December 18, 2015

MEMORANDUM

TO: MSFA Commissioners

FROM: Ted Mondale/Mary Fox-Stroman

SUBJECT: 2016 Budget

Attached is the 2016 Budget for the Minnesota Sports Facilities Authority for the period from January 1, 2016 through December 31, 2016. Highlights of the 2016 budget and a budget summary are included. This budget includes the operating account and the capital reserve account.

Recommendation: The MSFA approves and adopts the Year 2016 Budget.
MINNESOTA SPORTS FACILITIES AUTHORITY
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2016 BUDGET
MINNESOTA SPORTS FACILITIES AUTHORITY

2016 OPERATING BUDGET

SUMMARY

Highlights of the 2016 Budget
For fiscal year 2016 the Minnesota Sports Facilities Authority will have an operating account and a capital reserve account. Highlights of each account are discussed below.

Operating Account
Revenues
The operating account revenue budget for 2016 consists of seven revenue sources: State of Minnesota operating payment of $6.0 million, Minnesota Vikings Use fee-operating payment of $5.4 million, SMG operating revenue and marketing fund payment of $3.6 million, Taxes-State of Minnesota revenue of $1.4 million, Contribution from the project for reimbursement of FF&E deposits of $800,000, commemorative brick fundraising revenues of $1.6 million, and investment earnings of $40,000, for a combined total of $18,827,785.

Expenses
The operating account total expense budget for 2016 is $12,443,647 and includes personal services, professional services, audio-visual costs, travel and meetings, supplies, rent, insurance, communication, contractual commitments related to the stadium, miscellaneous costs, stadium project expenses, stadium management operator pre-opening expenses and commemorative brick fundraising expenses. The personal services budget of $1.1 million includes salaries and benefits for employees. Professional services budget of $1.9 million includes consulting services, legal and legislative representation services, and audit expenses. Rent budget of $125,000 includes costs related to Authority offices, parking at the 511 building and moving expenses. Operating expenses also include contractual commitments related to the stadium and stadium project related costs of $5.8 million, stadium management operator pre-opening expenses of $2.3 million, and commemorative brick fundraising expenses of $850,000.

Account Balance
Budgeted net income for the operating account is $6,384,138 and the operating account ending account balance is $9,733,500.
Capital Reserve Account

Revenues
The capital reserve account revenue budget for 2016 consists of two revenue sources: State of Minnesota capital cost payment of $1.5 million and the Minnesota Vikings capital cost payment of $1.5 million, for a combined total of $3.0 million.

Account Balance
Budgeted net income for the capital reserve account is $3.0 million, therefore the capital reserve account ending account balance is $3.0 million.
## OPERATING ACCOUNT

### Revenues:
- State of Minnesota operating payment: $6,000,000
- Minnesota Vikings Use fee - Operating payment: $5,464,285
- SMG Operating Revenue and Marketing fund payment: $3,562,500
- Taxes - State of Minnesota: $1,361,000
- Contribution from project for FF&E deposits: $800,000
- Commemorative Brick fundraising revenues: $1,600,000
- Investment earnings: $40,000

Total revenues: $18,827,785

### Expenses:
- Personal services: $1,083,000
- Professional services: $1,934,625
- Audio-visual maintenance costs: $7,000
- Travel and meetings: $16,000
- Supplies, repairs and maintenance: $67,200
- Rent: $125,000
- Insurance: $84,000
- Communication: $33,000
- Marketing: $31,250
- Contractual commitments related to stadium: $889,667
- Miscellaneous: $144,500
- Stadium project expenses: $3,934,030
- Stadium project expense for Super Bowl seats: $162,968
- Stadium project expense for FF&E deposits: $800,000
- Stadium management operator - SMG pre-opening expenses: $2,281,407
- Commemorative Brick fundraising expenses: $850,000

Total expenses: $12,443,647

Net Income/(loss): $6,384,138

### Beginning Operating Account Balance
$3,349,362

### Ending Operating Account Balance
$9,733,500

## CAPITAL RESERVE ACCOUNT

### Revenues:
- Minnesota Vikings Capital Cost payment: $1,500,000
- State of Minnesota Capital payment: $1,500,000

Total revenues: $3,000,000

Net Income/(loss): $3,000,000

### Beginning Capital Reserve Account Balance
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### Ending Capital Reserve Account Balance
$3,000,000

## Combined Reserve Account Balances
$12,733,500