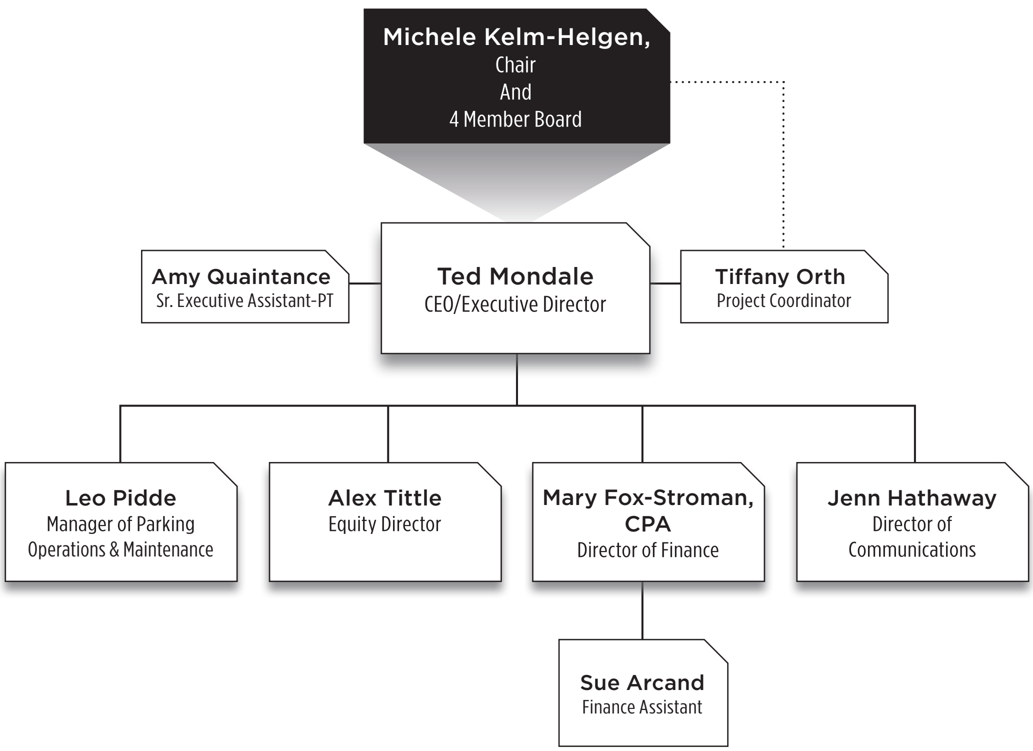
Director of Finance
MARY C. FOX-STROMAN, CPA

Equity Director
ALEX TITTLE

Director of Communications
JENN HATHAWAY

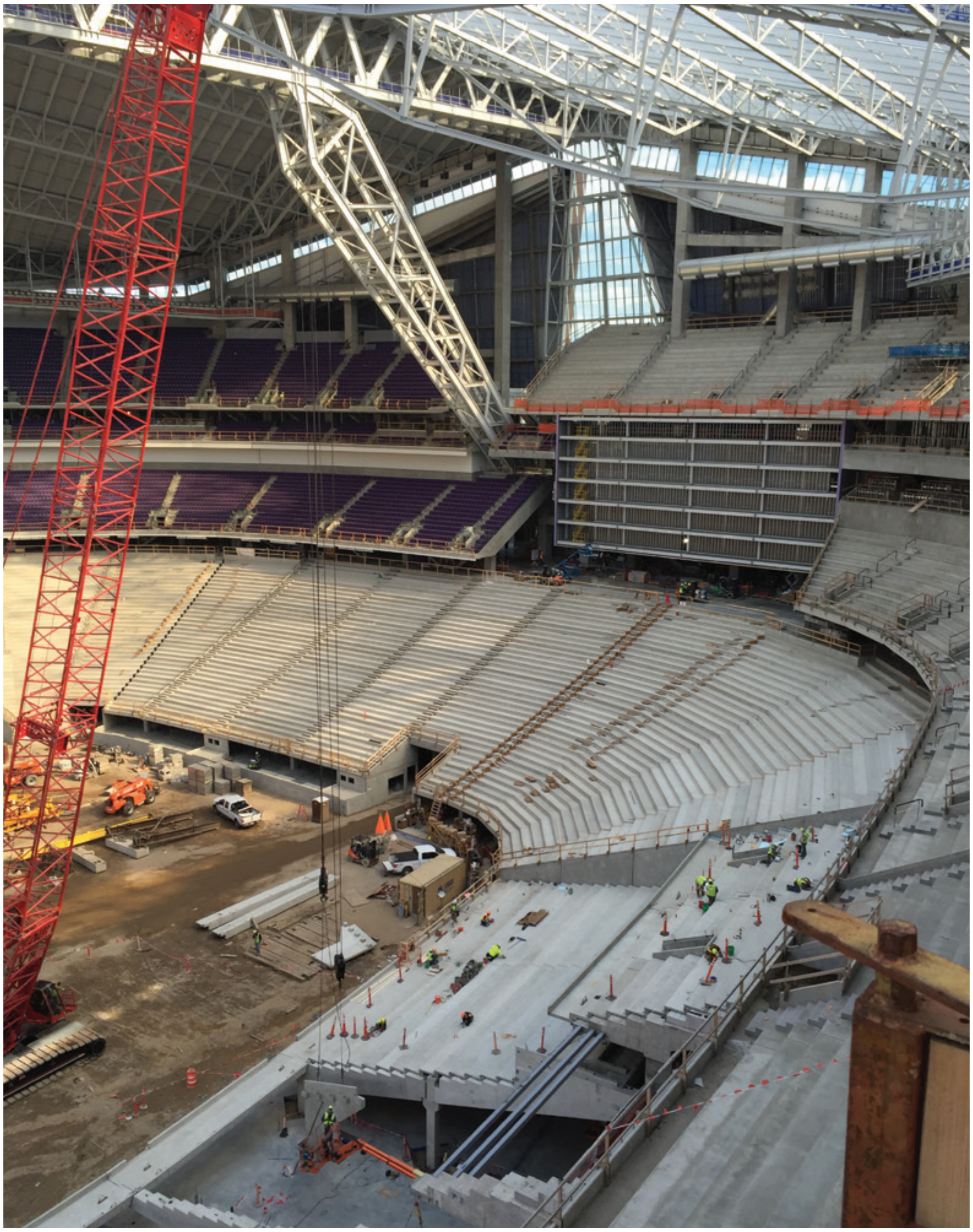
ORGANIZATION CHART

— DECEMBER 31, 2015 —



FINANCIAL SECTION

The Financial Section includes the independent auditor's report, management's discussion and analysis, and the basic financial statements including the accompanying notes.



Construction of the U.S. Bank Stadium

Independent Auditor's Report

Representative Sondra Erickson, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Ms. Michele Kelm-Helgen, Chair
Minnesota Sports Facilities Authority

Members of the Minnesota Sports Facilities Authority

Mr. Ted Mondale, CEO/Executive Director
Minnesota Sports Facilities Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Minnesota Sports Facilities Authority, a component unit of the State of Minnesota, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Minnesota Sports Facilities Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Minnesota Sports Facilities Authority as of December 31, 2015, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information Included With the Financial Statements

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of the Minnesota Sports Facilities Authority's internal controls over financial reporting; on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; and on other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

James R. Nobles
Legislative Auditor

Cecile M. Ferkul, CPA
Deputy Legislative Auditor

Saint Paul, Minnesota
June 28, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Minnesota Sports Facilities Authority (Authority) Comprehensive Annual Financial Report presents a narrative overview and analysis of the Authority's financial performance for its fiscal year ended December 31, 2015. 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 our letter of transmittal, the basic financial statements including the notes to the financial statements, and the required supplementary information as this will enhance their understanding of the Authority's financial performance.

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 fiscal year ended December 31, 2015 are as follows:

- Overall, the Authority's financial condition improved during fiscal year 2015. The Authority's net position increased $508,851,075 from $406,199,405 as of December 31, 2014 to $915,050,480 as of December 31, 2015.
- Construction in progress increased $475,445,481 from $355,964,097 as of December 31, 2014 to $831,409,578 as of December 31, 2015. This increase is due to construction costs for U.S. Bank Stadium were 85.7% complete as of December 31, 2015 whereas construction costs were 35.5% complete as of December 31, 2014.
- At December 31, 2015 there was an operating loss of $2,705,296 due to operating expenses of $3,274,744 exceeding operating revenues of $569,448.

Overview of the Financial Statements

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

(1) Independent Auditor's 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

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.

Statement of net position

The statement of net position presents information on the financial resources and obligations of the Authority on December 31, 2015. 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. Additionally, nonfinancial factors, such as the construction timeline and date of substantial completion of the stadium construction project should be considered to assess the overall health of the Authority.

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 December 31, 2015. All of the current 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 December 31, 2015 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

Following is a table that presents the Authority's Statement of Net Position as of December 31, 2015 and 2014:

Statement of Net Position at December 31, 2015 and 2014

	2015	2014	Increase/ (decrease)
ASSETS:			
Current and other assets	$71,008,959	$76,446,898	($5,437,939)
Capital assets	907,139,710	389,507,399	517,632,311
Noncurrent assets	4,442,574	8,063,313	(3,620,739)
Total assets	**982,591,243**	**474,017,610**	**508,573,633**
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources related to pensions	193,855	117,570	76,285
LIABILITIES:			
Current liabilities	66,109,533	65,969,900	139,633
Noncurrent liabilities	547,880	916,109	(368,229)
Total liabilities	**66,657,413**	**66,886,009**	**(228,596)**
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources related to pensions	1,077,205	1,049,766	27,439
NET POSITION:			
Investment in capital assets	907,139,710	389,507,399	517,632,311
Unrestricted	7,910,770	16,692,006	(8,781,236)
Total net position	**$915,050,480**	**$406,199,405**	**$508,851,075**

The largest portion of the Authority's net position (99.13%) reflects its investment in capital assets of $907,139,710. These assets are comprised of land, buildings, land improvements, equipment and construction in progress for the stadium and stadium infrastructure. Accordingly, these assets are not available for future spending.

The unrestricted net position of $7,910,770 (.87%) is available for future use to meet the Authority's ongoing and future obligations.

The Authority's overall net position increased $508,851,075 from the prior fiscal year.

The following table presents the changes in net position at December 31, 2015 and 2014.

Changes in Net Position

	2015	2014	Increase/ (decrease)
Operating revenues	$569,448	$464,049	$105,399
Operating expenses	3,274,744	4,559,641	(1,284,897)
Total operating income or (loss)	**(2,705,296)**	**(4,095,592)**	**1,390,296**
Nonoperating revenues (expenses)			
Nonoperating revenues	10,000,721	13,819,983	(3,819,262)
Nonoperating expenses	10,328,035	12,054,468	(1,726,433)
Total nonoperating revenues (expenses)	(327,314)	1,765,515	(2,092,829)
Income (loss) before capital contributions	**(3,032,610)**	**(2,330,077)**	**(702,533)**
Capital contributions	511,883,685	334,047,793	177,835,892
Changes in net position	**508,851,075**	**331,717,716**	**177,133,359**
Total net position-January 1	406,199,405	74,481,689	331,717,716
Total net position-December 31	**$915,050,480**	**$406,199,405**	**$508,851,075**

Authority's Activities

During fiscal year 2015 the Authority continued to manage and oversee construction of U.S. Bank Stadium, Block 1 parking ramp, and the skyways construction projects, the project timelines, and budgets.

In 2015, the Authority purchased a portion of 4th and 5th Street in Downtown Minneapolis. The properties were adjacent to the stadium site. Immediately following acquisition of the properties, the construction site was expanded to include this additional area. Substantial completion for construction of the Block 1 parking ramp occurred on December 30, 2015 and then on December 31, 2015 Ryan began to operate the Downtown East Parking Ramp and the Block 1 Parking Ramp.

The original master project budget for U.S. Bank Stadium and related stadium infrastructure was $975 million. During fiscal year 2014 the master project budget was increased to $1,026,065,450 and in fiscal year 2015 the budget increased to $1,093,194,024. Funding for this project consists of contributions of $498,000,000 from the state of Minnesota, $484,930,247 from the Minnesota Vikings Football Stadium, LLC, $100,000,000 from private contributions, and $10,263,777 from other contributions.

During fiscal year 2015 the Authority received capital contributions of $511,883,685. These contributions funded construction in progress activity during the year.

Operating revenues:
Operating revenues were $569,448 for the fiscal year ended December 31, 2015 which is an increase of $105,399 from the prior year. This increase is primarily due to increased parking revenues of $135,913 at the Downtown East Parking Ramp.

Operating expenses:
Operating expenses were $3,274,744 for the fiscal year ended December 31, 2015 which is a decrease of $1,284,897 from the prior year. This decrease is primarily due to personal services expenses decreased by $783,969 due to staffing reductions and parking operation expenses decreased by $484,560 due to parking properties were determined to be tax exempt for property taxes payable in 2015. Operating expenses include personal services, professional services, supplies, repairs and maintenance, rent, insurance, parking operation, and other costs.

Nonoperating revenues/expenses:
During the fiscal year ended December 31, 2015 the Authority received other contributions for the stadium project of $1,145,444 which is comprised of contributions from the Minnesota Vikings Football Stadium LLC of $475,232, state of Minnesota of $551,531, and private contributions of $118,681. These contributions were used to fund noncapital stadium project expenses of $1,169,691.

Nonoperating revenues/expenses also included sales taxes revenues from the state of Minnesota of $1,686,239, commemorative brick revenues of $640,195 and expenses of $761,688, stadium builders licenses revenues and expenses of $6,483,069, and stadium operator expenses of $1,558,583.

Capital Assets
The Authority's investment in capital assets as of December 31, 2015 was $907,139,710 (net of accumulated depreciation) and consists of land, buildings, land improvements, equipment and construction in progress. As of December 31, 2015 site acquisition and improvements were 85.6 percent complete, construction of the stadium was 85.7 percent complete, development costs were 86.3 percent complete, and furnishings, fixtures and equipment were 24.2 percent complete.

The following compares the Authority's capital assets as of December 31, 2015 and 2014.

Capital Assets

	2015	2014	Increase/ (decrease)
Capital assets:			
Non-depreciable-			
Land	$25,974,120	$24,401,120	$1,573,000
Construction in progress	831,409,578	355,964,097	475,445,481
Depreciable-			
Buildings	48,055,749	9,421,193	38,634,556
Land improvements	791,168		791,168
Equipment	1,519,851	13,282	1,506,569
Total capital assets	907,750,466	389,799,692	517,950,774
Less: accumulated depreciation	(610,756)	(292,293)	(318,463)
Total capital assets, net	**$907,139,710**	**$389,507,399**	**$517,632,311**

Additional information on the Authority's capital assets can be found in the notes to the financial statements, see note I.C.3 and note II.C.

Economic Factors and Next Year's Budget

The Authority will manage and oversee construction of U.S. Bank Stadium until the date of substantial completion of the stadium. A variety of smaller construction projects will continue into August 2016.

The Authority's 2016 budget, for the fiscal year from January 1, 2016 through December 31, 2016, includes revenues of $18,827,785 and expenses of $12,443,647. Revenues include an operating payment of $6.0 million from the state of Minnesota, an operating payment from the Minnesota Vikings of $5,464,285, and a pro rata share of the Net Operating Income guarantee from the stadium operator. Net income is budgeted to be $6,384,138.

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, 511 Eleventh Avenue South, Suite 401, Minneapolis, Minnesota 55415. This report may also be found on the Authority's web site at www.msfa.com.

MINNESOTA SPORTS FACILITIES AUTHORITY **Exhibit A**
STATEMENT OF NET POSITION
December 31, 2015

ASSETS	
Current assets:	
Cash and cash equivalents	$ 271,858
Restricted cash and cash equivalents	2,616,732
Investments	4,203,176
Receivables:	
Accounts and other receivables	1,757,119
Restricted accounts receivable	252,791
Construction contributions receivable	61,868,303
Prepaid items	38,980
Total current assets	71,008,959
Noncurrent assets:	
Capital assets:	
Non-depreciable:	
Land	25,974,120
Construction in progress	831,409,578
Depreciable:	
Buildings	48,055,749
Land improvements	791,168
Equipment	1,519,851
Accumulated depreciation	(610,756)
Total capital assets (net of accumulated depreciation)	907,139,710
Prepaid project insurance	4,442,574
Total noncurrent assets	911,582,284
Total assets	982,591,243
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	193,855
LIABILITIES	
Current liabilities:	
Salaries and benefits payable	33,569
Accounts payable	1,293,006
Construction accounts and retainages payable	62,777,747
Restricted advanced deposits payable and amounts held for others	845,461
Restricted stadium builders licenses liability	997,803
Compensated absences	161,947
Total current liabilities	66,109,533
Noncurrent liabilities:	
Compensated absences	39,882
Net pension liability	507,998
Total liabilities	66,657,413
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	1,077,205
NET POSITION	
Investment in capital assets	907,139,710
Unrestricted	7,910,770
Total net position	$915,050,480

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

MINNESOTA SPORTS FACILITIES AUTHORITY **Exhibit B**
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended December 31, 2015

Operating revenues:	
Parking operations and related revenues	$ 524,455
Other	44,993
Total operating revenues	569,448
Operating expenses:	
Personal services	1,057,640
Professional services	865,679
Supplies, repairs and maintenance	273,015
Rent	171,462
Insurance	58,518
Parking operation	235,013
Other expenses	294,954
Depreciation	318,463
Total operating expenses	3,274,744
Total operating (loss)	(2,705,296)
Nonoperating revenues (expenses):	
Investment earnings	45,774
Other contributions for stadium project	1,145,444
Stadium builders licenses revenues	6,483,069
Sales taxes	1,686,239
Commemorative brick revenues	640,195
Stadium operator expenses	(1,558,583)
Stadium project expenses	(1,524,695)
Stadium builders licenses expenses	(6,483,069)
Commemorative brick expenses	(761,688)
Total nonoperating (expenses)	(327,314)
(Loss) before capital contributions	(3,032,610)
Capital contributions	511,883,685
Change in net position	508,851,075
Total net position, January 1, 2015	406,199,405
Total net position, December 31, 2015	$915,050,480

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

MINNESOTA SPORTS FACILITIES AUTHORITY **Exhibit C**
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from parking operations and other receipts	$	578,744
Payments to employees for salaries and benefits		(1,485,790)
Payments to suppliers and others		(2,129,215)
Payments for parking operations		(234,262)
Net cash (used for) operating activities		(3,270,523)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Sales taxes received from State of Minnesota		1,360,640
Other contributions received for stadium project		1,091,872
Stadium builders licenses revenues received		6,483,069
Payments restricted for stadium builders licenses		(9,520,307)
Payments for stadium project		(1,530,695)
Payments for pre-opening expenses of stadium operator		(1,594,067)
Payments for stadium builders licenses expenses		(6,483,069)
Net cash (used for) noncapital financing activities		(10,192,557)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Capital contributions received		505,367,280
Acquisition and construction of assets		(504,951,797)
Net proceeds from commemorative bricks		432,923
Net cash provided by capital activities		848,406
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments		3,264,201
Interest on investments		59,284
Net cash provided by investing activities		3,323,485
Net (decrease) in cash and cash equivalents		(9,291,189)
Cash and cash equivalents, January 1		12,179,779
Cash and cash equivalents, December 31	$	2,888,590
Reconciliation of operating (loss) to net cash provided by (used for) operating activities:		
Operating (loss)	$	(2,705,296)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense		318,463
Pension expense		(367,850)
Change in assets and liabilities:		
Decrease in accounts receivable		9,296
Decrease in prepaid items		8,109
(Decrease) in salaries and benefits payable		(4,239)
(Decrease) in accounts payable		(472,946)
(Decrease) in compensated absences		(56,060)
Total adjustments		(565,227)
Net cash (used for) operating activities	$	(3,270,523)

Noncash investing, capital and financing activities:		
Decrease in fair value of investments	$	35,587
Accrued other contributions	$	50,886
Accrued capital contributions	$	61,817,418
Accrued construction in progress costs	$	62,776,247

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

I. Summary of significant accounting policies

A. Organization and reporting entity

1. Organization

In May 2012, the state of Minnesota enacted 2012 Minnesota Laws, Chapter 299 to establish the Minnesota Sports Facilities Authority (Authority). The Authority is comprised of five board members: the chair, appointed by the governor of the state of Minnesota, two members appointed by the governor and two members appointed by the mayor of the city of Minneapolis. One member appointed by the governor and one member appointed by the mayor served until December 31, 2015 and one member appointed by the governor and one member appointed by the mayor serve until December 31, 2016. Thereafter members appointed by the governor and the mayor serve a four year term 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 a CEO/Executive director to act as the administrative head of the Authority. The CEO/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 use of a new stadium and related stadium infrastructure as a venue for professional football and a broad range of other civic, community, athletic, educational, cultural and commercial activities.

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 appointed three of the five board members and the state of Minnesota is responsible for the debt being incurred for the Authority's share of the cost of the 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

I. Summary of significant accounting policies (continued)

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 operations of the Authority, its parking operation, and the financing and construction of the new stadium and 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 two categories: investment in capital assets and unrestricted. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position.

2. Measurement focus and basis of accounting

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

C. Assets, liabilities, and net position

1. Cash, cash equivalents and investments

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

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

2. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

I. Summary of significant accounting policies (continued)

3. Capital assets

Capital assets include land, buildings, land improvements, equipment, and construction in progress. Capital assets are defined by the Authority as assets with an initial, individual 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 estimated fair market value at the date of donation. Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Capital assets	Useful life
Buildings	30 years
Land improvements	20 years
Equipment	3 – 10 years

4. Compensated absences

The Authority accrues vacation and sick leave when earned. All full-time employees earn annual vacation leave based on years of service and are allowed to accumulate up to a maximum of 400 hours as of the end of each year. Full-time employees also earn 96 hours of sick leave each year and are allowed to accumulate up to a maximum of 800 hours as of the end of each year. Part-time employees also earn annual vacation leave and are allowed to accumulate up to a maximum of 200 hours as of the end of each year. Part-time employees also earn 48 hours of sick leave each year and are allowed to accumulate up to a maximum of 400 hours as of the end of each year. 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 year and the employer's share of social security contributions are used to calculate compensated absences accruals at December 31.

5. Deferred outflows/inflows of resources

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

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

I. Summary of significant accounting policies (continued)

6. 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 December 31, 2015 the Authority had two categories of net position, investment in capital assets and unrestricted. Investment in capital assets is the amount of net position representing capital assets net of accumulated depreciation. Unrestricted net position is the amount of net position that does not meet the definition of restricted or investment in capital assets.

7. 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: parking revenues and other revenues. Operating expenses include personal services, professional services, supplies, repairs, and maintenance, rent, insurance, parking operation, other expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition as well as construction related activities are reported as nonoperating revenues and expenses.

b. Other contributions for stadium project

Amounts reported as other contributions for the stadium project include contributions from: 1) the Minnesota Vikings, 2) the state of Minnesota, 3) private contributions, and 4) other contributions. These contributions fund their respective share of the non-capitalized stadium construction expenses and are reported as nonoperating revenues. See note III.D.1 for a discussion of the Minnesota Vikings, the state of Minnesota, private contributions, and other contributions construction funding requirements.

c. Stadium builders licenses revenues

Effective July 31, 2014, the Authority entered into an Amended and Restated Purchase and Sale Agreement with Minnesota Stadium Funding Trust whereby the Authority agreed to sell its interest in stadium builders licenses (SBL) tranches of SBL revenues to Minnesota Stadium Funding Trust pursuant to SBL contracts. SBLs entitle the holder to buy season tickets to certain Minnesota Vikings games held at the new stadium and for a certain seat in the stadium. The Authority has recognized a receivable and revenue in accordance with Government Accounting Standards Board Statement No., 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues," as the transaction qualifies as a sale of future revenues. Revenue will be recognized as proceeds are received for the purpose of funding stadium construction costs and for costs associated with the sales of SBLs.

I. Summary of significant accounting policies (continued)

The total SBL tranches to be sold based on the SBL program as stated in the agreement is estimated to be $125 million. Approximately $100 million will be used for private contributions to fund the stadium construction project and $25 million will be used for sales and interest costs. These revenues are reported as nonoperating revenues.

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

II. Detailed notes

A. Cash deposits with financial institutions
Minnesota Statutes, Chapter 118A, require that all Authority deposits in excess of available federal deposit insurance be protected by a corporate surety bond or collateral security. An irrevocable standby letter of credit issued by a Federal Home Loan Bank is an allowable form of collateral. The statute further requires the total amount of collateral computed at its fair market 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, then the amount of collateral shall be at least equal to the amount on deposit at the close of the financial institution's banking day. At December 31, 2015, the carrying amount of the Authority's combined demand deposit bank accounts was $271,858. Bank balances were $544,092 of which $250,000 was covered by federal depository insurance and the remaining $294,092 was collateralized by an irrevocable standby letter of credit issued by Federal Home Loan Bank of Cincinnati.

At December 31, 2015, the carrying amount of the Authority's restricted cash demand deposit accounts was $621,734. Bank balances were $655,410 which was collateralized by the letter of credit described in the above paragraph. Restricted cash trust account balances were $1,994,998 at December 31, 2015.

The differences between carrying amount and bank balance generally result from checks outstanding and deposits in transit at December 31, 2015.

II. Detailed notes (continued)

B. Cash equivalent investments

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

Interest rate risk. Although the Authority does not have a formal specific duration investment risk policy, it does have a formal investment policy by which the Authority manages its exposure to declines in fair value. To meet short-term cash flow needs, the Authority's investment portfolio will remain sufficiently liquid to enable the Authority to meet anticipated cash requirements without the occurrence of significant investment losses. To meet long-term needs, the average duration of the investment portfolio should match the average duration of liabilities subject to regulatory requirements.

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

Custodial credit risk. The custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, then the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counter party to a transaction, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Following is a summary of the fair values of cash, cash equivalents and investments at December 31, 2015:

Security Type	Credit Risk	Custodial Credit Risk	% of Total Maturities	Fair Value	Portfolio
Cash and cash equivalents	n.a.	(a)	n/a	$2,888,590	40.7%
Federal National Mortgage Assoc.	AAA	(b)	9/28/2016	1,302,759	18.4%
Federal Home Loan Bank	AAA	(b)	6/24/2016	599,631	8.5%
Federal Home Loan Mortgage Corp.	AAA	(b)	1/19/2016	300,561	4.2%
Corporate Certificates of Deposit	Not rated	(b)	1/25/2017	2,000,225	28.2%
Total				$7,091,766	100.0%

(a) 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.

(b) Securities held in custody are in the Authority's name.

II. Detailed notes (continued)

The Authority had no foreign currency exposure at December 31, 2015.

C. Capital assets

In 2015 the Authority acquired a portion of 4th and 5th Street in downtown Minneapolis for $1,573,000. Capital asset activity for the fiscal year ended December 31, 2015 was as follows:

	Balance January 1	Increases	Decreases	Balance December 31
Capital assets, not being depreciated:				
Land	$24,401,120	$1,573,000	$ -	$25,974,120
Construction in progress	355,964,097	475,445,481	-	831,409,578
Total capital assets, not being depreciated	380,365,217	477,018,481	-	857,383,698
Capital assets, being depreciated:				
Buildings	9,421,193	38,634,556	-	48,055,749
Land improvements	-	791,168	-	791,168
Equipment	13,282	1,506,569	-	1,519,851
Total capital assets, being depreciated	9,434,475	40,932,293	-	50,366,768
Less: accumulated depreciation for:				
Buildings	(287,870)	(314,040)	-	(601,910)
Equipment	(4,423)	(4,423)	-	(8,846)
Total accumulated depreciation	(292,293)	(318,463)	-	(610,756)
Total capital assets, being depreciated, net	9,142,182	40,613,830	-	49,756,012
Total capital assets, net	$389,507,399	$517,632,311	$ -	$907,139,710

D. Changes in long-term liabilities

Long-term compensated absences activity for the fiscal year ended December 31, 2015, was:

Balance January 1	Additions	Reductions	Balance December 31	Due Within One Year
$257,888	$25,096	$81,155	$201,829	$161,947

III. Other information

A. Retirement plans

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

III. Other information (continued)

State Employees Retirement Fund (SERF) Plan Description

SERF is administered by the Minnesota State Retirement System (MSRS), and is established and administered in accordance with Minnesota Statutes, Chapters 352 and 356. SERF includes the General Employees Retirement Plan (General Plan), a multiple-employer, cost-sharing defined benefit plan, and three single-employer defined benefit plans. Certain employees of the Authority are covered by the General Plan.

MSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.msrs.state.mn.us/financial-information; by writing to Minnesota State Retirement System, 60 Empire Drive, Suite 300, Saint Paul, Minnesota 55103-3000 or by calling (651) 296-2761 or 1-800-657-5757.

Benefits Provided

MSRS provides retirement, disability, and death benefits through the SERF to plan members and their beneficiaries. Benefit provisions are established by state statute and can only be modified by the state legislature. Benefits are based on a member's age, years of credit, and the highest average salary for any sixty successive months of allowable service at termination of service. Benefit increases are provided to benefit recipients each January, and are related to the funded ratio of the plan. Annuitants receive a benefit increase of 2.0 percent each year. When the fund reaches a 90 percent funded status for two consecutive years, annuitants will receive a 2.5 percent increase.

Retirement benefits can be computed using one of two methods: the Step formula and the Level formula. Members hired before July 1, 1989, may use the Step or Level formula, whichever is greater. Members hired on or after July 1, 1989, must use the Level formula. Each formula converts years and months of service to a certain percentage. Under the Step formula, members receive 1.2 percent of the high-five average salary for each of the first 10 years of covered service, plus 1.7 percent for each year thereafter. It also includes full benefits under the Rule of 90 (age plus years of allowable service equals 90). In contrast, the Level formula does not include the Rule of 90. Under the Level formula, members receive 1.7 percent of the high-five average salary for all years of covered service, and full benefits are available at normal retirement age.

Contributions

Minnesota Statutes Chapter 352 sets the rates for employer and employee contributions. Eligible General Plan members and participating employers were required to contribute 5.5 percent of total compensation. The Authority's contribution to the General Plan for the fiscal year ending December 31, 2015 was $41,452. These contributions were equal to the contractually required contributions for each year as set by state statute.

III. Other information (continued)

Actuarial Assumptions

The Authority's net pension liability was measured as of June 30, 2015, 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	2.75 percent per year
Active Member Payroll Growth	3.50 percent per year
Investment Rate of Return	7.90 percent per year

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2000 generational mortality tables for males or females, as appropriate, with adjustments to match fund experience. Benefit increases for retirees are assumed to be 2.0 percent every January 1st through 2043 and 2.5 percent thereafter.

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies for the period July 1, 2004, through June 30, 2008, with an update of economic assumptions in 2014.

The long-term expected rate of return on pension plan investments is 7.9 percent. The rate assumption was selected as the result of a 2014 actuarial review of economic assumptions. The review combined the asset class target allocations and long-term rate of return expectations from the State Board of Investment (SBI) with return expectations from eight other investment consultants. The review also factored in information from the Social Security Trustees Report, U.S. Department of the Treasury yield curve rates, and historical observations of inflation statistics and investment returns.

The SBI, which manages the investments of MSRS, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method. Best estimates of expected future real rates of return are developed for each major asset class. These asset class estimates and target allocations are combined to produce a geometric, expected long-term rate of return as summarized in the following table:

Asset Class	Target Allocation	SBI's Long-term Expected Real rate of Return (Geometric Mean)
Domestic Stocks	45%	5.50%
International Stocks	15%	6.00%
Bonds	18%	1.45%
Alternative Assets	20%	6.40%
Cash	2%	0.50%

III. Other information (continued)

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2015, was 7.9 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. A similar analysis was performed as of July 1, 2014, based on a long-term expected rate of return of 7.9 percent and a municipal bond rate of 4.29 percent. The projection showed that assets would be available to pay benefits through 2114 with a resulting single discount rate of 7.9 percent.

Net Pension Liability

At December 31, 2015, the Authority reported a liability of $507,998 for its proportionate share of MSRS' net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's contributions received by MSRS during the measurement period July 1 2014, through June 30, 2015, relative to the total employer contributions received from all of MSRS's participating employers. At June 30, 2015, the Authority's proportion was .033 percent.

The post-retirement benefit increase changed from 2 percent indefinitely, to 2 percent through 2043, and 2.5 percent thereafter.

Pension Liability Sensitivity

The following presents the Authority's proportionate share of the net pension liability, calculated using the discount rate disclosed in the Discount Rate section above, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.9%)	**Discount Rate (7.9%)**	**1% Increase in Discount Rate (8.9%)**
Authority's proportionate share of the net pension liability:	$1,039,873	$507,998	$65,383

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the MSRS Comprehensive Annual Financial Report, and is available on the MSRS website (www.msrs.state.mn.us/financial-information).

III. Other information (continued)

Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended December 31, 2015, the Authority recognized pension expense/(income) of ($367,850).

At December 31, 2015, 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	-	$143,677
Changes of assumptions	-	$452,054
Net difference between projected and actual earnings on investments	$103,733	$321,721
Changes in proportion and differences between actual contributions and proportionate share of contributions	$73,182	$159,753
Contributions paid to MSRS subsequent to the measurement date	$16,940	-
Total	$193,855	$1,077,205

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 year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Year ended December 31:	Pension Expense/(Income)
2016	($377,202)
2017	($377,202)
2018	($377,202)
2019	($139,156)

Unclassified Employees Plan (UEP) Description
The MSRS-UEP is a tax-deferred multiple employer defined contribution public employee retirement plan. The chair of the Authority and the CEO/Executive Director are covered by this plan. Minnesota Statutes, Chapter 352D.01 authorized creation of this plan.

It is considered a money purchase plan, i.e., participants vest only to the extent of the value of their accounts (employee and employer contributions plus earnings less administrative expenses), but functions as a hybrid between a defined contribution plan and a defined benefit plan.

III. Other information (continued)

Funding Policy

Minnesota Statutes, Chapter 352D.04, subdivision 2, required a contribution rate of 5.5 percent of salary from participating employees. The employer contribution rate is 6.0 percent of salary. Employees of this plan also contribute to Social Security.

Participants in this plan are eligible to apply for the balance in their account after termination of public service. There is no minimum employment requirement to qualify for this lump-sum payment. Since contributions made to this plan are not taxed, participants pay taxes when funds are withdrawn and may be subject to a ten percent penalty if funds are withdrawn in a lump sum before the member reaches age 59-1/2. Monthly benefits are available to terminated participants at age 55 or later, regardless of the individual's length of service.

Retirement and disability benefits are available to some participants through conversion, at the participant's option, to the General Plan provided the employee has at least 10 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 contribution for, fiscal year 2013, 2014, and 2015 were:

Year	Contributions
2013	$15,732
2014	$17,194
2015	$17,355

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: property insurance for the Downtown East parking facility ($5,000), property and equipment break down ($5,000), general liability ($2,500 per claim), umbrella liability (none), automobile insurance ($500 collision/$250 comprehensive), garage keepers liability ($1,000), crime insurance ($10,000 retention), workers compensation (none), and public officials and employee liability insurance ($10,000 retention).

The Authority entered into an agreement with an insurance broker to provide insurance brokerage services to insure the design and construction of the new stadium and stadium infrastructure. The Authority has an Owner Controlled Insurance Program (OCIP) for liability only coverage for construction of the stadium. This policy has a prefunded insurance loss reserve. Additional construction related coverage was acquired including contractors' pollution liability, pollution legal liability, owners' protective professional indemnity, and builders' risk. Policy premiums are recorded as prepaid expenses and amortized to construction in progress over the terms of the policies.

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

III. Other information (continued)

C. Operating leases

The Authority leases office space and several parking spaces at a location directly across from the stadium construction site. The office space lease period began on January 1, 2014 and will expire on September 30, 2016, lease expenses were $157,696 in 2015.

On November 20, 2015, the Authority entered into a lease agreement to lease 35,860 square feet of parking lot space at a location directly across from the stadium construction site. The parking lot space lease period will begin March 1, 2016 and will expire upon the expiration of the stadium use agreement (see note III.D.2). The lease agreement requires an annual base rent amount of $282,398, and provides for a fair market adjustment of the base rent on March 31, 2031, March 31, 2036, March 31, 2041, and March 31, 2046, subject to the terms of the agreement and agreement of the Authority. Future rent expense for the lease agreement is as follows:

Year(s)	Rent Expense
2016	$ 282,398
2017	282,398
2018	282,398
2019	282,398
2020	282,398
2021 - 2025	1,411,988
2026 - 2030	1,411,988
2031 - 2035	1,411,988
2036 - 2040	1,411,988
2041 - 2045	1,411,988
2046	282,398

In accordance with the lease agreement, the landlord has the option to terminate the lease on an annual anniversary of the commencement date, March 1, 2016. If the landlord elects to terminate the lease, the landlord must reimburse the Authority for unamortized improvement costs, as defined by the lease agreement. There were no unamortized lease improvements recorded by the Authority as of December 31, 2015.

D. Stadium development

1. Development agreement

On October 3, 2013 the Authority and the Minnesota Vikings Football, LLC (Team) entered into the original development agreement to provide for the planning, design, development and construction of the stadium and stadium infrastructure which included an original master project budget of $975 million. The original agreement identified the architect and the construction manager retained for the stadium project and it identified the Authority as the stadium developer. Various program elements, design standards, design documents, construction matters, site acquisition, and financing requirements of the stadium project were specified in the agreement. As the stadium developer the Authority has oversight responsibility for the construction manager and is responsible for project accounting and reporting, value engineering, legal administration, and the project budget.

III. Other information (continued)

In connection with certain financing arrangements anticipated for the stadium and stadium infrastructure the Team assigned the original agreement to Minnesota Vikings Football Stadium, LLC (Stadco).

The second amended and restated development agreement which was effective August 22, 2014 superseded and replaced the terms of the original Agreement and the First Amended and Restated Agreement.

Effective March 27, 2015, the Authority and Stadco entered into the first amendment to the second amended and restated development agreement to provide for the relocation of ductwork and mechanical equipment and to modify the design to mitigate the impact of the ductwork and equipment on the sightlines of the stadium scrim signage, construction of the east event level locker rooms buildout, establishment of the concession equipment budget, establishment of the stadium plaza improvements budget, establishment of commemorative bricks budget, establishment of the WiFi budget, allocation of additional team space, and installation of house reduction curtains.

As of December 2015 the project budget was increased to $1,091,168,905. The sources of funding for the construction project are: the state of Minnesota will contribute $498,000,000, Stadco and private contributions will contribute $578,430,247, and other contributions will be $14,738,658. This agreement will terminate on the date of substantial completion of the stadium which is the date that the stadium is ready for opening to the general public.

2. Use agreement and football playing agreement
Effective November 22, 2013 the Authority and Stadco 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 will be from date of substantial completion of the stadium to the 30th National Football League (NFL) football season played by the Team in the stadium. As payment for its occupancy and use of the stadium, the Team is obligated to pay a use fee 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. The use agreement was amended and restated on August 22, 2014. It was further amended on March 27, 2015 by the third amendment to the amended and restated stadium use agreement to define the following: operating costs of the Authority, Team's stadium property, heating ventilation and air conditioning system standard, MLS related event revenue, procurement of distributed antennae system and WiFi communications system and services, and signage plan.

In addition to the use agreement the Authority and the Team entered into a long-term agreement, 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 use agreement.

III. Other information (continued)

3. General fund appropriation bond proceeds grant agreement-construction grant

In fiscal year 2013 the Authority and Minnesota Management and Budget (MMB) entered into a grant agreement for MMB to pay $498 million to the Authority for expenses related to the acquisition, construction, improving and equipping of the stadium and stadium infrastructure. Draw requisitions are required for all payments for the project. This agreement terminates on the last date of the useful life of the property.

4. Development agreement

On February 10, 2014 the Authority entered into a development agreement with the city of Minneapolis and Ryan Companies US, Inc. (Ryan) to develop, construct and operate the Block 1 Parking Ramp and skyways in connection with the stadium and related facilities. The original project budget for site acquisition, design and construction of the Block 1 Ramp was $48,953,484, the city of Minneapolis agreed to finance $32,632,392 and the Authority agreed to finance $16,321,092 of project costs. The stadium project budget will provide the Authority's source of funds. The ramp began operations on December 31, 2015 and it has 1,610 parking spaces. The project budget for the Ryan Skyways was $6,456,286 and the budget for the Stadium Skyway was $3,964,314. The skyways are 100% financed by the Authority and the stadium project budget will provide the sources of funds. The Ryan Skyways will connect the Haaf Ramp through two office towers to the Block 1 Parking Ramp. The Stadium Skyway will connect the Block 1 Parking Ramp to the stadium.

5. Parking agreement

On February 10, 2014 the Authority entered into a parking agreement with Ryan and the city of Minneapolis whereby the Authority will own the Downtown East Parking Ramp and the Block 1 Parking Ramp. The Authority managed the Downtown East Parking Ramp from February 10, 2014 to December 30, 2015. On December 31, 2015 Ryan began to manage both parking facilities.

6. Other third party agreements

The Authority entered into a service agreement with NRG Energy Center Minneapolis LLC (NRG) in June 2014. Based on the terms of the service agreement, NRG will reimburse the Authority up to $235,000. Amounts received from NRG will be recorded as capital contributions to the stadium. No contributions were recorded through December 31, 2015.

The Authority entered into a distributed antenna system (DAS) license agreement with Verizon Wireless, LLC (Verizon) in November 2015. Based on the terms of the DAS license agreement, Verizon will provide for the cost, operation and maintenance of DAS and public safety systems. For the year ended December 31, 2015, Verizon made contributions to the project totaling $2,500,000 for the cost of the DAS equipment.

III. Other information (continued)

E. 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, under which SMG will be responsible for assisting the Authority in the strategic planning, project development, and management services of the stadium and the Urban Park sites from August 22, 2014 through the opening of the stadium (pre-opening period) and also manage, operate, maintain and market the stadium and market the Urban Park sites for ten years commencing with opening (operating period). The Authority also has the option to extend the agreement for an additional five years. SMG is required to operate in accordance with certain policies of the Authority and within the Urban Park use agreement.

The agreement requires SMG to pay the Authority $2,750,000 for capital investment costs by April 1, 2016. The agreement also requires that SMG guarantee $6,750,000, increased by 2 percent each year, of net operating income (NOI) to be distributed to the Authority. In addition to the NOI guarantee of $6,750,000, the Authority is also entitled to a pro rata share of NOI above $7,250,000, as defined by the agreement.

The agreement assigns SMG agent rights to certain bank accounts held by the Authority in relation to stadium operations and payroll. All stadium operating revenue is required to be deposited to the stadium operating bank account. The assets held in the pre-opening bank accounts are reported as restricted cash and restricted amounts held for others by the Authority on the statement of net position. At December 31, 2015 the amount totaled $38,953.

Expenses incurred by SMG during the pre-opening period, up to the agreed upon budget amount of $4,112,341, are the responsibility of the Authority. SMG incurred pre-opening expenses of $1,558,583 which are reported by the Authority in the statement of revenues, expenses and changes in net position as nonoperating expenses.

F. Commemorative bricks agreement

During the year ended December 31, 2015, the Authority entered into an agreement with Fund Raisers, Ltd. (Fund Raisers) whereby they will manage sales and manufacture and ship specially engraved commemorative bricks, replications of commemorative bricks, and display cases. The Authority is responsible for the installation of the commemorative bricks and maintenance and cleaning of the commemorative bricks after installation. The commemorative bricks are expected to be installed during 2016. As of December 31, 2015, a total of 10,399 commemorative bricks have been ordered.

III. Other information (continued)

The Authority recognizes revenues and expenses in accordance with Government Accounting Standards Board Statement No., 33, "Accounting and Financial Reporting for Nonexchange Transactions," as the transactions qualify as voluntary nonexchange transactions. Revenue and costs for the sale of the commemorative bricks will be recognized when installation has been completed at which point the contingency criterion is met. Revenue and costs related to the sale of replication commemorative bricks and display cases are recognized in the month the product is shipped to the customer. These revenues and expenses are reported as nonoperating.

The first $1,500,000 of net proceeds from the sale of commemorative bricks has been restricted by the stadium development agreement (see note III.D.1.) for stadium plaza improvements. Any net proceeds from the sale of commemorative bricks in excess of $1,500,000 are designated to the stadium plaza improvements budget. Based on this restriction, cash, accounts receivables, accounts payable and advance deposits payable related to the sale of commemorative bricks are shown as restricted assets or liabilities on the statement of net position for the year ended December 31, 2015. Advance deposits payable represents deposits that have been collected for the sale of commemorative bricks, replication commemorative bricks, and display cases for which the contingency criterion has not yet been met, net of cash that is held by Fund Raisers.

G. Construction commitments

Construction on the stadium project began in 2013 and continued throughout fiscal years 2014 and 2015. Construction on the parking ramp began in September 2014 and was substantially completed by December 30, 2015. The Authority had the following construction commitments with contractors at December 31, 2015:

	Spent-to-date	Remaining Commitment
Architectural and engineering services	$39,061,253	$2,827,074
Construction management services	$782,760,900	$120,538,464
Owners representative services	$8,046,420	$2,765,620
Technology and other services	$13,114,388	$11,444,125

III. Other information (continued)

H. Subsequent events

1. Settlement Agreement and Release

On February 10, 2016 the Authority executed a conditional settlement agreement and release with the following parties: the construction manager, the architect for the project, and certain other members of the design team to resolve existing cost and time related claims related to the design and construction of the project. In addition, the agreement included settlement of future, unknown cost and time related claims that could arise through substantial completion. In order to reach a settlement of known existing claims and unknown future claims the agreement established a settlement value which is an escrow fund that was established to cover such claims that might by asserted by the construction manager through the settlement option date which is the date of certificate of substantial completion of the project or the first NFL game held at the stadium. On the settlement option date, the construction manager has the option to accept or reject the escrowed settlement value; under certain conditions the Authority may have the option to accept or reject the enforcement of the agreement. If the construction manager accepts the settlement value then the parties will have ratified the releases. If the construction manager rejects the settlement value then the agreement is null and void. As consideration for this agreement, the Authority deposited $16,250,000 as its share of the settlement value into a settlement trust account pending acceptance or rejection of the settlement value. The settlement agreement excepts certain claims from the scope of the agreement, including claims relating to rework of the infiltration system and the exterior panels.

MINNESOTA SPORTS FACILITIES AUTHORITY
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
Last 10 Years*

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

	2014	2015
Authority's Proportion of the Net Pension Liability	0.051%	0.033%
Authority's Proportionate Share of the Net Pension Liability	$ 827,002	$ 507,998
Authority's Covered Employee Payroll	$ 1,343,195	$ 903,496
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-employee Payroll	61.57%	56.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.64%	88.32%

The measurement date is June 30 of each year.

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

Schedule of Authority's Contributions
State Employees Retirement Fund

	2014	2015
Contractually Required Contribution	$ 44,016	$ 40,403
Contributions in Relation to the Contractually Required Contribution	$ 44,016	$ 40,403
Contribution Deficiency (excess)	$ -	$ -
Authority's Covered-employee Payroll	$ 1,343,195	$ 903,496
Contributions as a Percentage of Covered-employee Payroll	3.28%	4.47%

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

MINNESOTA
SPORTS FACILITIES
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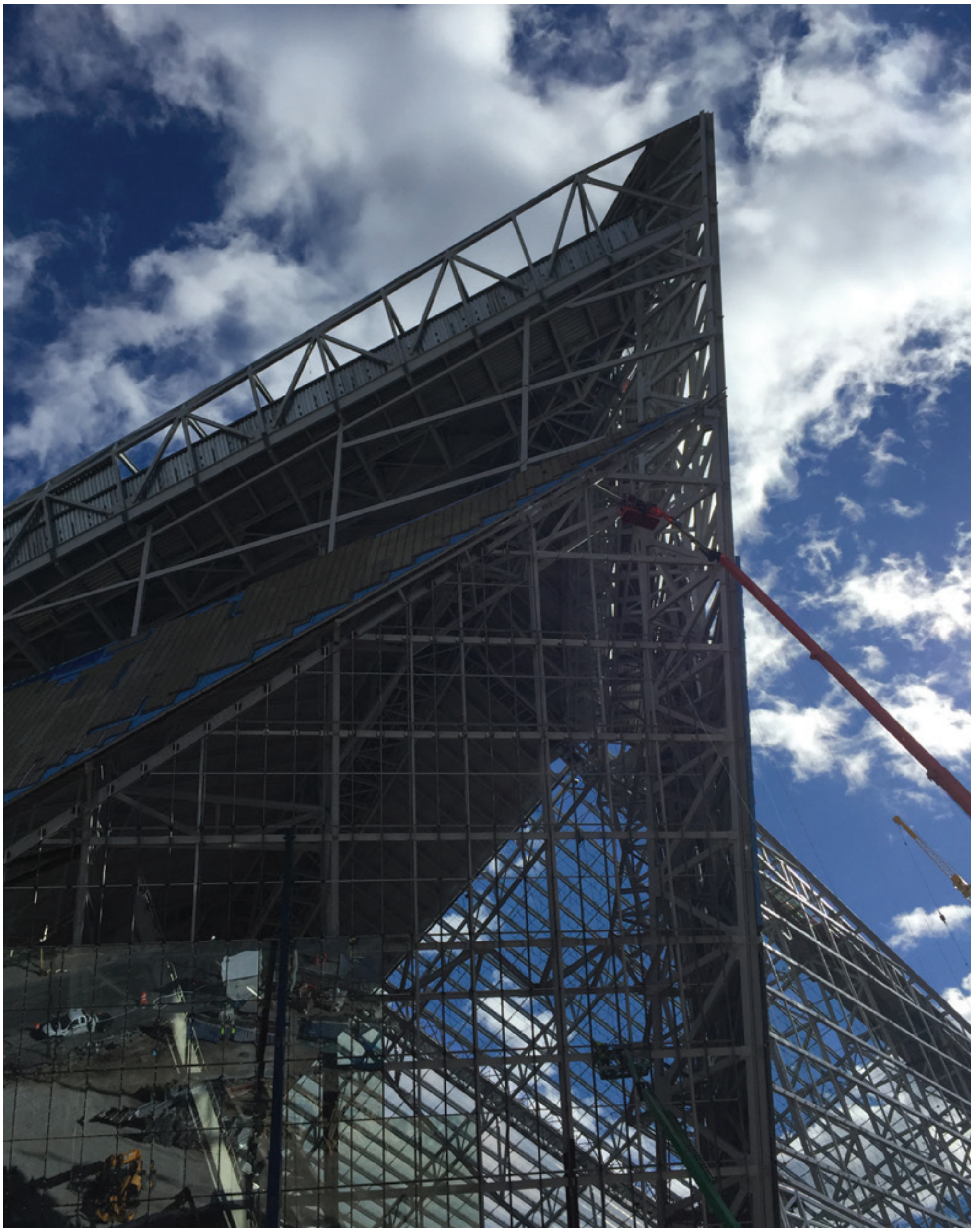
STATISTICAL SECTION

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.



Construction of the U.S. Bank Stadium

LIST OF STATISTICAL TABLES

1.0 FINANCIAL TRENDS

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

2.0 REVENUE CAPACITY

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

3.0 DEMOGRAPHIC AND ECONOMIC INFORMATION

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

4.0 OPERATING INFORMATION

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

MINNESOTA SPORTS FACILITIES AUTHORITY

Table 1.1

Net Position by Component
Last Four Fiscal Years Ended December 31

	2015	2014	2013	2012*
Investment in capital assets	$907,139,710	$389,507,399	$52,256,276	$15,497,844
Unrestricted	7,910,770	16,692,006	24,144,345	12,080,223
Total net position	$915,050,480	$406,199,405	$76,400,621	$27,578,067

* 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.

Unaudited
Source: Authority Finance department

MINNESOTA SPORTS FACILITIES AUTHORITY **Table 1.2**
Changes in Net Position
For the Four Fiscal Years Ended December 31

	2015	2014	2013	2012*
Operating revenues:				
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	44,993	45,816	516,027	336,159
Parking operations and related revenues	524,455	405,166	-	-
Total operating revenues	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	1,057,640	1,841,609	2,623,548	1,085,418
Professional services	865,679	616,112	981,614	922,956
Contractual services	-	68,521	1,711,276	1,137,579
Supplies, repairs and maintenance	273,015	214,056	685,645	470,478
Utilities	-	96,842	3,148,122	1,436,919
Rent	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	294,954	203,832	327,711	303,098
Depreciation	318,463	292,293	4,250,905	1,898,121
Total operating expenses	3,274,744	4,559,641	25,228,819	17,124,797
Total operating income (loss)	(2,705,296)	(4,095,592)	(4,684,863)	767,064
Nonoperating revenues (expenses)	(327,314)	1,765,515	993,582	70,645
Income (loss) before capital contributions	(3,032,610)	(2,330,077)	(3,691,281)	837,709
Capital contributions	511,883,685	334,047,793	52,513,835	2,546,938
Change in net position	$508,851,075	$ 331,717,716	$48,822,554	$ 3,384,647

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

Unaudited
Source: Authority Finance department

MINNESOTA SPORTS FACILITIES AUTHORITY **Table 2.1**
User Fee Revenues by Source
For the Four Fiscal Years Ended December 31

Fiscal Period	Concessions (1)	Admission Tax (2)	Rent (3)	Parking Operations	Charges for Services	Other
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

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

1) Various prices were charged for food and beverage concessions.
2) A 10% admission tax was assessed on all ticket sales for Metrodome events.
3) A 9.5% rental fee was assessed on Minnesota Vikings ticket sales and a $500 hourly rental fee was charged for nonmajor Metrodome users.

Unaudited
Source: Authority Finance department

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

Table 3.1

Fiscal Year	Population (1,3)	Personal Income (In Millions) (1,3)	Per Capita Income (1,3)	Unemployment Rate (2)
2015	3,495,176	185,825	53,166	3.4%
2014	3,495,176	185,825	53,166	3.9%
2013	3,459,146	177,051	51,183	4.8%
2012	3,422,264	172,004	50,260	5.5%
2011	2,873,444	161,468	48,657	6.4%
2010	2,849,567	152,789	46,498	7.2%
2009	2,881,812	149,795	45,262	7.9%
2008	2,870,250	154,421	48,207	5.1%
2007	2,849,003	149,496	46,752	4.3%
2006	2,821,779	140,158	44,295	3.8%

Unaudited

Sources:

1) Metropolitan Council Comprehensive Annual Financial Report -internally updated information based on the U.S. Commerce Department and Bureau of Economic Analysis for the Minneapolis-St. Paul Metropolitan Statistical Area.
2) Metropolitan Council Comprehensive Annual Financial Report - State of Minnesota, Department of Employment and Economic Development (seven county area).
3) 2015 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)

	2015			2006		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
State of Minnesota	54	1	2.88%	55	1	3.09%
Mayo Clinic	40	2	2.14%	33	3	1.85%
United States Federal Gov't	31	3	1.66%	35	2	1.96%
Target Corporation	30	4	1.60%	24	5	1.35%
Allina Health System	26	5	1.39%	23	6	1.29%
University of Minnesota	26	6	1.39%	30	4	1.68%
HealthPartners Inc.	23	7	1.23%	-	-	-
Wal-Mart Stores Inc.	22	8	1.18%	18	9	1.01%
Fairview Health Services	21	9	1.12%	19	8	1.07%
Wells Fargo Minnesota	20	10	1.07%	19	7	1.07%
3M Co.	-	-	-	16	10	0.90%
Total	293		15.66%	272		15.27%

Unaudited

Source: Metropolitan Council Comprehensive Annual Financial Report-Minneapolis/St. Paul Business Journal Book of Lists, December 25, 2015 and The Business Journal Book of Lists December 23, 2005.

Note: Available list covers employment for entire State of Minnesota.

MINNESOTA SPORTS FACILITIES AUTHORITY **Table 4.1**
Full-Time Employees by Department
Last Four Fiscal Years Ended December 31

Fiscal Year	Administrative	Building Maintenance	Security	Total
2015	8	-	-	8
2014	10	-	-	10
2013	8	11	2	21
2012*	7	11	2	20

* The Authority began operations on August 1, 2012 and full-time employees by department for 2012 are reported as of December 31, 2012.

Unaudited

Source: Authority Finance department

MINNESOTA
SPORTS FACILITIES
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