MINNESOTA BALLPARK AUTHORITY

Hennepin County, Minnesota

2020 Annual Financial Report

Year Ended December 31, 2020

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MINNESOTA BALLPARK AUTHORITY
Hennepin County, Minnesota

Minnesota Ballpark Authority
Hennepin County, Minnesota
2020 Annual Financial Report
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Hennepin County, Minnesota

Introductory Section

MINNESOTA BALLPARK AUTHORITY
Hennepin County, Minnesota

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December 6, 2021

Dear Honorable Members of the Minnesota Ballpark Authority Board:

Minnesota Statutes require all governmental agencies to issue an annual report on their financial position and activity prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the State Auditor. The Annual Financial Report for the Minnesota Ballpark Authority (MBA) is hereby submitted for the calendar year ended December 31, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The State of Minnesota Office of the State Auditor audited the MBA's financial statements and issued an unmodified ("clean") opinion on the MBA's financial statements for the calendar year ended December 31, 2020. The goal of the independent audit was to provide reasonable assurance that the financial statements of the MBA are free from material misstatement. The State Auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the MBA's financial statements for the year ended December 31, 2020 are fairly presented in conformity with GAAP. The State Auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the State Auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A section is meant to complement this letter of transmittal and should be read in conjunction with the letter.

Profile of the Government

The MBA was established in 2006 as a public body and political subdivision of the State of Minnesota, for the purpose of overseeing the design, construction, operation, and maintenance of a ballpark for a Major League Baseball team in accordance with the powers and authorities granted in Laws of Minnesota Chapter 473. The MBA advised and participated with the Minnesota Twins, LLC (the Twins) in the design and construction of the ballpark. The MBA leases the ballpark to the Twins, oversees its operations, and participates with the Twins in identifying and funding necessary future capital repairs and improvements to the structure.

The MBA is governed by a Board of five appointed Commissioners. Two members are appointed by the Governor of the State of Minnesota, two members are appointed by the Hennepin County Board of Commissioners (including the Chair), and one member is appointed by the governing body of the City of Minneapolis. The Board is responsible for, among other things, appointing an Executive Director, authorizing contracts, and adopting an annual budget. Budgets are adopted on a basis consistent with GAAP. Beginning in approximately June of each year a budget is prepared and includes information on the past year, current year estimates, and requested appropriations. The Board must adopt and submit a proposed operating budget to Hennepin County by August of each calendar year. Any changes in the budget must be within the revenues and reserves estimated or changed by a vote of the Board. Budget to actual comparisons for the General Fund and the Capital Reserve Special Revenue Fund are presented in the Required Supplementary Information section of this report.

The MBA's mission statement is written as follows: "The Minnesota Ballpark Authority seeks to ensure that the Ballpark is a world-class facility that adheres to high standards of sustainability, creates economic opportunity, and serves as an anchor for the development of a vibrant new district." To achieve this mission the MBA has outlined the following strategies:

1. The Minnesota Ballpark Authority works to ensure that the Ballpark is designed, built and operated in a way that meets or exceeds the standards for community involvement and economic participation, environmental sustainability, and the prudent use of public funding.
2. The Minnesota Ballpark Authority uses designated resources to encourage and leverage investments by the private sector and other government agencies to maximize enhancements to the District to stimulate private investment, development, and economic opportunity.
3. The Minnesota Ballpark Authority actively seeks to form partnerships with the public and private sector to envision and work toward the creation of a dynamic and enduring identity for the Ballpark District - that is meaningfully connected to adjoining neighborhoods.

Ballpark History

The Minnesota Legislature approved legislation in 2006 to fund a new Minnesota Twins ballpark. The legislative action was the culmination of a 10-year effort to build an outdoor ballpark in Minnesota. The Legislature approved the bill on May 21, 2006, and Minnesota Governor Tim Pawlenty signed the bill into law five days later before a Twins home game against the Seattle Mariners at the Metrodome. The first meeting of the MBA Board was held on July 7, 2006.

Under terms of the 2006 legislation, the public contribution is \$350,000,000: \$90,000,000 for infrastructure and \$260,000,000 for ballpark construction costs. The public contribution of \$350,000,000 is financed with Hennepin County issued bonds. The bonds are repaid from a County-wide .15 percent general sales tax authorized in the legislation. Under the original agreement, the Minnesota Twins contribution is \$130,000,000 for ballpark construction costs plus any ballpark cost overruns or enhancements. After the legislation was adopted, the Twins contributed an additional \$19,500,000 for non-land infrastructure expenses and \$45,491,694 for additional ballpark enhancements. That brought the Twins total contribution to \$194,991,694 for construction. Another \$10,025,000 was contributed from other sources, which included Target Corporation, the MBA, and the Minnesota Department of Transportation.

Construction of the ballpark began when ground was broken in May of 2007 with M.A. Mortenson Company serving as the construction manager for the project. The architects were Populous (formerly HOK Sport) and Hammel, Green & Abrahamson. In January 2010, Mortenson formally turned over the ballpark, on budget, and two months ahead of schedule. Minnesota's new ballpark opened in the spring of 2010 marking the Minnesota Twins' 50th season of playing baseball in the Upper Midwest. The Minnesota Twins played their first regular season game at the ballpark on April 12, 2010.

The land, land improvements and the ballpark itself are owned by the public through the MBA. Consistent with terms of the Ballpark Lease Agreement (Lease), between the MBA and Twins Ballpark, LLC, the Twins own a portion of discrete assets, such as seating and scoreboards, to the extent of their total investment.

The Twins and Target Corporation agreed to naming rights for Target Field and Target Plaza.

While the ballpark is owned by the MBA, it is leased and operated by the Twins under a thirty-year lease. The Twins are responsible for all the ballpark's annual operating and maintenance expenses. To address future capital needs, the Twins make annual rent payments, initially $900,000 (with two-thirds of that amount indexed for inflation), and Hennepin County contributes $1,100,000 annually (indexed for inflation). These funds are accumulating in an account held by the MBA with a balance of $18,181,327 at the end of 2020. Use of these funds is restricted to CapEx work, which includes capital modifications, replacements, or additions to the Ballpark.

The Twins invest additional funds in capital alterations each year. In 2020 the Twins reported investing $3,977,622 in ballpark upgrades and improvements. Some of these improvements included the renovation of suite interiors, office space renovations, technology upgrades, along with furniture and equipment for a new Gate 34 experience.

Under the terms of the lease, the Twins also make annual contributions to youth activities and amateur sports within Hennepin County. The Twins reported a 2020 annual contribution of $792,895 in Hennepin County for youth activities and amateur sports, which is $294,576 more than is required by the lease agreement.

A Leader in Environmental Sustainability

The MBA and the Twins continue to be committed to environmental sustainability. In 2010 the ballpark was not only awarded LEED Silver Certification for Construction but was also awarded Green Project of the Year by the Recycling Association of Minnesota.

In 2011 the Twins were awarded Silver Certification in LEED for Green Facility Operations and Maintenance. Target Field was the first professional sports facility in the United States to receive LEED Certification in both construction and facility operations. And in 2017, Target Field achieved LEED Gold Certification in Existing Buildings: Operations and Maintenance; the first professional sports facility to earn this certification as well. Target Field earned Recertification of LEED Gold in 2019.

Some of the ballpark's additional green design elements include:

◊ Energy use reduction – achieved through high-efficiency field lighting, interior lighting and heating/cooling and ventilation equipment.

◊ Water use reduction – achieved through water-saving fixtures such as low-flow urinals and dual-flush toilets as well as a specially designed rainwater filter system used to capture runoff, filter it, and use it both to wash down the seating bowl and for irrigation.

◊ Game day recycling – Recyclable collection points stationed conveniently around Target Field keep an estimated 400 cubic yards of material over the course of a three-game home stand out of the solid waste stream. The Twins report that 12,127 tons of waste has been diverted from local landfills since 2011.

◊ Public transportation access – Target Field was built to include a public transportation hub where commuter and light rail lines connect, adjacent to a major bus hub, as well as convenient access by bike or on foot.

◊ Recycled materials – More than 30 percent of all installed materials are made up of recycled content, including the canopy structure, masonry blocks, the carpet, and the foul poles.

The playing field is designed to capture rainwater and recycle it. The Twins report to have captured, purified, and reused more than 19 million gallons of rainwater, reducing municipal water usage at Target Field. During a regular season, most of the recycled water is used to wash down the seating bowl and the main concourse.

The Twins and their concession partner, Delaware North, began donating unused food to local charities in 2011. In partnership with Rock and Wrap It Up! Inc., more than 63 tons of food has been donated to local charities.

Around the Ballpark

The MBA and the Twins have worked hard to ensure Target Field is one of the most transit-friendly sports facilities in the country. Target Field Station, located at the intersection of 5th Street North and 5th Avenue north, near gate #6, serves as the hub for the Blue Line, Green Line, and the NorthStar Commuter Rail line. For walkers and bikers, the Cedar Lake Trail provides both pedestrian and bicycle access to the ballpark.

Target Field Station serves as a multi-modal transportation hub and provides an expanded area for fans utilizing public transportation to the games. The public plaza includes a large public green space, an underground parking garage, a 29 by 16-foot video board and a 1,000-seat amphitheater, which provides opportunities for non-game day activities. The Twins, Hennepin County and Metro Transit all plan events in this area year-round that are open to the public. In response to the COVID-19 pandemic in 2020, very few events were held at Target Field Station.

Budget

A budget is adopted annually for the general and special revenue fund, consistent with generally accepted accounting principles. The MBA's primary source of revenue for operations is a grant from Hennepin County. A grant agreement between the MBA and Hennepin County calls for an annual budget request to be submitted to Hennepin County by August 1st of each year. The MBA determines the amount needed for the annual operating grant based on the anticipated receipts and expenditures for the following year. A special revenue fund is established for ballpark capital improvement expenses, as set forth in the Development Agreement, and funded annually with contributions from Hennepin County and the Twins. The budget for these annual amounts, as outlined in the agreements, are also submitted annually to the County and Twins by August of each year.

More information on the budget process is described in the Notes to Required Supplementary Information on page 42.

Economic and Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the MBA operates.

Local economy. Hennepin and Ramsey Counties, the geographic area in which the MBA is established, both enjoy a favorable economic environment relative to the national economy, as shown in measurement of income and employment. The COVID-19 global pandemic affected most areas of business in 2020, causing many closures to the restaurants around the area of the Target Field. Local social distancing mandates restricted fans from attending games or events at Target Field as well as other entertainment venues in the Minneapolis-St. Paul area. As these mandates were lifted in 2021, and as most workers return to employment, the economy is expected to recover. The Minnesota Management and Budget office (MMB) projects an improved economic outlook over the next biennium.

Long-term financial planning. The MBA has planned for financial stability on a long-term basis through the execution of several agreements with the Twins and Hennepin County. The MBA has entered into a Grant Agreement with Hennepin County which provides County grants for both operating expenses and future ballpark capital costs. In addition, the MBA has entered a thirty-year lease with the Twins, with two ten-year renewal options. This advance planning has positioned the MBA to maintain financial stability from year to year.

The MBA adopted a 2021 General Fund operating budget amount reflecting a 3.9% decrease from the previous year budget. The lower cost for contracted services and insurance provided a cost savings for the annual decrease

Risk Management. The MBA contracts for the services of a risk manager who assists with maintaining an effective approach to ongoing risk exposure identification and monitoring. Additional information is shown in Note 9 to the basic financial statements.

Acknowledgements. The preparation of this report includes the dedication of all MBA staff. We would like to express our appreciation of all office staff for their contributions to this report. We also want to thank the MBA Board for their support and dedication to responsible management of MBA finances.

Respectfully submitted,

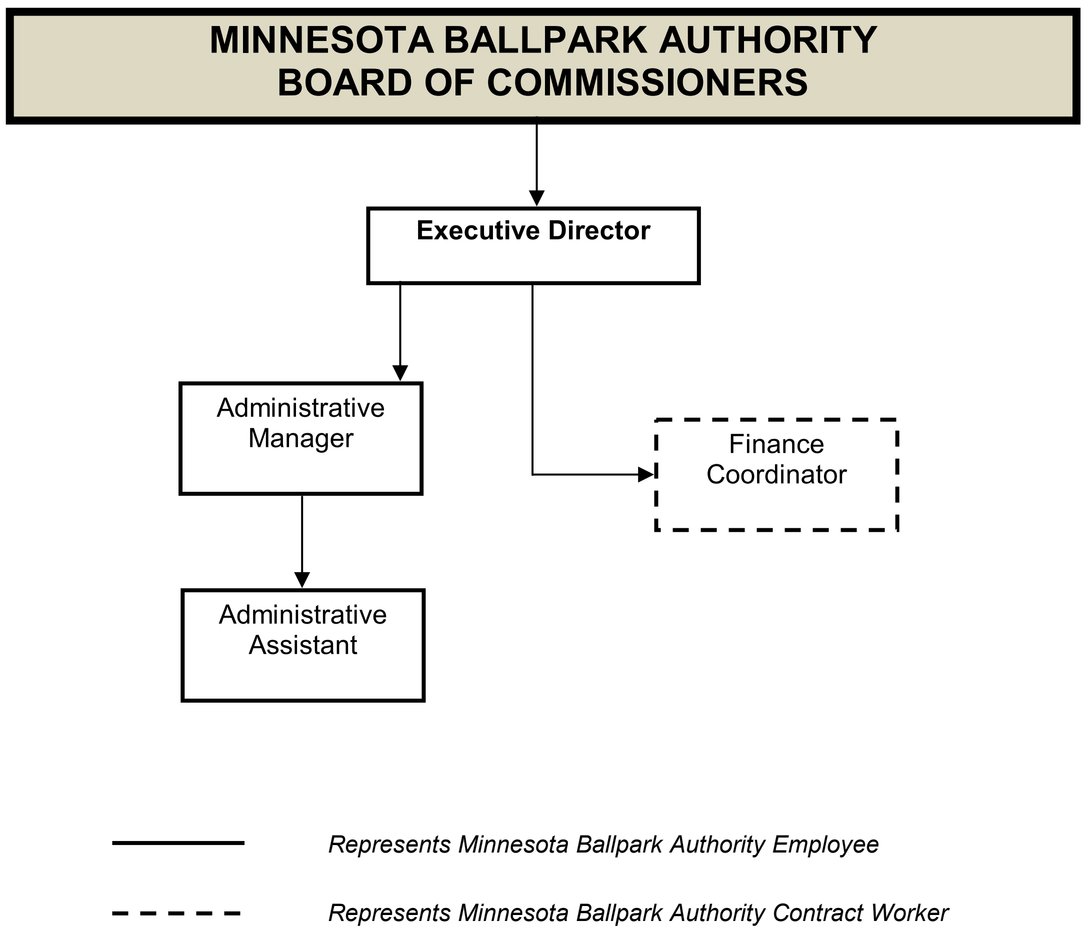
Daniel R. Kenney
Executive Director

Brenda Juneau
Finance Coordinator

Minnesota Ballpark Authority

Hennepin County, Minnesota

Organization Chart



Minnesota Ballpark Authority
Hennepin County, Minnesota
Principal Officials 2020

Board of Commissioners

Margaret Anderson Kelliher, Chair

Paul D. Williams, Vice Chair

David Ybarra, Secretary

Joan Campbell, Treasurer

James R. Campbell

Executive Director:

Daniel R. Kenney

Financial Section

MINNESOTA BALLPARK AUTHORITY
Hennepin County, Minnesota

STATE OF MINNESOTA

Julie Blaha
State Auditor

Office of the State Auditor

Suite 500
525 Park Street
Saint Paul, MN 55103

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Minnesota Ballpark Authority
Hennepin County, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Minnesota Ballpark Authority as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Authority'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 Authority'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 governmental activities and each major fund of the Minnesota Ballpark Authority as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Minnesota Ballpark Authority's basic financial statements. The Introductory Section as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Introductory Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021, on our consideration of the Minnesota Ballpark Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Minnesota Ballpark Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Minnesota Ballpark Authority's internal control over financial reporting and compliance.

JULIE BLAHA	DIANNE SYVERSON, CPA
STATE AUDITOR	DEPUTY STATE AUDITOR

December 6, 2021

Minnesota Ballpark Authority
Hennepin County, Minnesota
Management's Discussion and Analysis
(Unaudited)

This discussion and analysis is intended to provide financial statement readers with a financial overview and narrative analysis of the financial position and activities of the Minnesota Ballpark Authority (MBA), a local government unit in Hennepin County for the year ended December 31, 2020. This information should be considered in conjunction with the information contained in the notes to the financial statements and the transmittal letter.

FINANCIAL HIGHLIGHTS

Government-Wide

- At December 31, 2020, the assets and deferred outflows of resources of the MBA exceeded its liabilities and deferred inflows of resources by $350,575,409 (net position). The largest of this amount, $322,918,244, was the investment in capital assets (building and infrastructure) and is not available for future spending. A total of $18,461,889 was restricted by specific statutory requirements or external commitments. The remainder consisted of unrestricted net position of $9,195,276. Restricted assets are limited to costs relating to future capital improvements of the new Minnesota Twins Ballpark and district enhancements.

- The MBA total net position, as reported in the Statement of Activities, decreased by $8,197,236 during 2020, compared to a decrease of $7,670,710 in 2019. The decrease resulted mostly from capital asset depreciation.

Fund Level

- At the end of the fiscal year 2020, the MBA's governmental funds reported total ending fund balances of $27,938,127, an increase of $2,496,918 from the prior year balance of $25,441,209. The increase in fund balance is a result of annual payments in the special revenue fund from Hennepin County and the Twins for future capital needs.

- At the end of this same period, unassigned fund balance for the General Fund was $1,100,204, which is a decrease of $11,752 from the previous year balance of $1,111,956. In November of 2020 the MBA projected a savings in actual expenditures for the year. This anticipated savings, along with a healthy fund balance, prompted the MBA to reduce the 2020 grant request to $630,000, creating a 1% decrease in the fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the MBA basic financial statements, which are comprised of two components: 1) combined government-wide and fund financial statements, and 2) notes to the basic financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of MBA finances, in a manner like a private-sector business. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the MBA using the *economic resources measurement focus* and the *full accrual basis of accounting*. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting MBA net position. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

There are two government-wide statements to present this information.

- *The Statement of Net Position* presents information on all MBA assets, liabilities, and deferred outflows and inflows of resources with the difference reported as *net position.* Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the MBA is improving or deteriorating.
- *The Statement of Activities* presents information showing how the MBA net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

In both statements, MBA activities are reported as *governmental activities*, which are defined as functions that are principally supported by taxes, intergovernmental and non-exchange revenues.

Fund Financial Statements

The fund financial statements provide detailed information about the MBA's funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MBA activity is reported in three major governmental funds, the General Fund, Capital Reserve Fund (a Special Revenue Fund) and the Capital Projects Fund. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources.* This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting. The fund statements provide a detailed short-term view of MBA finances that assists in determining whether there will be adequate financial resources available to meet current needs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the MBA's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* *and governmental activities.* Reconciliations are presented in the adjustment's column in each of the basic financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes can be found on pages 22 to 37 of this report.

Required Supplementary Information

Required supplementary information begins on page 38 and includes a schedule of pension plan contributions, a schedule of MBA proportionate share of net pension liability, and a schedule of revenue and expenditures for the General Fund and the Capital Reserve Fund with a comparison of actual revenue and actual expenditures compared to budget and prior year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position serves over time as an indicator of a government's financial position. In 2020 the MBA assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $350,575,409. The Statement of Net Position presents all the MBA's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the two reported as "net position".

Summary of Net Position

	2020	2019
Current assets	$ 27,997,889	$ 25,559,067
Net capital assets	322,918,244	333,612,559
Total assets	350,916,133	359,171,626
Deferred outflows of resources	19,070	26,203
Current liabilities	63,105	115,150
Noncurrent liabilities	281,657	256,831
Total liabilities	344,762	371,981
Deferred inflows of resources	15,032	53,203
Investment in capital assets	322,918,244	333,612,559
Restricted	18,461,889	15,924,771
Unrestricted	9,195,276	9,235,315
Total net position	$ 350,575,409	$ 358,772,645

The largest portion of MBA net position, 92%, reflects the investment in capital assets (e.g., land, land improvements, and ballpark structure). The MBA uses these capital assets to provide recreational services to citizens; consequently, these assets are not available for future spending. The restricted portion of the MBA's net position, 5%, represents resources that are subject to external restrictions on how they may be used. These restrictions are contained in the legislation establishing the MBA and in various agreements with external parties partnering with the MBA on the capital improvements to the new ballpark and surrounding infrastructure.

As shown in the table below, the MBA's net position decreased in the current year by $8,197,236, a change of 2% from the previous year's net position. This 2% is consistent with historical decreases each year and primarily relates to capital asset depreciation.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects the nature of the MBA's change in net position during the fiscal year 2020, compared to the prior year.

Changes in Net Position

Governmental Activities:	2020	2019
Revenues:		
Program revenues:		
Intergovernmental contributions	$ 1,300,296	$ 1,279,209
Investment earnings	160,812	402,191
Event revenue	-	132,518
Tenant rent	1,009,253	997,750
General revenues:		
Intergovernmental	630,756	690,598
Investment earnings	96,111	264,821
Other	66,838	149
Total revenues	3,264,066	3,767,236
Expenses:		
MBA operating expenses	766,987	743,631
Depreciation	10,694,315	10,694,315
Total expenses	11,461,302	11,437,946
Increase (decrease) in net position	(8,197,236)	(7,670,710)
Net position – beginning	358,772,645	366,443,355
Net position – ending	$ 350,575,409	$ 358,772,645

FUND FINANCIAL ANALYSIS

Changes in Fund Balance

The focus of the *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing MBA financing requirements. In particular, *total fund balance* may serve as a useful measure of net resources available for spending at the end of the fiscal year.

As of the end of the 2020 fiscal year, MBA governmental funds reported combined ending fund balances of $27,938,127, a 9.8% increase from the prior year. Of this combined balance, 3.9% or $1,100,204 constitutes unassigned fund balance. These resources are available for meeting ongoing operational responsibilities in the General Fund. Another $8,376,034, or 30.0%, is assigned to indicate the MBA's intention to spend funds on district area enhancements, and $18,461,889, or 66.1%, is restricted.

The Capital Reserve Fund was established in 2010, as a Special Revenue Fund, consistent with provisions in the Ballpark Lease Agreement between the MBA and the Minnesota Twins. Hennepin County and the Twins contribute to this fund annually, per the Lease Agreement. The first of these contributions began in 2010, and the year end fund balance in 2020 is $18,181,327. The balance in this fund is restricted to payment of capital modifications, and replacements or additions to the Ballpark, referred to as "CapEx Work" and defined in the Ballpark Lease Agreement.

Revenues

Governmental fund revenues by source are shown in the table below, along with the increase and decrease from the prior year.

Governmental Fund Revenues by Source

	2020	2019	Increase (Decrease)	
Revenues:	Amount	Amount	Amount	Percent Change
Program revenues:				
Intergovernmental contributions	$ 1,300,296	$ 1,279,209	$ 21,087	1.6%
Investment earnings	160,812	402,191	(241,379)	-60.0%
Event revenue	-	132,518	(132,518)	-100.0%
Tenant rent	1,009,253	997,750	11,503	1.2%
General revenues:				
Intergovernmental	630,756	690,598	(59,842)	-8.7%
Investment earnings (losses)	96,111	264,821	(168,710)	-63.7%
Other	66,838	149	66,689	44757.7%
Total revenues	$ 3,264,066	$ 3,767,236	$ (503,170)	

Explanation of significant changes in revenue from previous year:

- The investment earnings, from Hennepin County's investment pool, for program revenues and general revenues in 2020 decreased due to market changes.
- The COVID-19 Pandemic caused an unprecedented number of large events to be cancelled in 2020. Because of these cancellations, along with restrictions on the size of large gatherings, there was no event revenue at Target Field.
- Other revenue includes a release of collateral from the OCIP Reimbursement Account, which is a rare occurrence.

Expenditures

Governmental fund expenditures by function are shown in the table below, along with the increase and decrease from the prior year.

Governmental Expenditures by Function

	2020	2019	Increase (Decrease)	
	Amount	Amount	Amount	Percent Change
Expenditures:				
Current				
Culture and recreation				
Personal services	$ 438,874	$ 429,321	$ 9,553	2.2%
Commodities	387	1,048	(661)	-63.1%
Contractual services	162,967	247,359	(84,392)	-34.1%
Other	164,920	54,356	110,564	203.4%
Total expenditures	$ 767,148	$ 732,084	$ 35,064	

Explanation of significant changes in expenditures from previous year:

- Commodities primarily include office supplies, which decreased in 2020 as employees were working from home. The COVID-19 Pandemic brought about stay-at-home orders across the State of Minnesota and MBA employees worked from home most of the year.
- There were decreased costs in contractual services for risk management, mail service delivery and technology services that resulted from fewer needs in the office while employees worked from home. There was also not a need for the Good Driver program in 2020, as attendance at Target Field was limited due to the Pandemic.
- A significant portion of increase in other costs resulted from payment for improvements to pedestrian lighting along 5th Avenue, as part of the Capital Project Fund.

General Fund Budgetary Highlights

Expenditures in 2020 were $47,662 less than the budget of $700,000, and revenue was $59,414 less than budgeted. Expenditures exceeded revenue for a general fund deficit of $11,752 in 2020.

The MBA made a grant request from Hennepin County in November of $630,000, or $69,244 less than budget, considering the expenses for the year were projected lower than expected. No amendments were made to the 2020 General Fund Budget.

CAPITAL ASSETS

Capital Assets

MBA investment in capital assets as of December 31, 2020, amounts to $322,918,244 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, and ballpark structure. During the fiscal year 2020, the MBA's investment in capital assets decreased $10,694,315 from the prior year due to depreciation.

Additional information on the MBA's capital assets can be found in Note 5, on page 30 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The MBA Board approved a 2021 General Fund budget decrease of just about 4% in 2020. The MBA expects to see savings in risk management and insurance services in 2021, as those services will be provided by Hennepin County rather than private companies.

The COVID-19 Pandemic continues to raise health concerns in 2021 and cause fluctuations in business, employment and economic growth in the area served by Target Field. Most venues have returned to full capacity, though attendance remains lower than pre-pandemic levels. The MBA's expenditures are not significantly affected by these fluctuations. The MBA revenue sources are from Hennepin County sales tax and Twins, LLC. Hennepin County sales tax revenue is expected to steadily increase to pre-pandemic levels over the next year or two. Hennepin County expects sales tax revenue to remain sufficient for meeting all debt, contract, and operating commitments in 2021.

REQUESTS FOR INFORMATION

This financial report is designed to provide an overview for those interested in the MBA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Minnesota Ballpark Authority, Target Field, 1 Twins Way, Suite 300, Minneapolis, Minnesota 55403.

MINNESOTA BALLPARK AUTHORITY
Hennepin County, Minnesota

Basic Financial Statements

MINNESOTA BALLPARK AUTHORITY
Hennepin County, Minnesota

Minnesota Ballpark Authority
Hennepin County, Minnesota
Governmental Funds Balance Sheet and Statement of Net Position
December 31, 2020

	General Fund	Capital Reserve Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS						
Current assets:						
Cash and investments	$ 1,124,053	$ -	$ 8,376,034	$ 9,500,087	$ -	$ 9,500,087
Restricted cash and investments	-	18,181,327	280,562	18,461,889	-	18,461,889
Prepaid items	-	-	-	-	35,913	35,913
Total current assets	1,124,053	18,181,327	8,656,596	27,961,976	35,913	27,997,889
Noncurrent assets:						
Capital assets:						
Land	-	-	-	-	40,475,894	40,475,894
Buildings	-	-	-	-	308,516,562	308,516,562
Land improvements	-	-	-	-	90,479,683	90,479,683
Furniture and equipment	-	-	-	-	23,293	23,293
Total capital assets	-	-	-	-	439,495,432	439,495,432
Less accumulated depreciation	-	-	-	-	(116,577,188)	(116,577,188)
Net capital assets	-	-	-	-	322,918,244	322,918,244
Total noncurrent assets	-	-	-	-	322,918,244	322,918,244
Total Assets	1,124,053	18,181,327	8,656,596	27,961,976	322,954,157	350,916,133
Deferred outflows of resources:						
Pension-related	-	-	-	-	19,070	19,070
Total assets and deferred outflows of resources	$ 1,124,053	$ 18,181,327	$ 8,656,596	$ 27,961,976	322,973,227	350,935,203
LIABILITIES						
Current liabilities:						
Accounts and contracts payable	$ 10,728	$ -	$ -	$ 10,728	-	10,728
Accrued liabilities	13,121	-	-	13,121	39,256	52,377
Total current liabilities	23,849	-	-	23,849	39,256	63,105
Noncurrent liabilities:						
Net Pension	-	-	-	-	281,657	281,657
Total liabilities	23,849	-	-	23,849	320,913	344,762
Deferred inflows of resources:						
Pension-related	-	-	-	-	15,032	15,032
FUND BALANCES/NET POSITION						
Fund balances:						
Restricted for:						
Ballpark capital	-	18,181,327	280,562	18,461,889	(18,461,889)	-
Assigned to:						
District enhancements	-	-	8,376,034	8,376,034	(8,376,034)	-
Unassigned	1,100,204	-	-	1,100,204	(1,100,204)	-
Total fund balances	1,100,204	18,181,327	8,656,596	27,938,127	(27,938,127)	-
Total liabilities and fund balances	$ 1,124,053	$ 18,181,327	$ 8,656,596	$ 27,961,976		
Net position:						
Investment in capital assets					322,918,244	322,918,244
Restricted for:						
Ballpark capital					18,461,889	18,461,889
Unrestricted					9,195,276	9,195,276
Total net position					$ 350,575,409	$ 350,575,409

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

Minnesota Ballpark Authority
Hennepin County, Minnesota
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2020

Total Governmental Fund Balances	**$**	**27,938,127**
Total net position reported for governmental activities is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds.		322,918,244
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds.		(39,256)
Other long-term assets that provide benefit for future periods are expensed in governmental funds.		35,913
Net pension liabilities and related deferred inflows and deferred outflows are not reported in the funds because the liability and related accounts are not due and payable in the current period.		(277,619)
Net Position - Governmental Activities	**$**	**350,575,409**

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

Minnesota Ballpark Authority
Hennepin County, Minnesota
Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities
For the Year Ended December 31, 2020

	General Fund	Capital Reserve Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
REVENUES						
Program revenues:						
Intergovernmental contributions	$ -	$ 1,300,296	$ -	$ 1,300,296	$ -	$ 1,300,296
Investment earnings	-	160,812	-	160,812	-	160,812
Event revenue	-	-	-	-	-	-
Tenant rent	-	1,009,253	-	1,009,253	-	1,009,253
General revenues:						
Intergovernmental	630,756	-	-	630,756	-	630,756
Investment earnings	9,749	-	86,362	96,111	-	96,111
Other	81	-	66,757	66,838	-	66,838
Total revenues	640,586	2,470,361	153,119	3,264,066	-	3,264,066
EXPENDITURES/EXPENSES						
Current						
Culture and recreation						
Personal services	438,874	-	-	438,874	188	439,062
Commodities	387	-	-	387	-	387
Contractual services	162,967	-	-	162,967	-	162,967
Depreciation	-	-	-	-	10,694,315	10,694,315
Other	50,110	-	114,810	164,920	(349)	164,571
Total expenditures/expenses	652,338	-	114,810	767,148	10,694,154	11,461,302
Net change in fund balances/net position	(11,752)	2,470,361	38,309	2,496,918	(10,694,154)	(8,197,236)
FUND BALANCES/NET POSITION						
Beginning	1,111,956	15,710,966	8,618,287	25,441,209	333,331,436	358,772,645
Ending	$ 1,100,204	$ 18,181,327	$ 8,656,596	$ 27,938,127	$ 322,637,282	$ 350,575,409

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

Minnesota Ballpark Authority
Hennepin County, Minnesota
Reconciliation of Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities
For the Year Ended December 31, 2020

Net change in governmental fund balances	**$**	**2,496,918**
Amounts reported for governmental activities in the statement of activities are different because:		
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds. This is the change in compensated absences and expenses related to net pension liability.		(188)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Less current year depreciation		(10,694,315)
Some expenses reported in the statement of activities did not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in prepaid items		349
Change in Net Position - Governmental Activities	**$**	**(8,197,236)**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

Minnesota state legislation created the Minnesota Ballpark Authority (MBA) as a public body in May 2006, to oversee the design, construction, and operation of a new ballpark for the Minnesota Twins, LLC. The MBA is governed by a Board of five Commissioners who are appointed as follows: two, including the Chair, are appointed by the Hennepin County Board, two are appointed by the Governor of Minnesota, and one is appointed by the Minneapolis City Council. The MBA owns the ballpark and the site on behalf of the public.

In determining the rights, powers, and duties of the MBA, it is considered a political subdivision of the State of Minnesota. In addition, the MBA is subject to various agreements with other parties that define the parameters within which the ballpark was constructed and is now operated.

The financial statements of the MBA have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as established for governmental units in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The annual financial report includes two separate types of statements, the government-wide financial statements and the fund financial statements. The measurement focus, basis of accounting and basis of presentation differs between the government-wide financial statements and the fund financial statements. These differences, along with an explanation of the differing purposes and information provided by these separate financial statements, are described in the sections below.

As a special-purpose government engaged in a single governmental program, the government-wide statements and the fund financial statements have been combined into one statement. An adjustments column reflects the following differences between the two types of statements:

- Governmental funds report capital outlays as expenditures. Government-wide financial statements report these at historical cost in the Statement of Net Position. In the Statement of Activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense.

- The adjustments column represents the recording of long-term obligations and the related effect of these transactions on the Statement of Activities. Long-term obligations, including accrued leave, net pension liabilities and related deferred inflows and deferred outflows are not due and payable in the current period and, therefore, are not reported in the fund financial statements.

- Also included in the adjustments column are certain payments to vendors which reflect costs applicable to future accounting periods and which are recorded as prepaid items in government-wide financial statements.

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the government entity using the *economic resources measurement focus* and the *full accrual basis of accounting*. The economic resources

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Measurement Focus, Basis of Accounting and Basis of Presentation

measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the MBA's net position. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity, if any, has been eliminated from the government-wide financial statements. The structure of the two government-wide financial statements (the Statement of Net Position and the Statement of Activities) is described in the following two paragraphs.

Statement of Net Position – This statement is designed to display the financial position of the MBA. The MBA reports all capital assets, including infrastructure, and long-term liabilities, such as accrued leave. The net position of the MBA is broken down into three categories: 1) investment in capital assets 2) restricted for ballpark capital; and 3) unrestricted. Restrictions shown are those imposed by parties outside the MBA, such as creditors, grantors, contributors, laws and regulations of other governments. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Statement of Activities – This statement demonstrates the degree to which expenses of a given function or segment are offset by program revenues. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. During 2020, the MBA received program revenues in the form of contributions to be used for the capital improvement of the ballpark. Other items not properly included among program revenues are reported as general revenues. Just as the statement of net position includes all capital assets, the statement of activities includes depreciation expense.

Fund Financial Statements

The accounts of the MBA are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. All MBA individual funds are considered major and are reported as separate columns in the fund financial statements.

Governmental Funds are used to account for the MBA's activities. Governmental fund types use the current financial resources measurement focus and the modified accrual basis of accounting. The current financial resources measurement focus results in the reporting of only near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The MBA considers revenues to be available if they are collected within 60 days after year-end. In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings and intergovernmental revenue when eligibility requirements are met. Changes in the fair value of investments are recognized in investment earnings (losses) at the end of each year. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent that they have matured.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The MBA reports the following major governmental funds:

The *General Fund* is the MBA's primary operating fund. It accounts for all financial resources of the general government except those accounted for in another fund. The fund includes revenues and expenditures for such activities as personal and contracted services.

Special revenue funds are governmental funds that account for revenue sources that are legally restricted (by parties outside the MBA as well as those imposed by the MBA) to expenditures for specific purposes other than major capital projects. The MBA reports on one special revenue fund.

- The *Capital Reserve Fund* is used to account for the inflow of cash from the Twins and Hennepin County and for payment of capital modifications, replacements or additions to the Ballpark, referred to as "CapEx Work" and defined in the Ballpark Lease Agreement.

The *Capital Projects Fund* accounts for the activity relating to continued ballpark enhancements.

C. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position or Fund Balance

Cash and Investments

The MBA's cash in the General Fund, Special Revenue Fund and majority of the Capital Projects Fund is deposited in pooled accounts with Hennepin County. Cash is invested by Hennepin County and investment earnings (losses), including gains and losses on sales of securities, are allocated to the MBA on the basis of average monthly cash balances.

Hennepin County obtains collateral to cover deposits in excess of insurance coverage with either federal depository insurance, surety bonds or collateral held by the County's agent in the County's name. Investments are stated at fair value or at amortized cost. The fair value of investments is based on quoted market prices or inputs other than quoted prices that are observable for the investment, either directly or indirectly. Certain money market funds that have a maturity of one year or less at the time of purchase are reported at amortized cost. Certain nonparticipating interest-earning contracts (repurchase agreements) that have a maturity of one year or less at the time of purchase are reported at cost. State law authorizes the County to invest in the following instruments:

- U.S. government and agency issues
- Repurchase agreements and reverse repurchase agreements
- General obligations of state, local, and housing finance agencies that are rated "A" or better by a national bond rating service
- Bankers acceptances
- Futures contracts and guaranteed investment contracts
- Shares of certain investment companies
- Money market funds
- Certificates of deposit
- Revenue obligations of any state or local government that are rated "AA" or better by a national bond rating service
- Commercial paper
- Options

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position or Equity

Prepaid Items

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

OCIP Reimbursement Account

When it was determined that completion of all ballpark construction had occurred and all legally owing costs paid or provided for, the MBA and the Minnesota Twins, LLC authorized final distribution of all funds remaining in the accounts established under the Construction Funds Trust Agreement. This included distribution of a portion of such funds into a newly established account for the exclusive use of future reimbursement liabilities, as they become due, under the owner controlled insurance program (OCIP). Insurance costs are a shared responsibility allocated 81.25% to the Team and 18.75% to the Authority. The account is a non-interest bearing account held in the Team's name. The OCIP allows for gradual reductions over time. Any funds remaining at the close of this account will be distributed in the proportionate share of allocated responsibility to the MBA and the Minnesota Twins, LLC.

Receivables and Payables

Accounts receivable result from activities due to the MBA for the current year and paid after year-end. The portion of all receivables not included and not collected within 60 days is offset by deferred inflows of resources in the governmental fund financial statements.

Accrued liabilities result from employee payroll related obligations due at the end of the period.

Capital Assets

Capital assets are reported in the government-wide financial statements. Such assets are recorded at historical cost. Donated, or contributed, capital assets are recorded at their acquisition value at the date of donation. The MBA's capitalization threshold is $500,000 for buildings and infrastructure and $5,000 for equipment and improvements. During construction of the ballpark, all project costs were capitalized as part of the ballpark land and structure. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets of the MBA are depreciated using the straight-line method. Estimated useful life assigned to land improvements and buildings is 20 to 50 years. Estimated life assigned to furniture and fixtures is 3 to 10 years.

Employee Compensated Absences

It is the MBA's policy to allow employees to accrue earned but unused compensated absences. Under certain conditions, employees are compensated upon termination of employment for their accumulated unpaid paid time off up to a maximum number of hours.

Accumulated leave time is reported as an expense and an accrued liability as the benefits accrue to employees in the government-wide financial statements. All amounts accrued at December 31 are expected to be used in the following year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position or Equity

Fund Balance and Net Position

In the governmental fund financial statements, fund balance is displayed in the following classifications that are based on the spending limitations imposed upon the use of the resources. The classifications are as follows:

- Nonspendable – amounts that cannot be spent because they are not in spendable form (such as prepaid insurance) or legally or contractually required to be maintained intact. Funds in this category are not expected to be converted to cash.
- Restricted – accounts for fund balance which has constraints externally imposed on the use of funds either by creditors, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.
- Committed – amounts constrained to specific purposes by the MBA Board as imposed by formal action.
- Assigned – amounts constrained by the MBA Board's intent to be used for specific purposes, but do not meet criteria to be classified as restricted or committed.
- Unassigned – residual classification for the General Fund that have not been restricted, committed, or assigned to specific purposes.

The MBA applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

In the government-wide financial statements, the net investment in capital assets portion of net position is reported separately. Restricted net position is reported for amounts that are legally restricted by outside parties to be used for a specific purpose or imposed by law through enabling legislation. Unrestricted net position is reported for amounts that do not meet the definition of restricted or investment in capital assets.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except the PERA's fiscal year-end is June 30. 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The MBA has one item, deferred pension obligations outflows, that meets criteria for reporting in this category. These outflows arise only under the full accrual basis of

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position or Equity

accounting and consist of pension plan contributions paid subsequent to the measurement date, the differences between projected and actual earnings on pension plan investments, and differences between expected and actual pension plan economic experience, and, accordingly, are reported only in the statement of net position.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The MBA has one item, deferred pension obligations inflows, that qualifies for reporting in this category. These inflows arise only under the full accrual basis of accounting and consist of differences between expected and actual pension plan economic experience, changes in actuarial assumptions, and also pension plan changes in proportionate share and, accordingly, are reported only in the statement of net position.

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND GOVERNMENTAL FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

The basic financial statements include a reconciliation of the governmental fund balance sheet to the statement of net position. One element of that reconciliation relates to capital assets, which consists of the following:

		2020
Governmental activities capital assets	$	439,495,432
Governmental activities accumulated depreciation		(116,577,188)
Total Capital Assets Reconciliation Item	$	322,918,244

2. RECONCILIATION OF GOVERNMENT-WIDE AND GOVERNMENTAL FUND FINANCIAL STATEMENTS - CONTINUED

Other elements relate to the accrual at the government-wide level of certain prepaid expenditures and liabilities due to a difference in measurement focus. These consist of the following:

		2020
Compensated absences - Expenses reported in the statement of activities that do not require the use of current financial resources	$	(39,256)
Prepaid items represent governmental fund insurance premiums which benefit future periods	$	35,913
Recognition of pension-related activity that only relates to future periods	$	(277,619)

3. DEPOSITS AND INVESTMENTS

Deposits

As of December 31, 2020, the MBA had $27,961,976 in cash and investments, of which $27,681,414 is on deposit with Hennepin County. It is Hennepin County's policy to follow Minnesota Statute 118A.03, which states that to the extent that funds deposited are in excess of available federal deposit insurance, the County must require the financial institution to furnish collateral security, an irrevocable standby letter of credit, or a corporate surety bond. All collateral must be placed in safekeeping in a restricted account at a Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution not owned/controlled by the financial institution furnishing the collateral. The bank balance at Hennepin County, at year end, was covered by either federal depository insurance, surety bonds, an irrevocable standby letter of credit, or by collateral held by the County's agent in the County's name.

Custodial credit risk for deposits is the risk that, in the event of a financial institution failure, the MBA's deposits may not be returned to it. The MBA does not have a deposit policy for custodial credit risk outside of deposit policies developed by and adhered to by Hennepin County.

Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At December 31, 2020, none of the MBA's investments were subject to custodial credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The MBA shares the investment rate risk of Hennepin County for its proportionate share of investments. Through its investment policy, the County manages exposure to fair value losses arising from increasing interest rates by limiting the effective duration of the investment portfolio to six years or shorter. It is the County's practice to generally ensure that investments should be held to maturity if necessary.

3. DEPOSITS AND INVESTMENTS - CONTINUED

Investments – continued

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At December 31, 2020, none of the MBA's investments were subject to credit risk.

Investment Income, Realized Gains and Losses, and Unrealized Gains and Losses

For deposit and investment purposes, most of the MBA's funds are pooled with Hennepin County. Hennepin County's Office of Budget and Finance is responsible for the treasury function of all of the County's deposits and investments held by its funds. Cash from all funds is pooled for deposit and investment purposes. As of December 31, 2020, the County had 80% of investments invested in U.S. government and agency issues, 17% in repurchase agreements, 2% in commercial paper and 1% invested in money market funds. Detailed information about the County's deposits with financial institutions, repurchase agreements, interest rate risk, credit risk, concentration of credit risk, and custodial credit risk can be obtained directly from the County's 2020 Comprehensive Annual Financial Report. Investment earnings (losses) are allocated to the MBA based on average monthly cash and investment balances. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year are recorded as a change in the fair value of investments in the current year. Net change in the fair value of investments is reported as a component of total investment earnings and presented below.

		2020
Investment income and realized gains and losses	$	231,752
Net decrease in the fair value of investments		25,171
Total Investment Earnings	$	256,923

Fair Value Measurements

The MBA's investments are included in the Hennepin County investment pool. Hennepin County categorizes its fair value measurements within the fair value hierarchy established by GAAP based on the priority of the valuation inputs in a three-level fair value hierarchy. In instances where the County does not have a readily determinable fair value, the County is permitted to establish fair value by using the observable or determinable value. Additional information on fair value measurement and hierarchy can be found in Hennepin County's 2020 Comprehensive Annual Financial Report.

4. LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended December 31, 2020, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$32,856	$39,256	$32,856	$39,256	$39,256

5. CHANGES IN PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2020, was as follows:

	ASSETS			
	Balance January 1, 2020	Additions and Transfers In	Retirements and Transfers Out	Balance December 31, 2020
Capital assets not being depreciated:				
Land	$ 40,475,894	$ -	$ -	$ 40,475,894
Total capital assets not depreciated	40,475,894	-	-	40,475,894
Capital assets being depreciated:				
Buildings	308,516,562	-	-	308,516,562
Furniture and equipment	23,293	-	-	23,293
Land improvements	90,479,683	-	-	90,479,683
Total capital assets being depreciated	399,019,538	-	-	399,019,538
Less accumulated depreciation for:				
Buildings	(60,624,076)	(6,170,331)	-	(66,794,407)
Furniture and equipment	(23,292)	-	-	(23,292)
Land improvements	(45,235,505)	(4,523,984)	-	(49,759,489)
Total accumulated depreciation	(105,882,873)	(10,694,315)	-	(116,577,188)
Total capital assets being depreciated, net	293,136,665	(10,694,315)	-	282,442,350
Total Capital Assets, Net	$ 333,612,559	$ (10,694,315)	$ -	$ 322,918,244

6. RESTRICTED FUND BALANCE/NET POSITION

The use of restricted fund balance/net position is subject to constraints that are externally imposed by creditors, grantors, contributors, laws, or regulations. Restrictions indicate that the fund balance/net position may only be used for a specific purpose that is narrower than the purpose of the reporting unit. Restricted net position is reduced by liabilities related to those assets. Restricted net position that is reported in the Statement of Net Position may differ from the restricted fund balance shown in the Governmental Funds Balance Sheet. At December 31, 2020 the Government-wide restricted net position totaled $18,461,889.

7. ASSIGNED FUND BALANCE

Assigned fund balance represents tentative management plans that are subject to change. MBA Board action in 2011 authorized assigning unrestricted funds in the Capital Projects Fund, from MBA resources, for the purpose of district enhancements and public infrastructure needs around the ballpark.

8. LEASE

The terms of Minnesota Laws 2006 require the MBA to enter a long-term lease or use agreement with the Twins. To meet those terms, the MBA and the Twins have entered into a Lease Agreement to provide for the management, operation, maintenance and use of the Ballpark. The MBA leases to the Twins for an initial term of 30 years, and two potential renewal terms of 10 years each. The Twins shall pay fixed rent of \$600,000 per year, due on November 1st (subject to Consumer Price Index (CPI) increases), and additional rent of \$300,000 per year (not subject to CPI increases). The first rent payment was paid November 1, 2010. The total value of rent income due from the initial term of the lease is \$27,000,000. This revenue is deposited into the Capital Reserve Fund and used for major capital improvements to the structure.

LEASE REVENUE

Year	Base Rent	Additional Rent	Total
2021	$ 600,000	$ 300,000	$ 900,000
2022	600,000	300,000	900,000
2023	600,000	300,000	900,000
2024	600,000	300,000	900,000
2025	600,000	300,000	900,000
2026 - 2030	3,000,000	1,500,000	4,500,000
2031 - 2035	3,000,000	1,500,000	4,500,000
2036 - 2039	2,400,000	1,200,000	3,600,000
Total	**$ 11,400,000**	**$ 5,700,000**	**$ 17,100,000**

9. RISK MANAGEMENT

The MBA is exposed to various risks of loss related to general and professional liability torts; and theft of, damage to, and destruction of assets. Commercial property insurance is purchased by the MBA to cover the MBA's buildings, money, and securities, subject to deductible amounts. Settled claims from insured losses for the MBA have not exceeded commercial insurance coverage for the past three years.

In order to manage the project's construction risk, the Minnesota Twins and the MBA agreed to use an owner controlled insurance program (OCIP). In this program, the project owner purchased insurance for all subcontractors in the project and required these subcontractors to reduce their bid price by the amount of their insurance costs.

10. EMPLOYEE RETIREMENT SYSTEMS

MBA employees are covered by a statewide, defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (the General Employees Plan) which is a cost-sharing, multiple-employer retirement plan. The plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

Plan Description

All full-time employees of the MBA participate in the General Employees Retirement Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. 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.

General Employees Plan 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. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for all years 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, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement. Disability benefits are available for vested members and are based on years of service and average high-five salary.

Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions, Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2020 and the MBA was required to contribute 7.50

10. EMPLOYEE RETIREMENT SYSTEMS - CONTINUED

Contributions - continued

percent. The MBA's contributions to the General Employees Fund for the year ended December 31, 2020, were $25,366. The MBA's contributions were equal to the required contributions as set by state statute.

Pension Costs

At December 31, 2020, the MBA reported a liability of $281,657 for its proportionate share of the General Employees Retirement Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The MBA's proportion of the net pension liability was based on the MBA'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 PERA's participating employers. At June 30, 2020, the MBA's proportion was 0.005 percent, which was the same proportion measured as of June 30, 2019. For the year ended December 31, 2020, the MBA recognized pension expense of $19,910 for its proportionate share of the General Employees Plan's pension expense.

The MBA also recognized $756 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's contribution to the General Employees Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute $16 million to the General Employees Plan annually.

MBA's proportionate share of the net pension liability	$	281,657
State of Minnesota's proportionate share of the net pension liability associated with the MBA		8,685
Total	$	290,342

At December 31, 2020, the MBA reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020			
		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual economic experience	$	2,540	$	1,066
Changes in actuarial assumptions		-		10,404
Difference between projected and actual investment earnings		3,840		-
Changes in proportion		-		3,562
Contributions paid to PERA subsequent to the measurement date		12,690		-
Total	$	19,070	$	15,032

10. EMPLOYEE RETIREMENT SYSTEMS - CONTINUED

The $12,690 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount	
2021	$	(18,825)
2022	$	(1,730)
2023	$	5,097
2024	$	6,806

Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.25 percent per year
Active member payroll growth	3.00 percent per year
Investment rate of return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan.

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 the General Employees Plan was dated June 27, 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions and plan provisions for the General Employees Fund occurred in 2020:

Changes in Actuarial Assumptions and Plan Provisions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.

10. EMPLOYEE RETIREMENT SYSTEMS - CONTINUED

Changes in Actuarial Assumptions and Plan Provisions - continued:

- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Employee Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher Disabled Annuitant Mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

The long-term expected rate of return on pension plan investments is 7.50 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return 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 geometric 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
U.S. Equities	35.50%	5.10%
Broad international stock pool	17.50%	5.30%
Bond Pool	20.00%	0.75%
Alternatives	25.00%	5.90%
Cash Equivalents	2.00%	0.00%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net

10. EMPLOYEE RETIREMENT SYSTEMS - CONTINUED

Discount Rate – continued:

position of the General Employees Plan 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.

Pension Liability Sensitivity

The following presents the MBA's proportionate share of the net pension liability calculated using the discount rate previously disclosed, as well as what the MBA's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.00 percentage point lower or 1.00 percentage point higher than the current discount rate:

	Proportionate Share of the Net Pension Liability (Asset) at Different Discount Rates	
	General Employees Fund	
1% Lower	6.50%	$ 451,398
Current Discount Rate	7.50%	$ 281,657
1% Higher	8.50%	$ 141,634

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.

11. NEW ACCOUNTING PRONOUNCEMENTS

Accounting Standards Adopted in the Current Year

The MBA adopted the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*, on January 1, 2020. This statement requires the recognition of a liability when certain legal obligations exist to perform future asset retirement activities. The MBA had no obligations requiring recognition.

The MBA adopted the provisions of GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 90, *Majority Equity Interest*, with no impact in the current year.

Accounting Standards Not Yet Adopted

GASB Statement No. 87, *Leases*, requires government lessees to recognize lease liabilities and intangible assets, and report amortization expense, interest expense, and note disclosures about the leases. Government lessors are required to recognize a lease receivable and deferred inflow of resources, in addition to reporting the leased assets. Lessors then report lease revenue, interest income, and note disclosures about the leases. This statement is effective for the MBA on January 1, 2022.

11. NEW ACCOUNTING PRONOUNCEMENTS - CONTINUED

Accounting Standards Not Yet Adopted – continued

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes guidance relating to capital assets, interest cost incurred before the end of a construction period, and the cost of borrowing for a reporting period. This statement is effective for the MBA on January 1, 2021.

GASB Statement No. 91, *Conduit Debt Obligations,* clarifies the definition of conduit debt and establishes new recognition, measurement, and disclosure requirements. This statement is effective for the MBA on January 1, 2022.

GASB Statement No. 92 *Omnibus 2020,* establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. This statement is effective for the MBA on January 1, 2022.

GASB Statement No. 93, *Replacement on Interbank Offered Rates,* establishes accounting and financial reporting requirements related to replacement of interbank offered rates (IBORs), such as the London Interbank Offered Rate (LIBOR) in hedging derivative instruments and leases. This statement is effective for the MBA on January 1, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* supersedes GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements,* and establishes standards of accounting and financial reporting for Public-private and public-public partnerships and availability payment arrangements. This statement is effective for the MBA on January 1, 2023.

GASB Statement No, 96, *Subscription-Based Information Technology Arrangements,* establishes accounting and financial reporting standards for subscription-based information technology arrangements and government end users. This statement is effective for the MBA on January 1, 2023.

The MBA's management has not yet determined the effect these statements will have on the financial statements.

12. SUBSEQUENT EVENTS

With ongoing economic and social impacts from the COVID-19 pandemic, there remains some uncertainty about the overall financial stability of the economy, within the region and around the State of Minnesota. Attendance at public venues has not returned to pre-pandemic levels, though it slowly increased over the course of 2021. The MBA approved an overall General Fund budget decrease of 0.7% for 2022 and anticipates both the Twins and Hennepin County will be able to provide the MBA with all contractually obligated payments. While MBA management agrees with experts that economic conditions should continue to improve, the MBA has funding reserves to make further budget reductions if necessary.

Required Supplementary Information

MINNESOTA BALLPARK AUTHORITY
Hennepin County, Minnesota

Minnesota Ballpark Authority
Hennepin County, Minnesota
Schedule of Contributions
PERA General Employees Retirement Plan
December 31, 2020

Year Ending		Statutorily Required Contributions (a)		Actual Contributions in Relation to Statutorily Required Contributions (b)		Contribution (Deficiency) Excess (b-a)		Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	$	22,621	$	22,621	$	-	$	301,614	7.50%
2016	$	23,277	$	23,277	$	-	$	310,360	7.50%
2017	$	23,477	$	23,477	$	-	$	313,027	7.50%
2018	$	24,330	$	24,330	$	-	$	324,408	7.50%
2019	$	24,936	$	24,936	$	-	$	332,479	7.50%
2020	$	25,366	$	25,366	$	-	$	338,216	7.50%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The MBA's year-end is December 31.

The notes to the required supplementary information are an integral part of these schedules.

Minnesota Ballpark Authority
Hennepin County, Minnesota
Schedule of MBA Proportionate Share of Net Pension Liability
PERA General Employees Retirement Plan
December 31, 2020

Measurement Date	MBA's Proportion (Percentage) of the Net Pension Liability (Asset)		MBA's Proportionate Share (Amount) of the Net Pension Liability (a)		State's Proportionate Share (Amount) of the Net Pension Liability Associated with the MBA (b)		Combined Proportionate Share of the Net Pension Liability Associated with the MBA (a + b)		MBA Covered Payroll (c)	MBA's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Actual Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.005%	$	260,012	$	N/A	$	260,012	$	295,722	87.92%	78.19%
2016	0.005%	$	401,694	$	5,246	$	406,940	$	307,002	130.84%	68.91%
2017	0.005%	$	324,281	$	4,077	$	328,358	$	327,215	99.10%	75.90%
2018	0.005%	$	260,094	$	8,532	$	268,626	$	315,122	82.54%	79.53%
2019	0.005%	$	256,831	$	7,982	$	264,813	$	328,760	78.12%	80.23%
2020	0.005%	$	281,657	$	8,685	$	290,342	$	335,034	84.07%	79.06%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.

The notes to the required supplementary information are an integral part of these schedules.

Minnesota Ballpark Authority
Hennepin County, Minnesota
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended December 31, 2020
With Comparative Actual Amounts for the Year Ended December 31, 2019

	2020				
	Budgeted Amounts				
	Original	Final	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Intergovernmental	$ 700,000	$ 700,000	$ 630,756	$ (69,244)	$ 690,598
Investment earnings	-	-	9,749	9,749	25,111
Other	-	-	81	81	149
Total revenues	700,000	700,000	640,586	(59,414)	715,858
EXPENDITURES					
Current					
Culture and recreation					
Personal services	450,000	450,000	438,874	11,126	429,321
Commodities	1,300	1,300	387	913	1,048
Contractual services	193,300	193,300	162,967	30,333	187,959
Other	55,400	55,400	50,110	5,290	54,356
Total expenditures	700,000	700,000	652,338	47,662	672,684
Net change in fund balance	-	-	(11,752)	$ (11,752)	43,174
Fund Balance - Beginning	1,111,956	1,111,956	1,111,956		1,068,782
Fund Balance - Ending	$ 1,111,956	$ 1,111,956	$ 1,100,204		$ 1,111,956

The notes to the required supplementary information are an integral part of these schedules.

Minnesota Ballpark Authority
Hennepin County, Minnesota
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Capital Reserve Fund
For the Year Ended December 31, 2020
With Comparative Actual Amounts for the Year Ended December 31, 2019

	2020				
	Budgeted Amounts				
	Original	Final	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Intergovernmental contributions	$ 1,305,000	$ 1,305,000	$ 1,300,296	$ (4,704)	$ 1,279,209
Investment earnings	150,000	150,000	160,812	10,812	402,191
Tenant rent	1,012,000	1,012,000	1,009,253	(2,747)	997,750
Total revenues	2,467,000	2,467,000	2,470,361	3,361	2,679,150
EXPENDITURES					
Capital outlay	2,467,000	2,467,000	-	2,467,000	-
Total expenditures	2,467,000	2,467,000	-	2,467,000	-
Net change in fund balance	-	-	2,470,361	$ 2,470,361	2,679,150
Fund Balance - Beginning	15,710,966	15,710,966	15,710,966		13,031,816
Fund Balance - Ending	$ 15,710,966	$ 15,710,966	$ 18,181,327		$ 15,710,966

The notes to the required supplementary information are an integral part of these schedules.

A. The Financial Reporting Entity

Budgets are adopted on a basis consistent with generally accepted accounting principles. The MBA Board adopts annual appropriated budgets for the General Fund and Capital Reserve Special Revenue Fund in December of the previous year. All annual appropriations lapse at year-end to the extent that they have not been expended or encumbered.

For the following MBA non-lapsing project budgets, total actual project expenditures may not exceed total appropriated budgets:

	Ballpark Capital Reserve Fund		
Year	Appropriated Budget	Actual Expenditures	Remaining Budget
2011	$ 2,074,000	$ -	$ 2,074,000
2012	2,091,000	-	2,091,000
2013	2,142,000	-	2,142,000
2014	2,170,000	-	2,170,000
2015	2,208,000	-	2,208,000
2016	2,208,000	-	2,208,000
2017	2,242,000	1,759,535	482,465
2018	2,271,000	5,000,000	(2,729,000)
2019	2,375,000	-	2,375,000
2020	2,467,000	-	2,467,000
	$ 22,248,000	$ 6,759,535	$ 15,488,465

In accordance with the Grant Agreement Regarding Ballpark Project, the MBA Board must adopt and submit a proposed budget to the Hennepin County Board by August of each calendar year. Any changes in the budget must be within the revenues and reserves estimated or the revenue estimates must be authorized by a vote of the Board. Around July of every year, the Executive Director presents a proposed budget to the Audit Committee for review. The Audit Committee then recommends a proposed budget to the MBA Board.

Comparative Data and Reclassifications

Comparative totals data for the prior year has been presented in selected sections of the accompanying financial statements and footnotes in order to provide an understanding of the changes in the MBA's financial position and operations. In addition, certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

B. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the fiscal year June 30:

General Employees Retirement Plan

2020 Changes

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Employee Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher Disabled Annuitant Mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 Changes

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from $31 million to $21 million per year. The State's special funding contribution was changed prospectively, requiring $16 million due per year through 2031.

Changes in Actuarial Assumptions:

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

B. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions - Continued

2018 Changes

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

2017 Changes

Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals $16,000,000 in 2017 and 2018, and $6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The state's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1% per year for all years to 1% per year through 2044 and 2.50% per year thereafter.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1% per year through 2035 and 2.50% per year thereafter to 1% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

B. Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions - Continued

2015 Changes

Changes in Plan Provisions:

- On January 1, 2015 the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of $6 million, which meets the special funding situation definition, is due September 2015.

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1% per year through 2030 and 2.50% per year thereafter to 1% per year through 2035 and 2.50% per year thereafter.