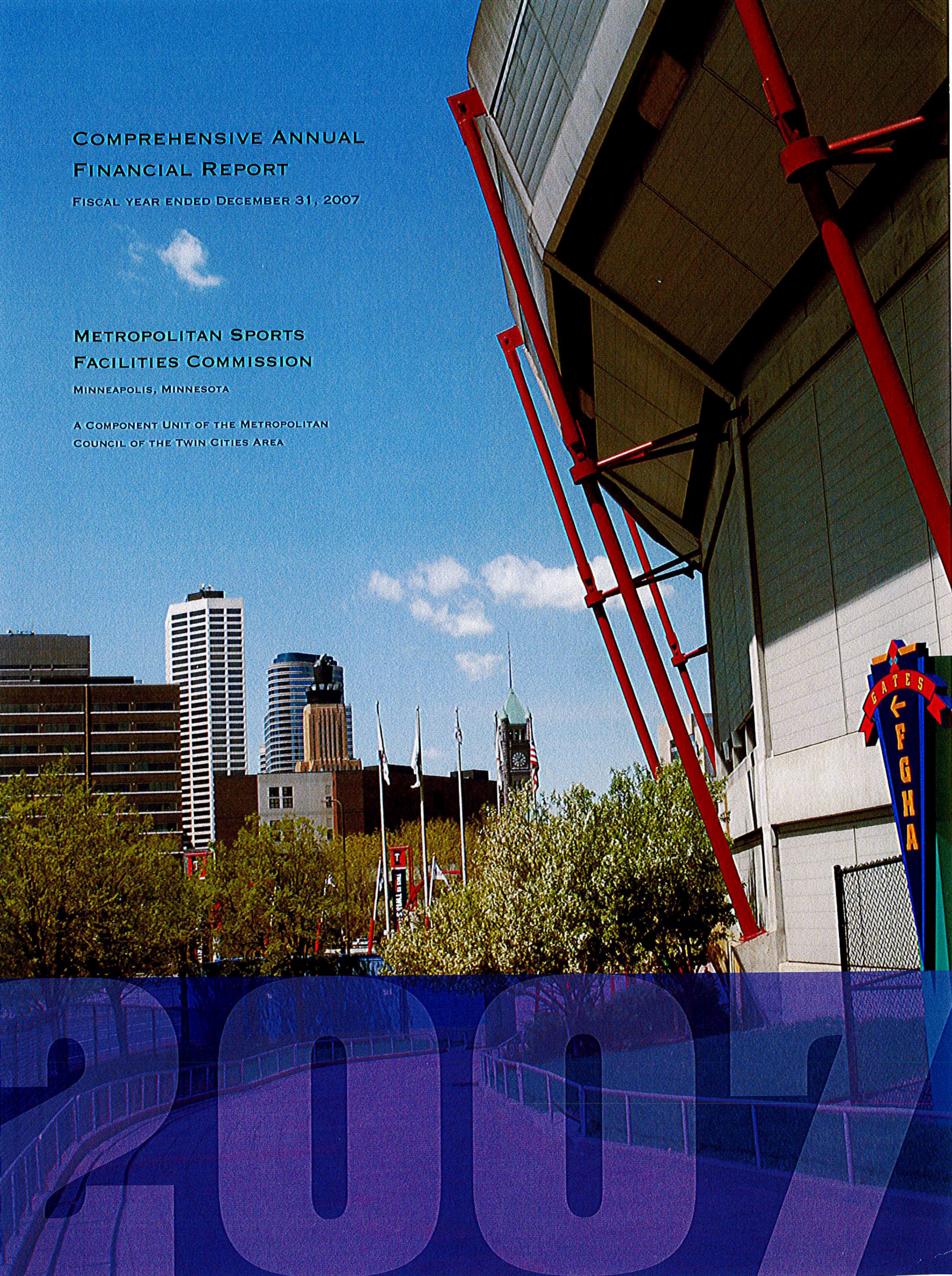
Comprehensive Annual Financial Report

Fiscal year ended December 31, 2007

Metropolitan Sports Facilities Commission

Minneapolis, Minnesota

A Component Unit of the Metropolitan Council of the Twin Cities Area



2007

Metropolitan Sports Facilities Commission
Minneapolis, Minnesota

Comprehensive Annual Financial Report

Fiscal year ended December 31, 2007

A component unit of the Metropolitan Council of the Twin Cities Area

METRODOME

Finance Department
900 South Fifth Street,
Minneapolis, Minnesota 55415

Metropolitan Sports Facilities Commission
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2007

TABLE OF CONTENTS

Introductory Section

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

METRODOME

900 SOUTH 5TH STREET
MINNEAPOLIS, MN
55415

TELEPHONE
612.332.0386

TTY
1.800.627.3529

FACSIMILE
612.332.8334

E-MAIL
msfc@msfc.com

May 30, 2008

Mr. Roy Terwilliger, Chair
And Commissioners of the Metropolitan Sports Facilities Commission
900 South Fifth Street
Minneapolis, Minnesota 55415

Dear Mr. Terwilliger and Commissioners:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Metropolitan Sports Facilities Commission (Commission) for the fiscal year ended December 31, 2007. The financial statements included in this report conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the Commission. All necessary disclosures have been included to enable the reader to gain the maximum understanding of the Commission's financial affairs.

The Commission's management is responsible for establishing and maintaining an internal control structure designed to ensure that its assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable but not absolute, assurance that these objectives are met and that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management. As management we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

Minnesota State Statutes, Chapter 473.595, Subd. 5, require the Minnesota Office of the Legislative Auditor to perform an annual audit of the financial statements of the Commission. The goal of the audit is to provide reasonable assurance that the financial statements of the Commission, for the fiscal year ended December 31, 2007, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Commission received an unqualified opinion from the Minnesota Office of the

HUBERT H. HUMPHREY
METRODOME

METROPOLITAN SPORTS
FACILITIES COMMISSION

AFFIRMATIVE ACTION/
EQUAL OPPORTUNITY EMPLOYER

Legislative Auditor for the twenty-fifth consecutive year. The independent auditor's report on the basic financial statements for the year ended December 31, 2007, is included in the financial section of this report. The Minnesota Office of the Legislative Auditor will issue a separate Report on Internal Control over Financial Reporting and Compliance and Other Matters.

The reader is referred to Management's Discussion and Analysis (MD&A) section for additional information regarding the activities and financial position of the Commission. All necessary disclosures have been included to enable the reader to gain the maximum understanding of the Commission's financial position.

PROFILE OF THE COMMISSION

The Commission was established by legislative charter in 1977 and was responsible for the construction of the Hubert H Humphrey Metrodome sports stadium located in Minneapolis, Minnesota. The Commission is the owner and operator of the Metrodome. The Metrodome is "home" to the Minnesota Twins, Minnesota Vikings, University of Minnesota Gopher football team and many other athletic, civic, cultural, educational, and entertainment activities for the citizens of the Twin Cities metropolitan area and the state of Minnesota.

The Commission's governing body sets policy for the administration of the Commission. The Commission consists of seven members: the Chair is appointed by the governor of Minnesota and the six members are appointed by the Minneapolis City Council. The Chair must reside outside of the City of Minneapolis. Commissioners represent a broad cross-section of the community, and they serve a four-year term. The Commission appoints the Executive Director who directs the Commission's operations and carries out the policies established by the Commission.

The mission of the Commission is to ensure that the Metrodome is a community facility for the citizens of Minnesota. Central to this mission is the Commission's desire to continuously update the Metrodome and maximize the fan experience Minnesotans have come to expect. Fans come from every corner of the state to watch games, concerts and other events at the Metrodome. Amateur sports teams including small college football, town-team baseball, recreational touch football and high school baseball and softball teams, travel from throughout Minnesota to compete on the Metrodome turf.

All of the financial activities of the Commission are included in this report. The Commission is a discretely presented component unit of the Metropolitan Council of the Twin Cities Area (Metropolitan Council). Discretely presented component units are organizations that are legally separate from the primary government.

An annual budget is adopted on a basis consistent with generally accepted accounting principles. The annual budget is prepared in June and the preliminary budget is approved by the Commission in July of each year. A public hearing on the budget is held in August and then in September the annual budget is submitted to the Metropolitan Council for their review and approval. The final budget is approved and adopted by the Commission in November. Quarterly budget to actual comparisons are presented in separate reports to the Commission.

ECONOMIC CONDITION and OUTLOOK

Local Economy

The Twin Cities metropolitan area is known for its parks, trails, lakes, arts and cultural opportunities, and excellent family-friendly neighborhoods. The Twin Cities has the nation's 14th largest metropolitan economy with an estimated population of 2.82 million. In 2006 and 2007 metro job growth slowed considerably. Twin Cities ranks 17th in 2000-2007 job growth rate among the 25 largest metropolitan statistical areas in the United States. The Minnesota Department of Finance April 2008 Economic Forecast calls for slower growth in 2009. The forecast has real GDP growing at a 1.2 percent annual rate in calendar 2008 and at a 1.7 percent annual rate in 2009. The forecast raised its near term inflation forecast. The consumer price index is expected to increase by 3.5 percent in 2008. The unemployment rate for the Twin Cities metropolitan area was 4.8 percent in March 2008 as compared to the national unemployment rate of 5.2 percent.

Although slower growth is expected in the local economy in 2008, the Commission expects continued growth in concession sales and admission taxes. The concessionaire continually monitors sales revenues for food and beverage concessions and apparel and novelty merchandise items and adjusts the product mix to maximize sales. Concession sales are expected to grow by $929,000 with the addition of new products and price increases that are planned for 2008. The ten percent admission tax is expected to grow as ticket sales for 2008 events have been strong.

The Commission continues to rise to the challenge in anticipating the Commission's future. Paramount to the Commission's success is demonstrated leadership and strategic planning in addressing such issues as keeping professional sports in Minnesota beyond 2011. Major league professional sports are significant state assets, maintaining a facility consistent with major league baseball and national football league standards ensures that the Commission is complying with league requirements. The Commission strives to maintain a first-class facility.

Major Initiatives and Accomplishments

Improving and updating the stadium is central to the Commission's core mission of protecting the public's investment in the Metrodome. Significant stadium improvements in 2007 included installation of concourse way finder signage, acquisition and replacement of concession equipment, and a variety of other stadium improvements. Other stadium improvements included replacement of the upper concourse lighting system, purchase of stainless steel trash receptacles stationed throughout the stadium, and purchase of various stadium and concession equipment items.

FINANCIAL INFORMATION

Reserve Policy

The Commission established a reserve policy in 2006. The policy established $6 million as the minimum amount of reserves required in the unrestricted net asset account to prudently operate the Metrodome. This amount is approximately one-half of the funds needed to finance expenses during the non-revenue producing months. The reserve policy provides funding for the Commission to deal with major expense items that may need to be replaced including but not limited to such items as the artificial turf or components of the audio or video system. The reserve minimum does not allow for additional capital improvement projects beyond those currently anticipated.

OTHER INFORMATION

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its CAFR for the fiscal year ended December 31, 2006. This was the fourth consecutive year that the Commission received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR 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 Certificate of Achievement is a prestigious national award which recognizes conformance with the highest standards for preparation of state and local government financial reports.

This CAFR reflects our commitment to the Commission and all interested readers of this report to provide information in conformance with the highest standards of financial reporting. The preparation of this CAFR was made possible by the dedicated service of Linda Brennan, our finance assistant. She has our sincere appreciation for the contributions she made in the preparation of this report. Appreciation is also expressed to the Commissioners for their cooperation and outstanding assistance in matters pertaining to the financial affairs of the Commission.

Respectfully submitted,

William Lester	Mary C. Fox-Stroman, CPA
Executive Director	Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Metropolitan Sports Facilities Commission, Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Oliver S. Cox

President

Executive Director

Metropolitan Sports Facilities Commission
List of Commissioners and Administrative Officials
December 31, 2007

COMMISSIONERS:

	Term of Office	
	First Appointed	**End of Term**
Roy Terwilliger, Chair	March 2003	January 2011
Loanne Thrane, Vice Chair	January 1985	January 2009
Peggy Lucas, Secretary	January 1993	January 2009
Ray Waldron, Treasurer	January 2005	January 2009
Charles T. Lutz	November 2006	January 2011
Paul Rexford Thatcher, Sr	January 2007	January 2011
Timothy M. Rose	January 2007	January 2011

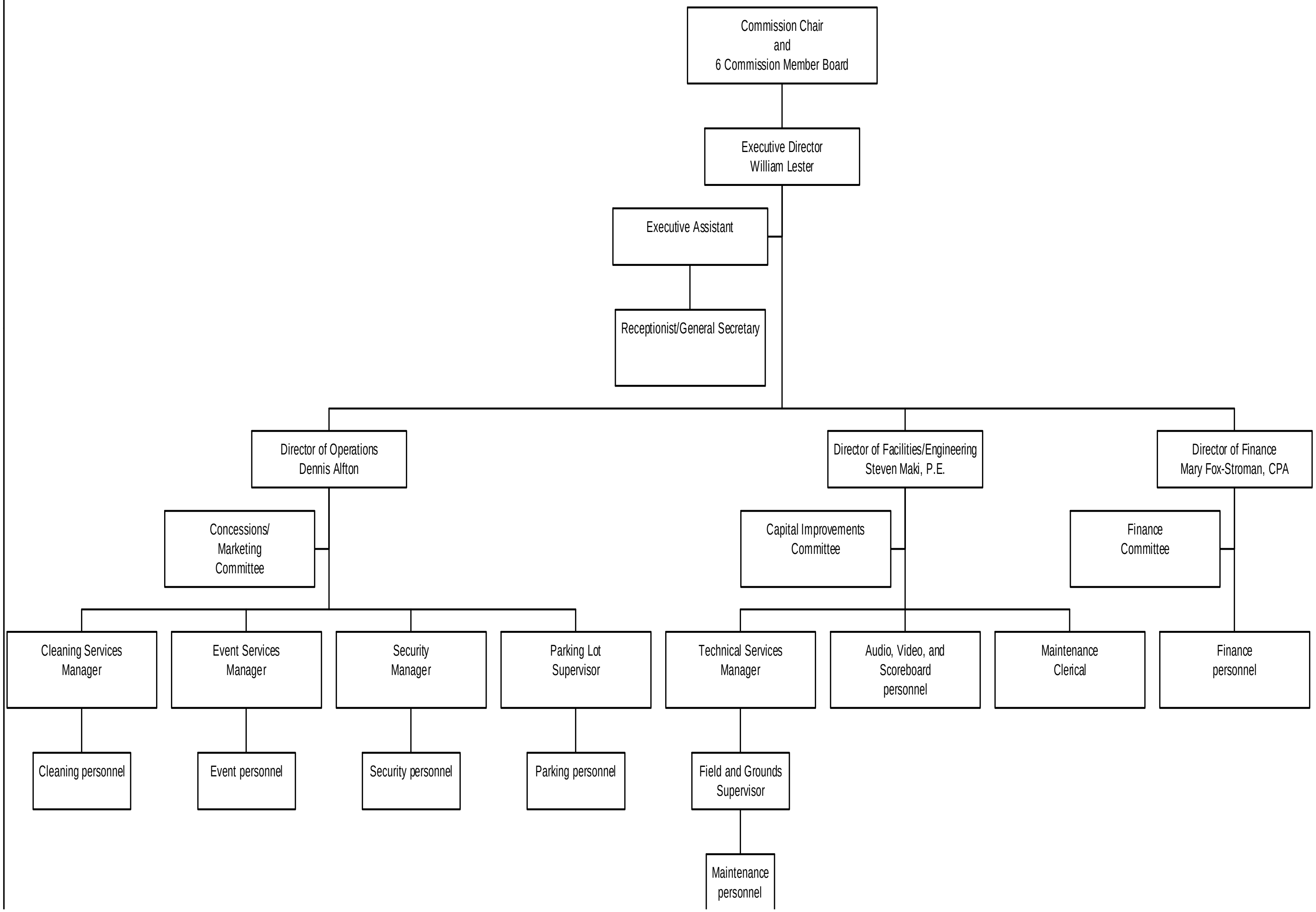
Executive Director
William Lester

Director of Operations
Dennis Alfton

Director of Facilities/Engineering
Steve Maki, P.E.

Director of Finance
Mary C. Fox-Stroman, CPA

Metropolitan Sports Facilities Commission



Financial Section

The Financial Section includes the independent auditor's report, management's discussion and analysis, and the basic financial statements including the accompanying notes.

OLA **OFFICE OF THE LEGISLATIVE AUDITOR**
STATE OF MINNESOTA • James Nobles, Legislative Auditor

Independent Auditor's Report

Representative Rick Hansen, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Mr. Roy Terwilliger, Chair
Metropolitan Sports Facilities Commission

Members of the Metropolitan Sports Facilities Commission

Mr. William Lester, Executive Director
Metropolitan Sports Facilities Commission

We have audited the accompanying basic financial statements of the Metropolitan Sports Facilities Commission, a component unit of the Metropolitan Council, as of and for the year ended December 31, 2007, as listed in the table of contents. These financial statements are the responsibility of the commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Metropolitan Sports Facilities Commission as of December 31, 2007, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2008, on our consideration of the Metropolitan Sports Facilities Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report

Room 140 Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155-1603 • Tel: 651/296-4708 • Fax: 651/296-4712
E-mail: auditor@state.mn.us • TDD Relay: 651/297-5353 • Website: www.auditor.leg.state.mn.us

is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the commission's basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purposes of forming an opinion on the commission's basic financial statements. The Introductory Section and Statistical Section, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the commission's basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on them.

James R. Nobles

James R. Nobles
Legislative Auditor

Cecile M. Ferkul

Cecile M. Ferkul, CPA, CISA
Deputy Legislative Auditor

May 30, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Metropolitan Sports Facilities Commission (Commission) Comprehensive Annual Financial Report presents our discussion and analysis of the Commission's financial performance during the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i- v of this report.

Financial Highlights

The basic financial statements report information about the Commission using the economic resources measurement focus and accrual basis of accounting.

- The Commission's total net assets (assets less liabilities) were $39,239,795 at December 31, 2007, net assets decreased by $5,258,379 from the previous year.
- During fiscal year 2007, the Commission's revenues decreased by $1,187,867, fiscal year 2007 revenues were $49,189,377. The decrease in revenues was due primarily to a $1,130,254 decrease in concession sales in 2007, operating revenues decreased by $1,450,948.
- The Commission's expenses increased by $192,239 during the year, fiscal year 2007 expenses were $54,447,756.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The financial section of this annual report consists of:

(1) Independent Auditor's Report

(2) Management's Discussion and Analysis (presented here)

(3) Basic (Enterprise fund) Financial Statements:
   a. Statement of net assets
   b. Statement of revenues, expenses, and changes in net assets
   c. Statement of cash flows

(4) Notes to the Financial Statements

The Commission uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The Commission maintains one proprietary fund, an enterprise fund. The enterprise fund financial statements report information about the Commission using accounting methods similar to those used by private-sector businesses in which costs are recovered primarily through user charges. Enterprise fund financial statements provide both short-term and long-term financial information about the

Commission's overall financial status. In addition, they report the Commission's net assets and how they have changed during the fiscal year.

The Commission's primary business activity is operation of the Hubert H. Humphrey Metrodome sports facility (Metrodome). The Metrodome was primarily built for three major users: Minnesota Twins, Minnesota Vikings, and the University of Minnesota Gopher football team, and it has been their home field since 1982. The tenure of the Minnesota Twins and the University of Minnesota Gopher football team will end when the new ballpark and the new on-campus football stadium open in 2010 and 2009, respectively. The Commission executes a "Use Agreement" with its users to stipulate the terms for their use of the stadium. The Commission's Use Agreement with the Minnesota Twins expired in 2003; however, both parties continue to operate according to the terms of that agreement. Twins confirmed that they will play all home games for the 2008 baseball season at the Metrodome. The Commission's Use Agreement with the Minnesota Vikings requires them to play all home football games through the 2011 football season at the Metrodome. The Use Agreement with the University of Minnesota requires them to play all home games through the 2011 football season at the Metrodome; however, the 2006 stadium law only obligates them to play home football games at the Metrodome until the opening of the new on-campus stadium.

The statement of net assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial health of the Commission is improving or deteriorating. Additionally, nonfinancial factors, such as a change in major tenants or the condition of the Metrodome, should be considered to assess the overall health of the Commission. The statement of net assets can be found on page 11 of this report.

The statement of revenues, expenses and changes in net assets presents information showing how the Commission's net assets changed during the year. All of the current year's revenues and expenses are accounted for in this statement, regardless of when cash is received or paid. The statement of revenues, expenses and changes in net assets can be found on page 12 of this report.

The statement of cash flows reports cash and cash equivalent activities for the fiscal year as a result of operating, capital and investing activities. The statement of cash flows can be found on page 13 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the enterprise fund financial statements. The notes to the financial statements can be found on pages 14 - 22 of this report.

Financial Analysis

Following is a table that presents a summary of the Commission's Statement of Net Assets as of December 31, 2006 and 2007:

Summary of Net Assets as of December 31, 2006 and 2007

	2006	2007
ASSETS		
Current assets:		
Cash and cash equivalents	$ 9,936,679	$ 8,738,722
Investments	8,721,882	9,631,899
Receivables:		
Accounts	5,079,115	5,356,963
Accrued interest	62,241	65,287
Prepaid items	232,399	231,854
Total current assets	24,032,316	24,024,725
Noncurrent assets:		
Receivables:		
Accounts	426,500	501,500
Capital assets:		
Land	8,700,000	8,700,000
Building	99,759,853	99,910,032
Equipment	11,808,686	11,966,624
Accumulated depreciation	(92,952,652)	(97,966,522)
Total capital assets (net of accumulated depreciation)	27,315,887	22,610,134
Total noncurrent assets	27,742,387	23,111,634
Total assets	51,774,703	47,136,359
LIABILITIES		
Current liabilities:		
Salaries and benefits payable	112,344	120,807
Accounts payable and other accrued liabilities	6,602,971	7,353,827
Unearned revenue	358,977	193,466
Compensated absences	121,767	135,120
Total current liabilities	7,196,059	7,803,220
Noncurrent liabilities:		
Compensated absences	80,470	93,344
Total liabilities	7,276,529	7,896,564
NET ASSETS		
Invested in capital assets	27,315,887	22,610,134
Unrestricted	17,182,287	16,629,661
Total net assets	$ 44,498,174	$ 39,239,795

As noted earlier, net assets serve as a useful indicator of the Commission's financial position. In fiscal year 2007, the Commission's net assets decreased by $5,258,379 (12 percent) to $39,239,795. The largest portion of the Commission's net assets, $22,610,134 (57 percent), reflects its investment in capital assets (e.g., land, buildings and equipment) less depreciation. These assets are comprised of the Metrodome stadium site, stadium building, and stadium equipment. The Commission uses these capital assets to provide services to tenants, their fans, and the public; consequently, these assets are not available for future spending. The unrestricted net assets of $16,629,661 (43 percent) are available for future use to meet the Commission's ongoing obligations to tenants, fans, citizens, and creditors. These assets are reserved for future operating expenses, capital improvements, repair and replacement expenses, and concession related expenses. At the end of the current fiscal year, the Commission is able to report positive balances in both categories of net assets. The same situation held true for the prior fiscal year.

The following table summarizes the changes in net assets for the years ended December 31, 2006 and 2007.

Summary of Changes in Net Assets
For the Fiscal Years Ended December 31, 2006 and 2007

	2006	2007
Revenues:		
Concessions	$ 28,088,303	$ 26,958,049
Admission tax	9,849,355	9,909,700
Rent	4,815,812	4,730,819
Charges for services	3,460,371	3,600,963
Advertising	2,261,410	2,094,291
Novelties	183,620	175,334
Parking	143,420	141,034
Other	766,550	507,703
Investment earnings	808,403	1,071,484
Total revenues	50,377,244	49,189,377
Expenses:		
Concession costs	14,354,882	14,216,818
Tenants share of concession receipts	9,241,833	8,810,658
Facilities cost credit	9,099,860	9,315,577
Personal services	3,639,189	3,724,557
Professional services	412,441	307,839
Contractual services	4,334,432	4,705,832
Audio-visual services	362,744	346,100
Travel and meetings	42,202	41,722
Supplies, repairs and maintenance	760,270	886,210
Utilities	3,526,626	3,729,779
Insurance	481,715	551,483
Communications	87,055	93,603
Facilities planning, research and public information	390,158	1,082,666
Event costs	1,207,994	548,187
Marketing and advertising	446,771	364,589
Miscellaneous	205,557	218,059
Depreciation	5,405,818	5,491,175
Loss on disposal of capital assets	255,970	12,902
Total expenses	54,255,517	54,447,756
Change in net assets	(3,878,273)	(5,258,379)
Total net assets, January 1	48,376,447	44,498,174
Total net assets, December 31	$ 44,498,174	$ 39,239,795

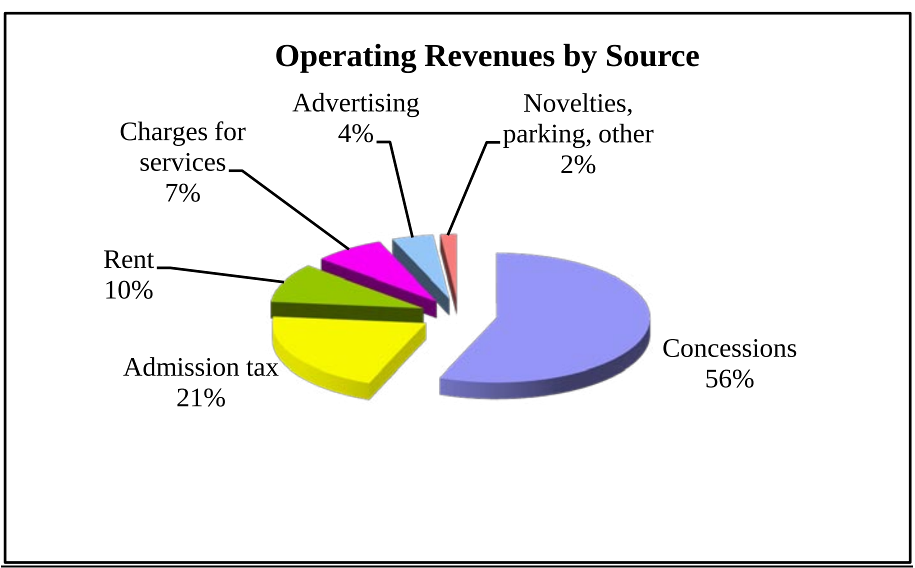
Commission's Activities

Operating revenues for the Commission were $48,117,893 for fiscal year 2007. Sources of revenue are comprised of concessions, admission tax, rent, charges for services, advertising, novelties, parking, and other revenues. Food and beverage concessions constitute the largest source of revenues and represent 56 percent of total operating revenues. A portion of the concessions revenues are paid to the tenants and a five percent management fee is paid to the concessionaire who manages and operates the concessions.

Per Minnesota statutes a ten percent admission tax is charged on all Metrodome admission tickets. This tax was designed as a user fee to help defray operating expenses. Rent is based on the terms of the use agreements with the Minnesota Twins, Minnesota Vikings, and various other users. Rent also includes the private suite rent from the Minnesota Vikings. Charges for services include the payments from the users and others for event related expenses. The Commission receives advertising revenue from the stadium seating area and the outside marquee; some of the users receive the advertising revenue from the concourses. The largest changes in revenues were:

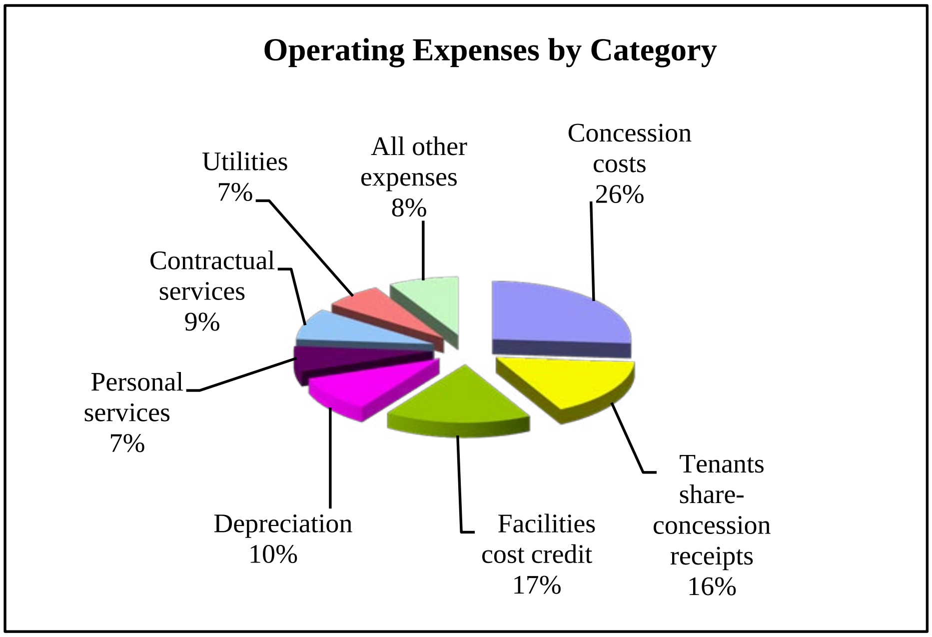
- Concessions decreased by $1,130,254. This decrease is primarily due to a reduction in concession revenues of $1,061,784 for the Minnesota Twins games. In 2006 the Minnesota Twins played 81 regular-season games and two post-season baseball games; however, in 2007 they only played 81 regular-season games.
- Admission taxes increased by $60,345 primarily due to increased ticket sales for Minnesota Twins games and University of Minnesota gopher football games.
- Charges for services increased by $140,592 due to an increase in reimbursed expenses paid by the Minnesota Twins and the University of Minnesota.
- Advertising revenues decreased by $167,119 due to a reduction in advertising sales.

Below is a chart of the 2007 operating revenues by source:



The Commission's operating expenses include concessions (operating) costs, tenants share of concession receipts, facilities cost credit, personal services, professional services, contractual services, utilities, supplies, repairs and maintenance, insurance, facilities planning, research and public information, event costs, marketing and advertising, depreciation, and other expenses.

Below is a chart of the 2007 operating expenses by category:



The Commission continually makes improvements to the stadium for the enjoyment of its users and their fans. Regular maintenance, repairs, and upgrades are essential to keep the stadium up to date and in line with current stadium designs. The Commission attempts to keep abreast of changing public needs and expectations to ensure that it fulfills the community's needs for comfort and convenience. Concession costs decreased by $138,064 and tenants' share of concession receipts decreased by $431,175, these decreases are primarily due to a reduction in the number of events held at the Metrodome in 2007 and reduced concession sales. Facilities cost credit increased $215,717 due to increased ticket sales for the Minnesota Twins and the University of Minnesota Gopher football games. Contractual services expenses increased by $371,400 due to increases in the purchase of cleaning supplies and services. Utilities increased by $203,153 due to increased electricity, heating, and air conditioning costs. Facilities planning, research and public information increased by $692,508 due to the Metrodome Next stadium analysis project. Event costs decreased by $659,807 due to a reduction in costs related to the 2006 NCAA Division I Men's Basketball Championship Minneapolis Regional games that were held at the Metrodome.

The facilities cost credit was created to help the major users enhance team revenues and/or reduce event day cost of operations in the Metrodome. The Commission issues an annual payment to the Minnesota Twins and the University of Minnesota that is equal to the admission tax paid by each team for events in the Metrodome. The Commission waives the required rent payment from the Minnesota Vikings in lieu of the facilities cost credit. The facilities cost credit of $9,315,577 includes expenses of $4,478,762 for Minnesota Twins, $3,938,108 for Minnesota Vikings, and $898,707 for the University of Minnesota.

Capital Assets

The Commission's investment in capital assets as of December 31, 2007 was $22,610,134 (net of accumulated depreciation). The following summarizes the Commission's capital assets as of December 31, 2006 and 2007.

Capital Assets
As of December 31, 2006 and 2007

	2006	2007
Capital assets:		
Land	$8,700,000	$8,700,000
Buildings	99,759,853	99,910,032
Equipment	11,808,686	11,966,624
Total capital assets	120,268,539	120,576,656
Less: accumulated depreciation	(92,952,652)	(97,966,522)
Total capital assets, net	$27,315,887	$22,610,134

During fiscal year 2007, the Commission's net increase in total capital assets (including additions and deletions) was $308,117 over last year. This year's major capital asset additions included the following:

- Installation of concourse way finder signage $136,017
- Acquisition of 252 refuse containers for the concourses and restrooms $171,188
- Acquisition and/or replacement of concession equipment $156,959

Additional information on the Commission's capital assets can be found in the notes to the financial statements on page 19 of this report.

Economic Factors

The fiscal year 2008 budget includes net revenues of $12,817,680, a nine percent increase over the fiscal year 2007 budgeted level. Budgeted net revenues for the Minnesota Vikings games of $5,802,480 represent the majority of budgeted revenues, comprising approximately 45 percent of the fiscal year 2008 budgeted revenues. In fiscal year 2008 the 10 percent admission tax, rental fees, parking fees, building use fees, and advertising rates remained unchanged, however concession prices increased slightly.

Budgeted operating expenses for fiscal year 2008 are $13,653,400, a three percent increase over the fiscal year 2007 budgeted level. No major capital improvement initiatives were added for fiscal year 2008. Budgeted repair, replacements and improvement expenses decreased $200,000 to $620,000 for fiscal year 2008. The Commission plans to continue their stadium analysis related to the Metrodome Next project that identified the need for a new year-round climate controlled sports facilities on the Metrodome site and the need to retain the Minnesota Vikings in Minnesota after the expiration of their use agreement in 2011. The Commission is committed to achieving a stadium solution to retain professional football in Minnesota.

Planned Metrodome events in 2008 include: 81 games for the Minnesota Twins, 10 games for the Minnesota Vikings, and 6 University of Minnesota gopher football games. Other scheduled events include: high school, college, and amateur sporting events, monster truck events, other sport, recreation, community, and cultural events. The Commission is in negotiations for hosting Israel@60 and the Sound Set'08 concert in May 2008.

Requests for Information

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in its financial position and to demonstrate the Commission's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, Metropolitan Sports Facilities Commission, 900 South Fifth Street, Minneapolis, Minnesota 55415.

METROPOLITAN SPORTS FACILITIES COMMISSION
STATEMENT OF NET ASSETS
December 31, 2007

Exhibit A

ASSETS		
Current assets:		
Cash and cash equivalents	$	8,738,722
Investments		9,631,899
Receivables:		
Accounts		5,356,963
Accrued interest		65,287
Prepaid items		231,854
Total current assets		24,024,725
Noncurrent assets:		
Receivables:		
Accounts		501,500
Capital assets:		
Land		8,700,000
Building		99,910,032
Equipment		11,966,624
Accumulated depreciation		(97,966,522)
Total capital assets (net of accumulated depreciation)		22,610,134
Total noncurrent assets		23,111,634
Total assets		47,136,359
LIABILITIES		
Current liabilities:		
Salaries and benefits payable		120,807
Accounts payable and other accrued liabilities		7,353,827
Unearned revenue		193,466
Compensated absences		135,120
Total current liabilities		7,803,220
Noncurrent liabilities:		
Compensated absences		93,344
Total liabilities		7,896,564
NET ASSETS		
Invested in capital assets		22,610,134
Unrestricted		16,629,661
Total net assets	$	39,239,795

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

METROPOLITAN SPORTS FACILITIES COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
December 31, 2007

Exhibit B

Operating revenues:		
Concessions	$	26,958,049
Admission tax		9,909,700
Rent		4,730,819
Charges for services		3,600,963
Advertising		2,094,291
Novelties		175,334
Parking		141,034
Other		507,703
Total operating revenues		48,117,893
Operating expenses:		
Concession costs		14,216,818
Tenants share of concession receipts		8,810,658
Facilities cost credit		9,315,577
Personal services		3,724,557
Professional services		307,839
Contractual services		4,705,832
Audio-visual services		346,100
Travel and meetings		41,722
Supplies, repairs and maintenance		886,210
Utilities		3,729,779
Insurance		551,483
Communications		93,603
Facilities planning, research and public information		1,082,666
Event costs		548,187
Marketing and advertising		364,589
Miscellaneous		218,059
Depreciation		5,491,175
Total operating expenses		54,434,854
Total operating loss		(6,316,961)
Nonoperating revenues (expenses):		
Investment earnings		1,071,484
Loss on disposal of capital assets		(12,902)
Total nonoperating revenues (expenses)		1,058,582
Change in net assets		(5,258,379)
Total net assets, January 1, 2007		44,498,174
Total net assets, December 31, 2007	$	39,239,795

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

METROPOLITAN SPORTS FACILITIES COMMISSION **Exhibit C**
STATEMENT OF CASH FLOWS
December 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from concessionaire	$	12,641,618
Cash received from tenants		11,621,452
Cash received from others		702,775
Cash payments to concessionaire, vendors and others		(12,834,789)
Cash payments to tenants		(8,999,242)
Cash payments to employees		(3,689,868)
Net cash provided (used) by operating activities		(558,054)
CASH FLOWS FROM CAPITAL ACTIVITIES		
Purchase of capital assets		(798,323)
Proceeds from sales of capital assets		-
Net cash provided (used) by capital activities		(798,323)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments		3,373,791
Purchase of investments		(4,227,049)
Interest received		1,011,678
Net cash provided (used) by investing activities		158,420
Net increase (decrease) in cash and cash equivalents		(1,197,957)
Cash and cash equivalents, January 1		9,936,679
Cash and cash equivalents, December 31	$	8,738,722
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	$	(6,316,961)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense		5,491,175
Change in assets and liabilities:		
(Increase) decrease in accounts receivable		(352,848)
(Increase) decrease in prepaid items		545
Increase (decrease) in salaries and benefits payable		8,463
Increase (decrease) in accounts payable and other accrued liabilities		750,856
Increase (decrease) in unearned revenue		(165,511)
Increase (decrease) in compensated absences		26,227
Total adjustments		5,758,907
Net cash provided (used) by operating activities	$	(558,054)
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	$	77,370
Capital asset trade-ins	$	2,450

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

I. Summary of significant accounting policies

A. Reporting entity

The Metropolitan Sports Facilities Commission (Commission) was established under Chapter 89, Minnesota Laws 1977 as amended and currently operates under Minnesota Statutes, Chapter 473. The Commission is composed of seven members, six members are appointed by the Minneapolis City Council and the chair is appointed by the Governor. The commissioners serve four-year terms.

The primary responsibility of the Commission is the operation of the Hubert H. Humphrey Metrodome sports facility (Metrodome). The Metrodome hosts a variety of events including the Minnesota Twins, Minnesota Vikings, University of Minnesota Gopher football team, various collegiate and amateur sports events, concerts, and community events.

The Commission had a Use Agreement with the Minnesota Twins for the period from July 31, 1998 through December 31, 2003, with respect to the stadium and office space. The Minnesota Twins have continued to play all of their home baseball games in the Metrodome. They are obligated to play their 2008 baseball season in the Metrodome according to an implied, non-written contract whose terms have been established by the conduct of the parties. The Minnesota Twins plan to open their new ballpark in April 2010.

The Commission's Use Agreement with the Minnesota Vikings obligates them to play all home football games, through the 2011 season, at the Metrodome.

The Commission's Use Agreement with the University of Minnesota obligates them to play all home football games at the Metrodome through the 2011 football season. However, the 2006 stadium law only obligates them to play their home games at the Metrodome until the opening of the new on-campus Gopher football stadium. The University of Minnesota plans to open the TCF Bank Stadium on September 12, 2009.

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

The Commission is a component unit of the Metropolitan Council of the Twin Cities Area (Metropolitan Council). The Metropolitan Council issued the original debt to finance the Metrodome, refunded the debt in 1992, and then defeased the refunding bonds in 1998. The Metropolitan Council annually approves the Commission's budget.

I. Summary of significant accounting policies (continued)

B. Measurement focus, basis of accounting, and financial statement presentation

The Commission's enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Commission's enterprise fund are: concession revenues, admission taxes, rent and charges for services. Operating expenses include concession costs, tenants' share of concession receipts, facilities cost credit, building maintenance, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities That Use Proprietary Fund Accounting*, the Commission has elected not to apply Financial Accounting Standards Board statements and interpretations issued after November 30, 1989.

C. Assets, liabilities, and net assets

1. Cash and investments

The Commission has defined cash and cash equivalents as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Commission deposits are backed by a combination of Federal Deposit Insurance Corporation (FDIC) and collateral in the form of statutorily approved securities.

The Commission may invest funds as authorized by Minnesota Statutes, Chapter 118A, and the Commission's internal investment policy. Investments include:

(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 Statutes, Chapter 118A.04, subdivision 6;

(b) Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments.

I. Summary of significant accounting policies (continued)

Investments are stated at fair value as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* The fair value of the Commission's investments is based on quoted market prices.

2. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

3. Capital assets

Capital assets include land, buildings and equipment. Capital assets are defined by the Commission as assets with an initial, individual cost of $500 or more and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Capital Assets	Useful Life
Buildings	9 – 30 years, up to Year 2011
Equipment	3 – 10 years, up to Year 2011

4. Compensated absences

The Commission accrues vacation and sick leave when earned. All full-time employees earn annual vacation leave based on years of service and are allowed to accumulate up to a maximum of 280 hours as of the end of each year. Certain employees qualify for a sick leave severance benefit paid at termination. The pay rate in effect at the end of the year and the employer's share of social security contributions are used to calculate compensated absences accruals at December 31.

5. Unearned revenue

Unearned revenue consists of amounts recognized as assets that have not been earned. These amounts include admission taxes, advertising revenues, and rent.

6. Net assets

Net assets are comprised of two categories: net assets invested in capital assets and unrestricted net assets. The first category reflects the portion of assets that is associated with non-liquid capital assets. Net assets which are neither restricted nor related to

I. Summary of significant accounting policies (continued)

capital assets, are reported as unrestricted net assets. The Commission maintains the following unrestricted net asset accounts:

Unrestricted Net Asset Accounts	Balance as of December 31, 2007
Operating account	$ 8,970,302
Repairs, replacements and improvements account	5,114,863
Concessions reserve account	2,544,496
	$16,629,661

II. Detailed Notes

A. Deposits

Minnesota Statutes, Chapter 118A, require that all Commission deposits in excess of available federal deposit insurance be protected by corporate surety bonds or collateral pledged to the Commission. The statute further requires the total amount of collateral computed at its fair market value shall be at least ten percent more than the amount on deposit at the close of the business day. At December 31, 2007, the carrying amount of the Commission's combined bank accounts was $640,139. Bank balances were $715,244 of which $100,000 was covered by federal depository insurance and the remaining $615,244 was collateralized with securities held by the Federal Reserve Bank in the Commission's name. The differences between carrying value and bank balance generally result from checks outstanding and deposits in transit at December 31, 2007.

B. Investments

The Commission's investment policy addresses certain risks to which it is currently exposed as follows:

Interest rate risk. In accordance with its investment policy the Commission manages its exposure to declines in fair value. To meet short-term cash flow needs, the Commission's investment portfolio will remain sufficiently liquid to enable the Commission to meet anticipated cash requirements without the occurrence of significant investment losses. To meet long-term needs, the average duration of the investment portfolio should match the average duration of liabilities subject to regulatory requirements.

II. Detailed notes (continued)

Credit risk. Minnesota Statutes, Chapter 118A, limits investment instruments purchased by the Commission. It is the Commission's policy not to invest in interest-only securities, principal-only securities, collateralized mortgage obligations residual tranches, guaranteed investment contracts, interest rate swaps, options, futures or forward contracts, and foreign securities or foreign exchange contracts. The Commission's investment policy limits investments to the highest rating issued by at least two nationally recognized statistical rating organizations. In the case of commercial paper, "A-1" or "P-1" ratings are acceptable.

Concentration of credit risk. The Commission's investment policy, which specifically limits investments to no more than 10% of the account's holding, may be in a single commercial paper issued at the time of purchase.

Custodial credit risk. The custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Commission will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counter party to a transaction, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. According to the Commission's investment policy, all securities are to be held by a third party safekeeping agent appointed as custodian.
The Commission has no foreign currency exposure.

Following is a summary of the fair values of securities at December 31, 2007:

Security Type	Credit Risk	Custody Credit Risk	Par	Fair Value	% of Total Portfolio
U.S. Treasury Securities			$ 725,000	$ 729,345	4.0%
U.S. Agency Securities:					
Federal National Mortgage Assn.	Aaa	Custody (a)	$ 3,252,362	$ 3,535,609	19.2%
Federal Home Loan Mtg. Corp.	Aaa	Custody (a)	$ 2,995,576	$ 3,209,020	17.3%
Government National Mortgage Assn.	Aaa	Custody (a)	$ 2,021,767	$ 2,157,926	11.6%
Money Market Funds	(b)	n.a.	$ 8,098,332	$ 8,098,332	44.0%
Cash in bank	n.a.	(c)	$ 715,244	$ 715,244	3.9%
Petty cash	n.a.	Commission held	$ 250	$ 250	0.0%
Total cash and investments			$17,808,531	$18,445,726	100.0%

(a) Securities held in custody/escrow are in the Commission's name
(b) $88,270 invested in Aaa money markets, $8,010,062 invested n A1/P1 type investments of the non-rated Sit Money Market Fund.
(c) Balances less than or equal to $100,000 are FDIC insured. Individual balances greater than $100,000 are collateralized, with securities held by the Federal Reserve Bank in the Commission's name.

II. Detailed notes (continued)

The Commission has adopted a simulation model of reporting its investments and their sensitivity to fluctuation in interest rates to comply with GASB Statement No. 40. As presented, assumptions are made of interest rate changes of 50, 100, 150, and 200 basis points; it also assumes that interest rate changes occur on December 31, 2007. The investment portfolio has an average yield of 5.47%, modified duration of 1.69 years, effective duration of 1.62 years and convexity of –0.59 as of 12/31/2007.

	Estimated Fair Value, Parallel Shift of Yield Curve			
Security Type	**+ 50 Basis Pts**	**+100 Basis Pts**	**+150 Basis Pts**	**+200 Basis Pts**
U.S. Treasury Securities	$ 723,182	$ 717,035	$ 710,582	$ 703,831
U.S. Agency Securities:				
Federal National Mortgage Assn.	$3,502,547	$3,472,776	$3,441,521	$3,408,826
Federal Home Loan Mtg. Corp.	$3,165,510	$3,138,603	$3,110,356	$3,080,807
Government National Mortgage Assn.	$2,136,043	$2,117,886	$2,098,825	$2,078,887
Money Market Funds	$8.108.732	$8,108,732	$8,108,732	$8,108,732
Cash in bank	$ 715,244	$ 715,244	$ 715,244	$ 715,244
Petty cash	$ 250	$ 250	$ 250	$ 250

C. Capital assets

Capital asset activity for the year ended December 31, 2007 was as follows:

	Balance January 1	Increases	Decreases	Balance December 31
Capital assets, not being depreciated:				
Land	$ 8,700,000	$ -	$ -	$ 8,700,000
Capital assets, being depreciated:				
Buildings	99,759,853	150,179	-	99,910,032
Equipment	11,808,686	650,595	(492,657)	11,966,624
Total capital assets, being depreciated	111,568,539	800,774	(492,657)	111,876,656
Less: accumulated depreciation for:				
Buildings	(84,843,600)	(4,403,810)	-	(89,247,410)
Equipment	(8,109,052)	(1,087,365)	477,305	(8,719,112)
Total accumulated depreciation	(92,952,652)	(5,491,175)	477,305	(97,966,522)
Total capital assets, being depreciated, net	18,615,887	(4,690,401)	(15,352)	13,910,134
Total capital assets, net	$27,315,887	$(4,690,401)	$ (15,352)	$22,610,134

II. Detailed notes (continued)

D. Expenses – Facilities Cost Credit

In 1998 the Commission created the facilities cost credit to assist the Minnesota Twins, Minnesota Vikings and the University of Minnesota Gophers in enhancing team revenues and/or reducing event day cost of operations in the Metrodome. Since 1999 the Commission has issued an annual payment to the Minnesota Twins and the University of Minnesota that is equal to the admissions tax paid by each team for their events in the Metrodome. At the request of the Minnesota Vikings, the Commission waived the required rent payment in lieu of the facilities cost credit. Although the facilities cost credit may not exceed admission tax amounts for each team's events, the tax is not waived or pledged to the teams.

E. Defeasance of debt

In March 1998, the Commission entered into an agreement with the Metropolitan Airports Commission for the sale of the Met Center property. The Indenture of Trust dated August 1, 1992, between the Metropolitan Council (issuer of bonds) and the Trustee for the Sports Facilities Revenue Refunding Bonds Series 1992 (Metrodome Refunding Bonds), restricted the proceeds from the sale of the Met Center property to debt service application or retirement of the bonds. On March 11, 1998, the Metropolitan Council, at the request of the Commission, entered into an Escrow Agreement to defease the outstanding Metrodome Refunding bonds. The proceeds from the sale of the Met Center property and funds on hand of the Commission were placed in an irrevocable escrow fund to provide for all future debt service payments on the bonds. Accordingly, the escrow fund assets and the liabilities for the defeased bonds are not included in the financial statements. The balance outstanding of the defeased bonds as of December 31, 2007 was $5,000.

F. Changes in long-term liabilities

Long-term compensated absences activity for the year ended December 31, 2007, was:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
$202,237	$204,117	$177,890	$228,464	$135,120

III. Other information

A. Retirement plans

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

General Employees Plan (GEP) Description
The MSRS-GEP is a cost-sharing multiple employer defined benefit public employee retirement plan. All full-time and certain part-time employees of the Commission are covered by this plan. The plan is administered by MSRS. MSRS provides retirement benefits, as well as disability benefits to members, and benefits to survivors upon the death of eligible members. Minnesota Statutes, Chapter 352, establishes MSRS and the plan benefit provisions.

MSRS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Minnesota State Retirement System, 60 Empire Drive, Suite 300, St. Paul, Minnesota 55103-3000 or by calling (651) 296-2761.

Funding Policy
Minnesota Statutes, Chapter 352, sets the rate for employee and employer contributions. Contributions are made to the fund by the employees and the employer, based on a percentage of gross salary/wage. For the period from January 1, 2007 through June 30, 2007, the total required contribution rate was 8.0%, and the employee and the employer each contributed 4.0%. For the period from July 1, 2007 through December 31, 2007, the total required contribution rate was 8.5%, and the employee and the employer each contributed 4.25%.

Employer contributions to MSRS-GEP, which equaled the required contribution for each year, were:

Year	Contributions
2005	$ 81,095
2006	85,690
2007	90,992

Unclassified Employees Plan (UEP) Description
The MSRS-UEP is a multiple employer defined contribution public employee retirement plan. Only the chair of the Commission is covered by this plan. The plan is authorized by Minnesota Statutes, Chapter 352D, and is considered a money purchase plan, i.e., members vest only to the extent of the value of their accounts (contributions plus earnings less administrative expenses). Retirement and disability benefits are available through conversion, at the member’s option to the General Employees Plan provided minimum service requirements are met.

III. Other information (continued)

Funding Policy

Minnesota Statutes, Chapter 352D, sets the rate for employee and employer contributions. Contributions are made to the fund by the employee and the employer, based on a percentage of gross salary/wage. The total required contribution rate was ten percent, the employee has a required contribution rate of four percent and the employer has a required contribution rate of six percent.

Employer contributions to MSRS-UEP, which equaled the required contribution for each year, were:

Year	Contributions
2005	$ 3,177
2006	3,267
2007	3,357

B. Risk management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; work related injuries; and natural disasters. The Commission purchased all-risk property insurance, terrorism insurance, general and umbrella liability insurance, automobile insurance, crime insurance, workers compensation insurance, and public officials and employee liability insurance. There have been no significant reductions in insurance coverage from the prior year. Within the past three fiscal years, no settled claims have exceeded commercial coverage.

C. Operating leases

The Commission leases office space and two storage facilities for operational purposes. The office space lease period began on November 1, 2005 and continues on a month-to-month basis with a 30-day cancellation notice, the lease payments were $6,000 in 2007. One storage facility is used to store the plywood which covers the stadium's artificial playing surface during certain events. This lease has continued on a month-to-month basis, lease payments of $20,400 were made in 2007. The other storage facility is used to store the Minnesota Twins' and the Minnesota Vikings' various sporting materials and equipment items. This lease expires in 2008, and lease payments of $11,835 were made in 2007.

D. Contingent liabilities

The Commission is a defendant in various lawsuits that arise in the ordinary course of its operations. Although the outcome of these matters is not presently determinable, in the opinion of the Commission's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Commission.

Statistical Section

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

LIST OF STATISTICAL TABLES

1.0 FINANCIAL TRENDS

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

2.0 REVENUE CAPACITY

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

3.0 DEMOGRAPHIC AND ECONOMIC INFORMATION

This information is intended to assist users in understanding the socioeconomic environment within which the Commission operates and to provide information that facilitates comparisons of financial statement information over time. Only one table is presented in this section.

4.0 OPERATING INFORMATION

This information is intended to provide contextual information about the Commission's operations and resources to assist readers in using financial statement information to understand and assess the Commission's economic condition. There are three tables presented in this section.

METROPOLITAN SPORTS FACILITIES COMMISSION **Table 1.1**

Net Assets by Component

Last Seven Fiscal Years (1)

	Fiscal Year						
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Invested in capital assets	$ 42,521,132	$ 38,097,612	$ 36,836,054	$ 34,284,166	$ 30,776,055	$ 27,315,887	$ 22,610,134
Unrestricted	19,303,368	19,802,113	18,943,699	18,619,516	17,600,392	17,182,287	16,629,661
Total net assets	$ 61,824,500	$ 57,899,725	$ 55,779,753	$ 52,903,682	$ 48,376,447	$ 44,498,174	$ 39,239,795

Source: Commission Finance department

1) GASB Statement No. 34 requires the presentation of net assets. This statement was implemented in fiscal year 2001; therefore, there are only seven years of data presented in this table.

METROPOLITAN SPORTS FACILITIES COMMISSION **Table 1.2**

Changes in Net Assets

Last Seven Fiscal Years

	Fiscal Year						
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Operating revenues:							
Concessions	$ 19,374,144	$ 22,280,961	$ 22,435,339	$ 22,529,617	$ 22,172,245	$ 28,088,303	$ 26,958,049
Admission tax	6,724,513	6,911,756	7,594,055	7,633,567	7,547,144	9,849,355	9,909,700
Rent	4,633,947	4,609,338	4,734,140	4,854,723	4,465,850	4,815,812	4,730,819
Charges for services	2,625,238	3,278,386	3,249,702	3,120,076	3,146,331	3,460,371	3,600,963
Advertising	1,604,761	1,573,914	2,162,562	1,852,312	2,396,461	2,261,410	2,094,291
Novelties	262,451	152,015	142,069	211,311	156,625	183,620	175,334
Parking	146,015	143,620	145,379	141,625	144,630	143,420	141,034
Other	545,807	395,106	293,857	444,136	347,528	766,550	507,703
Total operating revenues	$ 35,916,876	$ 39,345,096	$ 40,757,103	$ 40,787,367	$ 40,376,814	$ 49,568,841	$ 48,117,893
Operating expenses:							
Concession costs	$ 10,218,405	$ 11,744,361	$ 11,841,615	$ 12,019,363	$ 12,276,504	$ 14,354,882	$ 14,216,818
Tenants share of concession receipts	4,978,809	6,584,452	6,293,697	6,481,646	6,572,428	9,241,833	8,810,658
Facilities cost credit	5,406,589	6,340,575	6,576,380	7,089,684	7,116,138	9,099,860	9,315,577
Personal services	3,114,633	3,138,774	3,169,272	3,370,186	3,453,431	3,639,189	3,724,557
Professional services	326,949	607,907	639,046	523,768	474,359	412,441	307,839
Contractual services	3,782,745	3,835,488	3,657,299	3,578,312	3,965,868	4,334,432	4,705,832
Audio-visual services	444,512	364,762	292,588	266,218	234,594	362,744	346,100
Travel and meetings	38,786	51,757	64,501	41,325	44,238	42,202	41,722
Supplies, repairs and maintenance	677,490	893,431	710,888	759,200	1,113,391	760,270	886,210
Utilities	2,332,833	2,536,115	2,339,391	2,863,101	3,237,338	3,526,626	3,729,779
Insurance	293,153	412,099	610,687	559,440	539,870	481,715	551,483
Communications	156,880	76,288	94,144	80,670	75,092	87,055	93,603
Facilities planning, research and public information	1,159,501	1,239,874	184,562	100,722	4,865	390,158	1,082,666
Event costs	1,462,894	402,087	1,135,068	575,615	472,767	1,207,994	548,187
Marketing and advertising	-	336,569	241,479	418,810	484,334	446,771	364,589
Miscellaneous	1,015,804	328,511	232,401	143,368	163,011	205,557	218,059
Depreciation	5,279,780	5,038,725	5,090,179	5,208,418	5,198,157	5,405,818	5,491,175
Total operating expenses	$ 40,689,763	$ 43,931,775	$ 43,173,197	$ 44,079,846	$ 45,426,385	$ 53,999,547	$ 54,434,854
Total operating loss	$ (4,772,887)	$ (4,586,679)	$ (2,416,094)	$ (3,292,479)	$ (5,049,571)	$ (4,430,706)	$ (6,316,961)
Nonoperating revenues (expenses):							
Investment earnings	$ 1,102,940	$ 658,149	$ 323,528	$ 431,592	$ 523,089	$ 808,403	$ 1,071,484
Gain/(loss) on disposal of capital assets	(3,684,524)	3,755	(30,406)	(15,184)	(753)	(255,970)	(12,902)
Total nonoperating revenues (expenses)	$ (2,581,584)	$ 661,904	$ 293,122	$ 416,408	$ 522,336	$ 552,433	$ 1,058,582
Capital contributions	$ -	$ -	$ 3,000	$ -	$ -	$ -	$ -
Change in net assets	$ (7,354,471)	$ (3,924,775)	$ (2,119,972)	$ (2,876,071)	$ (4,527,235)	$ (3,878,273)	$ (5,258,379)

Source: Commission Finance department

1) GASB Statement No. 34 requires the presentation of net assets. This statement was implemented in fiscal year 2001; therefore, there are only seven years of data presented in this table.

METROPOLITAN SPORTS FACILITIES COMMISSION **Table 2.1**
User Fee Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Concessions (1)	Admission Tax (2)	Rent (3)	Charges for Services	Advertising	Parking	Novelties and Other
1998	$ 12,028,159	$ 3,923,446	$ 3,686,506	*	$ 1,757,281	$ 132,939	$ 706,118
1999	12,287,430	4,636,332	4,383,490	*	1,792,685	142,809	816,479
2000	14,315,621	5,426,903	4,707,790	*	1,019,036	149,611	883,737
2001	19,374,144	6,724,513	4,633,947	$ 2,625,238	1,604,761	146,015	808,258
2002	22,280,961	6,911,756	4,609,338	3,278,386	1,573,914	143,620	547,121
2003	22,435,339	7,594,055	4,734,140	3,249,702	2,162,562	145,379	435,926
2004	22,529,617	7,633,567	4,854,723	3,120,076	1,852,312	141,625	655,447
2005	22,172,245	7,547,144	4,465,850	3,146,331	2,396,461	144,630	504,153
2006	28,088,303	9,849,355	4,815,812	3,460,371	2,261,410	143,420	950,170
2007	26,958,049	9,909,700	4,730,819	3,600,963	2,094,291	141,034	683,037

* Charges for services revenue information was not available for this year.

Source: Commission Finance department

1) Various prices are charged for food and beverage concessions.
2) A 10% admission tax is assessed on all ticket sales for Metrodome events.
3) A 9.5% rental fee is assessed on Minnesota Vikings ticket sales and a $400 hourly rental fee is charged for nonmajor Metrodome users.

METROPOLITAN SPORTS FACILITIES COMMISSION **Table 3.1**

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (In Millions) (1)	Per Capita Income (1)	Unemployment Rate (2)
1998	2,545,000	$ 95,327	$ 33,046	1.9%
1999	2,578,000	101,063	34,466	2.1%
2000	2,642,056	109,818	36,840	2.6%
2001	2,674,927	113,012	37,407	3.1%
2002	2,708,916	115,607	37,787	4.1%
2003	2,740,985	119,741	38,836	4.6%
2004	2,771,030	127,365	40,915	4.5%
2005	2,810,179	132,258	42,083	3.8%
2006	2,821,779	138,735	43,696	3.8%
2007	2,821,779	138,735	43,696	4.3%

Sources:

1) Metropolitan Council Comprehensive Annual Financial Report - U.S. Commerce Department, Buruea of Economic Analysis for the Minneapolis-St. Paul Metropolitan Statistical Area (1997-2002). Other years updated by Metropolitan Council.

2) Metropolitan Council Comprehensive Annual Financial Report - State of Minnesota, Department of Employment and Economic Development (seven county area).

METROPOLITAN SPORTS FACILITIES COMMISSION **Table 4.1**
Full-Time Employees by Department
Last Six Fiscal Years

Fiscal Year	Administrative	Cleaning Services	Building Maintenance	Security	Video Production	Total
2002	9	2	17	4	2	34
2003	9	2	17	4	2	34
2004	9	2	17	5	2	35
2005	9	2	17	3	2	33
2006	9	2	17	5	1	34
2007	9	2	17	5	1	34

Source: Commission Finance department

1) Full-time employee information was available only for years 2002-present.

METROPOLITAN SPORTS FACILITIES COMMISSION **Table 4.2**
Stadium Event Attendance
Last Ten Fiscal Years

Fiscal Year	Metrodome Attendance
1998	2,957,460
1999	2,588,502
2000	2,641,182
2001	3,249,257
2002	3,516,570
2003	3,442,469
2004	3,277,984
2005	3,064,640
2006	3,686,602
2007	3,404,350

Source: Commission Finance department

METROPOLITAN SPORTS FACILITIES COMMISSION **Table 4.3**

Metrodome Amenities

December 31, 2007

Date of Establishment	1977
Number of primary users	3
Number of employees	
Full-time	34
Seating capacity	64,100
Number of private suites	100
Site size (acres)	20
Number of concession stands	
Upper level	17
Lower level	14
Plaza	1
Restrooms	32
Concourse width	
Upper level and lower level	20 feet
Playing field in relation to street level	47 feet below
Playing surface	Artificial turf
Playing field size	141,515 sq. feet
Roof	
Type	Fixed-supported by air
Surface	Teflon-coated fiberglass roof with inner fiberglass liner
Height above playing field	195 feet
Total dome area	415,000 sq. feet (9.5 acres)
Baseball Dimensions	
Right Field @ Foul Line	326 feet
Left Field @ Foul Line	354 feet
Center Field	406 feet

Source: Commission Finance department

Hubert H. Humphrey Metrodome
Metropolitan Sports Facilities Commission
900 South 5th Street
Minneapolis, MN 55415
www.msfc.com

METRODOME