Minneapolis/St. Paul, Minnesota

Metropolitan Airports Commission

Comprehensive Annual Financial Report

Year Ended December 31, 2014

Prepared by
The Finance Department

Bob Schauer
Director of Finance

Stephen L. Busch
Vice President, Finance & Administration

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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Table of Contents

PAGE

Table of Contents

Minneapolis/St. Paul, Minnesota
Metropolitan Airports Commission
Comprehensive Annual Financial Report
Year Ended December 31, 2014

Introductory Section

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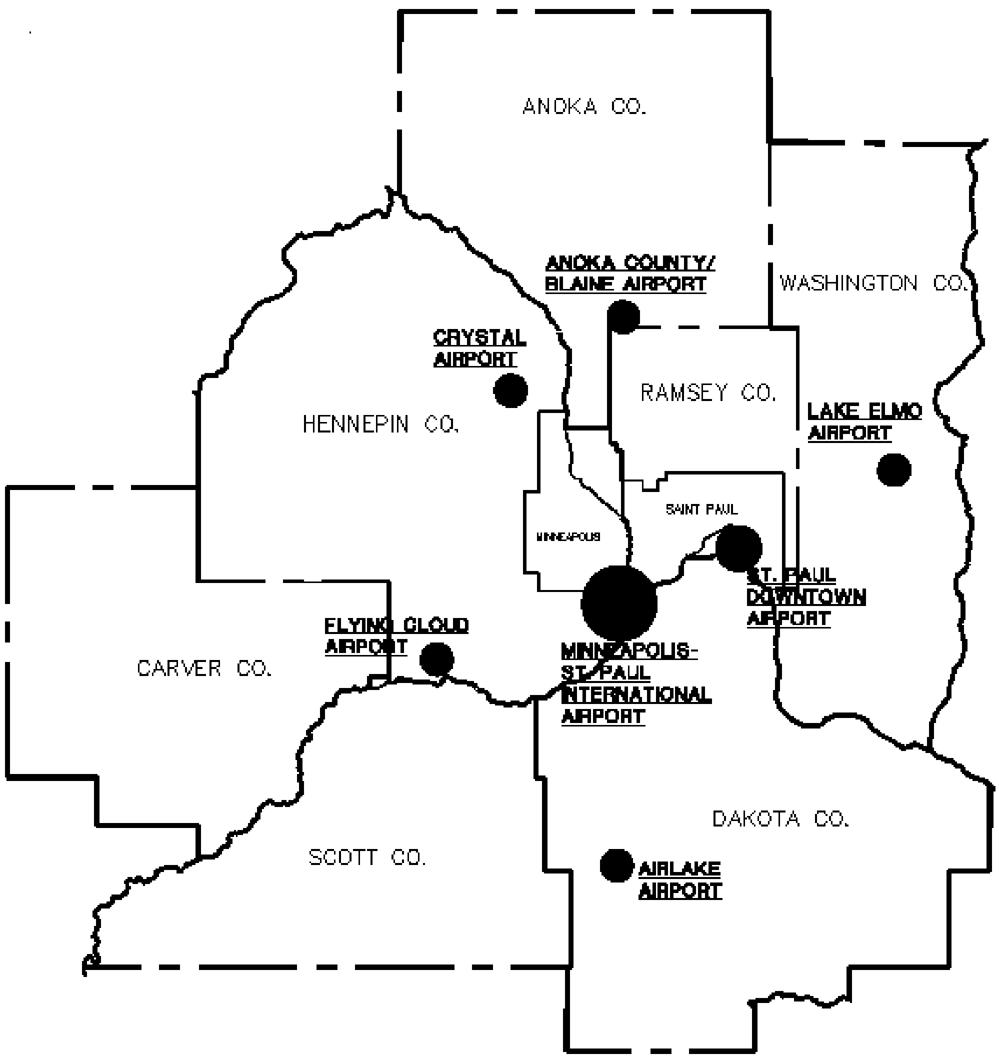


Commission Jurisdiction 35 Mile Radius

METROPOLITAN AIRPORTS COMMISSION - 2014/2015

Chair: Daniel Boivin

Commissioners:

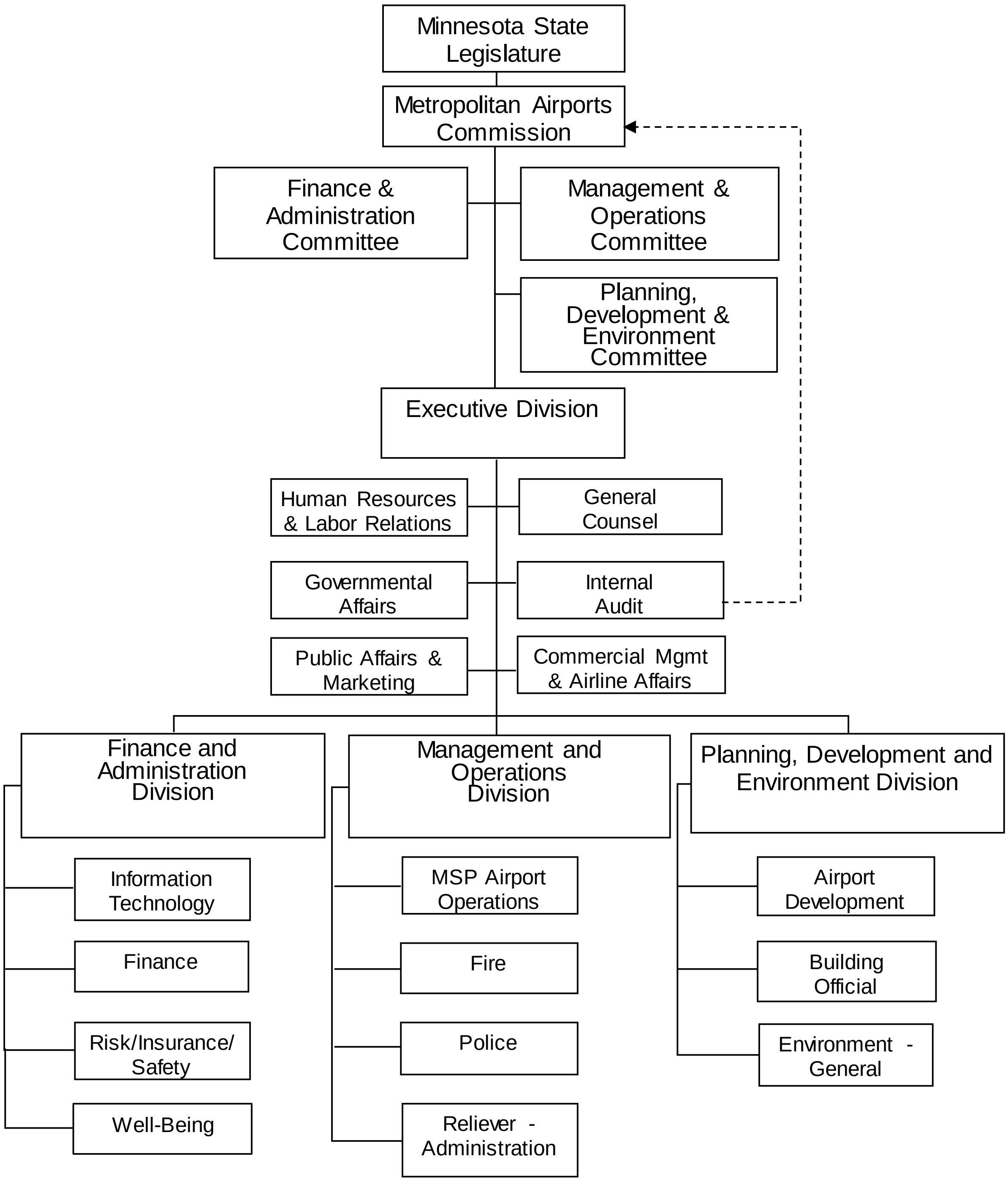
District A	Carl Crimmins
District B	Rick King
District C	Lisa Peilen
District D	Steve Cramer
District E	James Deal
District F	Michael Madigan
District G	James Hamilton
District H	Ibrahim Mohamed
City of Minneapolis	Erica Prosser
City of Saint Paul	Pat Harris
Representing Greater Minnesota Area	Timothy Geisler Patti Gartland Donald Monaco Dixie Hoard

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

Executive Director/CEO: Jeffrey Hamiel

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

ORGANIZATION CHART



METROPOLITAN AIRPORTS COMMISSION

Minneapolis–Saint Paul International Airport

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

Phone (612) 726-8100 • Fax (612) 725-6353

OFFICE OF EXECUTIVE DIRECTOR

May 19, 2015

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Metropolitan Airports Commission, Minneapolis-St. Paul, Minnesota, for the fiscal years ended December 31, 2014 and 2013.

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

For the years ended December 31, 2014 and 2013, the annual financial statements of the MAC have been audited by BKD, LLP, a firm of independent Certified Public Accountants. BKD's opinion on the financial statements is presented in this report.

Also, as part of the annual audit, BKD performs procedures in accordance with the Single Audit Act (The Act), OMB Circular A-133 and the provisions of grant award agreements between the MAC and the Federal Aviation Administration (FAA) and other federal agencies. Finally, the auditors perform procedures to help ensure the MAC's compliance with the FAA regulations to implement the Aviation Safety and Capacity Expansion Act of 1990 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.

LETTER OF TRANSMITTAL

Introductory Section

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;

and, most important the MAC *may*

- Levy taxes on real property in the Metropolitan Area for debt service or to meet operations and maintenance costs of airport facilities.

Notably, the Commission has <u>not</u> 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. Mr. Daniel Boivin was appointed to Chair the Commission in 2011 by Governor Mark Dayton.

Mr. Boivin has served on the Commission since May 2002. Boivin is the Executive Vice President, and General Counsel for See Change Health, a health insurance and technology company. Previously, Boivin served as attorney and partner with the Meshbesher & Spence law firm. He served as the Chair of the Minnesota Bar Association Civil Litigation Section.

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.

Jeffrey W. Hamiel was appointed Executive Director/CEO of the Commission in 1985. He holds a doctorate in Public Administration from Hamline University. Hamiel began his career with the Commission in 1977, becoming its first Manager of Noise Abatement and Environmental Affairs. In 1980 he was promoted to Assistant Director of Operations and to Director of Operations in 1983. Between 1984 and 1985 he served as Airport Director and was promoted to Deputy Executive Director before becoming Executive Director/CEO.

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 11th 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 CONVENTIONS:

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 purely governmental entities). 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. All of the Commission's financial activities are organized and accounted for within one "enterprise fund", which includes "accounts" for operations, debt service and capital investment.

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

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

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 2013, MSP was the 17th busiest airport in the United States in terms of passenger volume, 11th in terms of takeoffs and landings and 26th in cargo traffic.

In 2014, approximately 35,150,000 passengers passed through MSP; a 3.7% increase in total passengers over 2013 levels. The top five carriers serving MSP in 2014 by enplaned passengers are shown in the accompanying table. Enplaned revenue passengers (including those connecting) at MSP in 2014 totaled 17,000,072. (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	8,594,887	50.6%
2	Endeavor Air	2,011,953	11.8%
3	Southwest	841,201	5.0%
4	Skywest	838,901	4.9%
5	Sun Country	815,386	4.8%
		13,102,328	77.1%

Compass, Skywest and Endeavor Air are all codeshares with Delta.

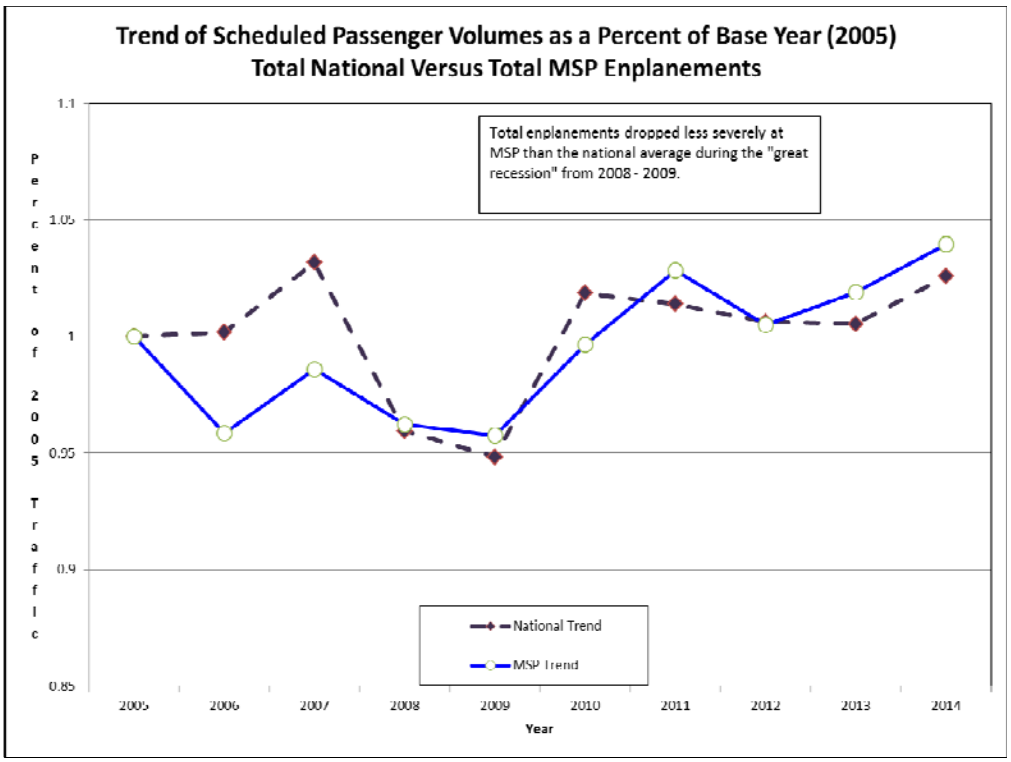
FACTORS AFFECTING THE MAC's FINANCIAL CONDITION:

Demand for Air Transportation

The Aircraft Aerodynamics and Design Group at Stanford University note that the role of air transport "… is central to the globalization taking place in many other industries." Air transport is riding the long-term trend of globalization because it facilitates economic growth, world trade, investment and tourism.

However, 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, or automobile travel—or, the choice not to travel at all.

External events can significantly affect the supply and demand for airline services; events such as the 9/11 terror attacks and the large increase in petroleum (and, therefore, jet fuel) prices between 2005 and mid-2008 and the "great recession" that began in 2008. The accompanying chart of Bureau of Transportation Statistics (BTS) data on airline passengers paints a picture of the of the industry's volatility.



<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 21st most populous State in the U.S. The Twin Cities metropolitan area is the 15th most populous metropolitan area in the nation.

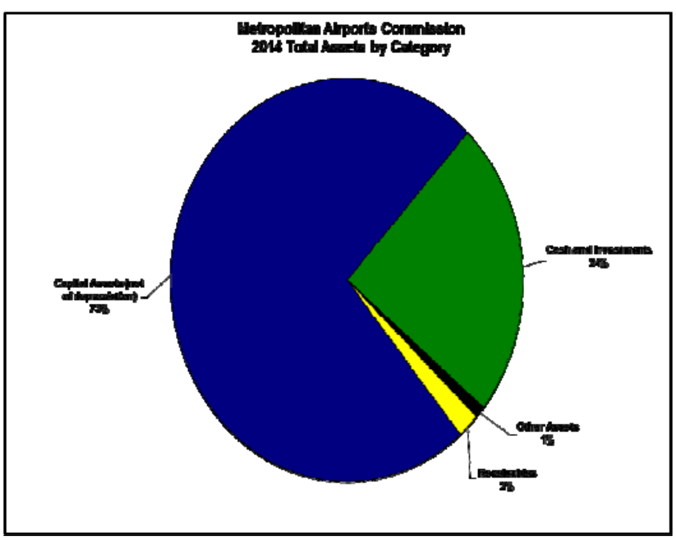
- Economic Strength and Diversity:
    - ✓ Minnesota is headquarters to 18 Fortune 500 companies, which places it first among the 50 States in terms of numbers of Fortune 500 firms headquartered within the State on a per-capita basis.
    - ✓ Minnesota is headquarters to 7 of the 250 largest private companies including the largest privately held company in the United States: the Cargill Corporation.
    - ✓ Minneapolis has the fourth largest concentration of Fortune 500 company headquarters among cities in the United States.

- High per capita income:
    - ✓ The Bureau of Economic Analysis reports that the Twin Cities average per capita is approximately 18% higher than the national average.

- Stronger than National Average Growth in Population and Employment:
    - ✓ The Metropolitan Council, a regional planning organization for the eleven-county area including the Twin Cities, projects average annual population growth of 1.0% through 2040 versus the Census Bureau's projected national population growth rate of 0.7%.
    - ✓ The Metropolitan Council foresees a 1.2% annual average growth rate for Twin Cities area employment growth through 2040 versus the Bureau of Labor Statistics' projected growth in national employment of 1.0%.

Demand for Connecting Traffic:

Traffic at MSP is split almost 50/50 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, 2020. In addition, Delta made a significant commitment to MSP in signing a "hub covenant". In its hub covenant, Delta agreed to maintain an annual average of 400 daily departing flights from MSP, at least 250 of which must be aircraft with greater than 70 seats and that a minimum of 30% of enplaned passengers must be connecting.



Supplying the Demand:

Airports are "landlords"—they build, own, maintain, and rent facilities and related services. Because an airport's main job is to provide runways, terminals, etc., it is a capital-intensive business. The MAC's balance sheet is dominated by capital assets which, at approximately $2,400,000,000 (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 2014, the Commission expended $107,000,000 on its on-going capital improvement program. Approximately $6,000,000 was associated with various airfield and runway projects. Approximately $55,000,000 was related to Terminal 1-Lindbergh projects. Projects at Terminal 1-Lindbergh include expansion of the customs hold area and baggage handling system, checkpoint consolidation, restroom rehabilitations as well as a checked baggage screening system project. Approximately $31,000,000 was spent on various Terminal 2 - Humphrey projects, landside/parking and miscellaneous building projects with the largest projects being a baggage handling system at Terminal 2-Humphrey and rental car facility. Approximately $1,300,000 was spent on the Commission's ongoing residential sound insulation program. Approximately $3,000,000 was spent on the Commission's reliever airport system. The remaining $11,000,000 was spent for equipment purchases and various technology and miscellaneous improvements. Average monthly capital spending in 2014 was approximately $8,000,000.

The 2015 -16 CIP includes approximately $390,000,000 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 2015 -16 CIP including, but not limited to, one or more of the Demand Driven CIP Projects.

Projects 2015 - 2016	2015 planned construction	2016 planned construction
Terminal-1 Rehabilitation & Repair	$ 33,050,000	$ 27,900,000
Terminal-1 Passenger Amenities	3,650,000	5,250,000
Terminal-1 Concourse G Improvements	12,500,000	3,000,000
Terminal-1 Expansion/Remodeling	18,500,000	67,925,000
Energy Management Center	3,600,000	2,000,000
Environmental	1,000,000	1,400,000
Parking Facilities	3,850,000	105,500,000
Airfield and Runway Rehabilitation Program	12,200,000	4,850,000
Terminal-2 Rehabilitation & Repair	35,800,000	7,500,000
Police & Fire	4,350,000	4,850,000
Reliever Airports Program	5,200,000	7,600,000
Other	8,725,000	9,925,000
Total	$ 142,425,000	$ 247,700,000

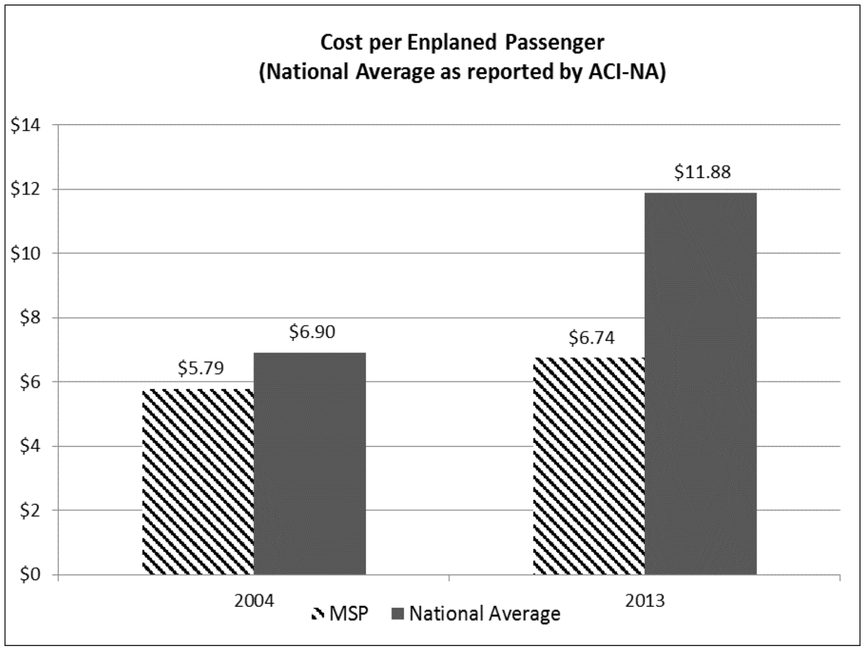
Financing the Supply

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

Under its Master Indenture, the MAC has promised to maintain a debt service coverage ratio of 1.25 times the following year's scheduled payments. In July 2008, the board of Commissioners directed that the MAC increase its debt service coverage above the contractual obligation to 1.4 times annual debt service for its Senior General Obligation Revenue Bonds (GORBs) and Senior General Airport Revenue Bonds (GARBs)—(see Note F to the financial statements). The MAC exceeded the July requirement. As of December 31, 2014, projected debt coverage on Senior Debt obligations is approximately 3.2 times scheduled payments.

At year-end 2014, the MAC had long-term debt (including the currently payable portion) of approximately $1,400,000,000 supporting approximately $2,400,000,000 of capital assets as discussed above (also see notes E and F to the financial statements). Despite its significant debt, the MAC is highly liquid. Also at year-end 2014, the MAC had cash and investments totaling more than $790,000,000 and has continued to maintain strong debt service coverage ratios (currently at 3.2). 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 both the Standard and Poor's and Fitch rating agencies. 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 is 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. However, recently reported comparative data from an ACI study shows the cost to airlines of enplaning passengers at MSP to be significantly cheaper than the national average. This 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, 2013. The Commission has received this prestigious GFOA award for twenty-nine 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 twenty-sixth consecutive year the GFOA Award for Distinguished Budget Presentation for its Annual Operating Budget for 2014. 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 Agency'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,

Jeffrey W. Hamiel
Executive Director/CEO

Stephen L. Busch
Vice President, Finance
& Administration

Robert C. Schauer
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 Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Jeffrey R. Emer

Executive Director/CEO

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Minneapolis/St. Paul, Minnesota

Metropolitan Airports Commission

Comprehensive Annual Financial Report

Year Ended December 31, 2014

Financial Section

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BKD LLP
CPAs & Advisors
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Independent Auditor's Report

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

We have audited the accompanying basic financial statements, which are comprised of the balance sheets as of December 31, 2014 and 2013, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended and the related notes to the basic financial statements, as listed in the table of contents, of Minneapolis/St. Paul Metropolitan Airports Commission (Commission).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Minneapolis/St. Paul Airports Commission as of December 31, 2014 and 2013, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

BKD, LLP

Indianapolis, Indiana
May 19, 2015

Financial Section

The following 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 year ended December 31, 2014 with selected comparative information for the years ended December 31, 2013 and 2012. 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: the Balance Sheets, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows. 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 2014.

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 the Lindbergh Terminal 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 Lindbergh Terminal (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"):

Selected Concession Revenues [1]	Passenger Signatory Airlines
Greater than $44,750,549	25% up to $44,750,549 and 50% for amounts above $44,750,550
$34,636,649 to $44,750,549	25%
$33,251,183 to $34,636,648	20%
$31,865,717 to $33,251,182	15%
$30,480,251 to $31,865,716	10%
$29,094,785 to $30,480,250	5%

Selected Concession Revenues were $41,175,463 for fiscal year 2014, resulting in shared concession revenue of $10,293,866. The selected concession revenues thresholds are subject to change annually.

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

For the years ended December 31, 2014 and 2013, the aggregate rentals earned by the Commission pursuant to the airline lease agreements were approximately $98,812,000 and $94,946,000, 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 Hubert H. Humphrey Terminal (Terminal 2), miscellaneous hangar facilities, and office rentals for non-airline tenants in Terminal 1. For the years ended December 31, 2014 and 2013, the aggregate annual rentals under these leases were approximately $27,889,000 and $26,550,000, 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, 2014 and 2013, the aggregate lease rentals paid to the Commission under specific project leases was approximately $12,084,000 and $11,939,000, 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, amusements/games, insurance, personal service shops, and telephones. For the years ended December 31, 2014 and 2013, the aggregate fees earned by the Commission under the existing concession agreements were approximately $28,572,000 and $28,050,000, 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 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, 2014 and 2013, the aggregate fees earned by the Commission under the existing rental car agreements and parking lot management contract were approximately $110,479,000 and $105,514,000, respectively. Of this amount, parking revenue was approximately $80,658,000 for 2014 and $76,569,000 for 2013. Auto rental revenue for both on and off airport auto rentals for December 31, 2014 and 2013 was approximately $29,821,000 and $28,945,000, 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, 2014 and 2013, revenues from these agreements were approximately $7,087,000 and $6,702,000, 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. For the years ended December 31, 2014 and 2013, the Commission earned $8,771,000 and $8,444,000, respectively.

Miscellaneous Revenues

In addition to the above agreements, the Commission enters into various other leases and agreements. These include utility charges, 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, 2014 and 2013, the revenues from these agreements were approximately $17,355,000 and $15,838,000, respectively.

Financial Section

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, 2014 and 2013, the top ten operating revenue sources for the MAC were as follows:

Top Ten Operating Revenue Sources:

	Source	2014 Revenue	
1.	Parking	$ 80,657,939	
2.	Landing fees	57,706,841	
3.	General Building R&R	41,066,665	
4.	Other Building Rent	22,291,568	
5.	Auto rental (off- and on-airport)	18,443,768	*
6.	Food & Beverage	16,128,104	
7.	Ground Rent	9,038,840	
8.	News and Retail Stores	8,245,380	
9.	Ramp Fees	7,213,185	
10.	Ground transportation fees	5,307,218	

	Source	2013 Revenue	
1.	Parking	$ 76,568,952	
2.	Landing fees	56,336,967	
3.	Terminal rent - airlines	39,182,297	
4.	Other building rent	20,593,252	
5.	Auto rental (off- and on-airport)	18,257,162	*
6.	Food and beverage	14,797,384	
7.	Ground rent	9,041,482	
8.	Merchandise	8,434,509	
9.	Ramp fees	6,802,666	
10.	Ground transportation fees	4,876,266	

*Excludes customer facility charges.

The top ten revenue providers for 2014 for the MAC were as follows:

Top Ten Operating Revenue Providers

1. Delta Airlines
2. HMS Host
3. Enterprise
4. Hertz
5. Sun Country
6. Avis
7. World Duty Free Group
8. Southwest Airlines
9. United Airlines
10. American Airlines

Statements of Revenues, Expenses and Changes in Net Position

During 2014, the MAC's total revenues and capital contributions decreased by 3.3% to $378,298,000 from $391,313,000 in 2013. Changes in major categories follow (dollars in thousands):

	2014	% of Total	2013	% of Total	Dollar Change	Percent Change
Operating revenues						
Airline rates and charges	$ 111,005	29.3%	$ 106,015	27.1%	$ 4,990	4.7%
Concessions	136,445	36.2%	131,321	33.5%	5,124	3.9%
Rentals/fees	34,117	9.0%	33,327	8.5%	790	2.4%
Utilities and other revenues	16,768	4.4%	15,382	3.9%	1,386	9.0%
Total operating revenues	298,335		286,045		12,290	
Nonoperating revenues						
Investment income	8,746	2.3%	7,066	1.8%	1,680	23.8%
Loss on sale of assets/other	(16,387)	-4.3%	(561)	-0.1%	(15,826)	2821.0%
Passenger facility charges (PFC)	67,106	17.7%	65,291	16.7%	1,815	2.8%
Total nonoperating revenues	59,465		71,796		(12,331)	
Capital contributions and grants	20,498	5.4%	33,472	8.6%	(12,974)	-38.8%
Total revenues and capital contributions	$ 378,298	100.0%	$ 391,313	100.0%	$ (13,015)	-3.3%

Airline rates and charges increased $4,990,000 or 4.7% from 2013 levels. 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. During 2014, the MAC experienced an above average amount of snow and, as a result, snow removal expenses were significantly higher. In addition, an increase in utility rates and consumption coupled with an increase in activity in Terminal 2-Humphrey (Southwest, Spirit and Sun Country) accounted for the majority of the increase in airline rates and charges.

Concessions increased by 3.9% or $5,124,000. The majority of the increase is in the public parking category. An increase in users along with a longer length of stay accounted for approximately $4.1 million of the increase in the concessions category. The remaining increase was in the Food & Beverage category primarily due to the opening of new concessions in Terminal 2 and continued growth in Terminal 1 and existing Terminal 2 concessions.

Rental fees increased by $790,000 or 2.4%. This is primarily a result of higher auto rental customer facility charge (CFC) revenue due to increased activity in 2014. Also, there was increased ground rental income due to a new auto rental quick turnaround facility being completed in 2014.

Utilities and other revenues increased by $1,386,000 or 9.0% primarily as a result of colder winter resulting in higher utility and deicing costs, higher food and beverage tenant sales which resulted in higher consortium fees in which concessionaires pay for utilities, maintenance, cleaning and distribution services.

Investment income increased $1,680,000 or 23.8% due to higher interest rates.

The loss on sale of assets increased by $15,826,000 due to the sale of a parcel of land that the Commission acquired during the construction of runway 17-35.

Capital contributions and grants represent grants received from both federal and state governments for various construction projects at both MSP and the reliever airports. The decrease in 2014 comes primarily from a decrease in federal grants for baggage screening projects and reliever airport improvements.

During 2013, the MAC's total revenues and capital contributions increased by 10.0% to $391,313,000 from $355,598,000 in 2012. Changes in major categories are summarized below (dollars in thousands):

	2013	% of Total	2012	% of Total	Dollar Change	Percent Change
Operating revenues						
Airline rates and charges	$ 106,015	27.1%	$ 98,437	27.7%	$ 7,578	7.7%
Concessions	131,321	33.5%	126,399	35.5%	4,922	3.9%
Rentals/fees	33,327	8.5%	27,999	8.0%	5,328	19.0%
Utilities and other revenues	15,382	3.9%	13,582	3.7%	1,800	13.3%
Total operating revenues	286,045		266,417		19,628	
Nonoperating revenues						
Investment income	7,066	1.8%	8,182	2.3%	(1,116)	-13.6%
Gain (loss) on sale of assets/other	(561)	-0.1%	(1,172)	-0.3%	611	-52.1%
Passenger facility charges (PFC)	65,291	16.7%	62,231	17.5%	3,060	4.9%
Total operating revenues	71,796		69,241		2,555	
Capital contributions and grants	33,472	8.6%	19,940	5.6%	13,532	67.9%
Total revenues and capital contributions	$ 391,313	100.0%	$ 355,598	100.0%	$ 35,715	10.0%

Airline rates and charges increased $7,578,000 or 7.7% from 2013 levels. 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. During 2013, the MAC experienced an above average amount of snow and, as a result, snow removal expenses were significantly higher. In addition, an increase in utility rates and consumption coupled with an increase in activity in Terminal 2-Humphrey (Southwest, Spirit and Sun Country) accounted for the majority of the increase in airline rates and charges.

Concessions increased by 3.9% or $4,922,000. The majority of the increase is in the public parking category. An increase in users along with a longer length of stay accounted for approximately $4.0 million of the increase in the concessions category. The remaining increase was in the Food & Beverage category primarily due to the opening of new concessions in Terminal 2 and continued growth in Terminal 1 concessions.

Rental fees increased $5,328,000 or 19.0%. This is primarily a result of higher auto rental customer facility charge (CFC) revenue. The current CFC rate increased to $3.25 per transaction per day from $2.00 in 2012. The increase in the rate coupled with a slight increase in activity account for the majority of the increase in this category. The remaining increase was an increase in revenue from the Reliever Airports due to a new rate structure implemented in 2013.

Utilities and other revenues increased by $1,800,000 or 13.3% as a result the following: higher utility costs for ground power; a lease rate increase for consortium fees in which the concessionaires pay for utilities, maintenance, cleaning and distribution services; and a new general aviation fuel flowage fee for tenants at MSP.

Investment income decreased $1,116,000 or 13.6% due to lower interest rates.

Capital contributions and grants represent grants received from both federal and state governments for various construction projects at both MSP and the reliever airports. The increase in 2013 comes primarily from an increase in federal grants, primarily for baggage screening projects.

Expenses

In 2014, the MAC's total expenses increased by 3.9% to $352,899,000 from $339,680,000 in 2013. Changes in major categories are summarized below (dollars in thousands):

	2014	% of Total	2013	% of Total	Dollar Change	Percent Change
Operating expenses						
Personnel	$ 72,358	20.5%	$ 71,107	20.9%	$ 1,251	1.8%
Administrative	1,610	0.5%	1,407	0.4%	203	14.4%
Professional services	4,972	1.4%	4,514	1.3%	458	10.1%
Utilities	20,873	5.9%	18,633	5.5%	2,240	12.0%
Operating services	19,583	5.6%	18,940	5.6%	643	3.4%
Maintenance	31,377	8.9%	29,305	8.6%	2,072	7.1%
Depreciation and amortization	131,069	37.1%	128,032	37.7%	3,037	2.4%
Other	3,323	0.9%	2,950	0.9%	373	12.6%
Operating expenses	285,165		274,888		10,277	
Nonoperating expenses						
Interest expense	67,734	19.2%	64,792	19.1%	2,942	4.5%
Total nonoperating expenses	67,734		64,792		2,942	
Total expenses	$ 352,899	100.0%	$ 339,680	100.0%	$ 13,219	3.9%

Personnel increased by 1.8% or $1,251,000. The majority of the increase is related to annual wage adjustments and overtime due to heavy amounts of snow removal, partially offset by a decrease in medical claims.

Professional services increased by 10.1% or $458,000 primarily due to project costs that were expensed due to the project becoming inactive or will not be completed.

Utilities increased $2,240,000 or 12.0% due to greater natural gas and heating fuel consumption due to a colder than average winter, higher natural gas prices and higher electricity rates that were effective during 2014.

Operating services increased $643,000 or 3.4% due to a higher amount of spending due to snow removal expenses, a full year of a new porter service for Terminal 1, which started in July of 2013.

Maintenance increased $2,072,000 or 7.1%. The increase is attributable to higher snow removal expenses (gasoline, parts, repairs and materials) due to an above average winter snowfall in 2014.

Depreciation increased $3,037,000 or 2.4%. The increase is attributable to new projects placed into service during 2013-2014.

Other expenses increased $373,000 or 12.6% due to increased spending for computer equipment.

In 2013, the MAC's total expenses increased by 5.7% to $339,680,000 from $321,406,000 in 2012. Changes in major categories are summarized below (dollars in thousands):

	2013	% of Total	2012 Restated	% of Total	Dollar Change	Percent Change
Operating expenses						
Personnel	$ 71,107	20.9%	$ 68,145	21.2%	$ 2,962	4.3%
Administrative	1,407	0.4%	1,561	0.5%	(154)	-9.9%
Professional services	4,514	1.3%	4,536	1.4%	(22)	-0.5%
Utilities	18,633	5.5%	16,288	5.1%	2,345	14.4%
Operating services	18,940	5.6%	17,379	5.4%	1,561	9.0%
Maintenance	29,305	8.6%	26,052	8.1%	3,253	12.5%
Depreciation and amortization	128,032	37.7%	120,201	37.4%	7,831	6.5%
Other	2,950	0.9%	2,631	0.8%	319	12.1%
Operating expenses	274,888		256,793		18,095	
Nonoperating expenses						
Interest expense	64,792	19.1%	64,613	20.1%	179	0.3%
Total nonoperating expenses	64,792		64,613		179	
Total expenses	$ 339,680	100.0%	$ 321,406	100.0%	$ 18,274	5.7%

Personnel increased by 4.3% or $2,962,000. The majority of the increase is related to annual wage adjustments, overtime due to heavy amounts of snow removal coupled with an increase in employee health insurance costs.

Utilities increased $2,345,000 or 14.4% due to greater natural gas and heating fuel consumption due to a colder than average winter, higher natural gas prices and higher electricity rates that were effective during 2013.

Operating services increased $1,561,000 or 9.0% due to a higher amount of spending due to snow removal expenses, a new porter service for Terminal 1, which started in July of 2013, and an increase in parking management expenses due to the increase of parking activity.

Maintenance increased $3,253,000 or 12.5%. The increase is attributable to an above average winter snowfall in 2013.

Depreciation increased $7,831,000 or 6.5%. The increase is attributable to new projects placed into service during 2012-2013.

Other expenses increased $319,000 or 12.1% due to increases in airport liability and property insurance premiums along with establishing reserves for bad debt for tenants that declared bankruptcy in 2013.

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 by establishing relatively low user charges as an incentive for pilots to use 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:

(in thousands)	2014	2013	2012
Operating revenues	$ 298,335	$ 286,045	$ 266,417
Operating expenses	(285,165)	(274,888)	(256,793)
Operating income	13,170	11,157	9,624
Nonoperating revenues	59,465	71,796	69,241
Nonoperating expenses	(67,734)	(64,792)	(64,613)
Capital contributions and grants	20,498	33,472	19,940
Increase in net position	$ 25,399	$ 51,633	$ 34,192

The Commission shows a decrease in the total change in its net position in 2014 from 2013. This is primarily a result of a decrease in capital contributions and grants, and due to the loss on the sale of a parcel of land. This was partially offset by the increase in concession revenues (parking, food and beverage).

The Commission shows an increase in the total change in its net position in 2013 from 2012. This is primarily a result of increased concession revenues (parking, food and beverage) and capital contributions offset partially by lower interest income.

Occasionally, the Commission shows an operating loss as a result of its methodology of assessing airline rates and charges and the reporting requirements for Passenger Facility Charges (PFCs). For its airline rates and charges model, the Commission uses debt service instead of depreciation as a basis of recovering capital costs. Therefore, projects constructed with internally generated funds are not recoverable under the airline agreement. Further contributing to operating losses is the accounting treatment of PFCs and federal and state grants. The Commission cannot charge the users of the airport for any of its capital costs that were funded by PFCs and/or capital contributions. Therefore, under operating expenses the full cost of the capital project is depreciated over its useful life; however, the corresponding revenue from that particular project shows below the operating loss line item as a nonoperating revenue (PFCs) item or a capital contribution (federal and state grants).

We believe we are 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 both Fitch Investor Services and Standard & Poor's, we feel we are positioned well for growth in the future.

BALANCE SHEETS

The Balance Sheets 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 balance sheet information at December 31, 2014, 2013 and 2012 follows (in thousands):

	December 31, 2014	2013	2012
Assets			
Current assets - unrestricted	$ 392,141	$ 286,278	$ 250,088
Restricted assets - current	61,150	80,389	72,234
Noncurrent assets:			
Other noncurrent assets	445,422	496,204	512,247
Capital assets - net	2,415,726	2,488,762	2,490,651
Total assets	3,314,439	3,351,633	3,325,220
Deferred Outflows of Resources	29,550	41,087	44,323
Total assets and deferred outflows of resources	$ 3,343,989	$ 3,392,720	$ 3,369,543
Liabilities			
Current liabilities - unrestricted	$ 54,334	$ 83,466	$ 52,283
Payable from restricted current assets	81,194	98,504	88,501
Noncurrent liabilities:			
Bonds payable	1,369,628	1,449,102	1,512,911
Other noncurrent liabilities	109,594	67,300	73,116
Total liabilities	1,614,750	1,698,372	1,726,811
Deferred Inflows of Resources	9,891	399	416
Total liabilities and deferred inflows of resources	1,624,641	1,698,771	1,727,227
Net Position			
Net investment in capital assets	1,152,189	1,168,529	1,123,522
Restricted	287,279	362,468	373,736
Unrestricted	279,880	162,952	145,058
Total net position	1,719,348	1,693,949	1,642,316
Total liabilities, deferred inflows of resources and net position	$ 3,343,989	$ 3,392,720	$ 3,369,543

The decrease in total assets is due to the sale of a parcel of land that the Commission acquired during the construction of runway 17-35. Overall, the majority of the increase in net position from 2013 to 2014 is due to an increase in operating income and capital contributions.

CASH AND INVESTMENT MANAGEMENT

The following summary shows the major sources and uses of cash (in thousands):

	2014	2013	2012
Cash provided by operating activities	$ 300,270	$ 281,963	$ 267,813
Cash used in operating activities	(153,501)	(139,634)	(128,365)
Net cash provided by operating activities	146,769	142,329	139,448
Net cash used in capital and related financing activities	(125,347)	(140,119)	(116,208)
Net cash provided by (used in) investing activities	(24,757)	1,415	(21,434)
Net increase (decrease) in cash and cash equivalents	(3,335)	3,625	1,806
Cash and cash equivalents, beginning of year	12,491	8,866	7,060
Cash and cash equivalents, end of year	$ 9,156	$ 12,491	$ 8,866

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, certificates of deposits, mutual funds, state and local obligations, commercial paper and repurchase agreements. With the exclusion of postemployment medical investments which must mature within ten years from the date of purchase, all other securities must mature within four years from the date of purchase. During 2014, the MAC's average portfolio balance was $764,527,000 and total investment earnings were $4,954,000 for an average yield on investments during the year of 0.65%. This compares to an average portfolio balance of $745,194,000; investment earnings of $4,404,000 and average yield of 0.59% in fiscal year 2013.

The Commission currently has a policy of keeping a six-month working capital reserve in its operating fund. At the end of 2014, the Commission has in its operating fund approximately $47 million over and above its 2014 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 2014, the Commission expended $107,000,000 on its on-going capital improvement program. Approximately $6,000,000 was associated with various airfield and runway projects. Approximately $55,000,000 was related to Terminal 1-Lindbergh projects. Projects at Terminal 1-Lindbergh include expansion of the customs hold area and baggage handling system, checkpoint consolidation, restroom rehabilitations as well as a checked baggage screening system project. Approximately $31,000,000 was spent on various Terminal 2-Humphrey projects, landside/parking and miscellaneous building projects with the largest projects being a baggage handling system at Terminal 2-Humphrey and rental car facility. Approximately $1,300,000 was spent on the Commission's ongoing residential sound insulation program. Approximately $3,000,000 was spent on the Commission's reliever airport system. The remaining $11,000,000 was spent for equipment purchases and various technology and miscellaneous improvements. Average monthly capital spending in 2014 was approximately $8,000,000.

During 2013, the Commission expended $121,000,000 on its on-going capital improvement program. Approximately $15,000,000 was associated with various airfield and runway projects. Approximately $49,000,000 was related to Terminal 1-Lindbergh projects. Projects at Terminal 1-Lindbergh include expansion of the customs hold area and baggage handling system, roofing rehabilitation, restroom rehabilitations as well as a checked baggage screening system project. Approximately $46,000,000 was spent on various Terminal 2-Humphrey projects, landside/parking and miscellaneous building projects with the largest projects being a new baggage handling system at Terminal 2-Humphrey and rental car facility. Approximately $750,000 was spent on the Commission's ongoing residential sound insulation program. Approximately $4,000,000 was spent on the Commission's reliever airport system. The remaining $6,000,000 was spent for equipment purchases and various technology and miscellaneous improvements. Average monthly capital spending in 2013 was approximately $10,000,000.

Further information can be found in Note E.

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.

The MAC is required by law to maintain Debt Service funds sufficient to bring the balance on hand in the Debt Service Account on October 10th of each year to an amount equal to all principal and interest to become due on all General Obligation Revenue Bonds (GORB) payable from October 10th to the end of the second following year. As of January 1, 2015, the Commission will have retired all of its outstanding General Obligation Revenue Bonds.

Statutory authority for issuing bonds is obtained from the Minnesota State Legislature. Authorization as of December 31, 2014, permits the issuance of an additional $55,000,000 of General Obligation Revenue Bonds.

On October 8, 2014, the Commission issued two new series of General Airport Revenue Bonds. The series labeled 2014 Series A and 2014 Series B General Airport Revenue Bonds were issued for $217,790,000 and $46,590,000, respectively. The proceeds are being used to current refund and defease $319,715,000 of the remaining principal outstanding of the Series 2005A, Series 2005B and Series 2005C General Airport Revenue Bonds, which were called on January 1, 2015.

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:

Irrevocably Committed PFCs

Fiscal Year	Irrevocably Committed PFCs	Fiscal Year	Irrevocably Committed PFCs
2012	$ 5,026,513	2022	$ 9,332,650
2013	5,026,513	2023	9,333,150
2014	5,026,513	2024	9,333,400
2015	9,336,513	2025	9,337,650
2016	9,335,238	2026	9,334,900
2017	9,337,150	2027	9,334,650
2018	9,338,400	2028	9,465,900
2019	9,337,650	2029	9,467,625
2020	9,339,400	2030	9,462,475
2021	9,337,900		

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 F, G and H.

CONTACTING THE MAC'S FINANCIAL MANAGEMENT

This financial report is designed to provide the MAC's Commissioners, management, investors, creditors and customers with a general view of the MAC's finances and to demonstrate the MAC's accountability for the funds it receives and expends. For further information about this report, or if you need additional financial information, please contact Director of Finance, 6040 28th Avenue South, Minneapolis, MN 55450 or access the Commission's website – http://www.mspairport.com/mac/organization/financial/default.aspx.

BALANCE SHEETS

(Dollars in Thousands)

	December 31 2014	December 31 2013
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and cash equivalents	$ 9,156	$ 12,491
Investments	343,709	223,865
Accounts receivable (net of allowances for uncollectibles of $181 and $550, respectively)	10,487	12,422
Receivable - government grants in aid of construction	24,719	33,621
Other	4,070	3,879
Restricted assets:		
Investments	46,952	67,313
Leases receivable	6,075	5,154
Passenger facility charge receivable	8,123	7,922
Total current assets	453,291	366,667
Noncurrent Assets:		
Investments, restricted	390,496	456,719
Leases receivable, restricted	43,320	32,943
Other receivable, restricted	-	1,750
Derivative instruments - forward delivery agreements	9,516	-
Other	2,090	4,792
Capital assets:		
Land	363,824	402,625
Airport improvements and buildings	3,778,370	3,676,976
Moveable equipment	140,424	128,117
Construction in progress	92,044	109,849
Less accumulated depreciation	(1,958,936)	(1,828,805)
Total capital assets (net of accumulated depreciation)	2,415,726	2,488,762
Total noncurrent assets	2,861,148	2,984,966
Total assets	3,314,439	3,351,633
Deferred Outflows of Resources:		
Deferred losses on refunding of debt	29,550	41,087
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 3,343,989**	**$ 3,392,720**

BALANCE SHEETS

(Dollars in Thousands)

	December 31 2014	December 31 2013
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 36,476	$ 50,388
Accounts payable due to airlines	8,631	8,383
Current portion of notes payable	2,172	17,777
Employee compensation, payroll taxes and other	7,055	6,918
Payable from restricted current assets:		
Current portion of bond payable	46,530	57,835
Construction and other	4,835	4,194
Unearned revenue	1,348	1,719
Interest payable	28,481	34,756
Total current liabilities	135,528	181,970
Noncurrent Liabilities:		
Employee compensation, payroll taxes and other	2,103	2,007
Unearned revenue, restricted	1,157	1,325
Notes payable	48,338	8,338
Postemployment medical	57,996	55,630
Bonds payable	1,369,628	1,449,102
Total noncurrent liabilities	1,479,222	1,516,402
Total liabilities	1,614,750	1,698,372
Deferred Inflows of Resources:		
Deferred gain on refunding of debt	375	399
Accumulated increase in fair value of forward delivery agreements	9,516	-
Total deferred inflows of resources	9,891	399
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**1,624,641**	**1,698,771**
NET POSITION		
Net investment in capital assets	1,152,189	1,168,529
Restricted		
Debt service	107,497	109,918
Construction	178,919	249,862
Police/911 emergency communications	863	2,688
Unrestricted	279,880	162,952
TOTAL NET POSITION	**1,719,348**	**1,693,949**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**$ 3,343,989**	**$ 3,392,720**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

(Dollars in Thousands)

	Fiscal Years Ended December 31 2014	2013
OPERATING REVENUES		
Airline rates and charges	$ 111,005	$ 106,015
Concessions	136,445	131,321
Rentals/fees	34,117	33,327
Utilities and other revenues	16,768	15,382
TOTAL OPERATING REVENUES	**298,335**	**286,045**
OPERATING EXPENSES		
Personnel	72,358	71,107
Administrative	1,610	1,407
Professional services	4,972	4,514
Utilities	20,873	18,633
Operating services	19,583	18,940
Maintenance	31,377	29,305
Depreciation and amortization	131,069	128,032
Other	3,323	2,950
TOTAL OPERATING EXPENSES	**285,165**	**274,888**
OPERATING INCOME	**13,170**	**11,157**
NONOPERATING REVENUES (EXPENSES)		
Investment income	8,746	7,066
Passenger facility charges	67,106	65,291
Loss on disposal of assets	(16,387)	(561)
Interest expense	(67,734)	(64,792)
TOTAL NONOPERATING REVENUES (EXPENSES)	**(8,269)**	**7,004**
INCOME BEFORE CAPITAL CONTRIBUTIONS AND GRANTS	**4,901**	**18,161**
Capital Contributions and Grants	20,498	33,472
CHANGE IN NET POSITION	**25,399**	**51,633**
NET POSITION, BEGINNING OF YEAR	1,693,949	1,642,316
NET POSITION, END OF YEAR	**$ 1,719,348**	**$ 1,693,949**

See Notes to Financial Statements

STATEMENTS OF CASH FLOWS

(Dollars in Thousands)

	Fiscal Years Ended December 31 2014	2013
Cash received from customers and users	$ 300,270	$ 281,963
Cash paid to employees and benefit providers	(69,759)	(67,923)
Cash paid to suppliers	(83,742)	(71,711)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	146,769	142,329
Payments for airport improvements and facilities	(124,642)	(115,789)
Proceeds from sale of capital assets	22,463	-
Proceeds from bond/note issuance	42,879	12,551
Payments for bond issue costs	(1,721)	-
Receipt of lease payments	6,705	7,446
Receipt of passenger facility charges	66,905	64,496
Principal paid on bonds/notes	(92,252)	(52,439)
Interest paid on bonds/notes	(75,084)	(67,322)
Receipt of government grants	29,400	10,938
NET CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(125,347)	(140,119)
Purchase of investment securities	(1,147,911)	(764,429)
Proceeds from maturities of investment securities	1,109,899	753,210
Investment income	13,255	12,634
NET CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	(24,757)	1,415
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,335)	3,625
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	12,491	8,866
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 9,156	$ 12,491
Reconciliation of Operating Income to Net Cash Flows Provided by Operating Activities:		
Operating income	$ 13,170	$ 11,157
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	131,069	128,010
Changes in assets and liabilities:		
Accounts receivable	1,935	(4,082)
Other assets	(191)	149
Accounts payable and accrued expenses	(1,813)	3,994
Postretirement medical	2,366	2,448
Employee compensation and payroll taxes	233	653
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	$ 146,769	$ 142,329
Noncash investing, capital and related financing activities:		
Changes in fair value of investments	$ (4,752)	$ (5,811)
Additions to capital assets included in construction and accounts payable	18,462	29,672
Transfer of capital assets to self-liquidating lease	16,549	-
Bond payments funded from escrow account	303,782	-
Refunding bond proceeds deposited to escrow account	(303,782)	-

Fiscal years ended December 31, 2014 and 2013

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

Reporting Entity

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

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

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

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

Basis of Accounting

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

Fiscal years ended December 31, 2014 and 2013

Use of Estimates

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

Revenue and Expense Recognition

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

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

Budgeting Process

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

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

"8(a) Establishment of the annual budget setting out anticipated expenditures by type of expenditure 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 line items or to appropriate additional funds for each line item. 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 line-item budget constraints of the annual budget.

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 line-items be transferred to those line-items 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."

Fiscal years ended December 31, 2014 and 2013

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

Cash and Cash Equivalents

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

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

Investments

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

Inventory

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

Leases

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

Federal and State Grants

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

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

Fiscal years ended December 31, 2014 and 2013

Passenger Facility Charges

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

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

PFC Application	Approval Date	Approved Amount (as Amended)
1	June, 1992	$ 92,714
2	August, 1994	140,717
3	June, 1998	36,377
4	April, 1999	47,801
5	August, 1999	112,533
6	April, 2003	759,735
7	April, 2003	14,479
8	August, 2005	147,986
9	February, 2006	8,659
10	May, 2008	128,448
11	March, 2014	52,827
		$ 1,542,276

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

PFC's, which are recognized as earned, are included in nonoperating revenues and amounted to approximately $67,106,100 and $65,290,600 for 2014 and 2013, respectively.

Intangible Assets

The Commission has incurred, and continues to incur, substantial costs in relation to its ongoing Part 150 Sound Insulation Program. The Sound Insulation Program pays for a home within the airport's impacted noise area to be sound insulated with respect to doors, window treatments, etc., with no further cash outlay required by the Commission. Because the Commission receives an avigation release from each affected homeowner in return for providing sound insulation improvements, the associated costs are being recorded as an intangible asset and amortized to expense over a ten-year period, which approximates the estimated useful lives of such improvements. Amortization expense for capitalized Part 150 Sound Insulation expenses was $13,757,000 and $15,033,000 for the years ended December 31, 2014 and 2013, respectively. This amortization expense is included as a component of depreciation expense on the statements of revenues, expenses and changes in net position. The unamortized costs included in airport improvements and buildings at December 31, 2014 and 2013 was approximately $83,666,000 and $96,202,000, respectively.

Fiscal years ended December 31, 2014 and 2013

Airports and Facilities

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

Additions to capital assets are recorded at cost, unless contributed, in which case such additions are recorded at fair value.

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

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

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

Capitalized Interest

Interest capitalized on projects funded by internally generated funds is based on the weighted-average borrowing rate of the Commission and actual project expenditures during the period of construction. Interest capitalized on projects funded from bond proceeds is based on the interest cost of the specific borrowing, less interest earned on undisbursed invested funds during the construction period. Interest is not capitalized on project costs that are reimbursed by government grants in aid of construction or PFCs.

Total interest expense was approximately $67,734,000 and $64,792,000 for the years ended December 31, 2014 and 2013, respectively, while interest capitalized as part of the cost of constructed assets was approximately $1,667,000 and $2,635,000, respectively.

Compensated Absences

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

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

Unearned Revenue

Unearned revenue represents advance interest payments on direct financing leases received from certain airlines, which will be recognized as investment income over the term of the lease agreement as well as rental payments received in advance of billing.

Fiscal years ended December 31, 2014 and 2013

Original Issue Discounts/Premiums

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

Net Position

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

- Net investment in capital assets: reflects the Commission's investment in capital assets, net of accumulated depreciation and outstanding balances of debt attributable to the acquisition, construction or improvements of those assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

- Restricted: represent resources for which the Commission is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

- Unrestricted: represent resources that are not subject to externally imposed stipulations that may be used to meet the Commission's ongoing obligations to the public and creditors. Unrestricted resources may be designated for specific purposes by action of the management or the governing board of the Commission.

Rental Income

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

Customer Facility Charges

With respect to on-airport rental car companies, the Commission is assessing a customer facility charge (CFC) per transaction day to recover the rental car portion of capital costs associated with the construction of the auto rental/public parking garage located adjacent to Terminal 1 (formerly the Lindbergh Terminal), as well as to recover certain maintenance costs relating to the auto rental facilities. During 2013, the Commission increased the fee to $3.25 per rental car transaction per day from $2.00.

Fiscal years ended December 31, 2014 and 2013

New Pronouncement

In 2015, the Commission will implement GASB Statement No. 68*, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The Commission will be required to recognize as liabilities its proportionate share of the unfunded pension obligations of the Public Employees Retirement Association of Minnesota. The effects of implementing this statement is expected to have a material effect on net position.

Reclassifications

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 financial statement presentation. These reclassifications had no effect on the change in net position.

NOTE B: DEPOSITS AND INVESTMENTS

Cash Deposits

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

The Commission’s interest-bearing deposit accounts are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). For 2014 and 2013, cash deposits were entirely insured or collateralized by securities held in the Commission's name by a financial institution (Commission's agent) other than that furnishing the collateral.

Investments

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

a) Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as high risk by Minnesota Statute, Section 118A.04 subd. 6;
b) Mutual funds through shares of registered investment companies, provided the mutual fund receives certain ratings depending on its investments;
c) General obligations of the State of Minnesota and its municipalities and certain state agency and local obligations of Minnesota and other states, provided such obligations have certain specified bond ratings by a national bond rating service;
d) Bankers’ acceptances of United States banks;

e) Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two national rating agencies and matures in 270 days or less; and
f) With certain restrictions, in repurchase agreements, security lending agreements, joint powers investment trusts, and guaranteed investment contracts.

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

Interest rate risk - the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Commission has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates. The Commission may not invest in securities maturing more than four years from the date of purchase unless the security is for post-retirement health care funding, which may not mature more than ten years from the date of purchase. The Commission manages interest rate risk by maintaining sufficient liquidity to enable the Commission to meet anticipated cash requirements. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

The maturity ranges and credit ratings for the Commission's investment securities at December 31, 2014 and 2013 follow (dollars in thousands):

		December 31, 2014 Maturing in Years				
Security Type	Ratings	0 - 1	1 - 2	2 - 3	3 - 4	Total
Government-Sponsored Enterprises						
Federal Agricultural Mortgage Corporation	Not Rated	$ -	$ 4,987	$ -	$ -	$ 4,987
Federal Farm Credit Bank	AA+ / Aaa	12,847	7,785	4,991	1,004	26,627
Federal Farm Credit Bank	Not Rated	-	6,988	-	-	6,988
Federal Home Loan Mortgage Corporation	AA+ / Aaa	20,076	10,017	-	-	30,093
Federal National Mortgage Association	AA+ / Aaa	79,150	11,657	20,836	74,228	185,871
Federal National Mortgage Association	Not Rated	-	1,821	-	-	1,821
Federal Home Loan Bank	AA+ / Aaa	155,553	126,024	44,473	7,496	333,546
Financing Corporation	AA+ / Aaa	-	5,901	-	-	5,901
US Treasury	AA+ / Aaa	7,925	-	-	-	7,925
Municipal Bonds:	AAA / Aaa2	-	644	-	-	644
	AAA / Aa1	1,508	-	-	-	1,508
	AA+ / Aa1	-	5,016	-	-	5,016
	AA+ / Aa3	-	-	1,353	-	1,353
	AA+ / N/R	5,004	-	-	-	5,004
	AA / Aa2	-	2,945	-	-	2,945
	AA / N/R	1,078	1,526	-	-	2,604
	N/R / Aaa	1,546	-	-	-	1,546
	N/R / Aa1	1,997	-	-	-	1,997
	N/R / A1	-	-	340	-	340
Money Market Mutual Funds	-	154,441	-	-	-	154,441
	Totals	$ 441,125	$ 185,311	$ 71,993	$ 82,728	$ 781,157

Ratings: AA+ Standard & Poors; Aaa Moody's

Fiscal years ended December 31, 2014 and 2013

		December 31, 2013 Maturing in Years				
Security Type	Ratings	0 - 1	1 - 2	2 - 3	3 - 4	Total
Government-Sponsored Enterprises						
Federal Agricultural Mortgage Corporation	Not Rated	$ 2,028	$ -	$ 4,990	$ -	$ 7,018
Federal Farm Credit Bank	AA+ / Aaa	-	13,185	7,291	-	20,476
Federal Home Loan Mortgage Corporation	AA+ / Aaa	58,496	20,386	10,018	-	88,900
Federal National Mortgage Association	AA+ / Aaa	61,823	74,383	4,188	-	140,394
Federal Home Loan Bank	AA+ / Aaa	152,822	67,162	55,344	-	275,328
Financing Corporation	Not Rated	-	-	5,826	-	5,826
Municipal Bonds:	AAA / Aa1	5,141	1,588	-	-	6,729
	AA+ / Aa1	4,521	-	5,026	-	9,547
	AA / Aa2	3,465	-	-	-	3,465
	AA / N/R	1,023	6,106	1,529	-	8,658
	N/R / Aaa	-	2,527	-	-	2,527
	N/R / Aa1	1,159	1,054	-	-	2,213
	N/R / Mig3	4,814	-	-	-	4,814
Money Market Mutual Funds	-	172,002	-	-	-	172,002
	Totals	$ 467,294	$ 186,391	$ 94,212	$ -	$ 747,897

Ratings: AA+ Standard & Poors; Aaa Moody's

Credit risk - the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statute 118A limits the types of investment instruments that may be purchased by the Commission. The ratings of the Commission's debt investments are shown in the table above.

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

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

Custodial credit risk - the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. At December 31, 2014 and 2013, none of the Commission's investments were exposed to custodial credit risk.

Fiscal years ended December 31, 2014 and 2013

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

The Commission's cash, cash equivalents and investments are reported as follows in the balance sheets at December 31 (dollars in thousands):

	2014	2013
Cash and cash equivalents - unrestricted	$ 9,156	$ 12,491
Investments - unrestricted	343,709	223,865
Investments, current - restricted	46,952	67,313
Investments, noncurrent - restricted	390,496	456,719
Total cash, cash equivalents and investments	$ 790,313	$ 760,388

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

	2014	2013
Investment income from leases	$ 3,793	$ 3,835
Investment income from investments	9,705	9,042
Net decrease in fair value of investments	(4,752)	(5,811)
	$ 8,746	$ 7,066

Fiscal years ended December 31, 2014 and 2013

NOTE C: RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

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

	2014	2013
General Obligation Revenue Bond Fund	$ 2,923	$ 6,327
Coverage Account	17,013	17,013
Police Federal Forfeiture Fund	262	307
Police State Forfeiture Fund	112	96
Passenger Facility Charge Fund	170,796	241,940
911 Emergency Communications Fund	489	535
Solar Panel Construction Fund	23,135	-
Revenue Bond Interest and Principal Fund	69,152	89,172
Revenue Bond Reserve Fund	121,427	126,090
Revenue Bonds Construction Fund	32,139	42,552
	$ 437,448	$ 524,032

Minnesota Statutes require the Commission to have a balance on hand in a debt service account on October 10th of every year equal to the total amount of principal and interest due on all general obligation revenue bonds outstanding to the end of the second following year. Cash and investments to meet this requirement, plus interest earned thereon, are restricted.

NOTE D: GRANTS RECEIVABLE

Grants receivable from government agencies represent reimbursements due from the federal government and/or the State of Minnesota for allowable costs incurred on federal and state award programs. Grants receivable at December 31, 2014 and 2013 consist of (dollars in thousands):

	2014	2013
Federal Aviation Administration	$ 9,978	$ 7,083
Transportation Security Administration	11,984	23,068
State of Minnesota	2,757	3,470
	$ 24,719	$ 33,621

Fiscal years ended December 31, 2014 and 2013

NOTE E: CAPITAL ASSETS

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

	Balance January 1, 2014	Additions	Transfers In (Out)	Retirements or Disposals	Balance December 31, 2014
Capital assets - not depreciated:					
Land	$ 402,625	$ -	$ -	$ (38,801)	$ 363,824
Projects-in-progress	109,849	107,210	(112,521)	(12,494)	92,044
Total capital assets - not depreciated	512,474	107,210	(112,521)	(51,295)	455,868
Capital assets - depreciated:					
Airport improvements and buildings	3,676,976	124	105,325	(4,055)	3,778,370
Less: accumulated depreciation	(1,738,438)	(123,497)	-	-	(1,861,935)
Net airport improvements and buildings	1,938,538	(123,373)	105,325	(4,055)	1,916,435
Movable equipment	128,117	6,098	7,196	(987)	140,424
Less: accumulated depreciation	(90,367)	(7,572)	-	938	(97,001)
Net movable equipment	37,750	(1,474)	7,196	(49)	43,423
Total capital assets - depreciated	1,976,288	(124,847)	112,521	(4,104)	1,959,858
Net capital assets	$ 2,488,762	$ (17,637)	$ -	$ (55,399)	$ 2,415,726

	Balance January 1, 2013	Additions	Transfers In (Out)	Retirements or Disposals	Balance December 31, 2013
Capital assets - not depreciated:					
Land	$ 402,625	$ -	$ -	$ -	$ 402,625
Projects-in-progress	190,583	120,807	(201,541)	-	109,849
Total capital assets - not depreciated	593,208	120,807	(201,541)	-	512,474
Capital assets - depreciated:					
Airport improvements and buildings	3,483,320	25	193,631	-	3,676,976
Less: accumulated depreciation	(1,617,430)	(121,008)	-	-	(1,738,438)
Net airport improvements and buildings	1,865,890	(120,983)	193,631	-	1,938,538
Movable equipment	116,814	5,850	7,910	(2,457)	128,117
Less: accumulated depreciation	(85,261)	(7,002)	-	1,896	(90,367)
Net movable equipment	31,553	(1,152)	7,910	(561)	37,750
Total capital assets - depreciated	1,897,443	(122,135)	201,541	(561)	1,976,288
Net capital assets	$ 2,490,651	$ (1,328)	$ -	$ (561)	$ 2,488,762

Fiscal years ended December 31, 2014 and 2013

NOTE F: LONG-TERM DEBT

The Commission's long-term debt at December 31, 2014 and 2013 consisted of the following (dollars in thousands):

Type of Issue	Issue Date	Interest Rates	Maturing on January 1	Maturity Amounts	2014	2013
General Airport Revenue Bonds						
Series 2005A **	5/26/2005	-	-	$ -	$ -	$ 129,485
Original amount - $136,110						
Series 2005B **	5/26/2005	-	-	-	-	81,610
Original amount - $113,155						
Series 2005C **	5/26/2005	-	-	-	-	121,315
Original amount - $123,750						
Series 2007A *	1/9/2007	5.000%	2017 - 2026	223,090		
Original amount - $440,985		4.500%	2027 - 2032	217,895	440,985	440,985
Series 2007B **	1/9/2007	5.000%	2016 - 2026	108,150		
Original amount - $197,360		4.500%	2027 - 2032	89,210	197,360	197,360
Series 2008A *	1/15/2008	5.000%	2015 - 2016	20,585	20,585	30,200
Original amount - $72,035						
Series 2009A *	11/10/2009	4.000%	2015 - 2019	10,700		
Original amount - $23,075		5.000%	2020 - 2021	4,920		
		4.125%	2022	205	15,825	17,735
Series 2009B *	11/10/2009	5.000%	2015 - 2017	33,940		
Original amount - $128,835		4.500%	2018	2,000		
		5.000%	2018	10,465		
		4.700%	2019	2,000		
		5.000%	2019	11,075		
		4.800%	2020	2,000		
		5.000%	2020 - 2022	29,955	91,435	101,690
Series 2010A *	7/28/2010	5.000%	2028	1,460		
Original amount - $62,210		4.000%	2028	3,090		
		5.000%	2029	2,000		
		4.000%	2029	5,155		
		5.000%	2030	2,325		
		4.125%	2030	5,135		
		5.000%	2031 - 2035	43,045	62,210	62,210
Series 2010B *	7/28/2010	4.000%	2015 - 2016	7,640		
Original amount - $73,475		5.000%	2017 - 2026	50,980		
		4.000%	2027 - 2028	8,915	67,535	71,175
Series 2010C **	10/01/2010					
Original amount - $21,600		4.000%	2015 - 2016	5,615		
		3.000%	2017	635		
		3.500%	2018	655		
		5.000%	2019 - 2021	2,145		
		3.250%	2022 - 2023	1,595		
		3.500%	2024	55	10,700	14,520
Series 2010D ** (AMT)	10/01/2010	5.000%	2015 - 2022	41,750		
Original amount - $68,790		4.000%	2023	5,690		
		4.125%	2024	1,010	48,450	55,720

Fiscal years ended December 31, 2014 and 2013

Type of Issue	Date	Rates	on January 1	Amounts	2014	2013
Series 2011A **	10/04/2011	5.000%	2016 - 2023	$ 39,570		
Original amount - $52,015		3.500%	2024	6,115		
		5.000%	2025	6,330	$ 52,015	$ 52,015
Series 2012A **	11/20/2012	1.151%	2015	5,500		
Original amount - $39,770		1.499%	2016	5,565		
		1.849%	2017	5,650		
		2.238%	2018	5,755		
		2.438%	2019	5,880		
		2.755%	2020	6,025	34,375	39,770
Series 2012B ** (Taxable)	11/20/2012	5.000%	2026 - 2031	42,015	42,015	42,015
Original amount - $42,015						
Series 2014A **	10/08/2014	2.000%	2016	3,270		
Original amount - $217,790		4.000%	2017	4,620		
		5.000%	2018 - 2035	209,900	217,790	-
Series 2014B ** (AMT)	10/08/2014	2.000%	2016	3,850		
Original amount - $46,590		4.000%	2017	3,900		
		5.000%	2018 - 2035	38,840	46,590	-
Total General Airport Revenue Bonds					1,347,870	1,457,805
General Obligation Revenue Bonds						
Series 16	10/28/2010	4.000%	2015	2,840	2,840	6,075
Original amount - $12,205						
Notes Payable					50,510	26,115
					1,401,220	1,489,995
Unamortized premium, net					65,448	43,057
Current portion of long-term debt					(48,702)	(75,612)
Total Long-Term Bonds and Notes Payable					$ 1,417,966	$ 1,457,440

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

Future debt service requirements as of December 31, 2014 are as follows (dollars in thousands):

	Notes Payable	General Airport Revenue Bonds	General Obligation Revenue Bonds	Total Debt Outstanding	Interest	Total Principal and Interest
2015	$ 2,172	$ 43,690	$ 2,840	$ 48,702	$ 60,831	$ 109,533
2016	3,030	57,010	-	60,040	62,137	122,177
2017	18,118	61,125	-	79,243	59,450	138,693
2018	2,030	63,530	-	65,560	56,291	121,851
2019	2,007	62,795	-	64,802	53,261	118,063
2020 - 2024	7,324	336,675	-	343,999	217,903	561,902
2025 - 2029	5,747	425,585	-	431,332	124,903	556,235
2030 - 2034	8,153	276,135	-	284,288	29,425	313,713
2035	1,929	21,325	-	23,254	587	23,841
	$ 50,510	$ 1,347,870	$ 2,840	$ 1,401,220	$ 664,788	$ 2,066,008

Fiscal years ended December 31, 2014 and 2013

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

On October 8, 2014, the Commission issued $217,790,000 of Series 2014A Subordinate Airport Revenue Refunding Bonds and $46,590,000 of Series 2014B Subordinate Airport Revenue Refunding Bonds (AMT) to current refund and defease $121,950,000 of Series 2005A Subordinate Airport Revenue Bonds, $76,850,000 of Series 2005B Subordinate Airport Revenue Bonds and $120,915,000 of Series 2005C Subordinate Airport Revenue Refunding Bonds. As a result of this refunding, the Commission reduced its total debt service requirements by $60,235,376, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) in the amount of $43,169,049. The Commission recognized an accounting loss of $1,064,353 in connection with this refunding that is reflected as a deferred outflow of resources in the balance sheets and is being amortized to interest expense on a straight-line basis through January 1, 2035.

At December 31, 2014, a total of $319,715,000 in defeased bonds remain outstanding from previous refundings.

The Commission's General Obligation Revenue Bonds are general obligations of the Commission, payments of which are secured by the pledge of all operating revenues of the Commission. The Commission also has the power to levy property taxes upon all taxable property in the seven-county metropolitan area in order to pay debt service on outstanding General Obligation Revenue Bonds. The Commission has not levied taxes for the payment of debt service since 1969. Since then, Commission revenues have been sufficient to pay principal and interest due on General Obligation Revenue Bonds. The Commission currently has $2,840,000 outstanding in General Obligation Revenue Bonds. The present statutory general obligation bonding limit as of December 31, 2014, would permit the issuance of an additional $55,000,000 of General Obligation Revenue Bonds.

The Commission had a $75,000,000 revolving line of credit that expired on November 3, 2014. As of this date, the Commission entered into a new $75,000,000 revolving line of credit agreement with a different lender. The new revolving line of credit is to be used to fund certain capital improvement program projects and is secured by a subordinate pledge of the Commission's net revenues. Each advance under the line of credit is evidenced by a separate promissory note. Interest is payable monthly and varies with the Tax-Exempt or Taxable London Interbank Offered Rate (LIBOR), as applicable, and expires on November 3, 2017. The interest rate on revolving line of credit was 0.66% and 0.76% on December 31, 2014 and 2013, respectively, and there was $15,460,000 and $15,950,000 outstanding on the Commission's revolving line of credit at December 31, 2014 and 2013, respectively. These amounts are included in notes payable in the balance sheets.

Fiscal years ended December 31, 2014 and 2013

NOTE G: CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the years ended December 31, 2014 and 2013 was as follows (dollars in thousands):

	Balance January 1, 2014	Additions	Retirements and Other	Balance December 31, 2014	Current Portion
Unearned revenue	$ 3,044	$ 1,199	$ (1,738)	$ 2,505	$ 1,348
Employee compensation and other	8,925	69,403	(69,170)	9,158	7,055
Postemployment medical	55,630	5,689	(3,323)	57,996	-
Notes payable	26,115	42,879	(18,484)	50,510	2,172
Bonds payable	1,506,937	303,782	(394,561)	1,416,158	46,530
	$ 1,600,651	$ 422,952	$ (487,276)	$ 1,536,327	$ 57,105

	Balance January 1, 2013	Additions	Retirements and Other	Balance December 31, 2013	Current Portion
Unearned revenue	$ 3,550	$ 4,313	$ (4,819)	$ 3,044	$ 1,719
Employee compensation and other	8,272	66,553	(65,900)	8,925	6,918
Postemployment medical	53,182	5,617	(3,169)	55,630	-
Notes payable	17,968	12,551	(4,404)	26,115	17,777
Bonds payable	1,560,946	-	(54,009)	1,506,937	57,835
	$ 1,643,918	$ 89,034	$ (132,301)	$ 1,600,651	$ 84,249

NOTE H: DIRECT FINANCING LEASES

The Commission leases certain facilities to tenants under self-liquidating lease agreements. Self-liquidating lease agreements require the lessee to pay annual rentals equal to the debt service requirements of the bonds issued to construct the facilities, or the debt service requirements that would have been required if bond financing was used. These leases are classified as direct financing leases and expire in various years through 2030. The Commission records the interest portion of the lease payments as investment income. The following lists the components of the Commission's direct financing leases as of December 31 (dollars in thousands):

	2014	2013
Total minimum lease payments to be received	$ 76,826	$ 66,621
Less: Unearned income	(27,431)	(25,684)
Net investment in leases	49,395	40,937
Less: Prepaid principal	-	(2,840)
Leases receivable - current and noncurrent	$ 49,395	$ 38,097

Fiscal years ended December 31, 2014 and 2013

As of December 31, 2014, future minimum lease payments are as follows (dollars in thousands):

	December 31
2015	$ 10,078
2016	8,239
2017	8,276
2018 - 2019	16,741
2020 - 2024	28,846
2025 - 2029	4,490
2030	156
	$ 76,826

NOTE I: DERIVATIVE FINANCIAL INSTRUMENTS

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

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

Objective of the Forward Delivery Agreements

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

Fiscal years ended December 31, 2014 and 2013

Terms

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

	Effective Date of Agreement	Termination Date	Scheduled Amount	Guaranteed Rate	Fair Value at December 31, 2014
Series 2009 Debt Service Reserve Funds	5/18/2000	1/1/2021	$ 7,727	6.1600%	$ 1,889
Series 2014 Debt Service Reserve Funds	11/1/2005	1/1/2035	23,182	4.6775%	7,627
					$ 9,516

Fair Value

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

Credit Risk

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

Interest Rate Risk

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

Termination Risk

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

Fiscal years ended December 31, 2014 and 2013

NOTE J: PENSION AND RETIREMENT PLANS

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

Plan Descriptions

GERF

All full-time and certain part-time employees of the Commission are covered by the GERF Coordinated Plan.

PEPFF

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

MERF

The MERF was established for employees of the City of Minneapolis, the Metropolitan Airports Commission, Minnesota State Colleges and Universities, and non-teaching personnel at Minneapolis schools. The MERF was made a separate division of the GERF in June 2010. The MERF is not coordinated with Social Security and is closed to new members.

Benefit Provisions

The PERA provides retirement benefits, as well as disability benefits to members, and benefits to survivors upon the death of eligible members. All benefits for members of these plans first hired before July 1, 2010 vest after three years of credited service. Benefits are established by state statute and can only be modified by the state legislature.

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

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

Fiscal years ended December 31, 2014 and 2013

GERF

Benefits for the GERF members first hired after June 30, 2010 vest after five years of credited service. The 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. Two methods are used to compute benefits for the GERF's 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 ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, 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 high-five salary.

PEPFF

Benefits for the PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for the PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For the 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.

MERF

The annuity accrual rate for the MERF members is 2.0% of average salary for each of the first ten years of service and 2.5% for each remaining year. The MERF members may choose a death benefit option with the death benefit being at least $500 and not more than one-half the value of the employee's total retirement benefit.

Funding Policies

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

The GERF members are currently required to contribute 6.25% of their annual covered salary to the plan. The Commission is currently required to contribute 7.25% of annual covered payroll. The Commission's required contributions to the GERF for the years ended December 31, 2014, 2013 and 2012 were approximately $2,553,000 (7.25%), $2,470,000 (7.25%) and $2,321,000 (7.25%), respectively. Legislation was passed in 2014 that will increase the GERF employee contribution rate to 6.5% and the GERF employer contribution rate to 7.5%, beginning January 1, 2015.

Fiscal years ended December 31, 2014 and 2013

PEPFF

The PEPFF members are currently required to contribute 10.20% of their annual covered salary to the plan. The Commission is currently required to contribute 15.30% of annual covered payroll. The Commission's required contributions to the PEPFF for the years ended December 31, 2014, 2013 and 2012 were approximately $1,763,000 (15.30%), $1,563,000 (14.40%) and $1,581,000 (14.40%), respectively. Legislation was passed in 2014 that will increase the PEPFF employee contribution rate to 10.8% and the PEPFF employer contribution rate to 16.2%, beginning January 1, 2015. Additionally, the State of Minnesota was required to begin contributing $9,000,000 to the 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.

MERF

The MERF members are currently required to contribute 9.75% of their annual covered salary, which includes .5% for survivor benefits. The Commission currently contributes 12.43% of annual covered payroll. The Commission's required contributions to the MERF for the years ended December 31, 2014, 2013 and 2012 were approximately $2,002,000 (12.43%), $2,002,000 (12.43%) and $2,006,000 (12.43%), respectively. The State of Minnesota also contributed $24,000,000 in fiscal year 2014 to the MERF. The MERF was more than 80 percent funded at the end of fiscal year 2014, which will trigger an automatic merger into the GERF in fiscal year 2015. The contribution amounts will be recalculated for fiscal year 2016 based on the amount of the MERF's unfunded liability as of the merger date.

The Commission's contributions to the aforementioned plans for 2014, 2013 and 2012 were equal to the contractually required contributions for each year as set by state statute.

The PERA issues a publicly available financial report that includes financial statements and required supplementary information of these three plans. That report may be obtained by writing to the PERA, Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

NOTE K: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Commission recognizes postemployment benefits on the full accrual basis of accounting over a period that approximates an employee's years of service.

The Commission provides health insurance benefits for certain retired employees under a single-employer, self-insured plan. All non-union employees who retire at age 55 or later, have three years of service or who are receiving benefits from the PERA and who do not participate in any other health benefits program providing coverage similar to that herein described are eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the Commission's health benefits program. Union employees require ten years of service to be eligible for benefits. The Commission does not issue a stand-alone financial report for its retiree health plan.

Fiscal years ended December 31, 2014 and 2013

Funding Policy

The contribution requirements of employees and retirees are established and may be amended by the Commission. The required contribution is based upon projected pay-as-you-go financing requirements and funding for future benefits. For employees hired prior to January 1, 1991, the Commission makes contributions (as specified in union agreements or the Commission's personnel policy) toward required premiums at the same percentages applicable to active employees and their eligible dependent(s) until becoming eligible for Medicare Part A or B, or both. The Commission pays 100% of the premium for the retired employee, a spouse over age 65, and any legal dependents, provided that the retired employee is receiving benefits from the PERA and is enrolled in Medicare Part A and B as his/her primary health insurance. As of January 1, 1991, all employees hired by the Commission are only able to participate in the Commission medical plan up to age 65. During 2004, the Commission approved that non-organized employees hired after October 1, 2004 will be able to participate in the Commission medical plan provided that the retiree pay 100% of the total premium cost plus a 2% administrative fee. During 2006 and 2007, the Commission was successful in getting language in all eligible labor agreements that provides that organized employees hired after the date of the signed contract will be able to participate in the Commission's health plan provided that the retiree pays 100% of the total premium cost plus a 2% administrative fee. As of December 31, 2014, there were 258 retired employees and 541 active employees receiving health benefits from the Commission's health plan.

The Commission contributed approximately $3,323,000 to the plan in fiscal year 2014, $3,169,000 to the plan in fiscal year 2013 and $2,605,000 in fiscal year 2012. Retirees contributed approximately $166,000 for fiscal year 2014, $128,000 for fiscal year 2013 and $125,000 for fiscal year 2012. Monthly contributions for retirees under 65 for 2014 are shown below:

Plan	Single	Family
Blue Plan	$ 29.00	$ 175.00
HRA/HSA	15.00	111.00

Fiscal years ended December 31, 2014 and 2013

Annual OPEB Cost and Net OPEB Obligation

The Commission's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined as of January 1, 2014, in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not-to-exceed 30 years. The following table shows the components of the Commission's annual OPEB cost for 2014, 2013 and 2012, the amount actually contributed to the plan, and changes in the Commission's net OPEB obligation (dollars in thousands):

	2014	2013	2012
Annual required contribution (ARC)	$ 6,681	$ 6,567	$ 6,502
Interest on net OPEB obligation	2,225	2,131	2,019
Adjustment to ARC	(3,217)	(3,081)	(2,919)
Annual OPEB cost	5,689	5,617	5,602
Contributions during the year	(3,323)	(3,169)	(2,605)
Increase in net OPEB obligation	2,366	2,448	2,997
Net OPEB - beginning of year	55,630	53,182	50,185
Net OPEB - end of year	$ 57,996	$ 55,630	$ 53,182

The percentage of the Commission's annual OPEB cost contributed to the plan was: 58.41% for 2014; 56.42% for 2013; and 46.50% for 2012.

Funding Status and Funding Progress

The Commission has set aside cash and investments to pay for future health benefits of approximately $58,270,000; $55,903,000 and $54,677,000 in 2014, 2013 and 2012, respectively. However, since such designated cash has not been irrevocably deposited in trust for future health benefits, the actuarial value of plan assets is $0.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and health care cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the accompanying notes to the financial statements, presents multi-year information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits over time.

Fiscal years ended December 31, 2014 and 2013

The funded status and funding progress of the plan based on the most recent annual actuarial valuation for the plan, dated as of January 1, 2014, was as follows (dollars in thousands):

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability Projected Unit Credit	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/2014	$ -	$ 89,364	$ 89,364	0.0%	$ 43,161	207.0%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions used include an initial annual health care cost trend rate of 7.5%, which decreases to 5% over 8 years. Additional assumptions used include a discount rate of 4% and an inflation rate of 3%. The unfunded actuarial accrued liability (UAAL) is being amortized as a level dollar amount over the maximum allowable period of 30 years on an open basis.

NOTE L: RISK MANAGEMENT

Risk management is the responsibility of the Commission. The Commission is self-insured for workers' compensation and health/dental claims. Claims paid for workers compensation for 2014 and 2013 were approximately $368,000 and $515,000, respectively. Claims paid for health and dental coverage for 2014 and 2013 were approximately $6,516,000 and $6,198,000, respectively. The unpaid claims for workers compensation at December 31, 2014 and 2013 were approximately $1,155,000 and $1,199,000, respectively. The health and dental unpaid claims at December 31, 2014 and 2013 were approximately $505,000 and $496,000, respectively. The liability recorded under employee compensation and payroll taxes by the Commission includes estimated settlements for claims reported but not settled as of December 31, 2014 and 2013, as well as an estimate of claims incurred but not reported. The entire liability is included in the current liabilities section of the balance sheets, since any amounts considered to be noncurrent are believed to not be material. Changes in the balances of claim liabilities during the past two years are as follows (dollars in thousands):

	2014	2013
Unpaid claims - beginning of year	$ 1,695	$ 1,582
Incurred claims and changes in estimates	6,849	6,826
Claims paid	(6,885)	(6,713)
Unpaid claims - end of year	$ 1,659	$ 1,695

Fiscal years ended December 31, 2014 and 2013

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

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

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

NOTE M: CONTINGENT LIABILITIES AND COMMITMENTS

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

Contractual obligations for construction were approximately $11,130,425 at December 31, 2014.

Noise Abatement

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

Under the Consent Decree, the Commission must provide noise mitigation to homes and apartments in the 60 to 64 DNL contours. Noise mitigation activities vary based on noise contours, with homes in the most noise-impacted contours eligible for more extensive mitigation than those in less impacted areas. Multi-family dwellings (those with more than three living units) receive less extensive mitigation than single-family homes. The total cost to the Commission under this program was $102,000,000 as of December 31, 2014. As discussed previously in the notes, noise mitigation costs are being capitalized as incurred and amortized over ten years.

The costs related to the noise abatement settlements will be funded from internally generated funds of the Commission and rates and charges paid by air carriers operating at the Airport.

Fiscal years ended December 31, 2014 and 2013

Runway 17/35 Land Acquisition

Certain remaining property acquisitions in association with Runway 17/35 may result in damage awards of an indeterminate amount. Any damage awards associated with these acquisitions would be capitalized as a cost of the project and may be recovered through airline rates and charges.

NOTE N: MAJOR CUSTOMER

Delta Airlines, Inc. (Delta) is in the business of transporting air passengers, mail and property. Delta operates both domestic and international air route systems. Minneapolis/St. Paul International Airport (MSP) is one of Delta's major hubs. Airport revenues from Delta account for approximately 27% of operating revenues and 71% of total revenues from major airlines. Approximately 72% of total 2014 enplanements are attributable to Delta's operation. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities.

It is 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 O: RENTAL INCOME FROM OPERATING LEASES

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

	December 31
2015	$ 97,587
2016	88,917
2017	88,761
2018	81,511
2019	81,389
Thereafter	112,542

Contingent rentals and fees aggregated approximately $96,600,000 and $93,700,000 in 2014 and 2013, respectively.

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Required Supplementary Information

Schedule of OPEB Funding Progress
(Unaudited)

Fiscal years ended December 31, 2014 and 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability Projected Unit Credit (in thousands)	Unfunded Actuarial Accrued Liability (UAAL) (in thousands)	Funded Ratio	Covered Payroll (in thousands)	UAAL as a Percentage of Covered Payroll
01/01/2014	$ -	$ 89,364	$ 89,364	0.0%	$ 43,161	207.0%
01/01/2013	-	87,020	87,020	0.0%	42,025	207.1%
01/01/2012	-	85,989	85,989	0.0%	40,231	213.7%

Actuarial	Participant Summary		
Valuation Date	Active Employees	Retirees and Beneficiaries	Total
01/01/2014	541	258	799
01/01/2013	531	244	775
01/01/2012	536	245	781

MAC

Minneapolis/St. Paul, Minnesota
Metropolitan Airports Commission
Comprehensive Annual Financial Report
Year Ended December 31, 2014

Statistical Section

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Statistical Section (Unaudited)

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

Contents

Sources:

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
OPERATING REVENUES										
Airline rates and charges	$ 89,540	$ 78,270	$ 85,475	$ 87,244	$ 89,867	$ 90,376	$ 96,422	$ 98,437	$ 106,015	$ 111,005
Concessions	101,273	110,139	115,857	112,365	109,636	112,503	118,792	126,399	131,321	136,445
Rentals/fees	23,489	19,777	20,560	28,632	28,435	29,609	27,575	27,999	33,327	34,117
Utilities and other revenues	14,174	15,941	16,359	13,313	12,937	12,555	13,758	13,581	15,382	16,768
TOTAL OPERATING REVENUES	228,476	224,127	238,251	241,554	240,875	245,043	256,547	266,416	286,045	298,335
OPERATING EXPENSES										
Personnel	59,049	54,258	56,278	59,811	59,304	63,412	66,297	68,145	71,107	72,358
Administrative	1,179	1,240	1,538	1,298	1,301	1,271	1,532	1,561	1,407	1,610
Professional services	3,359	4,091	4,474	4,161	4,004	3,519	4,167	4,536	4,514	4,972
Utilities	14,444	14,820	16,466	18,089	16,553	16,238	16,568	16,288	18,633	20,873
Operating services	12,492	14,485	15,437	17,540	16,043	17,278	17,151	17,379	18,940	19,583
Maintenance	18,944	19,417	21,527	22,140	23,718	27,088	27,057	26,052	29,305	31,377
Depreciation and amortization	93,566	111,429	115,329	117,999	123,060	121,555	118,985	120,201	128,032	131,069
Other	3,758	3,323	8,922	3,696	2,510	2,583	3,531	2,632	2,950	3,323
TOTAL OPERATING EXPENSES	206,791	223,063	239,971	244,734	246,493	252,944	255,288	256,794	274,888	285,165
OPERATING INCOME (LOSS)	21,685	1,064	(1,720)	(3,180)	(5,618)	(7,901)	1,259	9,622	11,157	13,170
NONOPERATING REVENUES (EXPENSES)										
Investment income	40,646	52,895	62,271	49,938	30,625	33,933	21,440	8,184	7,066	8,746
Passenger facility charges	69,944	67,573	66,662	54,682	67,481	59,453	62,244	62,231	65,291	67,106
Gain (loss) on disposal of assets	(209)	(828)	(70)	5,178	205	119	14	(1,172)	(561)	(16,387)
Interest expense	(76,777)	(94,069)	(95,556)	(88,722)	(84,198)	(85,141)	(78,186)	(64,613)	(64,792)	(67,734)
Part 150 home insulation expenses	(8,419)	(5,395)	(2,308)	-	-	-	58	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	25,185	20,176	30,999	21,076	14,113	8,364	5,570	4,630	7,004	(8,269)
INCOME BEFORE CAPITAL CONTRIBUTIONS AND GRANTS	46,870	21,240	29,279	17,896	8,495	463	6,829	14,252	18,161	4,901
Capital Contributions and Grants	25,137	34,276	22,805	30,149	26,918	24,723	22,635	19,940	33,472	20,498
CHANGE IN NET POSITION	72,007	55,516	52,084	48,045	35,413	25,186	29,464	34,192	51,633	25,399
NET POSITION, BEGINNING OF YEAR	1,224,655	1,296,662	1,352,178	1,412,574	1,523,530	1,558,943	1,584,129	1,613,593	1,642,316	1,693,949
CHANGES IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENTS [1, 2]	-	-	8,312	62,911	-	-	-	(5,469)	-	-
NET ASSETS - BEGINNING OF YEAR, AS RESTATED	1,224,655	1,296,662	1,360,490	1,475,485	1,523,530	1,558,943	1,584,129	1,608,124	1,642,316	1,693,949
NET POSITION, END OF YEAR	$ 1,296,662	$ 1,352,178	$ 1,412,574	$ 1,523,530	$ 1,558,943	$ 1,584,129	$ 1,613,593	$ 1,642,316	$ 1,693,949	$ 1,719,348

1 - For the years ended December 31, 2005-2007, the amounts shown do not reflect the change in accounting principle adopted January 1, 2008.

2 - For the years ended December 31, 2005-2011, the amounts shown do not reflect the adoption of GASB Statement No. 65.

Source: Audited financial statements for the last ten years

Historical Revenues 2005 - 2014
Pursuant to the Commission's Master Trust Indenture
(Dollars in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Airline Rates & Charges										
Landing fees	$ 45,683	$ 38,245	$ 49,626	$ 47,163	$ 48,736	$ 48,223	$ 50,957	$ 51,964	$ 55,543	$ 57,049
Ramp fees	6,105	4,611	5,238	5,619	6,531	5,901	6,328	6,092	6,803	7,213
Lindbergh Terminal building rents	28,834	33,920	29,378	34,196	33,003	34,296	36,244	37,423	39,626	41,739
Other Lindbergh Terminal charges	3,234	3,475	3,105	3,496	3,410	3,714	3,841	3,351	3,506	3,862
Concessions rebate	-	(9,070)	(10,160)	(9,886)	(8,739)	(8,817)	(9,324)	(9,597)	(9,889)	(10,294)
Humphrey Building Rentals	5,684	7,089	8,288	6,583	6,729	6,815	8,148	8,991	10,160	11,165
Apron Fees - Non-Signatory	-	-	-	73	197	244	228	213	266	271
Total Airline Rates & Charges	89,540	78,270	85,475	87,244	89,867	90,376	96,422	98,437	106,015	111,005
Concessions										
Auto parking	60,213	64,266	66,765	62,748	61,546	63,682	66,612	72,621	76,569	80,659
Rental car	14,693	15,699	17,043	17,011	15,357	15,364	17,112	17,324	17,732	17,939
Food and beverage	9,790	11,552	12,645	12,808	13,052	12,957	13,398	13,808	14,743	16,128
Merchandise	6,120	8,515	8,537	8,689	8,082	8,027	8,373	8,607	8,489	8,245
Employee parking	1,691	1,758	2,063	2,423	2,254	2,473	2,578	2,929	2,414	2,917
Other	8,766	8,349	8,804	8,686	9,345	10,000	10,719	11,110	11,374	10,557
Total Concessions Revenue	101,273	110,139	115,857	112,365	109,636	112,503	118,792	126,399	131,321	136,445
Other Revenues										
Utilities	2,515	2,350	2,473	2,528	2,315	2,591	3,006	2,784	3,181	3,265
Other building and land rent	22,101	18,434	18,821	23,445	23,547	24,544	25,299	26,199	31,095	31,885
Other	8,160	10,111	10,315	10,785	10,605	9,940	7,567	6,937	7,731	8,648
Total Other Revenues	32,776	30,895	31,609	36,758	36,467	37,075	35,872	35,920	42,007	43,798
Total MSP Revenue	223,589	219,304	232,941	236,367	235,970	239,954	251,086	260,756	279,343	291,248
Total Reliever Airports	4,887	4,823	5,310	5,187	4,905	5,089	5,461	5,661	6,702	7,087
Total Operating Revenues	228,476	224,127	238,251	241,554	240,875	245,043	256,547	266,417	286,045	298,335
Investment income										
Capital lease interest	22,820	22,815	22,570	20,896	20,017	19,720	16,133	4,140	3,835	3,792
Other [2]	9,532	14,509	18,957	15,281	10,620	13,402	3,948	2,926	2,648	4,144
Total Investment Income	32,352	37,324	41,527	36,177	30,637	33,122	20,081	7,066	6,483	7,936
Capital lease principal payments	12,475	14,199	14,442	15,345	18,413	17,956	19,294	7,805	8,107	8,292
Total Revenues [1]	$ 273,303	$ 275,650	$ 294,220	$ 293,076	$ 289,925	$ 296,121	$ 295,922	$ 281,288	$ 300,635	$ 314,563

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

[2] Interest income on PFC's and Bond Series 1998-2005 Construction Funds are not included as defined by the master trust indenture.

Source: Audited financial statements for the last ten years

Percentage Distribution of Operating Revenues 2005 - 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Airline Rates & Charges										
Landing fees	20.0%	16.9%	20.9%	19.6%	20.2%	19.5%	19.7%	19.6%	19.4%	19.1%
Ramp fees	2.7%	2.1%	2.2%	2.3%	2.7%	2.4%	2.5%	2.3%	2.4%	2.4%
Lindbergh Terminal building rents	12.6%	15.1%	12.3%	14.2%	13.7%	14.0%	14.1%	14.0%	13.9%	14.2%
Other Lindbergh Terminal charges	1.4%	1.6%	1.3%	1.4%	1.4%	1.5%	1.5%	1.3%	1.2%	1.3%
Concessions rebate	0.0%	-4.0%	-4.3%	-4.1%	-3.6%	-3.6%	-3.6%	-3.6%	-3.5%	-3.5%
Humphrey Building Rentals	2.5%	3.2%	3.5%	2.8%	2.8%	2.9%	3.3%	3.4%	3.6%	3.7%
Total Airline Rates & Charges	39.2%	34.9%	35.9%	36.2%	37.2%	36.7%	37.5%	37.0%	37.0%	37.2%
Concessions										
Auto parking	26.4%	28.7%	28.0%	26.0%	25.6%	26.0%	26.0%	27.3%	26.8%	27.0%
Rental car	6.4%	7.0%	7.2%	7.0%	6.4%	6.3%	6.7%	6.5%	6.2%	6.0%
Food and beverage	4.3%	5.2%	5.3%	5.3%	5.4%	5.3%	5.2%	5.2%	5.2%	5.4%
Merchandise	2.7%	3.8%	3.6%	3.6%	3.4%	3.3%	3.3%	3.2%	3.0%	2.8%
Employee parking	0.7%	0.8%	0.9%	1.0%	0.9%	1.0%	1.0%	1.1%	0.8%	1.0%
Other	3.8%	3.7%	3.7%	3.6%	3.9%	4.1%	4.2%	4.2%	4.0%	3.5%
Total Concessions Revenue	44.3%	49.2%	48.7%	46.5%	45.6%	46.0%	46.4%	47.5%	46.0%	45.7%
Other Revenues										
Utilities	1.1%	1.0%	1.0%	1.0%	1.0%	1.1%	1.2%	1.0%	1.1%	1.1%
Other building and land rent	9.7%	8.2%	7.9%	9.7%	9.8%	10.0%	9.9%	9.8%	10.9%	10.7%
Other	3.6%	4.5%	4.3%	4.5%	4.4%	4.1%	2.9%	2.6%	2.7%	2.9%
Total Other Revenues	14.4%	13.7%	13.2%	15.2%	15.2%	15.2%	14.0%	13.4%	14.7%	14.7%
Total MSP Revenue	97.9%	97.8%	97.8%	97.9%	98.0%	97.9%	97.9%	97.9%	97.7%	97.6%
Total Reliever Airports	2.1%	2.2%	2.2%	2.1%	2.0%	2.1%	2.1%	2.1%	2.3%	2.4%
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 2005 - 2014
(Dollars in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business Type Activities										
Net investment in capital assets	$ 1,078,276	$ 1,077,822	$ 1,083,959	$ 1,097,417	$ 1,145,797	$ 1,140,449	$ 1,144,522	$ 1,123,522	$ 1,168,529	$ 1,152,189
Restricted	109,022	146,742	189,224	272,695	253,811	273,540	306,528	373,736	362,468	287,279
Unrestricted	109,364	127,614	139,391	153,418	159,335	170,140	162,543	145,058	162,952	279,880
Total business type activities	$ 1,296,662	$ 1,352,178	$ 1,412,574	$ 1,523,530	$ 1,558,943	$ 1,584,129	$ 1,613,593	$ 1,642,316	$ 1,693,949	$ 1,719,348

Source: Audited financial statements for the last ten years

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Statistical Section (Unaudited)

Delta Airlines Revenue Summary
2005 - 2014
(Dollars in Thousands)

	2005	2006	2007	2008 [2]	2009	2010	2011	2012	2013	2014
Delta Revenue as a Percentage of Total Adjusted MAC Operating Revenues										
Total MAC Operating Revenues	$ 228,476	$ 224,127	$ 238,251	$ 241,554	$ 240,875	$ 245,043	$ 256,547	$ 266,418	$ 286,045	$ 298,335
Lease Principal/Interest Payments	35,319	37,014	36,246	36,277	38,430	37,676	37,973	11,945	11,939	12,084
Interest Income-MAC Funds [1]	14,426	24,474	31,628	21,318	5,193	11,183	3,467	2,862	3,215	3,461
Total Adjusted MAC Operating Revenues	278,221	285,615	306,125	299,149	284,498	293,902	297,987	281,225	301,199	313,880
Delta Portion of Operating Revenues	60,004	52,265	55,080	62,970	66,503	66,711	70,910	71,144	75,391	78,301
Delta Portion of Lease Payments	30,890	31,301	31,605	31,875	32,127	33,336	33,736	7,655	7,599	7,687
Total Delta Revenue	90,894	83,566	86,685	94,845	98,630	100,047	104,646	78,799	82,990	85,988
Delta % of Total Adjusted MAC Operating Revenues	**32.67%**	**29.26%**	**28.32%**	**31.70%**	**34.67%**	**34.04%**	**35.12%**	**28.02%**	**27.55%**	**27.40%**
Total Adjusted MAC Operating Revenues	$ 278,221	$ 285,615	$ 306,125	$ 299,149	$ 284,498	$ 293,902	$ 297,987	$ -	$ -	$ -
Less: Delta GO 9/15 Lease Payments [3]	(24,648)	(24,931)	(25,222)	(25,413)	(25,721)	(26,037)	(26,376)		-	-
Total Adjusted MAC Operating Revenues, Net of GO 9/15 Financing	253,573	260,684	280,903	273,736	258,777	267,865	271,611	-	-	-
Total Delta Revenue	90,894	83,566	86,685	94,845	98,630	100,047	104,646	-	-	-
Less: Delta GO 9/15 Lease Payments [3]	(24,648)	(24,931)	(25,222)	(25,413)	(25,721)	(26,037)	(26,376)	-	-	-
Total Delta Revenue, Net of GO 9/15 Financing	66,246	58,635	61,463	69,432	72,909	74,010	78,270	-	-	-
Delta % of Total Adjusted MAC Operating Revenues, Net of GO 9/15 Financing	**26.13%**	**22.49%**	**21.88%**	**25.36%**	**28.17%**	**27.63%**	**28.82%**	**0.00%**	**0.00%**	**0.00%**
Delta Revenue as a Percentage of Total Airline Rates & Charges										
Total Airline Rates & Charges Revenue	$ 89,540	$ 78,270	$ 85,475	$ 87,244	$ 89,867	$ 90,376	$ 96,422	$ 98,536	$ 106,015	$ 111,005
Air Carrier Lease Payments	33,678	34,364	34,231	34,262	36,188	35,658	35,960	9,933	9,932	10,077
Total Air Carrier Revenue	123,218	112,634	119,706	121,506	126,055	126,034	132,382	108,469	115,947	121,082
Total Delta Revenue	90,894	83,566	86,685	94,845	98,630	100,047	104,646	78,799	82,990	85,988
Delta % of Total Air Carrier Revenue	**73.77%**	**74.19%**	**72.41%**	**78.06%**	**78.24%**	**79.38%**	**79.05%**	**72.65%**	**71.58%**	**71.02%**
Total Air Carrier Revenue	$ 123,218	$ 112,634	$ 119,706	$ 121,506	$ 126,055	$ 126,034	$ 132,382	$ -	$ -	$ -
Less: Delta GO 9/15 Lease Payments [3]	(24,648)	(24,931)	(25,222)	(25,413)	(25,721)	(26,037)	(26,376)	-	-	-
Total Air Carrier Revenue, Net of GO 9/15 Financing	98,570	87,703	94,484	96,093	100,334	99,997	106,006	-	-	-
Total Delta Revenue	90,894	83,566	86,685	94,845	98,630	100,047	104,646	-	-	-
Less: Delta GO 9/15 Lease Payments [3]	(24,648)	(24,931)	(25,222)	(25,413)	(25,721)	(26,037)	(26,376)	-	-	-
Total Delta Revenue, Net of GO 9/15 Financing	66,246	58,635	61,463	69,432	72,909	74,010	78,270	-	-	-
Delta % of Total Air Carrier Revenue, Net of GO 9/15 Financing	**67.21%**	**66.86%**	**65.05%**	**72.26%**	**72.67%**	**74.01%**	**73.84%**	**0.00%**	**0.00%**	**0.00%**

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

[2] In 2008, Northwest Airlines merged with Delta.

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

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Top Ten Revenue Providers 2014 and 2005
(Dollars in Thousands)

	2014		2005	
Company	**Rank**	**Revenue**	**Rank**	**Revenue**
Northwest/Delta Airlines	1	$ 78,301	1	$ 60,004
HMS Host	2	14,990	2	9,807
Enterprise Rent A Car[1]	3	12,627	-	-
Hertz	4	9,240	3	6,250
Sun Country Airlines	5	8,559	5	5,139
Avis	6	8,227	6	4,325
World Duty Free	7	7,293	-	-
Southwest Airlines	8	5,395	-	-
United Airlines	9	4,857	7	2,666
American Airlines	10	3,037	9	2,426
Signature Flight Support	-----	-	8	2,524
National/Alamo Car Rental[1]	-----	-	4	5,490
Budget Rent A Car	-----	-	10	2,047

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

Source: Comprehensive Annual Financial Report 2005 and 2014

Air Carrier Market Share - Total Enplaned Passengers[1]
For the Years Ended December 31
Ranked on Year 2014 Results

2014 Ranking	Air Carrier	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014 % of Total
1	NWA/Delta	12,780,697	11,946,378	11,489,712	10,274,202	8,967,602	8,453,914	8,041,859	7,953,185	8,076,972	8,594,887	50.6%
2	Endeavor Air [2]	1,187,110	1,223,597	1,271,310	865,941	722,510	707,641	727,037	1,453,778	1,634,337	2,011,953	11.8%
3	Skywest [2]	-	-	113,853	98,574	26,549	529,568	836,730	1,181,445	1,134,982	867,993	5.1%
4	Southwest	-	-	-	-	283,986	500,493	609,692	623,913	742,664	841,201	5.0%
5	Compass [2]	-	-	68,174	620,165	905,487	1,078,771	1,270,728	1,418,939	1,184,213	838,901	4.9%
6	Sun Country	728,513	726,359	752,691	640,902	496,622	470,474	554,434	616,320	757,552	815,386	4.8%
7	US Airways	57,764	21,625	174,910	389,052	455,163	430,890	465,967	532,384	592,391	561,351	3.3%
8	Spirit Airlines	-	-	-	-	-	-	-	108,866	307,298	495,316	2.9%
9	American	462,914	476,228	589,989	571,930	508,470	445,125	374,080	376,370	377,739	341,957	2.0%
10	ExpressJet [7]	-	129,609	47,472	22,269	1,799	6,314	89,688	132,885	263,821	323,786	1.9%
11	Frontier	120,962	123,056	132,633	164,798	183,393	188,438	260,492	191,650	177,613	228,771	1.4%
12	Shuttle America [3]	-	-	-	-	-	-	191,296	308,820	209,015	201,233	1.2%
13	United	489,899	559,618	555,520	488,566	470,403	396,060	340,920	227,392	190,994	167,638	1.0%
14	American Eagle [5]	-	-	-	-	-	-	-	128,382	115,022	144,150	0.9%
15	Air Tran Airways [8]	149,844	290,390	316,667	256,310	247,834	261,709	295,675	269,552	159,983	107,077	0.6%
16	Continental Express	-	-	-	-	130,794	159,781	94,753	96,550	116,724	101,926	0.6%
17	Alaska Airlines	-	-	-	-	91,064	94,491	95,269	84,588	93,635	92,491	0.5%
18	Republic [4]	-	-	-	-	-	-	63,092	63,947	72,328	37,913	0.2%
	Comair [2]	-	-	-	-	-	298,339	124,125	94,350	-	-	0.0%
	Continental [6]	240,622	250,502	169,853	119,994	83,999	32,278	25,689	48,800	-	-	0.0%
	Mesaba Aviation [2]	539,388	431,668	547,608	1,303,619	1,577,271	1,249,049	1,200,611	6,899	-	-	0.0%
	Midwest	-	-	66,215	67,032	79,803	61,165	-	-	-	-	0.0%
	Champion	-	113,849	73,790	25,898	-	-	-	-	-	-	0.0%
	America West	279,965	298,126	193,185	-	-	-	-	-	-	-	0.0%
	Ryan Int'l	-	32,607	7,768	-	-	-	-	-	-	-	0.0%
	American Trans Air	207,414	-	-	-	-	-	-	-	-	-	0.0%
	Other	739,219	554,695	397,734	475,020	318,385	350,309	310,052	101,023	159,984	226,142	1.3%
		17,984,311	17,178,307	16,969,084	16,384,272	15,551,134	15,714,809	15,972,189	16,020,038	16,367,267	17,000,072	100.0%

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

[2] 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.

[3] Codeshare with United.

[4] Codeshare with US Airways.

[5] Codeshare with American.

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

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

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

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			% Change
	Enplaned Passengers [1]	% of Total	Enplaned Passengers [1]	% of Total	Total	From Previous Year
2005	8,193,652	45.6%	9,790,659	54.4%	17,984,311	6.28%
2006	10,066,488	58.6%	7,111,819	41.4%	17,178,307	-4.48%
2007	9,943,883	58.6%	7,025,201	41.4%	16,969,084	-1.22%
2008	8,355,979	51.0%	8,028,293	49.0%	16,384,272	-3.45%
2009	8,318,949	53.5%	7,232,185	46.5%	15,551,134	-5.08%
2010	9,147,140	58.2%	6,567,669	41.8%	15,714,809	1.05%
2011	8,676,764	54.3%	7,295,425	45.7%	15,972,189	1.64%
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%

Average Annual Compound Growth

2005 - 2014	1.26%	-2.36%	-0.56%

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

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

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

Air Carrier Market Share - Total Cargo Handled (in tons)
For the Years Ended December 31
Ranked on Year 2014 Results

2014 Ranking	Air Carrier	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014 % of Total
1	Federal Express	149,905.7	149,203.0	136,690.5	132,973.9	105,897.7	102,494.0	98,712.2	99,297.3	94,006.3	87,898.2	40.2%
2	UPS	53,471.6	58,427.2	59,694.3	55,536.5	53,794.7	58,349.9	61,101.1	57,174.2	57,826.2	61,142.2	28.0%
3	Northwest/Delta	49,291.9	64,005.6	43,223.5	40,281.7	31,094.2	43,115.5	45,152.0	48,664.7	51,792.3	53,483.7	24.5%
4	DHL	9,236.5	17,790.2	12,801.9	8,048.3	87.5	-	2,810.8	4,498.3	5,220.0	6,201.1	2.8%
5	Sun Country	2,829.9	3,508.4	3,671.3	2,604.4	1,370.2	619.8	967.2	1,686.1	2,359.7	2,944.1	1.3%
6	Southwest	-	-	-	-	758.5	1,343.2	1,471.2	1,643.5	1,522.0	1,842.3	0.8%
7	United	3,101.4	1,924.4	834.8	1,726.7	2,497.9	2,368.2	1,777.6	1,686.6	1,096.2	1,783.3	0.8%
8	Mountain Air Cargo	-	-	-	-	-	-	902.3	844.0	1,049.7	1,084.5	0.5%
9	US Airways	173.0	214.4	527.6	1,987.7	1,970.6	2,284.7	2,055.8	1,448.4	1,299.9	981.7	0.4%
10	Suburban Air Freight	-	-	-	-	-	-	-	-	289.5	452.2	0.2%
11	Air France	-	-	-	-	-	-	-	-	268.1	336.9	0.2%
12	Other	9,037.4	322.6	1,286.1	344.2	35.1	1,073.1	263.1	338.4	239.5	318.9	0.1%
13	Alaska Airlines	-	-	-	-	-	-	120.7	157.2	239.5	219.5	0.1%
	American	2,447.9	2,565.8	2,127.8	2,161.1	875.2	319.6	199.4	41.3	66.5	201.0	0.1%
	Airborne	10,399.3	254.9	2,095.4	4,367.9	1,021.0	4,300.8	1,780.3	872.7	114.7	-	0.0%
	Frontier	-	-	-	346.6	232.0	282.2	242.6	179.8	188.5	-	0.0%
	ATI/BAX Global	9,916.0	9,575.4	8,215.3	4,855.7	8,146.0	17,521.6	12,197.8	-	-	-	0.0%
	Continental [1]	1,140.0	1,214.3	803.4	989.3	583.8	231.7	228.2	479.1	-	-	0.0%
	Mesaba	-	-	234.9	618.1	721.4	-	-	-	-	-	0.0%
	Kitty Hawk/AIA*	8,280.2	6,290.9	1,987.3	-	-	-	-	-	-	-	0.0%
	America West	-	1,703.2	693.2	-	-	-	-	-	-	-	0.0%
	Emery Worldwide [2]	7,738.1	2,196.5	-	-	-	-	-	-	-	-	0.0%
	Midwest	-	-	438.7	274.5	11.3	0.7	-	-	-	-	0.0%
		316,968.9	319,196.8	275,326.0	257,116.6	209,097.1	234,305.0	229,982.3	219,011.6	217,578.6	218,889.6	100.0%

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

[2] New name: UPS Supply Chain Solutions.

* American International Airways

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Enplaned Cargo Trends
For the Years Ended December 31

	(Freight and mail in thousands of tons)										Average Annual Growth
Air Carrier	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Compound**
Passenger	28.0	25.9	25.1	24.2	19.0	21.9	24.6	26.9	27.9	28.4	0.1%
All Cargo	130.6	122.6	116.1	102.5	83.7	90.0	87.9	80.4	81.8	86.4	-4.0%
Total	158.6	148.5	141.2	126.7	102.7	111.9	112.5	107.3	109.7	114.8	-3.2%

AAG - Average annual compound growth

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
2005	27,992	17.6%	130,625	82.4%	158,617
2006	25,900	17.4%	122,611	82.6%	148,511
2007	25,124	17.8%	116,058	82.2%	141,182
2008	24,179	19.1%	102,508	80.9%	126,687
2009	19,004	18.5%	83,742	81.5%	102,746
2010	21,942	19.6%	89,990	80.4%	111,932
2011	24,595	21.9%	87,932	78.1%	112,527
2012	26,876	25.0%	80,442	75.0%	107,318
2013	27,945	25.5%	81,766	74.5%	109,711
2014	28,377	24.7%	86,414	75.3%	114,791

Average Annual Compound Growth

2005 - 2014	0.14%	-4.05%	-3.18%

Source: Minneapolis/St. Paul Metropolitan Airports Commission

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

	Freight/Express		Mail		
	Tons	% of Total	Tons	% of Total	Total Cargo
2005	153,548	96.8%	5,069	3.2%	158,617
2006	143,753	96.8%	4,758	3.2%	148,511
2007	136,511	96.7%	4,671	3.3%	141,182
2008	121,037	95.5%	5,650	4.5%	126,687
2009	98,493	95.9%	4,253	4.1%	102,746
2010	105,919	94.6%	6,013	5.4%	111,932
2011	104,455	92.8%	8,072	7.2%	112,527
2012	97,220	90.6%	10,098	9.4%	107,318
2013	101,337	92.4%	8,374	7.6%	109,711
2014	107,500	93.6%	7,291	6.4%	114,791

Average Annual Compound Growth

2005 - 2014	-3.50%	3.70%	-3.18%

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Revenue Bond Debt Service Coverage - Rate Covenant for Senior Debt

For the Years Ended December 31
(Dollars in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues per Master Trust Indenture	$ 273,303	$ 275,650	$ 294,220	$ 293,076	$ 289,925	$ 296,121	$ 295,922	$ 281,288	$ 300,635	$ 315,190
Expenses										
Operating expenses	206,791	223,063	239,971	244,330	246,493	252,944	255,287	256,793	274,888	285,165
Less: Depreciation expense	(93,566)	(111,429)	(115,329)	(117,595)	(123,060)	(121,555)	(118,985)	(120,201)	(128,010)	(131,069)
Total operating expenses, excluding depreciation expense	113,225	111,634	124,642	126,735	123,433	131,389	136,302	136,592	146,878	154,096
Net Revenues	160,078	164,016	169,578	166,341	166,492	164,732	159,620	144,696	153,757	161,094
Annual debt service - Senior Airport Revenue Bonds	(50,384)	(48,212)	(46,685)	(46,321)	(45,887)	(44,540)	(41,525)	(43,436)	(48,274)	(50,413)
Annual debt service - General Obligation Revenue Bonds	(31,899)	(32,165)	(32,276)	(32,542)	(32,797)	(29,532)	(29,843)	(3,414)	(2,954)	-
Principal and interest on other indebtedness [1]	(9,468)	(17,452)	(16,299)	(30,335)	(32,356)	(31,118)	(42,285)	(40,970)	(47,809)	(48,383)
Must not be less than zero	68,327	66,187	74,318	57,143	55,452	59,542	45,967	56,876	54,720	62,298
Requirement Section										
Net revenues	160,078	164,016	169,578	166,341	166,492	164,732	159,620	144,696	153,757	161,094
Transfer - Coverage Fund [2]	13,713	12,596	12,053	11,671	11,580	11,472	11,579	10,381	12,069	12,603
Total available	173,791	176,612	181,631	178,012	178,072	176,204	171,199	155,077	165,826	173,697
Senior Debt Service times 125% [3]	(62,980)	(60,265)	(58,356)	(57,901)	(57,359)	(55,675)	(51,906)	(57,896)	(60,343)	(63,016)
Must not be less than zero	110,811	116,347	123,275	120,111	120,713	120,529	119,293	97,181	105,483	110,681
Pro Forma Coverage on Senior Lien Debt										
Net revenues	160,078	164,016	169,578	166,341	166,492	164,732	159,620	144,696	153,757	161,094
Transfer - Coverage Fund [2]	12,053	11,671	11,580	11,472	11,579	10,381	10,381	10,859	12,069	12,603
Total available	172,131	175,687	181,158	177,813	178,071	175,113	170,001	155,555	165,826	173,697
Annual debt service - Senior Airport Revenue Bonds	(50,384)	(48,212)	(46,685)	(46,321)	(45,887)	(44,540)	(41,525)	(43,436)	(48,274)	(50,413)
Annual debt service - General Obligation Revenue Bonds	(31,899)	(32,165)	(32,276)	(32,542)	(32,797)	(29,532)	(29,843)	(3,414)	(2,954)	-
Total Debt Service - Senior Lien Debt	(82,283)	(80,377)	(78,961)	(78,863)	(78,684)	(74,072)	(71,368)	(46,850)	(51,228)	(50,413)
Coverage with Transfer	209%	219%	229%	225%	226%	236%	238%	332%	324%	345%
Coverage without Transfer	195%	204%	215%	211%	212%	222%	224%	309%	300%	320%

[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
(Dollars in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues per Master Trust Indenture	$ 273,303	$ 275,650	$ 294,220	$ 293,076	$ 289,925	$ 296,121	$ 295,922	$ 281,288	$ 300,635	$ 315,190
Expenses										
Operating expenses	206,791	223,063	239,971	244,330	246,493	252,944	255,287	256,793	274,888	285,165
Less: Depreciation expense	(93,566)	(111,429)	(115,329)	(117,595)	(123,060)	(121,555)	(118,985)	(120,201)	(128,010)	(131,069)
Total operating expenses, excluding depreciation expense	113,225	111,634	124,642	126,735	123,433	131,389	136,302	136,592	146,878	154,096
Annual debt service - Senior Airport Revenue Bonds	50,384	48,212	46,685	46,321	45,887	44,540	41,525	43,436	48,274	50,413
Annual debt service - General Obligation Revenue Bonds	31,899	32,165	32,276	32,542	32,797	29,532	29,843	3,414	2,954	-
Subordinate revenues	77,795	83,639	90,617	87,478	87,808	90,660	88,252	97,846	102,529	110,681
Principal and interest on Subordinate Bonds	(9,468)	(17,452)	(16,299)	(30,335)	(32,356)	(31,118)	(35,393)	(40,970)	(47,807)	(48,383)
Must not be less than zero	$ 68,327	$ 66,187	$ 74,318	$ 57,143	$ 55,452	$ 59,542	$ 52,859	$ 56,876	$ 54,722	$ 62,298
Requirement Section										
Subordinate revenues	$ 77,795	$ 83,639	$ 90,617	$ 87,478	$ 87,808	$ 90,660	$ 88,252	$ 97,846	$ 102,529	$ 110,681
Transfers [1]	947	1,745	1,630	3,034	3,236	3,112	4,229	4,097	4,781	4,838
Total available	78,742	85,384	92,247	90,512	91,044	93,772	92,481	101,943	107,310	115,519
Outstanding Subordinate Debt Service Times 110% [2]	(17,091)	(10,299)	(29,239)	(22,743)	(33,354)	(32,358)	(35,393)	(45,583)	(44,686)	(52,229)
Must not be less than zero	$ 61,651	$ 75,085	$ 63,008	$ 67,769	$ 57,690	$ 61,414	$ 57,088	$ 56,360	$ 62,624	$ 63,290
Pro Forma Coverage on Subordinate Lien Debt										
Subordinate revenues	$ 77,795	$ 83,639	$ 90,617	$ 87,478	$ 87,808	$ 90,660	$ 88,252	$ 97,846	$ 102,529	$ 110,681
Principal and interest in Subordinate Bonds [2]	9,363	26,581	20,675	30,322	29,416	30,887	32,175	41,439	40,624	47,480
Coverage without Transfer	831%	315%	438%	289%	299%	294%	274%	236%	252%	233%
Pro Forma Coverage on Senior and Subordinate Lien Debt										
Net Revenues	$ 160,078	$ 164,016	$ 169,578	$ 166,341	$ 166,492	$ 164,732	$ 159,620	$ 144,696	$ 153,757	$ 161,094
Total Debt Service - Senior and Subordinate Debt	91,646	106,958	99,636	109,185	108,100	104,959	103,543	88,289	91,852	97,893
Coverage without Transfer	175%	153%	170%	152%	154%	157%	154%	164%	167%	165%

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

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

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Operating Ratio[1]
For the Years Ended December 31
(Dollars in Thousands)

	Operating Expenses [2]	Operating Revenues	Operating Ratio
2005	$ 113,225	$ 228,476	50%
2006	111,634	224,127	50%
2007	124,642	238,251	52%
2008	126,735	241,554	52%
2009	123,433	240,875	51%
2010	131,389	245,043	54%
2011	136,302	256,548	53%
2012	136,592	266,417	51%
2013	146,855	286,044	51%
2014	154,096	298,335	52%

[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
(Dollars in Thousands)

	General Airport Revenue Bonds Outstanding	General Obligation Revenue Bonds Outstanding	Notes Payable Outstanding	Other Debt	Subtotal	Enplaned Passengers	Debt per Enplaned Passenger
2005	$ 1,683,006	$ 318,413	$ 51,077	$ 45,987	$ 2,098,483	17,984,311	$ 116.68
2006	1,657,725	304,359	50,374	45,887	2,058,345	17,178,307	119.82
2007	1,659,743	290,930	49,750	45,887	2,046,310	16,969,084	120.59
2008	1,525,522	276,522	39,726	33,887	1,875,657	16,384,272	114.48
2009	1,483,445	261,193	6,337	30,587	1,781,562	15,551,134	114.56
2010	1,587,837	241,727	6,885	-	1,836,449	15,714,809	116.86
2011	1,560,345	12,530	6,792	-	1,579,667	15,972,189	98.90
2012	1,551,546	9,400	6,680	11,300	1,578,926	16,020,038	98.56
2013	1,500,811	6,126	10,165	15,950	1,533,052	16,367,267	93.67
2014	1,413,318	2,840	35,050	15,460	1,466,668	17,000,072	86.27

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Population
For the Years Ended December 31
(In thousands)

	Minnesota	MSA [1]	% of Total
2005	5,127	3,141	61%
2006	5,167	3,172	61%
2007	5,198	3,208	62%
2008	5,231	3,238	62%
2009	5,266	3,270	62%
2010	5,303	3,349	63%
2011	5,347	3,389	63%
2012	5,379	3,422	64%
2013	5,420	3,459	64%
2014	5,457	3,428	63%

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

Civilian Unemployment Rate
For the Years Ended December 31

	United States	Minnesota	MSA
2005	5.1%	4.2%	3.8%
2006	4.6%	4.0%	3.7%
2007	4.6%	4.6%	4.3%
2008	7.2%	6.8%	6.4%
2009	9.3%	8.0%	7.8%
2010	9.1%	6.8%	6.6%
2011	8.3%	5.7%	5.5%
2012	7.8%	5.5%	5.1%
2013	6.7%	4.6%	4.3%
2014	5.6%	3.7%	3.3%

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
(Dollars in Millions)

	Minnesota	MSA [1]	% of Total
2005	$ 193,938	$ 132,210	68%
2006	205,803	140,158	68%
2007	216,678	150,181	69%
2008	224,671	154,283	69%
2009	220,438	149,594	68%
2010	227,288	152,789	67%
2011	238,768	161,468	68%
2012	248,047	172,004	69%
2013	259,397	177,051	68%
2014	265,824	Not available	

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

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

Per Capita Personal Income
For the Years Ended December 31

	Minnesota	MSA [1]
2005	$ 37,991	$ 42,091
2006	40,015	44,295
2007	41,739	46,870
2008	43,238	47,653
2009	41,859	45,750
2010	42,798	46,498
2011	44,560	48,657
2012	46,227	50,260
2013	47,856	51,183
2014	48,711	Not available

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

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

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

Company	2014 Employees	Rank	% of Total Employment	2005 Employees	Rank	% of Total Employment
State of Minnesota	52,490	1	1.83%	55,321	1	2.00%
Mayo Clinic	40,638	2	1.42%	32,500	3	1.17%
United States Federal Government	31,236	3	1.09%	35,000	2	1.26%
Target Corporation	31,035	4	1.08%	24,294	5	0.88%
Allina Health System	27,150	5	0.95%	22,500	6	0.81%
University of Minnesota	25,680	6	0.90%	30,240	4	1.09%
HealthPartners, Inc.	22,340	7	0.78%	-	-	0.00%
Wal-Mart Stores, Inc.	21,877	8	0.76%	17,964	9	0.65%
Fairview Health Services	21,000	9	0.73%	18,500	8	0.67%
Wells Fargo & Co.	20,000	10	0.70%	19,100	7	0.69%
MN State Colleges/Universities	17,579	11	0.61%	-	-	0.00%
3M Co.	15,894		0.55%	16,289	10	0.59%
Total	326,919			271,708		
Total Nonfarm Employment	2,866,863			2,767,395		

Sources:
Minnesota Business Journal Book of Lists

Minnesota Department of Employment and Economic Development

Employment Share by Industry
For the Year Ended December 31

	2014 Minnesota
Trade, Transportation and Utilities	18.4%
Education and Health Services	17.7%
Public Administration	14.8%
Professional and Business Services	12.6%
Manufacturing	11.2%
Leisure and Hospitality	9.1%
Financial Activities	6.3%
Other Services	4.0%
Construction	3.7%
Information	1.9%
Natural Resources and Mining	0.3%
	100.0%

2005 information not available

Source: Minnesota Department of Employment and Economic Development

Activity Statistics
For the Years Ended December 31

	Total Passengers [1]	Aircraft Operations [2]	Mail and Cargo Volume (Metric Tons)
2005	36,678,868	532,240	283,450
2006	34,580,769	475,668	275,451
2007	34,108,743	452,972	257,691
2008	32,917,480	450,044	253,374
2009	31,273,224	432,395	209,097
2010	31,734,714	436,625	211,778
2011	31,977,163	436,506	208,637
2012	32,070,628	425,332	198,684
2013	32,763,027	431,328	197,384
2014	34,073,543	412,586	198,573

[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 [2]	Commuter Operations	Cargo Operations	Total Commercial Operations [1]	Percent Commercial Operations	General Aviation Operations	Military Operations	Total Operations
2005	329,956	146,400	17,182	493,538	92.73%	36,472	2,230	532,240
2006	283,844	135,286	16,355	435,485	91.68%	37,473	2,040	474,998
2007	263,816	141,013	15,292	420,121	92.75%	30,562	2,289	452,972
2008	226,646	176,237	14,361	417,244	92.71%	30,685	2,115	450,044
2009	211,085	183,911	11,146	406,142	93.93%	24,361	1,892	432,395
2010	191,341	203,169	12,049	406,559	93.11%	27,921	2,145	436,625
2011	178,896	217,267	12,203	408,366	93.55%	26,157	1,983	436,506
2012	184,134	203,684	11,231	399,049	93.82%	24,903	1,380	425,332
2013	193,470	203,106	11,701	408,277	94.66%	21,866	1,185	431,328
2014	189,489	185,664	12,199	387,352	93.88%	24,155	1,079	412,586

[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

	Passenger Carriers	Cargo Carriers	Total Landed Weight
2005	24,663,179	1,217,140	25,880,319
2006	22,266,525	1,174,305	23,440,830
2007	21,846,071	1,152,231	22,998,302
2008	21,047,357	1,095,773	22,143,130
2009	20,352,347	918,453	21,270,800
2010	19,856,212	986,029	20,842,241
2011	19,945,169	897,211	20,842,380
2012	19,625,108	885,442	20,510,550
2013	20,225,040	926,429	21,151,469
2014 [1]	20,224,580	965,912	21,190,492

[1] In 2014, Delta's activity represented approximately 71% of the total landed weight at the Airport.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Employee Counts [1]
For the Years Ended December 31

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Minneapolis Employees Retirement Fund	13	8	6	5	4	4	4	3	3	3
Public Employee Retirement Association	552	566	558	570	564	578	585	583	582	597
Total	565	574	564	575	568	582	589	586	585	600

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

Airline Cost per Enplaned Passenger
For the Years Ended December 31

(Dollars and Passengers in thousands)

	2005	2006 [2]	2007	2008	2009	2010	2011	2012	2013	2014
Total cost [1]	$ 92,818	$ 82,242	$ 88,454	$ 91,908	$ 94,003	$ 94,768	$ 100,961	$ 102,789	$ 110,378	$ 115,708
Enplaned passengers	17,984	17,178	16,969	16,384	15,551	15,715	15,972	16,020	16,367	17,000
Airline Cost per Enplaned Passenger	$ 5.16	$ 4.79	$ 5.21	$ 5.61	$ 6.04	$ 6.03	$ 6.32	$ 6.42	$ 6.74	$ 6.81

[1] Cost is defined as airline payments made to the Commission for expenses incurred in the airfield, T1 and T2 Terminals.

[2] In 2006 and beyond, the figures represent an amended airline use agreement.

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
2005	$ 1.71	$ 498.26	$ 48.20	$ 48.20	$ 53.85	$ 48.20
2006	1.65	429.73	47.39	47.39	53.29	47.39
2007	1.94	458.87	50.24	50.24	56.42	50.24
2008	2.11	502.98	52.88	52.88	59.58	52.88
2009	2.27	581.93	50.67	50.67	57.43	50.67
2010	2.31	522.40	52.64	52.64	59.77	52.64
2011	2.46	562.05	56.37	56.37	63.11	56.37
2012	2.53	536.38	58.60	58.60	65.16	58.60
2013	2.62	594.50	62.86	62.86	69.80	62.86
2014	2.68	642.90	66.20	66.20	73.67	66.20

In 2006, the schedule of airline rates and charges reflects a new/amended airline agreement calculation.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

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

	St. Paul Downtown Airport	Flying Cloud Airport	Crystal Airport	Anoka County Blaine Airport	Lake Elmo Airport	Airlake Airport	MSP
2005	131,708	157,710	71,704	101,272	39,751	40,363	36,472
2006	135,156	144,178	62,900	92,947	37,412	37,987	37,473
2007	118,158	118,178	53,583	80,517	31,846	32,336	30,562
2008	110,634	119,139	49,244	69,403	29,953	30,414	30,685
2009	91,551	117,180	42,507	68,503	27,487	27,910	24,361
2010	89,068	94,984	44,229	79,603	26,468	26,875	27,921
2011	86,986	114,574	43,986	74,482	27,512	27,935	26,157
2012	79,918	84,773	48,220	79,350	25,125	25,512	24,903
2013	68,160	75,724	42,308	76,728	22,603	22,950	21,866
2014	64,539	73,634	41,117	68,157	21,272	21,600	24,155

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Air Carriers Serving MSP [A]
As of December 31, 2014

U.S. – FLAG CARRIERS

SCHEDULED SERVICES

Air Wisconsin * [1]	Alaska Airlines *	American * [11]
Chautauqua *	Compass * [2]	Delta * [3]
Endeavor * [2]	Envoy *	ExpressJet * [2]
Frontier *	Go Jet *	Great Lakes *
Mesa [6]	MN Airlines dba Sun Country *	Republic Airlines * [4]
Shuttle America * [1]	Sky West * [1 2]	Southwest * [9 10]
Spirit *	United * [6]	US Airways * [11]

NON-SCHEDULED (CHARTER) SERVICES

Omni Air International *

ALL-CARGO SERVICES

ABX Air * [7]	Atlas Air Cargo * [7]	Bemidji *
FedEx *	Mountain Air Cargo	UPS *

FOREIGN-FLAG CARRIERS

Air France *	Condor *	Icelandair *
Jazz Air, LP. dba Air Canada * [8]		

* Denotes those Air Carriers that are Signatory Airlines to the Airline Lease Agreements.
A Excludes carriers reporting fewer than 1,000 enplaned passengers.
1. Flies for United Airlines.
2. Codeshare with Delta Air Lines.
3. Filed for bankruptcy protection on September 14, 2005. DAL emerged from bankruptcy on April 30, 2007 along with Comair. DAL's plans to merge with NWA were officially approved by the U.S. Department of Justice on October 29, 2008. Both announced plans to merge in April 2008.
4. Codeshare with US Airways.
5. Wholly owned by Northwest Airlines (NWA) after Mesaba emerged from bankruptcy protection on April 30, 2007. It had filed for bankruptcy on October 13, 2005. Its operations were included in NWA and reported by NWA starting 2008.
6. United filed for bankruptcy on December 9, 2002. Emerged from bankruptcy on February 1, 2006. United and Continental announced plans to merge in May 2010. The plans to merge were approved by the U.S. Department of Justice on August 27, 2010.
7. ABX Air and Atlas Air Cargo provide air service to DHL.
8. Air Canada filed for bankruptcy protection on April 1, 2003. Emerged from bankruptcy on September 30, 2004 after 18 months in protection.
9. Commenced its operations at MSP International Airport, Humphrey Terminal on March 8, 2009
10. Southwest and AirTran announced plans to merge in September 2010. The plans to merge were approved by the U.S. Department of Justice on April 27, 2011.
11. American Airlines and US Airways announced plans to merge in February 2013. The plans to merge were approved by the U.S. Department of Justice on December 9, 2013.

Minneapolis/St. Paul Metropolitan Airports Commission
Insurance Coverage
As of December 31, 2014

Insurer	Expiration	Coverage	Policy Limits (Thousands of Dollars)
ACE/Lloyd's of London/Global	1/1/17	General aviation liability including personal injury	$ 750,000
Alliant	7/1/15	Blanket fire and extended coverage on building and contents. Boiler and machinery	$ 1,050,000
Self-Insured [1]	Continuous	Statutory workers' compensation	
	1/1/16	Workers' Compensation Reinsurance Association	$ 490
Great American/Zurich	7/1/15	Comprehensive Crime Employee/Police Policies	$ 5,000
Minnesota Risk Management Fund	7/1/15	Auto Liability (licensed vehicles), physical damage (all vehicles) hired automobiles, valet parking, inland marine and garage keepers	MN Tort Cap Limits/value

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

Airport Information
As of December 31, 2014

	Square Feet		
	Terminal 1 (Lindbergh)	Terminal 2 (Humphrey)	Total
Terminal Buildings			
Airline	655,685	130,002	785,687
Concession	199,226	22,898	222,124
Garage	155,119	-	155,119
Non-Airline	167,156	15,564	182,720
Unoccupied	37,470	22,972	60,442
Circulation	954,315	129,043	1,083,358
Restrooms	54,062	10,575	64,637
MAC/Mechanical	438,631	97,474	536,105
International Arrivals	108,213	40,036	148,249
Trans Security Agency	66,676	20,186	86,862
	2,836,553	488,750	3,325,303
Parking Facilities	13,447	8,911	22,358

	Terminal 1 (Lindbergh)	Terminal 2 (Humphrey)	Total
Gates (Aircraft loading positions)	114	10	124

Airport Information
As of December 31, 2014

Airport Code: MSP

Runways [1]

Minneapolis-St. Paul:	
Runway 4-22	11,000 Ft
Runway 12R-30L	10,000 Ft
Runway 12L-30R	8,200 Ft
Runway 17-35	8,000 Ft
Airlake	
Runway 12-30	4,100 Ft
Anoka County/Blaine	
Runway 9-27	5,000 Ft
Runway 18-36	4,900 Ft
Crystal	
Runway 14L-32R	3,300 Ft
Runway 14R-32L	3,300 Ft
Runway 6L-24R	2,500 Ft
Runway 6R-24L	2,100 Ft
Flying Cloud	
Runway 10R-28L	3,900 Ft
Runway 10L-28R	5,000 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.

USER NOTES