



COMPREHENSIVE ANNUAL FINANCIAL REPORT

METROPOLITAN AIRPORTS COMMISSION ► MINNEAPOLIS-SAINT PAUL, MN



YEARS ENDED DECEMBER 31,
2020 AND 2019.

This page was intentionally left blank.



PREPARED BY

The Finance Department

ATIF SAEED
Chief Financial
Officer

TIM SIMON
VP, Finance &
Revenue Development

NICK HINCHLEY
Director of
Finance



MISSION:

Connecting you to your world

VISION:

Providing your best airport experience

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Table of Contents

PAGE

I. INTRODUCTORY SECTION (UNAUDITED)

Airport Locations	iii
Commissioners	iv
Organization Chart	v
Letter of Transmittal	vi
Certificate of Achievement	xvi

II. FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	3
Statements of Net Position	17
Statements of Revenues and Expenses, and Changes in Net Position	19
Statements of Cash Flows	20
Statement of Fiduciary Net Position – Fiduciary Fund – Other Postemployment Benefits (OPEB) Trust Fund	21
Statement of Changes in Fiduciary Net Position – Fiduciary Fund – Other Postemployment Benefits (OPEB) Trust Fund	22
Notes to Financial Statements	23
Required Supplementary Information (Unaudited):	
Schedule of Commission's Proportionate Share of the Net Pension Liability	65
Schedule of Commission's Pension Contributions	66
Schedule of Changes in the Commission's Net OPEB Liability and Related Ratios	67
Schedule of Commission's OPEB Contributions	69
Schedule of Investment Returns	70

III. STATISTICAL SECTION (UNAUDITED)

Historical Operating Statements	72
Historical Revenues - Per Master Trust Indenture	73
Percentage Distribution of Operating Revenues	74
Net Position by Business - Type Activities	75
Delta Airlines Revenue Summary	76
Top 10 Revenue Providers	77
Air Carrier Market Share - Total Enplaned Passengers	78
Enplaned Passenger Trends	79
Air Carrier Market Share - Total Enplaned Cargo	80
Enplaned Cargo Trends	81
Trends in Enplaned Cargo by Type of Carrier	82
Trends in Enplaned Cargo by Freight & Mail	83
Revenue Bond Debt Service Coverage - Rate Covenant for Senior Debt	84
Revenue Bond Debt Service Coverage - Rate Covenant for Subordinate Lien Debt	85
Operating Ratio	86
Debt per Enplaned Passenger	86
Population	87
Civilian Unemployment Rate	87

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Table of Contents

Personal Income	88
Per Capita Personal Income	88
Minnesota’s Largest 10 Employers Ranked by In-State Employees	89
Employment Share by Industry	90
Activity Statistics	91
Historical Aircraft Operations	92
Trends in Aircraft Landed Weight of Signatory Airlines.....	93
Employee Counts	94
Airline Cost per Enplaned Passenger	94
Schedule of Airline Rates and Charges.....	95
Operations at the Reliever Airports and General Aviation Operations at MSP	95
Air Carriers Serving MSP	96
Insurance Coverage.....	97
Airport Information.....	98

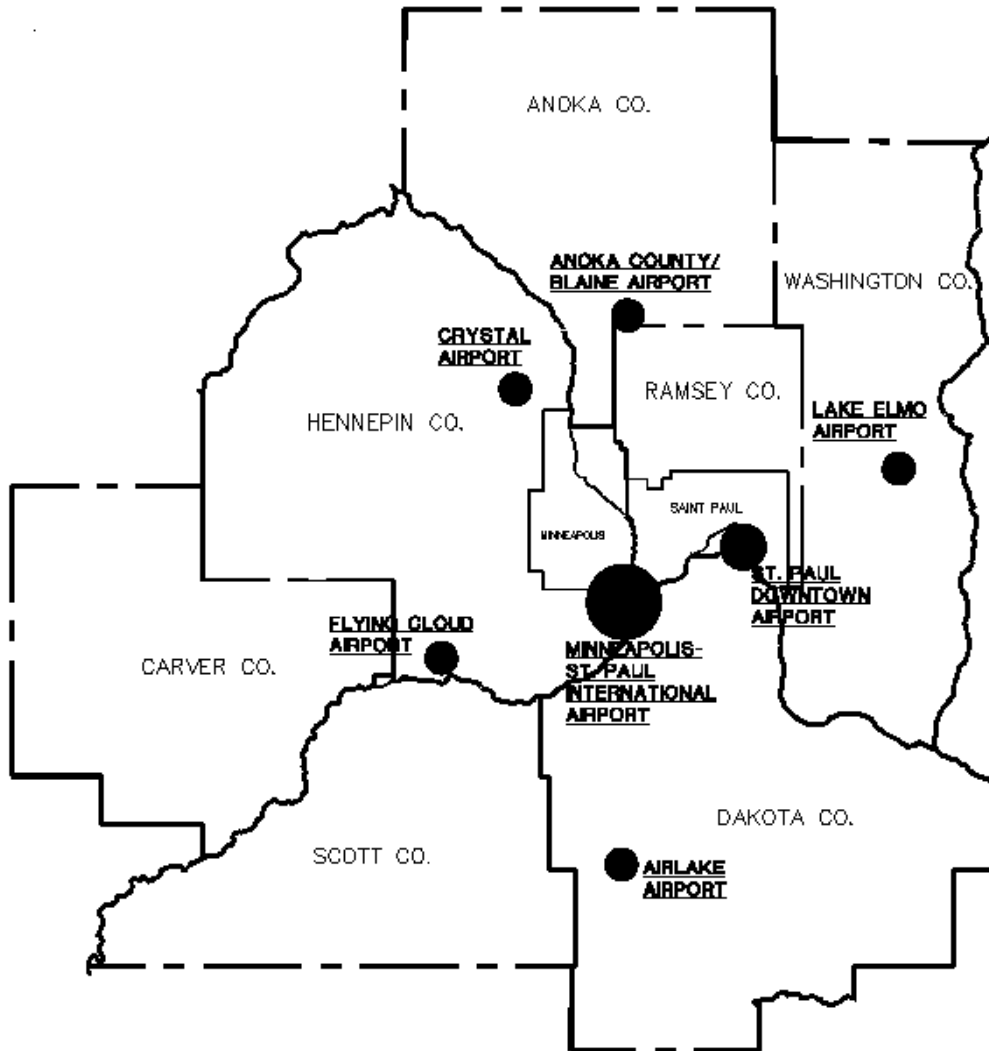


Introductory Section

This page was intentionally left blank.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

AIRPORT LOCATIONS



Commission Jurisdiction 35 Mile Radius

METROPOLITAN AIRPORTS COMMISSION

Chair: Rick King

Commissioners:

District A	Carl Crimmins
District B	Braj Agrawal
District C	Katie Clark Sieben
District D	Steve Cramer
District E	James Deal
District F	Rodney Skoog
District G	Richard Ginsberg
District H	Yodit Bizen
City of Minneapolis	Lili Fatehi
City of Saint Paul	Ikram Koliso
Representing Greater Minnesota Area	Randy Schubring Patti Gartland Donald Monaco Dixie Hoard

The Chair and Commissioners collectively are an appointed body which governs the Metropolitan Airports Commission. The Commissioners are, in effect, the board of directors for this public corporation.

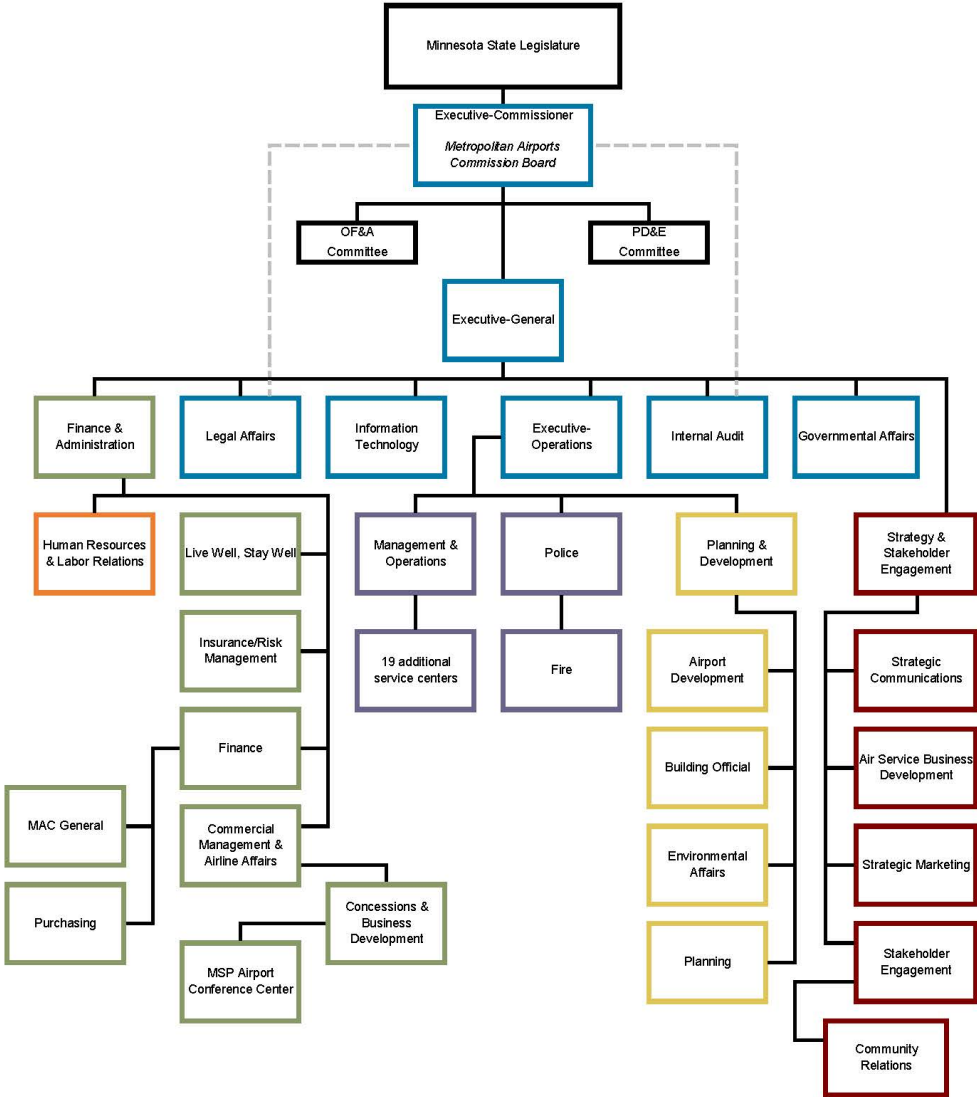
Executive Director/CEO: Brian Ryks

The Executive Director/CEO is appointed by and responsible to the Commissioners. He is responsible for transforming the Commissioners' policy guidance into practical results that benefit airport users, specifically, and the citizens of Minnesota, generally.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATION CHART

Metropolitan Airports Commission
Organizational Chart



METROPOLITAN AIRPORTS COMMISSION

Minneapolis–Saint Paul International Airport

6040 - 28th Avenue South • Minneapolis, MN 55450-2799
Phone (612) 726-8100 • Fax (612) 725-6353

OFFICE OF EXECUTIVE DIRECTOR

May 25, 2021

To the Commissioners
of the Metropolitan Airports Commission
and to its Stakeholders:

We are pleased to present the Comprehensive Annual Financial Report of the Metropolitan Airports Commission, Minneapolis-St. Paul, Minnesota, for the fiscal years ended December 31, 2020 and 2019.

Management's Responsibility:

We, the management of the Metropolitan Airports Commission (Commission or MAC), are responsible for the accuracy of the reported data, for its completeness, and for the fairness of its presentation. To the best of our knowledge and belief, the data in the enclosed report are accurate in all material respects. We believe the report presents fairly the financial position, results of operations, and changes in net position and cash flows of the Commission in accordance with accounting principles generally accepted in the United States of America (GAAP). All disclosures necessary to help the reader understand the Commission's financial activities are included in the report.

To provide a reasonable basis to make the representations (above), we have established a comprehensive system of internal controls to ensure:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with all applicable laws, regulations, contracts and grants

Because the cost of internal controls should not exceed their benefits, internal controls can provide only reasonable—not absolute—assurance that the MAC is achieving its objectives.

Independent Audit:

In accordance with Minnesota State Law, the Minnesota Office of the Legislative Auditor may conduct a financial audit of the MAC or allow this service to be contracted. In addition, the Legislative Auditor periodically conducts a separate audit to examine the Commission's compliance with applicable laws, policies and procedures.

For the years ended December 31, 2020 and 2019, the annual financial statements of the MAC have been audited by BKD, LLP, a firm of independent Certified Public Accountants. BKD's opinions on the financial statements are presented in this report.

Also, as part of the annual audit, BKD performs procedures in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Finally, the auditors perform procedures in accordance with the *Passenger Facility Charge Audit Guide for Public Agencies* to audit the MAC's compliance with the FAA regulations in relation to passenger facility charge (PFC) revenues and expenses. The resulting reports are intended for the use of the MAC and the FAA and have not been included in this report.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

LETTER OF TRANSMITTAL

THE COMMISSION:

Purpose:

The Minnesota State Legislature created the MAC in 1943 as an independent public corporation. Its legislative Statute (Minnesota Laws, 1943, Chapter 500) charges the Commission to:

- Promote the public welfare and national security;
- Serve the public interest, convenience and necessity;
- Promote air navigation and transportation, (international, national and local);
- Increase air commerce and promote the efficient, safe and economical handling of such commerce; and,
- Develop the full potentialities of the metropolitan area as an aviation center.

With the growth of air commerce since 1943, the MAC has also assumed responsibilities to:

- Minimize the environmental impact from air navigation and transportation;
- Promote the overall goals of the state's environmental policies; and
- Minimize the public's exposure to noise and safety hazards around airports.

Powers:

As a *corporation*, the MAC has all the normal business rights and powers necessary to fulfill its mission to acquire, build and operate a system of airports. For example, the Commission can:

- Acquire and hold title to real estate;
- Enter into contracts and hire employees;
- Sue and be sued.

As a *public* corporation, the MAC has powers beyond those of a normal business. For example, the Commission can:

- Issue tax-exempt debt;
- Adopt ordinances, enforce them through its police powers, and acquire property through eminent domain;
- Levy taxes on real property in the Metropolitan Area for general obligation debt service or to meet operations and maintenance costs of airport facilities.

Notably, the Commission has not levied a local tax since 1969. Currently, the MAC has no need or intention to levy taxes. Rather, the Commission operates as an entirely self-funded organization similar to a private business.

Governance:

The MAC's governing board (Commission) consists of fifteen Commissioners who are appointed for fixed terms of office. The mayors of St. Paul and Minneapolis have permanent seats on the Commission but can appoint delegates to fill the positions. The Governor appoints the Chairperson and twelve Commissioners: eight from designated districts within the Metropolitan Area and four Commissioners to represent the Greater Minnesota Area (i.e., outside the Metropolitan Area). As the "board of directors" of the public corporation, the Commissioners represent the interests of the "owners" of the Commission, which is to say the Commissioners represent "the public's interest".

The Chairperson may be from anywhere in the State. Only the Chairperson can be removed before his or her term expires. Governor Tim Walz appointed Mr. Rick King chair of the Commission in July 2019. Prior to this, King served as the District B appointee to the board beginning in 2011 and then reappointed in 2015. As a MAC commissioner, King chaired both the Management and Operations Committee and the Planning, Development and Environment Committee.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

LETTER OF TRANSMITTAL

King recently retired from Thomson Reuters after more than 20 years, serving as CIO, CTO, COO and Managing Director. Previously, he held executive-level positions at Ceridian Employer Services, Jostens Learning and WICAT Systems Inc. King began his career as a teacher and coach in Vermont. King was elected to the board of directors of TCF Financial Corporation in 2014. He also serves on the board of trustees for Minnesota Public Radio. King was also named by Governor Tim Walz to chair the Governor's Blue Ribbon Council on IT in February 2019 and chaired Minnesota's Ultra High-Speed Broadband Task Force between 2008 – 2009 having been named by former Governor Tim Pawlenty. In 2020, King received many awards for his leadership in technology including the CIO of the Year Leadership ORBIE from TwinCitiesCIO and a special Lifetime Achievement Tekne award from the Minnesota Technology Association, both in 2020. King earned bachelor's and master's degrees from the University of Vermont. He has two grown children and resides in Eden Prairie with his wife.

The board appoints the Executive Director/CEO who serves at the pleasure of the Commission and is the "chief executive" of the MAC. The Executive Director/CEO is accountable for meeting all the Commission's expectations for organizational performance.

Brian D. Ryks was appointed Executive Director/Chief Executive Officer of the Commission in May 2016. Before arriving in Minneapolis, he held a similar position as executive director and CEO of the Gerald R. Ford International Airport in Grand Rapids, Michigan. While there, Mr. Ryks oversaw the completion of several significant projects, including an airport re-branding campaign, transition from a county-controlled airport to an airport authority, major expansion and renovation of Concourse B, and construction of a state-of-the-art storm water/aircraft deicing natural treatment system and a new general and corporate aviation arrivals terminal. He also initiated a \$45 million terminal expansion and consolidated TSA passenger screening checkpoints. Ryks also led an innovative funding campaign to raise \$20 million in private capital in support of the terminal expansion. During Ryks' tenure, the Gerald R. Ford International Airport set all-time records for passengers in 2014 and 2015 and was rated in 2015 as the number one airport in North America in its size category by the Airports Council International Airport Service Quality survey. Prior to his time in Michigan, Ryks was the executive director at the Duluth Airport Authority, overseeing Duluth International Airport in Minnesota and Sky Harbor, a general aviation airport. During his 10 years in Duluth, Mr. Ryks oversaw completion of \$135 million in airport improvements, culminating with a \$77 million project to develop a new terminal. Prior to arriving in Duluth, Mr. Ryks was employed for five years as the airport manager at the St. Cloud Regional Airport and for two years as the airport manager in Aberdeen, South Dakota. Before Aberdeen, Mr. Ryks spent six years in Denver where he was the manager of noise abatement at Stapleton and Denver International Airports. He was also the project manager for the development and installation of an Airport Noise and Operations Monitoring System at the Denver International Airport. He began his career as a noise technician at the Metropolitan Airports Commission in 1986. Mr. Ryks holds a Bachelor of Arts degree from St. Cloud State University, is a licensed pilot with an instrument rating and an Accredited Airport Executive with the American Association of Airport Executives (AAAE). He currently serves on the Airports Council International North America (ACI-NA) Board of Directors, is Chairman of the ACI Audit Committee, represents ACI-NA on its World Governing Board and is on the Board of Directors of the American Association of Airport Executives (AAAE). He also holds a professional affiliation with the Great Lakes Chapter of AAAE (GL-AAAE) and is past president of GL-AAAE. He was awarded a TSA Partnership Award in 2006, a Patriot Award in 2008 from the Employee Support of National Guard & Reserve, a 2009 Minnesota Council of Airport's Award of Excellence for Outstanding Promotion of Aviation, a 2012 Minnesota Council of Airports Distinguished Service Award and was named the 2015 Newsmaker of the Year in Economic Development by the Grand Rapids Business Journal.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

LETTER OF TRANSMITTAL

Jurisdiction and Facilities:

The Commission's geographic jurisdiction extends throughout the Minneapolis-St. Paul Metropolitan Area radiating 35 miles from Minneapolis' and St. Paul's city halls. It encompasses Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties.

The Commission owns and operates seven airports in the Metropolitan Area. Minneapolis-St. Paul International Airport (MSP) serves as the primary air carrier facility. MSP is one of the highest activity airports in the United States: it is the 18th largest among U.S. airports based on the number of operations (takeoffs or landings) and 18th largest based on passenger volume. The following reliever airports complement MSP to serve general aviation needs:

St. Paul Downtown Airport	Airlake Airport	Anoka County/Blaine Airport
Crystal Airport	Flying Cloud Airport	Lake Elmo Airport

- Airlake, Anoka County/Blaine, Crystal, Flying Cloud, and Lake Elmo are classified as minor use airports.
- Control towers are operational at St. Paul, Crystal, Anoka County/Blaine and Flying Cloud Airports.
- The St. Paul Downtown Airport serves as the primary corporate reliever and is classified as an intermediate airport.

The Commission provides a variety of services at each of its airports. At MSP, the Commission is responsible for providing buildings and facilities for air carrier activity as well as police, fire protection, maintenance, administrative and planning services, and other related services and facilities that are deemed to be necessary.

SIGNIFICANT ACCOUNTING AND BUDGETING POLICIES:

The Commission is a stand-alone unit of government and operates as a self-supporting business. Therefore, the net position reported in the Commission's financial statements measure "total economic resources" (as opposed to the "current financial resources" focus employed by general-purpose governments). Consistent with its measurement focus, the MAC accounts for transactions on the full accrual basis in which revenues and expenses are recognized when they are incurred regardless of the timing of related cash receipts or disbursements. The Commission's business-type activities are organized and accounted for within one "enterprise fund", which includes "accounts" for operations, debt service and capital investment. The Commission's fiduciary activities are comprised solely of its OPEB arrangement (OPEB Plan) administered through a trust under the provisions of GASB Statement No. 74 and are reported in its fiduciary fund statements.

As is the case at most governments and businesses, the budget is a critically important management tool for the MAC. The process of identifying and funding priorities begins in April of each year and concludes in December with formal adoption of the budget by the Commissioners. Managers review their budgets continuously and adjust for changing business conditions. The board of Commissioners reviews budget variance reports monthly throughout the year.

Because it is a public entity and has the authority to levy taxes (even though it does not exercise this authority), the MAC is required by State Statute (Ch. 275) to publicly adopt its budget. However, the MAC's budget is not legally appropriated. Because the budget is not legally appropriated, budgetary data are not included in the MAC's basic financial statements.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

LETTER OF TRANSMITTAL

ACTIVITY HIGHLIGHTS

MSP is classified by the FAA to be one of the large hub airports in the United States. According to Airports Council International (ACI) statistics, in calendar year 2020, MSP was the 18th busiest airport in the United States in terms of passenger volume, 18th in terms of takeoffs and landings and 29th in cargo traffic.

In 2020, approximately 14,900,000 passengers passed through MSP: a 61.28% decrease in total passengers over 2019 levels. The top five carriers serving MSP in 2020 by enplaned passengers

are shown in the accompanying table. Enplaned revenue passengers (including those connecting) at MSP in 2020 totaled 7,106,879. (Totals may differ from the passenger statistics reported by the air carriers to the Department of Transportation).

	Carrier	Total Enplaned Revenue Passengers	% of Total Enplaned Revenue Passengers
1	Delta	3,444,435	48.47%
2	Skywest	878,472	12.36%
3	Sun County	750,583	10.56%
4	Endeavor	610,112	8.58%
5	American	349,390	4.92%
		<u>6,032,992</u>	<u>84.89%</u>

Skywest is a codeshare with Delta.

FACTORS AFFECTING THE MAC's FINANCIAL CONDITION:

Demand for Air Transportation

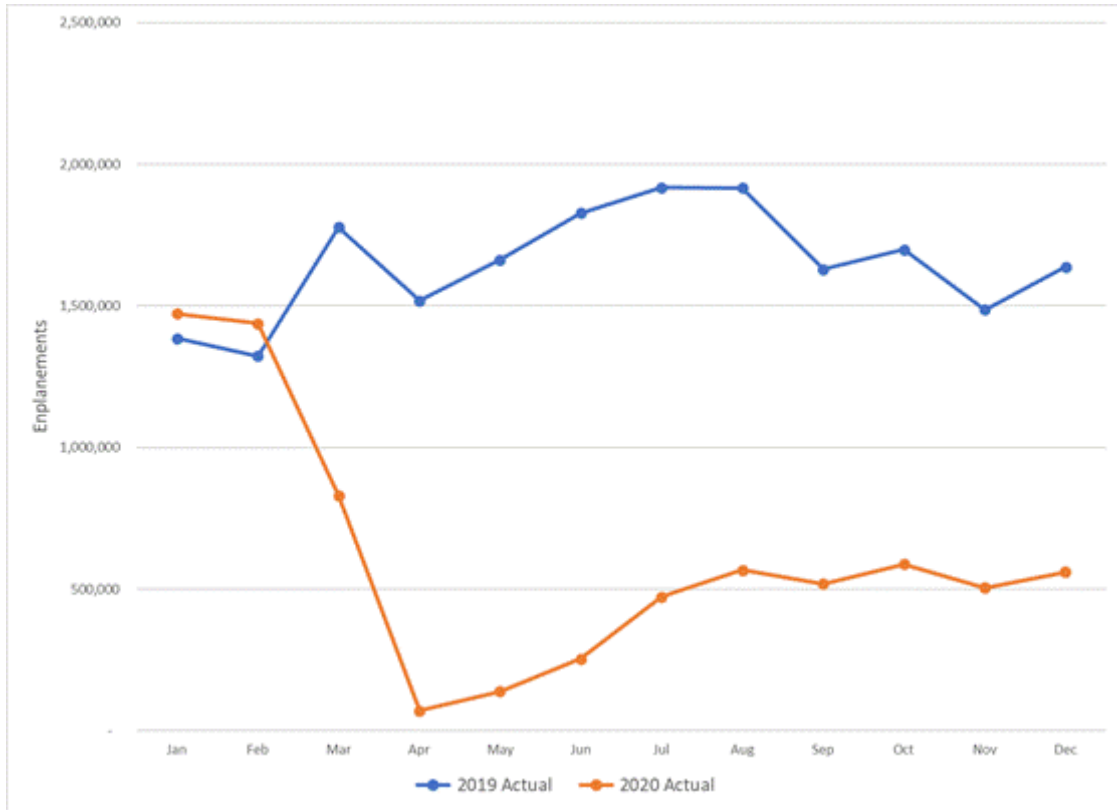
The air transportation industry and, specifically, the air travel segment of the industry, are highly sensitive to the general level of economic output. Demand for air travel is highly elastic primarily due to its vulnerability to substitutes like bus, train, automobile travel or, the choice not to travel at all.

In 2020, the worldwide outbreak of novel coronavirus SARS-CoV-2 ("COVID-19") has caused, and continues to cause, significant disruptions to domestic and international air travel, including both passenger and cargo operations. The virus has also impacted the conduct of day-to-day business in the United States and throughout the world. The United States government and governments of other countries have closed borders to non-essential travel and issued other travel restrictions and warnings. The President of the United States has issued the Coronavirus Guidelines for America, calling upon Americans to take actions to slow the spread of COVID-19 in the United States, including, among other things, avoiding discretionary travel. Various state and local governments, agencies, and others have also imposed restrictions on travel, limited public gatherings and large group events, ordered residents to stay at home, promoted or required working from home, and ordered closure of schools, restaurants, bars, and other public venues.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

LETTER OF TRANSMITTAL

During the 2020 calendar year, enplanements at the Airport decreased by 62.52% as compared to the 2019 calendar year. Beginning in March 2020, because of the impact of the COVID-19 pandemic, enplanements at the Airport decreased significantly compared to the same period in 2019.



Demand for Origination and Destination Traffic (O&D) at MSP:

A number of regional economic factors create strong demand for travel air traffic to and from the Twin Cities metropolitan area.

- Size: Minnesota is the 22nd most populous State in the U.S. The Twin Cities metropolitan area is the 16th most populous metropolitan area in the nation.
- Economic Strength and Diversity:
 - ✓ Minnesota is headquarters to 16 Fortune 500 companies, which places it thirteenth among the 50 States in terms of numbers of Fortune 500 firms headquartered within the State on a per-capita basis.
 - ✓ Minnesota is headquarters to 6 of the 219 largest private companies including the largest privately held company in the United States: the Cargill Corporation.
 - ✓ Minneapolis Metropolitan Statistical Area has the seventh largest concentration of Fortune 500 company headquarters among cities in the United States, and is first among the 30 largest metropolitan areas on a per-capita basis.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

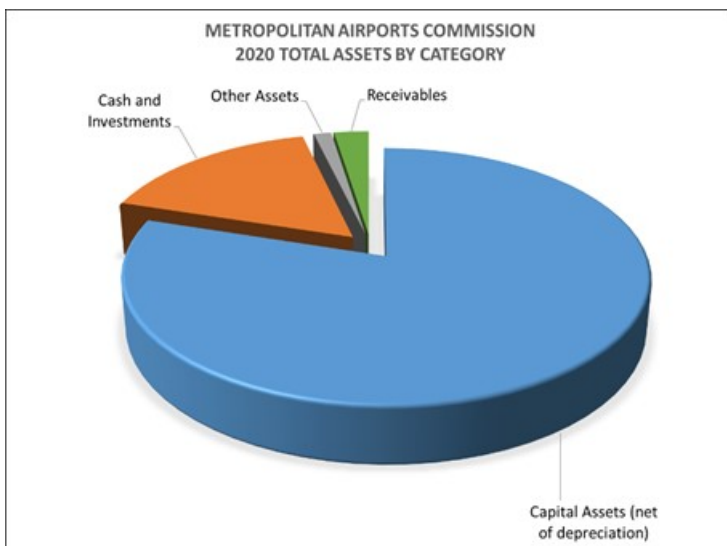
LETTER OF TRANSMITTAL

- High per capita income:
 - ✓ The Bureau of Economic Analysis reports that the Twin Cities average per capita income is approximately 3% higher than the national average.
- Stronger than National Average Growth in Population and Employment:
 - ✓ The Metropolitan Council, a regional planning organization for the eleven-county area including the Twin Cities, projects average annual population growth of 1.0% through 2040 versus the Census Bureau's projected national population growth rate of 0.7%.

The Metropolitan Council foresees a 1.1% annual average growth rate for Twin Cities area employment growth through 2040 versus the Bureau of Labor Statistics' projected growth in national employment of 1.0%.

Demand for Connecting Traffic:

Traffic at MSP is split 65/35 between O&D and connecting traffic. The strong demand for O&D traffic from MSP can be leveraged by tenant airlines to fill their planes by scheduling connecting flights through the airport. Historically, MSP was the “home-town” hub for the former Northwest Airlines, which had its headquarters in Eagan, Minnesota. After the merger of Northwest and Delta, the headquarters of the combined company was located in Atlanta. Although no longer the home-town company, Delta has made significant commitments to MSP. For example, Delta elected to extend its airline lease agreement with the MAC through December 31, 2030. In addition, Delta made a significant commitment to MSP in signing a “hub covenant”. In its hub covenant, Delta agreed to maintain an annual average of 400 daily departing flights from MSP, at least 250 of which must be aircraft with greater than 70 seats and that a minimum of 30% of enplaned passengers must be connecting.



Supplying the Demand:

Airports are “landlords”—they build, own, maintain, and rent facilities and related services. Because an airport’s main job is to provide runways, terminals, etc., it is a capital-intensive business. The MAC’s statement of net position is dominated by capital assets which, at approximately \$3,100,000,000 (net of depreciation), represent more than two-thirds of the Commission’s total assets. Constructing, maintaining, and improving our capital assets is critical to meeting the demand of our customers.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

LETTER OF TRANSMITTAL

During 2020, the Commission expended \$326,000,000 on its on-going Capital Improvement Program (CIP). Approximately \$25,000,000 was associated with various airfield and runway projects. Approximately \$268,000,000 was related to Terminal 1 projects. Projects at Terminal 1 include vertical circulation improvements, security exit and façade expansion, inbound roadway reconstruction, and the start of a replacement fire station. Approximately \$55,000,000 was mainly spent for a new parking ramp at Terminal 1, \$93,000,000 on operational improvements related to the baggage claim and ticket lobby, and \$32,000,000 for an expansion of a portion of Concourse G. Approximately \$15,000,000 was spent on the Commission's reliever airport system. The remaining \$18,000,000 was spent primarily for noise mitigation and other building improvements. Average monthly capital spending in 2020 was approximately \$27,200,000.

The 2021-22 CIP includes approximately \$415,735,000 of planned projects, as set forth in the accompanying table. CIPs are revised from time to time and additional projects could be added to the 2021-22 CIP.

Projects 2021 - 2022	2021 planned construction	2022 planned construction
Terminal-1 Rehabilitation & Repair	\$15,425,000	\$37,765,000
Terminal-1 Baggage Claim/Ticket Lobby	57,425,000	73,850,000
Terminal-1 Expansion/Remodeling	10,250,000	14,550,000
TSA Recapitalization		24,000,000
Terminal-1 Tenant Projects		2,100,000
Energy Management Center	4,050,000	13,500,000
Terminal Roads	3,700,000	1,900,000
Parking Facilities	3,000,000	4,500,000
Airfield and Runway Rehabilitation Program	34,100,000	33,800,000
Terminal-2 Rehabilitation & Repair	2,000,000	1,550,000
Safety and Security Center	36,200,000	
Noise Mitigation Program	1,500,000	1,000,000
Police & Fire	8,200,000	14,200,000
Reliever Airports Program	8,920,000	5,650,000
Other	300,000	2,300,000
Total	\$185,070,000	\$230,665,000

Financing the Supply

Capital grants, PFC's and long-term debt are the principal sources of funding of the Capital Improvement Program. Like a home mortgage, long-term debt bridges the difference between the time when cash is needed (up front) to pay for large capital outlays and the time the Commission collects its revenues. The MAC repays its debts over time through annual revenues. The Commission's principal revenues include use charges to the airlines, concession fees from vendors in the terminal buildings, facility rentals, and the sale of utilities.

Under its Master Indenture, the MAC has promised to maintain a debt service coverage ratio of 1.25 times the following year's scheduled payments. In July 2008, the Board of Commissioners directed that the MAC increase its debt service coverage above the contractual obligation to 1.4 times annual debt service for its Senior General Obligation Revenue Bonds (GORBs) and Senior General Airport Revenue Bonds (GARBs)—(see Note F to the financial statements). The MAC exceeded the July 2008 requirement. As of December 31, 2020, projected debt coverage on Senior Debt obligations is approximately 8.1 times scheduled payments.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

LETTER OF TRANSMITTAL

At year-end 2020, the MAC had long-term debt (including the currently payable portion) of approximately \$1,575,000,000 supporting approximately \$3,100,000,000 of capital assets as discussed above (also see notes E and F to the financial statements). Despite its debt load, the MAC is highly liquid. Also at year-end 2020, the MAC had cash and investments totaling more than \$639,000,000 and has continued to maintain strong debt service coverage ratios (currently at 8.1). The MAC's conservative financial practices have been rewarded with AA- debt rating on its senior debt (the second highest rating given to any airport debt) by Fitch rating agency and with an A+ debt rating by Standard and Poor's. High bond ratings reduce borrowing costs to the MAC and, therefore, help moderate the cost per enplaned passenger incurred by the airlines operating at MSP. In addition, high bond ratings ensure access to capital markets. Access to capital ensures that customers can depend on finding the high-quality runways, terminals, and other capital assets at the MAC's airports in good repair.

Because of the Commission's conservative financial practices, the cost to airlines of enplaning passengers at MSP has historically been significantly lower than the national average. Because of inconsistencies in methods of calculating the cost per enplanement, it is difficult to have fully comparable statistics. Comparative data for the cost to airlines of enplaning passengers for 2020 was not available for comparison due to impacts of the COVID-19 pandemic on the timing and availability of such information. Having a low cost per enplaned passenger makes MSP a profitable venue for client airlines.

The MAC board, management and employees are guided by our Strategic Plan to provide the highest quality facilities at the lowest life-cycle cost for the benefit of our customers. The MAC and its airports are well positioned to meet the demands of airlines and air-travelers for safe, efficient and reliable facilities for years to come.

MANAGEMENT'S DISCUSSION AND ANALYSIS:

Management is required by GAAP to provide a narrative introductory overview and analysis in the form of a "Management's Discussion and Analysis" (MD&A) to accompany the financial statements. The MD&A follows the independent auditor's report. The MD&A has greater scope, more detail, and is a more substantive discussion of issues mentioned in this transmittal. Users of the financial statements should read the MD&A in conjunction with this letter.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

LETTER OF TRANSMITTAL

AWARDS:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the MAC for its Comprehensive Annual Financial Report for the year ended December 31, 2019. The Commission has received this prestigious GFOA award for 35 consecutive years.

In order to be awarded a Certificate, which is valid for one year, a governmental unit must publish an easily readable and efficiently organized report, the contents of which conform to the program's standards. Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Commission also received for the 35th consecutive year the GFOA Award for Distinguished Budget Presentation for its Annual Operating Budget for 2020. In order to qualify for the Distinguished Budget Presentation, the Commission's budget document was judged to be proficient in several categories, including policy documentation, financial planning and organization.

ACKNOWLEDGEMENTS:

We wish to convey our sincere appreciation to the many MAC employees from all of its departments who participate in the Commission's fiscal management on a daily basis and have contributed to the financial results reported in the following financial statements.

In addition, we would like to express our appreciation for the leadership and support of the Board of Commissioners and for their sincere interest in operating the MAC in a sound financial manner.

Respectfully,



Brian D. Ryks
Executive Director/CEO



Atif Saeed
Chief Financial Officer



Timothy Simon
Vice President of Finance
And Revene Development



Nicholas Hinchley
Director of Finance

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CERTIFICATE OF ACHIEVEMENT



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Minneapolis-St. Paul
Metropolitan Airports Commission
Minnesota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO



Financial Section

This page was intentionally left blank

Independent Auditor's Report

To the Members of the Commission
Minneapolis/St. Paul Metropolitan Airports Commission
Minneapolis, Minnesota

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Minneapolis/St. Paul Metropolitan Airports Commission (Commission), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Minneapolis/St. Paul Metropolitan Airports Commission as of December 31, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The Introductory and Statistical Sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Indianapolis, Indiana
May 25, 2021

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The following management's discussion and analysis of the financial performance and activity of the Minneapolis/St. Paul Metropolitan Airports Commission (Commission or MAC) is to provide an introduction and understanding of the basic financial statements of the Commission for the years ended December 31, 2020 and 2019 with selected three-year comparative data for the years ended December 31, 2020, 2019 and 2018. This discussion has been prepared by management and should be read in conjunction with the audited financial statements and the notes thereto, which follow this section.

USING THE FINANCIAL STATEMENTS

The MAC's financial report includes three financial statements for its business-type activities: the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows and two statements for its fiduciary activities: the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB).

FINANCIAL HIGHLIGHTS

General

The Commission has entered into, and receives payment under, agreements with various air carriers and other parties, including the airline lease agreements relating to landing fees and the leasing of space in terminal buildings, other building leases regarding the leasing of cargo and miscellaneous hangar facilities, concession agreements relating to sale of goods and services at the airport and specific project leases relating to the construction of buildings and facilities for specific tenants. Below is a brief description of each agreement along with the revenue generated in 2020.

In 2019, the Commission adopted Governmental Accounting Standards Board Statement (GASB) No.89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*.

Airline Lease Agreements

The airline lease agreements relate to the use of the airport for air carrier operations, the leasing of space within the terminal buildings of the airport, ramp fees for parking aircraft at Terminal 1 and the establishment of landing fees. Except for rental amounts based primarily upon the square feet rented, the terms, conditions and provisions of each airline lease agreement are substantially the same.

In the airline lease agreements, the Commission has leased to each particular air carrier a certain specified square footage portion of the terminal area in the airport. Annual rents are computed on the basis of various charges per square foot for various types of space within the existing terminal area and, in certain cases, the costs of certain improvements of the existing terminal area. The airline lease agreements also provide that each air carrier is required to pay a basic landing fee. The landing fee is calculated by dividing the cost of operations, maintenance, and debt service at the airfield by total landed weight of aircraft utilizing the airport. The airline lease agreements also require each air carrier leasing gate space at Terminal 1 to pay an aircraft parking ramp fee that is computed on a lineal foot basis. The ramp fee includes the cost of operations, maintenance and debt service to the ramp area surrounding the terminal building gates.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The airline lease agreement also provides that food and beverage, merchandise and auto-rental annual gross concession revenues to the Commission ("Selected Concession Revenues") will be shared with the Passenger Signatory Airlines (allocated among the Passenger Signatory Airlines based upon their proportionate share of enplanements at the Airport for the applicable fiscal year) under the following schedule (the "Shared Concession Revenues"):

<u>Enplaned Passenger Growth</u>	<u>Revenue Sharing Percentage</u>
1% or Less	31%
More than 1%	31% and One-Half of the Enplaned Passenger Growth Percentage

Selected Concession Revenues were \$21,311,041 and \$56,017,899 and enplaned passengers were 7,106,879 and 19,181,369 for fiscal years 2020 and 2019, respectively, resulting in total Shared Concession Revenue of \$6,606,423 and \$18,576,157. The Selected Concession Revenue thresholds are subject to change annually.

The total amount of Shared Concession Revenues will be structured as a credit against the rates and charges in the current year, payable to the Passenger Signatory Airlines in the subsequent fiscal year. Notwithstanding the above schedule, the amount of Shared Selected Concession Revenues will be reduced to the extent necessary so that Net Revenues, after subtracting the Shared Concession Revenues, will not be less than 1.25 times the total annual debt service on Senior Bonds, Subordinate Obligations, and other debt obligations of the Commission. In the event that the Shared Concession Revenues are reduced in any year, such reduction will be deferred until the next fiscal year and will be credited against the rates and charges payable by the Passenger Signatory Airlines in the next fiscal year to the extent that Net Revenues, after subtracting the applicable Shared Concession Revenues, are not less than 1.25 times the total annual debt service on Senior Bonds, Subordinate Obligations, and other debt obligations of the Commission.

For the years ended December 31, 2020 and 2019, the aggregate rentals earned by the Commission pursuant to the airline lease agreements were approximately \$84,555,000 and \$119,371,000, respectively. The annual rentals due under each lease may be adjusted each year to reflect actual costs of the airport.

Other Building and Miscellaneous Leases

The other building and miscellaneous leases relate to rentals and other fees associated with the Terminal 2, miscellaneous hangar facilities, and office rentals for non-airline tenants in Terminal 1. For the years ended December 31, 2020 and 2019, the aggregate annual rentals under these leases were approximately \$35,074,000 and \$36,750,000, respectively.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Specific Project Leases

The Commission has constructed various buildings and facilities for specific tenants. If bonds were issued by the Commission to finance the construction of a facility, the lessee is required to pay annual lease payments equal to the debt service requirements on the bonds issued to construct the facility, due in the following year. The lease remains in effect until the total debt service on the bonds has been paid. If, on the other hand, the construction of a facility is financed from funds the Commission has on hand, the lessee is required to make lease payments equal to the debt service requirements which would have been required if bond funds were used.

For the years ended December 31, 2020 and 2019, the aggregate lease rentals paid to the Commission under specific project leases was approximately \$5,059,000 and \$5,059,000, respectively.

Concession Agreements

The Commission has entered into concession agreements with various firms to operate concessions inside the terminal building at the airport including, among others, food and beverage services, newsstands, advertising, vending, insurance, and personal service shops. For the years ended December 31, 2020 and 2019, the aggregate fees earned by the Commission under the existing concession agreements were approximately \$17,861,000 and \$44,634,000, respectively. Such fees are computed on the basis of different percentages of gross sales for the various types of concessions, with the larger concessions guaranteeing a minimum payment each year.

Concession agreements for rental car agencies require such concessionaires to pay fees based on a percentage of their gross revenues and special charges such as parking fees, customer facility charge, and a per-square-foot land rental. The Commission also has a management contract with a firm for the operation of the airport parking lot and garage facilities. For the years ended December 31, 2020 and 2019, the aggregate fees earned by the Commission under the existing rental car agreements and parking lot and garage facilities were approximately \$60,174,000 and \$152,069,000, respectively. Of this amount, parking revenue was approximately \$38,528,000 for 2020 and \$103,083,000 for 2019. Auto rental revenue for both on and off airport auto rentals for December 31, 2020 and 2019 was approximately \$17,823,000 and \$43,939,000, respectively.

Reliever Airports

The Commission has entered into various other leases and agreements with tenants at its reliever airport system. These reliever airport tenant leases include fuel flowage fees, hangar rentals, storage lots, commercial fees and other miscellaneous amounts. For the years ended December 31, 2020 and 2019, revenues from these agreements were approximately \$8,664,000 and \$8,997,000, respectively.

Miscellaneous Off-Airport Concession Leases and Ground Transportation Fees

The Commission has entered into certain leases with off-airport concessionaires that provide off-airport advertising and auto services. Additionally, the Commission charges fees for employee parking, permits and licenses to operate shuttles, vans, buses, and taxis at the airport. Such fees are set by Commission ordinances. In 2016, the Commission allowed Transportation Network Companies (TNC) to operate at the airport. For the years ended December 31, 2020 and 2019, the Commission earned \$7,268,000 and \$16,595,000, respectively.

Utilities

The Commission has entered into certain leases with tenants the provide utilities to the leased spaces throughout the terminal. For the years ended December 31, 2020 and 2019, the revenues from these utility charges were approximately \$4,876,000 and \$6,072,000, respectively.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Miscellaneous Revenues

In addition to the above agreements, the Commission enters into various other leases and agreements. These include ground space rentals, office rentals for commuter airlines and concessionaires, commuter and general aviation fees, and other miscellaneous amounts. For the years ended December 31, 2020 and 2019, the revenues from these agreements were approximately \$9,605,000 and \$16,373,000, respectively.

Operating Revenues

Operating revenues for the MAC are derived entirely from user fees that are established for various services and facilities that are provided at Commission airports. While the Commission has the power to levy taxes to support its operations, it has adopted policies to provide adequate revenues for the system to operate since 1969 without general tax support. Revenue sources have been grouped into the following categories in the Statements of Revenues, Expenses and Changes in Net Position:

- Airline Rates & Charges - Revenue from landing and ramp fees and terminal building rates
- Concessions - Revenue from food and beverage sales, merchandise sales, auto parking, etc.
- Other Revenues:
 - Rentals/fees - Fees for building rentals
 - Utilities and other revenues - Charges for tenants use of ground power, water and sewer, and other services provided by the MAC

For the fiscal years ended December 31, 2020 and 2019, the top ten operating revenue sources for the MAC were as follows:

Top Ten Operating Revenue Sources:

Source	2020 Revenue
1. Landing Fees	\$ 45,476,923
2. Parking	38,527,935
3. General Building	33,838,774
4. Other Building Rent	26,839,602
5. Auto Rental (off- and on-airport)	17,822,831 *
6. Ground Rent	11,521,205
7. Food & Beverage	9,974,193
8. Ramp Fees	6,220,917
9. Ground Transportation Fees	5,597,306
10. News and Retail Stores	3,623,278

*Excludes customer facility charges.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Source	2019 Revenue
1. Parking	\$ 103,083,061
2. Landing Fees	75,992,524
3. General Building	48,675,995
4. Other Building Rent	29,389,537
5. Food & Beverage	25,498,610
6. Auto Rental (off- and on-airport)	21,738,028 *
7. Ground Rent	14,676,870
8. Ground Transportation Fees	11,163,161
9. News and Retail Stores	11,036,553
10. Ramp Fees	7,304,050

*Excludes customer facility charges.

The top ten revenue providers for 2020 for the MAC were as follows:

Top Ten Operating Revenue Providers

1. Delta Airlines
2. Sun Country
3. Enterprise
4. Southwest
5. American
6. United
7. Hertz
8. Avis
9. Host
10. Delaware North

ECONOMIC CONDITIONS

In early 2020, an outbreak of a new strain of coronavirus ("COVID-19"), an upper respiratory tract illness, spread to numerous countries across the globe, including the United States. The World Health Organization has characterized COVID-19 as a pandemic.

The COVID-19 pandemic and the related restrictions have had an adverse effect on both international and domestic travel and travel-related industries, including airlines, concessionaires and rental car companies serving the Airport. Passenger airlines have experienced a significant downturn in demand, causing the cancellation of numerous flights and a dramatic reduction in network capacity. Currently, this reduction in demand and capacity is expected to continue in the near term, although with modest incremental improvement. Retail, food, and other service concessionaires located in terminal facilities at the Airport have reported significant declines in sales and nearly half the locations are temporarily closed as the result of reduced passenger levels. In addition, the reduction in air travel has had an adverse effect on parking, ground transportation companies and rental car activity and, consequently, the revenues of the Commission.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

During 2020, the MAC's total revenues and capital contributions decreased by 29.0% to \$365,142,000 from \$514,141,000 in 2019. Changes in major categories follow (dollars in thousands):

	2020	% of Total	2019	% of Total	Dollar Change	Percent Change
Operating revenues						
Airline rates and charges	\$ 94,259	25.8%	\$ 131,397	25.6%	\$ (37,138)	-28.3%
Concessions	76,636	21.0%	191,113	37.1%	(114,477)	-59.9%
Rentals/fees	41,471	11.4%	54,042	10.5%	(12,571)	-23.3%
Utilities and other revenues	15,710	4.3%	24,309	4.7%	(8,599)	-35.4%
Total operating revenues	<u>228,076</u>		<u>400,861</u>		<u>(172,785)</u>	
Nonoperating revenues						
Investment income	13,426	3.7%	25,282	4.9%	(11,856)	-46.9%
Solar panel financing rebate	896	0.2%	919	0.2%	(23)	-2.5%
Gain (loss) on disposal of assets	62	0.0%	99	0.0%	(37)	-37.4%
Passenger facility charges	28,669	7.9%	77,430	15.1%	(48,761)	-63.0%
Total nonoperating revenues	<u>43,053</u>		<u>103,730</u>		<u>(60,677)</u>	
Capital contributions and grants	<u>94,013</u>	25.7%	<u>9,550</u>	1.9%	<u>84,463</u>	884.4%
Total revenues and capital contributions	<u>\$ 365,142</u>	100.0%	<u>\$ 514,141</u>	100%	<u>\$ (148,999)</u>	-29.0%

Airline rates and charges decreased by 28.3% or \$37,138,000. A majority of the revenue derived from the airline rates and charges category is based on the amount of expenses incurred in certain cost centers. The decrease is related to airline relief actions approved by the Commission in response to the pandemic which reduced landing fees and terminal rents for airlines.

Concessions decreased by 59.9% or \$114,477,000. The decrease is in each of the categories within Concessions. Food and Beverage, news, retail and passenger services decreased approximately \$26.5 million due to the decrease in passenger traffic, concession relief approved by the Commission, and the temporary closing of many concessions due to the pandemic. Parking decreased by approximately \$64.6 million due to the decrease in passenger traffic parking at the airport. Ground Transportation decreased by approximately \$9.6 million due to the decrease in passengers using transportation services to the airport.

Rental fees decreased by \$12,571,000 or 23.3%. This is primarily due to the reduction in customer facility charges collected from auto rental transactions.

Utilities and other revenues decreased by 35.4% or \$8,599,000 primarily due to the decrease in commercial activity and maintenance, cleaning and distribution fees from the temporary closure of concessions during the year.

There was no significant gain or loss on sale of assets in 2020 and 2019.

Capital contributions and grants represent grants received from both federal and state governments for various construction projects at both MSP and the reliever airports. The increase in 2020 comes primarily from a new federal grant for COVID-19 relief.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

During 2019, the MAC's total revenues and capital contributions increased by 9.2% to \$514,141,000 from \$470,872,000 in 2018. Changes in major categories follow (dollars in thousands):

	2019	% of Total	2018	% of Total	Dollar Change	Percent Change
Operating revenues						
Airline rates and charges	\$ 131,397	25.6%	\$ 123,631	26.3%	\$ 7,766	6.3%
Concessions	191,113	37.1%	177,375	37.6%	13,738	7.7%
Rentals/fees	54,042	10.5%	52,241	11.1%	1,801	3.4%
Utilities and other revenues	24,309	4.7%	20,011	4.2%	4,298	21.5%
Total operating revenues	<u>400,861</u>		<u>373,258</u>		<u>27,603</u>	
Nonoperating revenues						
Investment income	25,282	4.9%	18,739	4.0%	6,543	34.9%
Solar panel financing rebate	919	0.2%	940	0.2%	(21)	-2.2%
Gain on disposal of assets	99	0.0%	(3,841)	-0.8%	3,940	-102.6%
Passenger facility charges	77,430	15.1%	73,734	15.7%	3,696	5.0%
Total operating revenues	<u>103,730</u>		<u>89,572</u>		<u>14,158</u>	
Capital contributions and grants	<u>9,550</u>	1.9%	<u>8,042</u>	1.7%	<u>1,508</u>	18.8%
Total revenues and capital contributions	<u>\$ 514,141</u>	100%	<u>\$ 470,872</u>	100%	<u>\$ 43,269</u>	9.2%

Airline rates and charges increased by 6.3% or \$7,766,000. A majority of the revenue derived from the airline rates and charges category is based on the amount of expenses incurred in certain cost centers. The increase related primarily to higher debt service costs and the additional costs related to higher than average amount of snow which resulted in higher snow removal expenses.

Concessions increased by 7.7% or \$13,738,000. The majority of the increase is in the food and beverage and ground transportation categories. Food and Beverage increases (approximately \$1.3 million) can be attributed to the increase in passenger traffic and the opening of many new concessions. Parking increased by approximately \$9.2 million due to an increase in parking rates and an increase in passenger traffic parking at the airport. Ground Transportation primarily increased by approximately \$2.1 million due to the growth of Transportation Network Companies (TNC) activity, which started in 2016.

Rental fees increased by \$1,801,000 or 3.4%. This is primarily a result of new building leases at MSP and an increase in Hotel Facility Charges from higher occupancy at the onsite hotel.

Utilities and other revenues increased by 21.5% or \$4,300,000 primarily due to the increase in reimbursed expenses for additional security at MSP paid by airlines.

The loss on sale of assets of \$3,841,000 in 2018 was primarily due to the sale of several parcels of land near MSP and at Anoka airport. There was no such activity in 2019.

Capital contributions and grants represent grants received from both federal and state governments for various construction projects at both MSP and the reliever airports. The increase in 2019 comes primarily from a new federal grant for taxiway reconstruction and major modifications.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Expenses

In 2020, the MAC's total expenses decreased by 5.3% to \$383,367,000 from \$404,894,000 in 2019. Changes in major categories are summarized below (dollars in thousands):

	2020	% of Total	2019	% of Total	Dollar Change	Percent Change
Operating expenses						
Personnel	\$ 79,146	20.6%	\$ 90,845	22.4%	\$ (11,699)	-12.9%
Administrative	1,057	0.3%	1,753	0.4%	(696)	-39.7%
Professional services	5,160	1.3%	7,123	1.8%	(1,963)	-27.6%
Utilities	17,382	4.5%	18,847	4.7%	(1,465)	-7.8%
Operating services	26,256	6.9%	30,950	7.6%	(4,694)	-15.2%
Maintenance	39,707	10.4%	46,988	11.6%	(7,281)	-15.5%
Depreciation and amortization	160,889	42.0%	150,549	37.2%	10,340	6.9%
Other	4,051	1.1%	4,354	1.1%	(303)	-7.0%
Operating expenses	<u>333,648</u>		<u>351,409</u>		<u>(17,761)</u>	
Nonoperating expenses						
Interest expense	49,329	12.9%	53,270	13.2%	(3,941)	-7.4%
Total nonoperating expenses	<u>49,329</u>		<u>53,270</u>		<u>(3,941)</u>	
Total expenses	<u>\$ 382,977</u>	100.0%	<u>\$ 404,679</u>	100.0%	<u>\$ (21,702)</u>	-5.4%

Personnel decreased by 13.1% or \$11,911,000. The majority of the decrease is related to the Commission holding many positions open during 2020 to reduce costs in response to the pandemic, a decrease in medical claims, and an adjustment related to the actuarial valuation of the multi-employer pension plans that the Commission participates in.

Utilities decreased \$1,465,000 or 7.8% primarily due to lower usage of electricity and natural gas due to certain facilities being closed or having reduced usage in response to the decline in passengers.

Operating services decreased \$4,694,000 or 15.2% due to less contract staffing related to shuttered parking facilities during the year, reduced advertising and service agreement costs and other expenses to reduce costs in response to the pandemic.

Maintenance decreased by 15.5% or \$7,281,000 due to reduced contract services for automated people movers, moving walkways, and other expenses to reduce costs in response to the pandemic.

Depreciation increased \$10,340,000 or 6.9%. The increase is attributable to new projects placed into service during 2019-2020.

Interest expense decreased \$3,941,000 or 7.4% due to bond interest savings from the refunding of several bond series during 2019.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

In 2019, the MAC's total expenses increased by 6.6% to \$404,894,000 from \$379,845,000 in 2018. Changes in major categories are summarized below (dollars in thousands):

	2019	% of Total	2018	% of Total	Dollar Change	Percent Change
Operating expenses						
Personnel	\$ 90,845	22.4%	\$ 86,151	22.7%	\$ 4,694	5.4%
Administrative	1,753	0.4%	2,058	0.5%	(305)	-14.8%
Professional services	7,123	1.8%	6,210	1.6%	913	14.7%
Utilities	18,847	4.7%	19,930	5.2%	(1,083)	-5.4%
Operating services	30,950	7.6%	28,280	7.5%	2,670	9.4%
Maintenance	46,988	11.6%	42,576	11.2%	4,412	10.4%
Depreciation and amortization	150,549	37.2%	147,299	38.8%	3,250	2.2%
Other	4,354	1.1%	4,531	1.2%	(177)	-3.9%
Operating expenses	<u>351,409</u>		<u>337,035</u>		<u>14,374</u>	
Nonoperating expenses						
Interest expense	53,270	13.2%	42,810	11.3%	10,460	24.4%
Total nonoperating expenses	<u>53,270</u>		<u>42,810</u>		<u>10,460</u>	
Total expenses	<u>\$ 404,679</u>	100.0%	<u>\$ 379,845</u>	100.0%	<u>\$ 24,834</u>	6.5%

Personnel increased by 7.5% or \$6,440,000. The majority of the increase is related to annual wage adjustments, new employees and an increase in medical claims.

Utilities decreased \$1,083,000 or 5.4% primarily due to lower rates and usage of electricity and natural gas, offset by an increase in sewer services.

Operating services increased \$924,000 or 3.3% due primarily to the increase in service agreements for renewing and expanding technology related agreements and from additional security staffing at several field gate locations around Terminal 1.

Maintenance increased by 10.4% or \$4,412,000 due to an increases in snow removal materials and maintenance required after two major flood event occurred.

Depreciation increased \$3,250,000 or 2.2%. The increase is attributable to new projects placed into service during 2017-2018.

Interest expense increased \$10,460,000 or 24.4% due to the adoption of GASB 89, the Commission is no longer capitalizing interest related to construction projects.

Net Revenues

In order to promote and encourage the efficient use of facilities at all of the MAC's airports, as well as minimize the environmental impact of MSP on the surrounding community, the MAC has implemented a policy of subsidizing its reliever airports to encourage the use of these facilities rather than MSP. In order to maintain this subsidy, the MAC sets its rates and charges to assure that total system revenues will be sufficient to pay total system expenses.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Net revenues generated by the Commission are designated for construction and debt service payments. These net revenues provide the Commission with a portion of the money to meet the funding requirements of its capital improvement program. This reduces the need to issue bonds and, therefore, allows the Commission to avoid the interest expense of additional debt.

Following is a summary of the Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2020, 2019 and 2018 (dollars in thousands):

	Fiscal Years Ended December 31,		
	2020	2019	2018
Operating revenues	\$ 228,076	\$ 400,861	\$ 373,258
Operating expenses	(333,648)	(351,409)	(337,035)
Operating income (loss)	(105,572)	49,452	36,223
Nonoperating revenues	43,053	103,730	89,572
Nonoperating expenses	(49,329)	(53,270)	(42,810)
Nonoperating income (loss)	(6,276)	50,460	46,762
Increase in net position before capital contributions and grants	(111,848)	99,912	82,985
Capital contributions and grants	94,013	9,550	8,042
Increase (Decrease) in net position	(17,835)	109,462	91,027
Net position, beginning of year, as previously reported	1,986,235	1,876,773	1,820,675
Change in accounting principle	-	-	(34,929)
Net position, beginning of year, as restated	1,986,235	1,876,773	1,785,746
Net position, end of year	\$ 1,968,400	\$ 1,986,235	\$ 1,876,773

The Commission shows a decrease in the total change in its net position in 2020 versus 2019. This is due to the significant decrease in operating revenues as a result of the COVID-19 pandemic that impacted most revenue categories in 2020.

The Commission shows an increase in the total change in its net position in 2019 versus 2018. This is primarily a result of an increase in operating income, investment income from higher interest rates. This was partially offset by an increase in interest expense resulting from no capitalized costs in 2019.

Despite the impact to revenues from the decline in passengers due to the pandemic, we believe we are still well positioned to increase the long-term financial stability and air service competitiveness of MSP. In addition, our 10-year history of airline rates and charges is very competitive and, as one of the few airports with an AA- rating from Fitch Investor Services, we feel we are positioned well for growth in the future.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

STATEMENTS OF NET POSITION

The Statements of Net Position present the net position of the MAC at the end of the fiscal year. Net position is equal to total assets plus deferred outflows of resources less total liabilities less deferred inflows of resources and is an indicator of the current financial health of the MAC. Summarized statements of net position information at December 31, 2020, 2019 and 2018 follows (dollars in thousands):

	2020	December 31, 2019	2018
Assets			
Current assets - unrestricted	\$ 295,813	\$ 333,429	\$ 322,188
Restricted assets - current	115,961	232,395	111,935
Noncurrent assets:			
Other noncurrent assets	341,075	582,117	572,136
Capital assets - net	<u>3,122,481</u>	<u>2,971,597</u>	<u>2,781,941</u>
Total assets	<u>3,875,330</u>	<u>4,119,538</u>	<u>3,788,200</u>
Deferred Outflows of Resources	<u>34,961</u>	<u>39,760</u>	<u>48,161</u>
Total assets and deferred outflows of resources	<u>\$ 3,910,291</u>	<u>\$ 4,159,298</u>	<u>\$ 3,836,361</u>
Liabilities			
Current liabilities - unrestricted	\$ 124,868	\$ 159,365	\$ 93,589
Payable from restricted current assets	121,255	110,327	123,641
Noncurrent liabilities:			
Bonds payable	1,509,416	1,723,958	1,480,333
Other noncurrent liabilities	<u>130,395</u>	<u>128,160</u>	<u>206,451</u>
Total liabilities	<u>1,885,934</u>	<u>2,121,810</u>	<u>1,904,014</u>
Deferred Inflows of Resources	<u>37,726</u>	<u>51,253</u>	<u>55,574</u>
Total liabilities and deferred inflows of resources	<u>1,923,660</u>	<u>2,173,063</u>	<u>1,959,588</u>
Net Position			
Net investment in capital assets	1,713,428	1,476,160	1,447,104
Restricted	143,130	387,696	302,793
Unrestricted	<u>130,073</u>	<u>122,379</u>	<u>126,876</u>
Total net position	<u>1,986,631</u>	<u>1,986,235</u>	<u>1,876,773</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,910,291</u>	<u>\$ 4,159,298</u>	<u>\$ 3,836,361</u>

The decrease in total assets and deferred outflows of resources is primarily due to the decrease in restricted investment balances from reduced excess available funds for investment during 2020. Overall, the majority of the increase in net position from 2018 to 2019 is due to an increase in restricted investment balances from an increase in market value.

FIDUCIARY ACTIVITIES

The Commission adopted GASB 84 in 2018. The statement of fiduciary net position reported \$78,578 and \$71,515 (in thousands) as assets and net position restricted for OPEB as of December 31, 2020 and 2019, respectively, and the statements of changes in fiduciary net position reported total additions of \$9,725 and \$9,043 (in thousands), comprised principally of Commission contributions, and total deductions—benefits—payments of \$2,662 and \$3,680 (in thousands) for the years ended December 31, 2020 and 2019, respectively.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CASH AND INVESTMENT MANAGEMENT

The following summary shows the major sources and uses of cash during the years ended December 31, 2020, 2019 and 2018 (dollars in thousands):

	Fiscal Years Ended December 31,		
	2020	2019	2018
Cash provided by operating activities	\$ 241,100	\$ 400,908	\$ 365,171
Cash used in operating activities	<u>(194,831)</u>	<u>(203,305)</u>	<u>(157,167)</u>
Net cash provided by operating activities	46,269	197,603	208,004
Net cash provided by (used in) capital and related financing activities	(511,311)	(88,349)	(293,520)
Net cash provided by (used in) investing activities	<u>455,718</u>	<u>(94,881)</u>	<u>88,220</u>
Net increase (decrease) in cash and cash equivalents	(9,324)	14,373	2,704
Cash and cash equivalents, beginning of year	<u>25,072</u>	<u>10,699</u>	<u>7,995</u>
Cash and cash equivalents, end of year	<u>\$ 15,748</u>	<u>\$ 25,072</u>	<u>\$ 10,699</u>

Cash temporarily idle during the year is invested according to legal requirements established by the Legislature of the State of Minnesota. In accordance with state law, investments are generally restricted to various United States government securities, mutual funds, state and local obligations, commercial paper and repurchase agreements. With the exclusion of postemployment medical investments which must have an average portfolio life of no greater than 12 years maximum, all other securities must mature within four years from the date of purchase. During 2020, the MAC's average portfolio balance was \$757,735,000 and total investment earnings were \$11,058,000 for an average yield on investments during the year of 1.46%. This compares to an average portfolio balance of \$908,669,000; investment earnings of \$23,149,000 and average yield of 2.55% in fiscal year 2019.

The Commission currently has a policy of keeping a six-month working capital reserve in its operating fund. At the end of 2020, the Commission has in its operating fund approximately \$28 million over and above its 2020 six-month working capital requirement. The Commission is currently considering how to apply or use some or all of these excess-operating funds.

CAPITAL CONSTRUCTION

During 2020, the Commission expended \$326,000,000 on its on-going Capital Improvement Program (CIP). Approximately \$25,000,000 was associated with various airfield and runway projects. Approximately \$268,000,000 was related to Terminal 1 projects. Projects at Terminal 1 include vertical circulation improvements, security exit and façade expansion, inbound roadway reconstruction, and the start of a replacement fire station. Approximately \$55,000,000 was mainly spent for a new parking ramp at Terminal 1, \$93,000,000 on operational improvements related to the baggage claim and ticket lobby, and \$32,000,000 for an expansion of a portion of Concourse G. Approximately \$15,000,000 was spent on the Commission's reliever airport system. The remaining \$18,000,000 was spent primarily for noise mitigation and other building improvements. Average monthly capital spending in 2020 was approximately \$27,200,000.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

During 2019, the Commission expended \$322,000,000 on its on-going Capital Improvement Program (CIP). Approximately \$17,000,000 was associated with various airfield and runway projects. Approximately \$288,000,000 was related to Terminal 1 projects. Projects at Terminal 1 include vertical circulation improvements, security exit and façade expansion, main mall food court expansion, HVAC/AHU replacements, and baggage claim-ticket lobby improvements. Approximately \$104,000,000 was mainly spent for a new parking ramp at Terminal 1, and \$7,000,000 on a consolidated loading dock facility. Approximately \$10,000,000 was spent on the Commission's reliever airport system. The remaining \$7,000,000 was spent primarily for noise mitigation and other building improvements. Average monthly capital spending in 2019 was approximately \$26,800,000.

Further information can be found in Note F.

CAPITAL FINANCING AND DEBT MANAGEMENT

The MAC has issued three forms of indebtedness: notes payable, general airport revenue bonds and general obligation revenue bonds. General obligation revenue bonds are backed by Commission revenues and the authority to levy any required taxes on the assessed valuation of the seven county Metropolitan Area. General airport revenue bonds are not backed by the MAC's taxing authority but rather are payable from certain pledged revenues.

Statutory authority for issuing general obligation revenue bonds is obtained from the Minnesota State Legislature. Authorization as of December 31, 2020, which permits the issuance by the MAC of up to \$55,000,000 of general obligation revenue bonds. Currently, the MAC has no general obligation revenue bonds outstanding.

The MAC is financing its construction program through a combination of the MAC's revenues, entitlement and discretionary grants received from the FAA, state grants, PFCs and revenue bonds. Long-term debt is the principal source of funding of the capital improvement program. The MAC, through its Master Indenture, has covenanted to maintain a debt service coverage ratio of 1.25. Debt service coverage is calculated based on a formula included in the Master Indenture and the airport use agreement.

The Commission has irrevocably committed a portion of PFCs it receives to the payment and funding of debt service on Senior Bonds and/or Subordinate Obligations issued to finance projects authorized to be financed with PFCs (collectively, the "PFC Eligible Bonds") through December 31, 2030.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Pursuant to the PFC Resolution, the Commission has irrevocably committed the following amounts of PFCs in the following Fiscal Years:

Irrevocably Committed PFCs

<u>Fiscal Year</u>	<u>Irrevocably Committed PFCs</u>	<u>Fiscal Year</u>	<u>Irrevocably Committed PFCs</u>
2021	\$ 9,337,900	2026	\$ 9,334,900
2022	9,332,650	2027	9,334,650
2023	9,333,150	2028	9,465,900
2024	9,333,400	2029	9,467,625
2025	9,337,650	2030	9,462,475

If the Commission does not use the full amount of the irrevocably committed PFCs to pay debt service on PFC Eligible Bonds in a Fiscal Year (i.e., there is more irrevocably committed PFCs than there is debt service due on PFC Eligible Bonds in such Fiscal Year), any unused portion of the irrevocable commitment for such Fiscal Year is not required to be carried over for use in future Fiscal Years.

In addition to the PFCs irrevocably committed pursuant to the PFC Resolution, the Commission can, at its sole discretion, use excess PFCs to pay additional debt service on PFC Eligible Bonds. The Commission currently expects to utilize all of the irrevocably committed PFCs and a portion of the remaining PFCs to pay the debt service on the PFC Eligible Bonds.

For further information on capital financing activity see Notes G and H.

CONTACTING THE MAC'S FINANCIAL MANAGEMENT

This financial report is designed to provide the MAC's Commissioners, management, investors, creditors and customers with a general view of the MAC's finances and to demonstrate the MAC's accountability for the funds it receives and expends. For further information about this report, or if you need additional financial information, please contact Director of Finance, 6040 28th Avenue South, Minneapolis, MN 55450 or access the Commission's website – <https://metroairports.org/airport-authority/metropolitan-airports-commission/administration/financials>.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATEMENTS OF NET POSITION (Dollars in Thousands)

	December 31,	
	2020	2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and cash equivalents	\$ 19,876	\$ 25,072
Investments	181,778	273,470
Accounts receivable, net of allowances for uncollectibles of \$78 and \$88, respectively	7,161	20,185
Receivable - government grants in aid of construction	83,366	9,854
Leases receivable	2,421	2,267
Other	1,211	2,581
Restricted assets:		
Investments	111,533	221,917
Leases receivable	901	901
Passenger facility charge receivable	3,527	9,577
Total current assets	411,774	565,824
Noncurrent Assets:		
Investments, restricted	325,475	565,691
Leases receivable, unrestricted	5,183	2,796
Leases receivable, restricted	673	6,381
Derivative instruments - forward delivery agreements	9,744	7,249
Capital assets:		
Land	350,955	350,955
Airport improvements and buildings	5,099,691	4,476,562
Moveable equipment	211,433	201,152
Construction in progress	284,586	607,087
Less accumulated depreciation	(2,824,184)	(2,664,159)
Total capital assets (net of accumulated depreciation)	3,122,481	2,971,597
Total noncurrent assets	3,463,556	3,553,714
Total assets	3,875,330	4,119,538
Deferred Outflows of Resources	34,961	39,760
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,910,291	\$ 4,159,298

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATEMENTS OF NET POSITION (Dollars in Thousands)

	December 31,	
	2020	2019
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 61,303	\$ 79,549
Accounts payable due to airlines	8,885	18,574
Current portion of notes payable	45,112	48,388
Current portion of equipment lease payable	2,686	2,592
Employee compensation, payroll taxes and other	6,882	10,262
Payable from restricted current assets:		
Current portion of bond payable	65,960	56,150
Construction and other	17,949	18,197
OPEB	2,575	276
Unearned revenue	383	876
Interest payable	34,388	34,828
Total current liabilities	246,123	269,692
Noncurrent Liabilities:		
Employee compensation, payroll taxes and other	2,421	2,504
Unearned revenue, restricted	382	511
Notes payable	28,389	29,564
Equipment lease	11,993	11,624
Net OPEB liability	17,321	14,406
Bonds payable	1,509,416	1,723,958
Net pension liabilities	69,889	69,551
Total noncurrent liabilities	1,639,811	1,852,118
Total liabilities	1,885,934	2,121,810
Deferred Inflows of Resources	37,726	51,253
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,923,660	2,173,063
NET POSITION		
Net investment in capital assets	1,713,428	1,476,160
Restricted		
Debt service	101,163	217,289
Construction	39,768	168,626
Police/911 emergency communications	2,199	1,781
Unrestricted	130,073	122,379
TOTAL NET POSITION	1,986,631	1,986,235
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 3,910,291	\$ 4,159,298

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Dollars in Thousands)

	Fiscal Year Ended December 31,	
	2020	2019
OPERATING REVENUES		
Airline rates and charges	\$ 94,259	\$ 131,397
Concessions	76,636	191,113
Rentals/fees	41,471	54,042
Utilities and other revenues	15,710	24,309
TOTAL OPERATING REVENUES	228,076	400,861
OPERATING EXPENSES		
Personnel	79,146	90,845
Administrative	1,057	1,753
Professional services	5,160	7,123
Utilities	17,382	18,847
Operating services	26,256	30,950
Maintenance	39,707	46,988
Depreciation and amortization	160,889	150,549
Other	4,051	4,354
TOTAL OPERATING EXPENSES	333,648	351,409
OPERATING INCOME (LOSS)	(105,572)	49,452
NONOPERATING REVENUES (EXPENSES)		
Investment income	13,426	25,282
Federal interest rate subsidies	896	919
Passenger facility charges	28,669	77,430
Grants used for operating expenses (CARES Act)	18,231	-
Gain on disposal of assets	62	99
Interest expense	(49,329)	(53,270)
TOTAL NONOPERATING REVENUES (EXPENSES)	11,955	50,460
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND GRANTS	(93,617)	99,912
CAPITAL CONTRIBUTIONS AND GRANTS	94,013	9,550
CHANGE IN NET POSITION	396	109,462
NET POSITION, BEGINNING OF YEAR,	1,986,235	1,876,773
NET POSITION, END OF YEAR	\$ 1,986,631	\$ 1,986,235

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATEMENTS OF CASH FLOWS (Dollars in Thousands)

	Fiscal Year Ended December 31,	
	2020	2019
Cash flows from operating activities		
Cash received from customers and users	\$ 241,100	\$ 400,908
Cash paid to employees and benefit providers	(91,834)	(94,387)
Cash paid to suppliers	(102,997)	(108,918)
NET CASH PROVIDED BY OPERATING ACTIVITIES	46,269	197,603
Cash flows from noncapital financing activities		
Grants received for operations	4,128	-
Cash flows from capital and related financing activities		
Payments for airport improvements and facilities	(329,202)	(319,903)
Proceeds from sale of capital assets	62	145
Proceeds from bond/note issuance	3,694	357,559
Receipt of lease payments	3,168	2,286
Financed tenant improvements	(623)	(9,402)
Receipt of solar panel financing rebate	896	919
Receipt of passenger facility charges	34,719	76,383
Principal paid on bonds/notes	(188,152)	(134,261)
Interest paid on bonds/notes	(70,477)	(69,809)
Receipt of government grants	34,604	7,734
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(511,311)	(88,349)
Cash flows from investing activities		
Purchase of investment securities	(488,222)	(980,095)
Proceeds from maturities of investment securities	930,424	854,871
Investment income	13,516	30,343
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	455,718	(94,881)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,196)	14,373
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	25,072	10,699
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 19,876	\$ 25,072
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ (105,572)	\$ 49,452
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	160,889	150,549
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Accounts receivable	13,024	47
Other assets	3,669	404
Deferred outflows - pensions	1,222	7,340
Accounts payable and accrued expenses	(10,754)	969
Employee compensation and payroll taxes	(3,463)	48
Postemployment medical - OPEB	2,915	(10,948)
Net pension liability	338	5,842
Deferred inflows - pensions	(15,999)	(6,100)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	\$ 46,269	\$ 197,603
Noncash investing, capital and related financing activities:		
Changes in fair value of investments	\$ (90)	\$ (5,061)
Additions to capital assets included in construction and accounts payable and accrued liabilities	34,220	51,649
Bond payments funded from escrow account	-	37,080
Refunding bond proceeds deposited to escrow account	-	(37,080)

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

**STATEMENTS OF FIDUCIARY NET POSITION FIDUCIARY FUND –
OTHER POSTEMPLOYMENT BENEFITS (OPEB) TRUST FUND**
(Dollars in Thousands)

	December 31,	
	2020	2019
ASSETS		
Cash and deposits	\$ 1,027	\$ 6,749
Receivables	2,587	214
Investments	74,964	64,552
	<u>78,578</u>	<u>71,515</u>
Total assets	<u>\$ 78,578</u>	<u>\$ 71,515</u>
NET POSITION RESTRICTED FOR OPEB	<u>\$ 78,578</u>	<u>\$ 71,515</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND –
OTHER POSTEMPLOYMENT BENEFITS (OPEB) TRUST FUND**

(Dollars in Thousands)

	For the Year Ended December 31,	
	2020	2019
Additions		
Contributions	\$ 6,083	\$ 5,485
Investment Income	3,642	3,558
TOTAL ADDITIONS	<u>9,725</u>	<u>9,043</u>
Deductions		
Benefit Payments	2,662	3,680
TOTAL DEDUCTIONS	<u>2,662</u>	<u>3,680</u>
NET INCREASE IN NET POSITION	7,063	5,363
NET POSITION RESTRICTED FOR OPEB		
BEGINNING OF YEAR	<u>71,515</u>	<u>66,152</u>
END OF YEAR	<u>\$ 78,578</u>	<u>\$ 71,515</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

NOTE A: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Minneapolis/St. Paul Metropolitan Airports Commission (the Commission) was created by an act of the Minnesota State Legislature in 1943 as a public corporation. Its purpose is to promote air navigation and transportation (international, national and local) in and through the State of Minnesota; promote the efficient, safe, and economical handling of air commerce; assure the inclusion of the state in national and international programs of air transportation; and, to those ends, develop the full potential of the metropolitan area as an aviation center. It has the responsibility to assure residents of the metropolitan area the minimum environmental impact from air navigation and transportation, promote the overall goals of the state's environmental policies, and minimize the public's exposure to noise and safety hazards around airports.

The area over which the Commission exercises its jurisdiction is the Minneapolis/St. Paul metropolitan area, which includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties. The Commission controls and operates seven airports within the metropolitan area, including the Minneapolis/St. Paul International Airport, which services scheduled air carriers and six reliever airports serving general aviation.

The Commission is governed independently by a 15-member Board of Commissioners. The governor of the State of Minnesota appoints 13 commissioners. The mayors of Minneapolis and St. Paul also have seats on the Commission with the option to appoint a surrogate to serve on their behalf. Certain large capital improvement projects having metropolitan significance must be reviewed by the Metropolitan Council, which is a public agency established by law with powers of regulation over the development of the metropolitan area.

In applying current Governmental Accounting Standards Board (GASB) guidance, the State of Minnesota and the Commission have agreed that the Commission is not financially accountable to any other organization and is considered a stand-alone governmental unit.

The Commission's other postemployment benefit plan is a fiduciary component unit of the Commission because it is a separate legal entity, the Commission appoints the trustees of the plan and the Commission has assumed the obligation to make contributions to the plan. The fiduciary component unit's financial statements are included as the Commission's fiduciary activities' financial statements.

Basis of Accounting

Under GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, the Commission is considered to be a special-purpose government engaged primarily in business-type activities (BTA). As a BTA, the Commission prepares its financial statements using the accrual basis of accounting and the economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when they are earned or when services are provided, and expenses are recognized when they are incurred. The Commission's fiduciary activities also use the economic resources measurement focus and accrual basis of accounting.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Newly Issued Accounting Pronouncements

GASB Statement No. 89 – During fiscal year 2019, the Commission implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires governments to recognize interest costs incurred before the end of a construction period as an expense and not be included in the historical cost of a capital asset.

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 of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and Expense Recognition

The Commission considers revenues and expenses carried out in the operation and the maintenance of the Commission's system of airports to be operating in nature. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions and grants.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, and then unrestricted resources as they are needed.

Budgeting Process

As required by Minnesota Statutes, the Commission adopts an annual operating and capital expenditures budget for purposes of determining required taxes, if any, to be levied by counties in its jurisdiction. Budgets are established on a departmental basis using the accrual method of accounting.

The process to amend the budget is set forth in the Commission bylaws, Article III, Section 8(a), and presented below:

"8(a) Establishment of the annual budget setting out anticipated expenditures by category and/or upward or downward revision of that budget in the course of the corporation's fiscal year shall constitute prior approval of each type of expenditure. Authorization by vote of the Commission is required for transfer of budgeted amounts between or among categories or to appropriate additional funds for each category. The Executive Director/CEO is directed to provide for the daily operation and management of the Commission within the expenditure guidelines of the annual budget. Commission approval of a contract shall constitute prior approval of disbursements made pursuant to terms of the contract within the constraints of the budget for all contract payments, except final construction contract payments, which shall require Commission approval.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

The Executive Director/CEO shall have the responsibility of securing adequate quantities of office, janitorial, maintenance and repair materials and supplies, and the rent of sufficient equipment necessary for the smooth, continuous operation of the Commission's system of airports and all facilities associated with the system of airports. The Executive Director/CEO's authority to secure these items shall be subject to the Commission's purchasing procedures and be subject to the category budget constraints of the annual budget.

During the fiscal year the Commission shall be provided periodic updates of expenditures by category. At any time during the fiscal year, the Executive Director/CEO may recommend to the full Commission that all or any unencumbered appropriation balances of individual categories be transferred to those categories that require additional budgeted funds. In addition, the Executive Director/CEO may recommend to the full Commission the appropriation of additional funds above and beyond those approved at the time of budget adoption. After the fiscal year has concluded, a final accounting of expenditures by category shall be presented to the Commission for approval of the final expenditure amounts by category."

The Commission is not required to demonstrate statutory compliance with its annual operating budget. Accordingly, budgetary data are not included in the basic financial statements. All budgets are prepared in accordance with airport lease and use agreements. Unexpended appropriations lapse at year-end.

Cash and Cash Equivalents

In accordance with Minnesota Statutes, the Commission maintains deposits at those depository banks which are members of the Federal Reserve System, as authorized by the Commission.

For purposes of the statements of cash flows, the Commission considers cash on hand plus overnight investments to be cash and cash equivalents.

Investments

The Commission's investments are reported at fair value as determined by quoted market prices in the statement of net position and changes in the fair value of investments are reported as investment income in the statements of revenues, expenses and changes in net position.

Inventory

Inventories, primarily fuel, are valued at cost on a first-in, first-out basis (FIFO). The cost of the Commission's inventories included in other assets is recorded as an expense when consumed rather than purchased.

Leases

Substantially all airport improvements and buildings are leased or charged to users under various agreements. Certain facilities are leased under self-liquidating lease agreements, which require the lessee to pay annual payments equal to the debt service requirements of the debt issued to construct the facilities or the debt service requirements that would have been required if debt had been issued. Other facilities at Minneapolis/St. Paul International Airport are charged to user airlines under lease agreements, which provide for compensatory rental rates designed to recover agreed-upon portions of costs incurred, including debt service, in the terminal building, ramp, and runway areas. Other facilities, to the extent they are leased, are leased under conventional agreements, primarily percentage leases.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Federal and State Grants

Outlays for airport capital improvements and certain airport operating expenses, primarily those relating to airport security, are subject to reimbursement from federal grant programs. Funds are also received for airport development from the State of Minnesota. The Commission records government grants in aid of construction as capital contributions.

Funding provided from government grants is considered earned as the related approved capital outlays or expenses are incurred. Costs claimed for reimbursement are subject to audit and acceptance by the granting agency.

Passenger Facility Charges

In June 1992, the Commission began collecting passenger facility charges (PFCs). PFCs are fees imposed on enplaned passengers by airport authorities for the purpose of generating revenue for airport projects that increase capacity, increase safety, or mitigate noise impacts. The Commission has received permission from the Federal Aviation Administration (FAA) to impose and use a \$4.50 PFC, the current maximum rate allowed.

The following table sets forth a summary of the Commission's approved PFC applications (dollars in thousands):

PFC Application	Approval Date	Approved Amount (as Amended)
1	June, 1992	\$ 92,714
2	August, 1994	140,717
3	June, 1998	36,377
4	April, 1999	47,801
5	August, 1999	112,533
6	April, 2003	759,735
7	April, 2003	14,479
8	August, 2005	147,986
9	February, 2006	8,659
10	May, 2008	80,577
11	March, 2014	52,722
12	September, 2015	55,423
13	January, 2017	65,212
14	September, 2017	126,557
15	January, 2019	334,177
		<u>\$ 2,075,669</u>

PFC applications one through five and PFC applications 9 through 12 are fully funded and have been closed out.

PFC's, which are recognized as earned, are included in nonoperating revenues and amounted to approximately \$28,669,000 and \$77,430,000 for 2020 and 2019, respectively.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Intangible Assets

The Commission has incurred, and continues to incur, substantial costs in relation to its ongoing Part 150 Sound Insulation Program. The Sound Insulation Program pays for a home within the airport's impacted noise area to be sound insulated with respect to doors, window treatments, etc., with no further cash outlay required by the Commission. Because the Commission receives an avigation release from each affected homeowner in return for providing sound insulation improvements, the associated costs are being recorded as an intangible asset and amortized to expense over a ten-year period, which approximates the estimated useful lives of such improvements. Amortization expense for capitalized Part 150 Sound Insulation expenses was \$10,256,000 and \$10,869,000 for the years ended December 31, 2020 and 2019, respectively. This amortization expense is included as a component of depreciation expense on the statements of revenues, expenses and changes in net position. The unamortized costs included in airport improvements and buildings at December 31, 2020 and 2019 was approximately \$14,707,000 and \$24,962,000, respectively.

Airports and Facilities

As required under Chapter 500, Laws of Minnesota 1943—the law under which the Commission was created—certain capital assets, classified as land and airport improvements and buildings, were contributed by the cities of Minneapolis and St. Paul. Fee title to the land and improvements remain with the two cities.

Additions to capital assets are recorded at cost, unless contributed, in which case such additions are recorded at acquisition value as of the date of acquisition.

It is the Commission's policy to amortize the carrying amount of its capital assets, including those acquired using government grants in aid of construction and passenger facility charges, over their estimated useful lives on a straight-line basis by annual depreciation charges to expense. Estimated useful lives on depreciable capital assets are as follows:

Airport improvements and buildings	10-40 years
Moveable equipment	3-15 years

Costs incurred for major improvements are carried in construction in progress until disposition or completion of the related projects. Costs relating to projects not pursued are expensed, while costs relating to completed projects are capitalized. The capitalization threshold for capital assets is \$10,000.

Capitalized Interest

Effective January 1, 2019, the Commission implemented the provisions of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. In accordance with this Statement, the Commission recognizes all interest costs incurred before the end of the construction period as an expense in the period in which the cost was incurred.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Compensated Absences

In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated vacation and personal time is accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future.

Substantially all employees receive compensation for vacations, holidays, illness and certain other qualifying absences. Liabilities relating to these absences are recognized as incurred and included in employee compensation, payroll taxes and other on the statements of net position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the General Employees Retirement Fund and the Public Employees Police and Fire Fund (cost-sharing, multiple-employer defined benefit plans administered by the Public Employees Retirement Association of Minnesota in which the Commission participates) and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. 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 the benefit terms. Investments are reported at fair value.

Defined Benefit Other Postemployment Benefit Plan

The Airport has a single-employer defined benefit other postemployment benefit (OPEB) plan. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/ deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Unearned Revenue

Unearned revenue represents advance interest payments on direct financing leases received from certain airlines, which will be recognized as investment income over the term of the lease agreement, as well as the unearned portion of annual taxi permits.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Deferred Outflows of Resources

As of December 31, 2020 and 2019, deferred outflows of resources consisted of the following components (dollars in thousands):

	<u>2020</u>	<u>2019</u>
Net difference between projected and actual earnings on pension plan investments	\$ 1,429	\$ -
Differences between expected and actual experience - pensions	1,230	2,142
Changes of assumptions - pensions	5,666	12,107
Changes in proportion and differences in contributions - pensions	4,588	6,877
Commission's contributions made subsequent to the measurement date - pensions	4,220	3,621
Net difference between projected and actual earnings on OPEB plan investments	6,393	-
Deferred loss on refundings of debt	<u>11,435</u>	<u>15,013</u>
Total deferred outflows of resources	<u>\$ 34,961</u>	<u>\$ 39,760</u>

Deferred Inflows of Resources

As of December 31, 2020 and 2019, deferred inflows of resources consisted of the following components (dollars in thousands):

	<u>2020</u>	<u>2019</u>
Net difference between projected and actual earnings on pension plan investments - pensions	\$ -	\$ 8,610
Differences between expected and actual experience - pensions	1,003	2,221
Changes of assumptions - pensions	12,508	20,698
Changes in proportion and differences in contributions - pensions	7,096	2,251
Changes of assumptions - OPEB	7,141	9,967
Accumulated increase in fair value of forward delivery agreements	9,744	7,249
Deferred gains on refundings of debt	<u>234</u>	<u>257</u>
Total deferred inflows of resources	<u>\$ 37,726</u>	<u>\$ 51,253</u>

Original Issue Discounts/Premiums

Original issue discounts/premiums on bonds are generally being amortized using the effective interest method over the lives of the bonds to which they relate.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Net Position

GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net position categories:

- Net investment in capital assets: reflects the Commission's investment in capital assets, net of accumulated depreciation and outstanding balances of debt attributable to the acquisition, construction or improvements of those assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- Restricted: represent resources for which the Commission is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- Unrestricted: represent resources that are not subject to externally imposed stipulations that may be used to meet the Commission's ongoing obligations to the public and creditors. Unrestricted resources may be designated for specific purposes by action of the management or the governing board of the Commission.

Rental Income

Rental income is generally recognized as it becomes receivable over the respective lease terms. The Commission may, from time to time, have leases which provide for waived rent during the initial period of the lease term and/or rental escalations throughout the lease term. In accordance with GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, the related rental income for leases in which the rental income stream is not systematic, if significant, is reported using the straight-line method rather than using the terms of the lease agreements.

Customer Facility Charges

With respect to on-airport rental car companies, the Commission is assessing a customer facility charge (CFC) per transaction day to recover the rental car portion of capital costs associated with the construction of the auto rental/public parking garage located adjacent to Terminal 1, as well as to recover certain maintenance costs relating to the auto rental facilities. During 2016, the Commission increased the fee to \$5.90 per rental car transaction per day from \$3.25, due to the construction of a new auto rental/public garage adjacent to Terminal 1.

NOTE B: DEPOSITS AND INVESTMENTS

Cash Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. Minnesota Statutes require that all Commission deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds (140% for mortgage notes pledged). Authorized collateral includes allowable investments as discussed below, certain first mortgage notes, and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the Commission or in a financial institution other than that furnishing the collateral.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

The Commission's interest-bearing deposit accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). For 2020 and 2019, cash deposits were entirely insured or collateralized by securities held in the Commission's name by a financial institution (Commission's agent) other than that furnishing the collateral.

Investments

The Commission may invest idle funds as authorized by Minnesota Statute, Section 118A, and the Commission's internal investment policy in the following:

- a) Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as high risk by Minnesota Statute, Section 118A.04 subd. 6;
- b) Mutual funds through shares of registered investment companies, provided the mutual fund receives certain ratings depending on its investments;
- c) General obligations of municipalities and certain state agency and local obligations of other states, provided such obligations have certain specified bond ratings by a national bond rating service;
- d) Bankers' acceptances of United States banks;
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two national rating agencies and matures in 270 days or less; and
- f) With certain restrictions, in repurchase agreements, security lending agreements, joint powers investment trusts, and guaranteed investment contracts.

The Commission addresses certain investment-related risks to which it is currently exposed as follows:

Interest rate risk - the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Commission has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates. The Commission may not invest in securities maturing more than four years from the date of purchase unless the security is for postemployment health care funding, which may have an average portfolio life of no more than 12 years. The Commission manages interest rate risk by maintaining sufficient liquidity to enable the Commission to meet anticipated cash requirements. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

The maturity ranges and credit ratings for the Commission's investment securities at December 31, 2020 and 2019 are as follows (dollars in thousands):

Security Type	Ratings S&P / Moody's	December 31, 2020 Maturing in Years				Total
		Less than 1	1 - 5	6 - 10	More than 10	
U.S. Treasury Security Notes	N/A/AAA	\$ 45,444	\$ -	\$ -	\$ -	\$ 45,444
Government-Sponsored Enterprises						
Federal Farm Credit Bank	AA+ / Aaa	5,011	-	-	-	5,011
Federal Home Loan Mortgage Corporation	AA+ / Aaa	8,100	-	-	-	8,100
Federal National Mortgage Association	N/A / Aaa	-	5,002	-	-	5,002
Federal Home Loan Bank	AA+ / Aaa	101,528	18,566	-	-	120,094
Municipal Bonds:						
	AA+/N/A	2,508	-	-	-	2,508
	AA/AA2	-	3,578	-	-	3,578
	A+/AA3	1,632	-	-	-	1,632
	AA+/AA2	754	-	-	-	754
	AAA/N/A	1,023	-	-	-	1,023
	AA-/AA2	1,004	-	-	-	1,004
	AA+/AA1	-	2,313	-	-	2,313
	N/A/AA2	-	1,050	-	-	1,050
	N/A/AA3	1,418	1,031	-	-	2,449
	A+/N/A	-	2,687	-	-	2,687
Money Market Mutual Funds	N/R / N/R	397,271	-	-	-	397,271
Accrued Income		656	-	-	-	656
Totals		\$ 584,559	\$ 34,227	\$ -	\$ -	\$ 618,786

Security Type	Ratings S&P / Moody's	December 31, 2019 Maturing in Years				Total
		Less than 1	1 - 5	6 - 10	More than 10	
U.S. Treasury Security Notes	AA+/Aa1	\$ 55,018	\$ 38,316	\$ -	\$ -	\$ 93,334
U.S. Treasury Security Bills	A-1/P-1	137,174	-	-	-	137,174
Government-Sponsored Enterprises						
Federal Farm Credit Bank	AA+ / Aaa	17,780	5,035	-	-	22,815
Federal Home Loan Mortgage Corporation	AA+ / Aaa	15,910	8,009	-	-	23,919
Federal National Mortgage Association	AA+ / Aaa	48,264	18,115	-	-	66,379
Federal Home Loan Bank	AA+ / Aaa	97,174	91,047	-	-	188,221
Municipal Bonds:						
	AAA / Aaa	1,001	-	-	-	1,001
	AAA / N/R	-	1,043	-	-	1,043
	AA+ / Aa1	508	1,293	-	-	1,801
	AA+ / N/R	-	2,505	-	-	2,505
	AA / Aa2	1,728	1,002	-	-	2,730
	AA / Aa1	2,354	-	-	-	2,354
	AA- / Aa2	-	998	-	-	998
	A+ / Aa3	-	1,671	-	-	1,671
	N/R / Aa3	-	1,404	-	-	1,404
	N/R / Aa2	-	2,522	-	-	2,522
Money Market Mutual Funds	N/R / N/R	509,595	-	-	-	509,595
Accrued Income		1,612	-	-	-	1,612
Totals		\$ 888,118	\$ 172,960	\$ -	\$ -	\$ 1,061,078

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

The maturity ranges and credit ratings for the postemployment medical (OPEB) trust fund at December 31, 2020 and 2019 are as follows (dollars in thousands):

Security Type	Ratings S&P / Moody's	December 31, 2020 Maturing in Years				Total
		Less than 1	1 - 5	6 - 10	More than 10	
U.S. Treasury Security Notes	N/A / AAA	\$ 3,724	\$ 9,889	\$ 8,247	\$ -	\$ 21,860
U.S. Treasury Security Notes	N/A / N/A	1,139	-	-	-	1,139
Government-Sponsored Enterprises						
TVA	AA+ / Aaa	-	1,013	-	-	1,013
Federal Farm Credit Bank	AA+ / Aaa	497	443	-	-	940
Federal Home Loan Bank	AA+ / Aaa	1,437	2,534	1,247	-	5,218
Federal Home Loan Bank	Not Rated	735	-	-	-	735
Federal Home Loan Mortgage Corporation	AA+/Aaa	-	897	-	-	897
Federal Home Loan Mortgage Corporation	AAA / N/A	-	646	-	-	646
Federal Home Loan Mortgage Corporation	Not Rated	-	1,252	491	5,458	7,201
Federal Home Loan Mortgage Corporation	NA/AAA	-	1,129	-	-	1,129
Federal National Mortgage Association	AA+ / Aaa	-	2,659	-	1,821	4,480
Federal National Mortgage Association	Not Rated	-	258	1,071	19,815	21,143
SBA	Not Rated	21	321	673	-	1,015
Government National Mortgage Association	Not Rated	-	-	-	220	220
Corporate Bonds	Not Rated	-	86	-	-	86
Municipal Bonds:						
	A/A1	-	164	-	-	164
	AA/AA1	-	534	-	-	534
	AA-/AA1	91	-	-	-	91
	AA+/AA1	-	242	182	-	424
	AAA/AA1	-	935	-	-	935
	N/A/AA2	-	-	133	-	133
	AA/AA2	-	-	386	-	386
	AA-/AA2	-	-	169	-	169
	AA+/AA2	210	410	736	-	1,356
	AAA/AA2	356	-	-	-	356
	A+/AA3	-	381	124	-	505
	AA/AA3	-	244	-	-	244
	AA-/AA3	-	160	-	-	160
	AAA/AAA	-	605	-	-	605
	AA/N/A	-	513	-	-	513
	AA-/N/A	355	-	160	-	515
	Not Rated	152	-	-	-	152
Money Market Mutual Funds	Not Rated	780	-	-	-	780
Accrued Income		247	-	-	-	247
Totals		\$ 9,744	\$ 25,315	\$ 13,619	\$ 27,314	\$ 75,991

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Security Type	Ratings S&P / Moody's	December 31, 2019 Maturing in Years				Total
		Less than 1	1 - 5	6 - 10	More than 10	
U.S. Treasury Security Notes	N/A / AAA	\$ 1,807	\$ 5,678	\$ 10,541	\$ -	\$ 18,026
U.S. Treasury Security Notes	N/A / N/A	165	-	-	-	165
Government-Sponsored Enterprises						
TVA	AA+ / Aaa	175	-	-	-	175
Federal Farm Credit Bank	AA+ / Aaa	500	1,225	-	-	1,725
Federal Home Loan Mortgage Corporation	AA+ / Aaa	1,025	252	-	-	1,277
Federal Home Loan Mortgage Corporation	Not Rated	529	608	1,121	5,375	7,633
Federal Home Loan Mortgage Corporation	AAA / N/A	-	648	-	-	648
Federal National Mortgage Association	AA+ / AAA	253	1,037	-	-	1,290
Federal National Mortgage Association	Not Rated	31	73	545	21,289	21,938
Federal Home Loan Bank	AA+ / Aaa	1,000	1,500	1,846	-	4,346
SBA	Not Rated	-	27	685	-	712
Corporate Bonds	Not Rated	-	164	-	-	164
Municipal Bonds:						
	AAA / Aaa	-	583	-	-	583
	AAA / Aa1	-	140	-	506	646
	AAA / Aa2	-	355	-	-	355
	AA+ / Aa2	-	256	-	-	256
	AA+ / Aa1	-	442	614	-	1,056
	AA / Aa1	-	516	246	-	762
	AA / Aa2	-	-	255	-	255
	AA / N/R	-	618	-	-	618
	AA / Aa3	-	234	-	-	234
	AA- / Aa3	-	156	-	-	156
	AA- / N/A	-	510	-	-	510
	A+ / Aa3	-	-	120	-	120
	N/R / Aa1	505	-	-	-	505
	Not Rated	-	152	-	-	152
	A / A1	-	159	-	-	159
	AA- / Aa1	-	95	-	-	95
	AA- / Aa2	-	-	156	-	156
Money Market Mutual Funds	AAAm / Aaa-mf	6,309	-	-	-	6,309
Accrued Income		275	-	-	-	275
Totals		\$ 12,574	\$ 15,428	\$ 16,129	\$ 27,170	\$ 71,301

Credit risk - the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission's investment policy addresses credit risk through adherence to Minnesota Statute 118A, which limits the types of investment instruments that may be purchased by the Commission. This statute generally provides that public funds may only be invested in United States' securities, any security that is a general obligation of a state or local government rated "A" or better by a nationally recognized rating agency, any security that is a revenue obligation of a state or local government rated "AA" or better, a general obligation of the Minnesota Housing Finance Agency that is rated "A" or better, commercial paper issued by United States' corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less, and time deposits fully insured by the FDIC. The ratings of the Commission's debt investments are shown in the tables above.

Concentration of credit risk - the Commission requires a diversified investment portfolio to avoid risk of losses resulting from an over-concentration of assets in a specific maturity, issuer, or class of securities.

In respect to U.S. government agency obligations and government-sponsored enterprises, the Commission places no limit on the amount that may be invested in any one issuer. The Commission cannot hold more than 30% of its portfolio in commercial paper, 25% in any state or local government obligation, or 4% in any one corporation. The U.S. government-sponsored enterprise securities held by the Commission are not explicitly guaranteed by the U.S. Government and are subject to concentration of credit risk.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

At December 31, 2020 and 2019, the following investments represent more than 5% of total investments:

	<u>12/31/20</u>	<u>12/31/19</u>
Government-Sponsored Enterprises:		
Federal Home Loan Bank	19%	18%
Federal National Mortgage Association	4%	7%

Custodial credit risk - the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. At December 31, 2020 and 2019, none of the Commission's investments were exposed to custodial credit risk.

Foreign currency risk - the risk of adverse effects on the fair value of an investment from changes in exchange rates. The Commission's investment policy does not allow investments in foreign investments, thus the Commission has no foreign currency risk with respect to its deposits or investments.

The Commission's cash, cash equivalents and investments are reported as follows in the statements of net position at December 31 (dollars in thousands):

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents - unrestricted	\$ 19,876	\$ 25,072
Investments - unrestricted	181,778	273,470
Investments, current - restricted	111,533	221,917
Investments, noncurrent - restricted	<u>325,475</u>	<u>565,691</u>
Total cash, cash equivalents and investments	<u>\$ 638,662</u>	<u>\$ 1,086,150</u>

Investment income for the Commission for the years ended December 31 consisted of the following (dollars in thousands):

	<u>2020</u>	<u>2019</u>
Investment income from leases	\$ 2,159	\$ 2,212
Investment income from investments	11,357	25,131
Net decrease in fair value of investments	<u>(90)</u>	<u>(2,061)</u>
	<u>\$ 13,426</u>	<u>\$ 25,282</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

NOTE C: DISCLOSURE ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities (if any) recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020 and 2019 (dollars in thousands):

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2020				
Investments by fair value level				
U.S. Treasury Security Notes	\$ 45,444	\$ 45,444	\$ -	\$ -
U.S. Government-Sponsored Enterprise securities	156,417	138,151	18,266	-
Municipal securities	18,998	-	18,998	-
Money market mutual funds	397,927	397,927	-	-
Total investments by fair value level	<u>\$ 618,786</u>	<u>\$ 581,522</u>	<u>\$ 37,264</u>	<u>\$ -</u>
Derivative instruments				
Forward delivery agreements	<u>\$ 9,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,744</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2019				
Investments by fair value level				
U.S. Treasury Security Notes	\$ 93,334	\$ 93,334	\$ -	\$ -
U.S. Treasury Security Bills	137,174	137,174	-	-
U.S. Government-Sponsored Enterprise securities	301,334	-	301,334	-
Municipal securities	18,029	-	18,029	-
Money market mutual funds	511,207	511,207	-	-
Total investments by fair value level	<u>\$ 1,061,078</u>	<u>\$ 741,715</u>	<u>\$ 319,363</u>	<u>\$ -</u>
Derivative instruments				
Forward delivery agreements	<u>\$ 7,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,249</u>

The following tables present the fair value measurements of assets and liabilities (if any) recognized in the accompanying postemployment medical (OPEB) trust fund financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020 and 2019 (dollars in thousands):

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2020				
Investments by fair value level				
U.S. Treasury Security Notes	\$ 22,999	\$ 22,999	\$ -	\$ -
U.S. Government-Sponsored Enterprise securities	44,637	31,578	13,059	-
Corporate Bonds	86	-	86	-
Municipal securities	7,242	-	7,242	-
Money market mutual funds	1,027	1,027	-	-
Total investments by fair value level	<u>\$ 75,991</u>	<u>\$ 55,604</u>	<u>\$ 20,387</u>	<u>\$ -</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2019				
Investments by fair value level				
U.S. Treasury Security Notes	\$ 18,191	\$ 18,191	\$ -	\$ -
U.S. Government-Sponsored Enterprise securities	39,744	-	39,744	-
Corporate Bonds	164	-	164	-
Municipal securities	6,618	-	6,618	-
Money market mutual funds	6,584	6,584	-	-
Total investments by fair value level	<u>\$ 71,301</u>	<u>\$ 24,775</u>	<u>\$ 46,526</u>	<u>\$ -</u>

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Derivative Investments

The fair values of the forward delivery agreements are estimated by the counterparty using a proprietary model and, therefore, are classified within Level 3 of the valuation hierarchy.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

NOTE D: RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments at December 31 are restricted as follows (dollars in thousands):

	2020	2019
Coverage Account	\$ 19,889	\$ 19,499
Police Federal Forfeiture Fund	1,817	1,468
Police State Forfeiture Fund	140	138
Passenger Facility Charges Funds	36,241	159,049
911 Emergency Communications Fund	242	175
Revenue Bond Interest and Principal Funds	111,533	221,917
Revenue Bond Reserve Funds	96,392	112,160
Revenue Bonds Construction Funds	167,434	268,396
Revolving Loan Construction Funds	3,320	4,806
	\$ 437,008	\$ 787,608

NOTE E: GRANTS RECEIVABLE

Grants receivable from government agencies represent reimbursements due from the federal government and/or the State of Minnesota for allowable costs incurred on federal and state award programs. Grants receivable at December 31 consists of (dollars in thousands):

	2020	2019
Federal Aviation Administration	\$ 83,246	\$ 8,817
State of Minnesota	120	1,037
	\$ 83,366	\$ 9,854

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

NOTE F: CAPITAL ASSETS

Changes in capital assets by major classification are as follows (dollars in thousands):

	Balance January 1, 2020	Additions	Transfers In (Out)	Retirements or Disposals	Balance December 31, 2020
Capital assets - not depreciated:					
Land	\$ 350,955	\$ -	\$ -	\$ -	\$ 350,955
Construction in progress	607,087	303,456	(625,957)	-	284,586
Total capital assets - not depreciated	<u>958,042</u>	<u>303,456</u>	<u>(625,957)</u>	<u>-</u>	<u>635,541</u>
Capital assets - depreciated:					
Airport improvements and buildings	4,476,562	-	623,129	-	5,099,691
Less: accumulated depreciation	(2,527,001)	(148,934)	-	-	(2,675,935)
Net airport improvements and buildings	<u>1,949,561</u>	<u>(148,934)</u>	<u>623,129</u>	<u>-</u>	<u>2,423,756</u>
Movable equipment	201,152	3,548	7,678	(945)	211,433
Less: accumulated depreciation	(137,158)	(11,955)	-	864	(148,249)
Net movable equipment	<u>63,994</u>	<u>(8,407)</u>	<u>7,678</u>	<u>(81)</u>	<u>63,184</u>
Total capital assets - depreciated	<u>2,013,555</u>	<u>(157,341)</u>	<u>630,807</u>	<u>(81)</u>	<u>2,486,940</u>
Net capital assets	<u>\$ 2,971,597</u>	<u>\$ 146,115</u>	<u>\$ 4,850</u>	<u>\$ (81)</u>	<u>\$ 3,122,481</u>
	Balance January 1, 2019	Additions	Transfers In (Out)	Retirements or Disposals	Balance December 31, 2019
Capital assets - not depreciated:					
Land	\$ 350,955	\$ -	\$ -	\$ -	\$ 350,955
Construction in progress	445,321	336,846	(175,080)	-	607,087
Total capital assets - not depreciated	<u>796,276</u>	<u>336,846</u>	<u>(175,080)</u>	<u>-</u>	<u>958,042</u>
Capital assets - depreciated:					
Airport improvements and buildings	4,309,967	19	166,576	-	4,476,562
Less: accumulated depreciation	(2,387,981)	(139,020)	-	-	(2,527,001)
Net airport improvements and buildings	<u>1,921,986</u>	<u>(139,001)</u>	<u>166,576</u>	<u>-</u>	<u>1,949,561</u>
Movable equipment	191,054	3,582	8,309	(1,793)	201,152
Less: accumulated depreciation	(127,375)	(11,529)	-	1,746	(137,158)
Net movable equipment	<u>63,679</u>	<u>(7,947)</u>	<u>8,309</u>	<u>(47)</u>	<u>63,994</u>
Total capital assets - depreciated	<u>1,985,665</u>	<u>(146,948)</u>	<u>174,885</u>	<u>(47)</u>	<u>2,013,555</u>
Net capital assets	<u>\$ 2,781,941</u>	<u>\$ 189,898</u>	<u>\$ (195)</u>	<u>\$ (47)</u>	<u>\$ 2,971,597</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

NOTE G: LONG-TERM DEBT

The Commission's long-term debt at December 31, 2020 and 2019 consisted of the following (dollars in thousands):

Type of Issue	Issue Date	Interest Rates	Maturing on January 1	Maturity Amounts	2020	2019
Series 2010A * Original amount - \$62,210	7/28/2010	5.000%	2028	\$ -	\$ -	\$ -
		4.000%	2028	-		
		5.000%	2029	-		
		4.000%	2029	-		
		5.000%	2030	-		
		4.125%	2030	-		
		5.000%	2031 - 2035	-	-	62,210
Series 2010B * Original amount - \$73,475	7/28/2010	5.000%	2021 - 2026	-		
		4.000%	2027 - 2028	-	-	47,115
Series 2010C ** Original amount - \$21,600	10/01/2010	5.000%	2021	-		
		3.250%	2022 - 2023	-		
		3.500%	2024	-	-	3,115
Series 2010D (AMT) ** Original amount - \$68,790	10/01/2010	5.000%	2021 - 2022	-		
		4.000%	2023	-		
		4.125%	2024	-	-	22,205
Series 2011A ** Original amount - \$52,015	10/04/2011	5.000%	2021 - 2023	16,670		
		3.500%	2024	6,115		
		5.000%	2025	6,330	29,115	34,150
Series 2012A (Taxable) **	11/20/2012		2020	-	-	6,025
Series 2012B ** Original amount - \$42,015	11/20/2012	5.000%	2026 - 2031	42,015	42,015	42,015
Series 2014A ** Original amount - \$217,790	10/08/2014	5.000%	2021 - 2035	202,370	202,370	203,765
Series 2014B ** (AMT) Original amount - \$46,590	10/08/2014	5.000%	2010 - 2035	27,160	27,160	31,245
Series 2016A * Original amount - \$330,690	10/04/2016	3.000%	2025	1,150		
		4.000%	2026	10,000		
		5.000%	2026 - 2032	319,540	330,690	330,690
Series 2016B ** Original amount - \$152,190	10/04/2016	3.000%	2021	16,980		
		3.000%	2024	37,250		
		4.000%	2023	30,095		
		5.000%	2022	24,295	108,620	124,790
Series 2016C * Original amount - \$207,250	12/10/2016	4.000%	2021	3,945		
		5.000%	2022 - 2046	195,860	199,805	203,600
Series 2016D (AMT) ** Original amount - \$23,410	12/10/2016	5.000%	2021-2041	21,775	21,775	22,355

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Type of Issue	Issue Date	Interest Rates	Maturing on January 1	Maturity Amounts	2020	2019
Series 2016E (Taxable) **	12/10/2016					
Original amount - \$171,690		2.392%	2021	\$ 8,920		
		2.542%	2022	9,135		
		2.893%	2023	9,365		
		3.093%	2024	9,640		
		3.296%	2025	9,935		
		3.396%	2026	10,265		
		3.546%	2027	10,610		
		3.746%	2028	10,990		
		3.796%	2029	11,400		
		3.896%	2030	11,835		
		3.996%	2031	12,295		
		4.096%	2032	12,785		
		4.196%	2033	13,310		
		4.246%	2034	13,870	\$ 154,355	\$ 163,095
Series 2019A **	08/28/2019					
Original amount - \$96,615,000		4.000%	2021	3,025		
		5.000%	2022-2049	93,590	96,615	96,615
Series 2019B **	08/28/2019					
Original amount - \$164,320,000		5.000%	2021-2049	164,320	164,320	164,320
Series 2019C **	08/28/2019					
Original amount - \$31,035,000		5.000%	2021-2028	31,035	31,035	31,035
Total General Airport Revenue Bonds					<u>1,407,875</u>	<u>1,588,345</u>
Notes Payable					<u>73,501</u>	<u>77,952</u>
					1,481,376	1,666,297
Unamortized premium, net					167,501	191,763
Current portion of long-term debt					<u>(111,072)</u>	<u>(104,538)</u>
Total Long-Term Bonds and Notes Payable					<u>\$ 1,537,805</u>	<u>\$ 1,753,522</u>

* Senior General Airport Revenue Bonds

** Subordinate General Airport Revenue Bonds

Future debt service requirements as of December 31, 2020 are as follows (dollars in thousands):

	Notes Payable	Equipment Lease	General Airport Revenue Bonds	Total Debt Outstanding	Interest	Total Principal and Interest
2021	\$ 45,112	\$ 2,686	\$ 65,960	\$ 113,758	\$ 114,043	\$ 227,801
2022	1,262	2,596	70,350	74,208	66,990	141,198
2023	1,352	2,111	76,775	80,238	63,153	143,391
2024	1,447	2,156	81,420	85,023	59,651	144,674
2025	1,379	1,863	86,940	90,182	55,366	145,548
2026 - 2030	9,179	3,267	495,730	508,176	205,432	713,608
2031 - 2035	12,774	-	286,970	299,744	101,587	401,331
2036 - 2040	996	-	85,640	86,636	51,643	138,279
2041 - 2043	-	-	101,990	101,990	27,101	129,091
2044 - 2047	-	-	56,100	56,100	4,748	60,848
	<u>\$ 73,501</u>	<u>\$ 14,679</u>	<u>\$ 1,407,875</u>	<u>\$ 1,496,055</u>	<u>\$ 749,714</u>	<u>\$ 2,245,769</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

The Commission's General Airport Revenue Bonds are not general obligations, but are limited obligations of the Commission payable solely from and secured by a pledge of net revenues. Neither the full faith and credit nor the taxing power of the Commission, the City of Minneapolis, the City of St. Paul, the State, or any political subdivision or public agency of the State, other than the Commission, to the extent of net revenues, is pledged to the payment of the General Airport Revenue Bonds. The proceeds of these issues have been used to finance a portion of the Commission's long-term capital improvement program, which details the expansion of the airport system.

On October 3, 2019, the Commission issued \$96,615,000 of Series 2019A Subordinate Airport Revenue and Revenue Refunding Bonds (Non-AMT), \$164,320,000 of Series 2019B Subordinate Airport Revenue and Revenue Refunding Bonds (Non-AMT), and \$31,035,000 of Series 2019C Subordinate Airport Revenue Refunding Bonds (Non-AMT) to current refund and defease \$7,440,000 of the Series 2009A Senior Airport Revenue Refunding Bonds and \$45,030,000 of the Series 2009A Senior Airport Revenue Refunding Bonds. As a result of this refunding, the Commission reduced its total debt service requirements by \$33,991,000, which resulted in an economic gain (the difference between the present value of the debt service payments on the old and new debt) in the amount of \$25,283,000. The Commission recognized an accounting loss of \$738,000 in connection with this refunding that is reflected as a deferred outflow of resources in the statements of net position and is being amortized to interest expense on a straight-line basis through January 1, 2047.

On October 26, 2017, the Commission entered into a \$150,000,000 revolving line of credit agreement. During 2020, this line was reduced to \$100,000,000. The line of credit is to be used to fund certain capital improvement program projects and is secured by a subordinate pledge of the Commission's net revenues. Each advance under the revolving line of credit is evidenced by a separate promissory note. Interest is payable monthly and varies with the sum of the Taxable London Interbank Offered Rate (LIBOR) and an applicable spread based on the Commission's long-term credit ratings or the sum of 70% of the Tax-Exempt LIBOR plus an applicable spread based on the Commission's long-term credit ratings and a margin rate factor, and expires on September 3, 2021. The interest rate on the Commission's revolving line of credit was 1.52% and 1.78% on December 31, 2020 and 2019, respectively, and there was \$43,937,000 and \$47,294,000 in outstanding notes at December 31, 2020 and 2019, respectively. These amounts are included in notes payable in the statements of net position.

The Commission has entered into Taxable Equipment Lease/Purchase Agreements to finance the solar panels on top of parking ramps at Terminal 1 and 2. The principal amount of these agreements qualifies as a new clean renewable energy bond (NCREB) or a qualified energy conservation bond (QECB), both of which are eligible for a direct interest rate subsidy from the federal government. The effective net interest rates range from 0.75% to 1.09%, with scheduled payments through 2035 and 2036. At December 31, 2020 and 2019, there was \$29,563,000 and \$30,657,000, respectively, in outstanding notes payable.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

The Commission enters into Tax-Exempt Lease/Purchase Agreements each year to finance the acquisition of equipment, primarily heavy equipment and vehicles. Scheduled payments under these lease/purchase agreements extend through September 2029 with various maturity dates beginning in 2019. The interest rates ranged from 1.68% to 4.57%, and assets under such agreements are depreciated over the lease term. There was \$14,679,000 and \$14,216,000 in outstanding equipment leases at December 31, 2020 and 2019, respectively as follows:

	<u>2020</u>	<u>2019</u>
Cost basis of assets under equipment lease	\$ 30,739	\$ 29,096
Less: Amortization expense	<u>(16,060)</u>	<u>(14,880)</u>
Equipment lease payable - current and noncurrent	<u>\$ 14,679</u>	<u>\$ 14,216</u>

NOTE H: CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the years ended December 31, 2020 and 2019 was as follows (dollars in thousands):

	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>Retirements and Other</u>	<u>Balance December 31, 2020</u>	<u>Current Portion</u>
Unearned revenue	\$ 1,387	\$ 254	\$ (876)	\$ 765	\$ 383
Employee compensation and other	12,766	87,790	(91,253)	9,303	6,882
Net OPEB liability	14,406	4,282	(1,367)	17,321	-
Notes payable	77,952	-	(4,451)	73,501	45,112
Equipment lease	14,216	3,694	(3,231)	14,679	2,686
Bonds payable, including premiums	1,780,108	-	(204,732)	1,575,376	65,960
Net pension liabilities	69,551	15,973	(15,635)	69,889	-
	<u>\$ 1,970,386</u>	<u>\$ 111,993</u>	<u>\$ (321,545)</u>	<u>\$ 1,760,834</u>	<u>\$ 121,023</u>

	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Retirements and Other</u>	<u>Balance December 31, 2019</u>	<u>Current Portion</u>
Unearned revenue	\$ 5,848	\$ 747	\$ (5,208)	\$ 1,387	\$ 876
Employee compensation and other	12,718	89,899	(89,851)	12,766	10,262
Net OPEB liability	25,354	4,551	(15,499)	14,406	-
Notes payable	102,704	-	(24,752)	77,952	48,388
Equipment lease	15,268	2,051	(3,103)	14,216	2,592
Bonds payable, including premiums	1,549,658	355,507	(125,057)	1,780,108	56,150
Net pension liabilities	63,709	18,763	(12,921)	69,551	-
	<u>\$ 1,775,259</u>	<u>\$ 471,518</u>	<u>\$ (276,391)</u>	<u>\$ 1,970,386</u>	<u>\$ 118,268</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

NOTE I: DIRECT FINANCING LEASES

The Commission leases certain facilities to tenants under self-liquidating lease agreements. Self-liquidating lease agreements require the lessee to pay annual rentals equal to the debt service requirements of the bonds issued to construct the facilities, or the debt service requirements that would have been required if bond financing was used. These leases are classified as direct financing leases and expire in various years through 2022. The Commission records the interest portion of the lease payments as investment income. The following lists the components of the Commission's direct financing leases as of December 31 (dollars in thousands):

	<u>2020</u>	<u>2019</u>
Total minimum lease payments to be received	\$ 13,831	\$ 19,330
Less: Unearned income	<u>(4,653)</u>	<u>(6,985)</u>
Leases receivable - current and noncurrent	<u>\$ 9,178</u>	<u>\$ 12,345</u>

As of December 31, 2020, future minimum lease payments are as follows (dollars in thousands):

2021	\$ 5,567
2022	3,706
2023	739
2024	739
2025	739
2026 - 2030	<u>2,341</u>
	<u>\$ 13,831</u>

NOTE J: DERIVATIVE FINANCIAL INSTRUMENTS

The Commission is a party to debt service reserve forward delivery agreements (the Forward Delivery Agreements). The Forward Delivery Agreements require the counterparty financial institutions to deposit securities in certain of the Commission's debt service reserve trust accounts and provide the Commission with a guaranteed rate of return for these accounts. The securities that are deposited into these accounts are timed to meet scheduled debt service reserve funding requirements.

Eligible securities under the Forward Delivery Agreements are generally limited to: (a) non-callable obligations of the United States of America, including obligations issued or held in book-entry form on the books of the Department of Treasury and (b) bonds, notes, debentures, obligations or other evidence of indebtedness issued or guaranteed by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Objective of the Forward Delivery Agreements

The Forward Delivery Agreements allow the Commission to earn a guaranteed fixed rate of return over the life of the investments. These agreements are utilized by the Commission to earn a rate of return in excess of a rate that would otherwise be feasible by investing in securities with a shorter term.

Terms

The general terms of each agreement are set forth in the table below (dollars in thousands):

	Effective Date of Agreement	Termination Date	Scheduled Amount	Guaranteed Rate	Fair Value at December 31, 2020	Fair Value at December 31, 2019
Series 2014 Debt Service Reserve Funds	11/1/2005	1/1/2035	23,182	4.6775%	\$ 9,744	\$ 7,249
					<u>\$ 9,744</u>	<u>\$ 7,249</u>

Fair Value

The fair value of each Forward Delivery Agreement is based on the value of the future discounted cash flows expected to be received over the life of the agreement relative to an estimate of discounted cash flows that could be received over the same term based on current market conditions. The fair values of the Forward Delivery Agreements are classified as a noncurrent asset. As the Forward Delivery Agreements are effective hedging instruments, the offsetting balances are reflected as deferred inflows of resources.

Credit Risk

Credit risk is the risk that the counterparty will not fulfill its obligations. Under the terms of the Forward Delivery Agreements, the Commission is either holding cash or an approved security within certain debt service reserve funds. None of the principal amount of an investment under the Forward Delivery Agreements is at risk to the credit of the counterparty. Should the counterparty default, the Commission's maximum exposure is the positive termination value, if any, related to these agreements.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the Commission's financial instruments or cash flows. The fair values of the Forward Delivery Agreements are expected to fluctuate over the life of the agreements in response to changes in interest rates. The Commission does not have a formally adopted policy related for interest rate risk on the Forward Delivery Agreements.

Termination Risk

The Commission or the counterparties may terminate the Forward Delivery Agreements if the other party fails to perform under the terms of the contract. If the Forward Delivery Agreements have a negative fair value at the time of termination, the Commission would be liable to the counterparty for a payment equivalent to the fair value of the instrument at the time of termination.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

NOTE K: PENSION AND RETIREMENT PLANS

The Commission participates in the following cost-sharing multiple-employer defined benefit pension plans: the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF). Both of these plans are administered by the Public Employees Retirement Association of Minnesota (PERA) in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

Plan Descriptions

GERF

All full-time and certain part-time employees of the Commission are covered by the GERF Coordinated Plan. General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new GERF members must participate in the Coordinated Plan.

PEPFF

Originally established for police officers and firefighters not covered by a local relief association, PEPFF now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, PEPFF also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

Benefit Provisions

PERA provides retirement and disability benefits to members, and benefits to survivors upon the death of eligible members. Benefits are established by state statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

GERF

GERF benefits are based on a member's highest average salary for any five successive years of allowable service, age and years of credit at termination of service. A reduced retirement annuity is also available to eligible members seeking early retirement. Two methods are used to compute benefits for GERF Coordinated Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, only Method 2 is used and normal retirement age is the age for unreduced Social Security benefits capped at 66.

Disability benefits are available for vested members and are based upon years of service and average monthly salary over a GERF Coordinated Plan member's highest-paid 60 consecutive months of public service (high-five salary) or all months of service is less than 60.

A lifetime survivor benefit is available to the surviving spouse of a GERF Coordinated Plan member and is based upon a formula using the member's total years of service, high-five salary age at death and age of the spouse.

PEPFF

Benefits for PEPFF members hired prior to July 1, 2010, vest after three years of credited service. Benefits for PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

PEPFF members qualify for disability with one or more years of service if disabled outside the line of duty. If disabled in the line of duty, there is no minimum service requirement. There is a minimum benefit of 60% of salary if a PEPFF member is disabled while engaged in hazardous activities related to the occupation. Disability under any circumstances results in a minimum benefit of 45% of salary. A duty disability benefit will only be awarded if the disabling event occurred while the member was engaged in hazardous activities inherent to the occupation.

A lifetime survivor benefit is available to the surviving spouse of a PEPFF member and is based on either 50% of the average of the full-time monthly base salary rate in effect during the last six months of allowable service or a formula using the member's total years of service, high-five salary age at death and age of the spouse. Automatic lifetime survivor benefits are also available to the spouse of a PEPFF member who suffers total and permanent disability.

Contributions

Minnesota Statutes set the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The Commission makes annual contributions to the pension plans equal to the amount required by state statutes.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

GERF

GERF Coordinated Plan members were required to contribute 6.50% of their annual covered salary to the plan in calendar years 2020 and 2019, while the Commission was required to contribute 7.50%. The Commission's contributions to GERF for the years ended December 31, 2020 and 2019 were approximately \$4,702,000 and \$4,222,000, respectively, and were equal to the required contributions as set by state statute. This amount includes an Employer Supplemental Contribution of approximately \$718,000 and \$128,000 for the years ended December 31, 2020 and 2019, respectively, relating to the former Minneapolis Employees Retirement Fund (MERF), which was fully merged into GERF in January 2015.

As a result of legislation passed in the 2015 legislative session, the State of Minnesota was required to contribute \$6,000,000 to GERF during the measurement periods ended June 30, 2016 and June 30, 2017, \$16,000,000 for the period ending June 30, 2018 and \$6,000,000 each measurement period thereafter until 2031.

PEPFF

PEPFF members were required to contribute 11.80% and 11.30% of their annual covered salary to the plan in calendar years 2020 and 2019, respectively, while the Commission was required to contribute 17.70% and 16.95%, respectively. The Commission's required contributions to PEPFF for the years ended December 31, 2020, and 2019 were approximately \$2,557,000 and \$2,493,000, respectively, and were equal to the required contributions as set by state statute. Additionally, the State of Minnesota is required to contribute an aggregate amount for all employers of \$9,000,000 to PEPFF each year, beginning in fiscal year 2014. State aid will continue until the plan is 90 percent funded, or the State Patrol Plan, administered by the Minnesota State Retirement System, is 90 percent funded, whichever occurs later. Such non-employer contributions to PEPFF by the State of Minnesota do not meet the special funding criteria set forth in GASB 68.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

GERF

At December 31, 2020 and 2019, the Commission reported a liability of approximately \$52,982,000 and \$54,962,000, respectively, for its proportionate share of GERF's net pension liability. The Commission's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6,000,000 to the fund in both 2020 and 2019. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the Commission totaled \$1,634,000. The net pension liability was measured as of June 30, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of those respective dates. The Commission's proportion of the net pension liability was based on the Commission's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the Commission's proportion was 0.8837%, which was a decrease of 0.11% from its proportion of 0.9941% measured as of June 30, 2019.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

For the years ended December 31, 2020 and 2019, the Commission recognized pension expense of \$2,098,000 and \$6,751,000, respectively, for its proportionate share of GERF's pension expense. In addition, the Commission recognized an additional \$718,000 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6,000,000 to GERF.

At December 31, 2020 and 2019, the Commission reported its proportionate share of GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (dollars in thousands):

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 483	\$ 200
Net difference between projected and actual earnings on pension plan investments	915	-
Changes of assumptions	-	1,964
Changes in proportion	3,070	5,647
Contributions subsequent to the measurement date	2,913	-
Total	\$ 7,381	\$ 7,811
	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,523	\$ -
Net difference between projected and actual earnings on pension plan investments	-	5,571
Changes of assumptions	-	4,320
Changes in proportion	4,824	1,927
Contributions subsequent to the measurement date	2,363	-
Total	\$ 8,710	\$ 11,818

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

At December 31, 2020, the Commission reported approximately \$2,913,000 as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability at December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows (dollars in thousands):

2021	\$	(3,567)
2022		(305)
2023		(751)
2024		<u>1,280</u>
	\$	<u><u>(3,343)</u></u>

PEPFF

At December 31, 2020 and 2019, the Commission reported a liability of approximately \$16,907,000 and \$14,589,000, respectively, for its proportionate share of PEPFF's net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the Commission's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the Commission's proportion was 1.2827%, which was a decrease of 0.0877% from its proportion of 1.3704% measured as of June 30, 2019.

For the years ended December 31, 2020 and 2019, the Commission recognized pension expense of \$1,990,000 and \$2,822,000, respectively, for its proportionate share of PEPFF's pension expense. The Commission also recognized \$156,000 and \$407,000 for the years ended December 31, 2020 and 2019, respectively, as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's on-behalf contributions to PEPFF.

Total pension expense for the PEPFF and GERG plans was \$4,088,000 and \$9,573,000 for the years ended December 31, 2020 and 2019.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

At December 31, 2020 and 2019, the Commission reported its proportionate share of PEPFF's deferred outflows of resources and deferred inflow of resources related to pensions from the following sources (dollars in thousands):

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 747	\$ 803
Net difference between projected and actual earnings on pension plan investments	514	-
Changes of assumptions	5,666	10,544
Changes in proportion	1,518	1,449
Contributions subsequent to the measurement date	1,307	-
Total	\$ 9,752	\$ 12,796

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 619	\$ 2,221
Net difference between projected and actual earnings on pension plan investments	-	3,039
Changes of assumptions	12,107	16,378
Changes in proportion	2,053	324
Contributions subsequent to the measurement date	1,258	-
Total	\$ 16,037	\$ 21,962

At December 31, 2020, the Commission reported approximately \$1,307,000 as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability at December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows (dollars in thousands):

2021	\$ (1,138)
2022	(4,566)
2023	927
2024	664
2025	(238)
	\$ (4,351)

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Actuarial Assumptions (Both Plans)

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Inflation	2.50% per year
Active member payroll growth	3.25% per year
Long-term expected rate of return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for both plans for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1.25% for GERF and 1.00% for PEPFF.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for GERF was completed in 2019. The most recent five-year experience study for PEPFF was completed in 2016.

The following changes in actuarial assumptions occurred in 2020:

GERF

- The mortality projection scale was changed from MP-2018 to MP-2019.

PEPFF

- The mortality projection scale was changed from MP-2018 to MP-2019.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	36%	5.1%
International stocks	18%	5.3%
Fixed income	20%	0.8%
Alternative assets	25%	5.9%
Cash	1%	0.0%
	100%	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Discount Rates

The discount rate used to measure the total pension liability for GERF was 7.5% in 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at rates set in Minnesota Statutes. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

For the 2020 and 2019 PEPFF actuarial valuation, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.5% was used as the discount rate to measure the total pension liability for PEPFF in 2020 and 2019.

Pension Liability Sensitivity

The following presents the Commission's proportionate share of the net pension liability for both plans it participates in, calculated using the discount rate disclosed in the preceding paragraphs, as well as what the Commission's proportionate share of the net pension liabilities would be if they were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate (dollars in thousands):

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Commission's proportionate share of the GERF net pension liability	\$ 84,912	\$ 52,982	\$ 26,642
Commission's proportionate share of the PEPFF net pension liability	33,699	16,907	3,015

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

NOTE L: Single-Employer Defined Benefit Other Postemployment Benefit Plan

Plan Description

The Commission contributes to a single-employer defined benefit other postemployment benefit (OPEB) plan covering substantially all employees. The OPEB Plan is administered by the Commission and the OPEB trust is administered by a board of trustees appointed by the Commission. Benefit provisions are contained in the plan document and were established and can be amended by action of the Airport's Commission. The OPEB Plan does not issue a separate report that includes financial statements and required supplementary information for the OPEB Plan.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Benefits Provided

The OPEB Plan provides medical benefits to eligible retirees and their dependents. Benefits are provided under a single employer, self-insured plan. The benefit provided to retirees and their dependents is determined by the employees hire date with the Commission, see Contributions below. All non-union employees who retire at age 55 or later, have three years of service or who are receiving benefits from the PERA and who do not participate in any other health benefits program providing coverage similar to that herein described are eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the Commission's health benefits program. Union employees require ten years of service to be eligible for benefits.

The OPEB plan does not include any terms for automatic or ad hoc postemployment benefit changes, including COLAs or the sharing of benefit-related costs with inactive employees.

The employees covered by benefit terms at December 31, 2020 and 2019 are:

	<u>2020</u>	<u>2019</u>
Inactive employees or beneficiaries currently receiving benefit payments	264	269
Active employees	<u>614</u>	<u>597</u>
	<u>878</u>	<u>866</u>

Contributions

The contribution requirements of employees and retirees are established and may be amended by the Commission. The required contribution is based upon projected pay-as-you-go financing requirements and funding for future benefits. For employees hired prior to January 1, 1991, the Commission makes contributions (as specified in union agreements or the Commission's personnel policy) toward required premiums at the same percentages applicable to active employees and their eligible dependent(s) until becoming eligible for Medicare Part A or B, or both. The Commission pays 100% of the premium for the retired employee, a spouse over age 65, and any legal dependents, provided that the retired employee is receiving benefits from the PERA and is enrolled in Medicare Part A and B as his/her primary health insurance. As of January 1, 1991, all employees hired by the Commission are only able to participate in the Commission medical plan up to age 65. During 2004, the Commission approved that non-organized employees hired after October 1, 2004 will be able to participate in the Commission medical plan provided that the retiree pay 100% of the total premium cost plus a 2% administrative fee. During 2006 and 2007, the Commission was successful in getting language in all eligible labor agreements that provides that organized employees hired after the date of the signed contract will be able to participate in the Commission's health plan provided that the retiree pays 100% of the total premium cost plus a 2% administrative fee.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

The Commission contributed approximately \$6,082,000 and \$5,484,000 to the plan in fiscal years 2020 and 2019, respectively. The 2020 contributions include \$3,420,000 previously designated by the Commission that were transferred into this plan during 2020 and \$2,662,000 of benefit payments paid from the Commission's other assets. The 2019 contributions include \$1,752,000 of funds previously designated by the Commission that were transferred into this plan during 2019 and \$3,733,000 of benefit payments paid from the Commission's other assets. Retirees contributed approximately \$210,000 and \$251,000 for fiscal years 2020 and 2019, respectively. Included in the OPEB trust's contributions is a receivable from the Commission of \$2,574,980 and \$276,223 at December 31 2020 and 2019, respectively.

Net OPEB Liability

The Commission's net OPEB liability of \$17,321,000 and \$14,406,000 was measured as of December 31, 2020 and 2019, for the years ended December 31, 2020 and 2019, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.0 to 12.25%, including inflation
Health care cost trend rates	6.7% for 2020, decreasing to an ultimate rate of 3.8% for 2075 and later years
Investment rate of return	3.25%
Retirees' share of benefit-related costs	4.2% and 15.49% of projected health insurance premiums for retirees

The total OPEB liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.3 to 12.3%, including inflation
Health care cost trend rates	6.4% for 2019, decreasing to an ultimate rate of 4% for 2075 and later years
Investment rate of return	4%
Retirees' share of benefit-related costs	4.3% and 13.6% of projected health insurance premiums for retirees

Mortality rates for general employees were based on the Pub-2010 mortality tables, as appropriate with adjustments for mortality improvements based on MP-2019, and other adjustments. Mortality rates for police & fire employees were based on the RP-2014 mortality tables, as appropriate with adjustments for mortality improvements based on MP-2019, and other adjustments.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2019 through December 31, 2019.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

The long-term expected rate of return on the OPEB Plan investments was based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information. The target allocation and best estimates of rates of return for each major asset class at December 31, 2020 and 2019 are summarized in the following tables:

2020		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	0.00%	4.90%
International stocks	0.00%	5.32%
Fixed income	98.65%	1.40%
Alternative assets	0.00%	4.43%
Cash	<u>1.35%</u>	0.09%
	<u><u>100%</u></u>	

2019		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	0.00%	4.76%
International stocks	0.00%	5.41%
Fixed income	90.88%	2.01%
Alternative assets	0.00%	4.53%
Cash	<u>9.12%</u>	0.74%
	<u><u>100%</u></u>	

For the years ended December 31, 2020 and 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.04% and 5.31%, respectively. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amount invested.

Discount Rate

The discount rate used to measure the total OPEB liability was 4%, for the years ended December 31, 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that Commission contributions will be made at rates equal to the expected benefit payments. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total plan liability.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Changes in the Net OPEB Liability

Changes in the total OPEB liability, OPEB Plan fiduciary net position and the net OPEB liability as of December 31, 2020 and 2019 are:

	2020		
	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance, beginning of year	\$ 85,921	\$ 71,515	\$ 14,406
Changes for the year:			
Service Cost	864	-	864
Interest	3,418	-	3,418
Differences between expected and actual experience	1,035	-	1,035
Changes of assumptions	7,323	-	7,323
Contributions - employer	-	6,082	(6,082)
Net investment loss	-	3,643	(3,643)
Benefit payments	(2,662)	(2,662)	-
Net changes	9,978	7,063	2,915
Balance, end of year	\$ 95,899	\$ 78,578	\$ 17,321

	2019		
	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance, beginning of year	\$ 91,506	\$ 66,152	\$ 25,354
Changes for the year:			
Service Cost	927	-	927
Interest	3,624	-	3,624
Differences between expected and actual experience	(4,091)	-	(4,091)
Changes of assumptions	(2,364)	-	(2,364)
Contributions - employer	-	5,485	(5,485)
Net investment loss	-	3,559	(3,559)
Benefit payments	(3,681)	(3,681)	-
Net changes	(5,585)	5,363	(10,948)
Balance, end of year	\$ 85,921	\$ 71,515	\$ 14,406

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Changes in assumptions:

- The discount rate and long-term expected rate of return on OPEB plan investments was changed from 4.00% to 3.25% based on updated capital market assumptions.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2019 PERA General Employees Plan and July 1, 2019 Police & Fire Plan valuations to the rates used in the July 1, 2020 valuations.
- The percent of future retirees assumed to elect spouse coverage at retirement changed from 50% to 60% to reflect recent plan experience.
- The percent of future retirees over age 65 electing each medical plan changed to reflect recent plan experience. The following table provides the changes for the assumed percent electing each plan:

Medical Plan	Fiscal 2020 Valuation	Fiscal 2019 Valuation
Blue Plan	100%	90%
HAS Plan	0%	10%

- The inflation assumption was changed from 2.50% to 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.
- The payroll growth assumption was changed from 3.25% to 3.00% based on the July 1, 2020 PERA valuations.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates

The net OPEB liability of the Commission has been calculated using a discount rate of 3.25% and 4.0% at December 31, 2020 and 2019, respectively. The following presents the net OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	2020		
	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$ 29,511	\$ 17,321	\$ 7,183

	2019		
	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$ 24,390	\$ 14,406	\$ 5,995

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

The net OPEB liability of the Commission has been calculated using health care cost trend rates of 6.7% decreasing to 3.8% at December 31, 2020 and 6.4% decreasing to 4.0% in 2019. The following presents the net OPEB liability using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates.

	2020		
	Current Health Care Cost Trend Rates		
	1% Decrease	1% Increase	1% Increase
Net OPEB liability	\$ 6,254	\$ 17,321	\$ 30,522

	2019		
	Current Health Care Cost Trend Rates		
	1% Decrease	1% Increase	1% Increase
Net OPEB liability	\$ 5,086	\$ 14,406	\$ 25,416

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2020 and 2019, respectively, the Commission recognized OPEB revenue of \$232,000 and \$1,559,000. At December 31, 2020 and 2019, the Commission reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 793	\$ 2,192
Changes of assumptions	5,600	3,851
Net difference between projected and actual earnings on OPEB plan investments	-	1,098
Total	\$ 6,393	\$ 7,141

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,142
Changes of assumptions	-	6,169
Net difference between projected and actual earnings on OPEB plan investments	-	656
Total	\$ -	\$ 9,967

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2020, related to OPEB will be recognized in OPEB expense as follows:

2021	\$ (1,623)
2022	(667)
2023	1,165
2024	377
	\$ (748)

NOTE M: RISK MANAGEMENT

Risk management is the responsibility of the Commission. The Commission is self-insured for workers' compensation and health/dental claims. Claims paid for workers compensation for 2020 and 2019 were approximately \$407,000 and \$684,000, respectively. Claims paid for health and dental coverage for 2020 and 2019 were approximately \$9,759,000 and \$8,208,000, respectively. The unpaid claims for workers compensation at December 31, 2020 and 2019 were approximately \$1,038,000 and \$1,023,000, respectively. The health and dental unpaid claims at December 31, 2020 and 2019 were approximately \$631,000 and \$901,000, respectively. The liability recorded under employee compensation and payroll taxes by the Commission includes estimated settlements for claims reported but not settled as of December 31, 2020 and 2019, as well as an estimate of claims incurred but not reported. The entire liability is included in the current liabilities section of the statements of net position since any amounts considered to be noncurrent are believed to not be material. Changes in the balances of claim liabilities during 2020 and 2019 was as follows (dollars in thousands):

	2020	2019
Unpaid claims - beginning of year	\$ 1,925	\$ 1,798
Incurred claims and changes in estimates	9,909	9,019
Claims paid	(10,166)	(8,892)
Unpaid claims - end of year	\$ 1,668	\$ 1,925

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

Operationally, the Commission is exposed to various risks of loss relating to theft, damage and destruction of assets, as well as natural disasters and certain tort liabilities for which commercial insurance is carried. The commercial insurance policies carry a deductible of \$50,000. Settled claims have not exceeded this commercial coverage in any of the past three years. Insurance policies procured, including commercial general liability and commercial property damage, are inclusive of coverage for certain war casualty and acts of terrorism. Coverage terms, limits, and deductibles have each been benchmarked in comparison with those maintained at other large-size airports and found to be within the range of our peers. Although coverage limits are significant, no assurance can be given that such coverage will continue to be available at such amounts and/or at a reasonable cost.

Casualty loss involving damage to or destruction of physical property in the course of construction is covered under the Commission's property insurance policy. This policy does not apply to the Commission contractors. This policy contains a deductible of \$250,000 per occurrence applicable to all covered causes of loss, including flood and earth movement.

The Commission requires entities providing professional services to the Commission to obtain an owner's protective professional indemnity policy. Contracted professional service firms participating in this project are required to provide evidence of at least \$1,000,000 of coverage and names the Commission as an additional insured on the general liability policy, leaving the Commission minimally exposed.

NOTE N: CONTINGENT LIABILITIES AND COMMITMENTS

The nature of the business of the airport generates certain litigation against the Commission arising in the ordinary course of business. The Commission believes that existing and pending lawsuits and claims are either billable to airport users or would not materially affect the financial statements of the Commission.

Contractual obligations for construction were approximately \$81,548,000 at December 31, 2020.

Noise Abatement

On October 19, 2007, the Minnesota State District Court, Fourth Judicial District (the District Court) approved a Consent Decree negotiated by the City of Minneapolis, the Minneapolis Public Housing Authority in and for the City of Minneapolis, the City of Eagan and the City of Richfield (collectively, the "Noise Plaintiffs") and the Commission to settle noise abatement lawsuits.

Under the Consent Decree, the Commission must provide noise mitigation to homes and apartments in the 60 to 64 DNL contours. Noise mitigation activities vary based on noise contours, with homes in the most noise-impacted contours eligible for more extensive mitigation than those in less impacted areas. Multi-family dwellings (those with more than three living units) receive less extensive mitigation than single-family homes. The total cost to the Commission under this program was \$102,000,000 as of December 31, 2020. All the original program terms under the Consent Decree were completed by the Commission in 2014.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

The Consent Decree was amended in 2013 by establishing criteria to provide noise mitigation to homes and apartments through December 31, 2024. It is expected that some additional homes will become eligible for noise mitigation based upon changes in the DNL contours. Also, some homes will move into a higher DNL contour. A home will become eligible for consent decree noise mitigation if it is located or changes DNL contour levels for three consecutive years. The noise mitigation provided to the home or apartment will be consistent with the terms and levels of the original consent decree. The total cost to the Commission under the amended program was \$31,300,000 as of December 31, 2020.

The costs related to the noise abatement settlements will be funded from internally generated funds of the Commission.

Economic Events

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Commission, including reduction in the overall investment position and declines in passenger traffic. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act includes \$10 billion in funds to be awarded as economic relief to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. The CARES Act provides funds to increase the federal share to 100 percent for Airport Improvement Program and supplemental discretionary grants already planned for fiscal year 2020. The Commission awarded approximately \$125,900,000 of these new funds of which approximately \$87,700,000 of the grant award was requested for reimbursement of certain operating expenses and debt service payments in 2020.

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was signed into law. The CRRSA Act includes \$2 billion in funds to be awarded as economic relief to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. The CRRSA Act provided funds to airports to use for operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. The CRRSA Act also included funds to airports to provide relief from rent and minimum annual guarantee obligations to eligible airport concessions. The Commission was awarded approximately \$33,500,000 in total grant funds, of which none were requested for reimbursement as of December 31, 2020.

In March 2021, the American Rescue Plan (ARP) Act was signed into law. The ARP Act includes \$8 billion in funds to be awarded as economic relief to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. Additionally, the ARP Act provides funds to be distributed by various formulas for all airports that are part of the national airport system, including the Commission.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Fiscal years ended December 31, 2020 and 2019

NOTE O: MAJOR CUSTOMER

Delta Airlines, Inc. (Delta) is in the business of transporting air passengers, mail and property. Delta operates both domestic and international air route systems. Minneapolis/St. Paul International Airport (MSP) is one of Delta's major hubs. Airport revenues from Delta account for approximately 26% of operating revenues and 62% of total revenues from major airlines. Approximately 49% of total 2020 enplanements are attributable to Delta's operation. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities. It is therefore reasonable to assume that any financial or operational difficulties incurred by Delta, the predominant airline servicing MSP, could have a material adverse effect on the Commission.

NOTE P: RENTAL INCOME FROM OPERATING LEASES

The Commission leases space at the airport terminal buildings as well as other land and building leases on a fixed fee as well as a contingent rental basis. Many of the leases provide for a periodic review and adjustment of the rental amounts. Substantially all capital assets are held by the Commission for the purpose of rental or related use. At December 31, 2020, minimum future rentals scheduled to be received on operating leases that have initial or remaining non-cancelable terms in excess of one year are (dollars in thousands):

2021	\$ 116,581
2022	115,710
2023	109,970
2024	102,663
2025	96,379
Thereafter	<u>538,471</u>
	<u>\$ 1,079,774</u>

Contingent rentals and fees aggregated approximately \$67,700,000 and \$121,700,000 in 2020 and 2019, respectively.

This page was intentionally left blank.

Required Supplementary Information

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
Schedule of Commission's Proportionate Share of the Net Pension Liability
Required Supplementary Information (Last Ten Years*)
(Unaudited)

Fiscal year ended December 31, 2020
(Dollars in Thousands)

General Employees Retirement Fund

	2020	2019	2018	2017	2016	2015	2014
Commission's proportion of the net pension liability	0.8837%	0.9941%	0.8975%	0.8819%	1.0083%	1.0417%	0.6777%
Commission's proportionate share of the net pension liability	\$ 52,982	\$ 54,962	\$ 49,790	\$ 56,300	\$ 81,869	\$ 53,986	\$ 31,835
State's proportionate share of the net pension liability associated with the Commission	1,634	1,708	1,633	708	1,069	-	-
Total	\$ 54,616	\$ 56,670	\$ 51,423	\$ 57,008	\$ 82,938	\$ 53,986	\$ 31,835
Commission's covered payroll	\$ 46,834	\$ 46,997	\$ 44,773	\$ 41,259	\$ 39,103	\$ 37,175	\$ 36,047
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	113%	117%	111%	136%	209%	145%	88%
Plan fiduciary net position as a percentage of the total pension liability	79%	80%	80%	76%	69%	78%	79%

Public Employees Police and Fire Fund

	2020	2019	2018	2017	2016	2015	2014
Commission's proportion of the net pension liability	1.2827%	1.3704%	1.0359%	1.2200%	1.2430%	1.2710%	1.2310%
Commission's proportionate share of the net pension liability	\$ 16,907	\$ 14,589	\$ 13,920	\$ 16,471	\$ 49,884	\$ 14,442	\$ 13,295
Commission's covered payroll	\$ 14,476	\$ 14,719	\$ 13,992	\$ 12,777	\$ 12,217	\$ 11,807	\$ 11,221
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	117%	99%	99%	129%	408%	122%	118%
Plan fiduciary net position as a percentage of the total pension liability	87%	89%	89%	85%	64%	87%	87%

*The amounts presented for each fiscal year were determined as of June 30 (measurement date).

Note: Ten years of information is required to be disclosed and will be added as the information becomes available.

NOTES TO SCHEDULE:

Benefit changes: none

Changes of assumptions: The following changes in assumptions were made from the June 30, 2019 valuations.

GERF

- The mortality projection scale was changed from MP-2017 to MP-2018.

PEPFF

- The mortality projection scale was changed from MP-2017 to MP-2018.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
Schedule of Commission's Pension Contributions
Required Supplementary Information (Last Ten Years*)
(Unaudited)

Fiscal year ended December 31, 2020
(Dollars in Thousands)

General Employees Retirement Fund	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 4,702	\$ 4,228	\$ 5,096	\$ 4,198	\$ 4,085	\$ 4,747	\$ 4,556
Contributions in relation to the statutorily required contribution	\$ 4,702	\$ 4,228	\$ 5,096	\$ 4,198	\$ 4,085	\$ 4,747	\$ 4,556
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered payroll	\$ 48,222	\$ 47,189	\$ 46,016	\$ 41,912	\$ 40,274	\$ 38,019	\$ 37,151
Contributions as a percentage of covered payroll	9.75%	8.96%	11.07%	10.02%	10.14%	12.49%	12.26%

Public Employees Police and Fire Fund	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 2,557	\$ 2,493	\$ 2,307	\$ 2,040	\$ 2,055	\$ 1,920	\$ 1,763
Contributions in relation to the statutorily required contribution	\$ 2,557	\$ 2,493	\$ 2,307	\$ 2,040	\$ 2,055	\$ 1,920	\$ 1,763
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered payroll	\$ 15,784	\$ 15,389	\$ 14,241	\$ 12,593	\$ 12,685	\$ 11,852	\$ 11,523
Contributions as a percentage of covered payroll	16.20%	16.20%	16.20%	16.20%	16.20%	16.20%	15.30%

*The amounts presented for each fiscal year were determined as of December 31.

Note: Ten years of information is required to be disclosed and will be added as the information becomes available.

NOTES TO SCHEDULE:

Benefit changes: none

Changes in assumptions:

GERF - no changes

PEPFF - no changes

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
Schedule of Changes in the Commission's Net OPEB Liability and Related Ratios
(Unaudited)

Fiscal year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
TOTAL OPEB LIABILITY		
Service cost	\$ 864	\$ 927
Interest	3,418	3,624
Differences between expected and actual experience	1,035	(4,091)
Changes of assumptions	7,323	(2,364)
Benefit payments	<u>(2,662)</u>	<u>(3,681)</u>
Net change in total OPEB liability	9,978	(5,585)
Total OPEB liability - beginning	<u>85,921</u>	<u>91,506</u>
Total OPEB liability - ending	<u><u>\$ 95,899</u></u>	<u><u>\$ 85,921</u></u>
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 6,083	\$ 5,485
Net investment income	3,642	3,558
Benefit payments	<u>(2,662)</u>	<u>(3,680)</u>
Net change in fiduciary net position	7,063	5,363
Plan fiduciary net position - beginning	<u>71,515</u>	<u>66,152</u>
Plan fiduciary net position - ending	<u><u>\$ 78,578</u></u>	<u><u>\$ 71,515</u></u>
Commission's Net OPEB liability - ending	<u><u>\$ 17,321</u></u>	<u><u>\$ 14,406</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	82%	83%
Covered payroll	\$ 61,188	\$ 59,998
Commission's Net OPEB liability as a percentage of covered payroll	157%	143%

Note: Ten years of information is required to be disclosed and will be added as the information becomes available.

NOTES TO SCHEDULE:

Changes of assumptions:

- The discount rate and long-term expected rate of return on OPEB plan investments was changed from 4.00% to 3.25% based on updated capital market assumptions.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2019 PERA General Employees Plan and July 1, 2019 Police & Fire Plan valuations to the rates used in the July 1, 2020 valuations.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
Schedule of Changes in the Commission's Net OPEB Liability and Related Ratios
(Unaudited)

Fiscal year ended December 31, 2020

- The percent of future retirees assumed to elect spouse coverage at retirement changed from 50% to 60% to reflect recent plan experience.
- The percent of future retirees over age 65 electing each medical plan changed to reflect recent plan experience. The following table provides the changes for the assumed percent electing each plan:

Medical Plan	Fiscal 2020 Valuation	Fiscal 2019 Valuation
Blue Plan	100%	90%
HAS Plan	0%	10%

- The inflation assumption was changed from 2.50% to 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.
- The payroll growth assumption was changed from 3.25% to 3.00% based on the July 1, 2020 PERA valuations.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
Schedule of Commission's OPEB Contributions
(Unaudited)

Fiscal year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
Contractually determined contribution	\$ 6,083	\$ 5,485
Contributions in relation to the contractually determined contribution	<u>6,083</u>	<u>5,485</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	61,188	59,998
Contributions as a percentage of covered payroll	10%	9%

Note: Ten years of information is required to be disclosed and will be added as the information becomes available.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
Schedule of OPEB Investment Returns
(Unaudited)

Fiscal year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	5.04%	5.31%

Note: Ten years of information is required to be disclosed and will be added as the information becomes available.



Statistical Section

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

This page was intentionally left blank.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

This part of the Commission's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures say about the Commission's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time. (Pages 72 - 75)

Revenue Capacity

These schedules are intended to assist the reader in understanding and assessing the factors that affect the Commission's ability to generate its own revenues. (Pages 76 - 83)

Debt Capacity

These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future. (Pages 84 - 86)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place. (Pages 87 - 90)

Operating Information

These schedules are intended to provide contextual information about the Commission's operations and resources in order for readers to understand and assess its economic condition. (Pages 91 - 99)

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Historical Operating Statements For the Years Ending December 31 (Dollars in Thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATING REVENUES										
Airline rates and charges	\$ 96,422	\$ 98,437	\$ 106,015	\$ 111,005	\$ 107,805	\$ 112,653	\$ 113,056	\$ 123,631	\$ 131,397	\$ 94,259
Concessions	118,792	126,399	131,321	136,445	146,893	160,691	172,476	177,375	191,113	76,636
Rentals/fees	27,575	27,999	33,327	34,117	36,086	48,473	49,970	52,241	54,042	41,471
Utilities and other revenues	13,758	13,581	15,382	16,768	16,637	17,115	18,442	20,011	24,309	15,710
TOTAL OPERATING REVENUES	<u>256,547</u>	<u>266,416</u>	<u>286,045</u>	<u>298,335</u>	<u>307,421</u>	<u>338,932</u>	<u>353,944</u>	<u>373,258</u>	<u>400,861</u>	<u>228,076</u>
OPERATING EXPENSES										
Personnel	66,297	68,145	71,107	72,358	81,728	94,425	87,993	86,151	90,845	79,146
Administrative	1,532	1,561	1,407	1,610	1,521	1,723	1,993	2,058	1,753	1,057
Professional services	4,167	4,536	4,514	4,972	5,574	6,217	6,151	6,210	7,123	5,160
Utilities	16,568	16,288	18,633	20,873	18,304	18,816	19,619	19,930	18,847	17,382
Operating services	17,151	17,379	18,940	19,583	21,230	23,389	26,073	28,280	30,950	26,256
Maintenance	27,057	26,052	29,305	31,377	32,089	36,319	36,293	42,576	46,988	39,707
Depreciation and amortization	118,985	120,201	128,032	131,069	134,419	139,226	142,970	147,299	150,549	160,889
Other	3,531	2,632	2,950	3,323	3,454	4,411	5,611	4,531	4,354	4,051
TOTAL OPERATING EXPENSES	<u>255,288</u>	<u>256,794</u>	<u>274,888</u>	<u>285,165</u>	<u>298,319</u>	<u>324,526</u>	<u>326,703</u>	<u>337,035</u>	<u>351,409</u>	<u>333,648</u>
OPERATING INCOME (LOSS)	<u>1,259</u>	<u>9,622</u>	<u>11,157</u>	<u>13,170</u>	<u>9,102</u>	<u>14,406</u>	<u>27,241</u>	<u>36,223</u>	<u>49,452</u>	<u>(105,572)</u>
NONOPERATING REVENUES (EXPENSES)										
Investment income	21,440	8,184	7,066	8,746	9,241	12,634	12,306	19,104	25,463	13,507
Federal interest rate subsidies	-	-	-	-	599	914	978	940	919	896
Passenger facility charges	62,244	62,231	65,291	67,106	70,471	72,273	73,390	73,734	77,430	28,669
Gain (loss) on disposal of assets	14	(1,172)	(561)	(16,387)	60	2,029	(6,513)	(3,841)	99	62
Hotel facility charges	-	-	-	-	-	-	-	-	-	-
Interest expense	(78,186)	(64,613)	(64,792)	(67,734)	(57,614)	(62,238)	(48,949)	(42,810)	(53,270)	(49,329)
Flood expense net of insurance recovery	58	-	-	-	-	-	-	(365)	(181)	(81)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>5,570</u>	<u>4,630</u>	<u>7,004</u>	<u>(8,269)</u>	<u>22,757</u>	<u>25,612</u>	<u>31,212</u>	<u>46,762</u>	<u>50,460</u>	<u>(6,276)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND GRANTS	<u>6,829</u>	<u>14,252</u>	<u>18,161</u>	<u>4,901</u>	<u>31,859</u>	<u>40,018</u>	<u>58,453</u>	<u>82,985</u>	<u>99,912</u>	<u>(111,848)</u>
CAPITAL CONTRIBUTIONS AND GRANTS	<u>22,635</u>	<u>19,940</u>	<u>33,472</u>	<u>20,498</u>	<u>14,686</u>	<u>4,003</u>	<u>1,427</u>	<u>8,042</u>	<u>9,550</u>	<u>112,244</u>
CHANGE IN NET POSITION	<u>29,464</u>	<u>34,192</u>	<u>51,633</u>	<u>25,399</u>	<u>46,545</u>	<u>44,021</u>	<u>59,880</u>	<u>91,027</u>	<u>109,462</u>	<u>396</u>
NET POSITION, BEGINNING OF YEAR, AS RESTATED	<u>1,584,129</u>	<u>1,613,593</u>	<u>1,642,316</u>	<u>1,693,949</u>	<u>1,719,348</u>	<u>1,716,774</u>	<u>1,760,795</u>	<u>1,820,675</u>	<u>1,876,773</u>	<u>1,986,235</u>
CHANGES IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENTS ^{1,2,3}	<u>-</u>	<u>(5,469)</u>	<u>-</u>	<u>-</u>	<u>(49,119)</u>	<u>-</u>	<u>-</u>	<u>(34,929)</u>	<u>-</u>	<u>-</u>
NET POSITION - BEGINNING OF YEAR, AS RESTATED	<u>1,584,129</u>	<u>1,608,124</u>	<u>1,642,316</u>	<u>1,693,949</u>	<u>1,670,229</u>	<u>1,716,774</u>	<u>1,760,795</u>	<u>1,785,746</u>	<u>1,876,773</u>	<u>1,986,235</u>
NET POSITION, END OF YEAR	<u>\$ 1,613,593</u>	<u>\$ 1,642,316</u>	<u>\$ 1,693,949</u>	<u>\$ 1,719,348</u>	<u>\$ 1,716,774</u>	<u>\$ 1,760,795</u>	<u>\$ 1,820,675</u>	<u>\$ 1,876,773</u>	<u>\$ 1,986,235</u>	<u>\$ 1,986,631</u>

¹ For the years ended December 31, 2009-2011, the amounts shown do not reflect the adoption of GASB Statement No. 65.

² For the years ended December 31, 2009-2014, the amounts shown do not reflect the adoption of GASB Statement No. 68.

³ For the years ended December 31, 2009-2017, the amounts shown do not reflect the adoption of GASB Statement No. 75.

Source: Audited financial statements for the last ten years

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Historical Revenues 2011 - 2020 Pursuant to the Commission's Master Trust Indenture (Dollars in Thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Airline Rates & Charges										
Landing fees	\$ 50,957	\$ 51,964	\$ 55,543	\$ 57,049	\$ 57,408	\$ 60,099	\$ 62,083	\$ 69,000	\$ 75,149	\$ 45,025
Ramp fees	6,328	6,092	6,803	7,213	7,132	7,408	7,137	8,070	7,304	6,221
Terminal 1 building rents	36,244	37,423	39,626	41,739	41,427	45,170	43,286	45,755	45,937	32,597
Other Terminal 1 charges	3,841	3,351	3,506	3,862	4,872	4,684	5,248	5,822	5,580	4,529
Concessions rebate	(9,324)	(9,597)	(9,889)	(10,294)	(13,777)	(15,827)	(17,195)	(18,683)	(18,576)	(6,606)
Terminal 2 Building Rentals	8,148	8,991	10,160	11,165	10,480	10,813	12,300	13,399	13,890	10,933
Apron Fees - Non-Signatory	228	213	266	271	264	307	197	268	296	121
Total Airline Rates & Charges	96,422	98,437	106,015	111,005	107,806	112,654	113,056	123,631	129,580	92,820
Concessions										
Auto parking	66,612	72,621	76,569	80,659	87,579	91,235	95,231	93,887	103,082	38,528
Rental car	17,112	17,324	17,732	17,939	18,708	19,876	19,410	20,824	20,845	8,671
Food and beverage	13,398	13,808	14,743	16,128	16,836	21,044	23,137	24,241	25,499	9,974
Merchandise	8,373	8,607	8,489	8,245	8,191	8,701	10,170	11,056	11,037	3,623
Employee parking	2,578	2,929	2,414	2,917	3,328	3,653	4,101	4,352	5,047	3,823
Other	10,719	11,110	11,374	10,557	12,251	16,182	20,426	23,015	27,419	13,343
Total Concessions Revenue	118,792	126,399	131,321	136,445	146,893	160,691	172,475	177,375	192,929	77,962
Other Revenues										
Utilities	3,006	2,784	3,181	3,265	3,039	2,105	2,233	2,400	2,406	1,383
Other building and land rent	25,299	26,199	31,095	31,885	34,079	46,480	49,063	50,695	52,360	37,793
Other	7,567	6,937	7,731	8,648	8,666	9,243	9,235	10,771	14,588	9,566
Total Other Revenues	35,872	35,920	42,007	43,798	45,784	57,828	60,531	63,866	69,354	48,742
Total MSP Revenue	251,086	260,756	279,343	291,248	300,483	331,173	346,062	364,872	391,863	219,524
Total Reliever Airports	5,461	5,661	6,702	7,087	6,938	7,759	7,882	8,386	8,997	8,552
Total Operating Revenues	256,547	266,417	286,045	298,335	307,421	338,932	353,944	373,258	400,860	228,076
Investment income										
Capital lease interest	16,133	4,140	3,835	3,792	4,167	3,913	3,741	2,828	2,900	2,839
Other ²	3,948	2,926	2,648	4,144	4,438	5,413	4,559	8,774	14,411	8,568
Total Investment Income	20,081	7,066	6,483	7,936	8,605	9,326	8,300	11,602	17,311	11,407
Capital lease principal payments	19,294	7,805	8,107	8,292	6,075	4,576	4,654	24,532	2,745	3,168
Total Revenues ¹	\$ 295,922	\$ 281,288	\$ 300,635	\$ 314,563	\$ 322,101	\$ 352,834	\$ 366,898	\$ 409,392	\$ 420,916	\$ 242,651

¹ Total Revenues do not include any PFC's as defined by the master trust indenture.

² Interest income on PFC's, Bond Series Construction Funds and Short-Term Funding Advances are not included as defined by the master trust indenture.

Source: Audited financial statements for the last ten years

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Percentage Distribution of Operating Revenues 2011 - 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Airline Rates & Charges										
Landing fees	19.7%	19.6%	19.4%	19.1%	18.7%	17.7%	17.5%	18.4%	18.7%	19.7%
Ramp fees	2.5%	2.3%	2.4%	2.4%	2.3%	2.2%	2.0%	2.2%	1.8%	2.7%
Terminal 1 building rents	14.1%	14.0%	13.9%	14.2%	13.4%	13.3%	12.2%	12.3%	11.5%	14.3%
Other Terminal 1 charges	1.5%	1.3%	1.2%	1.3%	1.6%	1.4%	1.5%	1.6%	1.4%	2.0%
Concessions rebate	-3.6%	-3.6%	-3.5%	-3.5%	-4.5%	-4.7%	-4.9%	-5.0%	-4.6%	-2.9%
Terminal 2 Building Rentals	3.3%	3.4%	3.6%	3.7%	3.4%	3.2%	3.5%	3.6%	3.5%	4.8%
Total Airline Rates & Charges	37.5%	37.0%	37.0%	37.2%	34.9%	33.1%	31.8%	33.1%	32.3%	40.6%
Concessions										
Auto parking	26.0%	27.3%	26.8%	27.0%	28.5%	26.9%	26.9%	25.2%	25.7%	16.9%
Rental car	6.7%	6.5%	6.2%	6.0%	6.1%	5.9%	5.5%	5.6%	5.2%	3.8%
Food and beverage	5.2%	5.2%	5.2%	5.4%	5.5%	6.2%	6.5%	6.5%	6.4%	4.4%
Merchandise	3.3%	3.2%	3.0%	2.8%	2.7%	2.6%	2.9%	3.0%	2.8%	1.6%
Employee parking	1.0%	1.1%	0.8%	1.0%	1.1%	1.1%	1.2%	1.2%	1.3%	1.7%
Other	4.2%	4.2%	4.0%	3.5%	4.0%	4.9%	5.9%	6.3%	6.8%	5.9%
Total Concessions Revenue	46.4%	47.5%	46.0%	45.7%	47.9%	47.6%	48.9%	47.8%	48.2%	34.3%
Other Revenues										
Utilities	1.2%	1.0%	1.1%	1.1%	1.0%	0.6%	0.6%	0.6%	0.6%	0.6%
Other building and land rent	9.9%	9.8%	10.9%	10.7%	11.1%	13.7%	13.9%	13.4%	13.1%	16.6%
Other	2.9%	2.6%	2.7%	2.9%	2.8%	2.7%	2.6%	2.9%	3.6%	4.2%
Total Other Revenues	14.0%	13.4%	14.7%	14.7%	14.9%	17.0%	17.1%	16.9%	17.3%	21.4%
Total MSP Revenue	97.9%	97.9%	97.7%	97.6%	97.7%	97.7%	97.8%	97.8%	97.8%	96.3%
Total Reliever Airports	2.1%	2.1%	2.3%	2.4%	2.3%	2.3%	2.2%	2.2%	2.2%	3.7%
Total Operating Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Net Position by Business-Type Activities 2011 - 2020 (Dollars in Thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business Type Activities										
Net investment in capital assets	\$ 1,144,522	\$ 1,123,522	\$ 1,168,529	\$ 1,152,189	\$ 1,163,545	\$ 1,265,771	\$ 1,338,558	\$ 1,447,104	\$ 1,476,160	\$ 1,713,428
Restricted	306,528	373,736	362,468	287,279	299,192	341,266	278,281	302,793	387,696	143,130
Unrestricted	162,543	145,058	162,952	279,880	254,037	153,758	203,836	126,876	122,379	130,073
Total business type activities	<u>\$ 1,613,593</u>	<u>\$ 1,642,316</u>	<u>\$ 1,693,949</u>	<u>\$ 1,719,348</u>	<u>\$ 1,716,774</u>	<u>\$ 1,760,795</u>	<u>\$ 1,820,675</u>	<u>\$ 1,876,773</u>	<u>\$ 1,986,235</u>	<u>\$ 1,986,631</u>

Source: Audited financial statements for the last ten years

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Delta Airlines Revenue Summary 2011 - 2020 (Dollars in Thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Delta Revenue as a Percentage of Total Adjusted MAC Operating Revenues										
Total MAC Operating Revenues	\$ 256,547	\$ 266,418	\$ 286,045	\$ 298,335	\$ 307,421	\$ 338,932	\$ 353,944	\$ 373,258	\$ 400,861	\$ 228,076
Lease Principal/Interest Payments	37,973	11,945	11,939	12,084	10,227	8,488	8,394	27,360	5,059	5,617
Interest Income-MAC Funds ¹	3,467	2,862	3,215	3,461	3,838	4,915	6,282	12,362	18,150	8,687
Total Adjusted MAC Operating Revenues	<u>297,987</u>	<u>281,225</u>	<u>301,199</u>	<u>313,880</u>	<u>321,486</u>	<u>352,335</u>	<u>368,620</u>	<u>412,980</u>	<u>424,070</u>	<u>242,380</u>
Delta Portion of Operating Revenues	70,910	71,144	75,391	78,301	74,078	78,793	74,856	81,856	86,475	62,445
Delta Portion of Lease Payments	33,736	7,655	7,599	7,687	5,780	3,789	3,635	22,234	-	-
Total Delta Revenue	<u>104,646</u>	<u>78,799</u>	<u>82,990</u>	<u>85,988</u>	<u>79,858</u>	<u>82,582</u>	<u>78,491</u>	<u>104,090</u>	<u>86,475</u>	<u>62,445</u>
Delta % of Total Adjusted MAC Operating Revenues	35.12%	28.02%	27.55%	27.40%	24.84%	23.44%	21.29%	25.20%	20.39%	25.76%
Total Adjusted MAC Operating Revenues	\$ 297,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Delta GO 9/15 Lease Payments ²	(26,376)	-	-	-	-	-	-	-	-	-
Total Adjusted MAC Operating Revenues, Net of GO 9/15 Financing	<u>271,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Delta Revenue	104,646	-	-	-	-	-	-	-	-	-
Less: Delta GO 9/15 Lease Payments ²	(26,376)	-	-	-	-	-	-	-	-	-
Total Delta Revenue, Net of GO 9/15 Financing	<u>78,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Delta % of Total Adjusted MAC Operating Revenues, Net of GO 9/15 Financing	28.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Delta Revenue as a Percentage of Total Airline Rates & Charges										
Total Airline Rates & Charges Revenue	\$ 96,422	\$ 98,536	\$ 106,015	\$ 111,005	\$ 107,805	\$ 112,653	\$ 113,056	\$ 123,631	\$ 132,496	\$ 97,796
Air Carrier Lease Payments	35,960	9,933	9,932	10,077	8,227	6,519	6,425	25,391	3,090	3,648
Total Air Carrier Revenue	<u>132,382</u>	<u>108,469</u>	<u>115,947</u>	<u>121,082</u>	<u>116,032</u>	<u>119,172</u>	<u>119,481</u>	<u>149,022</u>	<u>135,586</u>	<u>101,444</u>
Total Delta Revenue	<u>104,646</u>	<u>78,799</u>	<u>82,990</u>	<u>85,988</u>	<u>79,858</u>	<u>82,582</u>	<u>78,491</u>	<u>104,090</u>	<u>86,475</u>	<u>62,445</u>
Delta % of Total Air Carrier Revenue	79.05%	72.65%	71.58%	71.02%	68.82%	69.30%	65.69%	69.85%	63.78%	61.56%
Total Air Carrier Revenue	\$ 132,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Delta GO 9/15 Lease Payments ²	(26,376)	-	-	-	-	-	-	-	-	-
Total Air Carrier Revenue, Net of GO 9/15 Financing	<u>106,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Delta Revenue	104,646	-	-	-	-	-	-	-	-	-
Less: Delta GO 9/15 Lease Payments ²	(26,376)	-	-	-	-	-	-	-	-	-
Total Delta Revenue, Net of GO 9/15 Financing	<u>78,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Delta % of Total Air Carrier Revenue, Net of GO 9/15 Financing	73.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

¹ Does not include interest income earned on PFC's, which are not available to pay debt service on Delta obligations.

² In 2011, Delta paid off the remaining debt associated with GO 9/15.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Top Ten Revenue Providers 2020 and 2011 (Dollars in Thousands)

Company	2020		2011	
	Rank	Revenue	Rank	Revenue
Delta Airlines	1	\$ 62,445	1	\$ 70,910
Sun Country Airlines	2	11,748	6	6,239
Enterprise Rent A Car-1	3	10,170	3	9,181
Hertz	4	5,545	5	6,461
American Airlines	5	5,448	9	3,033
Avis	6	4,807	7	4,773
Southwest Airlines	7	4,371	10	3,003
United Airlines	8	4,205	8	3,468
HMS Host	9	3,140	2	10,891
Delaware North	10	1,394	-----	-
Minnesota Retail Partners	-----	-	4	6,540

¹ Enterprise Rent a Car owns National Car Rental and Alamo.

Source: Comprehensive Annual Financial Report 2011 and 2020

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Air Carrier Market Share - Total Enplaned Passengers¹ For the Years Ended December 31 Ranked on Year 2020 Results

2020 Ranking	Air Carrier	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020 % of Total ²
1	Delta	8,041,859	7,953,185	8,076,972	8,594,887	9,139,346	9,321,182	9,787,444	9,885,227	10,470,238	3,444,435	48.5%
2	Skywest ³	836,730	1,181,445	1,134,982	867,993	1,247,022	1,653,123	1,853,025	2,395,179	2,386,604	878,472	12.4%
3	Sun Country	554,434	616,320	757,552	815,386	1,029,007	1,111,020	1,213,114	1,180,832	1,446,895	750,583	10.6%
4	Endeavor Air ³	727,037	1,453,778	1,634,337	2,011,953	1,608,015	1,243,837	920,896	730,261	818,608	610,112	8.6%
5	American ¹⁰	374,080	376,370	377,739	341,957	586,682	1,063,249	1,027,450	865,571	870,582	349,390	4.9%
6	Southwest	609,692	623,913	742,664	841,201	940,592	1,053,554	1,028,051	970,711	905,779	327,232	4.6%
7	Spirit Airlines	-	108,866	307,298	495,316	517,770	606,511	621,926	579,370	580,940	224,498	3.2%
8	United	340,920	227,392	190,994	167,638	425,390	489,262	499,943	455,512	459,746	145,169	2.0%
9	Republic ⁵	63,092	63,947	72,328	37,913	6,925	184,872	233,073	295,947	302,204	111,566	1.6%
10	Frontier	260,492	191,650	177,613	228,771	227,378	163,525	174,796	246,034	251,653	86,796	1.2%
11	Alaska Airlines	95,269	84,588	93,635	92,491	96,084	117,617	111,963	109,104	138,540	47,732	0.7%
12	Mesa ^{4,5}	-	-	-	42,011	66,311	105,124	103,591	111,332	87,597	42,855	0.6%
13	Envoy ⁶	-	128,382	115,022	144,150	55,935	4,790	4,353	-	-	31,884	0.4%
14	JetBlue	-	-	-	-	-	-	-	77,195	112,483	18,417	0.3%
15	Sky Regional-Air Canada	-	-	-	-	-	-	31,948	58,227	59,416	8,452	0.1%
16	KLM Royal Dutch ⁸	-	-	-	-	-	-	25,020	37,159	47,058	6,678	0.1%
17	Horizon Air	-	-	-	-	-	-	-	39,776	4,231	5,547	0.1%
18	ExpressJet ⁸	89,688	132,885	263,821	323,786	362,785	235,633	143,540	34,924	19,633	5,093	0.1%
19	Other	287,738	76,137	96,937	65,816	86,095	89,444	69,220	47,913	64,039	4,944	0.1%
20	Aer Lingus	-	-	-	-	-	-	-	-	22,133	4,594	0.1%
21	Go Jet ^{3,4}	-	3,717	42,534	97,992	10,750	50,644	152,931	189,770	56,926	1,383	0.0%
22	Icelandair	22,314	21,169	20,513	20,323	28,926	39,500	50,398	45,826	41,339	1,047	0.0%
	Air France	-	-	-	-	-	-	30,571	26,538	34,725	-	0.0%
	Compass ³	1,270,728	1,418,939	1,184,213	838,901	514,171	514,828	293,020	-	-	-	0.0%
	Shuttle America ⁴	191,296	308,820	209,015	201,233	137,799	74,587	8,881	-	-	-	0.0%
	United Express	94,753	96,550	116,724	101,926	178,132	38,450	-	-	-	-	0.0%
	US Airways ¹⁰	465,967	532,384	592,391	561,351	465,291	-	-	-	-	-	0.0%
	Air Tran Airways ⁹	295,675	269,552	159,983	107,077	-	-	-	-	-	-	0.0%
	Comair ³	124,125	94,350	-	-	-	-	-	-	-	-	0.0%
	Continental ⁷	25,689	48,800	-	-	-	-	-	-	-	-	0.0%
	Mesaba Aviation ³	1,200,611	6,899	-	-	-	-	-	-	-	-	0.0%
		15,972,189	16,020,038	16,367,267	17,000,072	17,730,406	18,160,752	18,385,154	18,382,408	19,181,369	7,106,879	100.0%

¹ The figures may differ from the passenger statistics reported by the Air Carriers to the Airport.

² Percentages may not sum to totals due to rounding.

³ Codeshare with Northwest/Delta. Its decrease was picked up by Northwest Airlines (NWA) and NWA-affiliated carrier, Endeavor Air (formerly Pinnacle Airlines), which commenced its operations at MSP International Airport in July 2001. Comair ceased operations in September 2012.

⁴ Codeshare with United.

⁵ Codeshare with US Airways/American.

⁶ Codeshare with American/formerly American Eagle.

⁷ Continental and United began operating under a single carrier code in 2012.

⁸ Atlantic Southeast Airlines and ExpressJet Airlines began operating under a single carrier code in 2011.

⁹ AirTran Airways merged with Southwest Airlines in 2012 with full integration in 2014.

¹⁰ US Airways and American began operating under a single carrier code in 2015.

Source: Department of Transportation, T-3, T-100 and 298C T-1; Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Enplaned Passenger Trends For the Years Ended December 31

	<u>Originating</u>		<u>Connecting</u>		<u>Total</u>	<u>% Change From Previous Year</u>
	<u>Enplaned Passengers ¹</u>	<u>% of Total</u>	<u>Enplaned Passengers ¹</u>	<u>% of Total</u>		
2011	8,676,764	54.3%	7,295,425	45.7%	15,972,189	1.05%
2012	8,667,889	54.1%	7,352,149	45.9%	16,020,038	0.30%
2013	8,927,053	54.5%	7,440,214	45.5%	16,367,267	2.17%
2014	9,290,977	54.7%	7,709,095	45.3%	17,000,072	3.87%
2015	9,791,389	55.2%	7,939,017	44.8%	17,730,406	4.30%
2016	10,500,930	57.8%	7,659,822	42.2%	18,160,752	2.43%
2017	11,032,337	60.0%	7,352,817	40.0%	18,385,154	1.24%
2018	11,523,760	62.7%	6,858,648	37.3%	18,382,408	-0.01%
2019	12,109,787	63.1%	7,071,582	36.9%	19,181,369	4.35%
2020	4,610,301	64.9%	2,496,578	35.1%	7,106,879	-62.95%

Average Annual Compound Growth

2011 - 2020	-6.13%	-10.17%	-7.78%
-------------	--------	---------	--------

¹ Includes passengers who connected to domestic flights at MSP but were bound for international destinations via other U.S. gateway airports. Includes domestic-to-domestic, domestic-to-international, and international-to-domestic connections.

The above figures may differ from the passenger statistics reported by the airlines to the MSP.

Sources: DOT, Schedules T-100 and T-3; DOT, Air Passenger Origin - Destination Survey, reconciled to Schedules T-100 and 298C T-1; Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Air Carrier Market Share - Total Cargo Handled (in tons) For the Years Ended December 31 Ranked on Year 2020 Results

2020 Ranking	Air Carrier	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020 % of Total ¹
1	Federal Express	98,712.2	99,297.3	94,006.3	87,898.2	85,248.4	99,699.1	101,868.2	101,899.4	91,685.2	97,416.4	43.5%
2	UPS	61,101.1	57,174.2	57,826.2	61,142.2	58,699.1	58,062.6	63,859.9	69,805.2	76,612.4	77,786.3	34.7%
3	Delta	45,152.0	48,664.7	51,792.3	53,483.7	55,634.0	45,697.3	60,281.5	60,950.3	48,087.2	20,244.4	9.0%
4	Amazon	-	-	-	-	-	-	-	7,501.3	14,254.8	13,381.1	6.0%
5	DHL	2,810.8	4,498.3	5,220.0	6,201.1	6,775.5	6,900.0	7,651.0	7,757.1	6,970.3	7,957.8	3.6%
6	Sun Country	967.2	1,686.1	2,359.7	2,944.1	4,971.8	7,340.4	7,940.2	5,196.3	4,774.2	2,024.9	0.9%
7	Southwest	1,471.2	1,643.5	1,522.0	1,842.3	2,055.9	2,760.7	1,771.8	1,703.5	1,902.3	1,559.5	0.7%
8	Mountain Air Cargo	902.3	844.0	1,049.7	1,084.5	930.3	1,103.2	1,095.3	1,052.3	800.0	1,244.9	0.6%
9	American ³	199.4	41.3	66.5	201.0	282.0	1,203.7	1,086.5	878.0	753.4	1,039.8	0.5%
10	KLM Royal Dutch	-	-	-	-	-	-	1,958.7	3,126.5	3,337.2	409.2	0.2%
11	United	1,777.6	1,686.6	1,096.2	1,783.3	2,813.3	2,530.3	1,857.6	997.0	883.0	400.8	0.2%
12	IFL Group	-	-	-	-	-	517.5	291.4	123.2	176.7	318.4	0.1%
13	Alaska Airlines	120.7	157.2	239.5	219.5	130.9	162.3	394.1	166.7	210.9	179.6	0.1%
14	Other	263.1	338.4	239.5	318.9	494.6	507.2	545.4	676.1	75.0	139.6	0.1%
15	Aer Lingus	-	-	-	-	-	-	-	-	11.6	5.2	0.0%
16	Icelandair	-	-	-	-	159.3	298.2	516.2	191.7	159.4	1.3	0.0%
17	Air France	-	-	268.1	336.9	339.1	400.7	1,062.6	1,311.0	697.1	-	0.0%
18	Encore Air	-	-	-	-	-	-	-	-	598.4	-	0.0%
19	Condor	-	-	-	-	-	-	153.2	399.2	86.3	-	0.0%
20	CSA Air	-	-	-	-	231.8	389.2	167.3	18.0	4.8	-	0.0%
	Suburban Air Freight	-	-	289.5	452.2	513.8	542.3	389.7	-	-	-	0.0%
	US Airways ³	2,055.8	1,448.4	1,299.9	981.7	454.8	-	-	-	-	-	0.0%
	Airborne	1,780.3	872.7	114.7	-	-	-	-	-	-	-	0.0%
	Frontier	242.6	179.8	188.5	-	-	-	-	-	-	-	0.0%
	ATI/BAX Global	12,197.8	-	-	-	-	-	-	-	-	-	0.0%
	Continental ²	228.2	479.1	-	-	-	-	-	-	-	-	0.0%
		<u>229,982.3</u>	<u>219,011.6</u>	<u>217,578.5</u>	<u>218,889.5</u>	<u>219,734.7</u>	<u>228,114.6</u>	<u>252,890.7</u>	<u>263,752.8</u>	<u>252,080.0</u>	<u>224,109.0</u>	<u>100.0%</u>

¹ Percentages may not sum to totals due to rounding.

² Continental and United began operating under a single carrier code in 2012.

³ US Airways and American began operating under a single carrier code in 2015.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Enplaned Cargo Trends For the Years Ended December 31

Air Carrier	(Freight and mail in thousands of tons)										Average Annual Growth Compound
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Passenger	24.6	26.9	27.9	28.4	30.7	25.2	31.7	30.7	25.3	11.8	-7.1%
All Cargo	<u>87.9</u>	<u>80.4</u>	<u>81.8</u>	<u>86.4</u>	<u>82.7</u>	<u>83.5</u>	<u>87.3</u>	<u>89.3</u>	<u>91.0</u>	<u>91.9</u>	0.4%
Total	<u><u>112.5</u></u>	<u><u>107.3</u></u>	<u><u>109.7</u></u>	<u><u>114.8</u></u>	<u><u>113.4</u></u>	<u><u>108.6</u></u>	<u><u>118.9</u></u>	<u><u>120.0</u></u>	<u><u>116.4</u></u>	<u><u>103.6</u></u>	-0.8%

AAG - Average annual compound growth

Source: Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Trends in Enplaned Cargo by Type of Carrier For the Years Ended December 31

	<u>Passenger Carriers</u>		<u>All Cargo Carriers</u>		<u>Total Cargo</u>
	<u>Tons</u>	<u>% of Total</u>	<u>Tons</u>	<u>% of Total</u>	
2011	24,595	21.9%	87,932	78.1%	112,527
2012	26,876	25.0%	80,442	75.0%	107,318
2013	27,945	25.5%	81,766	74.5%	109,711
2014	28,377	24.7%	86,414	75.3%	114,791
2015	30,691	27.1%	82,678	72.9%	113,369
2016	25,165	23.2%	83,460	76.8%	108,625
2017	31,652	26.6%	87,259	73.4%	118,911
2018	30,701	25.6%	89,333	74.4%	120,034
2019	25,339	21.8%	90,968	78.2%	116,307
2020	11,751	11.3%	91,889	88.7%	103,640

Average Annual Compound Growth

2011 - 2020	-7.12%	0.44%	-0.82%
-------------	--------	-------	--------

Source: Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Trends in Enplaned Cargo by Freight & Mail For the Years Ended December 31

	<u>Freight/Express</u>		<u>Mail</u>		<u>Total Cargo</u>
	<u>Tons</u>	<u>% of Total</u>	<u>Tons</u>	<u>% of Total</u>	
2011	104,455	92.8%	8,072	7.2%	112,527
2012	97,220	90.6%	10,098	9.4%	107,318
2013	101,337	92.4%	8,374	7.6%	109,711
2014	107,500	93.6%	7,291	6.4%	114,791
2015	104,517	92.2%	8,852	7.8%	113,369
2016	98,140	90.3%	10,484	9.7%	108,624
2017	103,087	86.7%	15,824	13.3%	118,911
2018	103,521	86.2%	16,513	13.8%	120,034
2019	100,504	86.4%	15,803	13.6%	116,307
2020	91,954	88.7%	11,686	11.3%	103,640

Average Annual Compound Growth

2011 - 2020	-1.27%	3.77%	-0.82%
-------------	--------	-------	--------

Source: Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Revenue Bond Debt Service Coverage - Rate Covenant for Senior Debt For the Years Ended December 31 (Dollars in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues per Master Trust Indenture	\$ 295,922	\$ 281,288	\$ 300,635	\$ 314,563	\$ 322,101	\$ 352,834	\$ 366,898	\$ 409,392	\$ 420,916	\$ 242,651
Expenses										
Operating expenses	255,287	256,793	274,888	285,165	292,589	308,033	320,022	340,215	351,623	345,004
Less: Depreciation expense	(118,985)	(120,201)	(128,010)	(131,069)	(134,419)	(139,226)	(142,970)	(147,299)	(150,549)	(160,889)
Total operating expenses, excluding depreciation expense	<u>136,302</u>	<u>136,592</u>	<u>146,878</u>	<u>154,096</u>	<u>158,170</u>	<u>168,807</u>	<u>177,052</u>	<u>192,916</u>	<u>201,074</u>	<u>184,115</u>
Net Revenues	159,620	144,696	153,757	160,467	163,931	184,027	189,846	216,476	219,842	58,536
Annual debt service - Senior Airport Revenue Bonds	(41,525)	(43,436)	(48,274)	(50,413)	(48,084)	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)
Annual debt service - General Obligation Revenue Bonds	(29,843)	(3,414)	(2,954)	-	-	-	-	-	-	-
Principal and interest on other indebtedness ¹	(42,285)	(40,970)	(47,809)	(48,383)	(45,216)	(46,546)	(48,952)	(66,522)	(62,143)	(26,941)
Must not be less than zero	<u>45,967</u>	<u>56,876</u>	<u>54,720</u>	<u>61,671</u>	<u>70,631</u>	<u>88,572</u>	<u>101,433</u>	<u>118,714</u>	<u>107,444</u>	<u>21,824</u>
Requirement Section										
Net revenues	159,620	144,696	153,757	160,467	163,931	184,027	189,846	216,476	219,842	58,536
Transfer - Coverage Fund ²	11,579	10,381	12,069	12,603	12,021	12,227	9,865	7,810	12,564	2,443
Total available	<u>171,199</u>	<u>155,077</u>	<u>165,826</u>	<u>173,070</u>	<u>175,952</u>	<u>196,254</u>	<u>199,711</u>	<u>224,286</u>	<u>232,406</u>	<u>60,979</u>
Senior Debt Service times 125% ³	(51,906)	(54,295)	(60,343)	(63,016)	(60,105)	(61,136)	(49,326)	(39,050)	(62,819)	(12,214)
Must not be less than zero	<u>119,293</u>	<u>100,782</u>	<u>105,483</u>	<u>110,054</u>	<u>115,847</u>	<u>135,118</u>	<u>150,385</u>	<u>185,236</u>	<u>169,587</u>	<u>48,765</u>
Pro Forma Coverage on Senior Lien Debt										
Net revenues	159,620	144,696	153,757	160,467	163,931	184,027	189,846	216,476	219,842	58,536
Transfer - Coverage Fund ²	10,381	10,859	12,069	12,603	12,021	12,227	9,865	7,810	12,564	2,443
Total available	<u>170,001</u>	<u>155,555</u>	<u>165,826</u>	<u>173,070</u>	<u>175,952</u>	<u>196,254</u>	<u>199,711</u>	<u>224,286</u>	<u>232,406</u>	<u>60,979</u>
Annual debt service - Senior Airport Revenue Bonds	(41,525)	(43,436)	(48,274)	(50,413)	(48,084)	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)
Annual debt service - General Obligation Revenue Bonds	(29,843)	(3,414)	(2,954)	-	-	-	-	-	-	-
Total Debt Service - Senior Lien Debt	<u>(71,368)</u>	<u>(46,850)</u>	<u>(51,228)</u>	<u>(50,413)</u>	<u>(48,084)</u>	<u>(48,909)</u>	<u>(39,461)</u>	<u>(31,240)</u>	<u>(50,255)</u>	<u>(9,771)</u>
Coverage with Transfer	<u>238%</u>	<u>332%</u>	<u>324%</u>	<u>343%</u>	<u>366%</u>	<u>401%</u>	<u>506%</u>	<u>718%</u>	<u>462%</u>	<u>624%</u>
Coverage without Transfer	<u>224%</u>	<u>309%</u>	<u>300%</u>	<u>318%</u>	<u>341%</u>	<u>376%</u>	<u>481%</u>	<u>693%</u>	<u>437%</u>	<u>599%</u>

¹ Excludes General Obligation Revenue Bonds and Senior Airport Revenue Bonds.

² Transfer is limited to no more than 25% of Aggregate Annual Debt Service on Outstanding Senior Airport Revenue Bonds.

³ Using Annual Debt Service on Senior Airport Revenue Bonds.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Revenue Bond Debt Service Coverage - Rate Covenant for Subordinate Lien Debt For the Years Ended December 31 (Dollars in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues per Master Trust Indenture	\$ 295,922	\$ 281,288	\$ 300,635	\$ 314,563	\$ 322,101	\$ 352,834	\$ 366,898	\$ 409,392	\$ 420,916	\$ 242,651
Expenses										
Operating expenses	255,287	256,793	274,888	285,165	292,589	308,033	320,022	340,215	351,623	345,004
Less: Depreciation expense	(118,985)	(120,201)	(128,010)	(131,069)	(134,419)	(139,226)	(142,970)	(147,299)	(150,549)	(160,889)
Total operating expenses, excluding depreciation expense	136,302	136,592	146,878	154,096	158,170	168,807	177,052	192,916	201,074	184,115
Annual debt service - Senior Airport Revenue Bonds	41,525	43,436	48,274	50,413	48,084	48,909	39,461	31,240	50,255	9,771
Annual debt service - General Obligation Revenue Bonds	29,843	3,414	2,954	-	-	-	-	-	-	-
Subordinate revenues	88,252	97,846	102,529	110,054	115,847	135,118	150,385	185,236	169,587	48,765
Principal and interest on Subordinate Bonds	(35,393)	(40,970)	(47,807)	(48,383)	(45,216)	(46,546)	(52,413)	(58,326)	(62,143)	(26,941)
Must not be less than zero	<u>\$ 52,859</u>	<u>\$ 56,876</u>	<u>\$ 54,722</u>	<u>\$ 61,671</u>	<u>\$ 70,631</u>	<u>\$ 88,572</u>	<u>\$ 97,972</u>	<u>\$ 126,910</u>	<u>\$ 107,444</u>	<u>\$ 21,824</u>
Requirement Section										
Subordinate revenues	\$ 88,252	\$ 97,846	\$ 102,529	\$ 110,054	\$ 115,847	\$ 135,118	\$ 150,385	\$ 185,236	\$ 169,587	\$ 48,765
Transfers ¹	3,112	4,229	4,097	4,781	4,522	4,655	5,241	5,833	6,214	2,694
Total available	91,364	102,075	106,626	114,835	120,369	139,773	155,626	191,069	175,801	51,459
Outstanding Subordinate Debt Service Times 110% ²	(35,393)	(45,583)	(44,686)	(52,229)	(55,659)	(49,343)	(57,654)	(64,159)	(68,357)	(29,635)
Must not be less than zero	<u>\$ 55,971</u>	<u>\$ 56,492</u>	<u>\$ 61,940</u>	<u>\$ 62,606</u>	<u>\$ 64,710</u>	<u>\$ 90,430</u>	<u>\$ 97,972</u>	<u>\$ 126,910</u>	<u>\$ 107,444</u>	<u>\$ 21,824</u>
Pro Forma Coverage on Subordinate Lien Debt										
Subordinate revenues	\$ 88,252	\$ 97,846	\$ 102,529	\$ 110,054	\$ 115,847	\$ 135,118	\$ 150,385	\$ 185,236	\$ 169,587	\$ 48,765
Principal and interest in Subordinate Bonds ²	32,175	41,439	40,624	47,480	50,599	44,857	52,413	58,326	62,143	26,941
Coverage without Transfer	<u>274%</u>	<u>236%</u>	<u>252%</u>	<u>232%</u>	<u>229%</u>	<u>301%</u>	<u>287%</u>	<u>318%</u>	<u>273%</u>	<u>181%</u>
Pro Forma Coverage on Senior and Subordinate Lien Debt										
Net Revenues	\$ 159,620	\$ 144,696	\$ 153,757	\$ 160,467	\$ 163,931	\$ 184,027	\$ 189,846	\$ 216,476	\$ 219,842	\$ 58,536
Total Debt Service - Senior and Subordinate Debt	103,543	88,289	91,852	97,893	98,682	93,766	91,590	89,566	112,398	36,712
Coverage without Transfer	<u>154%</u>	<u>164%</u>	<u>167%</u>	<u>164%</u>	<u>166%</u>	<u>196%</u>	<u>207%</u>	<u>242%</u>	<u>196%</u>	<u>159%</u>

¹ Transfer is limited to no more than 10% of Aggregate Annual Debt Service on Outstanding Subordinate Airport Revenue Bonds.

² Using Annual Debt Service on Subordinate Airport Revenue Bonds.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Operating Ratio¹ For the Years Ended December 31 (Dollars in Thousands)

	Operating Expenses ²	Operating Revenues	Operating Ratio
2011	136,302	256,548	53%
2012	136,592	266,417	51%
2013	146,855	286,044	51%
2014	154,096	298,335	52%
2015	158,170	307,422	51%
2016	168,923	338,933	50%
2017	177,052	353,944	50%
2018	192,916	373,258	52%
2019	203,825	400,861	51%
2020	184,114	228,076	81%

¹ Operating ratio is operating expenses, net of depreciation and GASB 68 pension adjustment, divided by total operating revenues.

² Operating expenses exclude depreciation and GASB 68 pension adjustment.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Debt per Enplaned Passenger For the Years Ended December 31 (Dollars in Thousands)

	General Airport Revenue Bonds Outstanding	General Obligation Revenue Bonds Outstanding	Notes Payable Outstanding	Other Debt	Subtotal	Enplaned Passengers	Debt per Enplaned Passenger
2011	1,560,345	12,530	6,792	-	\$ 1,579,667	15,972,189	\$ 98.90
2012	1,551,546	9,400	6,680	11,300	1,578,926	16,020,038	98.56
2013	1,500,811	6,126	10,165	15,950	1,533,052	16,367,267	93.67
2014	1,413,318	2,840	35,050	15,460	1,466,668	17,000,072	86.27
2015	1,362,033	-	48,397	42,460	1,452,890	17,730,406	81.94
2016	1,685,956	-	47,805	40,649	1,774,410	18,160,752	97.71
2017	1,624,443	-	46,953	38,020	1,709,416	18,385,154	92.98
2018	1,549,658	-	46,941	71,031	1,667,630	18,382,408	90.72
2019	1,780,108	-	77,952	14,216	1,872,276	19,181,369	97.61
2020	1,575,376	-	73,501	14,679	1,663,556	7,106,879	234.08

Source: Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Population For the Years Ended December 31 (In thousands)

	Minnesota	MSA ¹	% of Total
2011	5,347	3,389	63%
2012	5,379	3,422	64%
2013	5,420	3,459	64%
2014	5,457	3,428	63%
2015	5,490	3,462	63%
2016	5,520	3,528	64%
2017	5,577	3,594	64%
2018	5,611	3,629	65%
2019	5,655	3,640	64%
2020	5,657	Not Available	----

¹ MSA is defined as the Metropolitan Statistical Area of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti Ramsey, Scott, Sherburne, Washington and Wright counties in Minnesota and Pierce and St. Croix counties in Wisconsin.

Civilian Unemployment Rate For the Years Ended December 31

	United States	Minnesota	MSA
2011	8.3%	5.7%	5.5%
2012	7.8%	5.5%	5.1%
2013	6.7%	4.6%	4.3%
2014	5.6%	3.7%	3.3%
2015	5.0%	3.7%	3.1%
2016	4.5%	4.1%	3.6%
2017	4.1%	3.3%	2.9%
2018	3.7%	2.9%	2.8%
2019	3.6%	3.2%	3.0%
2020	6.7%	4.7%	4.8%

Sources:

U.S. Department of Commerce, Bureau of Economic Analysis
Minnesota Department of Unemployment and Economic Development

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Personal Income For the Years Ended December 31 (Dollars in Millions)

	Minnesota	MSA ¹	% of Total
2011	238,768	161,468	68%
2012	248,047	172,004	69%
2013	259,397	177,051	68%
2014	265,824	185,825	70%
2015	277,483	194,372	70%
2016	292,682	201,427	69%
2017	295,798	215,087	73%
2018	336,589	227,292	68%
2019	337,922	208,802	62%
2020	Not Available	Not Available	

¹ MSA is defined as the Metropolitan Statistical Area of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti Ramsey, Scott, Sherburne, Washington and Wright counties in Minnesota and Pierce and St. Croix counties in Wisconsin.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Per Capita Personal Income For the Years Ended December 31

	Minnesota	MSA ¹
2011	44,560	48,657
2012	46,227	50,260
2013	47,856	51,183
2014	48,711	53,166
2015	50,541	55,148
2016	52,876	56,723
2017	53,043	59,736
2018	57,515	62,889
2019	58,830	64,255
2020	61,540	Not available

¹ MSA is defined as the Metropolitan Statistical Area of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti Ramsey, Scott, Sherburne, Washington and Wright counties in Minnesota and Pierce and St. Croix counties in Wisconsin.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Minnesota's Largest 10 Employers Ranked by In-State Employees For the Years Ended December 31

Company	2020 Employees	Rank	% of Total Employment	2011 Employees	Rank	% of Total Employment
Mayo Clinic	44,697	1	1.64%	32,893	3	1.25%
State of Minnesota	40,471	2	1.49%	40,208	1	1.52%
United States Federal Government	35,223	3	1.30%	34,000	2	1.29%
Fairview Health Services	32,778	4	1.21%	20,178	7	0.76%
Target Corporation	31,000	5	1.14%	30,500	4	1.16%
Allina Health	28,896	6	1.06%	23,302	5	0.88%
University of Minnesota	27,000	7	0.99%	19,157	9	0.73%
HealthPartners, Inc.	24,963	8	0.92%	-	-	0.00%
UnitedHealth Group Inc.	18,200	9	0.67%	-	-	0.00%
Wells Fargo & Co.	18,000	10	0.66%	20,000	8	0.76%
MN State Colleges/Universities	15,110	11	0.56%	18,516	10	0.70%
3M Co.	14,883	12	0.55%	15,000	11	0.57%
US Bank	13,900	13	0.51%	-	-	0.00%
CentraCare Health	12,853	14	0.47%	-	-	0.00%
Wal-Mart Stores, Inc.	-	-	-	20,434	6	0.77%
Total	<u>357,974</u>			<u>274,188</u>		
Total Nonfarm Employment	<u>2,719,600</u>			<u>2,639,716</u>		

Sources:

Minnesota Business Journal Book of Lists

Minnesota Department of Employment and Economic Development

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Employment Share by Industry For the Year Ended December 31

	2020	2011
	Minnesota	Minnesota
Education and Health Services	18.5%	18.7%
Trade, Transportation and Utilities	19.6%	17.8%
Public Administration	14.7%	12.9%
Professional and Business Services	13.1%	16.6%
Manufacturing	11.3%	10.3%
Financial Activities	5.9%	5.3%
Leisure and Hospitality	7.2%	8.7%
Construction	3.6%	3.7%
Other Services	4.5%	4.4%
Information	1.5%	1.6%
Natural Resources and Mining	0.1%	0.0%
	<u>100.0%</u>	<u>100.0%</u>

Source: Minnesota Department of Employment and Economic Development

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Activity Statistics For the Years Ended December 31

	Total Revenue Passengers ¹	Aircraft Operations ²	Mail and Cargo Volume (Metric Tons)
2011	31,977,163	436,506	208,637
2012	32,070,628	425,332	198,684
2013	32,763,027	431,328	197,384
2014	34,073,543	412,586	198,573
2015	35,494,425	404,612	199,340
2016	36,346,859	413,279	206,942
2017	36,799,978	416,213	229,440
2018	36,778,496	407,476	239,273
2019	38,353,413	506,076	228,683
2020	14,851,289	244,827	203,308

¹ Passengers include on-line connecting. (On-line connecting passengers are passengers that change to another flight on the same carrier.)

² An aircraft operation represents the total number of takeoffs and landings at the airport.

Source: Metropolitan Airports Commission Operations Report

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Historical Aircraft Operations ² For the Years Ended December 31

	Air Carrier Operations ²	Commuter Operations	Cargo Operations	Total Commercial Operations ¹	Percent Commercial Operations	General Aviation Operations	Military Operations	Total Operations
2011	178,896	217,267	12,203	408,366	93.55%	26,157	1,983	436,506
2012	184,134	203,684	11,231	399,049	93.82%	24,903	1,380	425,332
2013	193,470	203,106	11,701	408,277	94.66%	21,866	1,185	431,328
2014	189,489	185,664	12,199	387,352	93.88%	24,155	1,079	412,586
2015	205,635	162,779	12,789	381,203	94.23%	22,077	1,252	404,532
2016	213,682	161,427	14,400	389,509	94.25%	22,455	1,315	413,279
2017	228,393	149,924	14,911	393,228	94.48%	22,226	759	416,213
2018	221,520	149,108	15,455	386,083	94.76%	20,229	1,126	407,438
2019	230,096	141,976	14,399	386,471	95.19%	18,654	885	406,010
2020	118,795	99,254	15,030	233,079	95.21%	10,548	1,174	244,801

¹ Commercial Operations equal Air Carrier, Commuter and Cargo Operations.

² Aircraft operations represent the total number of takeoffs and landings at the airport.

Source: Metropolitan Airports Commission Operations Report

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Trends in Aircraft Landed Weight of Signatory Airlines For the Years Ended December 31 (Weight in Thousand Pounds)

	Passenger Carriers	Cargo Carriers	Total Landed Weight
2011	19,945,169	897,211	20,842,380
2012	19,625,108	885,442	20,510,550
2013	20,225,040	926,429	21,151,469
2014	20,224,580	965,912	21,190,492
2015	20,577,785	984,305	21,562,090
2016	21,178,343	996,424	22,174,767
2017	21,571,010	985,077	22,556,087
2018	21,499,942	1,025,400	22,525,342
2019	22,141,882	1,079,456	23,221,338
2020 ¹	12,361,175	1,133,518	13,494,693

¹ In 2020, Delta's activity represented approximately 67% of the total landed weight at the Airport.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Employee Counts ¹ For the Years Ended December 31

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total	<u>589</u>	<u>586</u>	<u>585</u>	<u>600</u>	<u>604</u>	<u>618</u>	<u>644</u>	<u>651</u>	<u>659</u>	<u>630</u>

¹ Represents employees who were paid on the last payday of the fiscal year and were contributing to a pension plan.

Airline Cost per Enplaned Passenger For the Years Ended December 31

	(Dollars and Passengers in thousands)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total cost ¹	\$ 100,961	\$ 102,789	\$ 110,378	\$ 115,708	\$ 114,253	\$ 114,811	\$ 115,214	\$ 124,370	\$ 132,855	\$ 97,796
Enplaned passengers	<u>15,972</u>	<u>16,020</u>	<u>16,367</u>	<u>17,000</u>	<u>17,730</u>	<u>18,161</u>	<u>18,385</u>	<u>18,382</u>	<u>19,181</u>	<u>7,107</u>
Airline Cost per Enplaned Passenger	<u>\$ 6.32</u>	<u>\$ 6.42</u>	<u>\$ 6.74</u>	<u>\$ 6.81</u>	<u>\$ 6.44</u>	<u>\$ 6.32</u>	<u>\$ 6.27</u>	<u>\$ 6.77</u>	<u>\$ 6.93</u>	<u>\$ 13.76</u>

¹ Cost is defined as airline payments made to the Commission for expenses incurred in the airfield, T1 and T2 HHH Terminals, which includes self-liquidating payments made by Delta on the G Concourse.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Schedule of Airline Rates and Charges For the Years Ended December 31

	Landing Fee Per 1,000 Lbs	Ramp Fees Per Linear Foot	Common Use Per Square Foot	Finished Per Square Foot	Finished Janitored Per Square Foot	Unfinished Per Square Foot
2011	2.46	562.05	56.37	56.37	63.11	56.37
2012	2.53	536.38	58.60	58.60	65.16	58.60
2013	2.62	594.50	62.86	62.86	69.80	62.86
2014	2.68	642.90	66.20	66.20	73.67	66.20
2015	2.64	624.14	64.56	64.56	72.54	64.56
2016	2.68	667.80	60.42	60.42	69.00	60.42
2017	2.73	661.92	59.10	59.10	67.25	59.10
2018	3.05	748.39	62.59	62.59	72.10	62.59
2019	3.23	677.43	62.92	62.92	72.81	62.92
2020	5.09	582.32	58.10	58.10	66.82	58.10

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Operations at the Reliever Airports and General Aviation Operations at MSP For the Years Ended December 31

	St. Paul Downtown Airport	Flying Cloud Airport	Crystal Airport	Anoka County Blaine Airport	Lake Elmo Airport	Airlake Airport	MSP
2011	87,229	114,574	43,986	73,292	33,032	34,270	26,157
2012	79,238	88,663	48,220	79,190	33,319	34,560	24,903
2013	69,277	79,511	42,308	76,721	33,220	31,346	21,866
2014	64,539	73,634	41,117	68,157	25,727	33,178	24,155
2015	56,676	87,493	39,641	89,708	32,842	42,341	22,077
2016	54,548	84,038	36,967	80,845	27,275	38,618	22,455
2017	40,489	90,835	34,223	74,943	28,337	36,670	22,226
2018	40,116	88,762	38,109	75,465	31,693	32,986	20,229
2019	40,934	104,405	41,541	71,740	31,208	29,835	18,654
2020	30,188	124,382	39,509	70,852	29,799	31,314	10,548

Source: Minneapolis/St. Paul Metropolitan Airports Commission

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Air Carriers Serving MSP ^A As of December 31, 2020

U.S. – FLAG CARRIERS

Air Choice One *
American *
Endeavor * 2
GoJet * 1, 2
Mesa* 1
SkyWest * 1, 2, 5, 6
Sun Country *

ABX Air * 3
Bemidji * 8
FedEx *
Mountain Air Cargo
Swift Air 7

Aer Lingus *
Condor *
Sky Regional * 4

SCHEDULED SERVICES

Air Wisconsin * 5
Boutique Aire *
Envoy * 5
Horizon Air * 6
PSA * 5
Southwest *
United *

ALL-CARGO SERVICES

Air Transport International *
CSA Air
IFL
Suburban
UPS *

Alaska Airlines *
Delta *
Frontier *
JetBlue *
Republic Airlines * 1, 2, 5
Spirit *

Atlas Air Cargo * 3
Encore Air Cargo * 3
Kalitta * 3
Sun Country * 7

FOREIGN-FLAG CARRIERS

Air Canada *
Icelandair *
Air France *
KLM*

* Denotes those Air Carriers that are Signatory Airlines to the Airline Lease Agreements.

A Excludes carriers reporting fewer than 1,000 enplaned passengers.

1. Flies for United Airlines.

2. Flies for Delta Air Lines.

3. Flies for DHL.

4. Flies for Air Canada

5. Flies for American Airlines

6. Flies for Alaska Airlines

7. Flies for Amazon

8. Flies for UPS

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

**Minneapolis/St. Paul Metropolitan Airports Commission
Insurance Coverage
As of December 31, 2020**

Insurer	Expiration	Coverage	Policy Limits (Thousands of Dollars)
Chubb/Lloyd's of London/Global Aerospace	1/1/21	General aviation liability including personal injury	\$ 750,000
Alliant	7/1/21	Blanket fire and extended coverage on building and contents. Boiler and machinery	\$ 1,000,000
Self-Insured ¹	Continuous	Statutory workers' compensation	
	1/1/21	Workers' Compensation Reinsurance Association	\$ 500
Zurich	6/1/21	Comprehensive Crime Employee/Police Policies	\$ 5,000
Minnesota Risk Management Fund	7/1/21	Auto Liability (licensed vehicles), physical damage (all vehicles) hired automobiles, valet parking, inland marine and garage keepers	\$ 1,500
Chubb	6/1/21	Cyber Liability with enhanced notification endorsement 1M individuals	\$3,000 Individuals

¹ Funded from current operating revenues of the Commission.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Airport Information As of December 31, 2020

	Square Feet			Total
	Terminal 1	Terminal 2	Quick Ride Ramp	
Terminal Buildings				
Airline	631,024	190,657		821,681
Concession	232,276	24,086		256,362
Garage	155,005	-		155,005
Non-Airline	185,324	21,018		206,342
Unoccupied	9,574	4,424		13,998
Circulation	934,943	132,595		1,067,538
Restrooms	55,779	10,815		66,594
MAC/Mechanical	451,776	121,735		573,511
International Arrivals	115,472	40,035		155,507
Trans Security Agency	69,343	40,323		109,666
	<u>2,840,516</u>	<u>585,688</u>		<u>3,426,204</u>
Parking Facilities	<u>17,056</u>	<u>8,670</u>	<u>1,302</u>	<u>27,028</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Airport Information As of December 31, 2020

Airport Code: MSP

Runways ¹

Minneapolis-St. Paul:

Runway 4-22	11,000 Ft
Runway 12R-30L	10,000 Ft
Runway 12L-30R	8,200 Ft
Runway 17-35	8,000 Ft

Airlake

Runway 12-30	4,100 Ft
--------------	----------

Anoka County/Blaine

Runway 9-27	5,000 Ft
Runway 18-36	4,900 Ft

Crystal

Runway 14L-32R	3,300 Ft
Runway 14R-32L	3,300 Ft
Runway 6L-24R	2,500 Ft
Runway 6R-24L	2,100 Ft

Flying Cloud

Runway 10R-28L	5,000 Ft
Runway 10L-28R	3,900 Ft
Runway 18-36	2,700 Ft

Lake Elmo

Runway 14-32	2,900 Ft
Runway 4-22	2,500 Ft

St. Paul Downtown

Runway 14-32	6,500 Ft
Runway 13-31	4,000 Ft
Runway 9-27	3,600 Ft

¹ Amounts rounded to the nearest hundred.



MINNEAPOLIS-ST. PAUL METROPOLITAN AIRPORTS COMMISSION

6040 28th Avenue South, Minneapolis, MN 55450 | (612) 726-8100 | metroairports.org