



MINNESOTA  
SPORTS FACILITIES  
AUTHORITY

## MINNESOTA SPORTS FACILITIES AUTHORITY MEETING AGENDA

Thursday, November 20, 2025, 8:00 A.M.

U.S. Bank Stadium – MSFA Office  
401 Chicago Avenue, Minneapolis, MN 55415

1. CALL TO ORDER
2. APPROVAL OF PRIOR MEETING MINUTES – September 18, 2025
3. BUSINESS
  - a. Action Items
    - i. **Approve First Amendment to the Parking Agreement with Timeshare Systems, Inc.**
    - ii. **Approve Updated MSFA Personnel Policy for Family and Medical Leave**
  - b. Reports
    - i. MSFA Annual Comprehensive Financial Report June 30, 2025
    - ii. Q1 2025-2026 MSFA Budget Report September 30, 2025
    - iii. 2025-2026 Property Insurance Report
    - iv. U.S. Bank Stadium Updates
      1. Legends Global
      2. Aramark
4. PUBLIC COMMENTS
5. DISCUSSION
6. ANNOUNCEMENT OF NEXT MEETING – December 18, 2025  
Location: U.S. Bank Stadium – MSFA Office
7. ADJOURNMENT



**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**Meeting Minutes – September 18, 2025, 8:00 A.M.**  
**U.S. Bank Stadium – MSFA Office**  
**401 Chicago Avenue, Minneapolis, MN 55415**

**1. CALL TO ORDER**

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

**2. ROLL CALL**

Commissioners present: Chair Michael Vekich, Laura Bishop, William McCarthy, Sharon Sayles Belton.

Commissioner Tony Sertich was excused.

**3. APPROVAL OF MEETING MINUTES – June 26, 2025.**

Chair Vekich asked for a motion to approve the minutes of the June 26, 2025, meeting. Commissioner Sayles Belton moved, seconded by Commissioner McCarthy. The minutes of the June 2025, board meeting were unanimously approved and adopted as presented. *See, Exhibit A.*

**4. BUSINESS**

**a. Action Items**

**i. Authorize Negotiations for the 2025-2026 Property Insurance Program**

Ms. Michelle Hoffman, Director of Finance, discussed the property insurance renewal process, noting that the Authority’s insurance brokers are working on negotiations and obtaining final quotes from various carriers prior to the October 1 renewal date. An estimated not to exceed amount has been received and staff requested board authorization for the Chair and Executive Director to finalize negotiations and enter into contracts for the property insurance program. *See, Exhibit B.*

Commissioner Sayles Belton moved, and Commissioner McCarthy seconded the motion to adopt the following motion, which was unanimously adopted:

*The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to finalize negotiations and enter into contracts for the property insurance program for a total premium amount not to exceed \$3,600,000. A full insurance report will be presented at a future board meeting.*

**ii. Approve Updated MSFA Personnel Policy for Accrued Leave**

Ms. Michelle Hoffman discussed current accrued leave policies, noting they were last modified in 2012. A summary of the current policies as well as the proposed changes was presented and questions from Commissioners McCarthy and Sayles Belton were answered by Ms. Hoffman and Mr. Jay Lindgren, MSFA counsel. *See, Exhibit C.*

Commissioner McCarthy moved, and Commissioner Sayles Belton seconded the motion to adopt the following motion, which was unanimously adopted:

*The MSFA Board authorizes revisions to the MSFA Personnel Policy to incorporate the above modifications.*

**iii. Approve Seventh Amendment to the Management and Pre-Opening Services Agreement with ASM Global**

Mr. Michael Vekich, Chairman, discussed the proposed Seventh Amendment to the Management and Pre-Opening Services Agreement, related to facility service fees for Authority (non-Community) events. Ms. Shannon Kelly, General Manager ASM Global, also answered questions related to the proposed amendment. *See, Exhibit D.*

Commissioner Bishop moved, and Commissioner McCarthy seconded the motion to adopt the following motion, which was unanimously adopted:

*The Minnesota Sports Facilities Authority authorizes the Chair and Executive Director to execute the Seventh Amendment to the Management and Pre-Opening Services Agreement with ASM Global.*

**b. Reports**

**i. U.S. Bank Stadium Updates**

**1. ASM Global Update**

Ms. Shannon Kelly, General Manager U.S. Bank Stadium, commented on recent events at the Stadium.

**2. Aramark Update**

Ms. Jenifer Freeman, District Manager U.S. Bank Stadium, commented on recent events related to food and beverage at U.S. Bank Stadium.

**5. PUBLIC COMMENTS**

There were no public comments.

**6. DISCUSSION**

There were no discussion items.

**7. ANNOUNCEMENT OF NEXT MEETING**

Chair Vekich announced the next MSFA meeting will be held on Thursday, October 16, 2025, at U.S. Bank Stadium in the MSFA Board Room.

**8. ADJOURNMENT**

There being no further business to come before the MSFA, the meeting was adjourned at 8:42 A.M.

*Approved and adopted the 20th day of November 2025, by the Minnesota Sports Facilities Authority.*

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Sharon Sayles Belton, Secretary/Treasurer

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Ed Kroics, Executive Director



**MEMORANDUM**

TO: MSFA Commissioners

FROM: Michelle Hoffman, Director of Finance

DATE: November 20, 2025

SUBJECT: Approve Amendment to Parking Agreement with Timeshare Systems, Inc.

The Minnesota Sports Facilities Authority developed a parking plan in accordance with the terms of the Stadium Use Agreement that provides the Minnesota Vikings with the use of 2,500 parking spaces on game days for premium seating patrons.

As part of the plan the Authority leases 935 parking spaces from Timeshare Systems, Inc., with these 935 spaces being split between the 511 Surface Lot, the 511 Parking Ramp, and the 1010 Parking Ramp. In June, the Board approved entering into a parking agreement with Timeshare Systems, Inc. for these spaces for the period of July 1, 2025, to June 30, 2026. The original approved agreement specified that the allocation of parking spaces would be 140 spaces at the 511 Surface Lot, 365 spaces at the 511 Ramp, and 430 spaces at the 1010 Ramp.

Due to its changing needs, Timeshare Systems, Inc. has requested a reallocation of 30 parking spaces from the 1010 Ramp to the 511 Ramp, which would result in 140 spaces at the 511 Surface Lot, 395 spaces at the 511 Ramp, and 400 spaces at the 1010 Ramp. Rates per space identified in the originally approved agreement will remain the same for all locations and for all events.

**Recommended Motion:**

*The Minnesota Sports Facilities Authority authorizes the Chair and the Executive Director to finalize and execute the above Amendment to the July 1, 2025, to June 30, 2026 Parking Agreement with Timeshare Systems, Inc.*



## MEMORANDUM

To: MSFA Commissioners

From: Michelle Hoffman, Director of Finance

Date: November 20, 2025

Subject: Personnel Policy Changes – Minnesota Paid Family and Medical Leave

In 2025, the state of Minnesota passed the Minnesota Paid Family and Medical Leave Act (PFML). The program is designed to support employees during significant life events, such as welcoming a new child, recovering from serious illness, or caring for a family member with a serious health condition. While both the federal Family and Medical Leave Act and Minnesota PFML are designed to offer leave for similar circumstances, the federal FMLA is intended to provide job security through unpaid leave, and the Minnesota PFML offers partial wage replacement benefits during the leave.

All employers with at least one employee are required to participate in the program. The program is administered by the Minnesota Department of Employment and Economic Development (DEED) and will be funded through premiums on employee taxable wages, with employers required to contribute at least 50% of the premium, though they can choose to contribute a higher percentage or all of the premium. The premium rate for 2026 is set at 0.88% of taxable wages and the attached proposed policy includes the MSFA paying for 50% of this premium with the remaining 50% of the premium being withheld from employee paychecks.

The attached policy also includes requirements for requesting and using PFML as well as how it works in conjunction with federal FMLA leave.

**Recommended Motion:** *The MSFA Board authorizes revisions to the MSFA Personnel Policy to incorporate the attached policy for Minnesota Paid Family and Medical Leave.*

## **MINNESOTA PAID FAMILY AND MEDICAL LEAVE**

In compliance with the Minnesota Paid Family and Medical Leave Act of 2025 (PFML), the Authority's Family and Medical Leave Policy allows eligible employees to take up to 12 work weeks of paid leave for medical reasons in addition to up to 12 work weeks of paid leave for family reasons. Eligible employees may take a maximum of 20 weeks combined in one year if someone qualifies for both medical and family leave.

The Authority will comply with applicable law, as it may be changed from time to time, in the interpretation and application of this policy. Nothing in this policy is intended as a promise of particular terms of employment by the Authority, and nothing in this handbook creates a contract of employment or for any term of employment.

### **A. Eligibility**

An "eligible employee" is defined as all full-time and part-time employees of the Authority who earned at least 5.3% of the state's average annual wage in the previous year and work at least 50% of the time from a location in Minnesota. Employees who live in Minnesota but do not work at least 50% of the time in any one state are also eligible.

Medical Leave will be granted to eligible employees for reasons specified by law, including to take care of themselves for a serious health condition, including pregnancy, childbirth, recovery, or surgery.

Family Leave will be granted to eligible employees for reasons specified by law, including:

1. Leave to bond with a child through birth, adoption, or foster placement;
2. Leave to care for a family member, as defined in the Act, with a serious health condition;
3. Leave to support a military family member called to active duty;
4. Leave to respond to certain personal safety issues such as domestic violence, sexual assault, stalking, or similar issues.

### **Serious Health Condition**

A serious health condition means a physical or mental illness, injury, impairment, or condition that prevents someone from working for at least seven days. These seven days do not need to be consecutive. It must include **one** of the following:

- Inpatient care (an overnight stay in a hospital, hospice, or residential medical care facility), **or**

- Continuing treatment by a healthcare provider. This may be related to pregnancy, a chronic health condition, a permanent or long-term condition, a condition that requires multiple treatments, or an event that requires follow-up visits.

### **Active Duty**

Active Duty includes duty during the deployment to a foreign country of a member of a regular component of the Armed Forces and duty during the deployment to a foreign country of a member of a reserve component of the Armed Forces under a call or order to active duty.

### **Qualifying Exigency**

A “qualifying exigency” in connection with the Covered Active Duty status or call to Covered Active Duty of a covered family member may include any of the following, which are related to, arise from, or are necessitated by the active duty status or call to active duty of the covered family member: (1) a “short-notice” deployment calling a covered military member to service within seven or fewer days’ notice; (2) attendance at military events and related activities (e.g., official ceremony, program, informational briefings); (3) arrangement of childcare and school activities; (4) making of financial or legal arrangements; (5) attendance at counseling; (6) time to spend with person on short-term, temporary rest and recuperation leave (up to five days for each instance of rest and recuperation); (7) post-deployment activities; and (8) some additional activities. If you have questions about what may qualify as a “qualifying exigency,” please contact Human Resources.

## **B. Amount and Timing of Leave**

An eligible employee is entitled to up to 12 weeks each of PFML Medical Leave and PFML Family Leave during a 12-month period, for one or more reasons listed in section A, up to a total of 20 weeks if the employee uses both categories of leave in a single 12-month period. The Authority calculates PFML entitlement on a “rolling 12-month” basis. The 12-month period is measured back from the date an employee wishes to begin a particular PFML leave. In other words, the leave entitlement is any balance of the 12 weeks that has not been used during the immediately preceding 12 months.

PFML leave taken due to the birth of a child or placement of a child for adoption or foster care must be concluded within 12 months after the birth or placement, or within 12 months of the child’s initial release from the hospital if the child remained hospitalized longer than the birthing parent. PFML leave taken to care for a spouse, child, or parent with a serious health condition, to care for a Covered Service Member, or because of the employee’s own serious health condition may be taken intermittently or on a reduced leave

schedule if such intermittent or reduced schedule leave is reasonable and appropriate to the needs of the individual with the serious health condition.

### **C. Notice and Procedures for Requesting a Leave**

An employee must give the Authority notice of the request for PFML leave by completing and submitting a “Request for Leave of Absence” form to his or her supervisor or manager. This form must be submitted no less than 30 days before the leave is to begin if the leave is foreseeable and as soon as practicable if the leave is not foreseeable. Additional requirements may apply to requests for intermittent and reduced schedule leave. Consult your supervisor or manager. Employees must advise the Authority as soon as practicable if dates of scheduled leave change or are extended or were initially unknown. In those cases where the employee is required to provide at least 30 days’ notice of foreseeable leave and does not do so, the employee must explain the reasons why notice was not practicable upon request from the Authority,

### **D. Certification for PFML Leave**

An employee requesting PFML leave must present the Authority with a certification completed by the appropriate parties. Determinations regarding certification requirements and the sufficiency of documentation provided by employees will be made by the state.

### **E. Other Benefits**

Employees may use accumulated earned paid time off (PTO) in lieu of PFML leave or to supplement PFML benefits up to the amount of their normal wages as a supplemental benefit payment.

An employee cannot receive more than 100% of their base wage while receiving PFML pay. Employees who are eligible for both PFML leave and Short-Term Disability or Long-Term Disability benefits will have their disability benefit reduced by the amount of PFML medical leave benefit.

### **F. Payments**

PFML intends to offer partial wage replacement. Payments are made to the employee from the State of Minnesota in a tiered approach, with the % of wage replacement decreasing with each higher tier as follows:

- For weekly wages between \$0 and half of the current state average, pay is 90% of weekly wages;
- For weekly wages between half of the current state average and the current state average, pay is 66% of weekly wages; and

- For weekly wages above the current state average, pay is 55% of weekly wages.

### **G. Health Care Coverage**

An employee may elect to continue coverage under the Authority's health care plan for the duration of PFML leave at the same level and under the same terms and conditions as if he or she was not on leave. An employee who elects coverage is required to continue making contributions toward the cost of his or her own premium to the Authority in order to maintain health insurance benefits while the employee is on leave. Failure to make the premium payments when due may result in a loss of coverage. Whether or not the employee elects to continue medical coverage during the PFML leave, when the employee returns to employment, he or she will be reinstated to the same coverage as he or she had before the leave. Under some circumstances, the employee may be liable for the payment of health insurance premiums paid by the employer during the employee's PFML leave if the employee fails to return to work.

### **H. Reinstatement**

Employees who take PFML leave according to this policy, and who were employed by the Authority for at least 90 days at the time leave began, are entitled, upon return, to resume their previous position or to be placed in an equivalent position with equivalent employment benefits and pay, to the extent required by applicable law.

### **I. Program Funding**

The Minnesota PFML program is funded by premiums collected from employers and employees based on a percentage of an employee's wages. At least half of the premium must be paid by the employer, with the other half able to be charged to either the employer or employee. The Authority will withhold half of each employee's calculated premium from employee paychecks each pay period with the other half of the premium paid by the Authority. All premiums will then be remitted to the State of Minnesota as required.



**MEMORANDUM**

TO: MSFA Commissioners

FROM: Michelle Hoffman, Director of Finance

DATE: November 20, 2025

SUBJECT: MSFA Annual Comprehensive Financial Report - June 30, 2025

We are pleased to present to you our Annual Comprehensive Financial Report (Annual Report) for the fiscal year ended June 30, 2025. The Annual Report has three major sections: introductory, financial, and statistical. The financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements, and the required supplementary information. The basic financial statements include the statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows, and notes to the financial statements. The Authority's financial statements include Legend's (previously ASM Global) ninth year of operations of U.S. Bank Stadium.

CliftonLarsonAllen LLP (CLA) performed the audit and issued an unmodified audit opinion that the financial statements present fairly the financial position of the Authority as of June 30, 2025, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. CLA also issued a separate audit report titled: *Independent Auditors' Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, and they issued a Governance Communication letter. A summary of what is included in the additional report and letter will be presented by CLA.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Annual Report for the fiscal year ended June 30, 2024. This was the twelfth award that the Authority has received. We believe this Annual Report meets the certificate program requirements and we will submit it to the GFOA to determine its eligibility. The award is typically received around six months after submission of the financial report.

Attached to this memorandum are the following: Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025, Governance Letter, and the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.

**Recommended Motion:**

*None.*



MINNESOTA  
SPORTS FACILITIES  
AUTHORITY

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025



MINNESOTA SPORTS FACILITIES AUTHORITY – MINNEAPOLIS, MINNESOTA  
A COMPONENT UNIT OF THE STATE OF MINNESOTA

**MINNESOTA SPORTS FACILITIES AUTHORITY**

ANNUAL  
**COMPREHENSIVE  
FINANCIAL REPORT**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A COMPONENT UNIT OF THE STATE OF MINNESOTA



**MINNESOTA  
SPORTS FACILITIES  
AUTHORITY**

Finance Department  
1005 Fourth Street South  
Minneapolis, MN 55415

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# INTRODUCTORY SECTION

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



**MINNESOTA  
SPORTS FACILITIES  
AUTHORITY**

October 16, 2025

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

I am pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Minnesota Sports Facilities Authority (Authority) for the fiscal year ended June 30, 2025. The financial statements included in this report conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest with management. To the best of my knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the Authority. Disclosures have been included to enable the reader to gain the maximum understanding of the Authority's financial and business affairs.

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

CliftonLarsonAllen, LLP, an independent audit firm, performed the audit of the financial statements included in this report to determine whether the financial statements are fairly presented in all material respects. They have concluded that the financial statements present fairly, in all material respects, the financial position of the Authority as of and for the fiscal year ended June 30, 2025.

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

The following subjects are discussed in this letter:

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

## **PROFILE OF THE AUTHORITY**

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

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

### Local Economy

U.S. Bank Stadium provides a top-tier entertainment destination in the heart of Minneapolis, welcoming guests nationally and internationally to Minnesota to experience some of the world's greatest events. Since opening in July 2016 U.S. Bank Stadium has welcomed almost 10.3 million guests at more than 2,000 events. The stadium has hosted some of the largest events in Minnesota including a record-breaking weekend of back-to-back Taylor Swift concerts which broke downtown hotel occupancy records (96.3%) for the city of Minneapolis.

Minnesota is home to almost 5.8 million people, it has a diverse culture and environment and economic landscape, and it is full of opportunities for job seekers and businesses. Minnesotans enjoy a high quality of life as Minnesota has the ninth highest home ownership rate and the third lowest poverty rate (9.3 percent) in the country (U.S. poverty rate is 11.1 percent).

Minnesota's economy contracted slightly in the first quarter of 2025 at a rate slightly higher than the national average, which saw 39 of the 50 states contracting. The current national forecast does not include a recession but includes higher inflation and a period defined by low GDP growth – below two percent annually – and rising unemployment into 2027. This is primarily driven by assumed tariffs and countermeasures.

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

Minnesota ranks tenth nationwide in 1-year natural population increase with a rate of 903.7 for every 100,000 people, or more than 52,300 people. Though still a positive growth rate of 581.1 for every 100,000 people, Minnesota ranks forty-second in net population growth from migration. Six of eleven published super sectors in Minnesota added jobs over the year, including construction, manufacturing, trade, transportation, and utilities, educational and health services, leisure and hospitality, and government. Minnesota's high labor force participation rate of 68.2 percent is higher than the national labor force participation rate at 62.0 percent.

Minnesota ranks 19<sup>th</sup> nationally in per capita gross domestic product (\$68,237) which is slightly more than the national average (\$66,683). Minnesota exported nearly \$27 billion in goods to more than 200 countries worldwide in 2024, with the largest markets being Canada and Mexico.

The unemployment rate rose to 3.5 percent in Minnesota in July 2025, the number of unemployed grew to 109,029 workers, and the number of employed was 3,046,558. This is below the U.S. unemployment rate of 4.2 percent.

## **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

### Stadium Operator

ASM Global, stadium operator, is responsible for marketing and sales, event services, stadium security, management, and operations at U.S. Bank Stadium. The stadium's financial operations are included in the Authority's financial statements. Following are highlights of the 2024-2025 stadium events:

### Minnesota Vikings Home Football Games and Other Events

Minnesota Vikings played their 2024-2025 NFL pre-season and regular season home football games in U.S. Bank Stadium, the Minnesota Vikings also hosted the Vikings Draft party on April 24, 2025.

In fiscal year 2025 the stadium hosted 140 events with 1,171,797 attendees. Major concerts took to the stage at U.S. Bank Stadium with music for all ages and all genres: Metallica's *M72 World Tour* had back-to-back shows on August 16 and August 18, 2024, Zach Bryan's *Quittin' Time Tour* was held on August 24, 2024, AC/DC opened their *Power Up Tour* at U.S. Bank Stadium on April 10, 2025, Kendrick Lamar opened his *Grand National Tour* at U.S. Bank Stadium on April 19, 2025, Post Malone's *The Big Ass Stadium Tour* was held on May 20, 2025, and The Weeknd's *After Hours Til Dawn Tour* was held on June 14, 2025.

In addition, the stadium hosted two Concacaf Gold Cup matches, Monster Jam shows, Upper Deck golf, many high school and collegiate athletic events, high school proms, graduation ceremonies, and a variety of corporate and other private rental events.

### Future Events

U. S. Bank Stadium's event calendar for fiscal year 2026 includes ten Minnesota Vikings home football games, Paul McCartney's *Got Back Tour* on October 17, 2025, two Monster Jam events in February 2026, collegiate and high school athletic events, many private rental events, and tours. U.S. Bank Stadium was also announced as the host for WWE's *SummerSlam* in August of 2026 as well as the 2028 NCAA DI Wrestling Championships.

### Stadium Concessionaire

Aramark Sports and Entertainment Services, LLC (Aramark), the stadium's food and beverage service, premium catering service, and concession services provider, reported gross sales revenues of \$40,289,829 for its ninth year of operations at U.S. Bank Stadium. Aramark paid commissions on certain food and beverage sales to the Minnesota Vikings for their events and to the Authority for Authority events. The Authority reported food and beverage commission revenues of \$6,139,393 for the ninth year of operations for Authority events. The Authority also reported capital contributions from Aramark of \$899,344, which is 2.5 percent of commissionable gross food and beverage sales, that were deposited into the Authority's concession capital reserve account.

### Capital Improvements

In the spring of 2024, the Authority's Secured Perimeter Project-Phase 1 reached substantial completion. Planning for the Secured Perimeter Project-Phase 2, which began in the summer of 2023, continued in the fall of 2024 with the hiring of architecture firm HKS. This project will extend the secured perimeter to the west side of the stadium including the plaza area.

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

- Construction in progress projects of \$10,263,279 included the Wi-Fi upgrade project, planning for the Secured Perimeter Project-Phase 2, lighting control upgrades, an instant replay system project, and a wireless camera system
- Wireless intercom project of \$386,817
- HVAC equipment purchases of \$580,000
- Concessions equipment of \$107,246

### Downtown East Parking Ramp and Stadium Parking Ramp

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

### **INDEPENDENT AUDIT**

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

### **AWARDS**

#### Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Authority with the Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the twelfth year that the Authority received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is a prestigious national award which recognizes conformance with the highest standards for preparation of state and local government financial

reports. The Certificate of Achievement is valid for a period of one year only. Management believes that the current Annual Comprehensive Financial Report meets the Certificate of Achievement Program's requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

#### **ACKNOWLEDGEMENTS**

I express my sincere appreciation to Suzanne Arcand who contributed to this report. I commend her for her professionalism, hard work, dedication, and continued efforts to improve this report. Appreciation is also expressed to the Executive Director, Chair of the Authority, and the Commissioners for their cooperation and outstanding assistance in matters pertaining to the financial affairs of the Authority.

Respectfully submitted,

A handwritten signature in black ink that reads "Michelle Hoffman". The signature is written in a cursive, flowing style.

Michelle Hoffman, CPA  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Minnesota Sports Facilities Authority**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrill*

Executive Director/CEO

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## COMMISSIONERS and ADMINISTRATIVE OFFICIALS

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For the year ended June 30, 2025



**TONY  
SERTICH**



**ANGELA  
BURNS FINNEY**



**MICHAEL  
VEKICH**



**SHARON  
SAYLES BELTON**



**BILL  
MCCARTHY**

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

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

\*\* Resigned from the Commission in April 2025.

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### KEY ADMINISTRATIVE STAFF

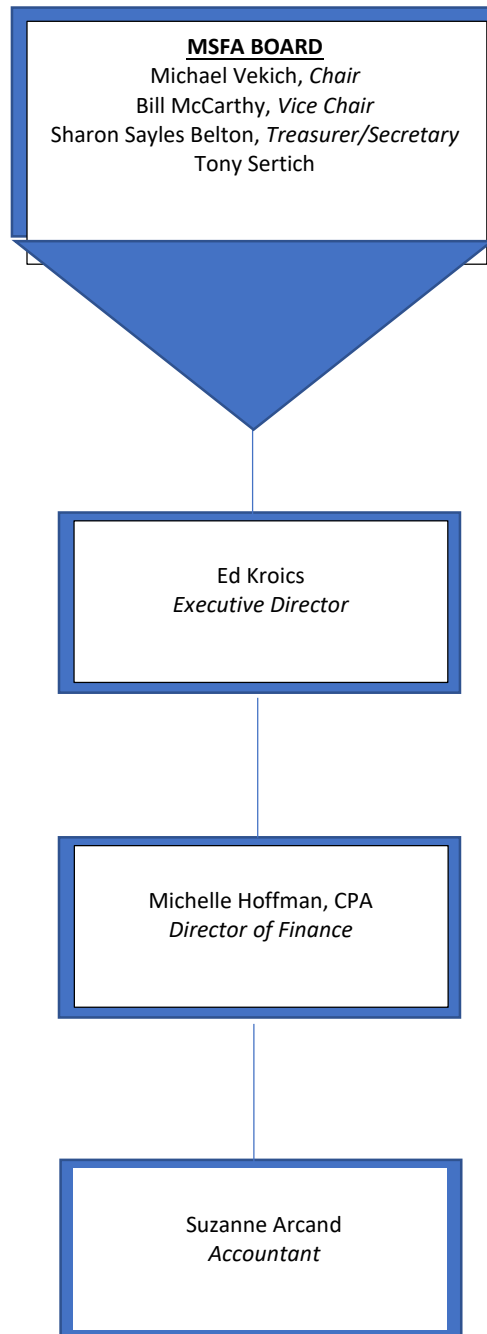
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**Executive Director**  
ED KROICS

**Director of Finance**  
MICHELLE HOFFMAN,  
CPA

**Accountant**  
SUE ARCAND

MINNESOTA SPORTS FACILITIES AUTHORITY  
**ORGANIZATION CHART**  
As of June 30, 2025



# FINANCIAL SECTION

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



**MINNESOTA  
SPORTS FACILITIES  
AUTHORITY**



## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Minnesota Sports Facilities Authority  
Minneapolis, Minnesota

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of the Minnesota Sports Facilities Authority, a component unit of the State of Minnesota, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Minnesota Sports Facilities Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Minnesota Sports Facilities Authority, as of June 30, 2025, and the changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Minnesota Sports Facilities Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnesota Sports Facilities Authority's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

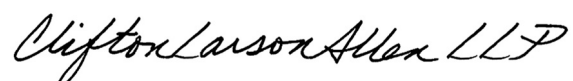
### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated **October 21, 2025** October 16, 2025, on our consideration of the Minnesota Sports Facilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Minnesota Sports Facilities Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Minnesota Sports Facilities Authority's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
October 16, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Minnesota Sports Facilities Authority (Authority) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the Authority's financial performance for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Letter of Transmittal, located in the Introductory Section of the ACFR.

### **Financial Highlights**

The basic financial statements report information about the Authority using the economic resources measurement focus and accrual basis of accounting. Key financial highlights for the Authority's fiscal year ended June 30, 2025, are as follows:

- The Authority's net position decreased \$24,125,926, or 2.76 percent, from \$872,659,167 as of June 30, 2024, to \$848,533,241 as of June 30, 2025.
- Operating revenues increased \$3,103,642 (4.92 percent) from \$63,073,730 as of June 30, 2024, to \$66,177,372 as of June 30, 2025, primarily due to an increase in stadium operating revenues of \$2,706,707. Stadium operating revenues increased in fiscal 2025 mainly due to an increase in event revenue of \$4,556,707 as well as an increase in ticket rebate and facility fee revenue of \$1,355,531. Both of these were due to having more major events in 2025, including a Gold Cup soccer match. These increases were partially offset by decreases in rent revenue of \$3,038,044 and a decrease in food and beverage revenue of \$829,030.
- Operating expenses increased \$10,461,267 (10.79 percent), from \$96,927,811 as of June 30, 2024, to \$107,389,078 as of June 30, 2025, primarily due to an increase in insurance and utilities expenses, increased expenses related to holding more large events, and an increase in depreciation and amortization expense.

### **Overview of the Financial Statements**

The purpose of these financial statements, along with the accompanying notes to the financial statements and required supplementary information, is to present the financial position and results of operations to the financial statement users. The financial section of this report consists of:

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

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

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

**Statement of net position**

The statement of net position presents information on the financial resources and obligations of the Authority on June 30, 2025. The difference between the sum of total assets and deferred outflows of resources and the sum of total liabilities and deferred inflows of resources is net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating.

**Statement of revenues, expenses, and changes in net position**

The statement of revenues, expenses, and changes in net position presents information showing how the Authority's net position changed during the fiscal year ended June 30, 2025. All of the fiscal year's revenues and expenses are accounted for in this statement, regardless of when cash is received or paid.

**Statement of cash flows**

The statement of cash flows reports cash and cash equivalent activities for the fiscal year ended June 30, 2025, as a result of operating, noncapital financing, capital, and investing activities.

**Notes to the financial statements**

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

**Required supplementary information**

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

## Financial Analysis

### Statement of Net Position

Following is a table that presents the Authority's Statement of Net Position as of June 30, 2025 and 2024.

#### Statement of Net Position at June 30, 2025 and 2024

|                                                                                           | June 30, 2025         | June 30, 2024         | Increase/<br>(decrease) |
|-------------------------------------------------------------------------------------------|-----------------------|-----------------------|-------------------------|
| <b>ASSETS</b>                                                                             |                       |                       |                         |
| Current and other assets                                                                  | \$ 46,510,183         | \$ 66,961,129         | \$ (20,450,946)         |
| Capital assets and right-to-use assets (net of accumulated depreciation and amortization) | 756,931,342           | 792,582,747           | (35,651,405)            |
| Noncurrent assets                                                                         | 350,427,067           | 356,282,606           | (5,855,539)             |
| <b>Total assets</b>                                                                       | <u>1,153,868,592</u>  | <u>1,215,826,482</u>  | <u>(61,957,890)</u>     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                                     |                       |                       |                         |
| Deferred outflows of resources related to pensions                                        | 82,886                | 109,911               | (27,025)                |
| <b>LIABILITIES</b>                                                                        |                       |                       |                         |
| Current liabilities                                                                       | 15,511,343            | 37,602,521            | (22,091,178)            |
| Noncurrent liabilities                                                                    | 4,998,514             | 7,193,779             | (2,195,265)             |
| <b>Total liabilities</b>                                                                  | <u>20,509,857</u>     | <u>44,796,300</u>     | <u>(24,286,443)</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                                      |                       |                       |                         |
| Deferred inflows of resources related to pensions                                         | 133,067               | 144,883               | (11,816)                |
| Deferred inflows of resources related to leases                                           | 284,775,313           | 298,336,043           | (13,560,730)            |
| <b>Total deferred inflows of resources</b>                                                | <u>284,908,380</u>    | <u>298,480,926</u>    | <u>(13,572,546)</u>     |
| <b>NET POSITION</b>                                                                       |                       |                       |                         |
| Net investments in capital assets                                                         | 749,718,068           | 779,287,616           | (29,569,548)            |
| Restricted for capital projects                                                           | 50,535,015            | 47,634,443            | 2,900,572               |
| Unrestricted                                                                              | 48,280,158            | 45,737,108            | 2,543,050               |
| <b>Total net position</b>                                                                 | <u>\$ 848,533,241</u> | <u>\$ 872,659,167</u> | <u>\$ (24,125,926)</u>  |

Total assets decreased \$61,957,890 from \$1,215,826,482 as of June 30, 2024 to \$1,153,868,592 as of June 30, 2025. The decrease was primarily due to depreciation and amortization expense of \$44,878,747 which increased accumulated depreciation and amortization as of year-end. Cash and investments also decreased \$20,450,946, the result of the timing of upcoming events and less cash receipts from events exceeding corresponding cash outlays.

Total liabilities decreased by \$24,286,443 as of June 30, 2025, largely due to a decrease of \$17,226,467 in advance ticket sales resulting from less large events scheduled shortly after year-end as compared to the prior year.

The three components of net position are: net investment in capital assets, restricted for capital projects, and unrestricted. The largest portion of the Authority's net position (88.4 percent) as of June 30, 2025 reflects its net investment in capital assets of \$749,718,068. These assets are comprised of land, buildings, building equipment, land improvements, and equipment of U.S. Bank Stadium, Stadium Parking Ramp, and the Downtown East Parking Ramp and right-to-use assets less lease and subscription liabilities. Accordingly, these assets are not available for future spending. Restricted net position as of June 30, 2025, was \$50,535,015 and this represents resources that are restricted for future capital purchases. Unrestricted net position as of June 30,

2025 was \$48,280,158. These resources are available and may be used to meet the Authority's ongoing and future obligations.

### Summary of Changes in Net Position

The following table summarizes the changes in net position for the fiscal year ended June 30, 2025 and 2024.

#### Summary of Changes in Net Position

|                                                                                           | <u>June 30, 2025</u>  | <u>June 30, 2024</u>  | <u>Increase/<br/>(decrease)</u> |
|-------------------------------------------------------------------------------------------|-----------------------|-----------------------|---------------------------------|
| Operating revenues:                                                                       |                       |                       |                                 |
| Operating payments from State of Minnesota<br>(city of Minneapolis) and Minnesota Vikings | \$ 8,008,194          | \$ 7,626,408          | \$ 381,786                      |
| Lease revenue                                                                             | 11,526,620            | 11,526,620            | -                               |
| Stadium operating revenue                                                                 | 46,539,310            | 43,832,603            | 2,706,707                       |
| Other revenues                                                                            | 103,248               | 88,099                | 15,149                          |
| <b>Total operating revenues</b>                                                           | <u>66,177,372</u>     | <u>63,073,730</u>     | <u>3,103,642</u>                |
| Operating expenses                                                                        | <u>(107,389,078)</u>  | <u>(96,927,811)</u>   | <u>(10,461,267)</u>             |
| <b>Total operating income (loss)</b>                                                      | <u>(41,211,706)</u>   | <u>(33,854,081)</u>   | <u>(7,357,625)</u>              |
| Nonoperating revenues (expenses):                                                         |                       |                       |                                 |
| Interest revenue and investment earnings                                                  | 8,076,326             | 8,518,876             | (442,550)                       |
| Sales tax revenue                                                                         | 2,379,237             | 2,250,569             | 128,668                         |
| Other nonoperating revenue                                                                | 596,207               | 410,092               | 186,115                         |
| Lease revenue                                                                             | 2,034,109             | 2,034,109             | -                               |
| Nonoperating expenses                                                                     | <u>(308,751)</u>      | <u>(677,412)</u>      | <u>368,661</u>                  |
| <b>Total nonoperating revenues (expenses)</b>                                             | <u>12,777,128</u>     | <u>12,536,234</u>     | <u>240,894</u>                  |
| Income (loss) before capital contributions                                                | <u>(28,434,578)</u>   | <u>(21,317,847)</u>   | <u>(7,116,731)</u>              |
| Capital contributions                                                                     | 4,308,652             | 4,176,421             | 132,231                         |
| Changes in net position                                                                   | <u>(24,125,926)</u>   | <u>(17,141,426)</u>   | <u>(6,984,500)</u>              |
| Total net position - beginning of year                                                    | <u>872,659,167</u>    | <u>889,800,593</u>    | <u>(17,141,426)</u>             |
| Total net position - end of year                                                          | <u>\$ 848,533,241</u> | <u>\$ 872,659,167</u> | <u>\$ (24,125,926)</u>          |

Operating revenues include operating payments from the state of Minnesota (city of Minneapolis) and Minnesota Vikings, lease revenue, stadium operating revenues, and other revenues. In fiscal year 2025 operating revenues increased by \$3,103,642 (4.92 percent) when compared to the prior fiscal year. The changes in operating revenues include the following:

- Stadium operating revenues increased in fiscal 2025 mainly due to an increase in event revenue of \$4,556,707 as well as an increase in ticket rebate and facility fee revenue of \$1,355,531. Both increases were due to having more major events in 2025, including a Gold Cup soccer match. These increases were partially offset by decreases in rent revenue of \$3,038,044 and a decrease in food and beverage revenue of \$829,030.
- Operating expenses include personal services, professional services, supplies, repairs, and maintenance, rent, other expenses, stadium operating expenses, and depreciation. For fiscal year 2025 operating expenses totaled \$107,389,078 which is an increase of \$10,461,267 (10.79 percent) when compared to fiscal year 2024. This increase is primarily due to an

increase in insurance, utilities expenses, other event-related costs, and an increase in depreciation and amortization expense. Insurance expense increased mostly due to a rise in property insurance premiums as damages to property from natural disasters continue to increase in frequency and value across the country. Utilities and other event costs increased as the stadium hosted more large events in fiscal year 2025, including seven concert nights and a Gold Cup soccer match. Depreciation expense increased as the amount of equipment and technology being replaced increases each year, often replacing previous assets which were fully depreciated.

Other changes in fiscal year 2025 include the following:

- Nonoperating revenues decreased by \$127,767.
- Nonoperating expenses decreased by \$368,661, due to additional losses on disposals of capital assets in the previous year.
- Capital contributions increased \$132,231.

### Capital Assets

The following table compares the Authority's capital assets as of June 30, 2025 and 2024, net of accumulated depreciation and amortization:

|                                                                                                | June 30, 2025         | June 30, 2024         | Increase/<br>(decrease) |
|------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-------------------------|
| Capital assets, non-depreciable                                                                |                       |                       |                         |
| Land                                                                                           | \$ 31,983,174         | \$ 31,983,174         | \$ -                    |
| Construction in progress                                                                       | 10,263,279            | 4,225,395             | 6,037,884               |
| Capital assets, net of accumulated depreciation                                                |                       |                       |                         |
| Buildings                                                                                      | 601,502,749           | 630,181,302           | (28,678,553)            |
| Building equipment                                                                             | 40,622,909            | 45,875,070            | (5,252,161)             |
| Land improvements                                                                              | 29,262,940            | 30,878,700            | (1,615,760)             |
| Equipment                                                                                      | 38,112,018            | 43,238,370            | (5,126,352)             |
| Right-to-use assets, net of accumulated amortization                                           |                       |                       |                         |
| Building equipment                                                                             | -                     | 734,113               | (734,113)               |
| Land improvements                                                                              | 5,139,121             | 5,376,320             | (237,199)               |
| Subscription assets                                                                            | 45,152                | 90,303                | (45,151)                |
| <b>Total capital and right-to-use assets, net of<br/>accumulated depreciation/amortization</b> | <b>\$ 756,931,342</b> | <b>\$ 792,582,747</b> | <b>\$ (35,651,405)</b>  |

The Authority's investment in capital and right-to-use assets as of June 30, 2025, was \$756,931,342 (net of accumulated depreciation and amortization) and consists of land, construction in progress, buildings, building equipment, land improvements, and equipment of U.S. Bank Stadium, Stadium Parking Ramp, and Downtown East Parking Ramp. Total capital and right-to-use assets, net of accumulated depreciation/amortization decreased \$35,651,405 from the prior year. This decrease is primarily due to depreciation and amortization expense of \$44,878,747 combined with several larger additions including \$4,973,373 to complete the Wi-Fi upgrade project, \$821,523 as part of an instant replay project, \$573,474 as part of a wireless camera system project, and \$569,907 in costs for the start of the secured perimeter project – phase 2.

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

## Long-Term Liabilities

The following table compares the Authority's long-term liabilities as of June 30, 2025 and 2024:

|                                    | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>Increase/<br/>(decrease)</u> |
|------------------------------------|----------------------|----------------------|---------------------------------|
| Lease Liabilities                  | \$ 5,110,054         | \$ 6,184,982         | \$ (1,074,928)                  |
| Subscription Liabilities           | 46,280               | 91,799               | (45,519)                        |
| <b>Total long-term liabilities</b> | <u>\$ 5,156,334</u>  | <u>\$ 6,276,781</u>  | <u>\$ (1,120,447)</u>           |

The Authority did not enter into any new lease or subscription agreements in 2025.

Additional information on the Authority's lease liability can be found in the notes to the financial statements, see note I.D.7 and II.F.

## Next Year's Budget

An annual operating budget is adopted on a basis consistent with generally accepted accounting principles. Discussion and preparation of the fiscal year 2025-2026 annual operating and capital budgets began in the spring 2025. The Authority then approved and adopted the 2025-2026 operating and capital budgets in June 2025. This budget process will be followed for adoption of the 2026-2027 budget. Staff presents quarterly budget to actual reports to the Authority board.

The Authority's adopted 2025-2026 operating budget includes operating revenues of \$53,497,159 which includes: stadium operating payments from the state of Minnesota (city of Minneapolis) of \$8,042,177 and the Minnesota Vikings of \$11,090,572 for a combined total of \$19,132,749, stadium operating revenues of \$34,295,210, and miscellaneous revenues of \$69,200. Also included in this budget are operating expenses of \$48,902,591 which includes stadium operating expenses of \$45,141,655, professional services of \$1,171,600, rent of \$895,107, personal services of \$823,733, supplies and network support of \$156,093, insurance of \$577,673, and other expenses of \$136,730.

Operating revenues of \$53,497,159 are budgeted to exceed operating expenses of \$48,902,591 by \$4,594,568, investment earnings of \$1,500,000 are included in the budget as nonoperating revenues, and net income before transfers is budgeted to be \$6,094,568. There were no transfers included in the 2025-2026 operating budget.

In addition to the 2025-2026 operating budget, the capital and concession capital budgets include capital expenses of \$19,779,038 and concession capital expenses of \$1,835,000. These expenses will be funded by capital revenues of \$6,373,247, concession capital revenues of \$800,000, and the capital reserve and concession capital reserve amounts.

The Authority considered the following factors when setting the 2025-2026 budget and fees that will be charged for use of U.S. Bank Stadium:

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

## Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its financial position and to demonstrate the Authority's accountability for

the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, Minnesota Sports Facilities Authority, 1005 Fourth Street South, Minneapolis, Minnesota 55415. This report may also be found on the Authority's website at [www.msfa.com](http://www.msfa.com).

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

|                                                                         |                       |
|-------------------------------------------------------------------------|-----------------------|
| <b>ASSETS</b>                                                           |                       |
| Current assets:                                                         |                       |
| Cash and cash equivalents                                               | \$ 30,111,631         |
| Restricted cash and cash equivalents                                    | 1,652,918             |
| Receivables:                                                            |                       |
| Accounts and other receivables                                          | 4,153,843             |
| Restricted accounts receivables                                         | 1,226,549             |
| Lease receivable                                                        | 7,953,444             |
| Prepaid items                                                           | 1,411,798             |
| Total current assets                                                    | <u>46,510,183</u>     |
| Noncurrent assets:                                                      |                       |
| Restricted cash and cash equivalents                                    | 46,677,488            |
| Lease receivable                                                        | 302,478,674           |
| Capital assets:                                                         |                       |
| Non-depreciable:                                                        |                       |
| Land                                                                    | 31,983,174            |
| Construction in progress                                                | 10,263,279            |
| Depreciable:                                                            |                       |
| Buildings                                                               | 860,270,853           |
| Building equipment                                                      | 102,873,680           |
| Land improvements                                                       | 44,383,513            |
| Equipment                                                               | 133,038,808           |
| Right-to-Use assets, amortizable:                                       |                       |
| Land improvements                                                       | 5,929,765             |
| Subscription assets                                                     | 180,604               |
| Accumulated depreciation and amortization                               | (431,992,334)         |
| Total capital assets (net of accumulated depreciation and amortization) | <u>756,931,342</u>    |
| Prepaid project insurance                                               | 1,270,905             |
| Total noncurrent assets                                                 | <u>1,107,358,409</u>  |
| Total assets                                                            | <u>1,153,868,592</u>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                   |                       |
| Deferred outflows of resources related to pensions                      | <u>82,886</u>         |
| <b>LIABILITIES</b>                                                      |                       |
| Current liabilities:                                                    |                       |
| Salaries and compensated absences payable                               | 819,106               |
| Accounts and other payables                                             | 10,291,516            |
| Restricted accounts payable                                             | 2,166,400             |
| Advance ticket sales and deposits                                       | 517,440               |
| Lease liability                                                         | 196,551               |
| Subscription liability                                                  | 46,280                |
| Unearned revenue                                                        | 1,474,050             |
| Total current liabilities                                               | <u>15,511,343</u>     |
| Noncurrent liabilities:                                                 |                       |
| Compensated absences payable                                            | 47,685                |
| Net pension liability                                                   | 2,991                 |
| Unearned revenue                                                        | 34,335                |
| Lease liability                                                         | 4,913,503             |
| Total noncurrent liabilities                                            | <u>4,998,514</u>      |
| Total liabilities                                                       | <u>20,509,857</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                    |                       |
| Deferred inflows of resources related to pensions                       | 133,067               |
| Deferred inflows of resources related to leases                         | 284,775,313           |
| Total deferred inflows of resources                                     | <u>284,908,380</u>    |
| <b>NET POSITION</b>                                                     |                       |
| Net investment in capital assets                                        | 749,718,068           |
| Restricted for capital projects                                         | 50,535,015            |
| Unrestricted                                                            | 48,280,158            |
| Total net position                                                      | <u>\$ 848,533,241</u> |

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

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2025**

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Operating revenues:

|                                                                                           |                   |
|-------------------------------------------------------------------------------------------|-------------------|
| Operating payments from state of Minnesota (city of Minneapolis)<br>and Minnesota Vikings | \$ 8,008,194      |
| Lease revenue                                                                             | 11,526,620        |
| Stadium operating revenues                                                                | 46,539,310        |
| Other revenues                                                                            | 103,248           |
| Total operating revenues                                                                  | <u>66,177,372</u> |

Operating expenses:

|                                    |                    |
|------------------------------------|--------------------|
| Personal services                  | 670,892            |
| Professional services              | 1,326,332          |
| Supplies, repairs, and maintenance | 750,699            |
| Rent                               | 493,283            |
| Other expenses                     | 704,185            |
| Stadium operating expenses         | 58,564,940         |
| Depreciation and amortization      | 44,878,747         |
| Total operating expenses           | <u>107,389,078</u> |

|                        |                     |
|------------------------|---------------------|
| Total operating (loss) | <u>(41,211,706)</u> |
|------------------------|---------------------|

Nonoperating revenues/(expenses):

|                                           |                   |
|-------------------------------------------|-------------------|
| Interest revenue and investment earnings  | 8,076,326         |
| Other contributions                       | 341,173           |
| Sales tax revenues                        | 2,379,237         |
| Lease revenue                             | 2,034,109         |
| Interest expense                          | (90,121)          |
| Other expenses                            | (1,698)           |
| Stadium builders licenses expenses        | (216,932)         |
| Gain/(loss) on disposal of capital assets | 255,034           |
| Total nonoperating revenues/(expenses)    | <u>12,777,128</u> |

|                                     |              |
|-------------------------------------|--------------|
| (Loss) before capital contributions | (28,434,578) |
|-------------------------------------|--------------|

|                       |                  |
|-----------------------|------------------|
| Capital contributions | <u>4,308,652</u> |
|-----------------------|------------------|

|                        |              |
|------------------------|--------------|
| Change in net position | (24,125,926) |
|------------------------|--------------|

|                                  |                    |
|----------------------------------|--------------------|
| Total net position, July 1, 2024 | <u>872,659,167</u> |
|----------------------------------|--------------------|

|                                   |                              |
|-----------------------------------|------------------------------|
| Total net position, June 30, 2025 | <u><u>\$ 848,533,241</u></u> |
|-----------------------------------|------------------------------|

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

# MINNESOTA SPORTS FACILITIES AUTHORITY

## STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2025

### CASH FLOWS FROM OPERATING ACTIVITIES

|                                                                              |                     |
|------------------------------------------------------------------------------|---------------------|
| Receipts from state of Minnesota (city of Minneapolis) and Minnesota Vikings | \$ 8,008,195        |
| Receipts from events                                                         | 31,293,310          |
| Receipts from food and beverage commissions                                  | 8,018,002           |
| Receipts from other operating activities                                     | 73,365              |
| Payments for ticket sales                                                    | (19,660,227)        |
| Payments for employee services                                               | (10,513,785)        |
| Payments to suppliers and others                                             | (24,007,366)        |
| Payments for event and stadium operations                                    | (17,012,008)        |
| Net cash provided (used) by operating activities                             | <u>(23,800,514)</u> |

### CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

|                                                      |                  |
|------------------------------------------------------|------------------|
| Sales taxes received                                 | 2,466,098        |
| Payments for other activities                        | (1,698)          |
| Net cash provided by noncapital financing activities | <u>2,464,400</u> |

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

|                                                               |                |
|---------------------------------------------------------------|----------------|
| Capital contributions received                                | 3,171,572      |
| Lease payments received                                       | 12,696,203     |
| Lease principal payments                                      | (193,230)      |
| Lease interest payments                                       | (90,121)       |
| Subscription principal payments                               | (45,519)       |
| Acquisition and construction of assets                        | (14,880,819)   |
| Proceeds from the disposal of capital assets                  | 8,764          |
| Net cash provided by capital and related financing activities | <u>666,850</u> |

### CASH FLOWS FROM INVESTING ACTIVITIES

|                                                      |                      |
|------------------------------------------------------|----------------------|
| Proceeds from sale of investments                    | 260                  |
| Interest received on investments                     | 2,858,099            |
| Net cash provided by investing activities            | <u>2,858,359</u>     |
| Net increase (decrease) in cash and cash equivalents | (17,810,905)         |
| Cash and cash equivalents, July 1, 2024              | 96,252,942           |
| Cash and cash equivalents, June 30, 2025             | <u>\$ 78,442,037</u> |

Cash and cash equivalents per the Statement of Net Position:

|                                                                   |                      |
|-------------------------------------------------------------------|----------------------|
| Current assets - cash and cash equivalents                        | 30,111,631           |
| Current assets - restricted cash and cash equivalents             | 1,652,918            |
| Noncurrent assets - restricted cash and cash equivalents          | 46,677,488           |
| Total cash and cash equivalents per the Statement of Net Position | <u>\$ 78,442,037</u> |

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

# MINNESOTA SPORTS FACILITIES AUTHORITY

## STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2025

### Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

|                                                                                                       |    |                     |
|-------------------------------------------------------------------------------------------------------|----|---------------------|
| Operating income (loss)                                                                               | \$ | (41,211,706)        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |    |                     |
| Depreciation and amortization expense                                                                 |    | 44,878,747          |
| Revenue distribution payment to facility manager                                                      |    | 3,811,627           |
| Change in assets, liabilities, deferred outflows, and deferred inflows:                               |    |                     |
| (Increase) Decrease in accounts receivable                                                            |    | 876,468             |
| (Increase) Decrease in prepaid items                                                                  |    | (30,555)            |
| Increase (Decrease) in net pension liability and related deferred inflows and deferred outflows       |    | (77,880)            |
| Increase (Decrease) in salaries and compensated absences payable and accounts and other payables      |    | (3,270,175)         |
| Increase (Decrease) in unearned revenues                                                              |    | (23,954)            |
| Increase (Decrease) in advance deposits and ticket sales                                              |    | (17,226,467)        |
| Increase (Decrease) in deferred inflows related to leases                                             |    | (11,526,620)        |
| Total adjustments                                                                                     |    | <u>17,411,192</u>   |
| Net cash provided (used) by operating activities                                                      | \$ | <u>(23,800,514)</u> |

### Noncash investing, capital, and financing activities:

|                                                       |    |                  |
|-------------------------------------------------------|----|------------------|
| Capital assets financed by retainage/accounts payable | \$ | <u>2,056,939</u> |
|-------------------------------------------------------|----|------------------|

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

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# MINNESOTA SPORTS FACILITIES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

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### I. Summary of significant accounting policies

#### A. Organization and reporting entity

##### 1. Organization

The Minnesota Sports Facilities Authority (Authority) was established pursuant to Minnesota Statutes, Section 473J.07, as amended. The Authority is comprised of five commissioners: the chair and two commissioners appointed by the governor of Minnesota and two commissioners appointed by the mayor of the city of Minneapolis. Commissioners serve four-year terms beginning January 1. The chair serves at the pleasure of the governor. The board makes policies for the administration of the Authority, and it appoints an executive director to act as the administrative head of the Authority. The executive director serves at the pleasure of the board, carries out the policies established by the board, and directs business and administrative procedures.

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

##### 2. Financial reporting entity

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

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

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

#### B. Basis of presentation and measurement focus

##### 1. Basis of presentation

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

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

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

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**I. Summary of significant accounting policies (continued)**

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

**2. Measurement focus and basis of accounting**

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

**C. Adoption of New Accounting Standards**

In June 2022, GASB issued Statement No. 101, *Compensated Absences*, which updated the recognition and measurement guidance for compensated absences. The Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid or settled if the liability is attributable to services already rendered, it accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled. The Authority adopted the requirements of the guidance effective for the fiscal year ending June 30, 2025. The implementation of this standard did not result in a material change to the Authority's financial statements.

**D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position**

**1. Cash and cash equivalents**

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

**2. Receivables**

**a. Accounts and other receivables**

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

**b. Lease receivable**

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

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

# MINNESOTA SPORTS FACILITIES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

### I. Summary of significant accounting policies (continued)

#### 3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statement. Prepaid items include insurance costs. The cost of prepaid items is recorded as an expense during the periods benefitted.

#### 4. Prepaid project insurance

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

#### 5. Capital and right-to-use assets

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

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

Capital assets are depreciated over their estimated useful lives using the straight-line method. Right-to-use assets are amortized over the shorter of their estimated useful lives or the term of the lease/subscription agreement, also using the straight-line method. Land is not depreciated. Estimated useful lives are as follows:

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

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

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**I. Summary of significant accounting policies (continued)**

6. Payroll liabilities and unearned revenue

a. Salaries and compensated absences payable

Salaries and compensated absences payable include salaries and benefits incurred and unpaid as of June 30, 2025. The Authority accrues vacation and sick leave when earned. Certain employees qualify for vacation leave and sick leave benefits paid at termination or retirement. The pay rate in effect at the end of the fiscal year and the employer's share of social security contributions are used to calculate compensated absences accruals at June 30.

b. Advance ticket sales and deposits

Revenues related to advance ticket sales for events that have not yet occurred are recorded as unearned until the event has been held at U.S. Bank Stadium. This includes ticket rebates, consisting of service and facility fees, which relate to events that have yet to occur. U.S. Bank Stadium box office sells tickets through box office sales, Ticketmaster sales, and consignment sales. Consignment sales consist of tickets pulled in advance for the promoter. Consignment sales are considered advance ticket sales, as the promoter is obligated to pay for the tickets at settlement once the event has occurred. Deposits represent payments received from event organizers in advance of an event.

c. Unearned revenues

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

7. Lease liabilities and Right-to-use assets

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

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

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

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

# MINNESOTA SPORTS FACILITIES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

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### I. Summary of significant accounting policies (continued)

#### 8. Subscription-Based Information Technology Arrangements (SBITAs)

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

#### 9. Pensions

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

#### 10. Deferred outflows/inflows of resources

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

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

#### 11. Net position

Net position represents the sum of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources. At June 30, 2025, the Authority had three categories of net position: net investment in capital assets, restricted, and unrestricted.

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

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

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

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**I. Summary of significant accounting policies (continued)**

**12. Revenues and expenses**

**a. Operating and nonoperating revenues and expenses**

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are operating payments from the state of Minnesota (city of Minneapolis) and the Minnesota Vikings, lease revenues, stadium operating revenues, and other revenues. The major revenue generating activities for the stadium are concerts, consumer shows, trade shows, sporting events and other event rentals. Stadium operating revenues include rent, service revenues, food and beverage, advertising, ticket rebates and facility fees, suite tickets, and other revenues.

Operating expenses include personal services, professional services, supplies, repairs and maintenance, rent, other expenses, stadium operating expenses, and depreciation and amortization of capital assets. Stadium operating expenses include operation and event expenses incurred by ASM Global to manage U.S. Bank Stadium including service expenses, compensation and benefits, contract services, general and administrative, operations, repairs and maintenance, operational supplies, insurance, and utilities. All revenues and expenses not meeting this definition and other related activities are reported as nonoperating revenues and expenses.

**13. Use of Estimates**

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

**II. Detailed notes**

**A. Cash deposits with financial institutions**

Minnesota Statutes, Chapter 118A, require that all Authority deposits in excess of available federal deposit insurance be protected by a corporate surety bond or collateral security. An irrevocable standby letter of credit issued by a Federal Home Loan Bank is an allowable form of collateral. The statute further requires the total amount of collateral computed at its fair value to be at least ten percent more than the amount on deposit at the close of the financial institution's banking day, except for irrevocable standby letters of credit where the amount of collateral shall be at least equal to the amount on deposit at the close of the financial institution's banking day. The Authority holds a letter of credit from the Federal Home Loan Bank of Cincinnati for \$3,000,000. On June 30, 2025, the carrying amount of the Authority's combined demand deposit bank accounts was \$19,576,723. Bank balances were \$21,353,910 of which \$21,318,056 was invested in commercial paper and \$35,854 was covered by federal depository insurance. On June 30, 2025, the balance in the money markets account was \$58,865,314.

# MINNESOTA SPORTS FACILITIES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

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

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

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

*Custodial credit risk.* The custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, then the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counter party to a transaction, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Minnesota Statute, Chapter 118A, requires that deposits be secured by depository insurance or a combination of depository insurance and collateral securities held in the Authority's name. Throughout the current fiscal year, the combined depository insurance and collateral was sufficient to meet legal requirements and secure all Authority deposits, thus eliminating exposure to custodial credit risk. The Authority had no foreign currency exposure at June 30, 2025.

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

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**II. Detailed notes** (continued)

Following is a summary of the cash equivalents at June 30, 2025:

| <u>Security Type</u> | <u>Rating</u> | <u>Maturities</u> | <u>Carrying Amount</u> |
|----------------------|---------------|-------------------|------------------------|
| Money Market         | Aaa           | n/a               | \$ 58,865,314          |
| Commercial Paper     | AA            | < 270 Days        | 19,540,869             |
|                      |               |                   | <u>\$ 78,406,184</u>   |

*Fair value reporting.* The Authority's investments that are not recorded at amortized cost or using the equity method are recorded at fair value as of June 30, 2025. GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset between market participants at the measure date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

**Level 1:** Investment values are based on quoted prices (unadjusted) for identical assets (liabilities) in active markets that a government can access at measurement date.

**Level 2:** Investments have inputs, other than quoted prices within Level 1, which are observable for an asset (liability), either directly or indirectly.

**Level 3:** Investments classified as Level 3 have unobservable inputs for an asset (liability) and may require a degree of professional judgment.

The Authority did not hold any investments measured at fair value at June 30, 2025.

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

**II. Detailed notes** (continued)

**C. Capital and Right-to-Use assets**

Capital and right-to-use asset activity for the year ended June 30, 2025, was as follows:

|                                                                            | <b>Balance</b><br><b>July 1, 2024</b> | <b>Increases</b>       | <b>Decreases</b>      | <b>Balance</b><br><b>June 30, 2025</b> |
|----------------------------------------------------------------------------|---------------------------------------|------------------------|-----------------------|----------------------------------------|
| Capital assets, not being depreciated:                                     |                                       |                        |                       |                                        |
| Land                                                                       | \$ 31,983,174                         | \$ -                   | \$ -                  | \$ 31,983,174                          |
| Construction in progress                                                   | 4,225,395                             | 8,224,438              | (2,186,554)           | 10,263,279                             |
| Total capital assets, not being depreciated                                | <u>36,208,569</u>                     | <u>8,224,438</u>       | <u>(2,186,554)</u>    | <u>42,246,453</u>                      |
| Capital assets, being depreciated:                                         |                                       |                        |                       |                                        |
| Buildings                                                                  | 860,270,853                           | -                      | -                     | 860,270,853                            |
| Building equipment                                                         | 101,063,849                           | 1,809,831              | -                     | 102,873,680                            |
| Land improvements                                                          | 43,813,606                            | 569,907                | -                     | 44,383,513                             |
| Equipment                                                                  | 132,471,652                           | 1,445,148              | (877,992)             | 133,038,808                            |
| Total capital assets, being depreciated                                    | <u>1,137,619,960</u>                  | <u>3,824,886</u>       | <u>(877,992)</u>      | <u>1,140,566,854</u>                   |
| Right-to-Use assets, being amortized:                                      |                                       |                        |                       |                                        |
| Land improvements                                                          | 5,929,765                             | -                      | -                     | 5,929,765                              |
| Building equipment                                                         | 1,174,582                             | -                      | (1,174,582)           | -                                      |
| Subscription assets                                                        | 180,604                               | -                      | -                     | 180,604                                |
| Total right-to-use assets, being amortized                                 | <u>7,284,951</u>                      | <u>-</u>               | <u>(1,174,582)</u>    | <u>6,110,369</u>                       |
| Less: Accumulated depreciation for:                                        |                                       |                        |                       |                                        |
| Buildings                                                                  | (230,089,551)                         | (28,678,553)           | -                     | (258,768,104)                          |
| Building equipment                                                         | (55,188,779)                          | (7,061,992)            | -                     | (62,250,771)                           |
| Land improvements                                                          | (12,934,906)                          | (2,185,667)            | -                     | (15,120,573)                           |
| Equipment                                                                  | (89,233,282)                          | (6,523,362)            | 829,854               | (94,926,790)                           |
| Total accumulated depreciation                                             | <u>(387,446,518)</u>                  | <u>(44,449,574)</u>    | <u>829,854</u>        | <u>(431,066,238)</u>                   |
| Less: Accumulated amortization for:                                        |                                       |                        |                       |                                        |
| Land Improvements                                                          | (553,445)                             | (237,199)              | -                     | (790,644)                              |
| Building equipment                                                         | (440,469)                             | (146,823)              | 587,292               | -                                      |
| Subscription assets                                                        | (90,301)                              | (45,151)               | -                     | (135,452)                              |
| Total accumulated amortization                                             | <u>(1,084,215)</u>                    | <u>(429,173)</u>       | <u>587,292</u>        | <u>(926,096)</u>                       |
| Total capital and right-to-use assets,<br>being depreciated/amortized, net | <u>756,374,178</u>                    | <u>(41,053,861)</u>    | <u>(635,428)</u>      | <u>714,684,889</u>                     |
| Total capital and right-to-use assets, net                                 | <u>\$ 792,582,747</u>                 | <u>\$ (32,829,423)</u> | <u>\$ (2,821,982)</u> | <u>\$ 756,931,342</u>                  |

**D. Lease receivables**

The Authority recorded a lease receivable and deferred inflow of resources based on the present value of expected receipts over the term of the agreement. The expected receipts are discounted using an estimated interest rate as the Authority does not have bonding authority or other finance-type arrangements. Variable payments are excluded from the valuation unless they are fixed in substance. During the year ended June 30, 2025, the Authority recognized revenue related to this agreement of \$13,560,729.

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

**II. Detailed notes** (continued)

The Authority entered into a Stadium Use Agreement with the Minnesota Vikings and in accordance with GASB Statement No. 87, *Leases*, this agreement is referred to as a lessor agreement. The agreement commenced on June 17, 2016, and is in place for 30 years. The agreement also includes two optional 10-year renewal periods, which were excluded from the initial calculation as it is undetermined whether those options will be exercised at this time. Payments are made in the form of an operating payment which is due monthly each year from July through December and a capital payment which is due in January each year. The agreement also includes an annual increase of three percent per year, and this was factored into the present value of the receipts for the initial recording. The discount rate used for the agreement was 1.67 percent.

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

| Year Ending | Principal             | Interest             | Total                 |
|-------------|-----------------------|----------------------|-----------------------|
| 2026        | \$ 7,953,444          | \$ 5,123,645         | \$ 13,077,089         |
| 2027        | 8,482,614             | 4,986,788            | 13,469,402            |
| 2028        | 9,032,548             | 4,840,936            | 13,873,484            |
| 2029        | 9,603,953             | 4,685,736            | 14,289,689            |
| 2030        | 10,197,555            | 4,520,824            | 14,718,379            |
| 2031 - 2035 | 60,722,673            | 19,763,457           | 80,486,130            |
| 2036 - 2040 | 79,353,679            | 13,951,805           | 93,305,484            |
| 2041 - 2045 | 101,731,791           | 6,434,837            | 108,166,628           |
| 2046        | 23,353,861            | 211,794              | 23,565,655            |
| Totals      | <u>\$ 310,432,118</u> | <u>\$ 64,519,822</u> | <u>\$ 374,951,940</u> |

**E. Retirement plans**

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

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

a. Plan Description

SERF is administered by the Minnesota State Retirement System (MSRS) and is established and administered in accordance with Minnesota Statutes, Chapter 352. SERF includes the General Employees Retirement Plan (General Plan), a multiple-employer, cost-sharing, defined benefit plan. Certain employees of the Authority are covered by the General Plan. The General Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Employee and employer contributions were funded at 100.0 percent of the required contributions set by statute.

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**II. Detailed notes** (continued)

Minnesota Statutes, Section 352.04 requires that eligible employees contribute 5.5 percent of their total compensation to the fund. Participating employers are also required to contribute 6.25 percent to this fund. The Authority's contribution to the General Plan for the year ended June 30, 2025 was \$26,716. All active and deferred members are fully vested to the extent of their contributions plus interest at a rate of 6.0 percent through June 30, 2011, 4.0 percent through June 30, 2018, and 3.0 percent thereafter. For monthly retirement benefits, members are vested after three years of covered service. MSRS issues a publicly available financial report that may be obtained at [www.msrs.state.mn.us/financial-information](http://www.msrs.state.mn.us/financial-information); by writing to Minnesota State Retirement System, 60 Empire Drive, Suite #300, St Paul, Minnesota 55103 or by calling (651) 296-2761 or 1-800-657-5757 or via e-mail at [info@msrs.us](mailto:info@msrs.us).

**b. Benefits provided**

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

Annuitants receive post-retirement benefit increases of 1.50 percent per year on January 1 of each year.

**c. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

At June 30, 2025, the Authority reported a liability of \$2,991 for its proportionate share of MSRS' net pension liability. The net pension liability was measured at June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the contributions received by MSRS during the measurement period July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of MSRS' participating employers. At June 30, 2024 the Authority's proportion was .009 percent, which was a .001 decrease from the proportion at June 30, 2023.

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

- The adjustments applied to the mortality table rates were modified slightly, and the mortality improvement scale was updated from MP-2019 to MP-2021.
- Assumed rates of salary increases were modified, resulting in a decrease in gross salary increase rates.

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

**II. Detailed notes** (continued)

- Assumed rates of retirement were changed, resulting in slightly higher unreduced (Normal) retirement rates, slightly lower Rule of 90 rates, slightly higher early retirement rates for Tier 1 members, and slightly lower early retirement rates for Tier 2 members.
- Assumed rates of withdrawal were changed as recommended, reflecting more assumed terminations for males and fewer terminations for females.
- Assumed rates of disability were lowered.
- Assumed percent married for retirees was changed from 80 to 75 percent for males and from 60 to 65 percent for females.
- Minor changes to form of payment assumptions and missing participant data assumptions were made.

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

- The actuarial equivalent factors were updated to reflect changes in assumptions.

For the year ended June 30, 2025, the Authority recognized pension expense of (\$51,164) for its proportionate share of the MSRS-SERF pension expense. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                             | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                                                          | \$ 21,952                                     | \$ 241                                       |
| Changes in assumptions                                                                                      | 33,753                                        | 54,732                                       |
| Net difference between projected and actual investment earnings                                             | -                                             | 55,702                                       |
| Changes in proportion and differences between actual contributions and proportionate share of contributions | 465                                           | 22,392                                       |
| Contributions paid to MSRS subsequent to measurement date                                                   | 26,716                                        | -                                            |
|                                                                                                             | <u>\$ 82,886</u>                              | <u>\$ 133,067</u>                            |

Amounts reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

| <b>Year Ended<br/>June 30:</b> | <b>Pension<br/>Expense(Income)</b> |
|--------------------------------|------------------------------------|
| 2026                           | \$ (26,015)                        |
| 2027                           | (4,532)                            |
| 2028                           | (30,521)                           |
| 2029                           | (15,829)                           |
| Total pension expense (income) | <u>\$ (76,897)</u>                 |

**d. Actuarial Assumptions**

The Authority's net pension liability was measured as of June 30, 2024, 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:

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**II. Detailed notes** (continued)

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

Salary increases were based on service-related rates. Mortality rates were based on Pub-2010 mortality tables using projection scale MP-2021, adjusted by a multiplier to match fund experience. Actuarial assumptions are based on experience studies conducted every four years.

The Minnesota State Board of Investment (SBI) invests all state funds and manages the investments of MSRS. To match the long-term nature of pension obligations, SBI maintains a strategic asset allocation that includes allocations to public equity, fixed income, and private markets. The long-term expected rate of return is based on an asset allocation completed by SBI in 2016. The SBI's long-term expected rate of return was determined using a building-block method. Best estimates of future real rates of return (expected returns, net of inflation) were developed for each asset class using both long-term historical returns and long-term capital market expectations from a number of investment management and consulting organizations. The asset class estimates and target allocations were combined to produce a geometric, long-term expected real rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

The current SBI Target Asset Allocations and Long-Term Expected Real Rate of Return:

| <b>Asset Class</b>   | <b>Target Allocation</b> | <b>Long-Term Expected Real Rate of Return (Geometric Mean)</b> |
|----------------------|--------------------------|----------------------------------------------------------------|
| Domestic Equity      | 33.50%                   | 5.10%                                                          |
| International Equity | 16.50%                   | 5.30%                                                          |
| Fixed Income         | 25.00%                   | 0.79%                                                          |
| Private Markets      | 25.00%                   | 5.90%                                                          |
| Total                | 100.00%                  |                                                                |

**e. Single discount rate**

Projected benefit payments are discounted to their actuarial present values using a single discount rate. The single discount rate reflects the long-term expected rate of return on pension plan investments for the period in which assets are projected to be available to pay benefits, and a tax-exempt municipal bond rate based on an index of 20-year general obligations bonds with an average AA credit rating for the remaining years. The fiduciary net position of SERF was projected to be available to make all future benefit payments of current plan members through fiscal year 2124. Therefore, the discount rate is the long-term expected rate of return on pension plan investments, which was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability was 7.00 percent.

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

The following presents the Authority's proportionate share of the net pension liability, calculated using the current single discount rate of 7.00 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**II. Detailed notes** (continued)

a discount rate that is one percentage-point lower (6.00 percent) or one percentage-point higher (8.00 percent) than the current rate:

|                            | 1% Decrease<br>✓ (6.00%) | Current Discount<br>Rate (7.00%) | 1% Increase<br>✓ (8.00%) |
|----------------------------|--------------------------|----------------------------------|--------------------------|
| Proportionate Share of NPL | \$ 205,995               | \$ 2,991                         | \$ (165,623)             |

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

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

**a. Plan description and contributions**

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

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

Minnesota Statutes, Section 352D.04, subdivision 2, requires a contribution rate of 5.50 percent of salary from participating employees. The employer contribution rate is 6.25 percent of salary. Employees of this plan also contribute to Social Security.

Participants in this plan are eligible to apply for the balance in their account after termination of public service. There is no minimum employment requirement to qualify for this lump-sum payment. Since contributions made to this plan are not taxed, participants pay taxes when funds are withdrawn and may be subject to a 10.0 percent penalty if funds are withdrawn in a lump sum before the member reaches age 59 ½. Monthly benefits are available to terminated participants at age 55 or later, regardless of the individual's length of service. Participants aged 55 or older may also apply for a portion of their account balance as a lump-sum payment and the remainder in lifetime, monthly benefits.

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

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

| <u>Year</u> | <u>Contributions</u> |
|-------------|----------------------|
| 2025        | \$ 11,566            |

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

**II. Detailed notes** (continued)

**F. Long-term Liabilities**

**1. Lease liabilities**

On November 20, 2015, the Authority entered into an agreement to lease land improvements, 35,860 square feet of space, at a location adjacent to U.S. Bank Stadium plaza area. The lease period began March 1, 2016, and will expire on February 28, 2047. The initial lease liability for this land improvement was \$5,741,500. The discount rate used for the agreement was 1.71 percent.

The Authority also entered into an agreement to lease equipment for air purification equipment in the stadium. The lease period began June 15, 2019, and was scheduled to expire on June 15, 2029. The initial lease liability for this equipment was \$1,174,582. The discount rate used for the agreement was 0.8 percent. In April 2025, the Authority entered into an agreement with BioStar Leasing, LLC (BioStar) and the Clean Air Group to purchase the air purification equipment, terminating the previous lease. Under the terms of the new agreement, the Authority paid \$465,000 to purchase the equipment and is responsible for all maintenance and operations going forward. The Clean Air Group also made a payment of \$115,000 to BioStar as part of the purchase, resulting in a capital contribution to the Authority. The previous lease agreement was terminated, and the corresponding lease liability and right-to-use lease asset were removed from the financial statements. This resulted in a gain to the Authority on the termination of a lease agreement in the amount of \$357,701. The equipment purchased was capitalized as an addition to equipment in the current year in the amount of \$580,000, and will be subsequently depreciated over its useful life, estimated to be ten years.

**2.Subscription-Based Information Technology Arrangements**

The Authority entered into SBITAs for firewall software. The SBITA began September 24, 2021, and expires on September 24, 2026.

Schedule of changes in long-term liabilities:

|                                    | Balance<br>July 1, 2024 | Increases   | Decreases           | Balance<br>June 30, 2025 | Due Within<br>1 Year |
|------------------------------------|-------------------------|-------------|---------------------|--------------------------|----------------------|
| Long-term lease liabilities        | \$ 6,184,982            | \$ -        | \$ 1,074,928        | \$ 5,110,054             | \$ 196,551           |
| Long-term subscription liabilities | 91,799                  | -           | 45,519              | 46,280                   | 46,280               |
| Total long-term liabilities        | <u>\$ 6,276,781</u>     | <u>\$ -</u> | <u>\$ 1,120,447</u> | <u>\$ 5,156,334</u>      | <u>\$ 242,831</u>    |

Total principal and interest payments under the lease agreements are as follows:

| Year Ending | Principal           | Interest            | Total               |
|-------------|---------------------|---------------------|---------------------|
| 2026        | \$ 196,551          | \$ 85,846           | \$ 282,397          |
| 2027        | 199,939             | 82,459              | 282,398             |
| 2028        | 203,385             | 79,013              | 282,398             |
| 2029        | 206,890             | 75,508              | 282,398             |
| 2030        | 210,456             | 71,942              | 282,398             |
| 2031 - 2035 | 1,107,951           | 304,063             | 1,412,014           |
| 2036 - 2040 | 1,206,776           | 205,212             | 1,411,988           |
| 2041 - 2045 | 1,314,414           | 97,573              | 1,411,987           |
| 2046 - 2047 | 463,692             | 6,969               | 470,661             |
| Totals      | <u>\$ 5,110,054</u> | <u>\$ 1,008,585</u> | <u>\$ 6,118,639</u> |

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2025**

**II. Detailed notes** (continued)

Total principal and interest subscription payments under SBITA are as follows:

| Year Ending | Principal | Interest | Total     |
|-------------|-----------|----------|-----------|
| 2026        | \$ 46,280 | \$ 192   | \$ 46,472 |

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

|                                                        |                     |
|--------------------------------------------------------|---------------------|
| Land improvement                                       | \$ 5,929,765        |
| Subscription assets                                    | 180,604             |
| Less: accumulated amortization for land improvements   | (790,644)           |
| Less: accumulated amortization for subscription assets | (135,452)           |
| Total right-to-use assets, net of amortization         | <u>\$ 5,184,273</u> |

**III. Other information**

**A. Risk management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; work related injuries; and natural disasters. The Authority purchased insurance policies for the following exposures with the deductible or the amount of risk retention indicated in parenthesis: general liability (\$1,000 per claim for employee benefits only), excess liability (none), automobile/garage keepers liability (\$1,000 deductible hired auto physical damage, \$2,500 comprehensive deductible, and \$500 collision deductible per auto), crime insurance (\$10,000, except for a \$5,000 deductible for social engineering fraud and a \$1,000 deductible for telecommunication fraud), workers compensation (none), public officials and employee liability insurance (\$25,000 and \$50,000 for employment practices), cyber/privacy liability (\$25,000 per claim), property (\$1,000,000 for snow, sleet, or ice perils, \$10,000,000 for hail perils, a \$50,000 deductible for the Vikings ship, and \$500,000 for all other perils), property insurance buy down deductible (\$500,000 for snow, sleet or ice), property insurance buy down deductible (\$500,000 for hail) and terrorism insurance (none).

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

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

# MINNESOTA SPORTS FACILITIES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

### III. Other information (continued)

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#### B. Agreements

##### 1. Use agreement and football playing agreement

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

On February 19, 2016, the Authority entered into the Second Amended and Restated Stadium Use Agreement to incorporate amendments into this agreement. This amended and restated use agreement superseded and replaced the prior agreements. This agreement is reflected as a lease receivable in accordance with GASB Statement No. 87, *Leases*.

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

##### 2. Parking agreement

On February 10, 2014, the Authority entered into a parking agreement with Ryan Companies US, Inc. (Ryan) and the city of Minneapolis whereby the Authority owns the Downtown East Parking Ramp and the Stadium Parking Ramp and Ryan operates the parking facilities. The first amendment to the parking agreement, dated May 3, 2021, requires that Ryan continue to operate the parking facilities until there are three complete calendar years (not required to be consecutive) in which the NOI provided by parking facility operations exceeds \$4,000,000, but in no event later than the date on which the City Bonds have been fully paid. Since December 31, 2015, Ryan has managed both parking facilities. The revenues and expenses from the parking operation are not included in the Authority's statement of revenues, expenses and changes in net position.

##### 3. Management and pre-opening services agreement

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

The agreement required ASM Global to pay the Authority \$2,750,000 for capital investment costs by April 1, 2016. On June 30, 2017, ASM Global contributed an additional \$250,000 for event marketing. The unamortized capital investment will be paid to ASM Global upon early termination of the agreement. The capital investment amount was deferred and will be recognized as revenue over the term of the agreement. The unamortized capital investment balance at June 30, 2025 was \$230,178.

# **MINNESOTA SPORTS FACILITIES AUTHORITY**

## **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2025**

### **III. Other information (continued)**

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The agreement also required ASM Global to guarantee \$6,750,000, increased by 2.0 percent each year, of net operating income (NOI) to the Authority for the first year of operations. In addition to the NOI guarantee of \$6,750,000, the Authority is entitled to a pro rata share of NOI above \$7,250,000, as defined by the agreement. The NOI guarantee for the ninth year of operations was \$7,601,597. The agreement assigns ASM Global agent rights to certain bank accounts held by the Authority in relation to stadium operations and payroll. All stadium operating revenues are required to be deposited into the stadium operating bank account.

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

#### **4. Food and beverage, catering and concession agreement**

The Authority entered into a food and beverage catering and concession agreement with Aramark Sports and Entertainment Services, LLC (Aramark) for the provision of premium food and beverage operations, catering services and concession services in the suites, the clubs, and the concession stands in the concourses and on the plaza. The ten-year agreement has a designated commission option which established the commission rates that would be paid by Aramark and it provided an option for the Minnesota Vikings to contribute to the required \$10 million capital investment. The Minnesota Vikings chose the option to contribute \$6.5 million to the capital investment, Aramark then contributed \$3.5 million in February 2016 to the capital investment. This capital investment was a stadium project funding source for the purchase of concession equipment. The total capital investment of \$10 million was deferred and will be recognized as revenue over the 10-year term of the agreement. The unamortized capital investment will be paid to the Minnesota Vikings and Aramark upon early termination of this agreement. The unamortized capital investment balance at June 30, 2025 was \$1,088,710. In addition to payment of commissions for food and beverage, catering and concession sales, Aramark is required to pay 2.50 percent of gross receipts to the Authority for deposit into the concession capital reserve account for future purchases.

#### **5. Commemorative bricks program**

The first \$1,600,000 of net proceeds from the sale of commemorative bricks has been restricted by the stadium development agreement for plaza improvements. Any net proceeds from the sale of commemorative bricks in excess of \$1,600,000 are designated to the stadium plaza improvements budget. Based on this restriction, cash related to the sale of commemorative bricks is shown as restricted assets of \$240,852 on the statement of net position for the year ended June 30, 2025.

### **C. Contingencies**

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

**MINNESOTA SPORTS FACILITIES AUTHORITY**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**Last 10 Years**

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

| <b>Measurement Date</b> | <b>Authority's Proportion of the Net Pension Liability</b> | <b>Authority's Proportionate Share of the Net Pension Liability</b> | <b>Authority's Covered Payroll</b> | <b>Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b> | <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> |
|-------------------------|------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 2015                    | 0.033%                                                     | \$ 507,998                                                          | \$ 874,171                         | 58.11%                                                                                                     | 88.32%                                                                            |
| 2016                    | 0.021%                                                     | 2,603,765                                                           | 563,727                            | 461.88                                                                                                     | 47.51                                                                             |
| 2017                    | 0.014%                                                     | 1,038,507                                                           | 383,628                            | 270.71                                                                                                     | 62.73                                                                             |
| 2018                    | 0.012%                                                     | 162,375                                                             | 367,562                            | 44.18                                                                                                      | 90.56                                                                             |
| 2019                    | 0.016%                                                     | 225,096                                                             | 494,074                            | 45.56                                                                                                      | 90.73                                                                             |
| 2020                    | 0.012%                                                     | 159,380                                                             | 380,884                            | 41.84                                                                                                      | 91.25                                                                             |
| 2021                    | 0.012%                                                     | 9,786                                                               | 390,352                            | 2.51                                                                                                       | 99.53                                                                             |
| 2022                    | 0.011%                                                     | 180,763                                                             | 381,379                            | 47.40                                                                                                      | 90.60                                                                             |
| 2023                    | 0.010%                                                     | 96,080                                                              | 356,566                            | 26.95                                                                                                      | 94.54                                                                             |
| 2024                    | 0.009%                                                     | 2,991                                                               | 369,520                            | 0.81                                                                                                       | 99.82                                                                             |

The measurement date is June 30 of each year.

<sup>1</sup> The amounts presented for each fiscal year were determined as of June 30.

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

| <b>Fiscal Year</b> | <b>Contractually Required Contribution</b> | <b>Contributions in Relation to the Contractually Required Contribution</b> | <b>Contribution Deficiency (Excess)</b> | <b>Authority's Covered Payroll</b> | <b>Contributions as a Percentage of Covered Payroll</b> |
|--------------------|--------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------|------------------------------------|---------------------------------------------------------|
| 2015               | \$ 40,403                                  | \$ 40,403                                                                   | \$ -                                    | \$ 735,734                         | 5.49%                                                   |
| 2017               | 36,066                                     | 36,066                                                                      | -                                       | 638,223                            | 5.65                                                    |
| 2018               | 20,216                                     | 20,216                                                                      | -                                       | 367,562                            | 5.50                                                    |
| 2019               | 29,089                                     | 29,089                                                                      | -                                       | 494,074                            | 5.89                                                    |
| 2020               | 23,805                                     | 23,805                                                                      | -                                       | 380,884                            | 6.25                                                    |
| 2021               | 24,397                                     | 24,397                                                                      | -                                       | 390,352                            | 6.25                                                    |
| 2022               | 23,836                                     | 23,836                                                                      | -                                       | 381,379                            | 6.25                                                    |
| 2023               | 22,285                                     | 22,285                                                                      | -                                       | 356,566                            | 6.25                                                    |
| 2024               | 23,095                                     | 23,095                                                                      | -                                       | 369,520                            | 6.25                                                    |
| 2025               | 26,716                                     | 26,716                                                                      | -                                       | 427,456                            | 6.25                                                    |

<sup>1</sup> The amounts presented for 2015 were determined as of December 31.

<sup>2</sup> The amounts presented for 2017 were for the 18-month fiscal period from January 1, 2016 through June 30, 2017.

<sup>3</sup> The amounts presented for 2018-2025 were determined as of June 30.

# STATISTICAL SECTION

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



**MINNESOTA  
SPORTS FACILITIES  
AUTHORITY**

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## LIST OF STATISTICAL TABLES

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### 1.0 FINANCIAL TRENDS

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

Table 1.1 Net Position by Component

Table 1.2 Changes in Net Position

### 2.0 REVENUE CAPACITY

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

Table 2.1 User Fee Revenues by Source

### 3.0 DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Table 3.1 Demographic and Economic Statistics Table

3.2 Principal Employers in Minnesota

### 4.0 OUTSTANDING DEBT/LIABILITIES INFORMATION

This information is intended to assist users in understanding the Authority's debt/liabilities percentage to personal income and population.

Table 4.1 Ratios of Outstanding Debt/Liabilities by Type

### 5.0 OPERATING INFORMATION

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

Table 5.1 Full-Time Employees by Department

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

**Table 1.1**

| <b>Fiscal Period</b> | <b>Net Investment in Capital Assets</b> | <b>Restricted</b> | <b>Unrestricted</b> | <b>Total Net Position</b> |
|----------------------|-----------------------------------------|-------------------|---------------------|---------------------------|
| 2025                 | \$ 749,718,068                          | \$ 50,535,015     | \$ 48,280,158       | \$ 848,533,241            |
| 2024                 | 779,287,616                             | 47,634,443        | 45,737,108          | 872,659,167               |
| 2023                 | 811,522,713                             | 46,363,608        | 31,914,272          | 889,800,593               |
| 2022                 | 856,803,912                             | 20,454,094        | 23,927,810          | 901,185,816               |
| 2021                 | 904,052,091                             | 19,447,786        | 4,230,223           | 927,730,100               |
| 2020                 | 953,867,695                             | 21,845,565        | 4,838,875           | 980,552,135               |
| 2019                 | 1,000,408,761                           | 3,845,171         | 3,492,274           | 1,007,746,206             |
| 2018                 | 1,044,474,586                           | 5,993,494         | (628,667)           | 1,049,839,413             |
| 2017                 | 1,090,575,542                           | -                 | 1,690,775           | 1,092,266,317             |
| 2015                 | 907,139,710                             | -                 | 7,910,770           | 915,050,480               |

1 Net position for 2015 is reported as of December 31.

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

Unaudited  
Source: Authority Finance department

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

**Table 1.2**

|                                                                                        | 2025            | 2024            | 2023            | 2022            | 2021            | 2020            | 2019            | 2018            | 2017           | 2015           |
|----------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|
| Operating revenues:                                                                    |                 |                 |                 |                 |                 |                 |                 |                 |                |                |
| Operating payments from State of Minnesota (city of Minneapolis) and Minnesota Vikings | \$ 8,008,194    | \$ 7,626,408    | \$ 7,262,810    | \$ 6,538,586    | \$ 16,185,325   | \$ 15,907,958   | \$ 15,569,573   | \$ 15,146,301   | \$ 20,910,210  | \$ -           |
| Lease revenue                                                                          | 11,526,620      | 11,526,620      | 11,526,620      | 11,526,620      | -               | -               | -               | -               | -              | -              |
| Stadium operating revenues                                                             | 46,539,310      | 43,832,603      | 36,893,416      | 23,069,152      | 2,811,521       | 14,142,738      | 30,897,106      | 29,656,584      | 23,589,302     | -              |
| Other                                                                                  | 103,248         | 88,099          | 583,841         | 438,235         | 2,256,361       | 2,022,141       | 1,390,377       | 94,107          | 1,779,062      | 44,993         |
| Parking operations and related revenues                                                | -               | -               | -               | -               | -               | -               | -               | -               | -              | 524,455        |
| Total operating revenues                                                               | 66,177,372      | 63,073,730      | 56,266,687      | 41,572,593      | 21,253,207      | 32,072,837      | 47,857,056      | 44,896,992      | 46,278,574     | 569,448        |
| Operating expenses:                                                                    |                 |                 |                 |                 |                 |                 |                 |                 |                |                |
| Personal services                                                                      | 670,892         | 616,856         | 515,763         | 389,693         | 604,003         | 660,059         | 361,383         | 560,909         | 1,611,570      | 1,057,640      |
| Professional services                                                                  | 1,326,332       | 1,049,802       | 1,013,467       | 987,603         | 1,450,545       | 1,385,177       | 1,224,722       | 1,795,052       | 2,797,081      | 865,679        |
| Supplies, repairs and maintenance                                                      | 750,699         | 888,955         | 2,097,304       | 1,324,155       | 1,191,647       | 920,323         | 910,439         | 1,268,687       | 1,256,214      | 273,015        |
| Rent                                                                                   | 493,283         | 552,185         | 580,568         | 700,541         | 286,957         | 800,699         | 796,939         | 746,505         | 1,432,607      | 171,462        |
| Insurance                                                                              | -               | -               | -               | -               | -               | -               | -               | -               | -              | 58,518         |
| Parking operations                                                                     | -               | -               | -               | -               | -               | -               | -               | -               | -              | 235,013        |
| Miscellaneous/other                                                                    | 704,185         | 630,159         | 409,488         | 306,330         | 588,778         | 311,155         | 803,290         | 3,203,500       | 901,419        | 294,954        |
| Stadium operating expenses                                                             | 58,564,940      | 49,479,796      | 44,676,897      | 32,916,861      | 14,368,751      | 25,106,754      | 44,338,597      | 37,417,765      | 32,143,313     | -              |
| Depreciation and amortization                                                          | 44,878,747      | 43,710,058      | 49,311,288      | 48,948,196      | 50,751,793      | 50,795,764      | 50,675,172      | 50,459,104      | 51,313,184     | 318,463        |
| Total operating expenses                                                               | 107,389,078     | 96,927,811      | 98,604,775      | 85,573,379      | 69,242,474      | 79,979,931      | 99,110,542      | 95,451,522      | 91,455,388     | 3,274,744      |
| Total operating income (loss)                                                          | (41,211,706)    | (33,854,081)    | (42,338,088)    | (44,000,786)    | (47,989,267)    | (47,907,094)    | (51,253,486)    | (50,554,530)    | (45,176,814)   | (2,705,296)    |
| Nonoperating revenues (expenses)                                                       | 12,777,128      | 12,536,234      | 11,113,687      | 6,685,725       | (9,404,790)     | (8,052,434)     | 2,088,342       | 1,664,664       | (1,652,928)    | (327,314)      |
| Income (loss) before capital contributions                                             | (28,434,578)    | (21,317,847)    | (31,224,401)    | (37,315,061)    | (57,394,057)    | (55,959,528)    | (49,165,144)    | (48,889,866)    | (46,829,742)   | (3,032,610)    |
| Capital contributions                                                                  | 4,308,652       | 4,176,421       | 19,839,178      | 10,770,777      | 4,572,022       | 28,765,457      | 7,071,937       | 6,462,962       | 224,045,579    | 511,883,685    |
| Change in net position                                                                 | \$ (24,125,926) | \$ (17,141,426) | \$ (11,385,223) | \$ (26,544,284) | \$ (52,822,035) | \$ (27,194,071) | \$ (42,093,207) | \$ (42,426,904) | \$ 177,215,837 | \$ 508,851,075 |

1 Net position for 2015 is reported as of December 31.

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

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

Unaudited

Source: Authority Finance department

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

**Table 2.1**

| <b>Fiscal Period</b> | <b>Operating Payments</b> | <b>Lease Revenues</b> | <b>Stadium Operating Revenues</b> | <b>Parking Operations</b> | <b>Other</b> | <b>Total</b>  |
|----------------------|---------------------------|-----------------------|-----------------------------------|---------------------------|--------------|---------------|
| 2025                 | \$ 8,008,194              | \$ 11,526,620         | \$ 46,539,310                     | \$ -                      | \$ 103,248   | \$ 66,177,372 |
| 2024                 | 7,626,408                 | 11,526,620            | 43,832,603                        | -                         | 88,099       | 63,073,730    |
| 2023                 | 7,262,810                 | 11,526,620            | 36,893,416                        | -                         | 583,841      | 56,266,687    |
| 2022                 | 6,538,586                 | 11,526,620            | 23,069,152                        | -                         | 438,235      | 41,572,593    |
| 2021                 | 16,185,325                | -                     | 2,811,521                         | -                         | 2,256,361    | 21,253,207    |
| 2020                 | 15,907,958                | -                     | 14,142,738                        | -                         | 2,022,141    | 32,072,837    |
| 2019                 | 15,569,573                | -                     | 30,897,106                        | -                         | 1,390,377    | 47,857,056    |
| 2018                 | 15,146,301                | -                     | 29,656,584                        | -                         | 94,107       | 44,896,992    |
| 2017                 | 20,910,210                | -                     | 23,589,302                        | -                         | 1,779,062    | 46,278,574    |
| 2015                 | -                         | -                     | -                                 | 524,455                   | 44,993       | 569,448       |

1 Revenues by source for 2015 are reported as of December 31.

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

3 Operating payments include payments from the State of Minnesota (city of Minneapolis) and the Minnesota Vikings for U.S. Bank Stadium

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

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

Unaudited

Source: Authority Finance department

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

**Table 3.1**

| <b>Calendar<br/>Year</b> | <b>Population (1,3)</b> | <b>Personal<br/>Income<br/>(In Millions) (1,3)</b> | <b>Per Capita<br/>Income (1,3)</b> | <b>Unemployment<br/>Rate (2)</b> |
|--------------------------|-------------------------|----------------------------------------------------|------------------------------------|----------------------------------|
| 2024                     | 3,712,020               | \$ 295,677                                         | \$ 79,654                          | 2.4%                             |
| 2023                     | 3,712,020               | 295,677                                            | 79,654                             | 2.4%                             |
| 2022                     | 3,691,666               | 281,137                                            | 76,155                             | 2.5%                             |
| 2021                     | 3,690,987               | 268,164                                            | 72,654                             | 2.6%                             |
| 2020                     | 3,657,477               | 245,833                                            | 67,214                             | 4.5%                             |
| 2019                     | 3,640,043               | 233,890                                            | 64,255                             | 3.0%                             |
| 2018                     | 3,614,162               | 227,292                                            | 62,889                             | 2.8%                             |
| 2017                     | 3,600,618               | 215,087                                            | 59,736                             | 3.3%                             |
| 2016                     | 3,551,036               | 201,427                                            | 56,723                             | 3.6%                             |
| 2015                     | 3,518,252               | 195,613                                            | 55,599                             | 3.5%                             |

Unaudited

Sources:

<sup>1</sup> Metropolitan Council Annual Comprehensive Financial Report 12/31/2024-information from U.S. Commerce Department and Bureau of Economic Analysis for the Minneapolis-St. Paul Metropolitan Statistical Area.

<sup>2</sup> State of Minnesota, department of Employment and Economic Development (seven-county area)

<sup>3</sup> 2025 data not available at time of report.

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

**Table 3.2**

| <b>Employer</b>              | <b>Number of Minnesota Only Employees in thousands (except percentage)</b> |             |                                               |                  |             |                                               |
|------------------------------|----------------------------------------------------------------------------|-------------|-----------------------------------------------|------------------|-------------|-----------------------------------------------|
|                              | <b>2024</b>                                                                |             |                                               | <b>2015</b>      |             |                                               |
|                              |                                                                            |             | <b>Percentage of<br/>Total<br/>Employment</b> |                  |             | <b>Percentage of<br/>Total<br/>Employment</b> |
|                              | <b>Employees</b>                                                           | <b>Rank</b> |                                               | <b>Employees</b> | <b>Rank</b> |                                               |
| State of Minnesota           | 52                                                                         | 1           | 2.67%                                         | 54               | 1           | 2.88%                                         |
| Mayo Clinic                  | 51                                                                         | 2           | 2.47%                                         | 40               | 2           | 2.14%                                         |
| Fairview Health Services     | 37                                                                         | 3           | 1.92%                                         | 21               | 9           | 1.12%                                         |
| Target Corporation           | 35                                                                         | 4           | 1.77%                                         | 30               | 4           | 1.60%                                         |
| Allina Health System         | 29                                                                         | 5           | 1.46%                                         | 26               | 5           | 1.39%                                         |
| University of Minnesota      | 28                                                                         | 6           | 1.36%                                         | 26               | 6           | 1.39%                                         |
| HealthPartners, Inc.         | 26                                                                         | 7           | 1.26%                                         | 23               | 7           | 1.23%                                         |
| Wal-Mart Stores, Inc.        | 24                                                                         | 8           | 1.21%                                         | 22               | 8           | 1.18%                                         |
| United States Federal Govern | 21                                                                         | 9           | 1.72%                                         | 31               | 3           | 1.66%                                         |
| UnitedHealth Group, Inc.     | 19                                                                         | 10          | 0.96%                                         | -                | -           | -                                             |
| Wells Fargo Minnesota        | -                                                                          | -           | -                                             | 20               | 10          | 1.07%                                         |
| Total                        | 322                                                                        |             | 16.80%                                        | 293              |             | 15.66%                                        |

Unaudited

Source: Metropolitan Council Annual Comprehensive Financial Report 12/31/2024-State of Minnesota Department of Employment and Economic Development, Minneapolis-St. Paul Business Journal, July 24, 2024.

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

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

**Table 4.1**

| <b>Fiscal Period</b> |    | <b>Lease Liability<sup>3</sup></b> |    | <b>Subscription Liability<sup>3</sup></b> |    | <b>Total</b> | <b>Percentage of Personal Income<sup>2</sup></b> |    | <b>Per Capita<sup>2</sup></b> |
|----------------------|----|------------------------------------|----|-------------------------------------------|----|--------------|--------------------------------------------------|----|-------------------------------|
| 2025                 | \$ | 5,110,054                          | \$ | 46,280                                    | \$ | 5,156,334    | 0.0017%                                          | \$ | 1.39                          |
| 2024                 |    | 6,184,982                          |    | 91,799                                    |    | 6,276,781    | 0.0023%                                          |    | 1.70                          |
| 2023                 |    | 6,489,605                          |    | 136,570                                   |    | 6,626,175    | 0.0025%                                          |    | 1.80                          |
| 2022                 |    | 6,768,508                          |    | -                                         |    | 6,768,508    | 0.0026%                                          |    | 1.83                          |

<sup>1</sup> This table is intended to show information for 10 years. Additional years will be displayed as they become available.

<sup>2</sup> See the demographic and economic statistics table for personal income and population data. All ratios are calculated using personal income and population from prior calendar year.

<sup>3</sup> Lease liability related to GASB Statement No. 87 and Subscription liability related to GASB Statement No. 96.

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

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**Table 5.1**

| <b>Fiscal<br/>Year</b> | <b>Administrative</b> | <b>Total</b> |
|------------------------|-----------------------|--------------|
| 2025                   | 3.5                   | 3.5          |
| 2024                   | 3                     | 3            |
| 2023                   | 3                     | 3            |
| 2022                   | 2                     | 2            |
| 2021                   | 4                     | 4            |
| 2020                   | 4                     | 4            |
| 2019                   | 4                     | 4            |
| 2018                   | 5                     | 5            |
| 2017                   | 5                     | 5            |
| 2015                   | 8                     | 8            |

1 Employees by department for 2015 are reported as of December 31.

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

Unaudited

Source: Authority Finance department



**MINNESOTA  
SPORTS FACILITIES  
AUTHORITY**

**A COMPONENT UNIT OF THE STATE OF MINNESOTA**

Finance Department • 1005 Fourth Street South • Minneapolis, MN 55415 • [msfa.com](http://msfa.com)



Board of Commissioners  
Minnesota Sports Facilities Authority  
Minneapolis, Minnesota

We have audited the financial statements of the Minnesota Sports Facilities Authority as of and for the year ended June 30, 2025, and have issued our report thereon dated October 16, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our statement of work dated July 14, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### **Accounting policies**

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

As described in Note 1.C, the City changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences*, in the current fiscal period.

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

##### **Accounting estimates**

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

##### **Financial statement disclosures**

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

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

#### ***Significant unusual transactions***

We identified no significant unusual transactions.

***Difficulties encountered in performing the audit***

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

***Uncorrected misstatements***

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

***Corrected misstatements***

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

***Disagreements with management***

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

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated October 16, 2025.

***Management consultations with other independent accountants***

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

***Significant issues discussed with management prior to engagement***

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

***Audits of group financial statements***

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

***Quality of component auditor's work***

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

***Limitations on the group audit***

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

**Required supplementary information**

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

**Other information included in annual reports**

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

\* \* \*

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



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
October 16, 2025



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Minnesota Sports Facilities Authority  
Minneapolis, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Minnesota Sports Facilities Authority, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Minnesota Sports Facilities Authority's basic financial statements, and have issued our report thereon dated October 16, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

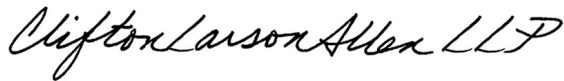
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Report on Compliance and Other Matters**

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

### ***Purpose of This Report***

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
October 16, 2025



*We'll get you there.*

CPAs | CONSULTANTS | WEALTH ADVISORS

# Minnesota Sports Facilities Authority

Year Ending June 30, 2025



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# Overview

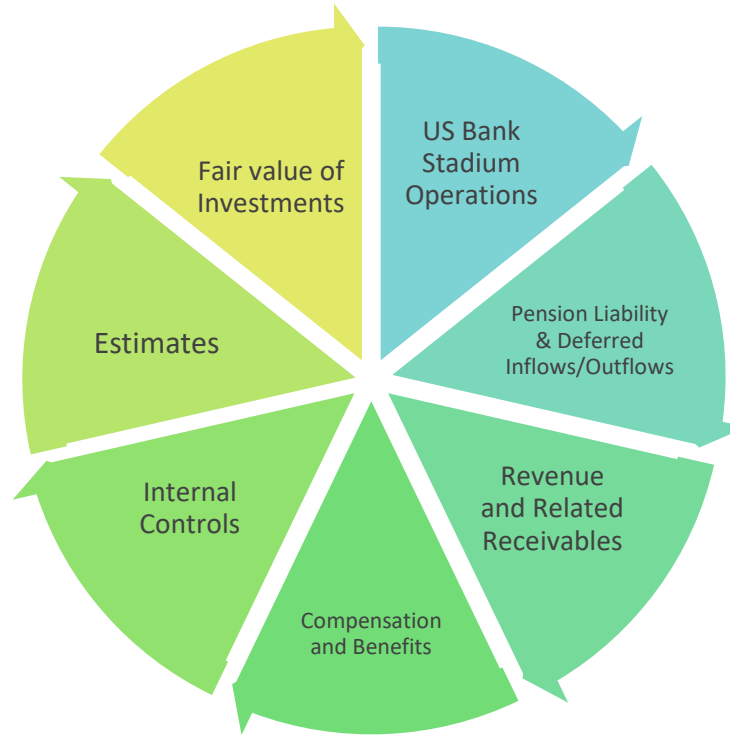
Overview of the Audit Process

Audit Results

Governance Communication



# Financial Statement Audit Process - Risk Assessment



# Audit Approach - Financial Statement Audit

- 
- Planning Process

- 
- IT Understanding

- 
- Internal Controls – Understanding design and walkthrough of effectiveness as well as expanded tests of certain controls

- 
- Separate audit of ASM Global/US Bank Stadium's Operations



# Audit Results

## Opinion

- Unmodified Opinion – Financial Statements

## Adjustments and Results

- No material audit adjustments
- No financial reporting deficiencies



# Governance Communication Letter

## Overall

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

## Difficulties

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

## Other

- No material adjustments recorded
- No uncorrected or waived misstatements



# Upcoming Governmental Accounting Standards

- Statement No. 103 – Financial Reporting Model Improvements
  - Effective for Period Ended June 30, 2026
  - Areas impacted include the MD&A, Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, and Budgetary Comparison Information
- Statement No. 104 – Disclosure of Certain Capital Assets
  - Effective for Period Ended June 30, 2026
  - Will impact the presentation in the footnotes of certain capital assets
  - If you list a fixed asset for sale, may need to disclose



# Questions and Feedback

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

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



## Chris Knopik, CPA, CFE

Principal

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## Troy Gabler, CPA

Manager

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## MEMORANDUM

TO: MSFA Commissioners

FROM: Michelle Hoffman, Director of Finance

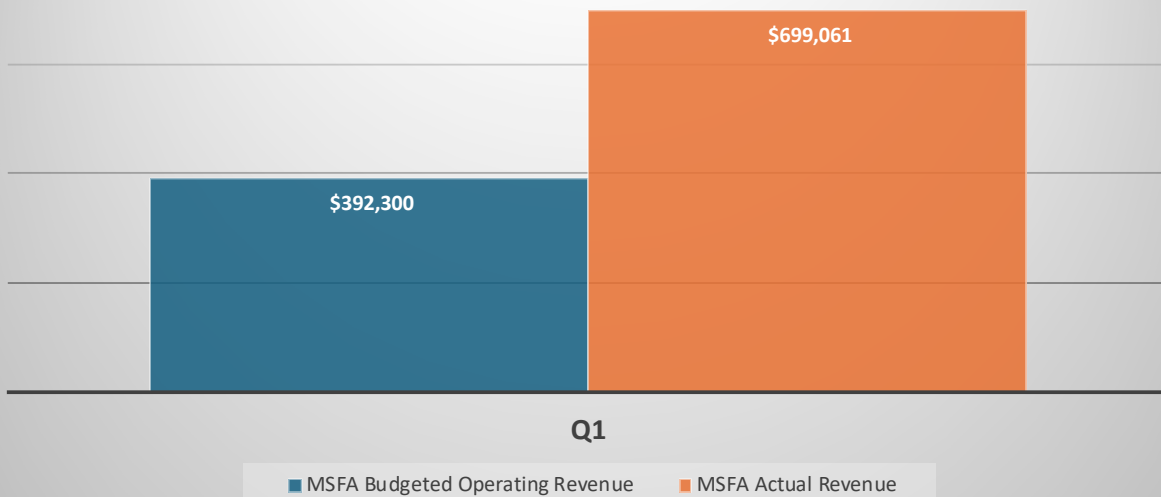
DATE: November 20, 2025

SUBJECT: Q1 - 2025-2026 Budget Report as of September 30, 2025

Attached is the Q1 Budgetary Comparison Report for the period from July 1, 2025, through September 30, 2025, for the MSFA's operating account and capital reserve account as well as the stadium operations activity managed by SMG (Legends). Below is also a summary of the cash and investments balances held in the Authority's name as of September 30, 2025.

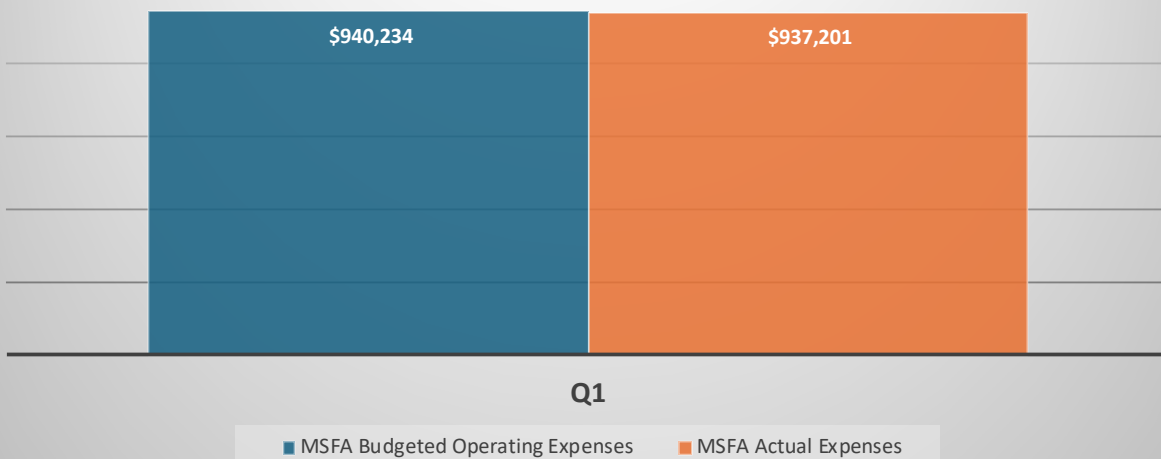
| <b>Cash and Investments Balances at September 30, 2025</b> |                            |
|------------------------------------------------------------|----------------------------|
| MSFA Operating Cash and Investments                        | \$ 25,793,233              |
| MSFA Capital Cash and Investments                          | 39,587,134                 |
| MSFA Concession Capital Cash and Investments               | 2,125,671                  |
| SMG Managed Accounts                                       | 8,547,210                  |
| <b>Total All Cash and Investments</b>                      | <b><u>\$76,053,248</u></b> |

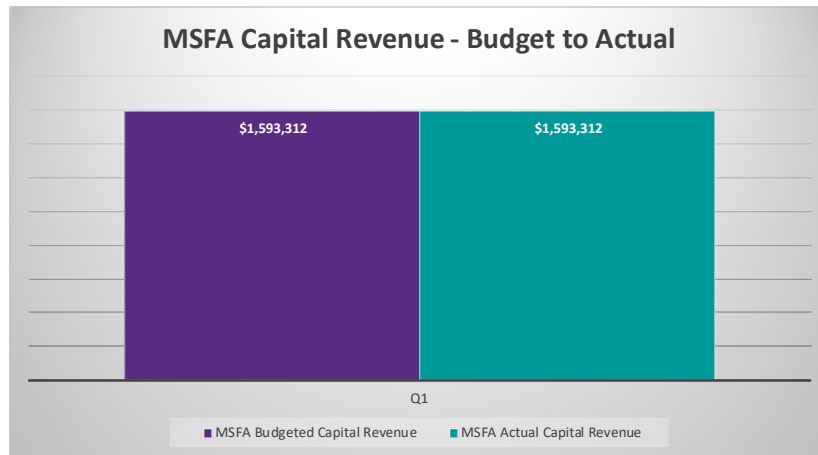
## MSFA Operating Revenue - Budget to Actual



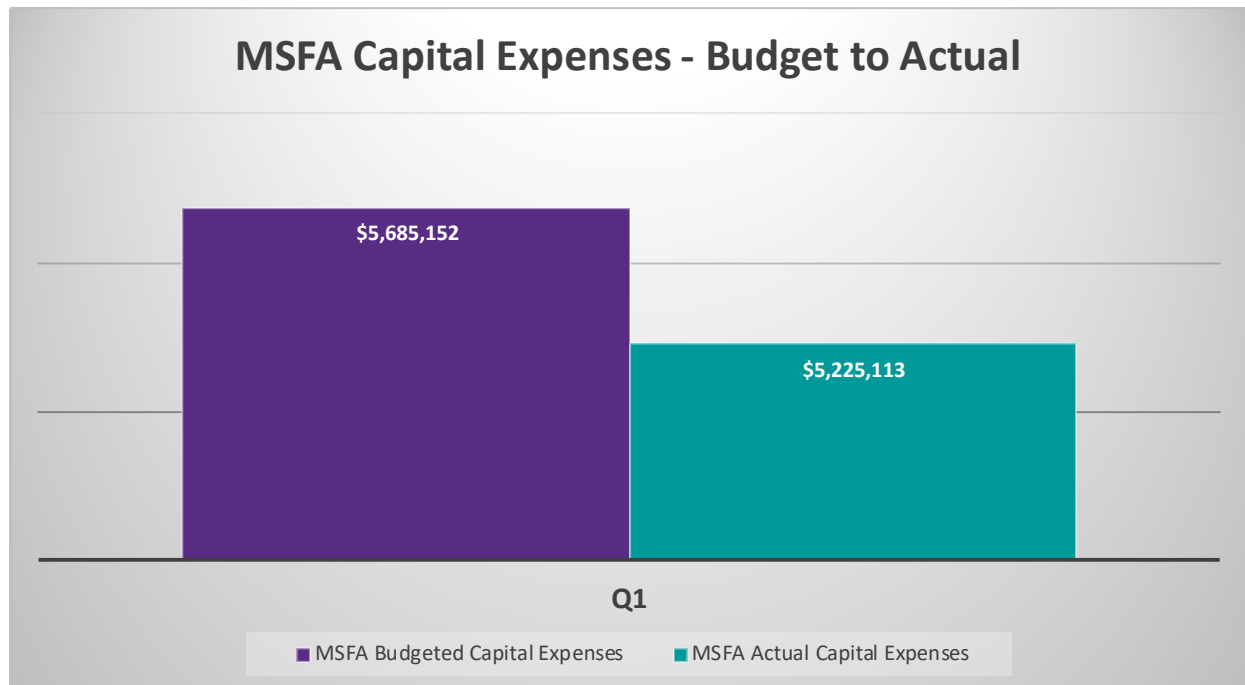
- Investment income was well over budget as the budget was set conservatively due to the uncertainty around the economy and potential federal rate cuts.

## MSFA Operating Expenses - Budget to Actual



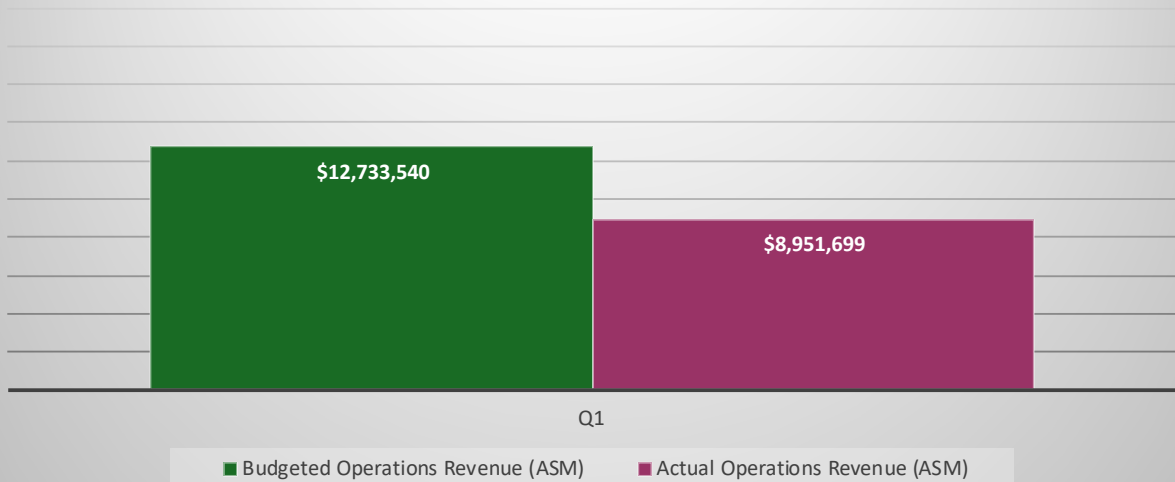


- Capital reserve funds payments are generally known amounts that come from the Vikings, state of Minnesota, and City of Minneapolis.



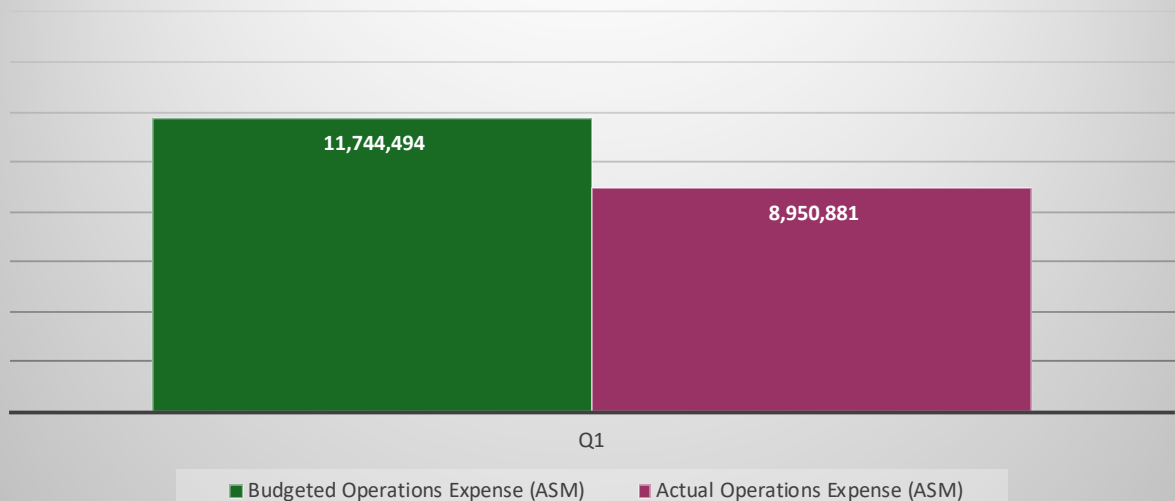
- Capital projects are slightly under budget, but overall capital activity is on pace to have budgeted capital projects completed by the end of the fiscal year.

## Stadium Operations Revenue (ASM) - Budget to Actual



- One major event was budgeted for the first quarter but occurred at the beginning of the second quarter.

## Stadium Operations Expenses (ASM) - Budget to Actual



- One major event was budgeted for the first quarter but occurred at the beginning of the second quarter.



**MEMORANDUM**

TO: MSFA Commissioners

FROM: Michelle Hoffman, Director of Finance

DATE: November 20, 2025

SUBJECT: 2025-2026 Property Insurance Program Report

Willis Towers Watson Midwest, Inc. (WTW), our property insurance broker, marketed the Authority's property insurance program, and found that the property insurance marketplace is one of the most challenging they have seen in recent history due to the major losses the carriers have experienced. Natural catastrophes, hurricanes, severe convective thunderstorms, and tornadoes dominate the loss category for insurance claims. These losses have led to a hard property market and caused carriers to reduce capacity, increase rates, and impose more restrictive coverage terms and deductibles in their policies to control their loss exposure. The Authority's property insurance program for the policy period from October 1, 2025, to October 1, 2026, was faced with these issues.

The property program has a layered approach where the primary property layer provides coverage of \$1 billion and the excess layer which sits above the primary layer provides coverage of \$497 million. The layered approach provides the best pricing and terms for the program. These policies provide coverage for real and personal property, business interruption, and boiler and machinery equipment.

In the previous year the primary property layer of \$1 billion was achieved via a quota share basis, with American Home Assurance Company (AIG) and AXA XL each covering 50%, or \$500 million. Despite willingness of both parties to again cover 50%, it was determined that a further quota share split may be more beneficial to the Authority. Other carriers were approached and a third insurer, CNA, was added to achieve a 40%/40%/20% quota share, with AIG and AXA XL each taking 40%, or \$400,000,000 and CNA taking 20%, or \$200,000,000. AIG's premium was \$483,120, AXA XL's premium was \$546,872, and CNA's premium was \$244,298 for a combined premium of \$1,274,290, inclusive of taxes and fees. The policies have a \$30 million deductible for hail and wind perils, \$1 million deductible for snow, sleet, or ice perils, a \$50,000 deductible for the Vikings ship, and a \$500,000 deductible for all other perils. These policies do not include terrorism coverage.

Chubb Bermuda again agreed to provide the program's excess layer of \$497 million, for a premium, inclusive of taxes and fees, of \$315,000.00. This policy includes terrorism coverage.

Deductible buy-down policies were purchased for the \$30 million deductible for hail and wind perils and for the \$1 million deductible for snow, sleet, and ice perils to reduce both deductibles to \$500,000 to meet contractual requirements.

Multiple underwriters agreed to provide a quota share approach for a shared limit for the hail and wind buy down deductible policy. Those underwriters and shares are as follows: Lloyds of London (\$4,500,000), Starr Surplus Lines (\$5,000,000), Fair American Select Insurance (\$7,500,000), AXIS Surplus Insurance (\$2,500,000), and Kinsale Insurance (\$10,000,000), for a total of \$29,500,000. The policies buy down the deductible for hail and wind perils from \$30 million to \$500,000. Premiums from all carriers for the wind and hail deductible buy down totaled \$1,014,370.83, inclusive of taxes and fees.

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

The “stand alone” terrorism insurance coverage also has a layered approach for the \$1 billion limit. Underwriters at Lloyds of London (multiple syndicates) agreed to provide the primary \$500 million coverage for the terrorism policy for a premium of \$110,881.88, and Underwriters at Lloyds of London (multiple syndicates) agreed to provide the excess coverage limit of \$500 million which is excess of the primary terrorism policy limit of \$500 million for a premium of \$56,919.29, for a combined premium of \$167,801.17, inclusive of taxes and fees. This policy provides coverage for domestic terrorism, certified and non-certified acts of terrorism, and sabotage. Sabotage means an act committed for political, religious, or ideological purposes including the intention to influence any government or to put the public in fear for such purpose. The policy has a deductible of \$100,000.

### PROPERTY INSURANCE PREMIUM SUMMARY:

| <u>POLICY</u>                                       | <u>CARRIER</u>                                  | <u>RATING</u> | <u>2024-2025<br/>PREMIUM</u> | <u>2025-2026<br/>PREMIUM</u> |
|-----------------------------------------------------|-------------------------------------------------|---------------|------------------------------|------------------------------|
| PROPERTY ALL-RISK-PRIMARY LAYER \$1 Billion         | AIG-50% Quota Share-\$500 M                     | A, XV         | 550,000.00                   |                              |
|                                                     | AXA XL-50% Quota Share-\$500 M                  | A+, XV        | 714,155.00                   |                              |
|                                                     | AIG-40% Quota Share-\$400 M                     | A, XV         |                              | 483,120.00                   |
|                                                     | AXA XL-40% Quota Share-\$400 M                  | A+, XV        |                              | 546,872.00                   |
|                                                     | CAN-20% Quote Share-\$200 M                     | A, XV         |                              | 244,297.88                   |
| PROPERTY ALL-RISK-EXCESS LAYER \$497 Million        |                                                 | A++, XV       | 208,000.00                   | 315,000.00                   |
|                                                     | Chubb Bermuda                                   |               |                              |                              |
| HAIL AND WIND DEDUCTIBLE BUY DOWN-\$30 Million      | Lloyds of London Quote Share-\$4.5 M/\$9.5 M    | A+, XV        | 305,513.60                   | 274,689.18                   |
|                                                     | Starr Quota Share-\$5 M/\$9.5 M                 | A, XV         | 341,007.79                   | 332,313.01                   |
|                                                     | Fair American Select Quote Share-\$7.5 M/\$10 M | A++, XV       |                              | 193,200.00                   |
|                                                     | AXIS Surplus Quota Share-\$2.5 M/\$10 M         | A, XV         |                              | 64,400.00                    |
|                                                     | Kinsale Quote Share-\$10 M/\$10 M               | A, XIV        |                              | 149,768.64                   |
| SNOW, SLEET OR ICE DEDUCTIBLE BUY DOWN-\$ 1 Million | Lloyds of London-\$500 K                        | A+, XV        | 103,555.20                   | 103,555.20                   |
| TERRORISM \$1 Billion                               | Lloyds of London-\$500 M                        | A+, XV        | 110,400.15                   | 110,881.88                   |
|                                                     | Lloyds of London-\$500 M excess of \$500 M      | A+, XV        | 57,408.01                    | 56,919.29                    |
| Broker fee-Willis Towers Watson                     |                                                 |               | 59,960.25                    | 65,000.00                    |
|                                                     | Total                                           |               | <u>2,450,000.00</u>          | <u>2,940,017.08</u>          |
|                                                     | Increase                                        |               |                              | 490,017.08                   |
|                                                     | Increase %                                      |               |                              | 20.00%                       |

### **Recommended Motion:**

*None.*