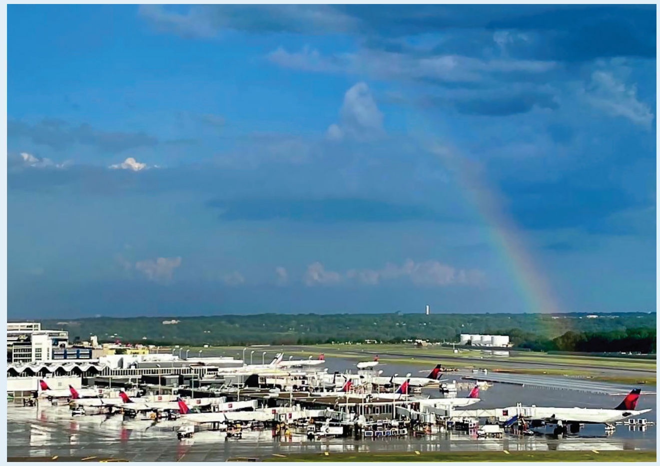
ANNUAL COMPREHENSIVE FINANCIAL REPORT

METROPOLITAN AIRPORTS COMMISSION ▶ MINNEAPOLIS-SAINT PAUL, MN



YEARS ENDED DECEMBER 31, 2021 AND 2020.

PREPARED BY

The Finance Department

ATIF SAEED
Chief Financial Officer

TIM SIMON
VP, Finance & Revenue Development

NICK HINCHLEY
Director of Finance

MISSION:
Connecting you to your world

VISION:
Providing your best airport experience

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METROPOLITAN AIRPORTS COMMISSION

Minneapolis–Saint Paul International Airport

6040 - 28th Avenue South • Minneapolis, MN 55450-2799

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OFFICE OF EXECUTIVE DIRECTOR

May 16, 2022

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

We are pleased to present the Annual Comprehensive Financial Report of the Metropolitan Airports Commission, Minneapolis-St. Paul, Minnesota, for the fiscal years ended December 31, 2021 and 2020.

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

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

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

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

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

For the year ended December 31, 2021, the annual financial statements of the MAC have been audited by Plante & Moran, PLLC (Plante Moran), a firm of independent Certified Public Accountants. Plante Moran's opinion on the financial statements are presented in this report.

Also, as part of the annual audit, Plante Moran performs procedures in accordance with the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Finally, the auditors perform procedures in accordance with the *Passenger Facility Charge Audit Guide for Public Agencies* and the requirements in 14 CFR 158.63 to audit the MAC's compliance with the FAA regulations in relation to passenger facility charge (PFC) revenues and expenses. The resulting reports are intended for the use of the MAC and the FAA and have not been included in this report.

THE COMMISSION:

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

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

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

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

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

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

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

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

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

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

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

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

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

Brian D. Ryks was appointed Executive Director/Chief Executive Officer of the Commission in May 2016. From 2016 through 2020, Mr. Ryks oversaw $1.4 billion in Commission airport improvement projects, including a multi-year expansion and modernization of facilities at Terminal 1, the addition of a new parking ramp which providing 5,000 more vehicle stalls at Terminal 1 as well as new ground transportation and auto rental facilities. MSP set passenger records every year of Mr. Ryks tenure at the Commission until the COVID-19 pandemic struck. Before arriving in Minneapolis, he held a similar position as executive director and CEO of the Gerald R. Ford International Airport in Grand Rapids, Michigan. While there, Mr. Ryks oversaw the completion of several significant projects, including an airport re-branding campaign, transition from a county-controlled airport to an airport authority. Ryks also led an innovative funding campaign to raise $20 million in private capital in support of a $45 million terminal expansion. During Ryks' tenure, the Gerald R. Ford International Airport set all-time records for passengers in 2014 and 2015 and was rated in 2015 as thenumber one airport in North America in its size category by the Airports Council International Airport Service Quality survey. Prior to his time in Michigan, Ryks was the executive director at the Duluth Airport Authority, overseeing Duluth International Airport in Minnesota and Sky Harbor, a general aviation airport. During his 10 years in Duluth, Mr. Ryks oversaw completion of $135 million in airport improvements, culminating with a $77 million project to develop a new terminal. Prior to arriving in Duluth, Mr. Ryks was employed for five years as the airport manager at the St. Cloud Regional Airport and for two years as the airport manager in Aberdeen, South Dakota. Before Aberdeen, Mr. Ryks spent six years in Denver where he was the manager of noise abatement at Stapleton and Denver International Airports. He was also the project manager for the development and installation of an Airport Noise and Operations Monitoring System at the Denver International Airport. He began his career as a noise technician at the Metropolitan Airports Commission in 1986. Mr. Ryks holds a Bachelor of Arts degree from St. Cloud State University, is a licensed pilot with an instrument rating and an Accredited Airport Executive with the American Association of Airport Executives (AAAE). He previously served on the Airports Council International North America (ACI-NA) Board of Directors, Mr. Ryks is Chairman of the ACI-NA Large Hub Airports Committee and a member of the organization's US Policy Council. In addition, Mr. Ryks serves on the Board of Directors of the American Association of Airport Executives (AAAE) and is a member of its Policy Review Committee. He also holds a professional affiliation with the Great Lakes Chapter of AAAE (GL-AAAE) and is past president of GL-AAAE. He was awarded a TSA Partnership Award in 2006, a Patriot Award in 2008 from the Employee Support of National Guard & Reserve, a 2009 Minnesota Council of Airport's Award of Excellence for Outstanding Promotion of Aviation, a 2012 Minnesota Council of Airports Distinguished Service Award and was named the 2015 Newsmaker of the Year in Economic Development by the Grand Rapids Business Journal.

Jurisdiction and Facilities:

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

The Commission owns and operates seven airports in the Metropolitan Area. Minneapolis-St. Paul International Airport (MSP) serves as the primary air carrier facility. MSP is one of the highest activity airports in the United States: it is the 17th largest among U.S. airports based on the number of operations (takeoffs or landings) and 17th largest based on passenger volume. The following reliever airports complement MSP to serve general aviation needs:

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

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

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

SIGNIFICANT ACCOUNTING AND BUDGETING POLICIES:

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

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

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

ACTIVITY HIGHLIGHTS

MSP is classified by the FAA to be one of the large hub airports in the United States. According to Airports Council International (ACI) statistics, in calendar year 2020, MSP was the 17th busiest airport in the United States in terms of passenger volume, 17th in terms of takeoffs and landings and 31st in cargo traffic.

In 2021, approximately 25,200,000 passengers passed through MSP: a 69.62% Increase in total passengers over 2020 levels. The top five carriers serving MSP in 2021 by enplaned passengers are shown in the accompanying table. Enplaned revenue passengers (including those connecting) at MSP in 2021 totaled 12,197,236. (Totals may differ from the passenger statistics reported by the air carriers to the Department of Transportation).

	Carrier	Total Enplaned Revenue Passengers	% of Total Enplaned Revenue Passengers
1	Delta	6,282,561	51.51%
2	Sun Country	1,215,564	9.97%
3	Southwest	571,927	4.69%
4	American	519,926	4.26%
5	United	303,569	2.49%
		8,893,547	72.91%

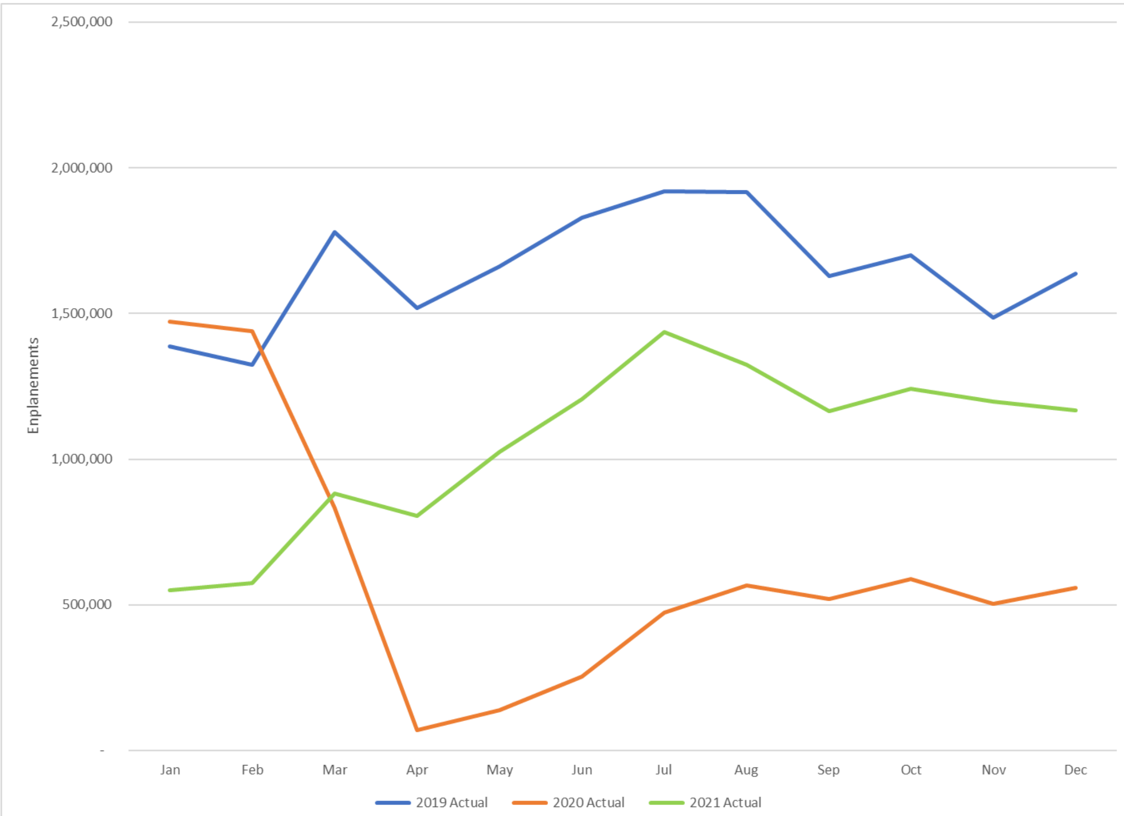
FACTORS AFFECTING THE MAC's FINANCIAL CONDITION:

Demand for Air Transportation

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

In 2020, the worldwide outbreak of novel coronavirus SARA-CoV-2 ("COVID-19") had caused, and continues to cause, significant disruptions to domestic and international air travel, including both passenger and cargo operations. The virus also impacted the conduct of day-to-day business in the United States and throughout the world. The United States government and governments of other countries are monitoring the virus to determine travel restrictions and warnings. Variants of the virus have caused uncertainty in the marketplace and could potentially soften the market for travel in certain destinations. The Commission continues to closely monitor the effects of the pandemic and is prepared to adapt as necessary.

During the 2020 calendar year, enplanements at the Airport decreased by 62.52% as compared to the 2019 calendar year. Beginning in March 2020, because of the impact of the COVID-19 pandemic, enplanements at the Airport decreased significantly compared to the same period in 2019. Enplanements continued to increase in calendar year 2021 as demand for air travel has continued to rebound since the onset of the pandemic. For 2021, enplanements at the Airport increased 41% compared to 2020.



<u>Demand for Origination and Destination Traffic (O&D) at MSP</u>**:**

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

- <u>Size:</u> Minnesota is the 22nd most populous State in the U.S. The Twin Cities metropolitan area is the 16th most populous metropolitan area in the nation.

- <u>Economic Strength and Diversity:</u>
  - ✓ Minnesota is headquarters to 18 Fortune 500 companies, which places it fourth among the 50 States in terms of numbers of Fortune 500 firms headquartered within the State on a per-capita basis.
  - ✓ Minnesota is headquarters to 6 of the 225 largest private companies including the largest privately held company in the United States: the Cargill Corporation.
  - ✓ Minneapolis Metropolitan Statistical Area has the seventh largest concentration of Fortune 500 company headquarters among cities in the United States and is first among the 30 largest metropolitan areas on a per-capita basis.

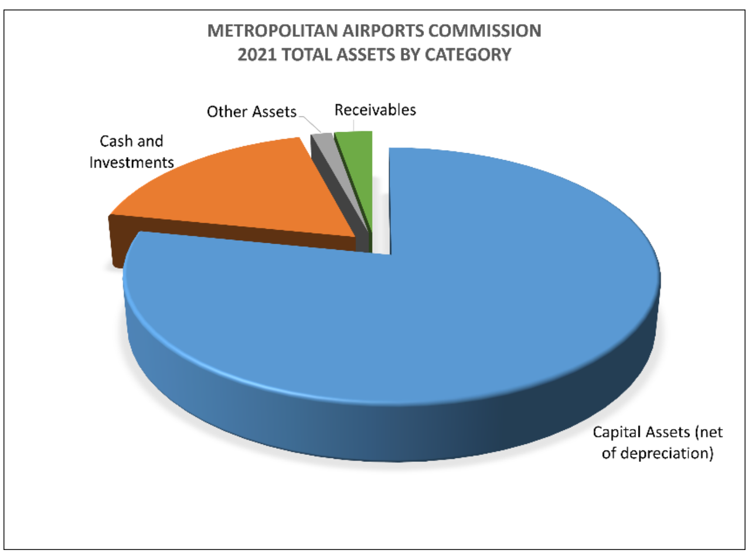
- High per capita income:
  - ✓ The Bureau of Economic Analysis reports that the Twin Cities average per capita income is approximately 3% higher than the national average.

- Stronger than National Average Growth in Population and Employment:
  - ✓ The Metropolitan Council, a regional planning organization for the eleven-county area including the Twin Cities, projects average annual population growth of .9% through 2050 versus the Census Bureau's projected national population growth rate of 0.7%.

The Metropolitan Council foresees a 1.3% annual average growth rate for Twin Cities area employment growth through 2050 versus the Bureau of Labor Statistics' projected growth in national employment of .6%.

Demand for Connecting Traffic:

Traffic at MSP is split 67/33 between O&D and connecting traffic. The strong demand for O&D traffic from MSP can be leveraged by tenant airlines to fill their planes by scheduling connecting flights through the airport. Historically, MSP was the "home-town" hub for the former Northwest Airlines, which had its headquarters in Eagan, Minnesota. After the merger of Northwest and Delta, the headquarters of the combined company was located in Atlanta. Although no longer the home-town company, Delta has made significant commitments to MSP. For example, Delta elected to extend its airline lease agreement with the MAC through December 31, 2030. In addition, Delta made a significant commitment to MSP in signing a "hub covenant". In its hub covenant, Delta agreed to maintain an annual average of 370 daily departing flights from MSP, at least 231 of which must be aircraft with greater than 70 seats and that a minimum of 30% of enplaned passengers must be connecting.



Supplying the Demand:

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

During 2021, the Commission expended $211,000,000 on its on-going Capital Improvement Program (CIP). Approximately $29,000,000 was associated with various airfield and runway projects. Approximately $27,000,000 was related to Terminal 1 projects. Projects at Terminal 1 include Tram systems retrofit, security improvements and construction work on the fire station. Approximately $36,000,000 was mainly spent for the new parking ramp, parking structure rehabilitation and Inbound roadway construction, $67,000,000 on operational improvements related to the baggage claim and ticket lobby, and $37,000,000 for an expansion of a portion of Concourse G. Approximately $9,000,000 was spent on the Commission's reliever airport system. The remaining $6,000,000 was spent primarily for noise mitigation and other building improvements. Average monthly capital spending in 2021 was approximately $17,582,000.

The 2022-23 CIP includes approximately $500,420,000 of planned projects, as set forth in the accompanying table. CIPs are revised from time to time and additional projects could be added to the 2022-23 CIP.

Projects 2022 - 2023	2022 planned construction	2023 planned construction
Terminal-1 Rehabilitation & Repair	$40,255,000	$75,900,000
Terminal-1 Baggage Claim/Ticket Lobby	88,250,000	45,925,000
Terminal-1 Expansion/Remodeling	2,915,000	18,165,000
TSA Recapitalization	22,500,000	
Terminal-1 Tenant Projects	3,100,000	6,500,000
Energy Management Center	21,485,000	12,920,000
Terminal Roads	1,900,000	5,520,000
Parking Facilities	4,600,000	3,000,000
Airfield and Runway Rehabilitation Program	39,425,000	32,300,000
Terminal-2 Rehabilitation & Repair	1,550,000	2,500,000
Safety and Security Center		1,000,000
Noise Mitigation Program	500,000	500,000
Police & Fire	18,350,000	1,500,000
Reliever Airports Program	6,900,000	16,550,000
Other	15,560,000	10,850,000
Total	$267,290,000	$233,130,000

Financing the Supply

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

Under its Master Indenture, the MAC has promised to maintain a debt service coverage ratio of 1.25 times the following year's scheduled payments. In July 2008, the Board of Commissioners directed that the MAC increase its debt service coverage above the contractual obligation to 1.4 times annual debt service for its Senior General Obligation Revenue Bonds (GORBs) and Senior General Airport Revenue Bonds (GARBs)—(see Note 7 to the financial statements). The MAC exceeded the July 2008 requirement. As of December 31, 2021, projected debt coverage on Senior Debt obligations is approximately 15.8 times scheduled payments.

At year-end 2021, the MAC had long-term debt (including the currently payable portion) of approximately $1,470,000,000 supporting approximately $3,100,000,000 of capital assets as discussed above (also see notes 7 and 8 to the financial statements). Despite its debt load, the MAC is highly liquid. Also at year-end 2021, the MAC had cash and investments totaling more than $571,000,000 and has continued to maintain strong debt service coverage ratios (currently at 15.8). The MAC's conservative financial practices have been rewarded with AA- debt rating on its senior debt (the second highest rating given to any airport debt) by Fitch rating agency and with an A+ debt rating by Standard and Poor's. High bond ratings reduce borrowing costs to the MAC and, therefore, help moderate the cost per enplaned passenger incurred by the airlines operating at MSP. In addition, high bond ratings ensure access to capital markets. Access to capital ensures that customers can depend on finding the high-quality runways, terminals, and other capital assets at the MAC's airports in good repair.

Because of the Commission's conservative financial practices, the cost to airlines of enplaning passengers at MSP has historically been significantly lower than the national average. Because of inconsistencies in methods of calculating the cost per enplanement, it is difficult to have fully comparable statistics. Comparative data for the cost to airlines of enplaning passengers for 2021 was not available for comparison due to impacts of the COVID-19 pandemic on the timing and availability of such information. Having a low cost per enplaned passenger makes MSP a profitable venue for client airlines.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS:

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

AWARDS:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the MAC for its Comprehensive Annual Financial Report for the year ended December 31, 2020. The Commission has received this prestigious GFOA award for 36 consecutive years.

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

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

The Commission also received for the 36th consecutive year the GFOA Award for Distinguished Budget Presentation for its Annual Operating Budget for 2021. In order to qualify for the Distinguished Budget Presentation, the Commission's budget document was judged to be proficient in several categories, including policy documentation, financial planning and organization.

ACKNOWLEDGEMENTS:

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

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

Respectfully,

Brian D. Ryks Executive Director/CEO	Atif Saeed Chief Financial Officer
Timothy Simon Vice President of Finance and Revenue Development	Nicholas Hinchley Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

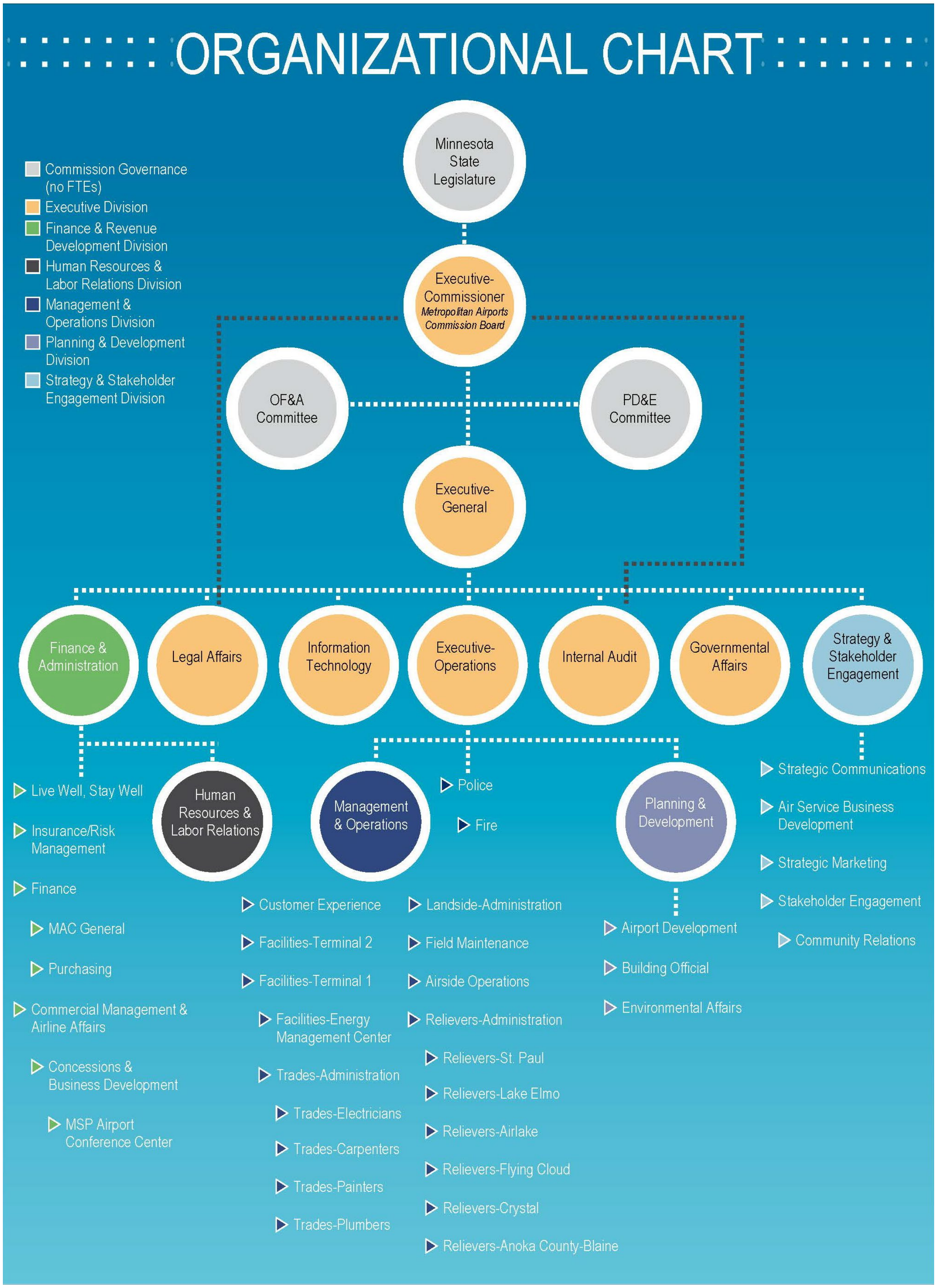
Minneapolis-St. Paul
Metropolitan Airports Commission
Minnesota

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO


ORGANIZATIONAL CHART
Commission Governance (no FTEs)
Executive Division
Finance & Revenue Development Division
Human Resources & Labor Relations Division
Management & Operations Division
Planning & Development Division
Strategy & Stakeholder Engagement Division
Minnesota State Legislature
Executive-Commissioner Metropolitan Airports Commission Board
OF&A Committee
PD&E Committee
Executive-General
Finance & Administration
Legal Affairs
Information Technology
Executive-Operations
Internal Audit
Governmental Affairs
Strategy & Stakeholder Engagement
Live Well, Stay Well
Insurance/Risk Management
Finance
MAC General
Purchasing
Commercial Management & Airline Affairs
Concessions & Business Development
MSP Airport Conference Center
Human Resources & Labor Relations
Management & Operations
Police
Fire
Customer Experience
Facilities-Terminal 2
Facilities-Terminal 1
Facilities-Energy Management Center
Trades-Administration
Trades-Electricians
Trades-Carpenters
Trades-Painters
Trades-Plumbers
Landside-Administration
Field Maintenance
Airside Operations
Relievers-Administration
Relievers-St. Paul
Relievers-Lake Elmo
Relievers-Airlake
Relievers-Flying Cloud
Relievers-Crystal
Relievers-Anoka County-Blaine
Planning & Development
Airport Development
Building Official
Environmental Affairs
Strategic Communications
Air Service Business Development
Strategic Marketing
Stakeholder Engagement
Community Relations

Commission Members

BOARD MEMBERS

The Chair and fourteen Commissioners govern the Metropolitan Airports Commission (MAC). The Governor of the State of Minnesota appoints the Chair and 12 Commissioners. Of these 12 Commissioners, eight are from designated districts within the metropolitan area and four are from outside of the metropolitan area. The Mayors of St. Paul and Minneapolis also have seats on the Commission, with the option to appoint a surrogate to serve in their place. While the Commissioners' terms are four years, the Chair serves at the pleasure of the Governor.

Rick King
Commission Chair

Carl Crimmins
District A

Braj Agrawal
District B

James Lawerence
District C

Timothy Baylor
District D

James Deal
District E

Rodney Skoog
District F

Richard Ginsberg
District G

Yodit Bizen
District H

Leili Fatehi
City of Minneapolis

Ikram Koliso
City of Saint Paul

Patti Gartland
Outstate St. Cloud

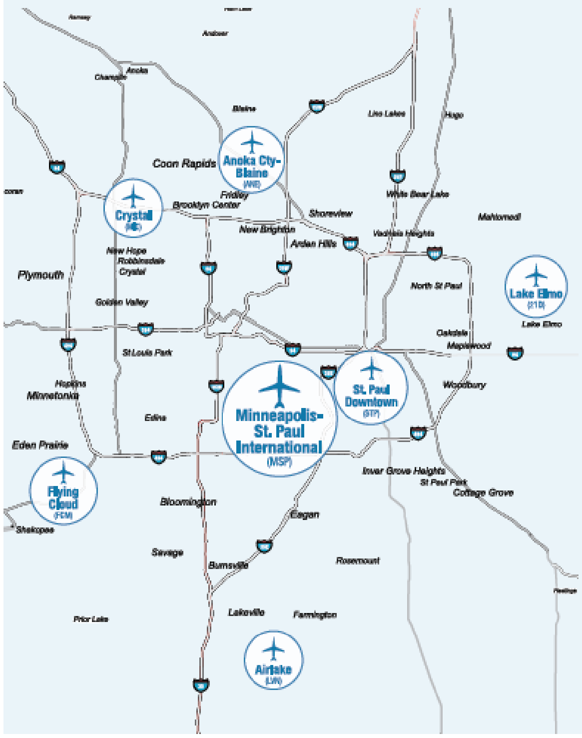
Donald Monaco
Outstate Duluth

Dixie Hoard
Outstate Thief River Falls

Randy Schubring
Outstate Rochester

MINNEAPOLIS SAINT PAUL METROPOLITAN AIRPORTS COMMISSION MAC

Airport Locations



COMMISSION JURISDICTION 35-MILE RADIUS

The area over which the Commission exercises its jurisdiction is the Minneapolis-St. Paul metropolitan area which includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties, and extends approximately 35 miles out in all directions from the Minneapolis and Saint Paul City Halls. The Commission owns and operates seven airports within the metropolitan area. Scheduled air carriers are served by the Minneapolis-St. Paul International Airport (MSP). Six Reliever Airports serve business and general aviation:

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

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the Minneapolis/St. Paul Metropolitan Airports Commission (the "Commission") as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise Minneapolis/St. Paul Metropolitan Airports Commission's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Minneapolis/St. Paul Metropolitan Airports Commission as of December 31, 2021 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Report on Prior Year Financial Statements

The basic financial statements of the Minneapolis/St. Paul Metropolitan Airports Commission as of and for the year ended December 31, 2020 were audited by other auditors, who expressed an unmodified opinion on May 25, 2021.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical section schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2022 on our consideration of the Minneapolis/St. Paul Metropolitan Airports Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Minneapolis/St. Paul Metropolitan Airports Commission'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 Minneapolis/St. Paul Metropolitan Airports Commission's internal control over financial reporting and compliance.

Plante & Moran, PLLC

May 16, 2022

The following management's discussion and analysis of the financial performance and activity of the Minneapolis/St. Paul Metropolitan Airports Commission (Commission or MAC) is to provide an introduction and understanding of the basic financial statements of the Commission for the years ended December 31, 2021 and 2020 with selected three-year comparative data for the years ended December 31, 2021, 2020 and 2019. This discussion has been prepared by management and should be read in conjunction with the audited financial statements and the notes thereto, which follow this section.

USING THE FINANCIAL STATEMENTS

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

FINANCIAL HIGHLIGHTS

General

The Commission has entered into, and receives payment under, agreements with various air carriers and other parties, including the airline lease agreements relating to landing fees and the leasing of space in terminal buildings, other building leases regarding the leasing of cargo and miscellaneous hangar facilities, concession agreements relating to sale of goods and services at the airport and specific project leases relating to the construction of buildings and facilities for specific tenants. Below is a brief description of each agreement along with the revenue generated in 2021.

Airline Lease Agreements

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

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

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

Enplaned Passenger Growth	Revenue Sharing Percentage
1 % or Less	33%
More than 1%	33% and One-Half of the Enplaned Passenger Growth Percentage

Selected Concession Revenues were $37,653,374 and $21,311,041 and enplaned passengers were 12,282,167 and 7,106,879 for fiscal years 2021 and 2020, respectively, resulting in total Shared Concession Revenue of $14,756,138 and $6,606,423. The Selected Concession Revenue thresholds are subject to change annually. The Selected Concession Revenue in 2021 was increased by $7,062,194 for grant reimbursements for concession relief provided by the CRRSA and ARPA grants.

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

For the years ended December 31, 2021 and 2020, the aggregate rentals earned by the Commission pursuant to the airline lease agreements were approximately $103,551,000 and $84,555,000, respectively. The annual rentals due under each lease may be adjusted each year to reflect actual costs of the airport.

Other Building and Miscellaneous Leases

The other building and miscellaneous leases relate to rentals and other fees associated with the Terminal 2, miscellaneous hangar facilities, and office rentals for non-airline tenants in Terminal 1. For the years ended December 31, 2021 and 2020, the aggregate annual rentals under these leases were approximately $37,613,000 and $35,074,000, respectively.

Specific Project Leases

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

For the years ended December 31, 2021 and 2020, the aggregate lease rentals paid to the Commission under specific project leases was approximately $5,724,000 and $5,617,000, respectively.

Concession Agreements

The Commission has entered into concession agreements with various firms to operate concessions inside the terminal building at the airport including, among others, food and beverage services, newsstands, advertising, vending, insurance, and personal service shops. For the years ended December 31, 2021 and 2020, the aggregate fees earned by the Commission under the existing concession agreements were approximately $27,746,000 and $17,861,000, respectively. Such fees are computed on the basis of different percentages of gross sales for the various types of concessions, with the larger concessions guaranteeing a minimum payment each year.

Concession agreements for rental car agencies require such concessionaires to pay fees based on a percentage of their gross revenues and special charges such as parking fees, customer facility charge, and a per-square-foot land rental. The Commission also has a management contract with a firm for the operation of the airport parking lot and garage facilities. For the years ended December 31, 2021 and 2020, the aggregate fees earned by the Commission under the existing rental car agreements and parking lot and garage facilities were approximately $97,776,000 and $60,174,000, respectively. Of this amount, parking revenue was approximately $63,624,000 for 2021 and $38,528,000 for 2020. Auto rental revenue for both on and off airport auto rentals for December 31, 2021 and 2020 was approximately $30,395,000 and $17,823,000, respectively.

Reliever Airports

The Commission has entered into various other leases and agreements with tenants at its reliever airport system. These reliever airport tenant leases include fuel flowage fees, hangar rentals, storage lots, commercial fees, and other miscellaneous amounts. For the years ended December 31, 2021 and 2010, revenues from these agreements were approximately $10,234,000 and $8,664,000, respectively.

Miscellaneous Off-Airport Concession Leases and Ground Transportation Fees

The Commission has entered into certain leases with off-airport concessionaires that provide off-airport advertising and auto services. Additionally, the Commission charges fees for employee parking, permits and licenses to operate shuttles, vans, buses, and taxis at the airport. Such fees are set by Commission ordinances. In 2016, the Commission allowed Transportation Network Companies (TNC) to operate at the airport. For the years ended December 31, 2021 and 2020, the Commission earned $8,916,000 and $7,268,000, respectively.

Utilities

The Commission has entered into certain leases with tenants the provide utilities to the leased spaces throughout the terminal. For the years ended December 31, 2021 and 2020, the revenues from these utility charges were approximately $5,615,000 and $4,876,000, respectively.

Miscellaneous Revenues

In addition to the above agreements, the Commission enters into various other leases and agreements. These include ground space rentals, office rentals for commuter airlines and concessionaires, commuter and general aviation fees, and other miscellaneous amounts. For the years ended December 31, 2021 and 2020, the revenues from these agreements were approximately $15,593,000 and $9,605,000, respectively.

Operating Revenues

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

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

For the fiscal years ended December 31, 2021 and 2020, the top ten operating revenue sources for the MAC were as follows:

Source		2021 Revenue	
1. Landing Fees	$	69,920,931	
2. Parking		63,624,059	
3. General Building		40,919,455	
4. Auto Rental (off- and on-airport)		30,394,800	*
5. Other Building Rent		29,644,038	
6. Food & Beverage		15,952,988	
7. Ground Rent		11,456,029	
8. Ground Transportation Fees		6,911,331	
9. News and Retail Stores		6,807,098	
10. Ramp Fees		5,923,289	

* Excludes customer facility charges

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

* Excludes customer facility charges

The top ten revenue providers for 2021 for the MAC were as follows:

Top Ten Operating Revenue Providers
1. Delta Air Lines
2. Sun Country
3. Enterprise
4. Avis
5. Hertz
6. United
7. Southwest
8. American
9. Host
10. Delaware North

ECONOMIC CONDITIONS

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

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

During 2021, the MAC's total revenues and capital contributions increased by 20.4% to $461,712,000 from $383,453,000 in 2020. Changes in major categories follow (dollars in thousands):

	2021	% of Total	2020	% of Total	Dollar Change	Percent Change
Operating revenues						
Airline rates and charges	$ 117,728	25.5%	$ 94,259	24.6%	$ 23,469	24.9%
Concessions	121,408	26.3%	76,524	20.0%	44,884	58.7%
Rentals/fees	36,519	7.9%	32,804	8.6%	3,715	11.3%
Utilities and other revenues	18,486	4.0%	15,879	4.1%	2,607	16.4%
Total operating revenues	294,141		219,466		74,675	
Nonoperating revenues						
Investment income	3,026	0.7%	13,507	3.5%	(10,481)	-77.6%
Solar panel financing rebate	862	0.2%	896	0.2%	(34)	-3.8%
Gain (loss) on disposal of assets	98	0.0%	62	0.0%	36	58.1%
Grants used for operating expense	10,241	2.2%	18,231	4.8%	(7,990)	-43.8%
Customer facility charges	13,029	2.8%	8,779	2.3%	4,250	48.4%
Passenger facility charges	51,096	11.1%	28,669	7.5%	22,427	78.2%
Total nonoperating revenues	78,352		70,144		8,208	
Capital contributions and grants	89,219	19.3%	93,843	24.5%	(4,624)	-4.9%
Total revenues and capital contributions	$ 461,712	100.0%	$ 383,453	100.0%	$ 78,259	20.4%

Airline rates and charges increased by 24.9% or $23,469,000. A majority of the revenue derived from the airline rates and charges category is based on the amount of expenses incurred in certain cost centers. The increase is related to continued recovery in airline activity from the pandemic and less airline relief approved by the Commission in response to the pandemic which reduced landing fees and terminal rents for airlines.

Concessions increased by 58.7% or $44,884,000. The increase is in each of the categories within Concessions. Food and Beverage, news, retail, and passenger services increased approximately $9.9 million due to the increase in passenger traffic, and reduced concession relief approved by the Commission due to the pandemic. Parking increased by approximately $25.0 million due to the increase in passenger traffic parking at the airport. Ground Transportation increased by approximately $9.6 million due to the increase in passengers using transportation services to the airport.

Rental fees increased by $3,715,000 or 11.3%. This is primarily due to several new commercial and storage lot leases at the reliever airports and increased rental rates on certain buildings around the MSP campus.

Utilities and other revenues increased by 16.4% or $2,607,000 primarily due to the increase in commercial activity and maintenance, cleaning, and distribution fees from the reopening of most concessions during the year.

Investment income decreased $10,481,000 or 77.6% due to a decrease in the market value of existing investments from the current rising interest rate environment. There was no significant gain or loss on sale of assets in 2021 and 2020.

Customer facility charges increased $4,250,000 or 48.4% due to the continued recovery of passenger traffic at the airport.

Capital contributions and grants represent grants received from both federal and state governments for various construction projects at both MSP and the reliever airports. Grants used for operating expenses are for grants received from the federal government as part of COVID-19 relief Acts for reimbursement of eligible operating expenses. The decrease in 2021 is primarily due to less federal grant reimbursements for COVID-19 relief being requested from each of aforementioned grant programs.

During 2020, the MAC's total revenues and capital contributions decreased by 25.6% to $383,453,000 from $515,141,000 in 2019. Changes in major categories follow (dollars in thousands):

	2020	% of Total	2019	% of Total	Dollar Change	Percent Change
Operating revenues						
Airline rates and charges	$ 94,259	24.6%	$ 132,496	25.7%	$ (38,237)	-28.9%
Concessions	76,524	20.0%	191,113	37.1%	(114,589)	-60.0%
Rentals/fees	32,804	8.6%	31,857	6.2%	947	3.0%
Utilities and other revenues	15,879	4.1%	24,210	4.7%	(8,331)	-34.4%
Total operating revenues	219,466		379,676		(160,210)	
Nonoperating revenues						
Investment income	13,507	3.5%	25,282	4.9%	(11,775)	-46.6%
Solar panel financing rebate	896	0.2%	919	0.2%	(23)	-2.5%
Gain (loss) on disposal of assets	62	0.0%	99	0.0%	(37)	-37.4%
Grants used for operating expense	18,231	4.8%	-		18,231	100.0%
Customer facility charges	8,779	2.3%	22,185	4.3%	(13,406)	-60.4%
Passenger facility charges	28,669	7.5%	77,430	15.0%	(48,761)	-63.0%
Total nonoperating revenues	70,144		125,915		(55,771)	
Capital contributions and grants	93,843	24.5%	9,550	1.9%	84,293	882.6%
Total revenues and capital contributions	$ 383,453	100.0%	$ 515,141	100.0%	$ (131,688)	-25.6%

Airline rates and charges decreased by 28.9% or $38,237,000. A majority of the revenue derived from the airline rates and charges category is based on the amount of expenses incurred in certain cost centers. The decrease is related to airline relief actions approved by the Commission in response to the pandemic which reduced landing fees and terminal rents for airlines.

Concessions decreased by 60.0% or $114,589,000. The decrease is in each of the categories within Concessions. Food and Beverage, news, retail and passenger services decreased approximately $26.5 million due to the decrease in passenger traffic, concession relief approved by the Commission, and the temporary closing of many concessions due to the pandemic. Parking decreased by approximately $64.6 million due to the decrease in passenger traffic parking at the airport. Ground Transportation decreased by approximately $9.6 million due to the decrease in passengers using transportation services to the airport.

Utilities and other revenues decreased by 34.4% or $8,331,000 primarily due to the decrease in commercial activity and maintenance, cleaning and distribution fees from the temporary closure of concessions during the year.

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

Capital contributions and grants represent grants received from both federal and state governments for various construction projects at both MSP and the reliever airports. Grants used for operating expenses are for grants received from the federal government as part of COVID-19 relief Acts for reimbursement of eligible operating expenses. The increase in 2020 comes primarily from a new federal grant for COVID-19 relief.

Expenses

In 2021, the MAC's total expenses increased by 4.1% to $398,629,000 from $383,057,000 in 2020. Changes in major categories are summarized below (dollars in thousands):

	2021	% of Total	2020	% of Total	Dollar Change	Percent Change
Operating expenses						
Personnel	$ 75,182	18.9%	$ 77,806	20.3%	$ (2,624)	-3.4%
Administrative	1,054	0.3%	1,057	0.3%	(3)	-0.3%
Professional services	5,679	1.4%	5,159	1.3%	520	10.1%
Utilities	19,092	4.8%	17,383	4.5%	1,709	9.8%
Operating services	25,895	6.5%	27,596	7.2%	(1,701)	-6.2%
Maintenance	41,862	10.5%	39,811	10.4%	2,051	5.2%
Depreciation and amortization	178,513	44.8%	160,889	42.0%	17,624	11.0%
Other	3,665	0.9%	4,027	1.1%	(362)	-9.0%
Total operating expenses	350,942		333,728		17,214	
Nonoperating expenses						
Interest expense	47,687	12.0%	49,329	12.9%	(1,642)	-3.3%
Total nonoperating expenses	47,687		49,329		(1,642)	
Total expenses	$ 398,629	100.0%	$ 383,057	100.0%	$ 15,572	4.1%

Personnel decreased by 3.4% or $2,624,000. The majority of the decrease is related to adjustments related to the actuarial valuation of the multi-employer pension plans and other postemployment benefit plan that the Commission participates in. This decrease was offset by the Commission beginning to fill many positions that were open during 2020 that was used to reduce costs in response to the pandemic, and an increase in medical claims.

Utilities increased $1,709,000 or 9.8% primarily due to higher usage of electricity and natural gas due to certain facilities reopening after being closed or having reduced usage in response to the decline in passengers in 2020.

Operating services decreased $1,701,000 or 6.2% due to less contract staffing related to shuttered parking facilities during the year, reduced advertising and service agreement costs and other expenses to reduce costs in response to the pandemic.

Maintenance increased by 5.2% or $2,051,000 due to restoring most of the contract services for automated people movers, moving walkways, and other expenses that were reduced in 2020 to lower costs in response to the pandemic.

Depreciation increased $17,624,000 or 11.0%. The increase is attributable to new projects placed into service during 2020-2021.

Interest expense decreased $1,642,000 or 3.3% due to bond interest savings from the refunding of several bond series during 2019.

In 2020, the MAC's total expenses decreased by 5.3% to $383,057,000 from $404,679,000 in 2019. Changes in major categories are summarized below (dollars in thousands):

	2020	% of Total	2019	% of Total	Dollar Change	Percent Change
Operating expenses						
Personnel	$ 77,806	20.3%	$ 90,845	22.4%	$ (13,039)	-14.4%
Administrative	1,057	0.3%	1,753	0.4%	(696)	-39.7%
Professional services	5,159	1.3%	7,123	1.8%	(1,964)	-27.6%
Utilities	17,383	4.5%	18,847	4.7%	(1,464)	-7.8%
Operating services	27,596	7.2%	30,950	7.6%	(3,354)	-10.8%
Maintenance	39,811	10.4%	46,988	11.6%	(7,177)	-15.3%
Depreciation and amortization	160,889	42.0%	150,549	37.2%	10,340	6.9%
Other	4,027	1.1%	4,354	1.1%	(327)	-7.5%
Total operating expenses	333,728		351,409		(17,681)	
Nonoperating expenses						
Interest expense	49,329	12.9%	53,270	13.2%	(3,941)	-7.4%
Total nonoperating expenses	49,329		53,270		(3,941)	
Total expenses	$ 383,057	100.0%	$ 404,679	100.0%	$ (21,622)	-5.3%

Personnel decreased by 14.4% or $13,039,000. The majority of the decrease is related to the Commission holding many positions open during 2020 to reduce costs in response to the pandemic, a decrease in medical claims, and an adjustment related to the actuarial valuation of the multi-employer pension plans that the Commission participates in.

Utilities decreased $1,464,000 or 7.8% primarily due to lower usage of electricity and natural gas due to certain facilities being closed or having reduced usage in response to the decline in passengers.

Operating services decreased $3,354,000 or 10.8% due to less contract staffing related to shuttered parking facilities during the year, reduced advertising and service agreement costs and other expenses to reduce costs in response to the pandemic.

Maintenance decreased by 15.3% or $7,177,000 due to reduced contract services for automated people movers, moving walkways, and other expenses to reduce costs in response to the pandemic.

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

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

Net Revenues

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

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

Following is a summary of the Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2021, 2020 and 2019 (dollars in thousands):

	2021	2020	2019
Operating revenues	$ 294,141	$ 219,466	$ 379,676
Operating expenses	(350,942)	(333,728)	(351,409)
Operating income (loss)	(56,801)	(114,262)	28,267
Nonoperating revenues	78,352	70,144	125,915
Nonoperating expenses	(47,687)	(49,329)	(53,270)
Nonoperating income (loss)	30,665	20,815	72,645
Increase in net position before capital contributions and grants	(26,136)	(93,447)	100,912
Capital contributions and grants	89,219	93,843	9,550
Increase (Decrease) in net position	63,083	396	110,462
Net position, beginning of year	1,986,631	1,986,235	1,875,773
Net position, end of year	$ 2,049,714	$ 1,986,631	$ 1,986,235

The Commission shows an increase in the total change in its net position in 2021 versus 2020. This is due to the continued recovery of the airline and travel industries from the COVID-19 pandemic and the related increases in operating revenues in most categories in 2021.

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

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

STATEMENTS OF NET POSITION

The Statements of Net Position present the net position of the MAC at the end of the fiscal year. Net position is equal to total assets plus deferred outflows of resources less total liabilities less deferred inflows of resources and is an indicator of the current financial health of the MAC. Summarized statements of net position information at December 31, 2021, 2020 and 2019 follows (dollars in thousands):

	December 31, 2021	2020	2019
Assets			
Current assets - unrestricted	$ 325,916	$ 297,340	$ 333,429
Noncurrent assets:			
Restricted assets	342,147	439,910	804,467
Other noncurrent assets	13,004	15,600	10,045
Capital assets - net	3,140,362	3,122,481	2,971,597
Total assets	3,821,429	3,875,331	4,119,538
Deferred Outflows of Resources	63,192	41,354	39,760
Total assets and deferred outflows of resources	3,884,621	3,916,685	4,159,298
Liabilities			
Current liabilities - unrestricted	$ 74,643	$ 82,832	$ 159,365
Noncurrent liabilities:			
Payable from restricted assets	116,446	122,157	110,327
Bonds and notes payable	1,394,779	1,549,799	1,765,146
Other noncurrent liabilities	159,247	131,147	86,972
Total liabilities	1,745,115	1,885,935	2,121,810
Deferred Inflows of Resources	89,792	44,119	51,253
Total liabilities and deferred inflows of resources	1,834,907	1,930,054	2,173,063
Net Position			
Net investment in capital assets	1,748,232	1,716,003	1,476,160
Restricted	114,770	143,130	387,696
Unrestricted	186,712	127,498	122,379
Total net position	2,049,714	1,986,631	1,986,235
Total liabilities, deferred inflows of resources and net position	$ 3,884,621	$ 3,916,685	$ 4,159,298

The decrease in total assets and deferred outflows of resources is primarily due to the decrease in restricted investment balances from reduced excess available funds for investment during 2021 and 2020. Overall, the majority of the decrease in liabilities and deferred inflows of resources from 2019 to 2020 is due to reduction of debt due to debt service with little new debt being issued.

FIDUCIARY ACTIVITIES

The statement of fiduciary net position reported $80,437 and $78,578 (in thousands) as assets and net position restricted for OPEB as of December 31, 2021 and 2020, respectively, and the statements of changes in fiduciary net position reported total additions of $4,421 and $9,725 (in thousands), comprised principally of Commission contributions, and total deductions–benefits-payments of $2,562 and $2,662 (in thousands) for the years ended December 31, 2021 and 2020, respectively.

CASH AND INVESTMENT MANAGEMENT

The following summary shows the major sources and uses of cash during the years ended December 31, 2021, 2020 and 2019 (dollars in thousands):

	December 31, 2021	2020	2019
Cash provided by operating activities	$ 297,389	$ 231,722	$ 378,723
Cash used in operating activities	(204,071)	(194,831)	(203,305)
Net cash provided by operating activities	93,318	36,891	175,418
Net cash provided by noncapital financing activities	26,028	4,128	-
Net cash provided by (used in) capital and related financing activities	(190,122)	(502,532)	(66,164)
Net cash provided by (used in) investing activities	72,994	455,718	(94,881)
Net increase (decrease) in cash and cash equivalents	2,218	(5,795)	14,373
Cash and cash equivalents, beginning of year	19,876	25,671	11,298
Cash and cash equivalents, beginning of year	$ 22,094	$ 19,876	$ 25,671

Cash temporarily idle during the year is invested according to legal requirements established by the Legislature of the State of Minnesota. In accordance with state law, investments are generally restricted to various United States government securities, mutual funds, state and local obligations, commercial paper and repurchase agreements. With the exclusion of postemployment medical investments which must have an average portfolio life of no greater than 12 years maximum, all other securities must mature within four years from the date of purchase. During 2021, the MAC's average portfolio balance was $552,921,000 and total investment earnings were $656,596 for an average yield on investments during the year of 0.12%. This compares to an average portfolio balance of $757,735,000; investment earnings of $11,058,000 and average yield of 1.46% in fiscal year 2020.

The Commission currently has a policy of keeping a six-month working capital reserve in its operating fund. At the end of 2021, the Commission has in its operating fund approximately $80 million over and above its 2021 six-month working capital requirement. The Commission is currently considering how to apply or use some or all of these excess-operating funds.

CAPITAL CONSTRUCTION

During 2021, the Commission expended $211,000,000 on its on-going Capital Improvement Program (CIP). Approximately $29,000,000 was associated with various airfield and runway projects. Approximately $27,000,000 was related to Terminal 1 projects. Projects at Terminal 1 include Tram systems retrofit, security improvements and construction work on the fire station. Approximately $36,000,000 was mainly spent for the new parking ramp, parking structure rehabilitation and Inbound roadway construction, $67,000,000 on operational improvements related to the baggage claim and ticket lobby, and $37,000,000 for an expansion of a portion of Concourse G.Approximately $9,000,000 was spent on the Commission's reliever airport system. The remaining $6,000,000 was spent primarily for noise mitigation and other building improvements. Average monthly capital spending in 2021 was approximately $17,582,000.

During 2020, the Commission expended $326,000,000 on its on-going Capital Improvement Program (CIP). Approximately $25,000,000 was associated with various airfield and runway projects. Approximately

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

Further information can be found in Note 6.

CAPITAL FINANCING AND DEBT MANAGEMENT

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

Statutory authority for issuing general obligation revenue bonds is obtained from the Minnesota State Legislature. Authorization as of December 31, 2021, which permits the issuance by the MAC of up to $55,000,000 of general obligation revenue bonds. Currently, the MAC has no general obligation revenue bonds outstanding.

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

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

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

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

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

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

For further information on capital financing activity see Notes 7 and 8.

CONTACTING THE MAC'S FINANCIAL MANAGEMENT

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

Statement of Net Position

December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	$ 22,095,080	$ 19,876,003
Investments (Note 4)	215,400,010	183,976,875
Receivables:		
Customer receivables	13,983,623	7,162,950
Leases receivable	1,405,700	1,747,424
Due from other governments	71,640,177	83,366,000
Prepaid expenses and other assets	1,391,802	1,211,000
Total current assets	325,916,392	297,340,252
Noncurrent assets:		
Restricted assets:		
Restricted investments (Notes 4 and 5)	333,418,147	434,809,348
Passenger facility charge receivable	8,056,083	3,526,808
Leases receivable	673,116	1,573,905
Capital assets - Net (Note 6)	3,140,362,453	3,122,481,176
Derivative instruments - Forward delivery agreements (Note 11)	7,355,756	9,744,072
Leases receivable	3,961,594	5,855,812
Net OPEB asset (Note 10)	1,685,713	-
Total noncurrent assets	3,495,512,862	3,577,991,121
Total assets	3,821,429,254	3,875,331,373
Deferred Outflows of Resources		
Bond refunding loss being amortized (Note 7)	12,139,784	17,827,927
Deferred pension costs (Note 9)	44,226,662	17,133,073
Deferred OPEB costs (Note 10)	6,825,379	6,392,943
Total deferred outflows of resources	63,191,825	41,353,943
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	58,693,233	70,188,000
Employee compensation, payroll taxes, and other	12,061,224	9,303,431
Unearned revenue	1,028,021	765,001
OPEB contribution payable	2,860,801	2,574,980
Total current liabilities	74,643,279	82,831,412
Noncurrent liabilities:		
Payable from restricted assets:		
Interest payable from restricted assets	32,880,273	34,388,413
Principal payable from restricted assets (Note 7)	74,150,847	69,820,287
Construction and other	9,414,744	17,959,401
Revolving line of credit payable (Note 8)	113,148,562	43,936,500
Net OPEB liability (Note 10)	-	17,310,750
Net pension liability (Note 9)	46,098,220	69,889,211
Bonds and notes payable, net of current portion (Note 7)	1,394,779,447	1,549,798,641
Total noncurrent liabilities	1,670,472,093	1,803,103,203
Total liabilities	1,745,115,372	1,885,934,615

See notes to financial statements.

Statement of Net Position (Continued)

December 31, 2021 and 2020

	2021	2020
Deferred Inflows of Resources		
Accumulated increase in fair value of hedging derivatives (Note 11)	$ 7,355,756	$ 9,744,072
Bond refunding gain being amortized (Note 7)	2,060,219	6,627,116
Deferred pension cost reductions (Note 9)	63,007,065	20,606,601
Deferred OPEB cost reductions (Note 10)	17,368,697	7,141,154
Total deferred inflows of resources	89,791,737	44,118,943
Net Position		
Net investment in capital assets	1,748,232,250	1,716,003,011
Restricted:		
Debt service	97,272,186	101,162,985
Construction	15,414,858	39,768,224
Police/911 emergency communications	2,082,737	2,198,765
Unrestricted	186,711,939	127,498,773
Total net position	**$ 2,049,713,970**	**$ 1,986,631,758**

Minneapolis/St. Paul Metropolitan Airports Commission

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenue		
Airline rates and charges	$ 117,727,620	$ 94,259,000
Concessions and parking	121,407,699	76,523,668
Rentals/Fees	36,519,583	32,804,251
Utilities and other revenue	18,485,614	15,879,183
Total operating revenue	294,140,516	219,466,102
Operating Expenses		
Personnel	75,182,427	77,805,673
Administrative	1,054,211	1,056,539
Professional services	5,679,278	5,159,054
Utilities	19,092,488	17,382,601
Operating services	25,894,724	27,596,327
Maintenance	41,862,023	39,811,300
Other	3,665,162	4,026,992
Depreciation and amortization	178,513,476	160,888,892
Total operating expenses	350,943,789	333,727,378
Operating Loss	(56,803,273)	(114,261,276)
Nonoperating Revenue (Expense)		
Investment income - Net	3,025,906	13,507,063
Gain on sale of assets	97,940	62,122
Passenger facility charges	51,096,109	28,668,664
Federal interest rate subsidies	861,955	895,650
Grants used for operating expenses	10,241,055	18,231,000
Customer facility charges	13,029,389	8,779,064
Interest and fiscal charges	(47,686,646)	(49,329,346)
Total nonoperating revenue	30,665,708	20,814,217
Loss - Before capital contributions	(26,137,565)	(93,447,059)
Capital Contributions - Capital grants	89,219,777	93,843,817
Change in Net Position	63,082,212	396,758
Net Position - Beginning of year	1,986,631,758	1,986,235,000
Net Position - End of year	**$ 2,049,713,970**	**$ 1,986,631,758**

See notes to financial statements.

Statement of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Receipts from customers and users	$ 297,388,820	$ 231,722,402
Payments to suppliers	(108,518,626)	(102,997,129)
Payments to employees and benefit providers	(95,541,275)	(91,834,154)
Net cash and cash equivalents provided by operating activities	93,328,919	36,891,119
Cash Flows Provided by Noncapital Financing Activities - Receipt of operating grants	26,028,369	4,128,000
Cash Flows from Capital and Related Financing Activities		
Payments made on capital debt	(130,106,145)	(184,457,710)
Receipt of capital grants	85,158,286	34,603,756
Receipt of passenger facility charges	46,566,834	34,719,099
Receipt of solar panel financing rebate	861,955	895,650
Proceeds from sale of capital assets	97,940	62,122
Receipt of customer facility charges	13,029,389	8,779,064
Payments for airport improvements and facilities	(213,814,789)	(329,202,043)
Interest paid on capital debt	(64,274,446)	(70,477,212)
Proceeds from revolving loans	69,212,062	-
Receipt of lease payments	3,136,731	3,168,078
Financed tenant improvements	-	(623,000)
Net cash and cash equivalents used in capital and related financing activities	(190,132,183)	(502,532,196)
Cash Flows from Investing Activities		
Interest received on investments	3,025,906	13,516,000
Purchases of investment securities	(773,779,517)	(488,222,469)
Proceeds from sale and maturities of investment securities	843,747,583	930,424,400
Net cash and cash equivalents provided by investing activities	72,993,972	455,717,931
Net Increase (Decrease) in Cash and Cash Equivalents	2,219,077	(5,795,146)
Cash and Cash Equivalents - Beginning of year	19,876,003	25,671,149
Cash and Cash Equivalents - End of year	**$ 22,095,080**	**$ 19,876,003**

See notes to financial statements.

Years Ended December 31, 2021 and 2020

	2021	2020
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (56,803,273)	$ (114,261,276)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	178,513,476	160,888,892
Changes in assets and liabilities:		
Receivables	(6,820,673)	12,335,615
Prepaid and other assets	(180,802)	3,668,891
Employee compensation and payroll taxes	(1,930,923)	(3,463,066)
Accounts payable and accrued liabilities	(2,614,250)	(10,754,052)
Net pension and net OPEB (asset) liability and related deferred inflows and outflows	(17,097,656)	(11,523,885)
Unearned revenue	263,020	-
Total adjustments	150,132,192	151,152,395
Net cash and cash equivalents provided by operating activities	**$ 93,328,919**	**$ 36,891,119**

Statement of Fiduciary Net Position

December 31, 2021 and 2020

	Other Employee Benefit Trust Fund	
	2021	2020
Assets		
Cash and cash equivalents	$ 3,494,357	$ 2,414,327
Investments:		
U.S. government securities	63,713,889	66,004,752
Bonds	10,140,670	7,325,990
Receivables:		
Accrued interest receivable	227,145	247,424
Contributions receivable	2,860,801	2,585,408
Total assets	80,436,862	78,577,901
Liabilities	-	-
Net Position - Restricted for postemployment benefits other than pensions	**$ 80,436,862**	**$ 78,577,901**

See notes to financial statements.

Statement of Changes in Fiduciary Net Position

Years Ended December 31, 2021 and 2020

	Other Employee Benefit Trust Fund	
	2021	2020
Additions		
Investment income (loss):		
Interest and dividends	$ 1,412,584	$ 1,748,991
Change in fair value of investments (realized and unrealized)	(2,478,212)	1,893,623
Net investment (loss) income	(1,065,628)	3,642,614
Contributions	5,486,767	6,082,255
Other additions	-	1,124
Total additions	4,421,139	9,725,993
Deductions - Benefit payments	2,562,178	2,662,386
Net Increase in Fiduciary Net Position	1,858,961	7,063,607
Net Position - Beginning of year	78,577,901	71,514,294
Net Position - End of year	**$ 80,436,862**	**$ 78,577,901**

See notes to financial statements.

Note 1 - Nature of Business

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

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

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

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

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

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The Commission follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the Commission:

Report Presentation

This report includes the fund-based statements of the Commission. In accordance with government accounting principles, a government-wide presentation with program and general revenue is not applicable to special purpose governments engaged only in business-type and fiduciary activities.

Fund Accounting

<u>Proprietary Funds</u>

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the Commission). The Commission reports all business-type activities in a single enterprise fund.

Note 2 - Significant Accounting Policies (Continued)

Operating revenue and expenses are those directly related to the purpose and primary mission of the Commission. As a result, all other activity not meeting this definition is reported as nonoperating revenue and expenses.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. The Commission's fiduciary activities are composed solely of its OPEB arrangement (the "OPEB Plan") administered through a trust under the provisions of GASB Statement No. 74 and are reported in its fiduciary fund statements.

Basis of Accounting

Proprietary funds and fiduciary funds, as applicable, use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and overnight investments.

Investments

Investments are reported at fair value or estimated fair value. Short-term investments may be reported at cost, which approximates fair value.

Inventories and Prepaid Expenses

Inventories, primarily fuel, are valued at cost, on a first-in, first-out basis. Inventories are recorded as expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid expenses in the financial statements, when applicable.

Restricted Assets

Restricted assets consist of cash and cash equivalents, investments, and receivables whose use is restricted through external restrictions imposed by external third parties for construction, debt service principal and interest, and bond reserves. These amounts have been classified as restricted assets.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Capital assets are defined by the Commission as assets with an initial individual cost of more than $10,000 and an estimated useful life in excess of one year. Certain capital assets, classified as land and airport improvements and buildings, were contributed by the cities of Minneapolis and St. Paul. Fee title to the land and improvements remains with the two cities. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Depreciable Life - Years
Airport improvements and buildings	10-40 years
Movable equipment	3-15 years

Note 2 - Significant Accounting Policies (Continued)

Intangible Assets

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

The Commission has incurred, and continues to incur, significant costs in relation to its continuing Part 150 Sound Insulation Program. The Sound Insulation Program pays for a home within the airport's impacted noise area to be sound insulated with respect to doors, window treatments, etc., with no further cash outlay required by the Commission. Because the Commission receives an avigation release from each affected homeowner in return for providing sound insulation improvements, the associated costs are being recorded as an intangible asset and amortized to expense over a 10-year period, which approximates the estimated useful lives of such improvements.

Amortization expense for capitalized Part 150 Sound Insulation expenses was $11,667,000 and $10,256,000 for the years ended December 31, 2021 and 2020, respectively. The unamortized costs, included in airport improvements and buildings at December 31, 2021 and 2020, were approximately $29,237,000 and $14,707,000, respectively. The amortization expense is included as a component of depreciation expense on the statements of revenue, expenses, and changes in net position.

Forward Delivery Agreement

The Commission's forward delivery agreement has been determined to be an effective hedge for accounting purposes. Accordingly, the fair value of the forward delivery agreement and changes therein are recognized as deferred inflows and outflows on the statement of net position.

Long-term Obligations

In the basic financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred.

Pension

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the General Employees Retirement Fund and the Public Employees Police and Fire Fund (cost-sharing, multiple-employer defined benefit plans administered by the Public Employees Retirement Association of Minnesota in which the Commission participates) and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

Note 2 - Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs

The Commission offers retiree health care benefits to retirees. The Commission records a net OPEB asset or liability for the difference between the total OPEB liability calculated by the actuary and the OPEB Plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The Commission reports deferred outflows related to pension and OPEB costs and deferred losses on refundings of debt.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The Commission reports deferred inflows related to pension and OPEB cost reductions, deferred gains on refundings of debt, and deferred gains related to derivative instruments.

Compensated Absences (Vacation and Sick Leave)

It is the Commission's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Liabilities for these absences are recognized when incurred and are reported in the employee compensation, payroll taxes, and other line item in the statement of net position.

Unearned Revenue

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

Net Position

Net position of the Commission is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

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

Note 2 - Significant Accounting Policies (Continued)

Leases

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

The Commission recognizes rental revenue as it becomes receivable according to the provisions of the lease or on a straight-line basis if the minimum rental payments vary from straight-line.

Grants and Contributions

The Commission receives federal and state grants. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses. The Commission records government grants in aid of construction as capital contributions.

Passenger Facility Charges

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

The Commission has approved collection authority of approximately $2,100,000,000 and has, as of December 31, 2021, collected approximately $1,700,000,000.

PFCs, which are recognized as earned, are included in nonoperating revenue and amounted to approximately $51,096,000 and $28,669,000 for 2021 and 2020, respectively.

Customer Facility Charges

With respect to on-airport rental car companies, the Commission is assessing a customer facility charge (CFC) per transaction day to recover the rental car portion of capital costs associated with the construction of the auto rental/public parking garage located adjacent to Terminal 1, as well as to recover certain maintenance costs relating to the auto rental facilities. The Commission received $13,029,389 and $8,779,064 in auto rental CFCs for the years ended December 31, 2021 and 2020, respectively. During 2016, the Commission increased the fee to $5.90 per rental car transaction per day from $3.25, due to the construction of a new auto rental/public garage adjacent to Terminal 1.

Comparative Data/Reclassifications

Comparative total data for the prior year has been presented in the basic financial statements in order to provide an understanding of the changes in the financial position and operations. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Commission is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the Commission's financial statements for the year ended December 31, 2020 but were extended to December 31, 2022.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The provisions of this statement were originally effective for the Commission's financial statements for the year ended December 31, 2021 but were extended to December 31, 2022.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Commission does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 94*, Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the Commission's financial statements for the year ending December 31, 2023.

Note 2 - Significant Accounting Policies (Continued)

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Commission is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Commission's financial statements for the year ending December 31, 2023.

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

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

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

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

Note 4 - Deposits and Investments

The Commission's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission's deposit policy for custodial credit risk is to follow Minnesota Statutes that require all commission deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds (140 percent for mortgage notes pledged). Authorized collateral includes allowable investments, as discussed below; certain first mortgage notes; and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the Commission or in a financial institution other than that furnishing the collateral. The Commission's interest-bearing deposit accounts are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2021 and 2020, cash deposits were entirely insured or collateralized by securities held in the Commission's name by a financial institution (the Commission's agent) other than that furnishing the collateral.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission does not have a policy for custodial credit risk. At December 31, 2021, the Commission did not have investments with custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Commission's investment policy minimizes interest rate risk by prohibiting investing in securities maturing more than four years from the date of purchase unless the security is for postemployment health care funding, which may have an average portfolio life of no more than 12 years. The Commission also maintains sufficient liquidity to enable the Commission to meet anticipated cash requirements. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

At year end, the Commission had the following investments and maturities:

	2021				
Primary Government	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
U.S. Treasury security notes	$ 117,944,000	$ 6,931,000	$ -	$ -	$ 124,875,000
Government-sponsored enterprises	110,997,000	18,357,000	-	-	129,354,000
Municipal bonds	20,679,000	10,006,000	-	-	30,685,000
Total	$ 249,620,000	$ 35,294,000	$ -	$ -	$ 284,914,000

Note 4 - Deposits and Investments (Continued)

	2020				
Primary Government	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
U.S. Treasury security notes	$ 45,444,000	$ -	$ -	$ -	$ 45,444,000
Government-sponsored enterprises	132,849,000	23,568,000	-	-	156,417,000
Municipal bonds	8,339,000	10,659,000	-	-	18,998,000
Total	$ 186,632,000	$ 34,227,000	$ -	$ -	$ 220,859,000

	2021				
OPEB	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
U.S. Treasury security notes	$ 378,826	$ 18,561,106	$ 12,228,893	$ -	$ 31,168,825
Government-sponsored enterprises	1,118,363	9,179,730	1,217,322	20,120,715	31,636,130
Municipal bonds	781,267	7,209,571	3,058,768	-	11,049,606
Total	$ 2,278,456	$ 34,950,407	$ 16,504,983	$ 20,120,715	$ 73,854,561

	2020				
OPEB	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
U.S. Treasury security notes	$ 4,863,000	$ 9,889,000	$ 8,247,000	$ -	$ 22,999,000
Government-sponsored enterprises	2,690,000	11,152,000	3,482,000	27,314,000	44,638,000
Municipal bonds	1,164,000	4,188,000	1,890,000	-	7,242,000
Corporate bonds	-	86,000	-	-	86,000
Total	$ 8,717,000	$ 25,315,000	$ 13,619,000	$ 27,314,000	$ 74,965,000

Note 4 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Commission's investment policy minimizes credit risk through adherence to Minnesota Statute 118A, which limits the types of investment instruments that may be purchased by the Commission. This statute generally provides that public funds may only be invested in United States' securities, any security that is a general obligation of a state or local government rated "A" or better by a nationally recognized rating agency, any security that is a revenue obligation of a state or local government rated "AA" or better, a general obligation of the Minnesota Housing Finance Agency that is rated "A" or better, commercial paper issued by United States' corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less, and time deposits fully insured by the FDIC. As of December 31, 2021, the credit quality ratings of debt securities (other than the U.S. government) are as shown in the tables above.

	2021		2020	
Investment	Carrying Value	Rating S&P / Moody's	Carrying Value	Rating S&P / Moody's
Primary Government				
U.S. Treasury security notes	$ 67,379,000	N/A / AAA	$ 45,444,000	N/A/AAA
U.S. Treasury security notes	57,496,000	N/A / N/A	-	
Government-sponsored enterprises:				
Federal Farm Credit Bank	38,962,000	AA+ / AAA	5,011,000	AA+ / AAA
Federal Home Loan Bank	77,579,000	AA+ / AAA	120,094,000	AA+ / AAA
Federal Home Loan Mortgage Corporation	10,062,000	AA+ / AAA	8,100,000	AA+ / AAA
Federal Home Loan Mortgage Corporation	2,751,000	N/A / AAA	5,002,000	N/A / AAA
Federal National Mortgage Association	-		18,210,000	AA+ / AAA
Municipal bonds	1,413,000	AAA / AA1	-	
	818,000	AAA / AA2	-	
	240,000	AAA / N/A	1,023,000	AAA / N/A
	2,656,000	AA+ / AA1	2,313,000	AA+ / AA1
	750,000	AA+ / N/A	2,508,000	AA+ / N/A
	100,000	AA / AA1	-	
	4,752,000	AA / AA2	3,578,000	AA / AA2
	432,000	AA- / AA2	1,004,000	AA- / AA2
	2,635,000	A+ / N/A	2,687,000	A+ / N/A
	5,566,000	SP-1+ / MIG1	-	
	264,000	N/A / AAA	-	
	2,491,000	N/A / AAA	-	
	1,499,000	N/A / AA1	-	
	1,533,000	N/A / AA2	1,050,000	N/A / AA2
	1,010,000	N/A / AA3	2,449,000	N/A / AA3
	4,526,000	N/A / MIG1	-	
	-		1,632,000	A+ / AA3
	-		754,000	AA+ / AA2
Money market	11,049,000	N/A / N/A	-	
Money market	299,649,000	N/A / N/A	-	
Money market	-		397,271,000	N/A / N/A
Total	$ 595,612,000		$ 618,130,000	

Note 4 - Deposits and Investments (Continued)

	2021		2020	
Investment	Carrying Value	Rating S&P / Moody's	Carrying Value	Rating S&P / Moody's
OPEB				
U.S. Treasury security notes	$ 30,392,024	N/A / AAA	$ 21,860,000	N/A / AAA
U.S. Treasury security notes	776,801	N/A / N/A	1,139,000	N/A / N/A
Government-sponsored enterprises:				
Tennessee Valley Authority	-		1,013,000	AA+ / AAA
Federal Farm Credit Bank	803,246	AA+ / AAA	940,000	AA+ / AAA
Federal Home Loan Bank	3,085,118	AA+ / AAA	5,218,000	AA+ / AAA
Federal Home Loan Bank	-		735,000	N/A / N/A
Federal Home Loan Mortgage Corporation	889,118	AA+ / AAA	897,000	AA+ / AAA
Federal Home Loan Mortgage Corporation	599,865	AAA / N/A	646,000	AAA / N/A
Federal Home Loan Mortgage Corporation	5,653,737	N/A / N/A	7,201,000	N/A / N/A
Federal Home Loan Mortgage Corporation	-		1,130,000	N/A / AAA
Federal Home Loan Mortgage Corporation	77,277	N/A / N/A	-	
Federal National Mortgage Association	3,209,954	AA+ / AAA	4,480,000	AA+ / AAA
Federal National Mortgage Association	14,876,315	N/A / N/A	21,143,000	N/A / N/A
Small Business Administration	820,201	N/A / N/A	1,015,000	N/A / N/A
Government National Mortgage Association	1,621,299	N/A / N/A	220,000	N/A / N/A
Corporate bonds	-		86,000	N/A / N/A
Municipal bonds	-		164,000	A / A1
	397,412	AA / AA1	534,000	AA / AA1
	-		91,000	AA- / AA1
	978,088	AA+ / AA1	424,000	AA+ / AA1
	911,134	AAA / AA1	935,000	AAA / AA1
	128,025	N/A / AA2	133,000	N/A / AA2
	515,879	AA / AA2	386,000	AA / AA2
	160,361	AA- / AA2	169,000	AA- / AA2
	1,561,124	AA+ / AA2	1,356,000	AA+ / AA2
	-		356,000	AAA / AA2
	998,097	A+ / AA3	505,000	A+ / AA3
	237,569	AA / AA3	244,000	AA / AA3
	155,886	AA- / AA3	160,000	AA- / AA3
	1,427,092	AAA / AAA	605,000	AAA / AAA
	986,210	AA+ / AAA	-	
	269,379	AA+ / N/A	-	
	629,338	AA / N/A	513,000	AA / N/A
	1,243,166	AAA / N/A	-	
	155,492	AA- / N/A	515,000	AA- / N/A
	295,354	N/A / A1	-	
	-		152,000	N/A / N/A
Money market	3,494,357	N/A / N/A	780,000	N/A / N/A
Total	$ 77,348,918		$ 75,745,000	

Note 4 - Deposits and Investments (Continued)

Concentration of Credit Risk

The Commission places no limit on the amount that may be invested in any one issuer. The Commission cannot hold more than 30 percent of its portfolio in commercial paper, 25 percent in any state or local government obligation, or 4 percent in any one corporation. The U.S. government-sponsored enterprise securities held by the Commission are not explicitly guaranteed by the U.S. government and are subject to concentration of credit risk. At December 31, 2021, government-sponsored enterprises are the only investment type subject to concentration of credit risk.

Investments in the U.S. government-sponsored enterprises total $18,086,268 at December 31, 2021. Of this total, $18,086,268, or 57 percent, is invested in the Federal National Mortgage Association and $7,142,720, or 23 percent, is invested in the Federal Home Loan Mortgage Corporation.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the Commission's investment policy prohibit investments in foreign currency. Therefore, the Commission is not exposed to foreign currency risk.

Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Commission’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Commission has the following recurring fair value measurements as of December 31, 2021 and 2020:

	Assets Measured at Carrying Value on a Recurring Basis at December 31, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2021
Assets				
Investments:				
U.S. Treasury securities	$ 156,043,826	$ -	$ -	$ 156,043,826
U.S. government-sponsored enterprise securities	-	160,990,129	-	160,990,129
Municipal securities	-	41,734,604	-	41,734,604
Total investments	156,043,826	202,724,733	-	358,768,559
Derivatives - Forward sales commitments	-	-	7,355,756	7,355,756
Total assets	$ 156,043,826	$ 202,724,733	$ 7,355,756	$ 366,124,315

Note 4 - Deposits and Investments (Continued)

	Assets Measured at Carrying Value on a Recurring Basis at December 31, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2020
Assets				
Investments:				
U.S. Treasury securities	$ 45,444,000	$ -	$ -	$ 45,444,000
U.S. government-sponsored enterprise securities	138,151,000	18,266,000	-	156,417,000
Municipal securities	-	18,998,000	-	18,998,000
Total investments	183,595,000	37,264,000	-	220,859,000
Derivatives - Forward sales commitments	-	-	9,744,072	9,744,072
Total assets	$ 183,595,000	$ 37,264,000	$ 9,744,072	$ 230,603,072

At December 31, 2021 and 2020, the Commission reported $314,192,357 and $397,927,000, respectively, valued at amortized cost.

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair values of U.S. government-sponsored enterprise and municipal securities at December 31, 2021 were determined primarily based on Level 2 inputs. The Commission estimates the fair value of these investments using a matrix pricing model using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The fair value of forward sales commitments at December 31, 2021 were determined primarily based on Level 3 inputs. The Commission values its position using mathematical approximations of market values derived from proprietary models of a third-party on a midmarket basis.

Note 5 - Restricted Assets

In accordance with the terms of applicable ordinances and federal and state laws, the Commission is required to restrict assets for various purposes. A summary of the restricted assets at December 31, 2021 and 2020 is as follows:

	2021	2020
Coverage account	$ 19,902,748	$ 19,888,961
Passenger facility charges fund	13,626,948	36,241,416
Revenue bond interest and principal funds	107,577,292	111,533,298
Revenue bond reserve funds	87,479,263	96,391,779
Revenue bond construction funds	101,804,570	167,433,660
Revolving loan construction funds	3,027,326	3,320,234
Total	$ 333,418,147	$ 434,809,348

Note 6 - Capital Assets

Capital asset activity of the Commission's business-type activities was as follows:

	Balance January 1, 2021	Transfers	Additions	Disposals	Balance December 31, 2021
Capital assets not being depreciated:					
Land	$ 350,954,558	$ -	$ -	$ -	$ 350,954,558
Construction in progress	284,585,806	(209,185,712)	192,489,441	-	267,889,535
Subtotal	635,540,364	(209,185,712)	192,489,441	-	618,844,093
Capital assets being depreciated:					
Airport improvements and buildings	5,099,691,000	203,760,681	-	-	5,303,451,681
Movable equipment	211,433,454	5,425,031	3,905,310	(5,344,414)	215,419,381
Subtotal	5,311,124,454	209,185,712	3,905,310	(5,344,414)	5,518,871,062
Accumulated depreciation:					
Airport improvements and buildings	2,675,936,531	-	165,642,819	-	2,841,579,350
Movable equipment	148,247,111	-	12,870,655	(5,344,414)	155,773,352
Subtotal	2,824,183,642	-	178,513,474	(5,344,414)	2,997,352,702
Net capital assets being depreciated	2,486,940,812	209,185,712	(174,608,164)	-	2,521,518,360
Net capital assets	$ 3,122,481,176	$ -	$ 17,881,277	$ -	$ 3,140,362,453

	Balance January 1, 2020	Transfers	Additions	Disposals	Balance December 31, 2020
Capital assets not being depreciated:					
Land	$ 350,954,558	$ -	$ -	$ -	$ 350,954,558
Construction in progress	607,086,632	(625,957,160)	303,456,334	-	284,585,806
Subtotal	958,041,190	(625,957,160)	303,456,334	-	635,540,364
Capital assets being depreciated:					
Airport improvements and buildings	4,476,562,205	618,278,795	4,850,000	-	5,099,691,000
Movable equipment	201,151,995	7,678,365	3,548,164	(945,070)	211,433,454
Subtotal	4,677,714,200	625,957,160	8,398,164	(945,070)	5,311,124,454
Accumulated depreciation:					
Airport improvements and buildings	2,527,002,480	-	148,934,051	-	2,675,936,531
Movable equipment	137,156,523	-	11,954,841	(864,253)	148,247,111
Subtotal	2,664,159,003	-	160,888,892	(864,253)	2,824,183,642
Net capital assets being depreciated	2,013,555,197	625,957,160	(152,490,728)	(80,817)	2,486,940,812
Net capital assets	$ 2,971,596,387	$ -	$ 150,965,606	$ (80,817)	$ 3,122,481,176

Note 6 - Capital Assets (Continued)

Construction Commitments

The Commission has several active construction projects at year end. At December 31, 2021 and 2020, the Commission's commitments with contractors totaled approximately $96,573,000 and $81,548,000, respectively.

Note 7 - Long-term Debt

Long-term debt activity for the years ended December 31, 2021 and 2020 can be summarized as follows:

	2021						
	Interest Rate Ranges	Principal Maturity Ranges (000s)	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and notes payable:							
Other debt:							
Series 2011A** Original amount - $52,015,000 10/04/2011	3.5% - 5.0%	$6,115 - $39,570	$ 29,115,000	$ -	$ (23,560,000)	$ 5,555,000	$ 5,555,000
Series 2012B** Original amount - $42,015,000 11/20/2012	5.0%	$42,015	42,015,000	-	(42,015,000)	-	-
Series 2014A** Original amount - $217,790,000 10/08/2014	5.0%	$3,270 - $209,900	202,370,000	-	(1,465,000)	200,905,000	8,770,000
Series 2014B** Original amount - $46,590,000 10/08/2014	5.0%	$3,850 - $38,840	27,160,000	-	(4,290,000)	22,870,000	4,505,000
Series 2016A* Original amount - $330,690,000 10/04/2016	3.0% - 5.0%	$1,150 - $319,540	330,690,000	-	-	330,690,000	-
Series 2016B** Original amount - $152,190,000 10/04/2016	3.0% - 5.0%	$1,370 - $137,570	108,620,000	-	(16,980,000)	91,640,000	24,295,000
Series 2016C* Original amount - $207,250,000 12/10/2016	4.0% - 5.0%	$11,390 - $195,860	199,805,000	-	(3,945,000)	195,860,000	4,105,000
Series 2016D (AMT)** Original amount - $23,410,000 12/10/2016	5.0%	$500 - $22,910	21,775,000	-	(610,000)	21,165,000	640,000
Series 2016E (Taxable)** Original amount - $171,690,000 12/10/2016	2.392% - 4.246%	$8,595 - $13,870	154,355,000	-	(8,920,000)	145,435,000	9,135,000
Series 2019A** Original amount - $96,615,000 08/28/2019	4.0% - 5.0%	$3,025 - $69,175	96,615,000	-	(3,025,000)	93,590,000	765,000
Series 2019B** Original amount - $164,320,000 08/28/2019	5.0%	$18,075 - $77,300	164,320,000	-	(18,075,000)	146,245,000	8,675,000
Series 2019C** Original amount - $31,035,000 08/28/2019	5.0%	$3,360 - $27,675	31,035,000	-	(3,360,000)	27,675,000	3,905,000
Direct borrowings - Notes payable			44,242,787	-	(3,861,145)	40,381,642	3,800,847
Unamortized premium - Net			167,501,141	-	(20,582,489)	146,918,652	-
Total long-term bonds and notes payable			$ 1,619,618,928	$ -	$ (150,688,634)	$ 1,468,930,294	$ 74,150,847

Note 7 - Long-term Debt (Continued)

	2020						
	Interest Rate Ranges	Principal Maturity Ranges (000s)	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and notes payable:							
Other debt:							
Series 2010A* Original amount - $62,210,000	4.0% - 5.0%	$62,210	$ 62,210,000	$ -	$ (62,210,000)	$ -	$ -
Series 2010B* Original amount - $73,475,000	4.0% - 5.0%	$47,115	47,115,000	-	(47,115,000)	-	-
Series 2010C** Original amount - $21,600,000	3.25% - 5.0%	$3,115	3,115,000	-	(3,115,000)	-	-
Series 2010D (AMT)** Original amount - $68,790,000	4.125% - 5.0%	$22,205	22,205,000	-	(22,205,000)	-	-
Series 2011A** Original amount - $52,015,000 10/04/2011	3.5% - 5.0%	$6,115 - $16,670	34,150,000	-	(5,035,000)	29,115,000	5,290,000
Series 2012A (Taxable)**		$6,025	6,025,000	-	(6,025,000)	-	-
Series 2012B** Original amount - $42,015,000 11/20/2012	5.0%	$42,015	42,015,000	-	-	42,015,000	-
Series 2014A** Original amount - $217,790,000 10/08/2014	5.0%	$202,370	203,765,000	-	(1,395,000)	202,370,000	1,465,000
Series 2014B** Original amount - $46,590,000 10/08/2014	5.0%	$27,160	31,245,000	-	(4,085,000)	27,160,000	4,290,000
Series 2016A* Original amount - $330,690,000 10/04/2016	3.0% - 5.0%	$1,150 - $319,540	330,690,000	-	-	330,690,000	-
Series 2016B** Original amount - $152,190,000 10/04/2016	3.0% - 5.0%	$16,980 - $37,250	124,790,000	-	(16,170,000)	108,620,000	16,980,000
Series 2016C* Original amount - $207,250,000 12/10/2016	4.0% - 5.0%	$3,945 - $195,860	203,600,000	-	(3,795,000)	199,805,000	4,105,000
Series 2016D (AMT)** Original amount - $23,410,000 12/10/2016	5.0%	$21,775	22,355,000	-	(580,000)	21,775,000	610,000
Series 2016E (Taxable)** Original amount - $171,690,000 12/10/2016	2.392% - 4.246%	$8,920 - $13,870	163,095,000	-	(8,740,000)	154,355,000	8,920,000
Series 2019A** Original amount - $96,615,000 08/28/2019	4.0% - 5.0%	$3,025 - $93,590	96,615,000	-	-	96,615,000	3,025,000
Series 2019B** Original amount - $164,320,000 08/28/2019	5.0%	$164,320	164,320,000	-	-	164,320,000	18,075,000
Series 2019C** Original amount - $31,035,000 08/28/2019	5.0%	$31,035	31,035,000	-	-	31,035,000	3,360,000
Total General Airport Revenue Bonds			1,588,345,000	-	(180,470,000)	1,407,875,000	66,120,000
Direct borrowings - Notes payable			44,873,497	-	(630,710)	44,242,787	3,700,287

Note 7 - Long-term Debt (Continued)

	2020						
	Interest Rate Ranges	Principal Maturity Ranges (000s)	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Total bonds and notes payable			$ 1,633,218,497	$ -	$ (181,100,710)	$ 1,452,117,787	$ 69,820,287
Unamortized premium - Net			191,762,610	-	(24,261,469)	167,501,141	-
Total long-term bonds and notes payable			$ 1,824,981,107	$ -	$ (205,362,179)	$ 1,619,618,928	$ 69,820,287

* Senior General Airport Revenue Bonds
**Subordinate General Airport Revenue Bonds

General Airport Revenue Bonds

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

The Commission’s Series 2014A, 2014B, 2016A, 2016B, 2016C, 2016D, 2016E, 2019A, 2019B, and 2019C bonds are each subject to the provisions of the Commission’s Master Senior and Subordinate Indentures, respectively. None of the Master Indentures provide events of default with finance-related consequences, termination events with finance-related consequences, or subjective acceleration provisions.

In September 2021, the Commission entered into a revolving line of credit agreement with CN Financing, Inc. (CNF) to fund certain capital improvement program projects. The revolving line of credit agreement does not provide significant events of default with finance-related consequences, termination events with finance-related consequences, or subjective acceleration provisions.

Other Long-term Liabilities

The Commission has entered into Taxable Equipment Lease/Purchase Agreements to finance the solar panels on top of parking ramps at Terminal 1 and 2. The principal amount of these agreements qualify as a new clean renewable energy bond (NCREB) or a qualified energy conservation bond (QECB), both of which are eligible for a direct interest rate subsidy from the federal government. The effective net interest rates range from 0.75 percent to 1.09 percent, with scheduled payments through 2035 and 2036. At December 31, 2021 and 2020, there was $28,388,142 and $29,563,690, respectively, in outstanding notes payable.

The Commission enters into Tax-Exempt Lease/Purchase Agreements each year to finance the acquisition of equipment, primarily heavy equipment and vehicles. Scheduled payments under these lease/purchase agreements extend through September 2029 with various maturity dates. The interest rates ranged from 1.68 percent to 4.57 percent, and assets under such agreements are depreciated over the lease term. There was $11,993,500 and $14,679,097 in outstanding equipment leases at December 31, 2021 and 2020, respectively.

Note 7 - Long-term Debt (Continued)

Pledged Revenue

Net revenue and net pledged revenue (as defined in the Master Senior and Subordinate Indentures, respectively) of the Commission have been pledged toward the repayment of the Commission's Senior and Subordinate General Airport Revenue Bonds and Obligations. Net revenue consists of the revenue for such period, less, for such period, all amounts that are required to be used to pay the maintenance and operation expenses of the airport system. Net pledged revenue consists of revenue for such period, less, for such period, all amounts that are required to be used to pay the maintenance and operation expenses of the airport system, less all amounts required to pay debt service and reserve requirements on and relating to the Commission's Senior General Airport Revenue Bonds. Revenue includes, but is not limited to, except to the extent specifically excluded therefrom: rates, tolls, fees, rentals, charges, and other payments made to or owed to the Commission for the use or availability of the airport system; amounts received or owed from the sale or provision of supplies, materials, goods, and services provided by or made available by the Commission; the principal portion of payments received pursuant to certain self-liquidating lease agreements; and such other amounts that may be designated as revenue pursuant to a certificate of the Commission or a supplemental senior indenture. PFCs and capitalized interest, among other things, are specifically excluded from revenue unless otherwise designated as revenue pursuant to a certificate of the Commission or in a supplemental senior indenture. The Commission has not designated pursuant to a certificate or a supplemental senior indenture PFCs or capitalized interest, or any additional amounts, as revenue.

For the year ended December 31, 2021, the net pledged revenue was approximately $134,026,000 compared to the net debt service (principal and interest) of approximately $46,563,000.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

	Direct Borrowings		Other Debt		
Years Ending December 31	Principal	Interest	Principal	Interest	Total
2022	$ 3,856,642	$ 495,000	$ 70,350,000	$ 60,070,149	$ 134,771,791
2023	3,464,000	429,000	70,950,000	56,913,078	131,756,078
2024	3,603,000	372,000	75,305,000	53,523,656	132,803,656
2025	3,242,000	313,000	80,610,000	49,864,594	134,029,594
2026	2,985,000	264,000	83,550,000	45,989,066	132,788,066
2027-2031	11,719,000	809,000	462,485,000	164,206,243	639,219,243
Thereafter	11,512,000	263,000	438,380,000	147,469,994	597,624,994
Total	$ 40,381,642	$ 2,945,000	$ 1,281,630,000	$ 578,036,780	$ 1,902,993,422

Current Bond Refunding

In December 2021, the Commission advanced approximately $57 million from the revolving line of credit (see Note 8). The proceeds of the advance were used to refund $65 million of outstanding Series 2011A and Series 2012B bonds with an average interest rate of 4.9 percent. The advanced funds were deposited in an irrevocable trust until the call date of the refunded bonds has occurred, which is not to exceed 90 days from the refunding. As a result, the bonds are considered to be defeased, and the liability for the bonds has been removed from long-term debt. At the time of the refunding, the Commission estimated that the refunding will result in an economic gain and present value savings of approximately $10 million.

Note 8 - Revolving Line of Credit

Under a revolving line of credit agreement with a bank, the Commission has available borrowings of approximately $150,000,000. Interest is payable monthly and varies with the sum of the taxable London Interbank Offered Rate (LIBOR) and an applicable spread based on the Commission's long-term credit ratings or the sum of 70 percent of the tax-exempt LIBOR plus an applicable spread based on the Commission's long-term credit ratings and a margin rate factor. Interest is payable at a rate of 1.78 percent at December 31, 2021 and 2020. The line of credit is collateralized by a subordinate pledge of the Commission's net revenue. There was $113,148,562 and $43,936,500 outstanding on the revolving line of credit at December 31, 2021 and 2020, respectively.

	Balance January 1, 2021	Advances	Repayments	Balance December 31, 2021
Revolving line of credit	$ 43,936,500	$ 75,713,762	$ (6,501,700)	$ 113,148,562

	Balance January 1, 2020	Advances	Repayments	Balance December 31, 2020
Revolving line of credit	$ 47,293,500	$ -	$ (3,357,000)	$ 43,936,500

The revolving line of credit agreement does not provide significant events of default with finance-related consequences, termination events with finance-related consequences, or subjective acceleration provisions.

Note 9 - Pension Plans

Plan Description

The Minneapolis/St. Paul Metropolitan Airports Commission provides a monthly retirement benefit (with alternative lump-sum payment options) to employees who meet the eligibility requirements, including age and years of service. The benefits are provided through the General Employees Retirement Fund (GERF) and Public Employees Police and Fire Fund (PEPFF), cost-sharing multiple-employer plans administered by the Public Employees Retirement Association of Minnesota (PERA).

GERF

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

PEPFF

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

PERA issues a publicly available financial report that can be obtained at www.mnpera.org.

Benefits Provided

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

Note 9 - Pension Plans (Continued)

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

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

GERF

GERF benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. A reduced retirement annuity is also available to eligible members seeking early retirement. Two methods are used to compute benefits for GERF Coordinated Plan members. The retiring member receives the higher of a step rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, only Method 2 is used, and normal retirement age is the age for unreduced Social Security benefits capped at 66.

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

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

PEPFF

Benefits for PEPFF members hired prior to July 1, 2010, vest after three years of credited service. Benefits for PEPFF members first hired after June 30, 2010 but before July 1, 2014 vest on a prorated basis from 50 percent after five years up to 100 percent after 10 years of credited service. Benefits for PEPFF members first hired after June 30, 2014 vest on a prorated basis from 50 percent after 10 years up to 100 percent after 20 years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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

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

Note 9 - Pension Plans (Continued)

Contributions

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

GERF

GERF Coordinated Plan members were required to contribute 6.50 percent of their pay for the years ended December 31, 2021 and 2020. The Commission's contractually required contribution rates for the years ended December 31, 2021 and 2020 were 7.50 percent of annual payroll. Contributions to the GERF plan from the Commission were approximately $4,631,000 and $4,702,000 for the years ended December 31, 2021 and 2020, respectively.

This amount includes an employer supplemental contribution of approximately $1,210,000 and $718,000 for the years ended December 31, 2021 and 2020, respectively, relating to the former Minneapolis Employees Retirement Fund (MERF), which was fully merged into GERF in January 2015.

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

PEPFF

PEPFF members were required to contribute 11.80 percent of their pay for the years ended December 31, 2021 and 2020. The Commission's contractually required contribution rate for the years ended December 31, 2021 and 2020 was 17.70 percent of annual payroll. Contributions to the plan from the Commission were $2,586,994 and $2,557,000 for the years ended December 31, 2021 and 2020, respectively.

Additionally, the State of Minnesota is required to contribute an aggregate amount for all employers of $9,000,000 to PEPFF each year, beginning in fiscal year 2014. State aid will continue until the plan is 90 percent funded or the State Patrol Plan, administered by the Minnesota State Retirement System, is 90 percent funded, whichever occurs later. Such nonemployer contributions to PEPFF by the State of Minnesota do not meet the special funding criteria set forth in GASB 68.

Net Pension Liability

The Commission chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension plan, which may be based on a comprehensive valuation as of that date or based on an earlier valuation that has used procedures to roll the information forward to the measurement date. The Commission has chosen June 30, 2021 and 2020 as its measurement date for the net pension liability for the years ended December 31, 2021 and 2020, respectively.

At December 31, 2021, the Commission reported a liability of $46,098,220 for its proportionate share of the net pension liability. The net pension liability was measured as June 30, 2021, and the total pension liability used to calculate the net pension liability by an actuarial valuation as of that date. The Commission proportion of the net pension liability was based on the Commission's actuarially required contribution for the year ended June 30, 2021 relative to all other contributing employers. At June 30, 2021, the Commission's proposition was 0.8555 percent for GERF and 1.2391 percent for PEPFF, as compared to 0.8837 percent for GERF and 1.2827 percent for PEPFF measured as of June 30, 2020.

Note 9 - Pension Plans (Continued)

At December 31, 2020, the Commission reported a liability of $69,889,211 for its proportionate share of the net pension liability. The net pension liability was measured as June 30, 2020, and the total pension liability used to calculate the net pension liability by an actuarial valuation as of that date. The Commission proportion of the net pension liability was based on the Commission's actuarially required contribution for the year ended June 30, 2020 relative to all other contributing employers. At June 30, 2020, the Commission's proportion was 0.8837 percent for GERF and 1.2827 percent for PEPFF, as compared to 0.9941 percent for GERF and 1.3704 percent for PEPFF measured as of June 30, 2019.

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

For the years ended December 31, 2021 and 2020, the Commission recognized pension expense of $8,282,574 and $4,963,348, respectively, from all plans.

At December 31, 2021 and 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,061,439	$ 1,118,037	$ 1,230,131	$ 1,003,364
Changes in assumptions	35,368,872	5,255,110	5,666,007	12,508,734
Net difference between projected and actual earnings on pension plan investments	-	49,915,078	1,241,829	-
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	2,575,922	6,718,840	4,775,234	7,094,503
Employer contributions to the plan subsequent to the measurement date	4,220,429	-	4,219,872	-
Total	$ 44,226,662	$ 63,007,065	$ 17,133,073	$ 20,606,601

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending December 31	Amount
2022	$ (8,807,751)
2023	(3,978,720)
2024	(2,095,595)
2025	(10,889,843)
2026	2,771,076
Total	$ (23,000,833)

Note 9 - Pension Plans (Continued)

Actuarial Assumptions

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	2021	
	General Employees Retirement Fund	Public Employees Police and Fire Fund
Inflation	2.25%	2.25%
Salary increases (including inflation)	3.00%	3.00%
Investment rate of return (net of investment expenses)	6.5%	6.5%
Mortality rates	Pub-2010 Mortality Table with MP-2020 projection scale	Pub-2010 Mortality Table with MP-2020 projection scale

	2020	
	General Employees Retirement Fund	Public Employees Police and Fire Fund
Inflation	2.5%	2.5%
Salary increases (including inflation)	3.25%	3.25%
Investment rate of return (net of investment expenses)	7.5%	7.5%
Mortality rates	RP-2014 Mortality Table with MP-2019 improvement scale	RP-2014 Mortality Table with MP-2019 improvement scale

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study for the period 2015-2019 that was issued on July 14, 2020.

Discount Rate

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

	General Employees Retirement Fund	Public Employees Police and Fire Fund
Assumed investment rate of return	6.5%	6.5%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes
Discount rate used to measure total pension liability	6.5%	6.5%

Note 9 - Pension Plans (Continued)

Investment Rate of Return

Best estimates of arithmetic real rates of return as of the June 30, 2021 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

General Employees Retirement Fund

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	33.50 %	5.10 %
International equity	16.50	5.30
Fixed income	25.00	0.75
Private markets	25.00	5.90

Public Employees Police and Fire Fund

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	33.50 %	5.10 %
International equity	16.50	5.30
Fixed income	25.00	0.75
Private markets	25.00	5.90

Best estimates of arithmetic real rates of return as of the June 30, 2020 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

General Employees Retirement Fund

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	36.00 %	5.10 %
International equity	18.00	5.30
Fixed income	20.00	0.80
Private markets	25.00	5.90
Cash	1.00	-

Public Employees Police and Fire Fund

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	36.00 %	5.10 %
International equity	18.00	5.30
Fixed income	20.00	0.80
Private markets	25.00	5.90
Cash	1.00	-

Note 9 - Pension Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Commission, calculated using the discount rate of 6.5 percent, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2021		
	1 Percentage Point Decrease (5.5%)	Current Discount Rate (6.5%)	1 Percentage Point Increase (7.5%)
Net pension liability of the General Employees Retirement Fund	$ 74,510,063	$ 36,533,683	$ 5,371,744
Net pension liability (asset) of the Public Employees Police and Fire Fund	30,365,794	9,564,537	(7,487,336)

The following presents the net pension liability of the Commission, calculated using the discount rate of 7.5 percent, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2020		
	1 Percentage Point Decrease (6.5%)	Current Discount Rate (7.5%)	1 Percentage Point Increase (8.5%)
Net pension liability of the General Employees Retirement Fund	$ 84,911,534	$ 52,981,854	$ 26,642,433
Net pension liability of the Public Employees Police and Fire Fund	33,698,799	16,907,357	3,015,384

Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plan’s fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 10 - Other Postemployment Benefit Plan

Plan Description

The Commission provides other postemployment benefits (OPEB) for all employees who meet certain eligibility requirements. The benefits are provided through the Other Postemployment Benefits Plan, a single-employer plan administered by the Commission.

The financial statements of the OPEB Plan are included in these financial statements as an other employee benefit trust fund (a fiduciary fund).

The OPEB trust is administered by a board of trustees appointed by the Commission. Benefit provisions are contained in the plan document and were established and can be amended by action of the Commission.

Note 10 - Other Postemployment Benefit Plan (Continued)

Benefits Provided

The OPEB Plan provides medical benefits to eligible retirees and their dependents. Benefits are provided under a single employer, self-insured plan. The benefits provided to retirees and their dependents is determined by the employees hire date with the Commission. All nonunion employees who retire at age 55 or later, have three years of service, or who are receiving benefits from the Public Employees Retirement Association of Minnesota and who do not participate in any other health benefits program providing coverage similar to that herein described are eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the Commission's health benefits program. Union employees require 10 years of service to be eligible for benefits.

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

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2021	December 31, 2020
Inactive plan members or beneficiaries currently receiving benefits	273	264
Active plan members electing medical coverage	601	614
Active plan members waiving medical coverage	27	-
Total plan members	901	878

Contributions

Retiree health care costs are paid by the Commission on a pay-as-you-go basis. The Commission has no obligation to make contributions in advance of when the insurance premiums are due for payment. For employees hired prior to January 1, 1991, the Commission makes contributions (as specified in union agreements or the Commission's personnel policy) toward required premiums at the same percentages applicable to active employees and their eligible dependent(s) until becoming eligible for Medicare Part A or B, or both. The Commission pays 100 percent of the premium for the retired employee, a spouse over age 65, and any legal dependents, provided that the retired employee is receiving benefits from the PERA and is enrolled in Medicare Part A and B as his/her primary health insurance. As of January 1, 1991, all employees hired by the Commission are only able to participate in the Commission's medical plan up to age 65. During 2004, the Commission approved that nonorganized employees hired after October 1, 2004 will be able to participate in the Commission's medical plan provided that the retirees pay 100 percent of the total premium cost plus a 2 percent administrative fee. During 2006 and 2007, the Commission was successful in getting language in all eligible labor agreements that provides that organized employees hired after the date of the signed contract will be able to participate in the Commission's health plan provided that the retirees pay 100 percent of the total premium cost plus a 2 percent administrative fee.

For the fiscal years ended December 31, 2021 and 2020, the Commission made payments for postemployment health benefit premiums of $5,486,767 and $6,082,255, respectively. The 2021 contributions include $2,924,589 previously designated by the Commission that was transferred into this plan during 2021 and $2,562,178 of benefit payments paid from the Commission's other assets. The 2020 contributions include $3,419,869 of funds previously designated by the Commission that were transferred into this plan during 2020 and $2,662,386 of benefit payments paid from the Commission's other assets. Retirees contributed approximately $334,264 and $272,894 for fiscal years 2021 and 2020, respectively. Included in the OPEB trust's contributions is a receivable from the Commission of $2,860,801 and $2,574,980 at December 31, 2021 and 2020, respectively.

Note 10 - Other Postemployment Benefit Plan (Continued)

Net OPEB Liability

The Commission has chosen to use the December 31 measurement date as its measurement date for the net OPEB liability. The December 31, 2021 fiscal year end reported net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2021 measurement date. The December 31, 2021 measurement date total OPEB liability was determined by an actuarial valuation performed as of December 31, 2020.

The December 31, 2020 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2020 measurement date. The December 31, 2020 measurement date total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019.

Changes in the net OPEB liability during the measurement year were as follows:

	Increase (Decrease)		
Changes in Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)
Balance at January 1, 2021	$ 95,888,651	$ 78,577,901	$ 17,310,750
Changes for the year:			
Service cost	924,031	-	924,031
Interest	3,104,777	-	3,104,777
Differences between expected and actual experience	(18,897,378)	-	(18,897,378)
Changes in assumptions	293,246	-	293,246
Contributions - Employer	-	5,486,767	(5,486,767)
Net investment loss	-	(1,065,628)	1,065,628
Benefit payments - Including refunds	(2,562,178)	(2,562,178)	-
Net changes	(17,137,502)	1,858,961	(18,996,463)
Balance at December 31, 2021	$ 78,751,149	$ 80,436,862	$ (1,685,713)

The plan's fiduciary net position represents 102.1 percent of the total OPEB liability.

Changes in the net OPEB liability during the prior measurement year were as follows:

	Increase (Decrease)		
Changes in Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at January 1, 2020	$ 85,921,163	$ 71,514,294	$ 14,406,869
Changes for the year:			
Service cost	863,754	-	863,754
Interest	3,418,149	-	3,418,149
Differences between expected and actual experience	1,035,365	-	1,035,365
Changes in assumptions	7,312,606	-	7,312,606
Contributions - Employer	-	6,082,255	(6,082,255)
Net investment income	-	3,642,614	(3,642,614)
Benefit payments - Including refunds	(2,662,386)	(2,662,386)	-
Miscellaneous other charges	-	1,124	(1,124)
Net changes	9,967,488	7,063,607	2,903,881
Balance at December 31, 2020	$ 95,888,651	$ 78,577,901	$ 17,310,750

Note 10 - Other Postemployment Benefit Plan (Continued)

The plan's fiduciary net position represents 81.9 percent of the total OPEB liability.

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

For the year ended December 31, 2021 and 2020, the Commission recognized OPEB (recovery) expense of $(3,714,590) and $231,951, respectively.

At December 31, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 550,417	$ 15,836,113	$ 792,891	$ 2,192,519
Changes in assumptions	4,113,945	1,532,584	5,600,052	3,850,796
Net difference between projected and actual earnings on OPEB plan investments	2,161,017	-	-	1,097,839
Total	$ 6,825,379	$ 17,368,697	$ 6,392,943	$ 7,141,154

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB recovery as follows:

Years Ending December 31	Amount
2022	$ (4,168,171)
2023	(2,335,899)
2024	(3,123,524)
2025	(915,721)
Total	$ (10,543,315)

Actuarial Assumptions

The investment rate of return was assumed to be 3 percent, net of OPEB plan investment expense, including inflation.

The total OPEB liability in the previous actuarial valuations was determined using the following actuarial assumptions applied to all periods included in the measurement:

	2021	2020
Inflation	2.25%	2.25%
Salary increases	3.00%	3.00%
Investment rate of return	3.00%	3.25%
Health care cost trend rate	6.7% in fiscal 2021 decreasing annually to 3.7% in fiscal year 2074 and later	6.7% in fiscal 2020 decreasing annually to 3.7% in fiscal year 2075 and later

Note 10 - Other Postemployment Benefit Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.00 percent and 3.25 percent for the years ended December 31, 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the December 31, 2021 and 2020 measurement date for each major asset class included in the OPEB Plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

	2021	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	95.00 %	1.00 %
Cash or cash equivalents	5.00	(0.33)

	2020	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	98.65 %	1.40 %
Cash or cash equivalents	1.35	0.09

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was (1.32) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 10 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Discount Rate

The following presents the net OPEB (asset) liability of the Commission, calculated using the discount rate of 3.00 percent and 3.25 percent, as well as what the Commission's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2021		
	1 Percentage Point Decrease (2.00%)	Current Discount Rate (3.00%)	1 Percentage Point Increase (4.00%)
Net OPEB liability (asset) of the OPEB Plan	$ 7,841,617	$ (1,685,713)	$ (9,656,818)

	2020		
	1 Percentage Point Decrease (2.25%)	Current Discount Rate (3.25%)	1 Percentage Point Increase (4.25%)
Net OPEB liability of the OPEB Plan	$ 29,510,949	$ 17,310,750	$ 7,183,072

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB (asset) liability of the Commission, calculated using the health care cost trend rates of 6.7 percent decreasing to 3.7 percent at December 31, 2021 and 6.7 percent decreasing to 3.8 percent at December 31, 2020, as well as what the Commission's net OPEB (asset) liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2021		
	1 Percentage Point Decrease	Current Health Care Cost Trend Rates	1 Percentage Point Increase
Net OPEB (asset) liability of the OPEB Plan	$ (10,424,442)	$ (1,685,713)	$ 8,677,226

	2020		
	1 Percentage Point Decrease	Current Health Care Cost Trend Rates	1 Percentage Point Increase
Net OPEB liability of the OPEB Plan	$ 6,253,698	$ 17,310,750	$ 30,521,698

Note 11 - Derivatives

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

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

Note 11 - Derivatives (Continued)

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

As of the statement of net position date, the derivative instrument agreements can be summarized as follows:

	Maturity/Expiration Date	Scheduled Amount	Guaranteed Rate	Fair Value at December 31, 2021	Fair Value at December 31, 2020
Series 2014 Debt Service Reserve Funds	1/1/2035	$ 21,181,822	4.6775%	$ 7,355,756	$ 9,744,072

The interest rate swaps and forward contracts are subject to the following risks:

Credit Risk

The Commission is exposed to credit risk on hedging derivative instruments that are in asset positions. Under the terms of the derivative instrument agreements, the Commission is either holding cash or an approved security within certain debt service reserve funds. None of the principal amount of an investment under the derivative instrument agreements is at risk to the credit of the counterparty. Should the counterparty default, the Commission's maximum exposure is the positive termination value, if any, related to these agreements.

Interest Rate Risk

The Commission is exposed to interest rate risk on its interest rate swaps. The fair values of the derivative instruments are expected to fluctuate over the life of the agreements in response to changes in interest rates. The Commission does not have a formally adopted policy related for interest rate risk on the derivative instruments.

Termination Risk

The Commission or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. In addition, the Commission is exposed to termination risk if the derivative instrument has a negative fair value at the time of termination, as the Commission would be liable to the counterparty for a payment equivalent to the fair value of the instrument at the time of termination.

Note 12 - Grants Receivable

Grants receivable from government agencies as of December 31, 2021 and 2020 for the Commission are as follows:

	2021	2020
Receivables:		
Federal Aviation Administration	$ 71,513,437	$ 83,245,993
State of Minnesota	126,740	120,007
Net receivables	$ 71,640,177	$ 83,366,000

Note 13 - Direct Financing Leases

The Commission leases certain facilities to unrelated entities under self-liquidating lease agreements expiring in various years through 2029. Self-liquidating lease agreements require the lessee to pay annual rentals equal to the debt service requirements of the bonds issued to construct the facilities or the debt service requirements that would have been required if bond financing was used. The Commission records the interest portion of the lease payments as investment income.

The following is a summary of the components of the Commission's direct financing leases at December 31:

	2021	2020
Total minimum lease payments to be received	$ 8,463,126	$ 13,830,449
Less unearned income	(2,422,716)	(4,653,308)
Total	6,040,410	9,177,141
Leases receivable - Current	1,405,700	1,747,424
Leases receivable - Net of current portion	$ 4,634,710	$ 7,429,717

Future minimum lease payments as of December 31, 2021 for each of the next five years, and in the aggregate, including payments related to interest of $2,422,716, are as follows:

Years Ending December 31	Amount
2022	$ 3,766,177
2023	798,803
2024	798,803
2025	758,976
2026	739,063
Thereafter	1,601,304
Total	$ 8,463,126

Note 14 - Major Customer

Delta Airlines, Inc. (Delta) is in the business of transporting air passengers, mail, and property. Delta operates both domestic and international air route systems. Minneapolis/St. Paul International Airport (MSP) is one of Delta's major hubs. Airport revenue from Delta accounts for approximately 25 percent of operating revenue and 65 percent of total revenue from major airlines. Approximately 52 percent of total 2021 enplanements are attributable to Delta's operation. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities. Therefore, it is reasonable to assume that any financial or operational difficulties incurred by Delta, the predominant airline servicing MSP, could have a material adverse effect on the Commission.

Note 15 - Risk Management

The Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Commission has purchased commercial insurance for property loss and tort claims, which carries a deductible of $50,000. The Commission is self-insured for workers' compensation and health/dental claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 15 - Risk Management (Continued)

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

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

The Commission estimates the liability for claims that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported. Changes in estimated claims liabilities for the past two fiscal years were as follows:

	2021	2020
Estimated liability - Beginning of year	$ 1,668,305	$ 1,925,726
Estimated claims incurred, including changes in estimates	10,217,474	9,908,579
Claim payments	(9,914,712)	(10,166,000)
Estimated liability - End of year	$ 1,971,067	$ 1,668,305

Note 16 - Contingent Liabilities and Economic Events

Noise Abatement

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

Under the Consent Decree, the Commission must provide noise mitigation to homes and apartments in the 60 to 64 Day-Night Average Sound Level (DNL) contours. Noise mitigation activities vary based on noise contours, with homes in the most noise-impacted contours eligible for more extensive mitigation than those in less impacted areas. Multifamily dwellings (those with more than three living units) receive less extensive mitigation than single-family homes. The total cost to the Commission under this program was $102,000,000 as of December 31, 2021. All the original program terms under the Consent Decree were completed by the Commission in 2014.

The Consent Decree was amended in 2013 by establishing criteria to provide noise mitigation to homes and apartments through December 31, 2024. It is expected that some additional homes will become eligible for noise mitigation based upon changes in the DNL contours. Also, some homes will move into a higher DNL contour. A home will become eligible for consent decree noise mitigation if it is located or changes DNL contour levels for three consecutive years. The noise mitigation provided to the home or apartment will be consistent with the terms and levels of the original consent decree. The total cost to the Commission under the amended program was $35,617,000 as of December 31, 2021.

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

Economic Events

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

Note 16 - Contingent Liabilities and Economic Events (Continued)

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act includes $10 billion in funds to be awarded as economic relief to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. The CARES Act provides funds to increase the federal share to 100 percent for Airport Improvement Program and supplemental discretionary grants already planned for fiscal year 2020. The Commission was awarded approximately $125,900,000 of these funds, of which all of the grant award was requested for reimbursement of certain operating expenses and debt service payments as of December 31, 2021.

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was signed into law. The CRRSA Act includes $2 billion in funds to be awarded as economic relief to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. The CRRSA Act provided funds to airports to use for operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. The CRRSA Act also included funds to airports to provide relief from rent and minimum annual guarantee obligations to eligible airport concessions. The Commission was awarded approximately $33,500,000 in total grant funds, all of which were requested for reimbursement as of December 31, 2021.

In March 2021, the American Rescue Plan (ARP) Act was signed into law. The ARP Act includes $8 billion in funds to be awarded as economic relief to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. The ARP Act provided funds to airports to use for operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. The ARP Act also included funds to airports to provide relief from rent and minimum annual guarantee obligations to eligible airport concessions. The Commission was awarded approximately $135,300,000 in total grant funds, of which approximately $6,000,000 of the grant award was requested for reimbursement as of December 31, 2021.

The Commission is subject to various legal proceedings and claims that arise in the ordinary course of its business. The Commission believes that the amount, if any, of ultimate liability with respect to legal actions will be insignificant or will be covered by insurance.

Note 17 - Rental Income from Operating Leases

Operating Leases

The Commission leases space at the airport terminal buildings, as well as other land and building leases, on a fixed fee. Many of the leases provide for a periodic review and adjustment of the rental amounts. Substantially all capital assets are held by the Commission for the purpose of rental or related use. The future minimum lease payments for these leases are as follows:

Years Ending	Amount
2022	$ 121,693,000
2023	116,302,000
2024	107,063,000
2025	100,243,000
2026	95,316,000
Thereafter	353,424,000
Total	$ 894,041,000

Required Supplemental Information

Required Supplemental Information
Schedule of the Commission's Proportionate Share of the Net Pension Liability
General Employees Retirement Fund (GERF)

Last Ten Plan Years

Plan Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Commission's proportion of the net pension liability	0.85550 %	0.88370 %	0.99410 %	0.89750 %	0.88190 %	1.00830 %	1.04170 %	0.67770 %	- %	- %
Commission's proportionate share of the net pension liability	$ 36,533,683	$ 52,981,854	$ 54,961,562	$ 49,789,620	$ 56,299,914	$ 81,868,959	$ 53,986,300	$ 31,834,951	$ -	$ -
Commission's covered payroll	$ 55,301,262	$ 46,834,000	$ 46,997,000	$ 44,773,000	$ 41,259,000	$ 39,103,000	$ 37,175,000	$ 36,047,000	$ -	$ -
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	66.06 %	113.13 %	116.95 %	111.20 %	136.45 %	209.37 %	145.22 %	88.32 %	- %	- %
Plan fiduciary net position as a percentage of total pension liability	87.00 %	79.06 %	80.23 %	79.53 %	75.90 %	68.91 %	78.19 %	78.75 %	- %	- %

Notes to Schedule

Benefit changes: None

Changes of assumptions: The following changes in assumptions were made from the June 30, 2020 valuations.

The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Required Supplemental Information
Schedule of the Commission's Proportionate Share of the Net Pension Liability
Public Employees Police and Fire Fund (PEPFF)

Last Ten Plan Years

Plan Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Commission's proportion of the net pension liability	1.23910 %	1.28270 %	1.37040 %	1.03590 %	1.22000 %	1.24300 %	1.27100 %	1.23100 %	- %	- %
Commission's proportionate share of the net pension liability	$ 9,564,537	$ 16,907,357	$ 14,589,292	$ 11,041,627	$ 16,471,452	$ 49,883,753	$ 14,441,534	$ 13,295,305	$ -	$ -
Commission's covered payroll	$ 14,136,183	$ 14,476,000	$ 14,719,000	$ 13,992,000	$ 12,777,000	$ 12,217,000	$ 11,807,000	$ 11,221,000	$ -	$ -
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	67.66 %	116.80 %	99.12 %	78.91 %	128.91 %	408.31 %	122.31 %	118.49 %	- %	- %
Plan fiduciary net position as a percentage of total pension liability	93.66 %	87.19 %	89.26 %	88.84 %	85.43 %	63.88 %	86.61 %	87.07 %	- %	- %

Notes to Schedule

Benefit changes: None

Changes of assumptions: The following changes in assumptions were made from the June 30, 2020 valuations.

The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
The inflation assumption was changed from 2.50 percent to 2.25 percent.
The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
The base mortality table was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table.
The mortality improvement scale was changed from MP-2019 to MP-2020.
Assumed rates of salary increases and rates of retirement were modified as recommended in the July 14, 2020 experience study.
Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates.
Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49.
Assumed percent married for active female members was changed from 60 percent to 70 percent.

See notes to required supplemental information.

Required Supplemental Information
Schedule of Pension Contributions
General Employees Retirement Fund (GERF)

Last Ten Fiscal Years

Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily required contribution	$ 4,228,182	$ 4,702,000	$ 4,228,000	$ 5,096,000	$ 4,198,000	$ 4,085,000	$ 4,747,000	$ 4,556,000	$ -	$ -
Contributions in relation to the statutorily required contribution	4,631,034	4,702,000	4,228,000	5,096,000	4,198,000	4,085,000	4,747,000	4,556,000	-	-
Contribution Excess	**$ 402,852**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Commission's Covered Payroll	$ 55,301,262	$ 46,834,000	$ 46,997,000	$ 44,773,000	$ 41,259,000	$ 39,103,000	$ 37,175,000	$ 36,047,000	$ -	$ -
Contributions as a Percentage of Covered Payroll	8.37 %	10.04 %	9.00 %	11.38 %	10.17 %	10.45 %	12.77 %	12.64 %	- %	- %

Notes to Schedule

Benefit changes: None

Changes in assumptions: None

Required Supplemental Information
Schedule of Pension Contributions
Public Employees Police and Fire Fund (PEPFF)

Last Ten Fiscal Years

Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily required contribution	$ 2,586,994	$ 2,557,000	$ 2,493,000	$ 2,307,000	$ 2,040,000	$ 2,055,000	$ 1,920,000	$ 1,763,000	$ -	$ -
Contributions in relation to the statutorily required contribution	2,586,994	2,557,000	2,493,000	2,307,000	2,040,000	2,055,000	1,920,000	1,763,000	-	-
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Commission's Covered Payroll	$ 14,136,183	$ 14,476,000	$ 14,719,000	$ 13,992,000	$ 12,777,000	$ 12,217,000	$ 11,807,000	$ 11,221,000	$ -	$ -
Contributions as a Percentage of Covered Payroll	18.30 %	17.66 %	16.94 %	16.49 %	15.97 %	16.82 %	16.26 %	15.71 %	- %	- %

Notes to Schedule

Benefit changes: None

Changes in assumptions: None

Required Supplemental Information
Schedule of Changes in the Net OPEB Liability and Related Ratios

Last Four Fiscal Years

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 924,031	$ 863,754	$ 926,495	$ 1,025,505
Interest	3,104,777	3,418,149	3,623,691	3,243,547
Differences between expected and actual experience	(18,897,378)	1,035,365	(4,090,803)	-
Changes in assumptions	293,246	7,312,606	(2,363,947)	(7,893,005)
Benefit payments - Including refunds	(2,562,178)	(2,662,386)	(3,680,089)	(3,674,178)
Net Change in Total OPEB Liability	(17,137,502)	9,967,488	(5,584,653)	(7,298,131)
Total OPEB Liability - Beginning of year	95,888,651	85,921,163	91,505,816	98,803,947
Total OPEB Liability - End of year	**$ 78,751,149**	**$ 95,888,651**	**$ 85,921,163**	**$ 91,505,816**
Plan Fiduciary Net Position				
Contributions - Employer	$ 5,486,767	$ 6,082,255	$ 5,484,744	$ 69,847,458
Net investment (loss) income	(1,065,628)	3,642,614	3,557,625	(21,266)
Benefit payments - Including refunds	(2,562,178)	(2,662,386)	(3,680,089)	(3,674,178)
Other	-	1,124	-	-
Net Change in Plan Fiduciary Net Position	1,858,961	7,063,607	5,362,280	66,152,014
Plan Fiduciary Net Position - Beginning of year	78,577,901	71,514,294	66,152,014	-
Plan Fiduciary Net Position - End of year	**$ 80,436,862**	**$ 78,577,901**	**$ 71,514,294**	**$ 66,152,014**
Net OPEB (Asset) Liability - Ending	**$ (1,685,713)**	**$ 17,310,750**	**$ 14,406,869**	**$ 25,353,802**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	102.14 %	81.95 %	83.23 %	72.29 %
Covered-employee Payroll	$ 61,228,798	$ 62,889,670	$ 59,997,546	$ 57,209,960
Net OPEB Liability as a Percentage of Covered-employee Payroll	(2.75)%	27.53 %	24.01 %	44.32 %

Notes to Schedule

The discount rate was changed from 3.25 percent to 3.00 percent based on updated investment return assumptions, 20-year municipal bond rates, and updated asset sufficiency projections.

The long-term investment return assumption was changed from 3.25 percent to 3.00 percent based on updated capital market assumptions.

Health care trend rates were reset to reflect updated cost increase expectations.

Medical per capita claims costs were updated to reflect recent experience.

Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2020 PERA General Employees Plan and July 1, 2020 Police and Fire Plan valuations to the rates used in the July 1, 2021 valuations.

Required Supplemental Information
Schedule of OPEB Contributions

Last Four Fiscal Years

Years Ended December 31

	2021	2020	2019	2018
Actuarially determined contribution	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution	5,486,767	6,082,255	5,484,744	69,847,458
Contribution Excess	**$ 5,486,767**	**$ 6,082,255**	**$ 5,484,744**	**$ 69,847,458**
Covered-employee Payroll	$ 61,228,798	$ 62,889,670	$ 59,997,546	$ 57,209,960
Contributions as a Percentage of Covered-employee Payroll	8.96 %	9.67 %	9.14 %	122.09 %

Note: 10 years of information is required to be disclosed and will be added as the information becomes available

Notes to Schedule of Contributions

The Commission does not current calculate an actuarially determined contribution.

Required Supplemental Information
Schedule of OPEB Investment Returns

Last Four Fiscal Years

Years Ended December 31

	2021	2020	2019	2018
Annual money-weighted rate of return - Net of investment expense	(1.32)%	5.04 %	5.31 %	(1.56)%

Note: 10 years of information is required to be disclosed and will be added as the information becomes available.

Pension Information

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of each June 30 and apply to the fiscal year beginning on the day after the measurement date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Asset valuation method	5-year smoothed market
Inflation	GERF: 2.25%
	PEPFF: 2.50%
Salary increase	GERF: 3.00% to 10.25% including inflation
	PEPFF: 3.25% to 12.25% including inflation
Investment rate of return	7.50%
Retirement age	GERF: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2014 - 2019.
	PEPFF: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2011 - 2015.
Mortality	GERF: Pub-2010 General annuitant generational mortality tables, projected with scale MP-2019 from a base year of 2010. Male rates are multiplied by a factor of 1.02, and female rates are multiplied by a factor of 0.90.
	PEPFF: RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2019, from a base year of 2006. Male rates adjusted by a factor of 0.96.
Other information	The GERF plan is assumed to pay a 1.25% post retirement benefit increase for all future years.
	The PEPFF plan is assumed to pay a 1.00% post retirement benefit increase for all future years.

Benefit Changes

There were no changes of benefit terms in 2021.

Changes in Assumptions

There were no changes of benefit assumptions in 2021.

Changes in Size or Composition of the Covered Population

There were no significant changes in size or composition of the covered population in 2021.

OPEB Information

Benefit Changes

There were no changes of benefit terms in 2021.

Changes in Assumptions

There were no changes of benefit assumptions in 2021.

Statistical Section

Historical Operating Statements
Years Ending December 31 (000's)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
OPERATING REVENUES										
Airline rates and charges	$ 98,437	$ 106,015	$ 111,005	$ 107,805	$ 112,653	$ 113,056	$ 123,631	$ 131,397	$ 94,259	$ 117,728
Concessions	126,399	131,321	136,445	146,893	160,691	172,476	177,375	191,113	76,636	121,408
Rentals/fees	27,999	33,327	34,117	36,086	48,473	49,970	52,241	54,042	41,471	36,520
Utilities and other revenues	13,581	15,382	16,768	16,637	17,115	18,442	20,011	24,309	15,710	18,486
TOTAL OPERATING REVENUES	266,416	286,045	298,335	307,421	338,932	353,944	373,258	400,861	228,076	294,142
OPERATING EXPENSES										
Personnel	68,145	71,107	72,358	81,728	94,425	87,993	86,151	90,845	79,146	75,182
Administrative	1,561	1,407	1,610	1,521	1,723	1,993	2,058	1,753	1,057	1,054
Professional services	4,536	4,514	4,972	5,574	6,217	6,151	6,210	7,123	5,160	5,679
Utilities	16,288	18,633	20,873	18,304	18,816	19,619	19,930	18,847	17,382	19,092
Operating services	17,379	18,940	19,583	21,230	23,389	26,073	28,280	30,950	26,256	25,895
Maintenance	26,052	29,305	31,377	32,089	36,319	36,293	42,576	46,988	39,707	41,862
Depreciation and amortization	120,201	128,032	131,069	134,419	139,226	142,970	147,299	150,549	160,889	178,513
Other	2,632	2,950	3,323	3,454	4,411	5,611	4,531	4,354	4,051	3,665
TOTAL OPERATING EXPENSES	256,794	274,888	285,165	298,319	324,526	326,703	337,035	351,409	333,648	350,942
OPERATING INCOME (LOSS)	9,622	11,157	13,170	9,102	14,406	27,241	36,223	49,452	(105,572)	(56,800)
NONOPERATING REVENUES (EXPENSES)										
Investment income	8,184	7,066	8,746	9,241	12,634	12,306	19,104	25,463	13,507	3,026
Federal interest rate subsidies	-	-	-	599	914	978	940	919	896	862
Passenger facility charges	62,231	65,291	67,106	70,471	72,273	73,390	73,734	77,430	28,669	51,096
Grants used for operating expenses	-	-	-	-	-	-	-	-	-	10,241
Customer facility charges	-	-	-	-	-	-	-	-	-	13,029
Gain (loss) on disposal of assets	(1,172)	(561)	(16,387)	60	2,029	(6,513)	(3,841)	99	62	98
Hotel facility charges	-	-	-	-	-	-	-	-	-	-
Interest expense	(64,613)	(64,792)	(67,734)	(57,614)	(62,238)	(48,949)	(42,810)	(53,270)	(49,329)	(47,686)
Flood expense net of insurance recovery	-	-	-	-	-	-	(365)	(181)	(81)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	4,630	7,004	(8,269)	22,757	25,612	31,212	46,762	50,460	(6,276)	30,666
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND GRANTS	14,252	18,161	4,901	31,859	40,018	58,453	82,985	99,912	(111,848)	(26,134)
CAPITAL CONTRIBUTIONS AND GRANTS	19,940	33,472	20,498	14,686	4,003	1,427	8,042	9,550	112,244	89,220
CHANGE IN NET POSITION	34,192	51,633	25,399	46,545	44,021	59,880	91,027	109,462	396	63,086
NET POSITION, BEGINNING OF YEAR, AS RESTATED	1,613,593	1,642,316	1,693,949	1,719,348	1,716,774	1,760,795	1,820,675	1,876,773	1,986,235	1,986,631
CHANGES IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENTS [1, 2]	(5,469)	-	-	(49,119)	-	-	(34,929)	-	-	-
NET POSITION - BEGINNING OF YEAR, AS RESTATED	1,608,124	1,642,316	1,693,949	1,670,229	1,716,774	1,760,795	1,785,746	1,876,773	1,986,235	1,986,631
NET POSITION, END OF YEAR	$ 1,642,316	$ 1,693,949	$ 1,719,348	$ 1,716,774	$ 1,760,795	$ 1,820,675	$ 1,876,773	$ 1,986,235	$ 1,986,631	$ 2,049,717

[1] For the years ended December 31, 2012 - 2014, the amounts shown do not reflect the adoption of GASB Statement No. 68

[2] For the years ended December 31, 2012 - 2017, the amounts shown do not reflect the adoption of GASB Statement No. 75

Source: Audited financial statements for the last 10 years

Historical Revenues 2012 – 2021
Pursuant to the Commission's Master Trust Indenture (000's)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Airline Rates & Charges										
Landing fees	$ 51,964	$ 55,543	$ 57,049	$ 57,408	$ 60,099	$ 62,083	$ 69,000	$ 75,149	$ 45,025	$ 69,258
Ramp fees	6,092	6,803	7,213	7,132	7,408	7,137	8,070	7,304	6,221	5,923
Terminal 1 building rents	37,423	39,626	41,739	41,427	45,170	43,286	45,755	45,937	32,597	38,681
Other Terminal 1 charges	3,351	3,506	3,862	4,872	4,684	5,248	5,822	5,580	4,529	7,085
Concessions rebate	(9,597)	(9,889)	(10,294)	(13,777)	(15,827)	(17,195)	(18,683)	(18,576)	(6,606)	(14,756)
Terminal 2 Building Rentals	8,991	10,160	11,165	10,480	10,813	12,300	13,399	13,890	10,933	11,328
Apron Fees - Non-Signatory	213	266	271	264	307	197	268	296	121	209
Total Airline Rates & Charges	98,437	106,015	111,005	107,806	112,654	113,056	123,631	129,580	92,820	117,728
Concessions										
Auto parking	72,621	76,569	80,659	87,579	91,235	95,231	93,887	103,082	38,528	63,624
Rental car	17,324	17,732	17,939	18,708	19,876	19,410	20,824	20,845	8,671	16,213
Food and beverage	13,808	14,743	16,128	16,836	21,044	23,137	24,241	25,499	9,974	15,953
Merchandise	8,607	8,489	8,245	8,191	8,701	10,170	11,056	11,037	3,623	6,807
Employee parking	2,929	2,414	2,917	3,328	3,653	4,101	4,352	5,047	3,823	3,757
Other	11,110	11,374	10,557	12,251	16,182	20,426	23,015	27,419	13,343	15,054
Total Concessions Revenue	126,399	131,321	136,445	146,893	160,691	172,475	177,375	192,929	77,962	121,408
Other Revenues										
Utilities	2,784	3,181	3,265	3,039	2,105	2,233	2,400	2,406	1,383	2,943
Other building and land rent	26,199	31,095	31,885	34,079	46,480	49,063	50,695	52,360	37,793	26,286
Other	6,937	7,731	8,648	8,666	9,243	9,235	10,771	14,588	9,566	15,543
Total Other Revenues	35,920	42,007	43,798	45,784	57,828	60,531	63,866	69,354	48,742	44,772
Total MSP Revenue	260,756	279,343	291,248	300,483	331,173	346,062	364,872	391,863	219,524	283,908
Total Reliever Airports	5,661	6,702	7,087	6,938	7,759	7,882	8,386	8,997	8,552	10,234
Total Operating Revenues	266,417	286,045	298,335	307,421	338,932	353,944	373,258	400,860	228,076	294,142
Investment income										
Capital lease interest	4,140	3,835	3,792	4,167	3,913	3,741	2,828	2,900	2,839	2,105
Other [2]	2,926	2,648	4,144	4,438	5,413	4,559	8,774	14,411	8,568	854
Total Investment Income	7,066	6,483	7,936	8,605	9,326	8,300	11,602	17,311	11,407	2,959
Capital lease principal payments	7,805	8,107	8,292	6,075	4,576	4,654	24,532	2,745	3,168	5,567
Total Revenues [1]	$ 281,288	$ 300,635	$ 314,563	$ 322,101	$ 352,834	$ 366,898	$ 409,392	$ 420,916	$ 242,651	$ 302,668

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

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

Source: Audited financial statements for the last 10 years

Percentage Distribution of Operating Revenues 2012 – 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Airline Rates & Charges										
Landing fees	19.5%	19.4%	19.1%	18.7%	17.7%	17.5%	18.5%	18.7%	19.7%	23.5%
Ramp fees	2.3%	2.4%	2.4%	2.3%	2.2%	2.0%	2.2%	1.8%	2.7%	2.0%
Terminal 1 building rents	14.0%	13.9%	14.0%	13.5%	13.3%	12.2%	12.3%	11.5%	14.3%	13.2%
Other Terminal 1 charges	1.3%	1.2%	1.3%	1.6%	1.4%	1.5%	1.6%	1.4%	2.0%	2.4%
Concessions rebate	-3.6%	-3.5%	-3.5%	-4.5%	-4.7%	-4.9%	-5.0%	-4.6%	-2.9%	-5.0%
Terminal 2 Building Rentals	3.4%	3.6%	3.7%	3.4%	3.2%	3.5%	3.6%	3.5%	4.8%	3.9%
Apron Fees - Non-Signatory	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total Airline Rates & Charges	36.9%	37.1%	37.2%	35.1%	33.2%	31.9%	33.1%	32.3%	40.7%	40.0%
Concessions										
Auto parking	27.3%	26.8%	27.0%	28.5%	26.9%	26.9%	25.2%	25.7%	16.9%	21.6%
Rental car	6.5%	6.2%	6.0%	6.1%	5.9%	5.5%	5.6%	5.2%	3.8%	5.5%
Food and beverage	5.2%	5.2%	5.4%	5.5%	6.2%	6.5%	6.5%	6.4%	4.4%	5.4%
Merchandise	3.2%	3.0%	2.8%	2.7%	2.6%	2.9%	3.0%	2.8%	1.6%	2.3%
Employee parking	1.1%	0.8%	1.0%	1.1%	1.1%	1.2%	1.2%	1.3%	1.7%	1.3%
Other	4.2%	4.0%	3.5%	4.0%	4.8%	5.8%	6.2%	6.8%	5.9%	5.1%
Total Concessions Revenue	47.4%	45.9%	45.7%	47.8%	47.4%	48.7%	47.5%	48.1%	34.2%	41.3%
Other Revenues										
Utilities	1.0%	1.1%	1.1%	1.0%	0.6%	0.6%	0.6%	0.6%	0.6%	1.0%
Other building and land rent	9.8%	10.9%	10.7%	11.1%	13.7%	13.9%	13.6%	13.1%	16.6%	8.9%
Other	2.6%	2.7%	2.9%	2.8%	2.7%	2.6%	2.9%	3.6%	4.2%	5.3%
Total Other Revenues	13.5%	14.7%	14.7%	14.9%	17.1%	17.1%	17.1%	17.3%	21.4%	15.2%
Total MSP Revenue	97.9%	97.7%	97.6%	97.7%	97.7%	97.8%	97.8%	97.8%	96.3%	96.5%
Total Reliever Airports	2.1%	2.3%	2.4%	2.3%	2.3%	2.2%	2.2%	2.2%	3.7%	3.5%
Total Operating Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Net Position by Business-Type Activities 2012 – 2021 (000's)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business Type Activities										
Net investment in capital assets	$ 1,123,522	$ 1,168,529	$ 1,152,189	$ 1,163,545	$ 1,265,771	$ 1,338,558	$ 1,447,104	$ 1,476,160	$ 1,713,428	$ 1,748,232
Restricted	373,736	362,468	287,279	299,192	341,266	278,281	302,793	387,696	143,130	114,770
Unrestricted	145,058	162,952	279,880	254,037	153,758	203,836	126,876	122,379	130,073	186,712
Total Business Type Activities	$ 1,642,316	$ 1,693,949	$ 1,719,348	$ 1,716,774	$ 1,760,795	$ 1,820,675	$ 1,876,773	$ 1,986,235	$ 1,986,631	$ 2,049,714

Source: Audited financial statements for the last 10 years

Delta Airlines Revenue Summary
2012 – 2021 (000's)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Delta Revenue as a Percentage of Total Adjusted MAC Operating Revenues										
Total MAC Operating Revenues	$ 266,417	$ 286,045	$ 298,335	$ 307,421	$ 338,932	$ 353,944	$ 373,258	$ 400,860	$ 228,076	$ 294,142
Lease Principal/Interest Payments	11,945	11,939	12,084	10,227	8,488	8,394	27,360	5,059	5,617	5,606
Interest Income-MAC Funds [1]	2,862	3,215	3,461	3,838	4,915	6,282	12,362	18,150	8,687	618
Total Adjusted MAC Operating Revenues	281,224	301,199	313,880	321,486	352,335	368,620	412,980	424,069	242,380	300,366
Delta Portion of Operating Revenues	71,144	75,391	78,301	74,078	78,793	74,856	81,856	86,475	62,445	79,276
Delta Portion of Lease Payments	7,655	7,599	7,687	5,780	3,789	3,635	22,234	-	-	40
Total Delta Revenue	78,799	82,990	85,988	79,858	82,582	78,491	104,090	86,475	62,445	79,316
Delta % of Total Adjusted MAC Operating Revenues	28.02%	27.55%	27.40%	24.84%	23.44%	21.29%	25.20%	20.39%	25.76%	26.41%
Delta Revenue as a Percentage of Total Airline Rates & Charges										
Total Airline Rates & Charges Revenue	98,536	106,015	111,005	107,805	112,653	113,056	123,631	132,496	97,796	117,728
Air Carrier Lease Payments	9,933	9,932	10,077	8,227	6,519	6,425	25,391	3,090	3,648	3,755
Total Air Carrier Revenue	108,469	115,947	121,082	116,032	119,172	119,481	149,022	135,586	101,444	121,483
Total Delta Revenue	78,799	82,990	85,988	79,858	82,582	78,491	104,090	86,475	62,445	79,316
Delta % of Total Air Carrier Revenue	72.65%	71.58%	71.02%	68.82%	69.30%	65.69%	69.85%	63.78%	61.56%	65.29%

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

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Top Ten Revenue Providers 2021 and 2012 (000's)

	2021		2012	
	Rank	Revenue	Rank	Revenue
Company				
Delta Airlines	1	79,276	1	71,047
Sun Country Airlines	2	11,368	6	6,714
Enterprise Rent A Car [1]	3	12,450	3	10,209
Hertz	4	4,863	5	6,765
American Airlines	5	4,390	10	3,073
Avis	6	5,006	7	4,684
Southwest Airlines	7	9,136	9	3,269
United Airlines	8	9,516	8	3,295
HMS Host	9	3,622	2	11,082
Delaware North	10	2,037	-	-
Minnesota Retail Partners	-	-	4	6,979

[1] Enterprise Rent A Car owns National Car Rental and Alamo.

Source: Annual Comprehensive Financial Report 2012 and 2021

Air Carrier Market Share – Total Enplaned Passengers
For the Years Ended December 31

2021 Ranking	Air Carrier	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 % of Total
1	Delta	7,953,185	8,076,972	8,594,887	9,139,346	9,321,182	9,787,444	9,885,227	10,470,238	3,444,435	6,282,561	51.51%
2	Skywest [3]	1,181,445	1,134,982	867,993	1,247,022	1,653,123	1,853,025	2,395,179	2,386,604	878,472	1,695,711	13.90%
3	Sun Country	616,320	757,552	815,386	1,029,007	1,111,020	1,213,114	1,180,832	1,446,895	750,583	1,215,564	9.97%
4	Endeavor Air [8]	1,453,778	1,634,337	2,011,953	1,608,015	1,243,837	920,896	730,261	818,608	610,112	871,043	7.14%
5	Southwest	623,913	742,664	841,201	940,592	1,053,554	1,028,051	970,711	905,779	327,232	571,927	4.69%
6	American [10]	376,370	377,739	341,957	586,682	1,063,249	1,027,450	865,571	870,582	349,390	519,926	4.26%
7	United	227,392	190,994	167,638	425,390	489,262	499,943	455,512	459,746	145,169	303,569	2.49%
8	Spirit Airlines	108,866	307,298	495,316	517,770	606,511	621,926	579,370	580,940	224,498	240,056	1.97%
9	Republic [5]	63,947	72,328	37,913	6,925	184,872	233,073	295,947	302,204	111,566	109,067	0.89%
10	Alaska Airlines	84,588	93,635	92,491	96,084	117,617	111,963	109,104	138,540	47,732	89,287	0.73%
11	Frontier	191,650	177,613	228,771	227,378	163,525	174,796	246,034	251,653	86,796	84,931	0.70%
12	Mesa [4,5]	-	-	42,011	66,311	105,124	103,591	111,332	87,597	42,855	51,513	0.42%
13	Envoy [6]	128,382	115,022	144,150	55,935	4,790	4,353	-	-	31,884	51,369	0.42%
14	JetBlue	-	-	-	-	-	-	77,195	112,483	18,417	31,085	0.25%
15	Horizon Air	-	-	-	-	-	-	39,776	4,231	5,547	16,112	0.13%
16	PSA - American	-	-	-	-	-	-	-	-	-	11,606	0.10%
17	Air France	-	-	-	-	-	30,571	26,538	34,725	-	10,425	0.09%
18	Allegiant	-	-	-	-	-	-	-	-	-	10,310	0.08%
19	Icelandair	21,169	20,513	20,323	28,926	39,500	50,398	45,826	41,339	1,047	8,710	0.07%
20	KLM Royal Dutch	-	-	-	-	-	25,020	37,159	47,058	6,678	7,263	0.06%
21	Sky Regional-Air Canada	-	-	-	-	-	31,948	58,227	59,416	8,452	6,471	0.05%
22	Denver Air	-	-	-	-	-	-	-	-	-	5,773	0.05%
23	Other	76,137	96,937	65,816	86,095	89,444	69,220	47,913	64,039	4,944	2,957	0.02%
	ExpressJet [8]	132,885	263,821	323,786	362,785	235,633	143,540	34,924	19,633	5,093	-	0.00%
	Aer Lingus	-	-	-	-	-	-	-	22,133	4,594	-	0.00%
	Go Jet [3,4]	3,717	42,534	97,992	10,750	50,644	152,931	189,770	56,926	1,383	-	0.00%
	Compass [8]	1,418,939	1,184,213	838,901	514,171	514,828	293,020	-	-	-	-	0.00%
	Shuttle America [4]	308,820	209,015	201,233	137,799	74,587	8,881	-	-	-	-	0.00%
	United Express	96,550	116,724	101,926	178,132	38,450	-	-	-	-	-	0.00%
	US Airways [10]	532,384	592,391	561,351	465,291	-	-	-	-	-	-	0.00%
	Air Tran Airways [9]	269,552	159,983	107,077	-	-	-	-	-	-	-	0.00%
	Comair [3]	94,350	-	-	-	-	-	-	-	-	-	0.00%
	Continental [7]	48,800	-	-	-	-	-	-	-	-	-	0.00%
	Mesaba Aviation [8]	6,899	-	-	-	-	-	-	-	-	-	0.00%
		16,020,038	16,367,267	17,000,072	17,730,406	18,160,752	18,385,154	18,382,408	19,181,369	7,106,879	12,197,236	100.00%

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

[2] Percentages may not sum to totals due to rounding.

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

[4] Codeshare with United.

[5] Codeshare with US Airways/American.

[6] Codeshare with American/formerly American Eagle.

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

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

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

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

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

Enplaned Passenger Trends
For the Years Ended December 31

	Originating		Connecting			
	Enplaned Passengers [1]	% of Total	Enplaned Passengers [1]	% of Total	Total	% Change From Previous Year
2012	8,667,889	54.1%	7,352,149	45.9%	16,020,038	0.30%
2013	8,927,053	54.5%	7,440,214	45.5%	16,367,267	2.17%
2014	9,290,977	54.7%	7,709,095	45.3%	17,000,072	3.87%
2015	9,791,389	55.2%	7,939,017	44.8%	17,730,406	4.30%
2016	10,500,930	57.8%	7,659,822	42.2%	18,160,752	2.43%
2017	11,032,337	60.0%	7,352,817	40.0%	18,385,154	1.24%
2018	11,523,760	62.7%	6,858,648	37.3%	18,382,408	-0.01%
2019	12,109,787	63.1%	7,071,582	36.9%	19,181,369	4.35%
2020	4,610,301	64.9%	2,496,578	35.1%	7,106,879	-62.95%
2021	8,142,616	66.8%	4,054,620	33.2%	12,197,236	71.63%
Average Annual Compound Growth						
2012 - 2021	-0.62%		-5.78%		-2.69%	

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

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

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

Air Carrier Market Share – Total Cargo Handled (in tons)
For the Years Ended December 31

2021 Ranking	Air Carrier	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 % of Total [1]
1	Federal Express	99,297.3	94,006.3	87,898.2	85,248.4	99,699.1	101,868.2	101,899.4	91,685.2	97,416.4	99,648.6	38.5%
2	UPS	57,174.2	57,826.2	61,142.2	58,699.1	58,062.6	63,859.9	69,805.2	76,612.4	77,786.3	84,212.9	32.5%
3	Amazon	-	-	-	-	-	-	7,501.3	14,254.8	13,381.1	32,772.4	12.7%
4	Delta	48,664.7	51,792.3	53,483.7	55,634.0	45,697.3	60,281.5	60,950.3	48,087.2	20,244.4	24,636.0	9.5%
5	DHL	4,498.3	5,220.0	6,201.1	6,775.5	6,900.0	7,651.0	7,757.1	6,970.3	7,957.8	8,456.1	3.3%
6	Sun Country	1,686.1	2,359.7	2,944.1	4,971.8	7,340.4	7,940.2	5,196.3	4,774.2	2,024.9	2,274.9	0.9%
7	Southwest	1,643.5	1,522.0	1,842.3	2,055.9	2,760.7	1,771.8	1,703.5	1,902.3	1,559.5	1,795.6	0.7%
8	KLM Royal Dutch	-	-	-	-	-	1,958.7	3,126.5	3,337.2	409.2	1,122.3	0.4%
9	Mountain Air Cargo	844.0	1,049.7	1,084.5	930.3	1,103.2	1,095.3	1,052.3	800.0	1,244.9	936.9	0.4%
10	Air France	-	268.1	336.9	339.1	400.7	1,062.6	1,311.0	697.1	-	920.3	0.4%
11	American [3]	41.3	66.5	201.0	282.0	1,203.7	1,086.5	878.0	753.4	1,039.8	821.3	0.3%
12	United	1,686.6	1,096.2	1,783.3	2,813.3	2,530.3	1,857.6	997.0	883.0	400.8	690.0	0.3%
13	IFL Group	-	-	-	-	517.5	291.4	123.2	176.7	318.4	308.2	0.1%
14	Alaska Airlines	157.2	239.5	219.5	130.9	162.3	394.1	166.7	210.9	179.6	151.6	0.1%
15	Icelandair	-	-	-	159.3	298.2	516.2	191.7	159.4	1.3	13.4	0.0%
16	Other	338.4	239.5	318.9	494.6	507.2	545.4	676.1	75.0	139.6	3.8	0.0%
	Aer Lingus	-	-	-	-	-	-	-	11.6	5.2	-	0.0%
	Encore Air	-	-	-	-	-	-	-	598.4	-	-	0.0%
	Condor	-	-	-	-	-	153.2	399.2	86.3	-	-	0.0%
	CSA Air	-	-	-	231.8	389.2	167.3	18.0	4.8	-	-	0.0%
	Suburban Air Freight	-	289.5	452.2	513.8	542.3	389.7	-	-	-	-	0.0%
	US Airways [3]	1,448.4	1,299.9	981.7	454.8	-	-	-	-	-	-	0.0%
	Airborne	872.7	114.7	-	-	-	-	-	-	-	-	0.0%
	Frontier	179.8	188.5	-	-	-	-	-	-	-	-	0.0%
	Continental [2]	479.1	-	-	-	-	-	-	-	-	-	0.0%
		219,011.6	217,578.6	218,889.6	219,734.6	228,114.7	252,890.6	263,752.8	252,080.2	224,109.2	258,764.2	100.0%

[1] Percentages may not sum to totals due to rounding.

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

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

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Enplaned Cargo Trends
For the Years Ended December 31

(Freight and main in thousands of tons)

Air Carrier	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Average Annual Compound Growth
Passenger	26.9	27.9	28.4	30.7	25.2	31.7	30.7	25.3	11.8	13.3	-6.8%
All Cargo	80.4	81.8	86.4	82.7	83.5	87.3	89.3	91.0	91.9	102.4	2.4%
Total	107.3	109.7	114.8	113.4	108.7	119.0	120.0	116.3	103.7	115.7	0.8%

Source: Minneapolis/St. Paul Metropolitan Airports Commission

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

	Passenger Carriers		All Cargo Carriers		
	Tons	% of Total	Tons	% of Total	Total Cargo
2012	26,876	25.0%	80,442	75.0%	107,318
2013	27,945	25.5%	81,766	74.5%	109,711
2014	28,377	24.7%	86,414	75.3%	114,791
2015	30,691	27.1%	82,678	72.9%	113,369
2016	25,165	23.2%	83,460	76.8%	108,625
2017	31,652	26.6%	87,259	73.4%	118,911
2018	30,701	25.6%	89,333	74.4%	120,034
2019	25,339	21.8%	90,968	78.2%	116,307
2020	11,751	11.3%	91,889	88.7%	103,640
2021	13,314	11.5%	102,412	88.5%	115,726
Average Annual Compound Growth					
2012 - 2021	-7.12%		0.44%		-0.82%

Source: Minneapolis/St. Paul Metropolitan Airports Commission

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

	Freight Expense		Mail		
	Tons	% of Total	Tons	% of Total	Total of Cargo
2012	97,220	90.6%	10,098	9.4%	107,318
2013	101,337	92.4%	8,374	7.6%	109,711
2014	107,500	93.6%	7,291	6.4%	114,791
2015	104,517	92.2%	8,852	7.8%	113,369
2016	98,140	90.3%	10,484	9.7%	108,624
2017	103,087	86.7%	15,824	13.3%	118,911
2018	103,521	86.2%	16,513	13.8%	120,034
2019	100,504	86.4%	15,803	13.6%	116,307
2020	91,954	88.7%	11,686	11.3%	103,640
2021	103,699	89.6%	12,028	10.4%	115,727

Average Annual Compound Growth

2012 - 2021	0.60%	1.80%	0.80%

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Revenue Bond Debt Service Coverage – Rate Covenant for Senior Debt
For the Years Ended December 31 (000's)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues per Master Trust Indenture	$ 281,288	$ 300,635	$ 314,563	$ 322,101	$ 352,834	$ 366,898	$ 409,392	$ 420,916	$ 242,651	$ 313,240
Expenses										
Operating expenses	256,793	274,888	285,165	292,589	308,033	320,022	340,215	351,623	345,004	367,203
Less: Depreciation expense	(120,201)	(128,010)	(131,069)	(134,419)	(139,226)	(142,970)	(147,299)	(150,549)	(160,889)	(178,513)
Total operating expenses, excluding depreciation expense	136,592	146,878	154,096	158,170	168,807	177,052	192,916	201,074	184,115	188,690
Amount from non-revenue source	-	-	-	-	-	-	-	-	-	7,815
Net Revenues	144,696	153,757	160,467	163,931	184,027	189,846	216,476	219,842	58,536	132,365
Annual debt service - Senior Airport Revenue Bonds	(43,436)	(48,274)	(50,413)	(48,084)	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)	(8,526)
Annual debt service - General Obligation Revenue Bonds	(3,414)	(2,954)	-	-	-	-	-	-	-	-
Principal and interest on other indebtedness [1]	(40,970)	(47,809)	(48,383)	(45,216)	(46,546)	(48,952)	(66,522)	(62,143)	(26,941)	(38,037)
Must not be less than zero	56,876	54,720	61,671	70,631	88,572	101,433	118,714	107,444	21,824	85,802
Requirement Section										
Net revenues	144,696	153,757	160,467	163,931	184,027	189,846	216,476	219,842	58,536	132,365
Transfer - Coverage Fund [2]	10,381	12,069	12,603	12,021	12,227	9,865	7,810	12,564	2,443	2,131
Total available	155,077	165,826	173,070	175,952	196,254	199,711	224,286	232,406	60,979	134,496
Senior Debt Service times 125% [3]	(54,295)	(60,343)	(63,016)	(60,105)	(61,136)	(49,326)	(39,050)	(62,819)	(12,214)	(10,657)
Must not be less than zero	100,782	105,483	110,054	115,847	135,118	150,385	185,236	169,587	48,765	123,839
Pro Forma Coverage on Senior Lien Debt										
Net revenues	144,696	153,757	160,467	163,931	184,027	189,846	216,476	219,842	58,536	132,365
Transfer - Coverage Fund [2]	10,381	12,069	12,603	12,021	12,227	9,865	7,810	12,564	2,443	2,131
Total available	155,077	165,826	173,070	175,952	196,254	199,711	224,286	232,406	60,979	134,496
Annual debt service - Senior Airport Revenue Bonds	(43,436)	(48,274)	(50,413)	(48,084)	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)	(8,526)
Annual debt service - General Obligation Revenue Bonds	(3,414)	(2,954)	-	-	-	-	-	-	-	-
Total Debt Service - Senior Lien Debt	(46,850)	(51,228)	(50,413)	(48,084)	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)	(8,526)
Coverage with Transfer	331%	324%	343%	366%	401%	506%	718%	462%	624%	1577%
Coverage without Transfer	309%	300%	318%	341%	376%	481%	693%	437%	599%	1552%

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

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

[3] Using Annual Debt Service on Senior Airport Revenue Bonds.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Revenue Bond Debt Service Coverage – Rate Covenant for Subordinate Lien Debt
For the Years Ended December 31 (000's)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues per Master Trust Indenture	$ 281,288	$ 300,635	$ 314,563	$ 322,101	$ 352,834	$ 366,898	$ 409,392	$ 420,916	$ 242,651	$ 313,240
Expenses										
Operating expenses	256,793	274,888	285,165	292,589	308,033	320,022	340,215	351,623	345,004	367,203
Less: Depreciation expense	(120,201)	(128,010)	(131,069)	(134,419)	(139,226)	(142,970)	(147,299)	(150,549)	(160,889)	(178,513)
Total operating expenses, excluding depreciation expense	136,592	146,878	154,096	158,170	168,807	177,052	192,916	201,074	184,115	188,690
Annual debt service - Senior Airport Revenue Bonds	43,436	48,274	50,413	48,084	48,909	39,461	31,240	50,255	9,771	8,526
Annual debt service - General Obligation Revenue Bonds	3,414	2,954	-	-	-	-	-	-	-	-
Subordinate revenues	97,846	102,529	110,054	115,847	135,118	150,385	185,236	169,587	48,765	123,839
Principal and interest on Subordinate Bonds	(40,970)	(47,807)	(48,383)	(45,216)	(46,546)	(52,413)	(58,326)	(62,143)	(26,941)	(38,037)
Must not be less than zero	$ 56,876	$ 54,722	$ 61,671	$ 70,631	$ 88,572	$ 97,972	$ 126,910	$ 107,444	$ 21,824	$ 85,802
Requirement Section										
Subordinate revenues	97,846	102,529	110,054	115,847	135,118	150,385	185,236	169,587	48,765	123,839
Transfers [1]	4,229	4,097	4,781	4,522	4,655	5,241	5,833	6,214	2,694	3,804
Total available	102,075	106,626	114,835	120,369	139,773	155,626	191,069	175,801	51,459	127,643
Outstanding Subordinate Debt Service Times 110% [2]	(45,583)	(44,686)	(52,229)	(55,659)	(49,343)	(57,654)	(64,159)	(68,357)	(29,635)	(41,841)
Must not be less than zero	$ 56,492	$ 61,940	$ 62,606	$ 64,710	$ 90,430	$ 97,972	$ 126,910	$ 107,444	$ 21,824	$ 85,802
Pro Forma Coverage on Subordinate Lien Debt										
Subordinate revenues	97,846	102,529	110,054	115,847	135,118	150,385	185,236	169,587	48,765	123,839
Principal and interest in Subordinate Bonds [2]	41,439	40,624	47,480	50,599	44,857	52,413	58,326	62,143	26,941	38,037
Coverage without Transfer	236%	252%	232%	229%	301%	287%	318%	273%	181%	326%
Pro Forma Coverage on Senior and Subordinate Lien Debt										
Net Revenues	$ 144,696	$ 153,757	$ 160,467	$ 163,931	$ 184,027	$ 189,846	$ 216,476	$ 219,842	$ 58,536	$ 132,365
Total Debt Service - Senior and Subordinate Debt	88,289	91,852	97,893	98,682	93,766	91,590	89,566	112,398	36,712	46,563
Coverage without Transfer	164%	167%	164%	166%	196%	207%	242%	196%	159%	284%

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

[2] Using Annual Debt Service on Subordinate Revenue Bonds.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Operating Ratio [1]
For the Years Ended December 31 (000's)

	Operating Expenses [2]	Operating Revenues	Operating Ratio
2012	136,593	266,418	51%
2013	146,857	286,045	51%
2014	154,097	298,335	52%
2015	158,170	307,422	51%
2016	168,923	338,933	50%
2017	177,052	353,944	50%
2018	192,916	373,258	52%
2019	203,825	401,861	51%
2020	183,512	231,613	79%
2021	187,967	307,044	61%

[1] Operating ratio is operating expenses, net of depreciation divided by total operating revenues.

[2] Operating expenses exclude depreciation.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Debt per Enplaned Passenger
For the Years Ended December 31 (000's)

	General Airport Revenue Bonds Outstanding	General Obligation Revenue Bonds Oustanding	Notes Payable Outstanding	Other Debt	Subtotal	Enplaned Passengers	Debt per Enplaned Passenger
2012	1,502,675,000	9,240,000	6,668,000	11,300,000	1,529,883,000	16,020,038	95.50
2013	1,457,805,000	6,075,000	10,165,000	15,950,000	1,489,995,000	16,367,267	91.04
2014	1,347,870,000	2,840,000	35,050,000	15,460,000	1,401,220,000	17,000,072	82.42
2015	1,304,180,000	-	48,397,000	42,460,000	1,395,037,000	17,730,406	78.68
2016	1,499,640,000	-	40,648,000	47,804,000	1,588,092,000	18,160,752	87.45
2017	1,458,170,000	-	38,020,000	46,952,731	1,543,142,731	18,385,154	83.93
2018	1,402,780,000	-	71,030,500	46,941,224	1,520,751,724	18,382,408	82.73
2019	1,453,700,000	-	47,293,500	44,873,495	1,545,866,995	19,181,369	80.59
2020	1,407,875,000	-	44,092,389	43,936,500	1,495,903,889	7,110,192	210.39
2021	1,281,630,000	-	113,149,000	40,383,000	1,435,162,000	12,197,236	117.66

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Population
For the Years Ended December 31 (000's)

	Minnesota	MSA [1]	% of Total
2012	5,379	3,422	64%
2013	5,420	3,459	64%
2014	5,457	3,428	63%
2015	5,490	3,462	63%
2016	5,520	3,528	64%
2017	5,577	3,594	64%
2018	5,611	3,629	65%
2019	5,655	3,640	64%
2020	5,657	3,692	65%
2021	5,707	3,691	65%

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

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

Civilian Unemployment Rate
For the Years Ended December 31

	United States	Minnesota	MSA [1]
2012	7.8%	5.5%	5.1%
2013	6.7%	4.6%	4.3%
2014	5.6%	3.7%	3.3%
2015	5.0%	3.7%	3.1%
2016	4.5%	4.1%	3.6%
2017	4.1%	3.3%	2.9%
2018	3.7%	2.9%	2.8%
2019	3.6%	3.2%	3.0%
2020	6.7%	4.7%	4.8%
2021	3.7%	2.6%	2.4%

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

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

Personal Income
For the Years Ended December 31 (000,000's)

	Minnesota	MSA [1]	% of Total
2012	256,332	175,769	69%
2013	258,320	177,392	69%
2014	272,292	189,180	69%
2015	284,740	198,937	70%
2016	291,362	205,435	71%
2017	303,141	215,087	71%
2018	336,589	227,292	68%
2019	337,922	208,802	62%
2020	350,785	245,833	70%
2021	373,754	N/A	

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

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

Per Capita Personal Income
For the Years Ended December 31

	Minnesota	MSA [1]
2012	47,666	51,362
2013	47,695	51,295
2014	49,938	54,156
2015	51,929	56,495
2016	52,735	57,751
2017	54,359	59,736
2018	57,515	62,889
2019	58,830	64,255
2020	61,540	67,214
2021	65,486	N/A

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

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

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

Company	2021 Employees	Rank	% of Total Employment	2012 Employees	Rank	% of Total Employment
Mayo Clinic	47,500	1	1.66%	32,893	3	1.24%
State of Minnesota	40,912	2	1.43%	40,208	1	1.51%
United States Federal Government	35,301	3	1.23%	34,000	2	1.28%
Target Corporation	31,000	4	1.08%	30,500	4	1.15%
Fairview Health Services	30,370	5	1.06%	20,178	7	0.76%
Allina Health	28,751	6	1.00%	23,302	5	0.88%
University of Minnesota	26,600	7	0.93%	19,157	9	0.72%
HealthPartners, Inc.	24,777	8	0.86%	-	-	0.00%
Wells Fargo & Co.	18,000	9	0.63%	20,000	8	0.75%
UnitedHealth Group Inc.	17,500	10	0.61%	-	-	0.00%
MN State Colleges/Universities	14,934	11	0.52%	18,516	10	0.70%
3M Co.	14,120	12	0.49%	15,000	11	0.56%
US Bank	13,400	13	0.47%	-	-	0.00%
CentraCare Health	12,270	14	0.43%	-	-	0.00%
Wal-Mart Stores, Inc.	-	-	-	20,434	6	0.77%
Total	355,435			274,188		
Total Nonfarm Employement	2,864,500			2,656,421		

Sources:
Minnesota Business Journal Book of Lists
Minnesota Department of Employment and Economic Development

Employment Share by Industry
For the Year Ended December 31

	2021		2012	
	Minnesota	MSA [1]	Minnesota	MSA [1]
Education and Health Services	17.85%	18.14%	24.85%	16.41%
Trade, Transportation and Utilities	18.85%	17.33%	19.47%	18.25%
Public Administration	13.98%	12.28%	4.61%	13.51%
Professional and Business Services	13.09%	16.49%	12.71%	15.44%
Manufacturing	11.10%	10.17%	11.45%	10.17%
Financial Activities	8.53%	7.89%	6.61%	7.85%
Leisure and Hospitality	6.59%	7.96%	9.99%	8.78%
Construction	3.77%	3.79%	3.91%	3.06%
Other Services	4.52%	4.27%	3.21%	4.34%
Information	1.49%	1.68%	2.15%	2.18%
Natural Resources and Mining	0.23%	0.00%	1.04%	0.00%
	100.00%	100.00%	100.00%	100.00%

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

Source: U.S. Bureau of Labor Statistics

Activity Statistics
For the Years Ended December 31

	Total Revenue Passengers [1]	Aircraft Operations [2]	Mail and Cargo Volume (Metric Tons)
2012	32,070,628	425,332	198,684
2013	32,763,027	431,328	197,384
2014	34,073,543	412,586	198,573
2015	35,494,425	404,612	199,340
2016	36,346,859	413,279	206,942
2017	36,799,978	416,213	229,440
2018	36,778,496	407,476	239,273
2019	38,353,413	406,124	228,683
2020	14,858,006	245,067	203,697
2021	25,202,120	303,892	234,747

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

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

Source: Metropolitan Airports Commission Operations Report

Historical Aircraft Operations [2]
For the Years Ended December 31

	Air Carrier Operations	Commuter Operations	Cargo Operations	Total Commercial Operations [1]	Percent Commercial Operations [1]	General Aviation Operations	Military Operations	Total Operations
2012	184,134	203,684	11,231	399,049	93.82%	24,903	1,380	425,332
2013	193,470	203,106	11,701	408,277	94.66%	21,866	1,185	431,328
2014	189,489	185,664	12,199	387,352	93.88%	24,155	1,079	412,586
2015	205,635	162,779	12,789	381,203	94.23%	22,077	1,252	404,532
2016	213,682	161,427	14,400	389,509	94.25%	22,455	1,315	413,279
2017	228,393	149,924	14,911	393,228	94.48%	22,226	759	416,213
2018	221,520	149,108	15,455	386,083	94.76%	20,229	1,126	407,438
2019	230,096	141,976	14,399	386,471	95.19%	18,654	885	406,010
2020	118,795	99,254	15,030	233,079	95.21%	10,548	1,174	244,801
2021	150,969	119,594	16,720	287,283	94.55%	15,387	1,184	303,854

[1] Commercial Operations equal Air Carrier, Commuter, and Cargo Operations

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

Source: Metropolitan Airports Commission Operations Report

Trends in Aircraft Landed Weight of Signatory Airlines
For the Years Ended December 31 (000's)

	Passenger Carriers	Cargo Carriers	Total Landed Weight
2012	19,625,108	885,442	20,510,550
2013	20,225,040	926,429	21,151,469
2014	20,224,580	965,912	21,190,492
2015	20,577,785	984,305	21,562,090
2016	21,178,343	996,424	22,174,767
2017	21,571,010	985,077	22,556,087
2018	21,499,942	1,025,400	22,525,342
2019	22,141,882	1,079,456	23,221,338
2020	12,334,896	1,159,797	13,494,693
2021 [1]	16,110,080	1,206,610	17,316,690

[1] In 2021, Delta's activity represented approximately 69.66% of the total landed weight at the Airport

Source: Metropolitan Airports Commission

Employee Counts [1]
For the Years Ended December 31

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total	586	585	600	604	618	644	651	659	699	631

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

Airline Cost per Enplaned Passenger
For the Years Ended December 31

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Cost [1]	$ 102,789	$ 110,378	$ 115,708	$ 114,253	$ 114,811	$ 115,214	$ 124,370	$ 132,855	$ 97,796	$ 117,728
Enplaned passengers	16,020	16,367	17,000	17,730	18,161	18,385	18,382	19,181	7,107	12,197
Airline Cost per Enplaned Passenger	6.42	6.74	6.81	6.44	6.32	6.27	6.77	6.93	13.76	9.65

[1] Cost is defined as airline payments made to the Commission for expenses incurred in the airfield, Lindbergh and HHH Terminals.

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

	Landing Fee Per 1,000 Lbs	Ramp Fees Per Linear Foot	Common Use Per Square Foot	Finished Per Square Foot	Finished Janitored Per Square Foot	Unfinished Per Square Foot
2012	2.53	536.38	58.60	58.60	65.16	58.60
2013	2.62	594.50	62.86	62.86	69.80	62.86
2014	2.68	642.90	66.20	66.20	73.67	66.20
2015	2.64	624.14	64.56	64.56	72.54	64.56
2016	2.68	667.80	60.42	60.42	69.00	60.42
2017	2.73	661.92	59.10	59.10	67.25	59.10
2018	3.05	748.39	62.59	62.59	72.10	62.59
2019	3.23	677.43	62.92	62.92	72.81	62.92
2020	5.09	582.32	58.10	58.10	66.82	58.10
2021	4.07	554.46	60.24	60.24	71.38	60.24

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

	St. Paul Downtown Airport	Flying Cloud Airport	Crystal Airport	Anoka County Blaine Airport	Lake Elmo Airport	Airlake Airport	MSP
2012	79,238	88,663	48,220	79,190	33,319	34,560	24,903
2013	69,277	79,511	42,308	76,721	33,220	31,346	21,866
2014	64,539	73,634	41,117	68,157	25,727	33,178	24,155
2015	56,676	87,493	39,641	89,708	32,842	42,341	22,077
2016	54,548	84,038	36,967	80,845	27,275	38,618	22,455
2017	40,489	90,835	34,223	74,943	28,337	36,670	22,226
2018	40,116	88,762	38,109	75,465	31,693	32,986	20,229
2019	40,934	104,405	41,541	71,740	31,208	29,835	18,654
2020	30,188	124,382	39,509	70,852	29,799	31,314	10,548
2021	39,196	131,593	37,845	74,657	32,645	36,259	15,387

Air Carriers Serving MSP [A]
As of December 31, 2021

U.S. – FLAG CARRIERS

SCHEDULED SERVICES

Air Wisconsin *[1]	Alaska Airlines *	American *
Delta *	Endeavor *[2]	Envoy *[5]
Frontier *	GoJet *[1, 2]	Horizon Air *[6]
JetBlue *	Mesa *[1]	PSA *[5]
Republic Airlines *[1, 2, 5]	SkyWest *[1, 2, 5, 6]	Southwest *
Spirit *	Sun Country *	United *
Allegiant Air *	Denver Air Connection *	

ALL-CARGO SERVICES

ABX Air *[3]	Air Transport International *	Atlas Air Cargo *[3]
Bemidji *[3, 8]	CSA Air [9]	Encore Air Cargo *[3]
FedEx *	IFL [9]	Kalitta *[3]
Mountain Air Cargo [9]	Sun Country *[7]	Swift Air [3]
UPS *	Southern Air [3]	

FOREIGN-FLAG CARRIERS

Air Canada *	Air France *	Condor *
Icelandair *	KLM *	Jazz Aviation *[4]

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*	Denotes those Air Carriers that are Signatory Airlines to the Airline Lease Agreements.
A	Excludes carriers reporting fewer than 1,000 enplanted passengers.
1	Flies for United Airlines
2	Flies for Delta Airlines
3	Flies for DHL
4	Flies for Air Canada
5	Flies for American Airlines
6	Flies for Alaska Airlines
7	Flies for Amazon
8	Flies for UPS
9	Flies for FedEx

Insurance Coverage
As of December 31, 2021

Insurer	Expirations	Coverage	Policy Limits (Thousands of Dollars)	
Chubb/Lloyd's of London/Global Aerospace	1/1/2023	General aviation liability including personal injury.	$	750,000
Blue Cross Blue Shield	1/1/2023	Health insurance; self-insured with stop loss		
Self-Insured [1]	Continuous	Statutory workers' compensation		
	1/1/2023	Workers' Compensation Reinsurance Association	$	500
Zurich	6/1/2022	Comprehensive Crime Employee/Police Policies	$	5,000
Minnesota Risk Management	7/1/2022	Auto Liability (licensed vehicles), physical damage (all vehicles) hired automobiles, valet parking, inland marine and garage keepers.	$	1,500
Chubb	6/1/2022	Cyber Liability with enhanced notification endorsement 1M individuals	$3,000 Individuals	

[1] Funded from current operating revenues of the Commission.

Airport Information
As of December 31, 2021

	Square Feet			
	Terminal 1	Terminal 2	Quick Ride Ramp	Total
Terminal Buildings				
Airline	631,024	190,657		821,681
Concession	238,132	26,310		264,442
Garage	157,524	-		157,524
Non-Airline	185,324	21,018		206,342
Unoccupied	9,574	4,567		14,141
Circulation	956,783	132,595		1,089,378
Restrooms	55,779	10,815		66,594
MAC/Mechanical	468,002	121,735		589,737
International Arrivals	115,472	40,035		155,507
Trans Security Agency	69,541	40,323		109,864
	2,887,155	588,055		3,475,210
Parking Facilities	16,163	8,739	1,302	26,204

Airport Information (cont'd)
As of December 31, 2021

Airport Code: MSP

Runways [1]

Minneapolis-St. Paul:	
Runway 44673	11,000 Ft
Runway 12R-30L	10,000 Ft
Runway 12L-30R	8,200 Ft
Runway 17-35	8,000 Ft
Airlake	
Runway 12-30	4,100 Ft
Anoka County/Blaine	
Runway 9-27	5,000 Ft
Runway 18-36	4,900 Ft
Crystal	
Runway 14L-32R	3,800 Ft
Runway 6L-24R	2,500 Ft
Runway 6R-24L	1,700 Ft
Flying Cloud	
Runway 10R-28L	5,000 Ft
Runway 10L-28R	3,900 Ft
Runway 18-36	2,700 Ft
Lake Elmo	
Runway 14-32	2,900 Ft
Runway 4-22	2,500 Ft
St. Paul Downtown	
Runway 14-32	6,500 Ft
Runway 13-31	4,000 Ft
Runway 9-27	3,600 Ft

[1] Amounts rounded to the nearest hundred.

MINNEAPOLIS-ST. PAUL METROPOLITAN AIRPORTS COMMISSION

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