

**Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota**

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2007

A Component Unit of the City of Saint Paul, Minnesota





**HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA**

A Component Unit of the City of Saint Paul

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2007**

**Jay Benanav, Chairperson
Chris Coleman, Mayor of the City of Saint Paul
Cecile Bedor, Executive Director**

HRA Board of Commissioners:

**Jay Benanav
Daniel Bostrom
Patrick Harris
Lee Helgen
Kathy Lantry
Debbie Montgomery
David Thune**

**Prepared by:
City of Saint Paul -
Department of Planning & Economic Development**

HOUSING AND REDEVELOPMENT AUTHORITY OF
THE CITY OF SAINT PAUL, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2007

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HOUSING AND REDEVELOPMENT AUTHORITY OF
THE CITY OF SAINT PAUL, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

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CITY OF SAINT PAUL
Christopher B. Coleman, Mayor

25 West Fourth Street
Saint Paul, MN 55102

Telephone: 651-266-6655
Facsimile: 651-228-3261

June 30, 2008

TO: THE BOARD OF COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA AND THE CITIZENS OF SAINT PAUL:

The Comprehensive Annual Financial Report of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA) for the fiscal year ended December 31, 2007 is hereby presented to the Board of Commissioners and the citizens of Saint Paul. This report has been prepared pursuant to, and demonstrates compliance with Minnesota Statutes Section 469.013; and recognizes the HRA's past and current practices of financial disclosure.

This report was prepared by the City of Saint Paul's (City) Department of Planning and Economic Development. In accordance with an agreement between the HRA and the City, the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures rests with the City. We believe the data, as presented, are accurate in all material aspects; that they are presented in a manner designed to fairly set forth the financial position, changes in financial position, and cash flows of the HRA as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the HRA's financial affairs have been included. This report has been prepared in accordance with current accounting and financial reporting principles generally accepted in the United States of America and standards set by the Governmental Accounting Standards Board (GASB) and also follows the guidelines recommended by the Government Finance Officers Association of the United States and Canada.

State law also requires an annual audit of the books of account, financial records and transactions, and this financial report by the State Auditor's Office. This requirement has been met and the auditor's opinion has been included in this report. The audit was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget's Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*. Auditing standards generally accepted in the United States of America and the standards set forth in the U.S. General Accounting Office's *Government Auditing Standards* were used by the State Auditor in conducting the engagement. The State Auditor is also issuing a management and compliance letter covering the review of the HRA's system of internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The management and compliance letter will not modify or affect, in any way, this report.

The Government Finance Officers Association reports a growing awareness that the annual financial report should be management's report to its governing body, constituents, oversight bodies, resource providers, investors and creditors. We agree with this direction, and, in keeping with past practice, will send a copy of the report to the Board of Commissioners, HRA management, bond rating agencies, financial institutions and government agencies and other interested parties, who have expressed an interest in the HRA's financial affairs.

The report consists of three sections:

1. The Introductory Section includes this letter of transmittal, the City's organization chart, a listing of the HRA's principal officials and the Certificate of Achievement for Excellence in Financial Reporting.
2. The Financial Section includes the State Auditor's opinion, Management's Discussion and Analysis, Basic Financial Statements, and supplementary schedules. The Management's Discussion and Analysis provides an introduction, overview and analysis of the financial statements. The Basic Financial Statements include both government-wide statements and individual fund statements, along with notes to the financial statements.
3. The Statistical Section includes a number of tables of unaudited data depicting the financial history of the HRA for the past several years. Demographic and other miscellaneous information are also presented.

Profile of the Government

The Saint Paul Housing and Redevelopment Authority was established by State Law in 1947, Chapter 487 (codified at Minn. Stat. Ch. 469). The HRA provides the full range of services as stipulated in Chapter 469: urban renewal, redevelopment, economic development, and rehabilitation. These services strive to redevelop the residential, commercial and industrial areas of Saint Paul, provide adequate jobs, a sound fiscal base, and a variety of affordable housing for Saint Paul residents. The HRA is governed by a seven-member Board of Commissioners consisting of the members of the City Council.

The HRA was reorganized in 1978 and 1979. Under the reorganization, the HRA employees became employees of the City of Saint Paul. The HRA has no employees. The HRA and the City entered into an agreement, effective January 1, 1979, whereby the City agreed to perform administrative and accounting services for the HRA.

This report includes all of the funds, capital assets, and long-term debt of the HRA as described in the Management's Discussion and Analysis, which can be found immediately following the auditor's opinion. In addition, it has been determined that, for financial reporting purposes, the HRA is a component unit of the City of Saint Paul and is, therefore, included in the City's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007.

The HRA is empowered to levy a tax on both real and personal property in Saint Paul. This tax has been levied annually by the HRA. The HRA also receives property tax increments on designated Saint Paul tax increment financing districts that were established for development purposes. Under State Law, the HRA is authorized to issue revenue bonds on which the principal and interest are payable from specific revenues. The HRA may pledge the general obligations of the City as additional security on these same revenue bonds. The HRA is not authorized to issue bonds which constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

HRA Unified Credit Process

The unified credit process is based on a desire to focus on fundamentally strong credit administration; provide uniformity in all programs and projects funded by the HRA; and provide a focused purpose of serving our costumers while acting in a fiduciary capacity for the citizens and taxpayers of the City of Saint Paul.

The credit process includes five components: (1) Underwriting discipline and risk rating all loans, (2) Account (loan) officer portfolio responsibility, (3) Credit Committee review and approval function, (4) Loan servicing and portfolio management emphasis, (5) Charge-off policy and guidelines. Underwriting guidelines for each lending program have been developed to guide the application process, ensure consistency in eligibility determination, financial feasibility analysis and loan approval. All credits are risk based on consistent risk rating criteria. The Credit Committee is the cornerstone of the credit process and provides perspective, judgment, experience and consistency to the risk management process. The successful implementation of the credit process has resulted in a strong and focused credit culture throughout the HRA organization. This allows the HRA to be held accountable for providing value to the citizens, taxpayers and neighborhoods in Saint Paul. To ensure that the credit process discipline is working, an effective system of internal controls has been developed. These controls assist in the achievement of the HRA business objectives and provide reasonable assurance that the business is conducted in a safe and sound manner.

Cash Management Policies and Practices

The HRA's deposit and investment functions are managed by the City's Office of Financial Services, Treasury Division. For certain bond issues, cash and investments are held by trustees as required by bond indentures. Deposits are maintained at financial institutions authorized by the City Council, all of which institutions are members of the Federal Reserve System. Minnesota Statutes require that all City deposits be covered by insurance, surety bond, or collateral. In addition to interest bearing deposits, cash temporarily idle is invested in various government securities, repurchase agreements, commercial paper, bankers acceptances, guaranteed investment contracts and other investments authorized under State Law.

Economic Outlook

Saint Paul is an important part of the overall strong Twin Cities metro area economy. The area gained 34,100 jobs between December 2005 and December 2006. Minneapolis-Saint Paul is 6th among the 25 largest MSAs in recent job growth.¹

Saint Paul compares favorably when ranked among the 20 largest northeast and midwest cities on certain economic and social factors.² Among these peer cities:

- Saint Paul had the 3rd lowest annual unemployment rate in 2006 (4.1%).
- Saint Paul ranks 3rd highest in both median household income (\$43,654) and median family income (\$54,537) and 7th highest in per capita income (\$23,675).
- Saint Paul is 8th lowest in percent of people who have lived below poverty level in past year (20.9%).
- Saint Paul is 4th highest in percent of housing that is owner occupied (59.0%).
- The median value of owner-occupied houses in Saint Paul is 6th highest compared to peer cities (\$209,800).
- Saint Paul is 4th highest in percentage of occupied housing units (90.7%).
- Saint Paul is ranked 3rd highest in percent of population over 25 years with a bachelor's degree (22.6%).

Over the years, Saint Paul has consistently registered a lower unemployment rate than that of the U.S. as a whole. For 2006, the City's 4.1% unemployment rate was lower than the U.S. rate of 4.6%. Saint Paul's largest employment sector is Education and Health Services (51,239 jobs in 2006; 28.4% of total). Other large super sectors include Trade, Transportation and Utilities (22,333 jobs; 12.4% of total), Public Administration (21,894 jobs; 12.1% of total), and Professional and Business Services (21,528 jobs; 11.9% of total).³

Similarly, tax base growth has been strong and sustained: From Pay 2003 to estimates for Pay 2008, Saint Paul's taxable market values have increased 82% (from \$12,659 billion to \$23,097 billion). This strong growth rate is due to the combination of a number of factors, including:

- Strong residential and apartment markets in 2003-2006.

1 Metropolitan Council, State of the Region 2007: Regional Economic Indicators.

2 The cities are Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Columbus, Detroit, Indianapolis, Kansas City, Milwaukee, Minneapolis, New York, Newark, Omaha, Philadelphia, Pittsburgh, St. Louis and Toledo.

3 Minnesota Department of Employment and Economic Development's Quarterly Census Employment and Wages (QCEW) tool, available at <http://www.deed.state.mn.us/lmi/tools/qcew.htm>.

- A state law that is gradually phasing out preferential treatment that limited year-to-year growth in homestead taxable values (known as “limited market value”). Recently, the taxable market value growth rate has slowed slightly as the phase out of limited market value nears completion.

Strong growth in the tax capacity of commercial and industrial properties has offset slowing in the residential market. Net tax capacities for commercial and industrial properties were projected to grow by 12.9%, compared to 9.7% for residential properties in the 2007 assessment year (for taxes payable in 2008).

Saint Paul began collecting a half-cent sales tax at the end of 1993, and added a use tax in 2000. Annual net sales and use tax revenues have increased from \$8.4 million in 1994 to a projected \$15.2 million in 2007. In 2007, revenues were estimated to grow by 3.2%.

Major Initiatives

Invest Saint Paul Initiative

Invest Saint Paul is a collaborative effort to strategically channel City, HRA and private resources into revitalization strategies and redevelopment projects in four strong neighborhoods being challenged by recent economic and social downturns and persistent disinvestment: Dayton's Bluff, Lower Eastside, Frogtown and North End neighborhoods. These neighborhood communities still offer growth opportunities and have been targeted based on their current and potential assets.

Invest Saint Paul is conceived as an initiative, not a program, to retool for the long-term how the HRA approaches revitalization in targeted neighborhoods. It is envisioned to operate by coordinating City resources, jumpstarting physical development, forging partnerships, and engaging residents in neighborhood visioning and improvement. Intended to catalyze reinvestment and resilience in targeted areas.

Objectives: To galvanize resources: time, talent, and money into four neighborhoods poised to prosper after prolonged periods of disinvestment. To support residents as key customers capable of contributing to decisions about their neighborhood's future. To illustrate that today's investments will yield positive returns for the entire portfolio of neighborhoods that make up the City of Saint Paul.

Indicators and Outcomes: Invest Saint Paul initiatives will concentrate on a strategic combination of activity around: jobs and economic development, youth and family, quality of life, and physical development. The anticipated outcome is vitality measured in improved infrastructure and involved individuals – the visible signs of healthy neighborhoods.

Central Corridor

The Central Corridor begins in the downtown and runs along University Avenue from the State Capitol to Minneapolis. It has attracted significant investment in the past few years, and stands to attract more in the future if Light Rail Transit (LRT) is developed on University Avenue, a final decision on which is expected in the next couple of years. If funding is secured, construction will begin in 2010. The City Council recently adopted the "Central Corridor Development Strategy", which is a vision and set of strategies for how Central Corridor can grow and change over time in response to the LRT investment. The City has undertaken more detailed station area planning in the Fall of 2007, planning for the areas within approximately 1/4 mile of proposed station locations.

Fort Road

Also called West Seventh Street, Fort Road runs southwest from the downtown to Fort Snelling, parallel to the Mississippi River. Recent developments in this corridor include Gateway Village with 578 units of new rental and ownership housing, expansion of United and Children's hospitals, and construction on the \$13 million United Family Practice Health Center has begun.

Phalen Corridor

Formerly a blighted and underutilized industrial corridor served by railroads, the Phalen Corridor runs northeast from downtown to the Phalen Village neighborhood. The last section of the new 2.5-mile, \$61 million Phalen Boulevard opened in 2006. It is the first new road built in Saint Paul in more than 20 years, and it gives the East Side direct access to Interstate 35E. Major developments in the corridor include Phalen Village, with a new \$60 million building for the State Bureau of Criminal Apprehension and over \$50 million in more than 400 units of new and rehabilitated housing adjacent to a repositioned commercial center, in which a new Cub supermarket is located. At the west end of Phalen Boulevard are the Williams Hill Business Center, the Metro Transit bus barns, and the Westminster Junction Business Center, which together provide almost 1,500 new jobs developed on former brownfields that used to provide only about 50 jobs.

Downtown District

The downtown extends from the State Capitol campus on the north to the West Side Flats across the river. Important headquarters companies have expanded downtown including Travelers Insurance, Minnesota Mutual, and Ecolab. In 2003, US Bancorp moved its downtown employees into a new 350,000-square-foot back office operations center across the river, and in 2005, Gander Mountain moved their headquarters downtown. In 2005, the State of Minnesota completed two new downtown office buildings adjacent to Interstate 94. Regions Hospital has begun a \$150 million hospital expansion project, with completion of the 10-story medical tower and parking ramp anticipated in 2009, and St. Joseph's \$96 million expansion is almost complete. Since 2002, about 1,400 new housing units have been developed in new and rehabilitated buildings in four downtown neighborhoods: Lowertown, the North Quadrant, the Upper Landing, and the West Side Flats. Some of these units have been in obsolete office buildings converted into apartments and condominiums, which has the added benefit of reducing the amount of uncompetitive Class C office space.

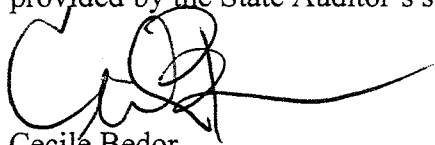
Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2006. This was the twenty-second consecutive year that the Saint Paul HRA has achieved this

prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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 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 preparation of this report was accomplished through the efficient and dedicated services of the City Department of Planning and Economic Development Accounting staff. The cooperation and assistance provided by the State Auditor's staff was very helpful and is greatly appreciated.

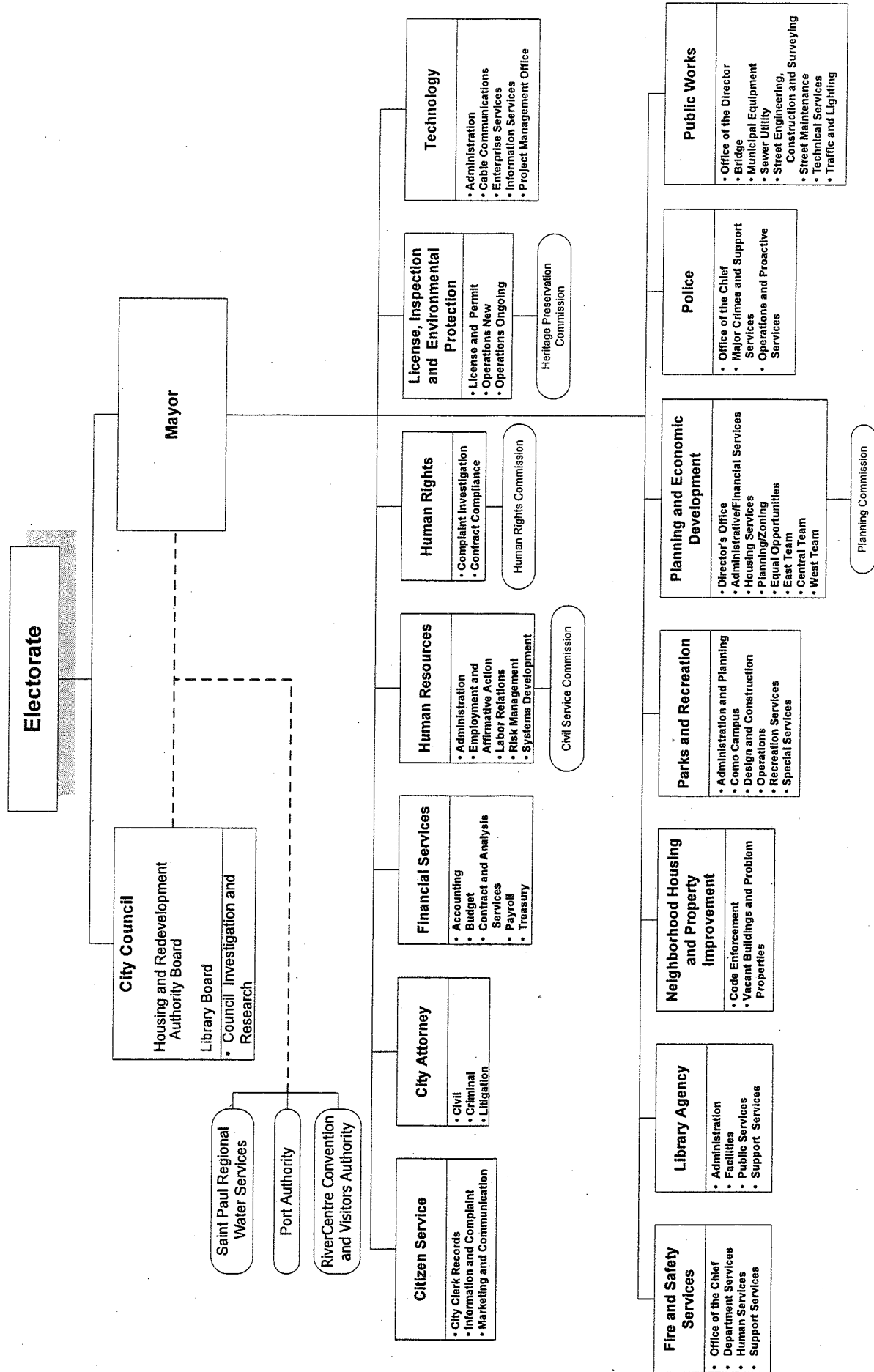


Cecile Bedor
Executive Director



Jerome P. Falksen
Accountant

City of Saint Paul, Minnesota Organizational Chart



HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA

PRINCIPAL OFFICIALS

Term of Office

From To

Commissioners

Jay Benanav	January 1, 1998	December 31, 2007
Daniel Bostrom	January 1, 1996	December 31, 2007
Patrick Harris	January 1, 2000	December 31, 2007
Lee Helgen	November 12, 2003	December 31, 2007
Kathy Lantry	January 1, 1998	December 31, 2007
Debbie Montgomery	January 14, 2004	December 31, 2007
David Thune	January 14, 2004	December 31, 2007

Officers

Chairperson

Jay Benanav	January 14, 2004	December 31, 2007
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Vice-Chairperson

David Thune	January 14, 2004	December 31, 2007
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Secretary

Kathy Lantry	January 14, 2004	December 31, 2007
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Treasurer

Lee Helgen	January 14, 2004	December 31, 2007
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Executive Director

Cecile Bedor	June 26, 2006	Indefinite
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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Housing and Redevelopment
Authority of the City of St. Paul
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.



Clive S. Cox

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

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REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

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INDEPENDENT AUDITOR'S REPORT

Commissioners of the Housing and Redevelopment
Authority of the City of Saint Paul
Saint Paul, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Housing and Redevelopment Authority (HRA) of the City of Saint Paul, Minnesota, a component unit of the City of Saint Paul, as of and for the year ended December 31, 2007, which collectively comprise the HRA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the HRA's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the HRA of the City of Saint Paul as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 made for the purpose of forming opinions on the financial statements that collectively comprise the HRA of the City of Saint Paul's basic financial statements. The supplementary schedules 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 been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we are also issuing a report dated June 26, 2008, on our consideration of the HRA of the City of Saint Paul's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 26, 2008

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

As management of the Housing and Redevelopment Authority of the City of Saint Paul (HRA), we provide readers of these financial statements this overview and analysis of the financial activities of the HRA for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with the financial statements which are found on pages 34-91.

Financial Highlights

- Total assets of the HRA exceeded total liabilities at the end of 2007 by \$18.8 million. Net assets increased by \$27.4 million during 2007. This net increase included a decrease in business-type activity net assets by \$13.3 million and an increase in governmental activity net assets by \$40.7 million. The business-type activities are the HRA Loan Enterprise Fund and the HRA Parking Enterprise Fund.
- The government-wide statement of net assets was presented for the first time as of December 31, 2002, as required by GASB 34. This statement reflects a deficit of \$30.6 million in unrestricted net assets at year-end 2007. The source of this deficit is reflected in governmental activity balances and is attributable to the issuance of debt for which no capital assets have been directly acquired by the HRA. This debt, primarily tax increment and sales tax bonds, is used to finance various housing and economic development projects. This debt is serviced by property tax increments and the City's half-cent sales tax proceeds, which are highly reliable sources of repayment.
- Despite the deficit in the governmental activities in the government-wide statements, the HRA's governmental funds reported combined fund balances of \$67.8 million. The unreserved, undesignated balance is \$32.1 million, which is in the HRA General Fund and the HRA Development Capital Projects Fund. The remainder of the fund balances is either reserved or designated for specific use. An amount of \$24.5 million is reserved for future debt service on existing long-term debt.
- The total principal amount of long-term debt decreased during 2007 by \$15.5 million to a total of \$224.0 million, a 6.5 % decrease from 2006. An amount of \$3.3 million was retired on the Housing 5000 Land Assembly Bonds in 2007. The only new debts issued in 2007 were the refunding of the Koch/Mobil tax increment debt at \$3.9 million. Total interest expense on long-term debt in 2007 was \$16.3 million, a decrease of \$1.0 million from 2006.
- The assets of loans receivable and accrued interest on loans decreased by \$9.0 million to a total of \$74.8 million at December 31, 2007. During 2007, large business loans were issued to Internet Broadcast Systems and Bonnie Jean Lofts Project. There was an overall decrease in the net loans receivable after subtracting the allowance for

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

uncollectible loans and loan interest. Many of the large loans issued for affordable housing projects in 2007 were risk rated in the categories of "loss" and "forgivable". The allowance for uncollectible loans and interest, based on an analysis of credit risk and payment delinquency, is \$60.7 million at December 31, 2007, a decrease of \$32.8 thousand over December 31, 2006.

- One HRA administered tax increment financing district was created in 2007 in the Highland Pointe Lofts area. Total tax increment revenue for HRA Districts was \$17.4 million in 2007, an increase of \$2.3 million from 2006. The captured tax capacity of all Saint Paul tax increment financing districts is 8.32 % of Saint Paul's total tax capacity, which compares favorably with other major Minnesota Cities. This represents an increase of .83% from 2006.
- The major housing development initiative continued in 2007 with 355 new or substantially rehabilitated housing units completed in Saint Paul.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the HRA's basic financial statements. The HRA's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary schedules and statistical tables in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad view of the HRA's finances, in a manner similar to a private-sector business. These are found on pages 34-36 of this report.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees (business-type activities).

The HRA's governmental activities include:

- Development in the tax increment financing districts and other redevelopment areas
- Federal, state and local grant programs
- Debt service on tax supported debt

(Continued)

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007

- General operations financed through the HRA General Fund
- Multi-year development projects that are locally funded

The HRA's business-type activities are:

- Development loan programs
- Parking operations

The *statement of net assets* presents information on all of the HRA's assets and liabilities at December 31, 2007, 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 HRA's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the HRA's net assets changed during 2007. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The HRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the HRA can be divided into two categories: governmental funds and proprietary funds. The governmental fund and proprietary fund financial statements are found on pages 38-42 and pages 44-48 of this report.

Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on spendable resources at the end of the fiscal year. Such information may be useful in evaluating near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the HRA's near-term financing decisions. Both the *governmental fund balance sheet* and the *governmental fund statement of revenues, expenditures, and changes in fund balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

The HRA maintains the following five governmental funds: HRA General Fund, HRA Federal & State Programs Special Revenue Fund, HRA Debt Service Fund, HRA Tax Increment Capital Projects Fund; and HRA Development Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for each of these five funds.

The HRA adopts an annual appropriated budget for its general fund and its debt service fund. Multi-year budgets are adopted for the special revenue fund and the capital projects funds. A budgetary comparison statement has been provided in the basic financial statements for the HRA General Fund. Budgetary comparison schedules have been provided in the supplementary schedules for the other four governmental funds. The HRA's governmental funds reflected almost exclusively positive variances compared to the final 2007 and multi-year budgets.

Proprietary funds are used to account for the same functions reported as business-type activities in the government-wide financial statements. The HRA maintains two proprietary funds: HRA Loan Enterprise Fund and HRA Parking Enterprise Fund. Information is presented separately in the proprietary fund financial statements for each of these funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 49-91 of this report.

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**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

Financial Analysis of the HRA as a Whole

Net Assets. The following chart shows components of the HRA's assets, liabilities, and net assets and compares 2007 with 2006 at December 31.

**Saint Paul HRA's Assets, Liabilities and Net Assets
At December 31, 2007 and 2006**

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	12/31/2007	12/31/2006	12/31/2007	12/31/2006	12/31/2007	12/31/2006	2007-2006
Assets							
Cash and Investments	\$ 59,879,908	\$43,245,629	\$30,953,808	\$58,202,235	\$90,833,716	\$101,447,864	-10.5%
Other Current Assets	12,584,957	(4,404,472)	6,351,934	7,880,748	18,936,891	3,476,276	444.7%
Land Held For Resale	2,625,115	2,498,865	13,109,097	14,976,644	15,734,212	17,475,509	-10.0%
Loans Receivable	7,388,722	10,009,291	6,726,093	13,106,180	14,114,815	23,115,471	-38.9%
Leases Receivable	6,145,000	6,570,000	--	--	6,145,000	6,570,000	-6.5%
Capital Assets	7,193,628	7,540,194	107,694,143	91,684,672	114,887,771	99,224,866	15.8%
Other Non-Current Assets	1,183,554	1,253,750	1,289,476	1,212,210	2,473,030	2,465,960	0.3%
Total Assets	97,000,884	66,713,257	166,124,551	187,062,689	263,125,435	253,775,946	3.7%
Liabilities							
Current Liabilities	13,347,679	14,931,691	7,018,666	8,032,724	20,366,345	22,964,415	-11.3%
Long-Term Debt	128,396,590	137,225,542	95,610,421	102,280,479	224,007,011	239,506,021	-6.5%
Total Liabilities	141,744,269	152,157,233	102,629,087	110,313,203	244,373,356	262,470,436	-6.9%
Net Assets							
Invested in Capital Assets, Net of Related Debt	7,193,628	7,540,194	22,141,220	10,868,843	29,334,848	18,409,037	59.4%
Restricted for Debt Service	5,644,230	6,861,982	13,700,225	14,524,953	19,344,455	21,386,935	-9.6%
Restricted for Bond Operations and Maintenance	--	--	686,198	596,679	686,198	596,679	15.0%
Unrestricted	(57,581,243)	(99,846,152)	26,967,821	50,759,011	(30,613,422)	(49,087,141)	37.6%
Total Net Assets	(\$44,743,385)	(\$85,443,976)	\$63,495,464	\$76,749,486	\$18,752,079	(\$8,694,490)	315.7%

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

Total assets of the HRA exceeded total liabilities resulting in an overall surplus of \$18.8 million at December 31, 2007. Net assets of the business-type activities are \$63.5 million at December 31, 2007. However, governmental activity net assets are in a deficit position of \$44.7 million. In governmental activities, the HRA issues long-term debt for housing and economic development purposes and, in many cases, does not acquire or construct HRA-owned capital assets with the debt proceeds. This is common for housing and redevelopment authorities. For the Saint Paul HRA, this has been the case with the tax increment bonds and the sales tax bonds. The debt is to be retired with future revenues, namely property tax increments and city sales taxes. In past years financing has been sufficient for all governmental activity long-term debt service payments and other debt service requirements. Likewise, it is projected that future revenues will adequately finance all existing debt service requirements. Unrestricted net assets in business-type activities are \$27.0 million at December 31, 2007. However, a large portion of the unrestricted net assets is represented by loans receivable, which often have repayment terms in excess of twenty years.

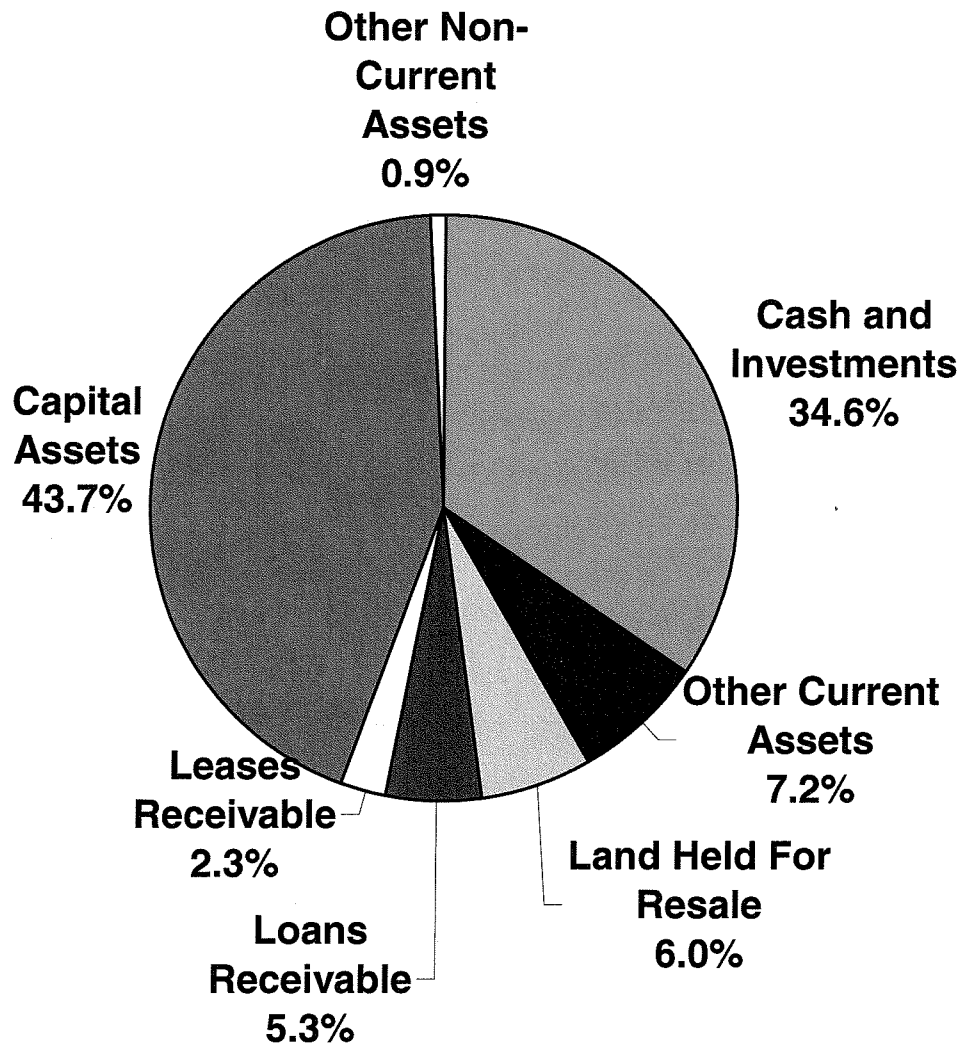
Total assets of the HRA increased by 3.7%, to a total of \$263.1 million at year-end. Cash and investment balances decreased by 10.5% in 2007 primarily due to the spending of debt proceeds for development projects from debt issued prior to 2007. Land held for resale decreased with the revaluation of land value. Some relatively large loans, risk rated as forgivable or loss, were issued in 2007. With the high loss allowance on outstanding loans and the collection of loans in 2007, the net asset for loans less their allowance decreased in 2007 by 38.9%. Capital assets increased during 2007 15.8% with the inclusion of the Smith Avenue Transit Center land value.

The HRA's long-term debt, at \$224.0 million is 91.7% of its total liabilities. The outstanding balance of long-term debt decreased by 6.5% during 2007. Governmental activity long-term debt includes tax-supported debt – the tax increment bonds and the sales tax bonds, along with the lease revenue bonds and various development notes. Business-type activity debt includes the parking revenue bonds and notes, that were issued to finance the construction of HRA owned parking ramps, and the 2004 issued Housing 5000 Land Assembly Bonds.

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2007 Assets



**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

Changes in Net Assets. The following chart shows the changes in net assets during 2007 and compares this with 2006.

**Saint Paul HRA's Changes in Net Assets
For the Fiscal Years Ended December 31, 2007 and 2006**

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2007	2006	2007	2006	2007	2006	2007-2006
Revenues							
Program Revenues:							
Charges for Services	\$4,410,071	\$2,776,370	\$11,120,972	\$17,846,442	\$15,531,043	\$20,622,812	-24.7%
Operating Grants and Contributions	37,517,617	19,229,867	938,546	1,480,019	38,456,163	20,709,886	85.7%
Capital Grants and Contributions	--	--	11,412,775	6,235,374	11,412,775	6,235,374	83.0%
General Revenues:							
Property Taxes	17,141,080	14,604,286	1,276,002	1,397,216	18,417,082	16,001,502	15.1%
Other Taxes and Unrestricted Grants	452,816	441,207	--	--	452,816	441,207	2.6%
Investment Income	2,201,832	1,627,343	2,102,439	2,543,650	4,304,271	4,170,993	3.2%
Total Revenues	61,723,416	38,679,073	26,850,734	29,502,701	88,574,150	68,181,774	29.9%
Expenses							
Housing and Economic Development	22,227,153	37,524,430	--	--	22,227,153	37,524,430	-40.8%
Interest on Govt Activity Long-Term Debt	11,141,353	12,024,646	--	--	11,141,353	12,024,646	-7.3%
Development Loan Programs	--	--	14,768,515	18,506,591	14,768,515	18,506,591	-20.2%
Parking Operations	--	--	12,990,561	11,564,825	12,990,561	11,564,825	12.3%
Total Expenses	33,368,505	49,549,076	27,759,076	30,071,416	61,127,581	79,620,492	-23.23%
Excess (Deficiency) before Transfers	28,354,911	(10,870,003)	(908,342)	(568,715)	27,446,569	(11,438,718)	
Transfers	12,345,680	4,508,687	(12,345,680)	(4,508,687)	--	--	
Change in Net Assets	40,700,591	(6,361,316)	(13,254,022)	(5,077,402)	27,446,569	(11,438,718)	
Net Assets, January 1	(85,443,976)	(79,082,660)	76,749,486	81,826,888	(8,694,490)	2,744,228	
Net Assets, December 31	(\$44,743,385)	(\$85,443,976)	\$63,495,464	\$76,749,486	\$18,752,079	(\$8,694,490)	

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

Total revenues of the HRA increased by 29.9% in 2007, while total expenses decreased by 23.2%, resulting in a increase in net assets in 2007 of \$27.4 million.

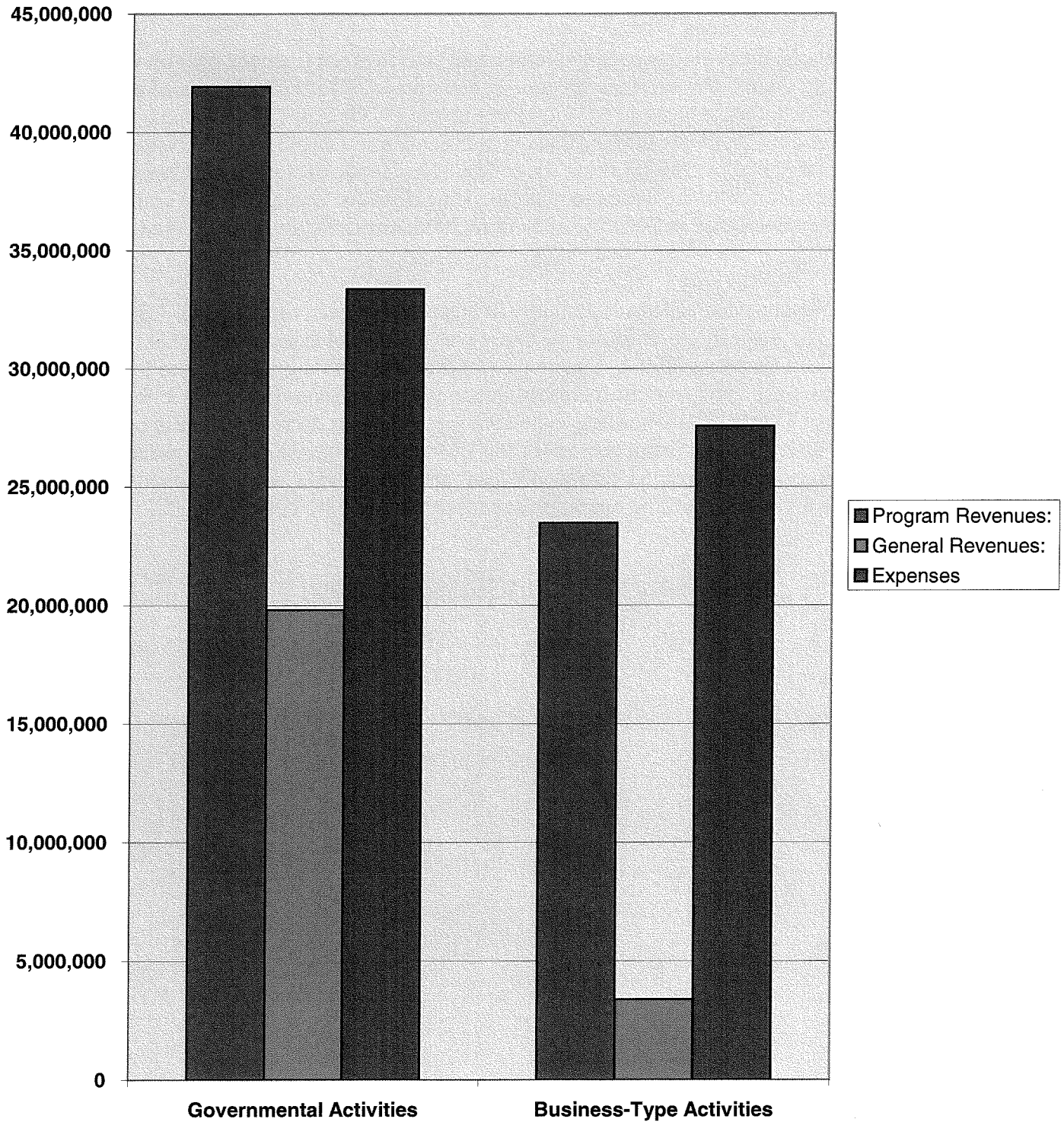
As shown in the table on the previous page, governmental activities are financed heavily with tax revenue and operating grants. Property tax revenue in governmental activities increased by 17.4% with most of the increase being in tax increment revenue. Operating grants and contributions increased by 95.1 % in 2007. Housing and Economic Development expenses decreased in 2007 from 2006 by \$15.3 million, or 40.8%. The largest decrease in these expenses was for development incurred in the tax increment financing districts. Interest on governmental activity long-term debt decreased in 2007 by 7.3% from 2006, primarily due to decreased outstanding debt.

Charges for service revenue decreased substantially in business-type activities in 2007 - \$6.7 million, or 37.7%. The biggest reason for the decrease was the lack of sales of land held for resale in the HRA Loan Enterprise Fund. Operating grants and contributions decreased by \$.5 million. Capital grants and contributions increased due to the recognition of land value for the Smith Avenue Transit Center. Total business-type activities expenses decreased substantially in 2007 - \$2.3 million or 7.7%. The major reason for this decrease in expenses was the reduction of large development loans with credit risk ratings of "loss" and "forgivable" which resulted in large loss allowance expenses. Parking operation expenses increased by 12.3% in 2007.

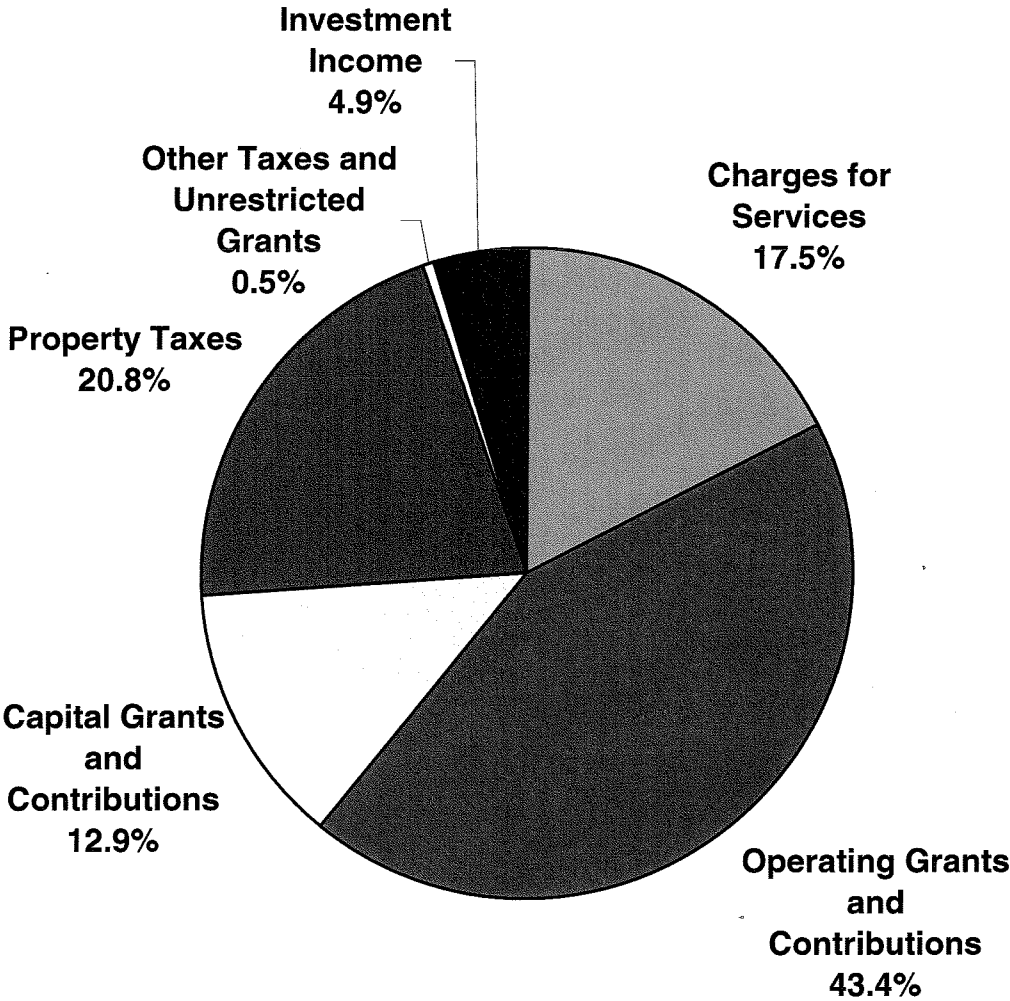
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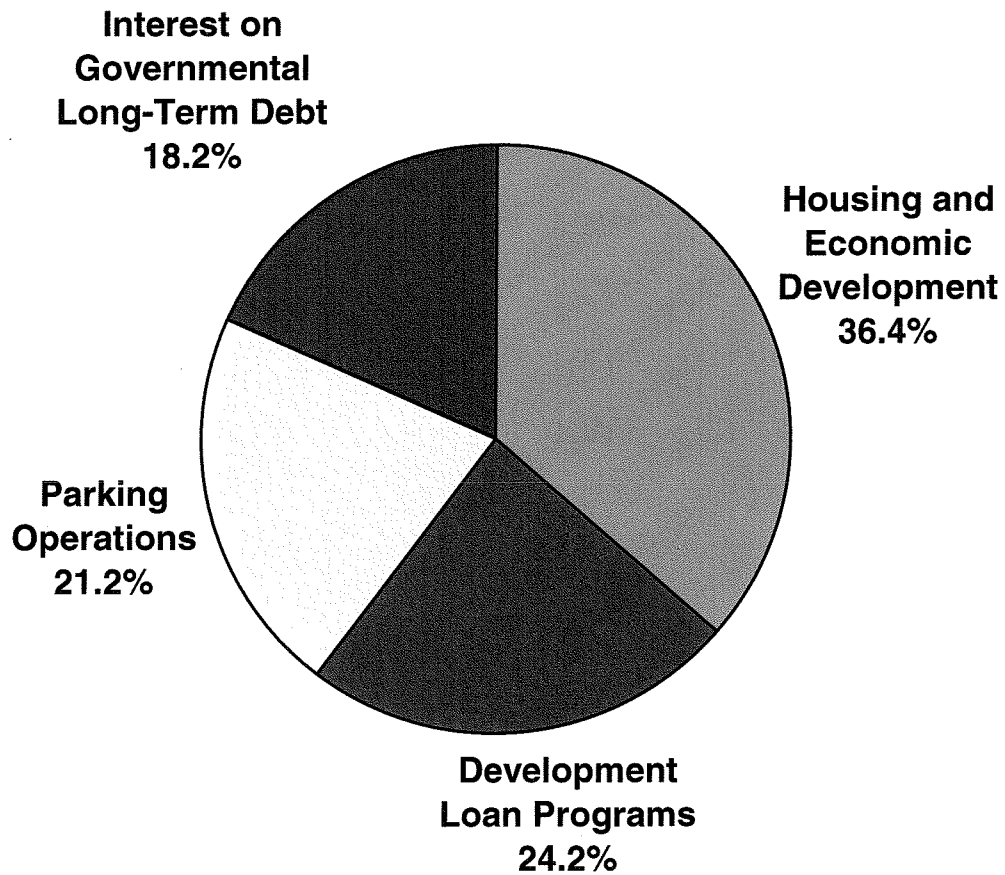
2007 Revenue and Expenses



2007 Revenues by Source



2007 Expenses by Function



**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

Financial Analysis of the HRA's Funds

As noted earlier, the HRA uses fund accounting to maintain control over resources and to ensure and demonstrate compliance with legal requirements.

Governmental Funds

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

At December 31, 2007, the HRA's governmental funds reported total fund balances of \$67.8 million. Approximately 38.6% of this is reserved to indicate that it is not available for new spending. Almost all of the reserved portion is for future debt service on existing bonds and notes (\$24.5 million). Unreserved balances total \$41.7 million. Of the total unreserved fund balances, \$3.9 million has been designated in the HRA Tax Increment Capital Projects Fund for unspent balances of previously budgeted projects, primarily in the HRA administered tax increment financing districts, and \$29.7 million to be allocated for projects in the HRA Development Capital Projects Fund.

The HRA General Fund is the chief operating fund of the HRA. Revenues include the HRA property tax levy, fees from conduit revenue bond issues, property rentals, land sale proceeds, and investment earnings. The major spending activities are for staff administration of HRA programs, maintenance of HRA properties, and professional services for HRA programs and projects. The fund balance in the HRA General Fund increased during 2007 by \$671 thousand to a total of \$8.7 million at December 31, 2007, which is quite healthy relative to 2007 fund total spending of \$3.1 million.

The HRA Federal & State Programs Special Revenue Fund accounts for intergovernmental revenues provided primarily by the Federal and State governments for housing grant programs and projects. Grant revenues are recognized as eligible grant expenditures are incurred, resulting in little or no fund balance. During 2007, the Special Revenue Fund received \$3.7 million in revenues, of which \$1.9 million were grant revenues from other governments.

The HRA Debt Service Fund accumulates resources and pays debt service for the HRA's debt that is not financed by the two enterprise funds. Debt service on the bonds is financed by property tax increments, City sales taxes, lease payments from the City, and investment earnings. At December 31, 2007, the fund balance is \$24.5 million, which is entirely reserved for future debt service. Total debt spending during 2007 was \$20.7 million, of which \$3.9 million was to retire existing bonds using refunding proceeds.

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

The HRA Tax Increment Capital Projects Fund accounts for HRA major development projects and capital projects in Saint Paul tax increment districts and other redevelopment areas. The total fund balance at December 31, 2007, of \$3.9 million is reserved or designated for unspent balances of previously approved projects. Total 2007 spending from this Fund was \$5.8 million. Projects with the largest 2007 spending include the Riverfront Renaissance Tax Increment District, the Railroad Island Project, and for the payment of interest on debt. All of these projects are financed with tax increment bond proceeds.

The HRA Development Capital Projects Fund was established during 2007 to account for HRA multi-year development projects. These projects are locally funded through transfers from other funds and bonds sold for development purposes. During 2007, the HRA implemented the Invest Saint Paul Initiative program which is financed in part with Sales Tax Revenue Bonds. The fund balance at year-end was \$30.7 million.

Proprietary Funds

The proprietary fund financial statements provide the same information found in the business-type activities column of the government-wide statements, but in more detail. The proprietary funds use the economic resources measurement focus and the accrual basis of accounting, which are the same as those used for private sector business enterprises. The HRA's proprietary funds are the HRA Loan Enterprise Fund and the HRA Parking Enterprise Fund.

The HRA Loan Enterprise Fund accounts for loans issued and related servicing for various housing and economic development programs and projects. The Fund has unrestricted net assets totaling \$16.2 million at December 31, 2007. The assets of the Fund include loans receivable and accrued interest on these loans which are reported at \$6.7 million (net of allowance) and in many cases have long repayment terms before there will be liquidation to cash. Cash and investments are reported at \$11.0 million at December 31, 2007. The Fund had an overall decrease in net assets of \$24.4 million for 2007, primarily due to the issuance of large development loans with credit risk ratings of "loss" and "forgivable", and the transfer of \$13.8 million to the HRA Development Capital Projects Fund.

The HRA Parking Enterprise Fund accounts for the operation of HRA owned parking facilities in Saint Paul. The Fund has unrestricted net assets of \$10.8 million at December 31, 2007. Assets in the Fund include capital assets for parking facilities reported at the depreciated amount of \$107.7 million. Long-term debt used for financing the construction of the parking facilities is \$86.2 million in principal outstanding at December 31, 2007. The Fund had operating income of \$4.0 million during 2007.

(Continued)

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007

HRA General Fund Budgetary Highlights

The final amended budget for the HRA General Fund includes the original adopted budget plus any previously appropriated funds set aside for the purpose of honoring legally incurred obligations (prior year encumbrances), plus any additional supplemental appropriations that were legislated by the Board of Commissioners during the year. Actual 2007 spending was less than 6% different from the final spending budget. Actual revenues were 35% higher than the final financing budget. The major positive revenue variance was in conduit revenue bond fees.

Long-Term Debt

At December 31, 2007 the HRA had total long-term debt outstanding of \$223.9 million as shown in the following chart.

Saint Paul HRA's Long-Term Debt
At December 31, 2007 and 2006

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2007	2006	2007	2006	2007	2006	2007-2006
Tax Increment Bonds	\$64,573,740	\$69,420,923	\$ --	\$ --	\$64,573,740	\$69,420,923	-7.0%
Sales Tax Revenue Bonds	42,185,000	43,585,000	--	--	42,185,000	43,585,000	-3.2%
Lease Revenue Bonds	6,145,000	6,570,000	--	--	6,145,000	6,570,000	-6.5%
Parking Revenue Bonds	--	--	36,000,000	37,815,000	36,000,000	37,815,000	-4.8%
Tax Increment – Parking Bonds	--	--	33,260,000	34,705,000	33,260,000	34,705,000	-4.2%
Parking Bonds (Smith Avenue Transit Center)	--	--	15,980,000	15,980,000	15,980,000	15,980,000	0.0%
Housing 5000 Land Assembly Bonds	--	--	9,135,000	12,455,000	9,135,000	12,455,000	-26.7%
Parking Revenue Notes	--	--	960,000	1,030,000	960,000	1,030,000	-6.8%
Development Notes	15,460,472	17,649,619	195,190	195,190	15,655,662	17,844,809	-12.3%
Totals	\$128,364,212	\$137,225,542	\$ 95,530,190	\$102,180,190	\$223,894,402	\$239,405,732	-6.5%

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

All of the debt has specified revenue sources that are pledged for its retirement. In addition, the City of Saint Paul has issued a general obligation pledge on certain tax increment bonds that have a total of \$47.4 million outstanding at year-end 2007. The City's G.O. pledge provides a secondary source of repayment if tax increments are not sufficient to service the related bonds. For the Sales Tax Revenue Bonds, there is a gross pledge of the half-cent sales tax to pay debt service. For the Lease Revenue Bonds, the City has pledged City sources and RiverCentre revenues to make lease payments to the HRA. Non-payment of the lease by the City may create credit rating implications to the City, which is currently rated AAA by Standard & Poor's. For the Parking Revenue Bonds, in addition to net parking ramp revenues, the City has pledged the first \$2 million collected annually in parking meter and parking fine revenues.

During 2007, the HRA issued \$3.9 million in long-term debt. Koch/Mobil Tax Increment Bonds, Series 2007B were issued in the amount of \$3.9 million to refund the Koch/Mobil Tax Increment Bonds, Series 2004C.

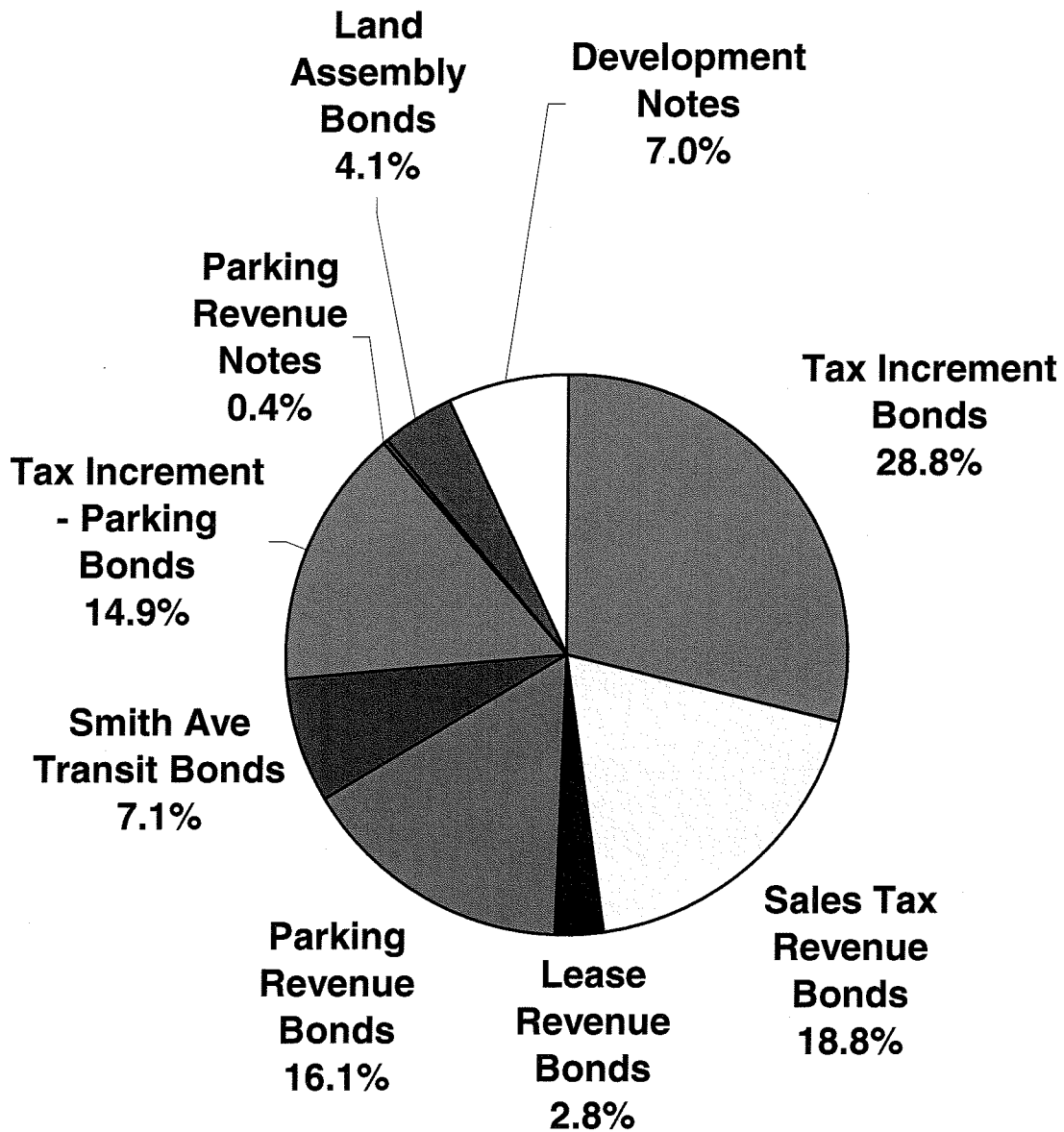
All 2007 scheduled principal and interest payments were made in accordance with the terms of the bonds and notes.

Additional information on the HRA's long-term debt can be found in Note 5.F. on pages 75-82 of this report. The schedule of revenue bond coverage in the Statistical Section of this report shows the history and reliability of debt service financing sources.

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2007 Long-Term Debt



**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

Capital Assets

The HRA's investment in capital assets for its governmental and business-type activities as of December 31, 2007 is \$114.9 million (net of accumulated depreciation) as shown in the following chart.

**Saint Paul HRA's Capital Assets
(Net of Depreciation)
At December 31, 2007 and 2006**

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2007	2006	2007	2006	2007	2006	2007-2006
Land	\$1,088,230	\$1,088,230	\$30,275,590	\$19,514,990	\$31,363,820	\$20,603,220	52.2%
Buildings	338,286	359,429	1,799,245	1,852,164	2,137,531	2,211,593	-3.3%
Equipment	--	--	31,801	16,048	31,801	16,048	98.2%
Parking Ramps	--	--	75,587,507	60,203,125	75,587,507	60,203,125	25.6%
Pedestrian Skyway Bridges	5,767,112	6,092,535	--	--	5,767,112	6,092,535	-5.3%
Construction in Progress	--	--	--	10,098,345	--	10,098,345	-100.0%
Totals	\$7,193,628	\$7,540,194	\$107,694,143	\$91,684,672	\$114,887,771	\$99,224,866	15.8%

Construction was started in 2005 on the Smith Avenue Transit Center (business-type activities) and was completed in 2007. This Transit Center consists of a 603-space parking ramp near the RiverCentre complex, plus a bus layover facility for Metro Transit buses.

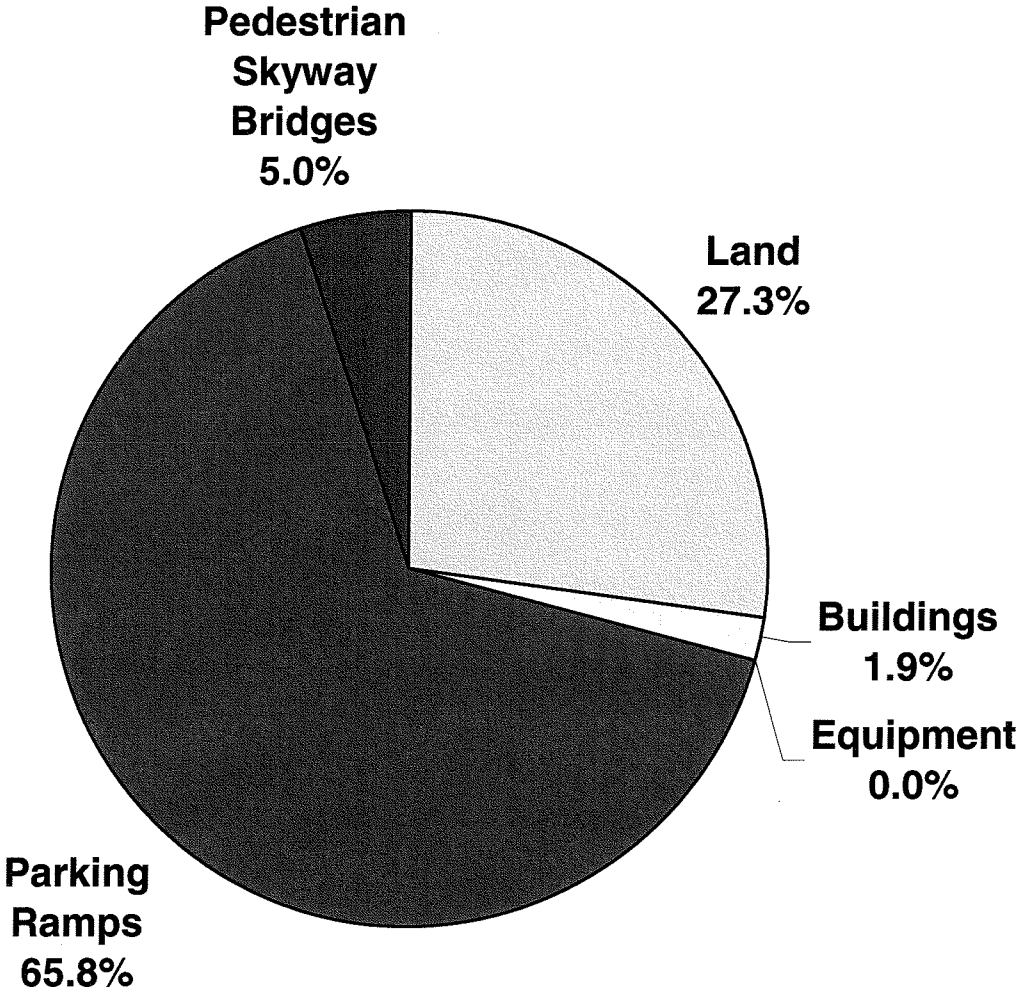
Total depreciation expense for governmental and business type activities during 2007 was \$2.8 million.

Additional information on the HRA's capital assets can be found in Note 5.E. on pages 74-75 of this report.

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(Continued)

2007 Capital Assets



**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2007**

Requests for Information

This financial report is designed to provide a general overview of the Saint Paul HRA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Saint Paul, Department of Planning and Economic Development, 25 West Fourth Street, Saint Paul, MN 55102.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Government-Wide Financial Statements present a broad overview of the Saint Paul HRA's finances.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

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STATEMENT OF NET ASSETS

At December 31, 2007

(Amounts in dollars)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments with Treasurer	37,385,742	13,224,961	50,610,703
Cash with Fiscal Agent	-	1,146,815	1,146,815
Cash and Investments with Trustees	22,494,166	-	22,494,166
Accounts Receivable (Net of Allowance)	163,290	287,949	451,239
Property Taxes Receivable - Due from Ramsey County	92,555	-	92,555
Delinquent Property Taxes Receivable (Net of Allowance)	155,962	42,282	198,244
Delinquent Assessments Receivable (Net of Allowance)	-	725	725
Accrued Interest Receivable on Investments	359,392	222,637	582,029
Internal Balances	(5,797,323)	5,797,323	-
Due from Other Governmental Units	17,611,081	1,018	17,612,099
Land Held for Resale	2,625,115	13,109,097	15,734,212
Restricted Assets:			
Cash for Revenue Bond Debt Service	-	8,727,893	8,727,893
Cash for Revenue Bond Reserve	-	6,444,716	6,444,716
Cash for Revenue Bond Development & Construction	-	723,225	723,225
Cash for Revenue Bond Operations and Maintenance	-	686,198	686,198
Direct Financing Leases Receivable	6,145,000	-	6,145,000
Loans Receivable	34,907,587	33,557,230	68,464,817
Accrued Interest Receivable on Loans	2,813,070	3,522,456	6,335,526
Less Allowance for Uncollectible Loans and Interest	(30,331,935)	(30,353,593)	(60,685,528)
Advance to City of Saint Paul	-	290,000	290,000
Deferred Charges	1,183,554	999,476	2,183,030
Capital Assets, Net of Related Depreciation:			
Land	1,088,230	30,275,590	31,363,820
Buildings	338,286	1,799,245	2,137,531
Equipment	-	31,801	31,801
Parking Ramps	-	75,587,507	75,587,507
Pedestrian Skyway Bridges	5,767,112	-	5,767,112
TOTAL ASSETS	97,000,884	166,124,551	263,125,435

Continued

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

STATEMENT OF NET ASSETS

At December 31, 2007

(Amounts in dollars)

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts Payable	88,894	605,949	694,843
Contracts Payable	674,217	1,933,562	2,607,779
Due to Other Governmental Units	1,062,033	2,639,089	3,701,122
Accrued Interest Payable on Long-Term Debt	2,150,819	471,515	2,622,334
Unearned Revenue	7,224,373	-	7,224,373
Advance from City of Saint Paul	2,147,343	-	2,147,343
Liabilities Payable from Restricted Assets:			
Accounts Payable	-	344,773	344,773
Accrued Interest on Bonds Payable	-	1,023,779	1,023,779
Revenue Bonds Payable	-	3,427,290	3,427,290
Long-Term Liabilities:			
Revenue Bonds Payable - Due within One Year	8,591,180	6,534,000	15,125,180
Revenue Notes Payable - Due within One Year	410,000	265,190	675,190
Revenue Bonds Payable - Due in more than One Year	104,344,938	84,493,940	188,838,878
Notes Payable - Due in more than One Year	15,050,472	890,000	15,940,472
TOTAL LIABILITIES	141,744,269	102,629,087	244,373,356
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	7,193,628	22,141,220	29,334,848
Restricted for Debt Service	5,644,230	13,700,225	19,344,455
Restricted for Operations and Maintenance	-	686,198	686,198
Unrestricted (Deficit)	(57,581,243)	26,967,821	(30,613,422)
TOTAL NET ASSETS (DEFICIT)	(44,743,385)	63,495,464	18,752,079

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

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended December 31, 2007
(Amounts in Dollars)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services/ Loan Programs	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Housing and Economic Development	22,227,153	4,410,071	37,517,617	-	19,700,535	-	19,700,535
Interest on Governmental Long-Term Debt	11,141,352	-	-	-	(11,141,352)	-	(11,141,352)
Total - Governmental Activities	33,368,505	4,410,071	37,517,617	-	8,559,183	-	8,559,183
Business-type Activities:							
Development Loan Programs	14,768,515	429,076	938,546	-	-	(13,400,893)	(13,400,893)
Parking Operations	12,990,561	10,691,896	-	11,412,775	-	9,114,110	9,114,110
Total Business-type Activities	27,759,076	11,120,972	938,546	11,412,775	-	(4,286,783)	(4,286,783)
Total - All Functions/Programs	61,127,581	15,531,043	38,456,163	11,412,775	8,559,183	(4,286,783)	4,272,400
General Revenues:							
HRA Property Tax					992,320	-	992,320
Property Tax Increments					16,148,760	1,276,002	17,424,762
Hotel-Motel Tax					220,000	-	220,000
State Market Value Homestead Credit					232,816	-	232,816
Investment Income					2,201,832	2,102,439	4,304,271
Transfers					12,345,680	(12,345,680)	-
Total General Revenues and Transfers					32,141,408	(8,967,239)	23,174,169
Change in Net Assets					40,700,591	(13,254,022)	27,446,569
Net Assets, January 1, 2007					(85,443,976)	76,749,486	(8,694,490)
Net Assets, December 31, 2007					(44,743,385)	63,495,464	18,752,079

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

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

The Fund Financial Statements present information on each Saint Paul HRA fund to demonstrate fiscal accountability.



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**BALANCE SHEET
GOVERNMENTAL FUNDS**

At December 31, 2007
(Amounts in dollars)

	HRA General	HRA Federal & State Programs Special Revenue	HRA Debt Service	HRA Tax Increment Capital Projects	HRA Development Capital Projects	Total Governmental Funds
ASSETS						
Cash and Investments with Treasurer	9,135,526	404,308	11,497,881	11,654,657	4,693,370	37,385,742
Cash and Investments with Trustee	-	-	12,962,873	1,074,672	8,456,621	22,494,166
Property Taxes Receivable:						
Due from County	10,396	-	74,176	7,983	-	92,555
Delinquent Taxpayer	29,162	-	196,926	144,196	-	370,284
Accounts Receivable (Net of Allowance)	155,456	-	7,834	-	-	163,290
Accrued Interest Receivable on Investments	94,891	-	130,169	111,781	22,551	359,392
Loans Receivable	-	26,859,618	4,530,000	3,517,969	-	34,907,587
Accrued Interest Receivable on Loans	-	2,766,067	-	47,003	-	2,813,070
Allowance for Uncollectible Loans and Interest	-	(22,757,153)	(4,303,500)	(3,271,282)	-	(30,331,935)
Due from Other Funds	-	-	63,982	28,246	-	92,228
Due from Other Governmental Units	-	111,081	-	-	17,500,000	17,611,081
Advances to Other Funds	628,310	-	-	-	-	628,310
Land Held for Resale	1,507,168	-	-	1,117,947	-	2,625,115
Direct Financing Leases Receivable	-	-	6,145,000	-	-	6,145,000
TOTAL ASSETS	11,560,909	7,383,921	31,305,341	14,433,172	30,672,542	95,355,885
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	30,159	21,130	-	35,285	2,320	88,894
Contracts Payable	674,217	-	-	-	-	674,217
Due to Other Funds	28,246	-	-	63,982	-	92,228
Due to Other Governmental Units	518,691	138,418	165,066	234,683	5,175	1,062,033
Deferred Revenue	1,628,132	-	6,615,165	1,593,243	-	9,836,540
Unearned Revenue	-	7,224,373	-	-	-	7,224,373
Advance from Other Funds	-	-	-	6,425,633	-	6,425,633
Advance from Other Governmental Units	-	-	-	2,147,343	-	2,147,343
Total Liabilities	2,879,445	7,383,921	6,780,231	10,500,169	7,495	27,551,261

Continued

**BALANCE SHEET
GOVERNMENTAL FUNDS**

At December 31, 2007
(Amounts in dollars)

	HRA General	HRA Federal & State Programs & Special Revenue	HRA Debt Service	HRA Tax Increment Capital Projects	HRA Development Capital Projects	Total Governmental Funds
Fund Balances						
Reserved for:						
Encumbrances	60,235	-	-	2,595	932,190	995,020
Debt Service	-	-	24,525,110	-	-	24,525,110
Advances to Other Funds	628,310	-	-	-	-	628,310
Unreserved, Designated for:						
Specific HRA Activities	3,363,366	-	-	3,930,408	-	7,293,774
Next Year's Appropriation	1,732,109	-	-	-	-	1,732,109
Cash Flow and Revenue Estimates	500,000	-	-	-	-	500,000
Unreserved, Undesignated	2,397,444	-	-	-	29,732,857	32,130,301
Total Fund Balances	<u>8,681,464</u>	<u>-</u>	<u>24,525,110</u>	<u>3,933,003</u>	<u>30,665,047</u>	<u>67,804,624</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>11,560,909</u>	<u>7,383,921</u>	<u>31,305,341</u>	<u>14,433,172</u>	<u>30,672,542</u>	<u>95,355,885</u>

Amounts reported for governmental activities in the Statement of Net Assets (pages 34-35) are different because:

1. Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
2. Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.
3. Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.
4. Bad debt expense is not an outlay of financial resources and is, therefore, not reported in the funds.

Total Reconciling Items

7,193,628
9,836,540
(129,363,855)
(214,322)
(112,548,009)

Fund Balances per Balance Sheet - Governmental Funds, December 31, 2007

67,804,624

Net Assets (Deficit) per Statement of Net Assets - Governmental Activities column, December 31, 2007

(44,743,385)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Fiscal Year Ended December 31, 2007
 (Amounts in dollars)

	HRA General	HRA Federal & State Programs Special Revenue	HRA Debt Service	HRA Tax Increment Capital Projects	HRA Development Capital Projects	Total Governmental Funds
REVENUES						
Taxes						
Current Property Taxes	819,668	-	-	-	-	819,668
Delinquent Property Taxes	8,723	-	-	-	-	8,723
Fiscal Disparities	169,430	-	-	-	-	169,430
Property Tax Increments	-	-	12,936,340	4,104,001	-	17,040,341
Hotel-Motel Taxes	-	-	220,000	-	-	220,000
Intergovernmental Fees, Sales and Services	44,056	1,921,769	16,533,198	49,218	18,500,000	37,048,241
Revenue Bond Fees	1,529,897	-	12,871	-	-	1,542,768
Other Fees and Services	-	22,600	-	1,043	-	23,643
Sales of Land	41,655	-	-	97,903	-	139,558
Rentals of Property	134,096	-	758,559	-	-	892,655
Interest on Loans	-	30,666	419,321	3,997	-	453,984
Loan Repayments	-	1,682,872	-	13,384	-	1,696,256
Investment Income	-	-	-	-	-	-
Interest Earned on Investments	424,559	-	908,866	552,884	22,551	1,908,860
Increase (Decrease) in the Fair Value of Investments	111,133	-	82,782	130,585	-	324,500
Miscellaneous	-	-	-	-	-	-
Developer Contributions	6,000	-	796,192	-	-	802,192
Total Revenues	3,289,217	3,657,907	32,668,129	4,953,015	18,522,551	63,090,819
EXPENDITURES						
Current						
Housing and Economic Development	3,028,186	1,641,784	-	2,121,647	968,757	7,760,374
Intergovernmental - City	68,486	-	12,944,459	-	-	13,012,945
Intergovernmental - County	-	-	742,122	-	-	742,122
Debt Service	-	-	6,672,183	-	-	6,672,183
Principal Payment on Bonds	-	-	7,552,068	-	-	7,552,068
Interest on Bonds	-	-	1,251,818	-	-	1,251,818
Principal Payment on Notes	-	-	716,031	3,085,062	-	3,801,093
Interest on Notes	-	-	6,777	-	-	6,777
Bond Issuance Costs	-	-	-	-	-	-
Total Expenditures	3,096,672	1,641,784	29,885,458	5,206,709	968,757	40,799,380
Excess (Deficiency) of Revenues Over (Under) Expenditures	192,545	2,016,123	2,782,671	(253,694)	17,553,794	22,291,439

Continued

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Fiscal Year Ended December 31, 2007
 (Amounts in dollars)

	HRA General	HRA Federal & State Programs Special Revenue	HRA Debt Service	HRA Tax Increment Capital Projects	HRA Development Capital Projects	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Transfers In	477,989	84,427	1,872,480	168,965	13,677,686	16,281,547
Transfers Out	-	(2,100,550)	(634,954)	(633,930)	(566,433)	(3,935,867)
Bonds Issued	-	-	3,895,000	-	-	3,895,000
Premium on Bonds Issued	-	-	44,831	-	-	44,831
Redemption of Refunded Bonds	-	-	(3,895,000)	-	-	(3,895,000)
Total Other Financing Sources (Uses)	<u>477,989</u>	<u>(2,016,123)</u>	<u>1,282,357</u>	<u>(464,965)</u>	<u>13,111,253</u>	<u>12,390,511</u>
Net Changes in Fund Balances	670,534	-	4,065,028	(718,659)	30,665,047	34,681,950
FUND BALANCES, January 1	8,010,930	-	20,460,082	4,651,662	-	33,122,674
FUND BALANCES, December 31	<u>8,681,464</u>	-	<u>24,525,110</u>	<u>3,933,003</u>	<u>30,665,047</u>	<u>67,804,624</u>

Amounts reported for governmental activities in the Statement of Activities (page 36) are different because:

Net change in fund balances - total governmental funds (above)

1. Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.
2. Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.
3. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and discounts when debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.
4. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Total Reconciling Items

Change in Net Assets of Governmental Activities - Statement of Activities

34,681,950
(346,566)
(2,658,733)
8,758,757
265,183
6,018,641
<u>40,700,591</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HRA GENERAL FUND**

For the Fiscal Year Ended December 31, 2007

(Amounts in dollars)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	1,036,161	1,036,161	997,821	(38,340)
Intergovernmental	54,331	54,331	44,056	(10,275)
Fees, Sales and Services	1,123,944	1,123,944	1,705,648	581,704
Investment Income	200,000	200,000	535,692	335,692
Miscellaneous	-	21,000	6,000	(15,000)
Total Revenues	<u>2,414,436</u>	<u>2,435,436</u>	<u>3,289,217</u>	<u>853,781</u>
EXPENDITURES				
Current				
Housing and Economic Development	3,136,114	3,233,169	3,028,186	204,983
Intergovernmental - City	18,486	68,486	68,486	-
Total Expenditures	<u>3,154,600</u>	<u>3,301,655</u>	<u>3,096,672</u>	<u>204,983</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(740,164)	(866,219)	192,545	1,058,764
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	477,989	477,989
Net Changes in Fund Balances	(740,164)	(866,219)	670,534	1,536,753
FUND BALANCE, January 1	<u>8,010,930</u>	<u>8,010,930</u>	<u>8,010,930</u>	<u>-</u>
FUND BALANCE, December 31	<u>7,270,766</u>	<u>7,144,711</u>	<u>8,681,464</u>	<u>1,536,753</u>

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**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

At December 31, 2007
(Amounts in dollars)

	Business Type Activities - Enterprise Funds			Total Proprietary Funds
	HRA Loan Enterprise	HRA Parking Enterprise		
ASSETS				
Current Assets:				
Cash and Investments with Treasurer	3,669,770	9,555,191		13,224,961
Cash with Fiscal Agents	-	1,146,815		1,146,815
Accounts Receivable (Net of Allowance)	9,115	278,834		287,949
Delinquent Property Taxes Receivable (Net of Allowance)	-	42,282		42,282
Delinquent Assessments Receivable (Net of Allowance)	725	-		725
Accrued Interest Receivable on Investments	136,773	85,864		222,637
Due from Other Governmental Units	1,018	-		1,018
Land Held for Resale	13,109,097	-		13,109,097
Restricted Cash for Revenue Bond Debt Service	864,791	7,863,102		8,727,893
Restricted Cash for Revenue Bond Reserve	6,444,716	-		6,444,716
Restricted Cash for Revenue Bond Development & Construction	-	723,225		723,225
Restricted Cash for Revenue Bond Operations and Maintenance	-	686,198		686,198
Total Current Assets	24,236,005	20,381,511		44,617,516
Noncurrent Assets:				
Loans Receivable	33,557,230	-		33,557,230
Accrued Interest Receivable on Loans	3,522,456	-		3,522,456
Less: Allowance for Uncollectible Loans and Interest	(30,353,593)	-		(30,353,593)
Advances to Other Funds	5,797,323	-		5,797,323
Advances to Other Governmental Units	290,000	-		290,000
Deferred Charges	-	999,476		999,476
Capital Assets:				
Land	-	30,275,590		30,275,590
Parking Ramps	-	105,907,597		105,907,597
Buildings	-	2,108,356		2,108,356
Equipment	-	51,634		51,634
Less: Accumulated Depreciation	-	(30,649,034)		(30,649,034)
Total Capital Assets (Net of Accumulated Depreciation)	-	107,694,143		107,694,143
Total Noncurrent Assets	12,813,416	108,693,619		121,507,035
TOTAL ASSETS	37,049,421	129,075,130		166,124,551

Continued

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

At December 31, 2007
(Amounts in dollars)

	Business Type Activities - Enterprise Funds			Total Proprietary Funds
	HRA Loan Enterprise	HRA Parking Enterprise		
LIABILITIES				
Current Liabilities:				
Accounts Payable	215,497	390,452		605,949
Contracts Payable	1,933,562	-		1,933,562
Due to Other Governmental Units	2,549,734	89,355		2,639,089
Accrued Interest on Bonds Payable	-	418,715		418,715
Revenue Bonds Payable	2,245,395	861,315		3,106,710
Accrued Interest on Long-Term Notes	-	52,800		52,800
Revenue Notes Payable	195,190	70,000		265,190
Accounts Payable from Restricted Assets	-	344,773		344,773
Accrued Interest on Bonds Payable from Restricted Assets	37,500	986,279		1,023,779
Revenue Bonds Payable from Restricted Assets	448,605	2,978,685		3,427,290
Total Current Liabilities	7,625,483	6,192,374		13,817,857
Noncurrent Liabilities:				
Revenue Bonds Payable	6,441,000	81,480,230		87,921,230
Revenue Notes Payable	-	890,000		890,000
Total Noncurrent Liabilities	6,441,000	82,370,230		88,811,230
TOTAL LIABILITIES	14,066,483	88,562,604		102,629,087
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	-	22,141,220		22,141,220
Restricted for Debt Service	6,823,402	6,876,823		13,700,225
Restricted for Maintenance and Repair	-	686,198		686,198
Unrestricted	16,159,536	10,808,285		26,967,821
TOTAL NET ASSETS	22,982,938	40,512,526		63,495,464

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For the Year Ended December 31, 2007
(Amounts in dollars)

	Business Type Activities - Enterprise Funds			Total Proprietary Funds
	HRA Loan Enterprise	HRA Parking Enterprise		
OPERATING REVENUES				
Fees, Sales and Services	291,776	10,691,896		10,983,672
Interest Earned on Loans	137,300	-		137,300
Total Operating Revenues	<u>429,076</u>	<u>10,691,896</u>		<u>11,120,972</u>
OPERATING EXPENSES				
Development Loan Programs	4,892,487	-		4,892,487
Costs of Parking Facility Operation	-	4,264,292		4,264,292
Depreciation	-	2,455,650		2,455,650
Bad Debt Expense on Loans	6,156,534	-		6,156,534
Forgivable Loan Expense	785,076	-		785,076
Total Operating Expenses	<u>11,834,097</u>	<u>6,719,942</u>		<u>18,554,039</u>
OPERATING INCOME (LOSS)	<u>(11,405,021)</u>	<u>3,971,954</u>		<u>(7,433,067)</u>
NONOPERATING REVENUES (EXPENSES)				
Property Tax Increments	-	1,276,002		1,276,002
Operating Grants	134,746	-		134,746
Noncapital Contributions	803,800	-		803,800
Investment Income:				
Interest Earnings	1,095,443	583,494		1,678,937
Increase in Fair Value of Investments	292,983	130,519		423,502
Revaluation of Land Held for Resale	(1,867,546)	-		(1,867,546)
Interest on Bonds	(547,960)	(4,343,660)		(4,891,620)
Interest on Notes	(18,913)	(57,950)		(76,863)
Intergovernmental Expenses	(500,000)	(1,756,955)		(2,256,955)
Amortization of Bond Issuance Costs	-	(112,053)		(112,053)
Total Nonoperating Revenues (Expenses)	<u>(607,447)</u>	<u>(4,280,603)</u>		<u>(4,888,050)</u>
Income Before Contributions and Transfers	<u>(12,012,468)</u>	<u>(308,649)</u>		<u>(12,321,117)</u>
Capital Contributions	-	11,412,775		11,412,775
Transfers In	1,416,433	-		1,416,433
Transfers Out	(13,762,113)	-		(13,762,113)
CHANGE IN NET ASSETS	<u>(24,358,148)</u>	<u>11,104,126</u>		<u>(13,254,022)</u>
TOTAL NET ASSETS, January 1	<u>47,341,086</u>	<u>29,408,400</u>		<u>76,749,486</u>
TOTAL NET ASSETS, December 31	<u>22,982,938</u>	<u>40,512,526</u>		<u>63,495,464</u>

STATEMENT OF CASH FLOWS**PROPRIETARY FUNDS**

For the Year Ended December 31, 2007

(Amounts in dollars)

	Business Type Activities - Enterprise Funds			Total Proprietary Funds
	HRA Loan Enterprise	HRA Parking Enterprise		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers/Borrowers	379,500	10,766,393		11,145,893
Payments to Suppliers	(4,752,599)	(7,436,746)		(12,189,345)
Net Cash Provided (Used) for Operating Activities	<u>(4,373,099)</u>	<u>3,329,647</u>		<u>(1,043,452)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants Received	134,096	-		134,096
Noncapital Contributions Received	803,800	-		803,800
Proceeds from the Issuance of Notes for Noncapital Activities	1,902,000	-		1,902,000
Intergovernmental Expenses Paid	(500,000)	(490,289)		(990,289)
Interest Paid on Revenue Bonds for Noncapital Activities	(569,468)	-		(569,468)
Interest Paid on Notes for Noncapital Activities	(19,096)	-		(19,096)
Principal Paid on Bonds for Noncapital Activities	(3,320,000)	-		(3,320,000)
Principal Paid on Notes Issued for Noncapital Activities	(1,902,000)	-		(1,902,000)
Advances Made to Other Funds	(273,838)	-		(273,838)
Advances Made to Other Governmental Units	(190,000)	-		(190,000)
Transfers In from Other Funds	1,416,433	-		1,416,433
Transfers Out to Other Funds	(13,762,113)	-		(13,762,113)
Net Cash Provided (Used) for Noncapital Financing Activities	<u>(16,280,186)</u>	<u>(490,289)</u>		<u>(16,770,475)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Property Tax Increments Received for Capital Debt	-	1,259,443		1,259,443
Capital Contributions	-	2,149,308		2,149,308
Payments for Acquisition and Construction of Capital Assets:				
Building and Structures	-	(7,358,328)		(7,358,328)
Public Improvements	-	(15,300)		(15,300)
Equipment	-	(20,573)		(20,573)
Principal Paid on Debt Maturities:				
Revenue Bonds	-	(3,260,000)		(3,260,000)
Notes	-	(70,000)		(70,000)
Interest Paid on Debt:				
Revenue Bonds	-	(4,402,939)		(4,402,939)
Notes	-	(61,800)		(61,800)
Net Cash Provided (Used) for Capital and Related Financing Activities	-	<u>(11,780,189)</u>		<u>(11,780,189)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends Received	1,305,963	619,854		1,925,817
Increase (Decrease) in the Fair Value of Investments	290,082	129,790		419,872
Net Cash Provided (Used) for Investing Activities	<u>1,596,045</u>	<u>749,644</u>		<u>2,345,689</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(19,057,240)</u>	<u>(8,191,187)</u>		<u>(27,248,427)</u>

Continued

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2007
(Amounts in dollars)

	Business Type Activities - Enterprise Funds		Total
	HRA Loan Enterprise	HRA Parking Enterprise	Proprietary Funds
CASH AND CASH EQUIVALENTS, January 1	30,036,517	28,165,718	58,202,235
CASH AND CASH EQUIVALENTS, December 31	10,979,277	19,974,531	30,953,808
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES	(11,405,021)	3,971,954	(7,433,067)
Operating Income (Loss)	(3,175,018)	-	(3,175,018)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) for Operating Activities:			
Increase (decrease) in allowance for uncollectible loans	-	2,455,650	2,455,650
Depreciation Expense	-	(1,274,075)	(1,274,075)
Miscellaneous Nonoperating Expenses Paid	(2,335)	71,940	69,605
(Increase) decrease in accounts receivable	81	-	81
(Increase) decrease in assessments receivable	9,751,447	-	9,751,447
(Increase) decrease in loans receivable	311,274	-	311,274
(Increase) decrease in accrued interest receivable on loans	6,585	2,559	9,144
(Increase) decrease in due from other governmental units	(235,138)	(1,894,858)	(2,129,996)
Increase (decrease) in accounts payable	115,022	-	115,022
Increase (decrease) in contracts payable	260,004	(3,523)	256,481
Increase (decrease) in due to other governmental units	7,031,922	(642,307)	6,389,615
Total Adjustments	(4,373,099)	3,329,647	(1,043,452)
Net Cash Provided (Used) for Operating Activities	3,669,770	9,555,191	13,224,961

DETAILS OF CASH AND CASH EQUIVALENTS

Cash and Investments with Treasurer	1,146,815	1,146,815
Cash with Fiscal Agent	7,863,102	8,727,893
Restricted Cash for Revenue Bond Debt Service	-	6,444,716
Restricted Cash for Revenue Bond Reserve	6,444,716	723,225
Restricted Cash for Revenue Bond Development & Construction	-	686,198
Restricted Cash for Bond Operations and Maintenance	-	686,198
Total Cash and Cash Equivalents	10,979,277	19,974,531

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Contribution of Capital Assets from Outside Sources	10,760,600	10,760,600
Revaluation of Land Held for Resale	(1,867,546)	(1,867,546)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**

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**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
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(Continued)**

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HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

1. Reporting Entity

The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, (HRA) is a public agency established pursuant to Minn. Laws 1947, ch. 487, as codified at Minn. Stat. ch. 469, to undertake urban renewal programs. These programs strive to redevelop the residential, commercial, and industrial areas of the City of Saint Paul (City) and to provide adequate jobs, a sound fiscal base, and a variety of affordable housing for City residents. The HRA is governed by a seven-member Board of Commissioners consisting of the members of the City Council.

The HRA was reorganized during 1978 and 1979. This reorganization consisted of the following:

- A. The HRA employees became employees of the City (Note 5.G.).
- B. The Public Housing Agency was spun off and became a separate governmental entity.
- C. The HRA and the City entered into an agreement, effective January 1, 1979, whereby the City agreed to perform administrative and accounting services for the HRA.

The HRA, for financial reporting purposes, includes all funds for which the HRA is financially accountable. Financial accountability was determined on the basis of selection of the governing body, ability to impose will, a financial benefit/burden relationship, and fiscal dependency including approval of budgets, tax levies, and bonded debt issuance. In applying the above financial accountability criteria, it has been determined that there are no component units of the HRA.

Also, in applying the financial accountability criteria, it has been determined that the HRA is a component unit of the City of Saint Paul and is, therefore, included in the City's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007. The HRA's Board of Commissioners consists of the members of the City Council. The City also has the ability to impose its will on the HRA since City staff are responsible for the day-to-day management of the HRA. The City gives final substantive approval to HRA budgets and HRA tax levies. The financial data of the HRA is blended into the City's Comprehensive Annual Financial Report. Copies of the City's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007, can be obtained from the Financial Services Office, Accounting Section, 700 City Hall, Saint Paul, Minnesota 55102.

Joint Venture

The Minneapolis/Saint Paul Housing Finance Board (the Board) was established in accordance with a Joint Powers Agreement entered into between the Housing and Redevelopment Authority of the City of Saint Paul (HRA) and the former Minneapolis Community Development Agency (MCDA), and accepted by the cities of Minneapolis and Saint Paul under State of Minnesota laws. The governing bodies of the HRA and the City of Minneapolis each appoint three of the six members of the Board. The Board was created for the public purpose of providing decent, safe, sanitary, and

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 1. (Continued)

affordable housing to the residents of the City of Saint Paul and the City of Minneapolis. The powers exercised by the Board include the power to undertake financing programs to implement individual components of the housing plan for each city and to issue revenue bonds to finance such programs. All bonds are special limited obligations of the Board and shall be payable only out of funds specifically pledged for each issue. Total net assets at December 31, 2007, were \$8,217,572. The 2007 operations resulted in an increase of \$2,318,855 to net assets.

During 2007, distributions were made from the HRA and the City of Minneapolis to the Board in the total amount of \$189,521. These distributions resulted from surplus funds remaining from closed out Board issued revenue bonds. There was no effect to HRA assets or net assets as a result of these distributions.

Upon dissolution of the Board, all properties acquired by the Board and any surplus monies shall be distributed to the HRA and the City of Minneapolis in the proportion and otherwise pursuant to directions provided in the related indenture of trust or other bond documents. If properties acquired by the Board and any surplus monies are not traceable to a particular bond issue or the indenture is silent as to distribution of the assets upon discharge of the issue, the assets shall be distributed on the basis of the amount of funds each entity has contributed that would affect those assets. The respective percentage shares of the HRA and the City of Minneapolis in the Board's assets, liabilities, and equity were not determined at December 31, 2007. There has been no investment made by the HRA in the joint venture. Thus, the financial statements do not reflect an equity interest in the joint venture. Complete financial statements of the Board can be obtained from the City of Minneapolis Community Planning and Economic Development Department at Suite 700, Crown Roller Mill, 105 Fifth Avenue South, Minneapolis, Minnesota 55401.

2. Summary of Significant Accounting Policies

The financial statements of the HRA have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A summary of the significant accounting policies follows:

A. Fund Accounting

The HRA's accounting is organized on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Each fund is a separate accounting entity having its own assets, liabilities, equities, revenues, and expenditures or expenses, as appropriate. Government financial resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. All HRA funds are reported as major funds. A description of the funds follows:

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 2.A. (Continued)

Governmental Funds

HRA General Fund - accounts for all financial resources of the HRA, except those required to be accounted for in another fund.

HRA Federal & State Programs Special Revenue Fund - accounts for specific financial resources, primarily federal and state grants, which are spent for specific programs as legally required.

HRA Debt Service Fund - accounts for the financing and payments made on the HRA's long-term general debt.

HRA Tax Increment Capital Projects Fund - accounts for the resources segregated for the purpose of financing capital projects, primarily in Saint Paul's tax increment financing districts.

HRA Development Capital Projects Fund - accounts for multi-year development projects that are locally financed, primarily with loan enterprise funds and the 2007 Sales Tax Revenue Bonds issued by the City of Saint Paul.

Proprietary Funds

HRA Loan Enterprise Fund - accounts for the HRA's loan operations that are financed primarily by loan repayments from the recipients.

HRA Parking Enterprise Fund - accounts for the HRA's parking facility operations that are financed primarily by parking fees.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report information on all of the activities of the HRA. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and user charges. Interfund transactions within governmental activities and interfund transactions within business-type activities have been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers who use services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported as general revenues.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 2.B. (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. All HRA funds are considered major funds and are reported as separate columns in the fund financial statements section of the basic financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and contributions are recognized as revenue when eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues

Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual--that is, when they become both measurable and available to finance the expenditures of the fiscal period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs.

Nonexchange Transactions

Derived tax revenue transactions result from assessments imposed by governments on exchange transactions. Hotel-motel tax is reported as revenue when the underlying exchange occurs and the receivable amount is available.

Imposed nonexchange transactions result from assessments by governments on nongovernmental entities and individuals. Property taxes are imposed nonexchange transactions. Revenues from property taxes are recognized in the period for which they were levied to the extent they are collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes receivable but not available are reported as deferred revenue and will be recognized as revenue in the fiscal year that they become available. The HRA considers these revenues as available if they are collected within 60 days after year-end.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 2.C. (Continued)

Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and requires that government to use them for a specific purpose. The provider government establishes purpose restrictions and may also establish time requirements. Federal and state grants mandating the HRA perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when the eligibility and time requirements are met, usually when the corresponding HRA expenditure is incurred, using the guidelines of the legal and contractual requirements of the individual programs.

Voluntary nonexchange transactions result from legislative or contractual agreements, such as entitlements and donations. The provider may establish purpose restrictions and eligibility requirements. Revenues are recognized in the year to which they apply according to statute or contract. Contributions from individuals and miscellaneous revenues are also considered voluntary nonexchange transactions and are generally recognized when received in cash because they are usually not measurable until received. Tax credits paid by the state (included in intergovernmental revenue) are recognized as revenue in the fiscal year that they become available. The HRA considers revenues from tax credits paid by the state as available if they are collected within 60 days after year-end.

Exchange Transactions

Exchange transactions include revenues such as interest earned and fees, sales, and services. Interest earned is reported as revenue when it becomes both measurable and available to finance expenditures of the fiscal period. The HRA considers this revenue as available if it is collected within 60 days after year-end. Fees, sales, and services are reported as revenue when received in cash because they are usually not measurable until received.

Expenditures

Expenditures are recorded under the modified accrual method in the accounting period in which the fund liability is incurred, with the exception of principal and interest on general long-term debt, which is recognized when due, and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 2. (Continued)

D. Proprietary Fund Financial Statement Presentation

The HRA follows private-sector standards of accounting and financial reporting issued prior to December 1, 1989, for both the government-wide financial statements and the proprietary fund financial statements to the extent those standards do not conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their enterprise funds. The HRA has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and operating expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the HRA Loan Enterprise Fund is the payment of interest from loan recipients and fee revenue from customers who have received loans or grants from the HRA, while the principal operating expenses are administration, bad debts, and forgivable loans. The principal operating revenue of the HRA Parking Enterprise Fund is parking fees from parking ramp customers, while the principal operating expenses are parking operation costs, administration, and depreciation on capital assets. All revenues and expenses not meeting these criteria in each fund are reported as nonoperating revenues and expenses.

E. Cash and Investments

The City maintains a cash and investments pool which is available for use by all HRA funds. Each fund's portion of this pool is displayed in the financial statements within "Cash and Investments with Treasurer." Cash and investments are also maintained by trustees of the HRA under certain revenue bond indentures.

Investments are reported at fair value on the balance sheet with the exception of non-negotiable investment contracts and money market investments, including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations, that have a remaining maturity at time of purchase of one year or less. These exceptions are reported at amortized cost provided that the fair value of these investments is not significantly affected by the impairment of the credit standing of the issuer. All investment income, including changes in the fair value of investments, is reported as revenue. Since it is the City's practice to ensure that investments can be held to maturity if necessary, a portion of fund equity on the governmental funds balance sheet has been designated for net unrealized gains, when applicable. The fair value of investments is determined using quoted market prices at December 31, 2007.

Beginning in 1996, the City has participated in a securities lending program. The City has reported its securities lending transactions in accordance with the provisions of GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 2.E. (Continued)

The Director of the Department of Technology and Management Services and the Director of the Office of Financial Services approved a "Policy Statement" which provides for the allocation of assets, liabilities, revenues, and expenditures/expenses relating to securities lending transactions. As of and for the year ended December 31, 2007, no assets, liabilities, revenues, and expenditures/expenses relating to securities lending transactions were allocated to the HRA under the provisions of this policy statement.

For purposes of the Statement of Cash Flows, the proprietary fund's cash equivalents are cash on hand, cash in banks, and highly liquid investments having original maturities (time span from purchase date to maturity date) of three months or less. Included in the classification of cash equivalents are cash and investments with treasurer, cash and investments with trustees, and restricted cash.

F. Property Taxes

Property tax levies are set by the HRA Board of Commissioners and approved by the City Council in December of each year and certified to Ramsey County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable assessed property. Taxable assessed property values are established by Ramsey County and reviewed by the State of Minnesota. In determining property taxes, estimated market values are converted to tax capacities based on a statutory rate for each class of property. Property taxes become a lien on taxable property on January 1 in the year of collection and are recorded as receivable by the HRA on that date. Property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Property tax revenue is recognized in the year for which it is levied. Property taxes which remain unpaid at December 31 are classified as delinquent taxes receivable. In the governmental funds balance sheet, the delinquent taxes receivable are offset by deferred revenue, if not collected within 60 days after year-end, because they are not known to be available to finance current expenditures. In the government-wide financial statements, delinquent taxes receivable are recognized as revenue.

Property tax increments from the tax increment districts listed in Note 4.C. to the financial statements are levied by the City but deposited to HRA funds.

G. Restricted Assets

Certain proceeds of HRA Parking Enterprise Fund revenue bonds and HRA Loan Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants. The *revenue bond debt service* account is used to segregate resources accumulated for debt service payments over the next 12 months. The *revenue bond reserve* account is used for a required reserve for the Housing 5000 Land Assembly Bonds. The

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 2.G. (Continued)

revenue bond development and construction account is used to segregate parking revenue bond proceeds that are to be used for the construction of parking facilities and Housing 5000 Land Assembly Bond proceeds that are to be used for housing development purposes. The *revenue bond operations and maintenance* account is used to segregate resources set aside to subsidize potential deficiencies from the parking operations that could adversely affect debt service payments.

H. Loans Receivable

Loans have been issued by the HRA to financially assist private developers in various Saint Paul development projects or to provide housing or commercial rehabilitation financing for Saint Paul property owners. The loans are secured by property mortgages. Loans receivable are reported as an asset in the amount of loan proceeds disbursed, less collections on principal. An allowance for uncollectible loans, which offsets the total gross loans receivable, is recognized for the amount of loans receivable for which collection is doubtful or questionable. This allowance is based on an analysis of credit risk and payment delinquency. Interest earned on the loans is recognized as revenue. In the HRA Federal & State Programs Special Revenue Fund, in order to satisfy federal grant reporting requirements, unearned revenue of an equal amount to the asset is also reported on the governmental funds balance sheet, and revenues are reported when principal payments are received from the loan recipient.

I. Land Held for Resale

Land is acquired by the HRA for subsequent resale for redevelopment purposes and not as an investment program. Since, in order to entice development, the land is often resold at prices substantially lower than the HRA's cost, Land Held for Resale is reported as an asset at the net realizable value in the fund which acquired it. Deferred revenue of an equal amount is also reported on the respective governmental fund balance sheet. In governmental funds, in order to satisfy federal grant reporting requirements, land acquired is reported as an expenditure in the amount of the acquisition cost and as federal revenue for the same amount. When the land is subsequently sold, miscellaneous program income is recognized for the sale amount. Future draw downs from the federal government for reimbursement of expenditures incurred are adjusted by program income available at that date.

In the government-wide financial statements, a write-down of the land to market value is reported as an expense. Deferred revenue is eliminated when converting the governmental funds balance sheet to the governmental activities column on the Statement of Net Assets.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 2. (Continued)

J. Leases Receivable

The HRA, as the lessor, entered into a lease agreement with the City of Saint Paul during the year ended December 31, 2000, through which the HRA is leasing certain improvements made to the RiverCentre Parking Ramp. The cost of the improvements was financed by the HRA through the issuance of the RiverCentre Parking Facility Lease Revenue Bonds, Series 2000. The lease is reported as a direct financing lease since the HRA has transferred substantially all of the risks and benefits of ownership of the improvements to the City, and the HRA is financing an in-substance purchase of the improvements by the City. Under the lease, the City has an option to purchase the improvements at any time prior to the expiration of the lease for the amount of any remaining outstanding bonds plus \$1. The present value of the total lease payments to be received under the lease agreement is recognized as leases receivable in the HRA Debt Service Fund. Deferred revenue of an amount equal to the leases receivable is also reported in the HRA Debt Service Fund since none of the receivable is considered to be available to finance expenditures of the current period. In the government-wide financial statements, this deferred revenue is eliminated when converting the governmental funds balance sheet to the governmental activities column on the Statement of Net Assets.

K. Capital Assets

Capital assets, which include land, buildings, pedestrian skyway bridges, parking ramp structures and parking lots, equipment, and construction in progress are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the applicable proprietary fund financial statements. Capital assets are not reported on the governmental funds balance sheet. All capital assets are reported at cost if purchased or constructed, or at estimated fair market value on the date acquired if received as a gift or contribution. The reported amount of the capital assets is not reflective of the current value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land is not depreciated. The equipment is depreciated over a ten-year useful life. The parking lots are depreciated over a 15-year useful life. Buildings, parking ramps, and pedestrian skyway bridges are depreciated over a 40-year useful life. Construction in progress is not depreciated. The depreciation method used is straight-line.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 2.K. (Continued)

Capital assets are defined by the HRA as assets with an estimated useful life in excess of two years and individual cost exceeding the following thresholds:

Land		any amount
Equipment	\$	5,000
Buildings		50,000
Parking ramps		20,000
Pedestrian skyway bridges		20,000

L. Deferred and Unearned Revenues

Deferred revenue is reported on the governmental funds balance sheet when asset recognition criteria have been met, but for which a potential revenue does not meet both the “measurable” and “available” criteria for recognition in governmental funds. These items are reported as revenue under the full accrual basis of accounting in the government-wide financial statements.

Unearned revenue arises when resources are received by the HRA before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the HRA has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. This is true for both the government-wide and the fund financial statements.

M. Long-Term Liabilities

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund Statements of Net Assets. Bond discounts, premiums, and issuance costs are deferred and amortized over the life of the bonds using the straight-line method. In the fund financial statements, governmental fund types recognize bond discounts, premiums, and issuance costs during the current period. The face amount of debt is reported as other financing sources for governmental funds.

N. Net Assets

In the government-wide financial statements and the proprietary fund financial statements, net assets include three components. First is the amount invested in capital assets net of related debt. Second, restricted net assets reports amounts that have restrictions imposed by parties outside the HRA (such as creditors, grantors, or federal or state laws). Finally, the difference between total net assets and the first two components is unrestricted net assets.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 2.N. (Continued)

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

O. Fund Balances - Governmental Fund Financial Statements

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted for use for a specific use that is narrower than the purpose of the fund itself. Designations of fund balance represent tentative management plans that are subject to change.

P. Interfund Transactions

Interfund services provided and used are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers. Transfers between governmental funds and transfers between proprietary funds are eliminated in the government-wide financial statements.

3. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The Governmental Fund Balance Sheet includes a reconciliation between fund balances - total governmental funds and net assets - governmental activities as reported in the Government-Wide Statement of Net Assets.

The third element of that reconciliation explains that "long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$129,363,855 difference are as follows:

Governmental activity premium on bonds payable	\$ 32,378
Governmental activity bonds payable	112,903,740
Governmental activity notes payable	15,460,472
Accrued interest payable	2,150,819
Deferred charge for issuance costs	<u>(1,183,554)</u>
Net Adjustment to Decrease Fund Balance - Total	
Governmental Funds to Arrive at Net Assets - Governmental Activities	<u>\$ 129,363,855</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 3. (Continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the Government-Wide Statement of Activities.

The third element of that reconciliation explains that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and discounts when debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.” The details of this \$8,758,757 difference are as follows:

Bonds issued in 2007	\$ (3,895,000)
Bond premium & issuance costs – bonds issued in 2007	(38,054)
2007 amortization of premium	12,453
2007 amortization of issuance costs	(76,972)
2007 principal payments on bonds	10,567,183
2007 principal payments on notes	<u>2,189,147</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 8,758,757</u>

4. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

The HRA followed these procedures in establishing the 2007 budget:

On August 23, 2006, the Executive Director presented a proposed budget to the HRA Board of Commissioners for the fiscal year commencing the following January 1. This budget includes proposed expenditures and other uses and the means of financing them. Upon approval by the HRA Board, the Executive Director submitted the budget to the Mayor of the City of Saint Paul who submitted this budget to the City Council for consideration, approval, and certification. All budget amendments that authorize an increase in total fund spending require approval by the HRA Board of commissioners. Any amendments transferring budgeted amounts between activities within the same fund require administrative approval by the HRA Executive Director and the City Budget Director.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 4.A. (Continued)

All annual governmental fund budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Multi-year governmental fund budgets are utilized in the special revenue fund and the capital projects fund.

Unexpended appropriation balances lapse at the end of the fiscal year in the annual governmental fund budgets. Upon HRA Board approval, outstanding encumbrances at the end of the fiscal year are re-appropriated in the following year in annual governmental fund budgets. Unexpended appropriation balances do not lapse at the end of the fiscal year in the multi-year governmental fund budgets.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded, is employed in the governmental funds. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end were not reported as expenditures in the financial statements and, therefore, fund balances were reserved for subsequent expending.

Formal automated budgetary integration is employed as a management control device during the year. The legal level of budgetary control (that is, the level at which expenditures and other financing uses cannot legally exceed the appropriated amount) is at the fund level. Appropriations are controlled administratively at the activity level within multi-year budgeted funds. Governmental funds with annually adopted budgets are controlled administratively at the activity level and within the following major object levels of expenditure: debt service, other spending, and transfers out. Proprietary funds have annually adopted budgets and are controlled administratively at the fund level and within the same major object levels of expenditure as in governmental funds. Management is authorized to spend within the above stated administration limits without an HRA Board-approved budget amendment or a budget amendment approved by the HRA Executive Director and the City Budget Director. Spending budgets are controlled by encumbering proposed obligations against appropriations. Encumbering instruments which exceed available appropriations are not authorized until additional appropriations are made available.

B. General Obligation Bonds Issued by the City of Saint Paul for HRA Programs

Minn. Laws 1973, ch. 395, authorized the City of Saint Paul to issue \$43,400,000 in Urban Renewal Bonds. Bonds issued and sold as of December 31, 2007, total \$42,625,000. Bonds authorized and unissued at December 31, 2007, are equal to \$775,000. Proceeds from the sale of these bonds were used to finance specific urban renewal program costs and redevelopment project costs. The outstanding Urban Renewal Bonds are an obligation of the City and are retired by annual City appropriations.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 4.B. (Continued)

During 2000, the City of Saint Paul issued Riverfront Tax Increment General Obligation Refunding Bonds, Series 2000D, in the amount of \$8,335,000. Proceeds from the Series 2000D bonds refunded the outstanding Tax Increment Bonds, Series 1993C, in February 2001. During 2002, the City of Saint Paul issued Riverfront Tax Increment General Obligation Refunding Bonds, Series 2002C, in the amount of \$2,335,000. Proceeds from the Series 2002C bonds refunded the outstanding Tax Increment Bonds, Series 1993D, in 2002. Series 2000D and Series 2002C have a City general obligation pledge, but are to be retired using HRA tax increment revenues from the Riverfront Tax Increment District, along with other available HRA sources. The outstanding Series 2000D and 2002C bonds are reported as a liability in the governmental activities column of the HRA's Government-Wide Statement of Net Assets (Note 5.F.).

During 1995, the City of Saint Paul issued Midway Marketplace Tax Increment General Obligation Bonds, Series 1995A, in the amount of \$7,660,000. Proceeds from the Series 1995A bonds were used to provide financing for certain public redevelopment costs in an area referred to as Midway Marketplace. During 2005, the City issued the Snelling-University Tax Increment Refunding Bonds, Series 2005C in the amount of \$5,130,000 which refunded the 1995 Bonds. The bonds have a City general obligation pledge but are to be retired using tax increments from the HRA's Snelling-University District and certain shortfall payments from the project developers as defined in the development agreements. The outstanding Series 2005C bonds are reported as a liability in the governmental activities column of the HRA's Government-Wide Statement of Net Assets (Note 5.F.).

During 1998, the City of Saint Paul issued Block 39 Tax Increment General Obligation Bonds, Series 1998A and Series 1998B, in the amount of \$21,255,000 and \$18,745,000, respectively. Proceeds from the Series 1998A and Series 1998B were used to finance the acquisition of Block 39 properties in the downtown area and to construct a parking facility and retail space. The bonds have a City general obligation pledge but are to be retired using tax increments from the HRA's Block 39 Lawson/Arena District and revenues from the parking facility. The outstanding Series 1998A and 1998B bonds are reported as a liability in the Parking Enterprise Fund and in the business-type activities column of the HRA's Government-Wide Statement of Net Assets (Note 5.F.).

In March 2007, the City of Saint Paul issued Koch Mobil Tax Increment Refunding Bonds, Series 2007B, in the amount of \$3,895,000. The proceeds of the 2007 bonds were used to currently refund Koch Mobil Tax Increment Bonds, Series 2004C. The 2007 bonds have semiannual interest payments until March 2010 when the entire principal is due and will likely be refunded through a subsequent bond issue. The interest payments are to be financed by HRA tax increment revenue from the Koch Mobil Tax Increment District. The City has issued a general obligation pledge on the 2007 bonds. The outstanding Series 2007B bonds are reported as a liability in the governmental activities column of the HRA's Government-Wide Statement of Net Assets (Note 5.F.).

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2007

Note 4. (Continued)

C. Tax Increment Financing Districts

Pursuant to state law, the following tax increment financing districts have been established in Saint Paul and are administered by the HRA.

District Number	District	Year Established	Duration of District	Outstanding Long-Term Debt (Including Advances)
12 & 173	New Housing & Blighted Land	1981	25 years	\$ -
82	Downtown & Seventh Place	1978	30 years	7,445,226
83	Spruce Tree Centre/Metz Bakery Area	1987	25 years	1,272,740
87	Riverfront	1987	25 years	5,790,000
100	Neighborhood Business Development - Scattered Sites			6,240,000
135	Snelling-University	1988	25 years	4,425,000
193	Hubbard Site	1990	25 years	-
194	1919 University	1997	20 years	-
212	Block 4 Minnesota Mutual	1997	25 years	-
213	Block 39 Lawson/Arena	1997	25 years	33,260,000
215	Superior Street Cottages	1997	25 years	-
224	North Quadrant Phase 1 - Essex	1998	25 years	-
225	Riverfront Renaissance-Upper Landing	2000	25 years	-
228	Emerald Park-Emerald	2001	25 years	21,913,579
232	Straus Building	2002	25 years	67,832
233	North Quadrant Expansion 1 - Dakota	2002	25 years	-
234	Phalen Village	2003	25 years	1,115,000
236	J. J. Hill	2001	25 years	2,590
237	Osceola Park	2001	25 years	3,669,738
240	Bridgecreek Senior Place	2002	25 years	2,971
241	North Quadrant Phase 2	2003	25 years	10,251
243	Shepard - Davern Owner Occupied	2004	25 years	1,300,772
244	Shepard - Davern Rental Housing	2003	25 years	4,857,967
245	Shepard - Davern Senior Rental	2003	25 years	19,121
248	Koch Mobil	2003	25 years	14,357
257	Payne Phalen	2004	25 years	3,895,000
260	North Quadrant - Sibley	2005	25 years	12,540
261	Riverfront Renaissance - US Bank	2006	25 years	1,008,839
262	Riverfront Renaissance - Drake Marble	2006	25 years	15,684,377
263	Riverfront Renaissance - Uncommitted	2006	25 years	1,676,000
264	Riverfront Renaissance - Llewellyn	2006	25 years	994,391
265	Riverfront Renaissance - HRA	2006	25 years	30,692
266	Emerald Park - Metro	2006	25 years	-
267	Emerald Park - Berry	2006	25 years	26,765
268	North Quadrant Expansion 1 - Sibley	2006	25 years	50,668
269	Phalen - Rose Hill	2006	25 years	2,593
271	Carlton Lofts	2006	25 years	29,712
278	Highland Pointe Lofts	2007	25 years	10,013
				11,389
Total Outstanding Long-Term Debt At December 31, 2007				\$ 114,840,124

Total tax capacity amounts and tax increment revenue for these districts in 2007 are as follows.

Current tax capacity (assessed in 2006, payable in 2007)	\$20,904,378
Captured tax capacity retained by the HRA	\$17,200,401
Tax increment revenue in 2007	\$18,317,904
Delinquent tax increment receivable at December 31, 2007	\$383,407

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 4. (Continued)

D. Federal Audit Requirements

The U.S. Office of Management and Budget (OMB) issued Circular A-133, which establishes uniform audit requirements for non-federal entities that administer federal awards and implements the Single Audit Act Amendments of 1996, which were signed into law July 5, 1996 (Public Law 104-156):

The purposes of the Single Audit Act Amendments of 1996 are to:

- promote sound financial management, including effective internal controls with respect to federal awards;
- promote the efficient and effective use of audit resources;
- reduce burdens on state and local governments, Indian tribes, and nonprofit organizations; and
- ensure that federal departments and agencies, to the maximum extent practicable, rely upon the audit work done pursuant to chapter 75 of title 31, United States Code (the "Single Audit Act").

For 2007, the HRA's audit was performed in accordance with Circular A-133. The auditor's report on their consideration of the HRA's internal control over financial reporting and their tests of the HRA's compliance with certain provisions of laws, regulations, contracts, and grants will be issued at a later date.

Grant amounts received or receivable from the federal government are subject to adjustment.

Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the HRA expects such amounts, if any, to be immaterial.

E. Conduit Debt Obligations

The HRA has issued Commercial/Industrial Development, Homeownership Mortgage, and Rental Housing Revenue Bonds to assist developers, businesses, and low-to moderate-income homeowners in projects which improve the economic and housing conditions of the City. The bonds are secured by the financed property and are payable solely from the revenues of the individual commercial/industrial or housing projects. The bonds do not constitute a charge, lien, or encumbrance, legal or equitable, upon any property or funds of the HRA, nor is the HRA subject to any liability thereon. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 4.E. (Continued)

Conduit bonds issued subsequent to January 1, 1996, have an outstanding principal balance of \$1,300,000,000 at December 31, 2007. The aggregate principal amount payable for conduit bonds issued prior to January 1, 1996, could not be determined; however, their original issue amounts totaled \$2.9 billion. There were 185 conduit bonds issued prior to January 1, 1996, and 108 conduit bonds issued subsequent to January 1, 1996.

F. Deficit - Net Assets of Governmental Activities

On the Government-Wide Statement of Net Assets, the HRA is reporting an overall deficit for the governmental activities of \$44,743,385. The individual governmental funds which form a part of the governmental activities all have positive fund balances. The deficit was created with the addition of long-term debt to the government-wide governmental activities. The HRA issues long-term debt for development purposes and, in many cases, does not acquire or construct HRA-owned capital assets with the debt proceeds. The debt is to be retired with future revenues, such as property tax increments or sales taxes. (See Notes 3.A. and 5.F.)

5. Detailed Notes on All Funds

A. Deposits and Investments

Through agreement with the City, the HRA deposit and investment functions are managed by the City's Office of Financial Services, Treasury Section. City policies are applied to the HRA's portfolio of deposits and investments.

(1) Deposits

Minn. Stat. §§ 118A.02 and 118A.04 authorize the City to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. § 118A.03 requires that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better, revenue obligations rated "AA" or better, irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. All pledged collateral is held in the City's name at third party institutions.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.A.(1). (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the HRA's deposits may not be returned to it. The City is authorized to use only those financial institutions that have been approved by the City Council. The HRA's deposits at December 31, 2007 consist of the City cash and investment pool in an amount of \$62,531,447 and the parking ramp checking accounts in the amount of \$1,117,898. The City cash and investment pool is entirely insured or collateralized in the City's name at third party institutions. The parking ramp checking accounts are collateralized in the City's name at third-party institutions.

(2) Investments

Minn. Stat. §§ 118A.04 and Minn. Stat. §§ 118A.05 generally authorize the following types of investments as available to the HRA:

- (1) 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 Minn. Stat. §§ 118A.04, sub. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by national bond rating service;
- (4) bankers' acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

In addition, under Minn. Stat. §§ 469.012, the HRA can invest funds in properties or securities in which savings banks may legally invest funds which provides broad investment authority.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.A.(2). (Continued)

The City Council has adopted an investment policy, dated June 9, 2003, which provides requirements and guidelines for the following:

- Authority and responsibility
- Administrative and review procedures
- Credit risk, interest rate risk, liquidity return, and avoidance of loss
- Investments in special programs and projects
- Short term and longer term investments
- Investment manager selection and termination

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City minimizes its exposure to interest rate risk by investing in both shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City has established maximum guidelines for investment duration.

Credit Risk – Investments

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the City's policy to invest in securities that meet the ratings requirements set by state statute.

Custodial Credit Risk – Investments

The custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of an investment or collateral securities that are in possession of an outside party. According to City policy, all securities purchased are held by a third-party safekeeping agent appointed as custodian(US Bank). The City uses only those financial institutions and broker/dealers approved by the City Council.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. It is the City's policy to diversify investments so that potential losses on individual securities of a single issuer will be minimized.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.A.(2). (Continued)

The following table represents the HRA's investment balances at December 31, 2007, and information relating to potential investment risks:

	Credit Risk		Concentration	Interest Rate	Carrying (Fair) Value
	Credit Rating	Rating Agency	Risk Over 5% of Portfolio	Risk Maturity Date	
U.S. Treasury Securities					
U.S. Treasury Notes	N/A	N/R		05/01/09	\$ 724,000
U.S. Treasury Notes	N/A	N/R		08/01/11	577,185
Total U.S. Government Securities			< 5%		<u>\$ 1,301,185</u>
Federal Home Loan Bank					
Federal Home Loan Bank Bonds	AAA	S&P		12/30/08	\$ 1,214,247
Federal Home Loan Bank Bonds	AAA	S&P		06/29/10	1,623,917
Total Federal Home Loan Bank			10.67%		<u>\$ 2,838,164</u>
Mutual Funds					
First American Government Treas. Obligations Fund Class D	N/A	N/R	45.59%	N/A	\$ 12,129,059
First American Government Treas. Obligations Fund Class Y	N/A	N/R	15.26%	N/A	4,060,129
Wells Fargo Government Securities Fund	N/A	N/R	25.77%	N/A	6,855,834
Total Investments					<u>\$ 27,184,371</u>
Deposits:					
Parking Ramp Checking Accounts at Saint Paul Banks					\$ 1,117,898
City Cash and Investment Pool					<u>62,531,447</u>
Total Deposits					<u>63,649,345</u>
Total Deposits and Investments					<u>\$ 90,833,716</u>

N/A - Not applicable

N/R - Not rated

< 5% - Concentration is less than 5% of investments

Deposits - City of Saint Paul Cash and Investment Pool - Additional disclosures required by GASB Statement No. 40, "Deposit and Investment Risk Disclosures," are disclosed on an entity-wide basis in the City of Saint Paul Comprehensive Annual Financial Report for the year ended December 31, 2007.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.A. (Continued)

(3) Reconciliation

The above amounts of deposits and Investments reconcile to the Government-Wide Statement of Net Assets as follows:

Cash and Investments with Treasurer	\$ 50,610,703
Cash with Fiscal Agents	1,146,815
Cash and Investments with Trustees	22,494,166
Restricted Cash for Revenue Bond Debt Service	8,727,893
Restricted Cash for Revenue Bond Reserve	6,444,716
Restricted Cash for Revenue Bond Development & Construction	723,225
Restricted Cash for Revenue Bond Operations and Maintenance	<u>686,198</u>
 Total	 <u>\$ 90,833,716</u>

Net Increase in the Fair Value of Investments

All investment income, including changes in the fair value of investments, is reported as revenue on the operating statements of both governmental and proprietary funds. The calculation of realized gains and losses from the sale of investments is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The increase in the fair value of investments during 2007 was \$748,002. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at December 31, 2007, was \$146,524.

B. Loans Receivable

Loans receivable are reported as assets in the following funds at December 31, 2007 (net of allowances):

HRA Federal & State Programs Special Revenue Fund	\$ 6,635,550
HRA Debt Service Fund	226,500
HRA Tax Increment Capital Projects Fund	291,071
HRA Loan Enterprise Fund	<u>5,911,449</u>
 Total All Funds	 <u>\$ 13,064,570</u>

Allowances for uncollectible loans have been established for loans for which collection is doubtful or questionable in the total amount of \$55,400,247 at December 31, 2007. During 2007, loans determined to be uncollectible or forgiven were written off the books in the amount of \$10,068,758.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.B. (Continued)

Changes in total gross loans receivable, allowances for uncollectible loans, and accrued interest receivable on loans for 2007 are shown below.

Total gross loans receivable - January 1, 2007	\$ 77,498,572
Single family mortgage loans issued	4,514,950
Single family mortgage loans sold	(4,268,350)
All other loans issued	9,634,506
Principal payments received	(8,846,103)
Loans written off	(5,505,460)
Loans forgiven	<u>(4,563,298)</u>
 Total Gross Loans Receivable - December 31, 2007	 \$ <u>68,464,817</u>
 Less: allowance for uncollectible loans - January 1, 2007	 \$ 55,518,785
Increase for bad debts and forgiveness	9,950,220
Loans written off	(5,505,460)
Loans forgiven	<u>(4,563,298)</u>
 Total allowance for uncollectible loans - December 31, 2007	 \$ <u>55,400,247</u>
 Net Loans Receivable - December 31, 2007	 \$ <u>13,064,570</u>
 Accrued Interest Receivable on Loans - December 31, 2007 (Net of Allowance)	 \$ <u>1,050,245</u>

During 2006, the HRA entered into an agreement with the City to sell a loan receivable from The Science Museum of Minnesota (SM). The SM loan was sold for \$2,400,000 and had a principal balance of \$4,000,000 at the time of sale which resulted in a loss on the sale of \$1,600,000. The \$2,400,000 in sale proceeds was used by the HRA to repay Ramsey County relating to the final closeout of the West Midway Tax Increment Financing District. Also, as part of the loan sale agreement, the HRA is obligated to advance to the City an amount of \$860,000 in installments from 2006 through 2010. In 2007, the HRA advanced \$190,000 to the City, and thus far has advanced \$290,000, of this total. The City is to repay this advance, together with 5% interest, in installments from 2011 through 2020.

At December 31, 2007, future minimum principal and interest payments to be received under the loan agreements for the next ten years are as follows:

2008	\$ 6,757,145
2009	8,561,131
2010	3,833,084
2011	3,583,213
2012	1,903,182
2013 - 2017	<u>14,308,319</u>
 Total	 \$ <u>38,946,074</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5. (Continued)

C. Land Held for Resale

Land held for resale is reported in the following funds as an asset at net realizable value at December 31, 2007.

	Balance December 31, 2006	Additions	Deductions	Balance December 31, 2007
HRA General Fund	\$ 1,440,918	\$ 66,250	\$ -	\$ 1,507,168
HRA Tax Increment Capital Projects Fund	1,057,947	60,000	-	1,117,947
HRA Loan Enterprise Fund	14,976,644	-	1,867,547	13,109,097
Total All Funds	\$ 17,475,509	\$ 126,250	\$ 1,867,547	\$ 15,734,212

On December 31, 2006, the HRA acquired property (the former Public Safety Building and real estate located in downtown Saint Paul) from the City for \$3,560,000. This property is to be developed by Penfield Condominiums (Penfield) per the Development Agreement, dated October 1, 2006, between the HRA and Penfield. The HRA paid \$1,400,000 to the City on December 31, 2006. The balance of \$2,160,000 is to be paid to the City contingent upon (1) the conveyance of the property by the HRA to Penfield and (2) Penfield payments to the HRA for their acquisition of the property per the Development Agreement. Land Held for Resale for this property in the amount of \$3,560,000 is reported in the Business Type Activities on the Statement of Net Assets and in the HRA Loan Enterprise Fund Statement of Net Assets. A liability for \$2,160,000 is also reported as "Due to Other Governmental Units" on these two statements.

D. Leases Receivable

As described in Note 2.J., the HRA entered into a direct financing lease with the City during the year ended December 31, 2000.

The City is obligated under the RiverCentre Parking Facility Improvement Lease to make lease payments through 2014, which are to be used by the HRA to finance debt service payments on its RiverCentre Parking Facility Lease Revenue Bonds, Series 2000. The RiverCentre Authority of the City of Saint Paul has approved a debt capital management plan which includes the amounts needed to make the lease payments through 2014.

The following is a summary of the leases receivable for the year ended December 31, 2007.

	RiverCentre Parking Facility Improvement Lease
Balance of leases receivable - January 1, 2007	\$ 6,570,000
Principal portion of lease payments received - 2007	(425,000)
Balance of Leases Receivable - December 31, 2007	\$ 6,145,000

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.D. (Continued)

The interest portion of the lease payments received in 2007 was \$333,559. On the Governmental Fund Balance Sheet, the HRA Debt Service Fund reports deferred revenue to offset the entire amount of the lease receivable, since the lease payments are not available to finance current period expenditures. Revenues for the principal amount of the lease payments will be reported in the HRA Debt Service Fund in future years when the payments are received. On the Government-Wide Statement of Net Assets, the leases receivable are not offset with the liability for deferred revenue.

The future lease payments (including principal and interest) to be received under the RiverCentre Parking Facility Improvement Lease are the following:

<u>Year Ending December 31</u>	<u>RiverCentre Parking Facility Improvement Lease</u>
2008	\$ 936,488
2009	1,027,838
2010	1,124,175
2011	1,223,950
2012	1,313,950
2013 - 2014	<u>1,706,550</u>
Total	<u>\$ 7,332,951</u>

E. Capital Assets

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

<u>Governmental Activities</u>	<u>Balance January 1, 2007</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2007</u>
Land (not depreciated)	\$ 1,088,230	\$ -	\$ -	\$ 1,088,230
Construction in progress (not depreciated)	-	-	-	-
Buildings	845,716	-	-	845,716
Pedestrian skyway bridges	<u>13,016,925</u>	<u>-</u>	<u>-</u>	<u>13,016,925</u>
Totals at historical cost	<u>\$ 14,950,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,950,871</u>
Less: accumulated depreciation				
Buildings	\$ (486,287)	\$ (21,143)	\$ -	\$ (507,430)
Pedestrian skyway bridges	<u>(6,924,390)</u>	<u>(325,423)</u>	<u>-</u>	<u>(7,249,813)</u>
Total accumulated depreciation	<u>\$ (7,410,677)</u>	<u>\$ (346,566)</u>	<u>\$ -</u>	<u>\$ (7,757,243)</u>
Total Governmental Activities Capital Assets - Net	<u>\$ 7,540,194</u>	<u>\$ (346,566)</u>	<u>\$ -</u>	<u>\$ 7,193,628</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.E. (Continued)

Business-Type Activities	Balance January 1, 2007	Increase	Decrease	Balance December 31, 2007
Land (not depreciated)	\$ 19,514,990	\$ 10,760,600	\$ -	\$ 30,275,590
Buildings	2,108,356	-	-	2,108,356
Parking ramps	88,125,305	17,782,292	-	105,907,597
Equipment	31,060	20,574	-	51,634
Construction in progress (not depreciated)	10,098,345	-	(10,098,345)	-
Totals at historical cost	\$ 119,878,056	\$ 28,563,466	\$ (10,098,345)	\$ 138,343,177
Less: accumulated depreciation				
Buildings	\$ (256,192)	\$ (52,919)	\$ -	\$ (309,111)
Parking ramps	(27,922,180)	(2,397,910)	-	(30,320,090)
Equipment	(15,012)	(4,821)	-	(19,833)
Total accumulated depreciation	\$ (28,193,384)	\$ (2,445,650)	\$ -	\$ (30,649,034)
Total Business-Type Activities Capital Assets - Net	\$ 91,684,672	\$ 26,107,816	\$ (10,098,345)	\$ 107,694,143

The construction in progress, for business-type activities, decreased by \$10,098,345 in 2007. This represents the completion of the Smith Avenue Transit Center (West End Multi-Modal Hub).

Depreciation expense for 2007 was charged to functions/programs as follows:

Governmental Activities	
Housing and economic development	\$ 346,566
Business-Type Activities	
Parking operations	2,455,650

F. Long-Term Debt

Long-term debt consists of bonds payable and notes payable. This debt has been issued for both governmental and business-type activities. Governmental activity debt has been issued to provide financing for housing and economic development programs and projects. Business-type debt was issued to finance the construction of parking facilities and to acquire property as part of the Land Assembly program.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.F. (Continued)

(1) Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2007, was as follows:

Governmental Activities	Balance January 1, 2007	Increase	Decrease	Balance December 31, 2007	Due Within One Year
Bonds payable					
Tax increment bonds	\$ 69,420,923	\$ 3,895,000	\$ 8,742,183	\$ 64,573,740	\$ 6,566,180
Sales tax revenue bonds	43,585,000	-	1,400,000	42,185,000	1,500,000
Lease revenue bonds	6,570,000	-	425,000	6,145,000	525,000
Add: unamortized premium on tax increment bonds	-	44,831	12,453	32,378	-
Totals bonds payable	\$ 119,575,923	\$ 3,939,831	\$ 10,579,636	\$ 112,936,118	\$ 8,591,180
Notes payable	17,649,619	-	2,189,147	15,460,472	410,000
Total Governmental Activities Long-Term Debt	\$ 137,225,542	\$ 3,939,831	\$ 12,768,783	\$ 128,396,590	\$ 9,001,180
Business-Type Activities	Balance January 1, 2007	Increase	Decrease	Balance December 31, 2007	Due Within One Year
Bonds payable					
Land assembly bonds	\$ 12,455,000	\$ -	\$ 3,320,000	\$ 9,135,000	\$ 2,694,000
Parking revenue bonds	37,815,000	-	1,815,000	36,000,000	2,150,000
Tax increment - parking bonds	34,705,000	-	1,445,000	33,260,000	1,570,000
Parking revenue bonds (Smith Avenue Transit)	15,980,000	-	-	15,980,000	120,000
Add: unamortized premium on parking revenue bonds	100,288	-	20,058	80,230	-
Total bonds payable	\$ 101,055,288	\$ -	\$ 6,600,058	\$ 94,455,230	\$ 6,534,000
Notes payable					
Parking revenue notes	\$ 1,030,000	\$ -	\$ 70,000	\$ 960,000	\$ 70,000
St. Paul Foundation Housing Loan	195,190	1,902,000	1,902,000	195,190	195,190
Total notes payable	\$ 1,225,190	\$ 1,902,000	\$ 1,972,000	\$ 1,155,190	\$ 265,190
Total Business-Type Activities Long-Term Debt	\$ 102,280,478	\$ 1,902,000	\$ 8,572,058	\$ 95,610,420	\$ 6,799,190

All 2007 scheduled principal and interest payments were made in accordance with the terms of the bonds and notes.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.F.(1). (Continued)

The Koch/Mobil Tax Increment Refunding Bonds Refunding Series 2007B were issued in the amount of \$3,895,000 to currently refund the Koch/Mobil Tax Increment Bonds Series 2004C. The current refunding was done to retire the remaining amount due on the 2004 series, which had a 3-year life.

The reacquisition price was \$3,895,000, while the net carrying value of the refund bonds was \$3,950,000. The difference of \$55,000 was paid from excess cash in the trustee account.

(2) Description of Bonds and Notes and Sources for Retirement

Governmental Activities

The governmental activity long-term debt, represented by the Tax Increment Bonds, the Sales Tax Revenue Bonds, the Lease Revenue Bonds, and the long-term notes are not general obligations of the HRA, are not backed by the full faith and credit of the HRA, and are to be retired through specific revenue sources. Under Minn. Stat. § 469.034, the HRA is not authorized to issue bonds which constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Tax increments, sales taxes, and lease payments are pledged under the respective bond covenants. Debt service payments have been made on the bonds and notes using the designated financing sources. The City has issued a general obligation pledge on the Riverfront Tax Increment Bonds, Series 2000D and Series 2002C; the Koch Mobil Tax Increment Refunding Bonds, Series 2007B; and the Snelling-University Tax Increment Bonds Series 2005C. The governmental activity bonds and notes are serviced by the HRA Debt Service Fund. A listing of the governmental activity bonds and notes at December 31, 2007, follows:

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.F.(2). (Continued)

Debt Issue	Sources for Retirement	Interest Rate (%)	Amount Payable December 31, 2007
Sales Tax Revenue Refunding Bonds, Series 1996	1/2 Percent City Sales Tax/RiverCentre Revenues	7.10	\$ 42,185,000
Downtown Tax Increment Refunding Bonds, Series 1998	Downtown & 7 th Place District Tax Increments, RiverCentre Revenues, Hotel/Motel Taxes	5.00-6.50	3,830,000
RiverCentre Parking Facility Lease Bonds, Series 2000	Lease Payments from the City	4.87-6.00	6,145,000
Riverfront Tax Increment Refunding Bonds, Series 2000D	Riverfront District Tax Increments	4.50-5.00	4,445,000
US Bank Tax Increment Bonds, Series 2001	Riverfront Renaissance District Tax Increments	5.00 - 6.75	11,265,000
Riverfront Tax Increment Refunding Bonds, Series 2002C	Riverfront District Tax Increments	2.90 - 5.65	1,345,000
North Quadrant Tax Increment Refunding Bonds, Series 2002	North Quadrant District Tax Increments	7.50	1,007,000
North Quadrant Phase II Tax Increment Bonds, Series 2002	North Quadrant District Tax Increments	7.00	1,115,000
Upper Landing Tax Increment Bonds, Series 2002A	Riverfront Renaissance District Tax Increments	6.80	5,000,000
Upper Landing Tax Increment Bonds, Series 2002B-1	Riverfront Renaissance District Tax Increments	6.40 - 7.00	12,130,000
Upper Landing Tax Increment Bonds, Series 2002B-2	Riverfront Renaissance District Tax Increments	6.90	2,000,000
Drake Marble Tax Increment Bonds, Series 2002	Riverfront Renaissance District Tax Increments	6.75	1,676,000
Spruce Tree Tax Increment Refunding Bonds, Series 2003	Spruce Tree/Metz District Tax Increments	6.50	1,272,740

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.F.(2). (Continued)

Debt Issue	Sources for Retirement	Interest Rate (%)	Amount Payable December 31, 2007
9th Street Lofts Tax Increment Bonds, Series 2004	North Quadrant District Tax Increments	6.37	1,286,000
J.J. Hill Tax Increment Bonds, Series 2004	J.J. Hill District Tax Increments	6.25	3,642,000
Neighborhood Scattered Site Tax Increment Bonds, Series 2005	Neighborhood Scattered Site District Tax Increments	4.24-5.45	6,240,000
Snelling-University Tax Increment Refunding Bonds, Series 2005C	Snelling-University District Tax Increments	3.60-5.12	4,425,000
Koch Mobil Tax Increment Refunding Bonds, Series 2007B	Koch Mobil District Tax Increments	4.25	3,895,000
CDBG Float Note	Downtown District Tax Increments	0.00	410,000
Downtown & 7th Place Redevelopment Project Subordinated Tax Increment Revenue Note	Downtown & 7th Place District Tax Increment	11.00	3,482,290
HUD Section 108 Note, Series 2003-A	EDI Grants, Port Authority	5.20	3,300,000
HUD Section 108 Note, Series 2003-B	Land Sale Proceeds	Variable	3,450,000
Shepard Davern Rental Housing Tax Increment Note, Series 2006	Shepard Davern District Tax Increments	5.09	<u>4,818,182</u>
Total Governmental Activities Long-Term Debt			<u>\$ 128,364,212</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.F.(2). (Continued)

Business-Type Activities

The business-type activity long-term debt is reported in the HRA Parking Enterprise Fund and the HRA Loan Enterprise Fund where specific fund revenues are used to service the debt. The City has issued a general obligation pledge on the Block 39 Tax Increment Bonds, Series 1998A and Series 1998B. A listing of the business-type bonds and notes at December 31, 2007, follows:

Debt Issue	Sources for Retirement	Interest Rate (%)	Amount Payable December 31, 2007
Parking Revenue Bonds, Series 1997A	7th Street Ramp Parking Revenues	6.75	\$ 7,620,000
Block 39 Tax Increment Bonds, Series 1998A	Block 39 Ramp Parking Revenues, Block 39 District Tax Increments	4.60 – 4.75	21,255,000
Block 39 Tax Increment Bonds, Series 1998B	Block 39 Ramp Parking Revenues, Block 39 District Tax Increments	5.68 – 6.45	12,005,000
Parking Revenue Refunding Bonds, Series 2001A	Parking Facility Revenues, City Parking Meter and Fine Revenue	4.00 – 5.00	4,475,000
Parking Revenue Bonds, Series 2002A	Parking Facility Revenues, City Parking Meter and Fine Revenue	4.85 – 5.35	14,295,000
Parking Revenue Bonds, Series 2002B	Parking Facility Revenues, City Parking Meter and Fine Revenue	5.10 – 6.50	4,135,000
Parking Revenue Refunding Bonds, Series 2005A	Parking Facility Revenues, City Parking Meter and Fine Revenue	2.50 – 3.37	5,475,000
Parking Revenue Bonds (Smith Avenue Transit Center) Series 2005	Smith Avenue Transit and Parking Ramp Revenues	3.90	15,980,000
Housing 5000 Land Assembly Bonds, Series 2004	Land Sale Proceeds	Variable	9,135,000
RiverCentre Exhibit Hall Parking Ramp Notes	RiverCentre Exhibit Hall Ramp Parking Revenues	6.00	960,000
Saint Paul Foundation Housing Loan	Housing Project Revenues	1.00	195,190
Total Business-Type Activities Long-Term Debt			\$ 95,530,190

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.F. (Continued)

(3) Annual Requirements - Principal and Interest on Long-Term Debt

Annual principal and interest debt service requirements for governmental activity long-term debt are as follows:

Year Ending December 31	Tax Increment Bonds		Sales Tax Revenue Bonds		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 5,251,180	\$ 3,838,536	\$ 1,500,000	\$ 2,995,135	\$ 525,000	\$ 348,988
2009	4,299,891	3,526,041	1,605,000	2,888,635	650,000	315,337
2010	7,054,364	3,239,059	1,720,000	2,774,680	775,000	274,175
2011	3,329,648	2,982,583	1,840,000	2,652,560	925,000	223,950
2012	3,543,795	2,796,097	1,975,000	2,521,920	1,075,000	163,950
2013 - 2017	12,751,862	11,695,166	12,180,000	10,296,775	2,195,000	124,050
2018 - 2022	8,821,000	8,306,949	17,170,000	5,313,285	-	-
2023 - 2027	12,262,000	4,811,042	4,195,000	297,845	-	-
2028 - 2032	7,260,000	484,535	-	-	-	-
Total	\$ 64,573,740	\$ 41,680,008	\$ 42,185,000	\$ 29,740,835	\$ 6,145,000	\$ 1,450,450

Year Ending December 31	Development Notes		Total Governmental Activity	
	Principal	Interest	Principal	Interest
2008	\$ 3,892,290	\$ 650,668	\$ 11,168,470	\$ 7,833,327
2009	-	623,715	6,554,891	7,353,728
2010	-	623,715	9,549,364	6,911,629
2011	500,000	618,715	6,594,648	6,477,808
2012	550,000	591,615	7,143,795	6,073,582
2013 - 2017	2,800,000	2,506,225	29,926,862	24,622,216
2018 - 2022	2,900,000	1,688,575	28,891,000	15,308,809
2023 - 2027	-	1,226,225	16,457,000	6,335,112
2028 - 2032	4,818,182	1,103,603	12,078,182	1,588,138
Total	\$ 15,460,472	\$ 9,633,056	\$ 128,364,212	\$ 82,504,349

Annual principal and interest debt service requirements for business-type activity long-term debt are as follows:

Year Ending December 31	Parking Revenue Bonds HRA Parking Enterprise Fund		Tax Increment - Parking Bonds HRA Parking Enterprise Fund		Parking Ramp Notes HRA Parking Enterprise Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 2,270,000	2,518,468	1,570,000	1,712,473	70,000	57,600
2009	2,375,000	2,415,172	1,700,000	1,611,888	80,000	53,100
2010	2,475,000	2,305,291	1,885,000	1,500,281	80,000	48,600
2011	2,595,000	2,188,812	2,040,000	1,378,135	90,000	43,800
2012	18,060,000	1,764,951	2,210,000	1,243,623	90,000	38,700
2013 - 2017	11,220,000	5,378,452	11,960,000	4,186,139	550,000	103,500
2018 - 2022	4,460,000	2,999,300	6,910,000	2,035,376	-	-
2023 - 2027	5,765,000	1,694,108	4,985,000	362,543	-	-
2028 - 2032	2,760,000	223,362	-	-	-	-
Total	\$ 51,980,000	21,487,916	33,260,000	14,030,458	960,000	345,300

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.F.(3). (Continued)

Year Ending December 31	Housing 5000 Land Assembly Bonds HRA Loan Enterprise Fund		Saint Paul Foundation Housing Loan HRA Loan Enterprise Fund		Total Business-Type Activity	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 2,694,000	434,580	195,190	1,952	6,799,190	\$ 4,725,073
2009	3,930,000	171,210	-	-	8,085,000	4,251,370
2010	-	151,560	-	-	4,440,000	4,005,732
2011	-	151,560	-	-	4,725,000	3,762,307
2012	-	151,560	-	-	20,360,000	3,198,834
2013 - 2017	-	757,800	-	-	23,730,000	10,425,891
2018 - 2022	-	757,800	-	-	11,370,000	5,792,476
2023 - 2027	2,511,000	155,297	-	-	13,261,000	2,211,948
2028 - 2032	-	-	-	-	2,760,000	223,362
Total	\$ 9,135,000	2,731,367	195,190	1,952	95,530,190	\$ 38,596,993

(4) Prior Year Defeasance of Debt

In prior years, the HRA defeased certain bonds by placing the proceeds of new advance refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the HRA's financial statements. On December 31, 2007, \$60,635,382 of the following outstanding bonds are considered defeased:

	Amount Outstanding December 31, 2007
New Housing & Blighted Lands Tax Increment Bonds, Series 1986	\$
Downtown & 7th Place Tax Increment Bonds, Series 1989A and 1989B	6,565,382
Sales Tax Revenue Bonds, Series 1993	48,745,000
Downtown & 7th Place Tax Increment Bonds, Series 1993	5,325,000
Total Defeased Bonds	<u>\$ 60,635,382</u>

G. Employee Benefits, Pension Plan Obligations

As part of the reorganization discussed in Note 1, the HRA employees became employees of the City in 1978. The HRA has no employees. Services are provided by the City in administering HRA programs. All pension costs, vacation, and sick leave benefits are paid and accounted for by the City.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5. (Continued)

H. Line of Credit - Home Mortgage Loan Program

Pursuant to an agreement and related note between the US Bank National Association (Bank) and the HRA, a revolving line of credit in the maximum amount of \$3,000,000 has been established to provide temporary financing for the acquisition of home mortgage loans for home purchase, purchase/rehabilitation, and refinancing/rehabilitation. The intent of the program is for the HRA to issue loans, with funds from the Bank line of credit, to finance the acquisition of single-family residences located within Saint Paul by low- and moderate-income persons and families. These mortgage loans are later sold by the HRA to a servicer, a bond trustee, or a secondary market entity with the sales proceeds being used to reduce the outstanding liability on the Bank line of credit. During the interim period when the loans are owned by the HRA, any difference between the Bank line of credit interest and the interest on the loans is the obligation of or inures to the HRA.

The HRA Loan Enterprise Fund accounts for the line of credit transactions. At December 31, 2007, loans receivable representing the principal mortgage loans originated in Saint Paul that had not yet been sold to a servicer, a bond trustee, or a secondary market entity are reported in the amount of \$538,800. Likewise, \$538,800 is owed under the line of credit at December 31, 2007, and is reported as contracts payable.

Changes in the balance due on the line of credit for the year ended December 31, 2007, are as follows:

Balance Due December 31, 2006	Increase 2007	Decrease 2007	Balance Due December 31, 2007
\$ 292,200	\$ 4,514,950	\$ 4,268,350	\$ 538,800

I. Revolving Loan Agreement - The Saint Paul Foundation

In December 2003, a loan agreement, with a revolving line of credit, was executed between the Saint Paul Foundation (Foundation) and the HRA whereby the Foundation has made available funds in the amount of \$2,500,000 to the HRA for use in its major housing initiative, the Housing 5000 Program. Any of the funds advanced under the loan agreement to the HRA by the Foundation are to be used solely for developer loans on approved housing projects. The HRA is to repay the principal amount of the advances to the Foundation as the developer loans are repaid to the HRA. Simple interest of one percent on the outstanding Foundation advances is payable on each December 31 starting with 2004. December 1, 2015, is the final maturity date under the loan agreement.

The HRA Loan Enterprise Fund accounts for the line of credit transactions. Changes in the balance due under the revolving line of credit under the loan agreement for the year ended December 31, 2007, are as follows:

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.I. (Continued)

Balance Due December 31, 2006	Increase 2007	Decrease 2007	Balance Due December 31, 2007
\$ 195,190	\$ 1,902,000	\$ 1,902,000	\$ 195,190

During 2007, an advance was made by the Foundation to the HRA in the amount of \$195,190 for the Dorothy Day Center Project. This amount of \$195,190 is reported as notes payable at December 31, 2007 (see Note 5.F.). An additional advance of \$1,902,000 was made by the Foundation to HRA, and then returned in 2007 due to use of other funding sources. Under the revolving loan agreement, there is \$2,304,810 available in loan funds from the Foundation at December 31, 2007.

J. Risk Management

The HRA is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City of Saint Paul administers the HRA's risk management activities. The HRA's risk management activities are reported in the HRA General Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNR's). The liability for claims and judgments is carried as a general long-term obligation when it is not expected to be liquidated with expendable available financial resources. The HRA had no January 1, 2006, liability for claims and judgments; nor were there any fiscal year 2006 or 2007 claims or claims payments, which resulted in any end of fiscal year 2006 or 2007 claims liabilities.

The City has purchased all risk property insurance coverage of \$1.1 billion for its real and personal property throughout the City. The deductible for each occurrence of damage or loss of property is \$250,000. Each City department participating in the insurance program is charged a yearly amount based upon pro rata shares of the property insurance coverage, and contributions are made to a risk retention pool to address potential losses due to the higher deductible. The HRA is responsible for the first \$10,000 of each loss. The risk retention pool reimburses losses that exceed \$10,000 that are not covered by insurance. The HRA General Fund pays the insurance premium for HRA-related property coverage. The HRA General Fund reimburses the City for deductible amounts paid each year based on its share of the property insurance coverage. There were no significant reductions in insurance for the previous year or settlements in excess of insurance coverage for any of the past three fiscal years. A complete audit and actuarial analysis is conducted by the City's Risk and Employee Benefit Management Division to insure proper premium, retention, and administrative charges. Tort liability is administered by the City with professional claim managers and attorneys. Because the HRA has no employees, there is no risk for workers' compensation and unemployment compensation (Note 5.G.).

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5. (Continued)

K. Pay-As-You-Go Tax Increment Notes

The HRA has issued pay-as-you-go tax increment notes to finance development in the following tax increment financing districts as of December 31, 2007.

No.	Tax Increment Financing District - Project	Date Issued	Note Amount	Note Principal Balance 12/31/2006	Note Principal Balance 12/31/2007	Total Amount Expended (Principal & Interest) Under Notes for the Year Ended 12/31/2007
215	Superior Street Cottages	7/16/1998	\$ 311,341	\$ 267,259	\$ 264,538	\$ 18,464
194	1919 University	11/7/1997	1,357,000	1,357,000	1,357,000	113,422
193	Hubbard Site	7/31/1999	1,259,924	697,490	483,893	262,686
212	Block 4-TIR Note Series 2004	5/6/2004	17,800,000	17,800,000	17,800,000	962,186
212	Block 4-Taxable TIR Note Series 2004	5/6/2004	2,975,838	2,726,632	2,647,084	236,330
260	North Quadrant Rental Phase I	2/1/2001	2,140,000	2,140,000	2,140,000	126,562
268	North Quadrant Rental Phase II	2/28/2002	1,500,000	1,500,000	1,500,000	114,220
268	North Quadrant Shortfall TIR Note II	6/20/2002	179,781	179,781	179,781	-
228	Emerald Park Owner Occupied Phase I	2/26/2003	3,067,000	2,977,386	2,914,386	255,523
267	Emerald Park Owner Occupied Phase II	4/12/2005	2,074,000	2,074,000	2,074,000	97,962
267	Emerald Park Rental	10/16/2002	3,110,000	3,110,000	3,110,000	274,171
266	Emerald Park Commercial/Metro Project	6/21/2005	1,225,000	1,225,000	1,225,000	34,748
237	Osecola Park Series 2002	11/4/2002	950,000	950,000	950,000	48,430
234	Phalen Village Ames Lake	8/1/2003	418,000	418,000	418,000	14,836
232	Straus Building	12/26/2002	600,000	596,964	596,964	42,020
240	Bridgecreek Senior Place Project	6/30/2004	2,398,952	2,398,952	2,398,952	190,299
241	Lyons Court Rental Project	4/14/2004	682,000	682,000	682,000	46,674
243	Shepard-Davern Ownership Housing	11/1/2006	3,257,067	3,257,067	3,257,067	175,097
264	Llewelyn-West Side Flats	10/24/2006	701,055	701,055	701,055	-
271	Carlton Lofts	10/1/2005	2,358,660	2,358,660	2,358,660	-
245	Shepard-Davern Gateway Senior	12/2/2003	1,353,286	1,353,286	1,353,286	53,851
257	Phalen Senior Lofts Project (Payne Phalen TIF)	2/10/2005	925,000	925,000	925,000	-
	Total		\$ 50,643,904	\$ 49,695,532	\$ 49,336,665	\$ 3,067,481

The notes are payable only after the HRA has received tax increment revenue from the above districts and can only be paid using that tax increment as the financing source. No liability is recognized at December 31, 2007, since all scheduled note payments have been made from the available tax increment. All expenditures under the notes are reported in the HRA Tax Increment Capital Projects Fund.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5. (Continued)

L. Loan Guaranty Commitments

The HRA has entered into agreements with lending institutions and various Saint Paul businesses to guaranty the repayment of a portion of loans issued by the lending institutions to the businesses. The primary repayment source of these loans is the business. The HRA would be required to repay a portion of the loans in the event of default by the business. The total amount of private loans issued where a HRA guaranty exists at December 31, 2007, is \$1,512,500. The portion of these loans that the HRA has guaranteed is \$813,550. No liability has been recorded by the HRA for these loans at December 31, 2007.

M. Other Significant Commitments

At December 31, 2007, the HRA had the following commitments:

United Family Practice Project	\$ 900,000
Gander Mountain Strategic Investment Loan	\$ 431,000
IB Systems Project	\$ 507,615

N. Interfund Transactions

(1) Interfund Receivables and Payables

During the course of its operations, the HRA has transactions between funds to finance operations and provide services. To the extent that certain transactions between funds had not been paid or received as of December 31, 2007, individual fund interfund receivable and payable balances were as follows:

Fund	Interfund Receivable	Interfund Payable
HRA General Fund	\$ 628,310	28,246
HRA Debt Service Fund	63,982	-
HRA Tax Increment Capital Projects Fund	28,246	6,489,615
HRA Loan Enterprise Fund	5,797,323	-
Total Interfund Receivables and Payables - All Funds	\$ 6,517,861	\$ 6,517,861

The interfund receivables in the HRA General Fund (\$628,310) and the HRA Loan Enterprise Fund (\$5,797,323) were advanced to the HRA Tax Increment Capital Projects Fund for the purpose of financing development expenditures in various tax increment financing districts prior to the receipt of tax increment revenues in these districts. The advances are to be repaid with interest when future available tax increment revenues are received in these districts.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.N. (Continued)

(2) Interfund Transfers

Individual fund interfund transfers during the fiscal year ended December 31, 2007, were as follows:

<u>Transfers</u>	<u>Transfers In From Other Funds</u>	<u>Transfers Out To Other Funds</u>
HRA General Fund	\$ 477,989	\$ -
HRA Development Capital Projects Fund	13,677,686	566,433
HRA Federal & State Programs Special Revenue Fund	84,427	2,100,550
HRA Debt Service Fund	1,872,480	634,954
HRA Tax Increment Capital Projects Fund	168,965	633,930
HRA Loan Enterprise Fund	1,416,433	13,762,113
Total Interfund Transfers -All Funds	<u>\$ 17,697,980</u>	<u>\$ 17,697,980</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the HRA Debt Service Fund, and (3) use unrestricted revenues collected in the HRA General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

O. Net Assets/Fund Balances

(1) Net Assets - Governmental Activities

The amount reported as "Invested in Capital Assets, Net of Related Debt" on the government-wide Statement of Net Assets for the governmental activities as of December 31, 2007, is determined as follows:

Capital assets	\$ 14,950,871
Less: accumulated depreciation	(7,757,243)
Less: outstanding principal of related debt	-
Invested in Capital Assets - Net of Related Debt	<u>\$ 7,193,628</u>

The amount reported as "Restricted for Debt Service" on the government-wide Statement of Net Assets for the governmental activities is based on required balances per bond indentures. This amount is \$5,644,230 at December 31, 2007.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.O. (Continued)

(2) Net Assets - Business-Type Activities

The amount reported as "Invested in Capital Assets, Net of Related Debt" on the government-wide Statement of Net Assets for the business-type activities and on the Statement of Net Assets for the HRA Parking Enterprise Fund as of December 31, 2007, is determined as follows:

Capital assets	\$ 138,343,177
Less: accumulated depreciation	(30,649,034)
Less: outstanding principal of related debt	(86,276,148)
Add: unspent proceeds of capital related debt	<u>723,225</u>
Invested in Capital Assets - Net of Related Debt	<u>\$ 22,141,220</u>

The amount reported as "Restricted for Debt Service" on the government-wide Statement of Net Assets for the business-type activities and on the Statement of Net Assets for Proprietary Funds as of December 31, 2007, as follows:

	<u>HRA Loan Enterprise Fund</u>	<u>HRA Parking Enterprise Fund</u>	<u>Total Proprietary Funds</u>
Restricted Assets			
Cash for revenue bond debt service	\$ 864,791	\$ 7,863,102	\$ 8,727,893
Cash for revenue bond reserve	6,444,716	-	6,444,716
Less: liabilities payable from restricted assets			
Revenue bonds payable	(448,605)	-	(448,605)
Accrued interest on bonds	<u>(37,500)</u>	<u>(986,279)</u>	<u>(1,023,779)</u>
Restricted for Debt Service	<u>\$ 6,823,402</u>	<u>\$ 6,876,823</u>	<u>\$ 13,700,225</u>

The amount reported as "Restricted for Debt Service" is based on required balances per bond indentures.

The amount reported as "Restricted for Operations and Maintenance" on the government-wide Statement of Net Assets for the business-type activities and on the Statement of Net Assets for the HRA Parking Enterprise Fund as of December 31, 2007, is determined as follows:

Restricted assets - cash for revenue bond operations and maintenance	\$ 686,198
Less: liabilities payable from restricted assets	<u>-</u>
Restricted for Operations and Maintenance	<u>\$ 686,198</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 5.O. (Continued)

(3) Fund Balances - Governmental Funds

In the fund financial statements, fund balances in governmental funds are reserved to report amounts that are not available for appropriation and/or are legally restricted to a specific use that is narrower than the purpose of the fund itself. At December 31, 2007, fund balance reservations were reported in the following governmental funds:

	HRA General Fund	HRA Debt Service Fund	HRA Tax Increment Capital Projects Fund	HRA Development Capital Project Fund	Total
Reserved for					
Encumbrances	\$ 60,235	\$ -	\$ 2,595	\$ 932,190	\$ 995,020
Debt service on bonds and notes	-	24,525,110	-	-	24,525,110
Advances to other funds	628,310	-	-	-	628,310
Total Reserved Fund Balances	\$ 688,545	\$ 24,525,110	\$ 2,595	\$ 932,190	\$ 26,148,440

In the fund financial statements, unreserved fund balances in governmental funds are designated to report amounts that represent tentative management plans for future use of financial resources. At December 31, 2007, fund balances designations were reported in the following governmental funds:

	HRA General Fund	HRA Tax Increment Capital Projects Fund	Total
Unreserved, designated for			
Specific HRA activities	\$ 3,363,366	\$ 3,930,408	\$ 7,293,774
Next year's appropriation	1,732,109	-	1,732,109
Cash flow and revenue estimates	500,000	-	500,000
Total Unreserved, Designated Fund Balance	\$ 5,595,475	\$ 3,930,408	\$ 9,525,883

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

6. Contingent Liabilities

Litigation

The HRA, in connection with the normal conduct of its affairs, is involved in various judgments, claims, and litigation; it is expected that the final settlement of these matters will not materially affect the financial statements of the HRA.

City of Saint Paul Sales Tax Revenue Bonds, Series 1999A, RiverCentre Arena Project

In March 1999, the City issued Sales Tax Revenue Bonds in the amount of \$72,570,000 to finance the construction of a new multi-purpose sports and entertainment arena in the RiverCentre Complex. The City, the HRA, the RiverCentre Authority, and the Bond Trustee have entered into a Joint Pledge Agreement whereby the following sources are pledged as security for the payment of the principal and interest on the Series 1999A bonds: (1) one-half percent City sales tax; (2) Arena net revenues resulting from the Arena lease between the City and the Minnesota Wild National Hockey League Team; and (3) tax increments received by the HRA in the years 2016 and after derived from the Block 39/Arena Tax Increment Financing District. The use of the City sales tax for the retirement of the Series 1999A bonds is subject to a parity pledge of such sales tax to the payment of debt service on the HRA Sales and Tax Revenue Bonds, Series 1996.

As of December 31, 2007, the 1999 City Sales Tax Bonds of \$72,570,000 are on parity with the 1996 HRA Sales Tax Refunding Bonds of \$55,865,000. There is a gross sales tax pledge of currently over \$15,000,000 to pay annual debt service due on these two series of bonds semi-annually. A third series, the City Subordinate Sales Tax Revenue Bonds, Series 2007 has a subordinate pledge of sales tax after the debt service is paid each six months on the bonds of 1996 and 1999.

Regions Hospital Parking Ramp Contingent Lease

During 2006, the Port Authority of the City of Saint Paul (Port) issued revenue bonds to finance construction of a parking ramp at the Regions Hospital complex. The bonds are 30 year bonds with final scheduled retirement in 2036. The Port will lease the ramp for years 2008 through 2030 to Regions Hospital after construction is completed. The HRA agreed to a lease commitment in an amount equal to the annual debt service on the Port bonds for the years 2031 through 2036. The scheduled principal balance on the bonds is \$6,045,000 in 2031 prior to the 2031 through 2036 debt payments. This HRA lease is not triggered and no payments are made by the HRA if any one of the following takes place:

1. Regions Hospital continues to need the ramp for their business and extends the lease with the Port from 2031 through 2036.
2. Sometime during the period of 2008 through 2030, Regions Hospital elects to purchase the ramp for the greater of the outstanding debt or fair market value of the ramp.
3. Regions Hospital defaults on the Port lease and the bond trustee determines on behalf of the bondholders to sell the ramp to a third party and cancels the HRA lease commitment.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2007

Note 6. (Continued)

Cleanup of Hazardous Materials

Properties owned by the HRA may have certain contingent liabilities associated with them due to potential contamination from hazardous materials or difficulty in securing vacant structures located on them. It is not expected that these contingencies will have a material effect on the financial statements of the HRA.

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SUPPLEMENTARY SCHEDULES

Supplementary schedules are presented to provide useful additional financial data to readers of this report.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**HRA DEBT SERVICE FUND**For the Fiscal Year Ended December 31, 2007
(Amounts in dollars)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	11,591,946	11,591,946	13,156,340	1,564,394
Intergovernmental	16,801,262	16,801,262	16,533,198	(268,064)
Fees, Sales and Services	1,186,841	1,186,841	1,190,751	3,910
Investment Income	569,884	569,884	991,648	421,764
Miscellaneous	100,000	100,000	796,192	696,192
Total Revenues	30,249,933	30,249,933	32,668,129	2,418,196
EXPENDITURES				
Intergovernmental - City	13,899,649	13,899,649	12,944,459	955,190
Intergovernmental - County	-	742,122	742,122	-
Debt Service				
Principal Payment on Bonds	10,568,784	10,568,784	6,672,183	3,896,601
Interest on Bonds	7,474,059	7,474,059	7,552,068	(78,009)
Principal Payment on Notes	300,000	300,000	1,251,818	(951,818)
Interest on Notes	250,270	250,270	716,031	(465,761)
Bond Issuance Costs	-	-	6,777	(6,777)
Total Expenditures	32,492,762	33,234,884	29,885,458	3,349,426
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,242,829)	(2,984,951)	2,782,671	5,767,622
OTHER FINANCING SOURCES (USES)				
Transfers In	111,023	520,067	1,872,480	1,352,413
Transfers Out	(171,561)	(171,561)	(634,954)	(463,393)
Bonds Issued	3,950,000	3,950,000	3,895,000	(55,000)
Premium on Bonds Issued	-	-	44,831	44,831
Redemption of Refunded Bonds	-	-	(3,895,000)	(3,895,000)
Total Other Financing Sources (Uses)	3,889,462	4,298,506	1,282,357	(3,016,149)
Net Changes in Fund Balances	1,646,633	1,313,555	4,065,028	2,751,473
FUND BALANCE, January 1	20,460,082	20,460,082	20,460,082	-
FUND BALANCE, December 31	22,106,715	21,773,637	24,525,110	2,751,473

**SCHEDULE OF PROGRAM EXPENDITURES - MULTI-YEAR BUDGET AND ACTUAL
HRA FEDERAL & STATE PROGRAMS SPECIAL REVENUE FUND**

Inception Through December 31, 2007

(Amounts in dollars)

Program Title	Activity Code	Multi-Year Budget	Actual Program Costs		Amount To Be Completed
			Inception Through 12/31/06	Fiscal Year Ended 12/31/07	
FEDERAL HOME PROGRAM					
Single Family Housing Rehabilitation	37001	24,061,025	19,811,441	924,759	3,324,825
New Rental Housing	37002	2,169,000	2,169,000	-	-
Community Housing Development	37003	6,409,142	4,514,374	241,348	1,653,420
Program Administration	37004	3,494,305	2,964,332	162,226	367,747
Single Family Housing Rehab - Program Income	37005	1,556,759	1,520,118	36,641	-
Total Federal HOME Program		37,690,231	30,979,265	1,364,974	5,345,992
FEDERAL ADDI HOUSING GRANT					
Single Family Housing	37006	453,041	188,400	56,000	208,641
FEDERAL SHELTER PLUS CARE GRANT					
Shelter Plus Care Program	37007	361,920	-	-	361,920
FEDERAL HOPE-3 PROGRAM					
Property Acquisition, Rehab & Mgmt	37101-37106	377,481	377,481	-	-
MINNESOTA HOUSING FINANCE AGENCY PROGRAMS					
Community Rehab Fund	38100	525,596	517,513	-	8,083
Single Family Home Improvement Loan Program	38101	6,445,000	4,616,355	529,891	1,298,754
Minnesota Urban & Rural Homestead Program	38102	62,158	61,358	-	800
Program Administration	38104	397,110	324,397	22,600	50,113
Deferred Loan Program	38105	2,756,041	1,413,450	-	1,342,591
NEDA Community Fix-Up Program	38110	104,443	104,443	-	-
Total Minnesota Housing Finance Agency Programs		10,290,348	7,037,516	552,491	2,700,341
RAMSEY COUNTY CDBG HOUSING REHABILITATION PROGRAMS					
Single Family & Rental Rehabilitation	38107-38108	2,320,134	1,945,659	3,205	371,270
METROPOLITAN COUNCIL LIVABLE COMMUNITY GRANTS					
Brewery Neighborhood Project	38200	750,000	750,000	-	-
Capital Heights City Homes	38113	300,000	300,000	-	-
Tax Based Revitalization Grants	38103	540,265	545,265	-	(5,000)
Total Metropolitan Council Livable Community Grants		1,590,265	1,595,265	-	(5,000)
STATE OF MINNESOTA GRANTS					
Railroad Island Project	38203	1,300,000	27,761	515,114	757,125
Capital Heights City Homes	38113	200,000	-	-	200,000
Federal Highway - State Administered - Head & Sack House	38206	1,090,000	-	-	1,090,000
Total State of Minnesota Grants		2,590,000	27,761	515,114	2,047,125
FEDERAL SECTION 108					
Section 108 Loan Repayment	38204	-	-	1,250,550	(1,250,550)
TOTAL HRA FEDERAL & STATE PROGRAMS FUND		55,673,420	42,151,347	3,742,334	9,779,739

**SCHEDULE OF PROJECT EXPENDITURES - MULTI-YEAR BUDGET AND ACTUAL
HRA TAX INCREMENT CAPITAL PROJECTS FUND**

For the Fiscal Years Ended December 31, 1997 through 2007
(Amounts in dollars)

<u>Activity Title</u>	<u>Activity Code</u>	<u>Multi-Year Budget</u>	<u>Costs - Fiscal Years Ended 12/31/97-2006</u>	<u>Costs - Fiscal Year Ended 12/31/07</u>	<u>Amount To Be Completed</u>
New Housing & Blighted Lands - Direct Increment Financed	76200	5,581,242	5,581,242	-	-
New Housing & Blighted Lands - Bond Financed	76201	2,922,131	2,922,131	-	-
New Housing & Blighted Lands - Post 1982 Subdistrict	76202	1,174,318	1,039,927	143,663	(9,272)
North Quadrant - Phase I	76203	4,392,268	1,488,088	-	2,904,180
North Quadrant - Non TIF	76204	372,871	366,295	4,541	2,035
North Quadrant - Phase II	76205	4,347,273	1,100,387	-	3,246,886
Superior Street Cottages	76206	686,025	160,601	18,823	506,601
J.J. Hill	76207	12,959,912	4,028,373	4,675	8,926,864
Sibley Park - Phase I	76208	6,495,378	448,927	126,633	5,919,818
Sibley Park - Phase II	76209	3,037,617	296,811	114,292	2,626,514
Straus Park	76210	1,447,696	90,263	42,388	1,315,045
North Quadrant Public Improvements	76211	864,429	867,427	-	(2,998)
Bridgreek Senior Place	76213	6,747,810	13,745	192,691	6,541,374
Phalen Village TIF District	76214	10,892,280	444,734	18,152	10,429,394
North Quadrant - Phase III	76215	6,149,000	1,449,832	179,249	4,519,919
Phalen Village TIF District Uncommitted	76216	-	-	10,579	(10,579)
West Midway	76300	2,526,781	2,526,781	-	-
Spruce Tree Centre	76302	2,889,449	2,888,606	-	843
Neighborhood Business Development - Scattered Sites	76304	31,180,202	8,286,366	226,402	22,667,434
Twin City Testing	76305	318,450	318,450	-	-
Snelling-University	76306	8,361,600	321,505	429	8,039,666
Snelling-University - Hazardous Substance	76307	2,208,368	1,799,323	409,045	-
Energy Park FBS Data Center	76308	55,373	55,373	-	-
Midway Marketplace Bonds	76309	2,915,547	2,915,547	-	-
Hubbard Site	76310	5,271,106	3,438,729	249,775	1,582,602
1919 University	76311	2,855,076	981,152	113,800	1,760,124
Midway Marketplace Pay-As-You-Go TIF Note	76312	952,397	952,397	-	-
University/Dale - Panasian	76313	-	-	-	-
Scattered Site Business TIF Bonds, Series 2005	76314	7,515,000	6,190,348	255,439	1,069,213
Riverfront Tax-Exempt Bonds	76700	1,328,925	1,328,925	-	-
Riverfront Taxable Bonds	76701	1,086,637	1,086,637	-	-
Riverfront Renaissance - Drake Marble	76702	6,670,910	2,265,866	15,840	4,389,204
Riverfront Renaissance - US Bank	76703	68,914,628	19,739,509	303,770	48,871,349

Continued

**SCHEDULE OF PROJECT EXPENDITURES - MULTI-YEAR BUDGET AND ACTUAL
HRA TAX INCREMENT CAPITAL PROJECTS FUND**

For the Fiscal Years Ended December 31, 1997 through 2007
(Amounts in dollars)

Activity Title	Activity Code	Multi-Year Budget	Costs - Fiscal Years Ended 12/31/97-2006	Costs - Fiscal Year Ended 12/31/07	Amount To Be Completed
Riverfront Renaissance - Upper Landing	76704	61,896,457	2,813,004	790,003	58,293,450
Upper Landing Interfund Loan	76705	-	386,382	102,609	(488,991)
Osceola Park	76706	2,899,714	110,626	48,788	2,740,300
Block - Minnesota Mutual	76707	46,739,637	6,618,998	1,298,483	38,822,156
Emerald Park - Owner Occupied	76708	26,401,961	714,658	371,905	25,315,398
Emerald Park - Rental	76709	13,215,895	957,965	289,230	11,968,700
Emerald Park - Commercial	76710	2,180,100	22,110	57,577	2,100,413
Riverfront Renaissance - Llewellyn	76711	17,915,978	31,632	850	17,883,496
Riverfront Renaissance - West Side Flats	76712	4,465,408	1,877,914	24,679	2,562,815
Riverfront Renaissance - Upper Landing TIF Bonds, Series 2002A	76713	5,098,416	5,178,388	-	(79,972)
Riverfront Renaissance - Upper Landing TIF Bonds, Series 2002B	76714	14,308,795	14,442,700	-	(133,905)
Shepard Davern - Phase I	76715	9,683,191	44,343	183,296	9,455,552
Shepard Davern - Phase II	76716	15,529,676	4,845,479	4,804	10,679,393
Shepard Davern - Phase III	76717	3,024,432	34,187	57,858	2,932,387
Downtown & 7th Place Redevelopment - Series 1989 Bonds	76801	1,458,854	1,458,854	-	-
Block 39 - Acquisition, Demolition, Parking Ramp & Retail	76803	42,844,807	42,517,017	91,654	236,136
Block 39 - Construction of Lawson Office Building	76804	56,729,826	56,729,826	-	-
Downtown & 7th Place Redevelopment - Direct Increment Financed	76805	16,104,598	16,104,598	-	-
Parking Revenue Bonds, Series 1992A	76806	5,616	5,616	-	-
RiverCentre Exhibit Hall Parking Ramp	76809	2,125,368	2,125,368	-	-
World Trade Center Parking Ramp	76810	13,238,148	13,238,148	-	-
RiverCentre Parking Facility Lease Revenue Bonds	76811	7,350,295	7,350,295	-	-
Armstrong-Quinlan House	76813	2,900,000	2,827,835	72,165	-
Central Library Renovation Lease Revenue Bonds	76814	13,162,076	13,162,076	-	-
City Financed Capital Projects	76815	3,925,000	3,925,000	-	-
Smith Avenue Transit Hub	76818	200,000	197,793	-	2,207
Koch Mobil Infrastructure	76819	79,096,354	3,334,897	194,166	75,567,291
TIF District Administration - Advance Funding	76820	940,950	-	-	940,950
10th Street / Jackson TIF District	76821	-	-	-	-
Payne / Phalen Senior Lofts TIF District	76822	2,847,354	4,439	11,866	2,831,049
Carleton Lofts TIF District	76823	9,257,028	-	10,468	9,246,560
Penfield TIF District	76824	47,536,340	-	-	47,536,340
Highland Pointe Lofts TIF District	76825	5,089,171	-	11,389	5,077,782
TOTAL HRA TAX INCREMENT FUND		741,292,144	276,454,445	6,051,976	458,785,723

**SCHEDULE OF PROJECT EXPENDITURES - MULTI-YEAR BUDGET AND ACTUAL
HRA DEVELOPMENT CAPITAL PROJECTS FUND**

For the Fiscal Years Ended December 31, 2006 through 2007
(Amounts in dollars)

Activity Title	Activity Code	Multi-Year Budget	Costs - Fiscal Years Ended 12/31/06	Costs - Fiscal Year Ended 12/31/07	Amount To Be Completed
Land Assembly Bonds	76903	15,000,000	6,928,054	768,085	7,303,861
STAR Funds	76904	20,000,000	15,911,807	298,951	3,789,242
HRA Funded Projects	76905	4,750,000	2,232,452	468,154	2,049,394
Other/Private Sources	76906	750,000	250,000	-	500,000
Invest Saint Paul Series 2007B STAR Taxable Bonds	76907	15,000,000	-	-	15,000,000
Invest Saint Paul Series 2007A STAR Tax Exempt Bonds	76908	2,000,000	-	-	2,000,000
Invest Saint Paul Minnesota Housing Finance Grant Program	76909	500,000	-	-	500,000
TOTAL HRA DEVELOPMENT CAPITAL PROJECTS FUND		58,000,000	25,322,313	1,535,190	31,142,497

97 Note: The Costs for Fiscal Years Ended December 31, 2006 were reported in the HRA Loan Enterprise Fund prior to Fiscal Year 2007. Future costs for these projects will be reported in the HRA Development Capital Projects Fund.

SCHEDULE OF DEPOSITS AND INVESTMENTS

ALL FUNDS

At December 31, 2007

(Amounts in dollars)

Investment Description	Maturity Date	Interest Rate	Reported Amount
Parking Ramp Checking Accounts at St Paul Banks			1,117,898
First American Government Obligations Fund Class D		3.93%	12,129,059
First American Government Obligations Fund Class Y		3.35%	4,060,129
Wells Fargo Government Securities Fund			6,855,834
Federal Home Loan Bank Bonds	12/30/2008	4.10%	1,214,247
United States Treasury Notes	5/1/2009	5.92%	724,000
Federal Home Loan Bank Bonds	6/29/2010	4.38%	1,623,917
United States Treasury Notes	11/18/2011	5.75%	577,185
City Cash and Investment Pool			62,531,447
TOTAL CASH AND INVESTMENTS			90,833,716

Summary by Statement of Net Assets Account

Cash and Investments with Treasurer	50,610,703
Cash with Fiscal Agents	1,146,815
Cash and Investments with Trustees	22,494,166
Restricted Cash for Revenue Bond Debt Service	8,727,893
Restricted Cash for Revenue Bond Reserve	6,444,716
Restricted Cash for Revenue Bond Development and Construction	723,225
Restricted Cash for Bond Operations and Maintenance	686,198
Total Cash and Investments	90,833,716

SCHEDULE OF LOANS RECEIVABLE

ALL FUNDS

At December 31, 2007
(Amounts in dollars)

<u>Fund - Program</u>	<u>Number of Loans Outstanding</u>	<u>Principal Balance 12/31/2007</u>	<u>Allowance for Uncollectible Loans 12/31/2007</u>	<u>Net Reported Assets 12/31/2007</u>
HRA FEDERAL & STATE PROGRAMS SPECIAL REVENUE FUND				
Federal HOME Program	171	19,855,768	18,143,543	1,712,225
Federal ADDI Program	26	254,400	190,800	63,600
HUD 108 Loan Guaranty Program	2	6,749,450	1,889,725	4,859,725
<u>Total HRA Federal & State Programs Special Revenue Fund</u>	<u>199</u>	<u>26,859,618</u>	<u>20,224,068</u>	<u>6,635,550</u>
HRA DEBT SERVICE FUND				
Downtown Tax Increment Bonds - RiverCentre Authority	1	4,530,000	4,303,500	226,500
<u>Total HRA Debt Service Fund</u>	<u>1</u>	<u>4,530,000</u>	<u>4,303,500</u>	<u>226,500</u>
HRA TAX INCREMENT CAPITAL PROJECTS FUND				
Scattered Site TIF Bonds	3	3,517,969	3,226,898	291,071
<u>Total HRA Tax Increment Capital Projects Fund</u>	<u>3</u>	<u>3,517,969</u>	<u>3,226,898</u>	<u>291,071</u>
HRA LOAN ENTERPRISE FUND				
Enterprise Leverage	13	2,295,114	1,739,010	556,104
Commercial Real Estate	10	3,031,587	2,715,786	315,801
Home Purchase and Rehab	53	572,295	485,817	86,478
Housing Real Estate	35	14,384,653	11,943,192	2,441,461
Minority Business Development	2	100,000	95,000	5,000
Strategic Investment Program	10	2,241,474	2,237,043	4,431
Business - UDAG	7	402,643	148,347	254,296
Housing - UDAG	5	1,453,935	1,350,907	103,028
Neighborhood Development Revolving Loan Program	1	17,307	8,654	8,653
Riverfront Tax Increment	1	70,612	67,082	3,530
Downtown Tax Increment	1	415,163	103,791	311,372
Neighborhood Development Tax Increment	4	1,015,908	633,013	382,895
New Housing & Blighted Lands Tax Increment	1	360,000	180,000	180,000
HUD Rental Rehab	16	2,409,482	2,185,473	224,009
Land Assembly	4	3,143,784	2,770,596	373,188
Mortgage Housing Loan Origination Program	4	538,800	538,800	-
Mortgage Housing - Phase I and Phase II	24	569,799	28,490	541,309
Mortgage Housing - Special Assistance	45	534,674	414,780	119,894
<u>Total HRA Loan Enterprise Fund</u>	<u>236</u>	<u>33,557,230</u>	<u>27,645,781</u>	<u>5,911,449</u>
TOTAL ALL FUNDS	439	68,464,817	55,400,247	13,064,570

SCHEDULE OF BONDS AND NOTES PAYABLE

At December 31, 2007

(Amounts in dollars)

Bonds and Notes	Lender	Source for Retirement	Interest Rate	Issue Date	Final Maturity Date	Issued	Retired	Outstanding
GOVERNMENTAL ACTIVITIES								
BONDS:								
Sales Tax Revenue Refunding Bonds (RiverCentre Project), Series 1996	Public Sale	City 1/2% Sales Tax, RiverCentre Revenues	7.10%	1996	2023	55,865,000	13,680,000	42,185,000
Downtown Tax Increment Refunding Bonds, Series 1998	Public Sale	Downtown and 7th Place District Tl's, RiverCentre Revenues, City Hotel/Motel Taxes	5.00% - 6.50%	1998	2009	24,295,000	20,465,000	3,830,000
RiverCentre Parking Facility Lease Revenue Bonds, Series 2000	Public Sale	Lease Payments from the City of Saint Paul	4.87% - 6.00%	2000	2014	7,240,000	1,095,000	6,145,000
Riverfront Tax Increment Refunding Bonds, Series 2000D *	Public Sale	Riverfront District Tl's	4.50% - 5.00%	2000	2012	8,335,000	3,890,000	4,445,000
US Bank Tax Increment Bonds, Series 2001	Public Sale	Riverfront Renaissance District Tl's	5.00% - 6.75%	2001	2028	12,000,000	735,000	11,265,000
Riverfront Tax Increment Refunding Bonds, Series 2002C *	Public Sale	Riverfront District Tl's	2.90% - 5.65%	2002	2012	2,335,000	990,000	1,345,000
North Quadrant Tax Increment Refunding Bonds, Series 2002	Public Sale	North Quadrant District Tl's	7.50%	2002	2028	1,089,000	82,000	1,007,000
North Quadrant Phase II Tax Increment Bonds, Series 2002	Public Sale	North Quadrant District Tl's	7.00%	2002	2028	1,140,000	25,000	1,115,000
Upper Landing Tax Increment Bonds, Series 2002A	Public Sale	Riverfront Renaissance District Tl's	6.80%	2002	2029	5,000,000	-	5,000,000
Upper Landing Tax Increment Bonds, Series 2002B-1	Public Sale	Riverfront Renaissance District Tl's	6.40% - 7.00%	2002	2029	12,130,000	-	12,130,000
Upper Landing Tax Increment Bonds, Series 2002B-2	Public Sale	Riverfront Renaissance District Tl's	6.90%	2002	2029	2,000,000	-	2,000,000
Drake Marble Tax Increment Bonds, Series 2002	Public Sale	Riverfront Renaissance District Tl's	6.75%	2002	2028	1,800,000	124,000	1,676,000
Spruce Tree Tax Increment Refunding Bonds, Series 2003	Public Sale	Spruce Tree/Metz District Tl's	6.50%	2003	2013	1,890,000	617,260	1,272,740
9th Street Lofts Tax Increment Bonds, Series 2004	Private Placement	9th Street Lofts District Tl's	6.375%	2004	2028	1,335,000	49,000	1,286,000

Continued

SCHEDULE OF BONDS AND NOTES PAYABLEAt December 31, 2007
(Amounts in dollars)

Bonds and Notes	Lender	Source for Retirement	Interest Rate	Issue Date	Final Maturity Date	Issued	Retired	Outstanding
BONDS (Continued):								
JJ Hill Tax Increment Bonds, Series 2004	Private Placement	JJ Hill District TI's	6.25%	2004	2029	3,660,000	18,000	3,642,000
Neighborhood Scattered Site Tax Increment Bonds, Series 2005	Public Sale	Neighborhood Scattered Site District TI's	4.24% - 5.45%	2005	2017	7,515,000	1,275,000	6,240,000
Snelling-University Tax Increment Bonds, Series 2005 *	Public Sale	Snelling-University Site District TI's	3.60% - 5.12%	2005	2017	5,130,000	705,000	4,425,000
Koch Mobil Tax Increment Refunding Bonds, Series 2007B *	Public Sale	Koch Mobil District TI's	4.25%	2007	2010	3,895,000	-	3,895,000
TOTAL BONDS - GOVERNMENTAL ACTIVITIES						<u>156,654,000</u>	<u>43,750,260</u>	<u>112,903,740</u>
NOTES:								
CDBG Float Note	City of Saint Paul	Downtown and 7th Place	0.00%	1990	2008	7,800,000	7,390,000	410,000
Downtown & 7th Place Redevelopment Project Subordinated Tax Increment Revenue Note	City of Saint Paul	Downtown and 7th Place District TI's	11.00%	1998	2009	26,146,165	22,663,875	3,482,290
HUD Section 108 Note, Series 2003-A	Public Sale	EDI Grant, Port Authority	5.20%	2003	2022	3,300,000	-	3,300,000
HUD Section 108 Note, Series 2003-B	Public Sale	Property Sale Proceeds	Variable	2003	2022	4,700,000	1,250,000	3,450,000
Shepard Davern Rental Housing Tax Increment Note, Series 2006	Gateway Apts Ltd Partnership	Shepard Davern District TI's	5.09%	2006	2032	4,820,000	1,818	4,818,182
TOTAL NOTES - GOVERNMENTAL ACTIVITIES						<u>46,766,165</u>	<u>31,305,693</u>	<u>15,460,472</u>
TOTAL BONDS AND NOTES - GOVERNMENTAL ACTIVITIES						<u>203,420,165</u>	<u>75,055,953</u>	<u>128,364,212</u>

Continued

SCHEDULE OF BONDS AND NOTES PAYABLE

At December 31, 2007

(Amounts in dollars)

Bonds and Notes	Lender	Source for Retirement	Interest Rate	Issue Date	Final Maturity Date	Issued	Retired	Outstanding
BUSINESS-TYPE ACTIVITIES - HRA LOAN ENTERPRISE FUND								
BONDS:								
Housing 5000 Land Assembly Bonds, Series 2004	Public Sale	Land Sale Proceeds, Bank Letter of Credit Land Sales	Variable	2004	2024	25,000,000	15,865,000	9,135,000
NOTES:								
Saint Paul Foundation Housing Loan	St Paul Foundation	Revenues from Housing Projects	1.00%	2006	2015	195,190	-	195,190
TOTAL BONDS AND NOTES - HRA LOAN ENTERPRISE FUND						<u>25,195,190</u>	<u>15,865,000</u>	<u>9,330,190</u>
BUSINESS-TYPE ACTIVITIES - HRA PARKING ENTERPRISE FUND								
BONDS:								
Parking Revenue Bonds, Series 1997A, (7th Street Ramp)	Public Sale	7th Street Ramp Parking Revenues	6.75%	1997	2017	11,305,000	3,685,000	7,620,000
Block 39 Tax Increment Bonds, Series 1998A *	Public Sale	Block 39 District TI's, Block 39 Parking Revenues	4.60% - 4.75%	1998	2025	21,255,000	-	21,255,000
Block 39 Tax Increment Bonds, Series 1998B *	Public Sale	Block 39 District TI's, Block 39 Parking Revenues	5.68% - 6.45%	1998	2015	18,745,000	6,740,000	12,005,000
Parking Revenue Refunding Bonds, Series 2001A	Public Sale	HRA Parking Revenues	4.00% - 5.00%	2001	2017	6,755,000	2,280,000	4,475,000
Parking Revenue Bonds, Series 2002A	Public Sale	HRA Parking Revenues	4.85% - 5.35%	2002	2029	14,295,000	-	14,295,000
Parking Revenue Bonds, Series 2002B	Public Sale	HRA Parking Revenues	5.10% - 6.50%	2002	2016	4,250,000	115,000	4,135,000
Parking Revenue Refunding Bonds, Series 2005A	Public Sale	HRA Parking Revenues	2.50% - 3.37%	2005	2013	7,790,000	2,315,000	5,475,000
Parking Revenue Bonds (Smith Avenue Transit Center), Series 2005	Public Sale	Smith Avenue Transit & Parking Ramp Revenues	3.90%	2005	2012	15,980,000	-	15,980,000
NOTES:								
RiverCentre Exhibit Hall Parking Ramp Notes	Downtown Businesses	HRA Parking Revenues	6.00%	1995	2017	1,500,000	540,000	960,000
TOTAL BONDS AND NOTES - HRA PARKING ENTERPRISE FUND						<u>101,875,000</u>	<u>15,675,000</u>	<u>86,200,000</u>
TOTAL BONDS AND NOTES - BUSINESS-TYPE ACTIVITIES						<u>127,070,190</u>	<u>31,540,000</u>	<u>95,530,190</u>

* The City of Saint Paul has issued a general obligation pledge on these bonds.

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2007
(Amounts in dollars)

Year	Sales Tax Revenue Refunding Bonds (RiverCentre Project), Series 1996		Downtown Tax Increment Refunding Bonds, Series 1998		RiverCentre Parking Facility Lease Revenue Bonds, Series 2000		Riverfront Tax Increment Refunding Bonds, Series 2000D		US Bank Tax Increment Bonds, Series 2001	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	1,500,000	2,995,135	2,515,000	207,703	525,000	348,988	805,000	195,650	285,000	716,394
2009	1,605,000	2,888,635	1,315,000	42,737	650,000	315,337	845,000	156,462	305,000	700,949
2010	1,720,000	2,774,680			775,000	274,175	880,000	115,494	325,000	684,129
2011	1,840,000	2,652,560			925,000	223,950	925,000	72,047	340,000	665,894
2012	1,975,000	2,521,920			1,075,000	163,950	990,000	24,750	360,000	646,626
2013	2,115,000	2,381,695			1,225,000	94,950			385,000	625,275
2014	2,265,000	2,231,530			970,000	29,100			405,000	601,387
2015	2,425,000	2,070,715							435,000	576,122
2016	2,595,000	1,898,540							460,000	549,172
2017	2,780,000	1,714,295							490,000	520,537
2018	2,980,000	1,516,915							515,000	490,066
2019	3,190,000	1,305,335							555,000	457,909
2020	3,420,000	1,078,845							590,000	422,912
2021	3,660,000	836,025							630,000	383,912
2022	3,920,000	576,165							670,000	342,312
2023	4,195,000	297,845							715,000	297,675
2024									760,000	248,569
2025									815,000	196,425
2026									875,000	140,400
2027									930,000	80,494
2028									420,000	16,537
2029										
2030										
2031										
2032										
Totals	42,185,000	29,740,835	3,830,000	250,440	6,145,000	1,450,450	4,445,000	564,403	11,265,000	9,363,696

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2007

(Amounts in dollars)

Year	Riverfront Tax Increment Refunding Bonds, Series 2002C		North Quadrant Tax Increment Refunding Bonds, Series 2002		North Quadrant Phase II Tax Increment Bonds, Series 2002		Upper Landing Tax Increment Bonds, Series 2002A		Upper Landing Tax Increment Bonds, Series 2002B-1	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	230,000	66,378	22,000	75,638	25,000	75,600	-	340,000	229,000	835,310
2009	250,000	54,128	24,000	73,950	27,000	73,815	104,000	336,464	245,000	819,182
2010	270,000	40,405	26,000	72,113	29,000	71,890	111,000	329,154	261,000	801,961
2011	290,000	25,208	27,000	70,163	31,000	69,825	118,000	321,368	279,000	783,583
2012	305,000	8,616	30,000	68,063	33,000	67,620	126,000	313,072	298,000	763,943
2013			32,000	65,776	35,000	65,275	135,000	304,198	318,000	742,974
2014			34,000	63,338	38,000	62,755	144,000	294,712	340,000	720,574
2015			37,000	60,751	41,000	60,060	154,000	284,580	364,000	696,603
2016			39,000	57,938	43,000	57,155	165,000	273,734	388,000	670,994
2017			43,000	54,938	47,000	54,075	176,000	262,140	414,000	643,680
2018			46,000	51,638	49,000	50,750	188,000	249,764	443,000	614,075
2019			49,000	48,150	53,000	47,250	201,000	236,538	474,000	581,980
2020			53,000	44,401	57,000	43,470	214,000	222,428	507,000	547,645
2021			57,000	40,350	61,000	39,410	229,000	207,366	542,000	510,930
2022			61,000	36,001	65,000	35,070	244,000	191,284	580,000	471,660
2023			67,000	31,313	70,000	30,450	261,000	174,114	621,000	429,625
2024			71,000	26,213	75,000	25,445	279,000	155,754	665,000	384,615
2025			77,000	20,775	80,000	20,125	298,000	136,136	711,000	336,455
2026			83,000	14,888	86,000	14,420	318,000	115,192	761,000	284,935
2027			89,000	8,550	92,000	8,295	340,000	92,820	814,000	229,810
2028			40,000	1,763	78,000	1,715	363,000	68,918	871,000	170,835
2029							832,000	28,288	2,005,000	70,175
2030										
2031										
2032										
Totals	1,345,000	194,735	1,007,000	986,710	1,115,000	974,470	5,000,000	4,938,024	12,130,000	12,111,544

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2007
(Amounts in dollars)

Year	Upper Landing Tax Increment Bonds, Series 2002B-2		Drake Marble Tax Increment Bonds, Series 2002		Spruce Tree Tax Increment Refunding Bonds, Series 2003		9th Street Lofts Tax Increment Bonds, Series 2004		JJ Hill Tax Increment Bonds, Series 2004	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	38,000	136,689	-	113,130	180,180	82,728	32,000	82,174	40,000	227,063
2009	40,000	133,998	-	113,130	191,891	71,016	34,000	80,102	54,000	224,407
2010	43,000	131,134	-	113,130	204,364	58,544	36,000	77,902	69,000	220,750
2011	47,000	128,030	-	113,130	217,648	45,260	39,000	75,576	81,000	216,250
2012	50,000	124,683	-	113,130	231,795	31,113	41,000	73,058	94,000	211,001
2013	53,000	121,129	-	113,130	246,862	16,046	44,000	70,380	108,000	204,906
2014	57,000	117,335	-	113,130	-	-	47,000	67,543	124,000	197,906
2015	60,000	113,298	-	113,130	-	-	49,000	64,515	136,000	189,906
2016	64,000	109,020	-	113,130	-	-	53,000	61,327	144,000	181,281
2017	69,000	104,431	-	113,130	-	-	57,000	57,885	153,000	172,156
2018	73,000	99,533	-	113,130	-	-	61,000	54,188	163,000	162,438
2019	78,000	94,323	-	113,130	-	-	63,000	50,267	173,000	152,094
2020	84,000	88,734	-	113,130	-	-	69,000	47,175	184,000	141,094
2021	90,000	82,731	-	113,130	-	-	73,000	41,693	195,000	129,438
2022	96,000	76,314	-	113,130	-	-	77,000	36,975	209,000	117,031
2023	102,000	69,483	-	113,130	-	-	82,000	32,003	221,000	103,782
2024	109,000	62,203	-	113,130	-	-	87,000	26,679	236,000	89,751
2025	117,000	54,407	-	113,130	-	-	93,000	21,038	250,000	74,782
2026	125,000	46,057	-	113,130	-	-	99,000	15,014	266,000	58,906
2027	133,000	37,157	-	113,130	-	-	106,000	8,606	283,000	42,032
2028	143,000	27,635	1,676,000	56,565	-	-	44,000	1,753	301,000	24,063
2029	329,000	11,350	-	-	-	-	-	-	158,000	4,938
2030										
2031										
2032										
Totals	2,000,000	1,969,674	1,676,000	2,319,165	1,272,740	304,707	1,286,000	1,045,853	3,642,000	3,145,975

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2007
(Amounts in dollars)

Year	Neighborhood Scattered Site Tax Increment Bonds, Series 2005		Snelling-University Tax Increment Bonds, Series 2005C		Koch Mobil Tax Increment Refunding Bonds, Series 2007B		CDBG Float Note		Downtown & 7th Place Redevelop Proj Subordinated Tax Increment Revenue Note	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	480,000	314,761	370,000	203,780	-	165,538	410,000	-	3,482,290	26,953
2009	485,000	292,700	380,000	187,463	-	165,538				
2010	510,000	269,762	395,000	169,923	3,895,000	82,768				
2011	535,000	244,611	400,000	151,638						
2012	565,000	217,854	420,000	132,568						
2013	585,000	188,556	450,000	111,898						
2014	620,000	157,858	470,000	89,583						
2015	660,000	124,468	490,000	65,940						
2016	690,000	88,835	515,000	40,615						
2017	1,110,000	30,247	535,000	13,709						
2018										
2019										
2020										
2021										
2022										
2023										
2024										
2025										
2026										
2027										
2028										
2029										
2030										
2031										
2032										
Totals	6,240,000	1,929,652	4,425,000	1,167,117	3,895,000	413,844	410,000	-	3,482,290	26,953

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2007
(Amounts in dollars)

Year	HUD Section 108 Note Series 2003-A		HUD Section 108 Note Series 2003-B		Shepard Davern Rental Housing Tax Increment Note, Series 2006		Parking Revenue Bonds, Series 1997A		Block 39 Tax Increment Bonds, Series 1998A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	-	171,470	-	207,000	-	245,245	560,000	514,350	-	1,004,650
2009	-	171,470	-	207,000	-	245,245	595,000	476,550	-	1,004,650
2010	-	171,470	-	207,000	-	245,245	635,000	436,388	-	1,004,650
2011	250,000	171,470	250,000	202,000	-	245,245	680,000	393,525	-	1,004,650
2012	250,000	160,370	300,000	186,000	-	245,245	725,000	347,625	-	1,004,650
2013	250,000	148,720	300,000	168,000	-	245,245	775,000	298,688	1,125,000	978,775
2014	250,000	136,645	300,000	150,000	-	245,245	825,000	246,375	1,630,000	915,206
2015	250,000	124,320	300,000	132,000	-	245,245	880,000	190,687	2,475,000	819,350
2016	250,000	111,645	300,000	114,000	-	245,245	940,000	131,288	2,930,000	691,600
2017	300,000	98,670	300,000	96,000	-	245,245	1,005,000	67,837	1,200,000	593,513
2018	300,000	82,800	300,000	78,000	-	245,245	-	-	1,255,000	535,206
2019	300,000	66,660	300,000	60,000	-	245,245	-	-	1,315,000	474,169
2020	300,000	50,280	300,000	42,000	-	245,245	-	-	1,380,000	410,163
2021	300,000	33,690	300,000	24,000	-	245,245	-	-	1,445,000	343,069
2022	300,000	16,920	200,000	8,000	-	245,245	-	-	1,515,000	272,769
2023	-	-	-	-	-	245,245	-	-	1,585,000	199,143
2024	-	-	-	-	-	245,245	-	-	1,660,000	122,075
2025	-	-	-	-	-	245,245	-	-	1,740,000	41,325
2026	-	-	-	-	-	245,245	-	-	-	-
2027	-	-	-	-	-	245,245	-	-	-	-
2028	-	-	-	-	-	245,245	-	-	-	-
2029	-	-	-	-	-	245,245	-	-	-	-
2030	-	-	-	-	-	245,245	-	-	-	-
2031	-	-	-	-	-	245,245	-	-	-	-
2032	-	-	-	-	4,818,182	122,622	-	-	-	-
Totals	3,300,000	1,716,600	3,450,000	1,881,000	4,818,182	6,008,502	7,620,000	3,103,313	21,255,000	11,419,613

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2007

(Amounts in dollars)

Year	Block 39 Tax Increment Bonds, Series 1998B		Parking Revenue Refunding Bonds, Series 2001A		Parking Revenue Bonds, Series 2002A		Parking Revenue Bonds, Series 2002B		Parking Revenue Refunding Bonds, Series 2005A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	1,570,000	707,823	365,000	209,690	-	751,485	380,000	253,430	845,000	170,313
2009	1,700,000	607,238	380,000	194,360	-	751,485	400,000	233,290	875,000	144,962
2010	1,885,000	495,631	395,000	178,020	-	751,485	420,000	211,010	895,000	118,713
2011	2,040,000	373,485	415,000	160,640	-	751,485	445,000	186,650	925,000	91,862
2012	2,210,000	238,973	430,000	141,965	-	751,485	475,000	159,950	955,000	64,113
2013	1,305,000	125,614	455,000	122,185	-	751,485	500,000	130,975	980,000	33,075
2014	980,000	51,922	475,000	100,800	-	751,485	645,000	98,475		
2015	315,000	10,159	495,000	78,000	-	751,485	685,000	56,550		
2016			520,000	53,250	545,000	751,485	185,000	12,025		
2017			545,000	27,250	765,000	725,052				
2018					805,000	687,185				
2019					845,000	646,935				
2020					890,000	602,572				
2021					935,000	555,848				
2022					985,000	506,760				
2023					1,040,000	455,048				
2024					1,090,000	400,448				
2025					1,150,000	342,132				
2026					1,210,000	280,608				
2027					1,275,000	215,872				
2028					1,345,000	147,660				
2029					1,415,000	75,702				
2030										
2031										
2032										
Totals	12,005,000	2,610,845	4,475,000	1,266,160	14,295,000	12,405,187	4,135,000	1,342,355	5,475,000	623,038

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2007
(Amounts in dollars)

Year	Parking Revenue Bonds (Smith Avenue Transit Center), Series 2005		RiverCentre Exhibit Hall Parking Ramp Notes		Housing 5000 Land Assembly Bonds, Series 2004		Saint Paul Foundation Housing Loan		TOTAL BONDS AND NOTES	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	120,000	619,200	70,000	57,600	2,694,000	434,580	195,190	1,952	17,967,660	12,558,400
2009	125,000	614,525	80,000	53,100	3,930,000	171,210			14,639,891	11,605,098
2010	130,000	609,675	80,000	48,600	-	151,560			13,989,364	10,917,361
2011	130,000	604,650	90,000	43,800	-	151,560			11,319,648	10,240,115
2012	15,475,000	299,813	90,000	38,700	-	151,560			27,503,795	9,272,416
2013			100,000	33,300	-	151,560			11,521,862	8,293,810
2014			100,000	27,300	-	151,560			10,719,000	7,621,764
2015			110,000	21,000	-	151,560			10,361,000	7,000,444
2016			120,000	14,400	-	151,560			10,946,000	6,378,239
2017			120,000	7,500	-	151,560			10,109,000	5,753,850
2018					-	151,560			7,178,000	5,182,493
2019					-	151,560			7,596,000	4,731,545
2020					-	151,560			8,048,000	4,251,654
2021					-	151,560			8,517,000	3,738,397
2022					-	151,560			8,922,000	3,197,196
2023					-	151,560			8,959,000	2,630,416
2024					2,511,000	3,737			7,543,000	1,903,864
2025									5,331,000	1,601,975
2026									3,823,000	1,328,795
2027									4,062,000	1,082,011
2028									5,281,000	762,689
2029									4,739,000	435,698
2030									-	245,245
2031									-	245,245
2032									4,818,182	122,622
Totals	15,980,000	2,747,863	960,000	345,300	9,135,000	2,731,367	195,190	1,952	223,894,402	121,101,342

SCHEDULE OF INTERGOVERNMENTAL REVENUE, OPERATING GRANTS, AND CAPITAL GRANTS**ALL FUNDS**

For the Fiscal Year Ended December 31, 2007

(Amounts in dollars)

	Federal	State	City	Other	Totals 2007
<u>HRA GENERAL FUND</u>					
Market Value Homestead Credit	-	44,056	-	-	44,056
Total HRA General Fund	-	44,056	-	-	44,056
<u>HRA FEDERAL & STATE PROGRAMS SPECIAL REVENUE FUND</u>					
HOME Investment Partnership Program	901,987	-	-	-	901,987
HUD American Dream Initiative Program	56,000	-	-	-	56,000
Lead-Based Paint Hazard Control Program - Ramsey County Administered	3,205	-	-	-	3,205
Minnesota Housing Finance Agency Programs	-	960,577	-	-	960,577
Total HRA Federal & State Programs Special Revenue Fund	961,192	960,577	-	-	1,921,769
<u>HRA DEBT SERVICE FUND</u>					
Market Value Homestead Credit	-	139,542	-	-	139,542
Financing for Sales Tax Revenue Bonds	-	-	16,393,656	-	16,393,656
Total HRA Debt Service Fund	-	139,542	16,393,656	-	16,533,198
<u>HRA TAX INCREMENT CAPITAL PROJECTS FUND</u>					
Market Value Homestead Credit	-	49,218	-	-	49,218
Total HRA Tax Increment Capital Projects Fund	-	49,218	-	-	49,218
<u>HRA DEVELOPMENT CAPITAL PROJECTS FUND</u>					
Financing for Invest Saint Paul Program	-	-	18,500,000	-	18,500,000
Total HRA Development Capital Projects Fund	-	-	18,500,000	-	18,500,000
<u>HRA LOAN ENTERPRISE FUND</u>					
Mortgage Foreclosure Prevention Program	51,746	83,000	-	-	134,746
Total HRA Loan Enterprise Fund	51,746	83,000	-	-	134,746
<u>HRA PARKING ENTERPRISE FUND</u>					
Construction of Smith Avenue Transit Center	552,175	-	10,760,600	100,000	11,412,775
Total HRA Parking Enterprise Fund	552,175	-	10,760,600	100,000	11,412,775
TOTAL INTERGOVERNMENTAL REVENUE, OPERATING GRANTS, AND CAPITAL GRANTS	1,565,113	1,276,393	45,654,256	100,000	48,595,762

**SCHEDULE OF INTERGOVERNMENTAL EXPENDITURES AND EXPENSES
ALL FUNDS**

For the Fiscal Year Ended December 31, 2007
(Amounts in dollars)

	City	County	Totals 2007
<u>HRA GENERAL FUND</u>			
Financing for Citizen Participation Program	68,486	-	68,486
Total HRA General Fund	<u>68,486</u>	<u>-</u>	<u>68,486</u>
<u>HRA DEBT SERVICE FUND</u>			
Financing for City Sales Tax Revenue Bonds	10,056,732	-	10,056,732
Surplus Sales Tax Revenues for City STAR Program	1,509,340	-	1,509,340
Repayment of CDBG Float Note	410,000	-	410,000
Repayment of Downtown & 7th Place Redevelopment Project Subordinated Tax Increment Revenue Note	968,387	742,122	968,387
Excess Tax Increments - New Housing & Blighted Lands District	-	-	742,122
Total HRA Debt Service Fund	<u>12,944,459</u>	<u>742,122</u>	<u>13,686,581</u>
<u>HRA LOAN ENTERPRISE FUND</u>			
Financing for City Capital Projects	500,000	-	500,000
Total HRA Loan Enterprise Fund	<u>500,000</u>	<u>-</u>	<u>500,000</u>
<u>HRA PARKING ENTERPRISE FUND</u>			
Financing for City Capital Projects	1,756,955	-	1,756,955
Total HRA Parking Enterprise Fund	<u>1,756,955</u>	<u>-</u>	<u>1,756,955</u>
TOTAL INTERGOVERNMENTAL EXPENDITURES AND EXPENSES	<u><u>15,269,900</u></u>	<u><u>742,122</u></u>	<u><u>16,012,022</u></u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended December 31, 2007

(Amounts in dollars)

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	<u>Expenditures</u>
U.S. Department of Housing and Urban Development Direct Grants		
Housing Counseling Assistance Program Grant	14.169	51,746
HOME Investment Partnerships Program	14.239	901,987
HOME Investment Partnerships Program - American Dream Downpayment Initiative Program	14.239	56,000
Passed Through Ramsey County Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	<u>3,205</u>
Total U.S. Department of Housing and Urban Development		<u>1,012,938</u>
U.S. Department of Transportation Direct Grant		
Highway Planning and Construction West End Multi-Modal Hub	20.205	<u>552,175</u>
TOTAL FEDERAL AWARDS		<u><u>1,565,113</u></u>

Notes to Schedule of Expenditures of Federal Awards

1. The Schedule of Expenditures of Federal Awards presents the activity of federal award programs expended by the Housing and Redevelopment Authority (HRA) of the City of Saint Paul, a blended component unit of the City of Saint Paul. The HRA's reporting entity is defined in Note 1 to the basic financial statements.
2. The expenditures on this schedule are on the basis accounting used by the individual funds of the HRA. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis.
3. During 2007, \$330,732 of CFDA #14.239 was passed through to subrecipients.
4. Pass-through grant numbers were not assigned by the pass-through agencies.

STATISTICAL SECTION

This part of the HRA's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the HRA's overall financial health.

	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the HRA's financial performance and well-being have changed over time.	113-120
Revenue Capacity These schedules contain trend information to help the reader assess the HRA's most significant local revenue sources.	121-126
Debt Capacity These schedules present information to help the reader assess the affordability of the HRA's current levels of outstanding debt and the HRA's ability to issue additional debt in the future.	127-133
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the HRA's activities take place.	134-135
Operating Information These schedules contain service and capital asset data to help the reader understand how the information in the HRA's financial report relates to the services the HRA provides and the activities it performs.	136-137

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

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NET ASSETS BY COMPONENT
 Last Six Fiscal Years
 (Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$ 10,357,471	\$ 10,010,905	\$ 8,167,326	\$ 8,965,271	\$ 7,540,194	\$ 7,193,628
Restricted	6,912,435	6,265,106	9,523,636	10,105,742	6,861,982	5,644,230
Unrestricted	<u>(69,843,966)</u>	<u>(83,561,703)</u>	<u>(94,315,958)</u>	<u>(98,153,673)</u>	<u>(99,846,152)</u>	<u>(57,581,243)</u>
Total Governmental Activities Net Assets (a)	<u>(52,574,060)</u>	<u>(67,285,692)</u>	<u>(76,624,996)</u>	<u>(79,082,660)</u>	<u>(85,443,976)</u>	<u>(44,743,385)</u>
Business-Type Activities						
Invested in Capital Assets, Net of Related Debt	3,581,625	6,279,816	5,456,993	5,544,000	10,868,843	22,141,220
Restricted	1,790,603	2,724,667	8,758,606	16,388,168	15,121,632	14,386,423
Unrestricted	<u>53,949,217</u>	<u>52,934,377</u>	<u>57,577,103</u>	<u>59,894,720</u>	<u>50,759,011</u>	<u>26,967,821</u>
Total Business-Type Activities Net Assets	<u>59,321,445</u>	<u>61,938,860</u>	<u>71,792,702</u>	<u>81,826,888</u>	<u>76,749,486</u>	<u>63,495,464</u>
TOTAL SAINT PAUL HRA						
Invested in Capital Assets, Net of Related Debt	13,939,096	16,290,721	13,624,319	14,509,271	18,409,037	29,334,848
Restricted	8,703,038	8,989,773	18,282,242	26,493,910	21,983,614	20,030,653
Unrestricted	<u>(15,894,749)</u>	<u>(30,627,326)</u>	<u>(36,738,855)</u>	<u>(38,258,953)</u>	<u>(49,087,141)</u>	<u>(30,613,422)</u>
Total Housing & Redevelopment Authority Net Assets	<u>\$ 6,747,385</u>	<u>\$ (5,346,832)</u>	<u>\$ (4,832,294)</u>	<u>\$ 2,744,228</u>	<u>\$ (8,694,490)</u>	<u>\$ 18,752,079</u>

(a) The deficit in governmental activities net assets is explained in Management's Discussion and Analysis and note 4.F. to the financial statements.

CHANGES IN NET ASSETS

Last Six Fiscal Years

(Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007
EXPENSES						
Governmental Activities:						
Housing & Economic Development	\$ 32,639,713	\$ 39,091,894	\$ 32,512,704	\$ 31,189,699	\$ 37,524,430	\$ 22,227,153
Interest on Long-Term Debt	10,581,752	10,326,891	10,251,572	10,949,282	12,024,646	11,141,352
Total Governmental Activities Expenses	43,221,465	49,418,785	42,764,276	42,138,981	49,549,076	33,368,505
Business-Type Activities:						
Development Loan Programs	4,404,208	6,163,748	11,820,912	8,450,161	18,506,591	14,768,515
Parking Operations	9,389,968	8,431,480	11,104,139	10,739,279	11,564,825	12,990,561
Total Business-Type Activities Expenses	13,794,176	14,595,228	22,925,051	19,189,440	30,071,416	27,759,076
Total Saint Paul HRA Expenses	57,015,641	64,014,013	65,689,327	61,328,421	79,620,492	61,127,581
PROGRAM REVENUES						
Governmental Activities:						
Charges for Services - Housing & Econ Development	4,765,602	3,381,272	1,735,249	4,180,247	2,776,370	4,410,071
Operating Grants and Contributions	23,701,920	18,002,402	20,582,957	20,067,244	19,229,867	37,517,617
Capital Grants and Contributions	1,627,155	-	-	-	-	-
Total Governmental Activities Program Revenues	30,094,677	21,383,674	22,318,206	24,247,491	22,006,237	41,927,688
Business-Type Activities:						
Charges for Services:						
Development Loan Programs	1,619,812	2,652,971	2,524,308	5,477,876	7,046,559	429,076
Parking Operations	8,377,127	8,646,251	9,855,748	10,266,046	10,799,883	10,691,896
Operating Grants and Contributions	485,341	2,002,488	13,750,499	10,025,408	1,480,019	938,546
Capital Grants and Contributions	3,350,733	615,884	1,780,421	900,000	6,235,374	11,412,775
Total Business-Type Activities	13,833,013	13,917,594	27,910,976	26,669,330	25,561,835	23,472,293
Total Saint Paul HRA Program Revenues	43,927,690	35,301,268	50,229,182	50,916,821	47,568,072	65,399,981
NET (EXPENSE) REVENUE						
Governmental Activities	(13,126,788)	(28,035,111)	(20,446,070)	(17,891,490)	(27,542,839)	8,559,183
Business-Type Activities	38,837	(677,634)	4,985,925	7,479,890	(4,509,581)	(4,286,783)
Total Saint Paul HRA Net Expense	(13,087,951)	(28,712,745)	(15,460,145)	(10,411,600)	(32,052,420)	4,272,400

Continued

Unaudited

CHANGES IN NET ASSETS

Last Six Fiscal Years
(Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS						
Governmental Activities:						
HRA Property Tax	774,231	772,649	767,867	828,287	924,042	992,320
Property Tax Increments	10,486,685	12,548,743	11,725,158	12,227,167	13,680,244	16,148,760
Hotel-Motel Tax	220,000	220,000	220,000	220,000	220,000	220,000
State Market Value Homestead Credit	269,408	278,150	263,091	331,212	221,207	232,816
Investment Income	2,801,699	1,310,057	1,053,345	1,381,833	1,627,343	2,201,832
Transfers	1,124,442	(1,806,120)	(2,922,695)	445,327	4,508,687	12,345,680
Total Governmental Activities	15,676,465	13,323,479	11,106,766	15,433,826	21,181,523	32,141,408
Business-Type Activities						
Property Tax Increments	1,195,454	1,203,262	1,219,705	1,372,349	1,397,216	1,276,002
Investment Income	1,649,096	285,667	725,517	1,627,274	2,543,650	2,102,439
Transfers	(1,124,442)	1,806,120	2,922,695	(445,327)	(4,508,687)	(12,345,680)
Total Business-Type Activities	1,720,108	3,295,049	4,867,917	2,554,296	(567,821)	(8,967,239)
Total Saint Paul HRA General Revenues	17,396,573	16,618,528	15,974,683	17,988,122	20,613,702	23,174,169
CHANGES IN NET ASSETS						
Governmental Activities	2,549,677	(14,711,632)	(9,339,304)	(2,457,664)	(6,361,316)	40,700,591
Business-Type Activities	1,758,945	2,617,415	9,853,842	10,034,186	(5,077,402)	(13,254,022)
Total Saint Paul HRA Changes in Net Assets	\$ 4,308,622	\$(12,094,217)	\$ 514,538	\$ 7,576,522	\$(11,438,718)	\$ 27,446,569

Large development expenses were incurred in 2003 under Saint Paul HRA's Housing 5000 Land Assembly program.

PROGRAM REVENUES BY FUNCTIONS / PROGRAMS

Last Six Fiscal Years

(Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007
<u>GOVERNMENTAL ACTIVITIES</u>						
Housing and Economic Development						
Charges for Services	\$ 4,765,602	\$ 3,381,272	\$ 1,735,249	\$ 4,180,247	\$ 2,776,370	\$ 4,410,071
Operating Grants	23,701,920	18,002,402	20,582,957	20,067,244	19,229,867	37,517,617
Capital Grants and Contributions	1,627,155	-	-	-	-	-
Total Housing and Economic Development	30,094,677	21,383,674	22,318,206	24,247,491	22,006,237	41,927,688
TOTAL GOVERNMENTAL ACTIVITIES	30,094,677	21,383,674	22,318,206	24,247,491	22,006,237	41,927,688
<u>BUSINESS-TYPE ACTIVITIES</u>						
Development Loan Programs						
Charges for Services	1,619,812	2,652,971	2,524,308	5,477,876	7,046,559	429,076
Operating Grants	485,341	2,002,488	13,750,499	9,400,408	1,480,019	938,546
Capital Grants and Contributions	-	-	-	-	-	-
Total Development Loan Programs	2,105,153	4,655,459	16,274,807	14,878,284	8,526,578	1,367,622
Parking Operations						
Charges for Services	8,377,127	8,646,251	9,855,748	10,266,046	10,799,883	10,691,896
Operating Grants	-	-	-	625,000	-	-
Capital Grants and Contributions	3,350,733	615,884	1,780,421	900,000	6,235,374	11,412,775
Total Parking Operations	11,727,860	9,262,135	11,636,169	11,791,046	17,035,257	22,104,671
TOTAL BUSINESS-TYPE ACTIVITIES	13,833,013	13,917,594	27,910,976	26,669,330	25,561,835	23,472,293
TOTAL - ALL FUNCTIONS / PROGRAMS	\$ 43,927,690	\$ 35,301,268	\$ 50,229,182	\$ 50,916,821	\$ 47,568,072	\$ 65,399,981

FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
HRA General Fund										
Reserved	\$ 225,183	\$ 88,621	\$ 28,990	\$ 5,564	\$ 208,253	\$ 558,847	\$ 1,127,614	\$ 940,748	\$ 1,112,171	\$ 688,545
Unreserved	6,169,951	6,216,362	6,555,620	7,331,886	7,979,800	6,010,425	4,216,124	7,180,814	6,898,759	7,992,919
Total HRA General Fund	6,395,134	6,304,983	6,584,610	7,337,450	8,188,053	6,569,272	5,343,738	8,121,562	8,010,930	8,681,464
HRA Federal & State Programs										
Special Revenue Fund										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	57,762	130	11	-	-	-	-
Total HRA Federal & State Programs	-	-	-	57,762	130	11	-	-	-	-
Special Revenue Fund										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	57,762	130	11	-	-	-	-
Total HRA Debt Service Fund	31,361,412	27,687,002	31,586,760	35,542,256	31,308,032	26,882,040	25,566,375	19,525,037	20,460,082	24,525,110
Unreserved	73,919	-	-	-	413,593	185,615	56,753	-	-	-
Total HRA Debt Service Fund	31,435,331	27,687,002	31,586,760	35,542,256	31,721,625	27,067,655	25,623,128	19,525,037	20,460,082	24,525,110
HRA Tax Increment Capital Projects Fund										
Reserved	6,709,569	36,406	1,172,710	4,519,140	239,864	131,011	195,541	172,688	188,631	2,595
Unreserved	44,099,075	16,596,680	35,844,030	15,804,568	21,431,472	18,185,679	18,119,212	18,540,401	4,463,031	3,930,408
Total HRA Tax Increment Capital Projects Fund	50,808,644	16,633,086	37,016,740	20,323,708	21,671,336	18,316,690	18,314,753	18,713,089	4,651,662	3,933,003
HRA Development Capital Projects Fund										
Reserved	-	-	-	-	-	-	-	-	-	932,190
Unreserved	-	-	-	-	-	-	-	-	-	29,732,857
Total HRA Tax Development Capital Projects Fund	-	-	-	-	-	-	-	-	-	30,665,047
TOTAL - ALL GOVERNMENTAL FUNDS										
Reserved	38,296,164	27,812,029	32,788,460	40,066,960	31,756,149	27,571,898	26,889,530	20,638,473	21,760,884	26,148,440
Unreserved	50,342,945	22,813,042	42,399,650	23,194,216	29,824,995	24,381,730	22,392,089	25,721,215	11,361,790	41,656,184
Total Fund Balances - All Governmental Funds	\$88,639,109	\$50,625,071	\$75,188,110	\$63,261,176	\$61,581,144	\$51,953,628	\$49,281,619	\$46,359,688	\$33,122,674	\$67,804,624

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
REVENUES										
Taxes	\$ 11,535,281	\$ 13,268,529	\$16,478,434	\$ 19,862,459	\$10,942,762	\$12,684,963	\$14,121,135	\$13,698,751	\$ 14,936,361	\$ 18,258,162
Intergovernmental	18,127,238	22,364,927	21,357,159	22,651,878	23,704,408	21,510,552	22,447,640	20,331,044	18,953,030	37,048,241
Fees, Sales and Services	3,022,415	4,414,402	6,497,411	6,256,491	4,147,876	3,118,678	2,818,649	11,044,619	2,993,929	4,748,864
Investment Income	7,248,222	1,930,388	4,255,906	3,862,534	2,764,409	1,234,298	1,059,411	1,525,187	1,653,875	2,233,360
Miscellaneous	517,281	595,196	1,328,781	619,502	645,982	482,042	260,000	117,412	598,044	802,192
Total Revenues	40,450,437	42,633,442	49,917,691	53,252,864	42,205,437	39,030,533	40,706,835	46,717,013	39,135,239	63,090,819
EXPENDITURES										
Housing and Economic Development	9,646,431	13,492,785	13,055,720	21,622,830	26,960,630	18,698,890	14,620,402	16,010,586	20,182,150	7,760,374
Intergovernmental	8,888,566	13,343,244	13,903,211	20,708,772	12,680,339	17,613,616	16,264,384	16,242,742	17,133,171	13,755,067
Capital Outlay	42,927,947	39,231,120	9,306,900	2,395,968	-	615,884	-	1,078,511	648,337	-
Debt Service:										
Interest	10,008,366	11,028,273	12,270,402	11,645,817	10,053,770	10,365,689	10,208,651	11,029,802	12,033,425	11,353,161
Principal	4,038,837	5,567,375	6,232,443	13,148,735	10,332,337	10,008,320	8,107,884	13,031,162	6,883,857	7,924,001
Issuance Costs	1,089,422	21,242	442,233	669,864	803,977	119,530	289,809	326,867	-	6,777
Total Expenditures	76,599,569	82,694,039	55,210,909	70,191,986	60,831,053	57,421,929	49,491,130	57,719,670	56,880,940	40,799,380
Excess of Revenues over (under) Expenditures	(36,149,132)	(40,050,597)	(5,293,218)	(16,939,122)	(18,625,616)	(18,391,396)	(8,784,295)	(11,002,657)	(17,745,701)	22,291,439
OTHER FINANCING SOURCES (USES)										
Proceeds from Borrowing	39,401,976	2,000,000	20,298,000	13,780,420	22,070,000	10,570,000	9,034,981	7,515,000	-	-
Proceeds from Refunding	24,071,938	-	8,340,671	6,762,463	3,424,000	1,890,000	-	5,125,399	4,820,000	3,939,831
Redemption of Refunded Bonds	(45,225,124)	-	-	(15,920,000)	(3,364,000)	(1,890,000)	-	(5,005,000)	(4,820,000)	(3,895,000)
Sale of Fixed Assets	-	-	54,654,583	-	-	-	-	-	-	-
Notes Retired from Fixed Asset Sale	-	-	(53,521,583)	-	-	-	-	-	-	-
Transfers In	2,349,445	8,494,224	16,795,853	14,714,431	7,208,678	4,398,354	3,178,053	5,409,072	5,737,337	16,281,547
Transfers Out	(2,042,541)	(8,457,665)	(16,711,267)	(14,325,126)	(6,084,236)	(6,204,474)	(6,100,748)	(4,963,745)	(1,228,650)	(3,935,867)
Total Other Financing Sources (Uses)	18,555,694	2,036,559	29,856,257	5,012,188	23,254,442	8,763,880	6,112,286	8,080,726	4,508,687	12,390,511
Net Change in Fund Balance	\$(17,593,438)	\$(38,014,038)	\$24,563,039	\$(11,926,934)	\$ 4,628,826	\$(9,627,516)	\$(2,672,009)	\$(2,921,931)	\$(13,237,014)	\$ 34,681,950
Debt Service as a percentage of Noncapital Expenditures	45.0%	38.2%	41.3%	37.6%	34.8%	36.1%	37.6%	43.1%	33.6%	47.3%

(a)

(a) In 2005, a balloon payment of \$5,750,000 was made on the Biotech Note - 1000 Westgate Drive.
 (b) In 1998, proceeds from borrowing were received for the development of Block 39, including an HRA parking ramp.

NET ASSETS - PROPRIETARY FUNDS
 Last Six Fiscal Years
 (Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007
HRA Loan Enterprise Fund						
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	2,024,282	11,289,819	7,049,537	6,823,402
Unrestricted	44,763,590	45,222,845	48,111,651	48,515,462	40,291,549	16,159,536
Total HRA Loan Enterprise Fund	44,763,590	45,222,845	50,135,933	59,805,281	47,341,086	22,982,938
HRA Parking Enterprise Fund						
Invested in Capital Assets, Net of Related Debt	3,581,625	6,279,816	5,456,993	5,544,000	10,868,843	22,141,220
Restricted	1,790,603	2,724,667	6,734,324	5,098,349	8,072,095	7,563,021
Unrestricted	9,185,627	7,711,532	9,465,452	11,379,258	10,467,462	10,808,285
Total HRA Parking Enterprise Fund	14,557,855	16,716,015	21,656,769	22,021,607	29,408,400	40,512,526
TOTAL - ALL PROPRIETARY FUNDS						
Invested in Capital Assets, Net of Related Debt	3,581,625	6,279,816	5,456,993	5,544,000	10,868,843	22,141,220
Restricted	1,790,603	2,724,667	8,758,606	16,388,168	15,121,632	14,386,423
Unrestricted	53,949,217	52,934,377	57,577,103	59,894,720	50,759,011	26,967,821
Total Net Assets - All Proprietary Funds	\$ 59,321,445	\$ 61,938,860	\$ 71,792,702	\$ 81,826,888	\$ 76,749,486	\$ 63,495,464

CHANGES IN NET ASSETS - PROPRIETARY FUNDS
Last Six Fiscal Years
(Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007
OPERATING REVENUES						
Fees, Sales and Services - Loan Programs	\$ 664,277	\$ 1,691,109	\$ 1,458,128	\$ 4,022,486	\$ 5,356,857	\$ 291,776
Fees, Sales and Services - Parking Facilities	8,377,127	8,646,251	9,855,748	10,266,046	10,799,883	10,691,896
Interest Earned on Loans	955,535	961,862	1,066,180	1,455,390	1,689,702	137,300
Total Operating Revenues	<u>9,996,939</u>	<u>11,299,222</u>	<u>12,380,056</u>	<u>15,743,922</u>	<u>17,846,442</u>	<u>11,120,972</u>
OPERATING EXPENSES						
Development Loan Programs	3,859,826	5,402,975	5,659,563	3,588,607	5,241,210	4,892,487
Costs of Parking Facility Operation	2,386,485	2,913,055	3,919,292	3,585,103	4,554,017	4,264,292
Depreciation	1,904,165	1,920,757	2,348,534	2,340,511	2,315,180	2,455,650
Bad Debt Expense on Loans	318,281	433,994	1,466,939	618,681	6,137,550	5,996,934
Forgivable Loan Expense	--	-	3,547,055	1,839,768	4,986,221	944,676
Total Operating Expenses	<u>8,468,757</u>	<u>10,670,781</u>	<u>16,941,383</u>	<u>11,972,670</u>	<u>23,234,178</u>	<u>18,554,039</u>
OPERATING INCOME (LOSS)	<u>1,528,182</u>	<u>628,441</u>	<u>(4,561,327)</u>	<u>3,771,252</u>	<u>(5,387,736)</u>	<u>(7,433,067)</u>
NONOPERATING REVENUES (EXPENSES)						
Property Tax Increments	1,195,454	1,203,262	1,219,705	1,372,349	1,397,216	1,276,002
Operating Grants	485,341	491,214	12,765,521	9,088,500	429,793	134,746
Noncapital Contributions	--	1,511,274	984,978	936,908	1,050,226	803,800
Investment Income	1,649,096	285,667	725,517	1,627,274	2,543,650	2,102,439
Miscellaneous Revenue	-	-	-	-	21,743	-
Revaluation of Land Held for Resale	-	-	-	-	-	(1,867,546)
Interest on Long-Term Debt	(5,256,581)	(3,598,356)	(4,869,053)	(5,332,455)	(5,275,361)	(4,968,483)
Intergovernmental Expenses	(42,747)	(300,000)	(907,000)	(1,476,438)	(1,157,624)	(2,256,955)
Amortization of Bond Issuance Cost	(26,091)	(26,091)	(207,615)	(407,877)	(425,996)	(112,053)
Total Nonoperating Revenues (Expenses)	<u>(1,995,528)</u>	<u>(433,030)</u>	<u>9,712,053</u>	<u>5,808,261</u>	<u>(1,416,353)</u>	<u>(4,888,050)</u>
Capital Contributions	3,350,733	615,884	1,780,421	900,000	6,235,374	11,412,775
Transfers In	3,763	3,055,616	3,634,028	2,500,000	1,053,084	1,416,433
Transfers Out	(1,128,205)	(1,249,496)	(711,333)	(2,945,327)	(5,561,771)	(13,762,113)
CHANGE IN NET ASSETS	<u>\$ 1,758,945</u>	<u>\$ 2,617,415</u>	<u>\$ 9,853,842</u>	<u>\$ 10,034,186</u>	<u>\$ (5,077,402)</u>	<u>\$ (13,254,022)</u>

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>HRA Property Tax Levy</u>	<u>Property Tax Increments</u>	<u>Hotel- Motel</u>	<u>Total Tax Revenue</u>
1998	\$849,562	\$10,465,719	\$220,000	\$11,535,281
1999	850,069	12,198,460	220,000	13,268,529
2000	834,917	15,423,517	220,000	16,478,434
2001	833,160	18,803,401	225,898	19,862,459
2002	775,151	9,947,611	220,000	10,942,762
2003	760,130	11,704,833	220,000	12,684,963
2004	777,961	13,123,174	220,000	14,121,135
2005	824,978	12,653,773	220,000	13,698,751
2006	920,206	13,796,155	220,000	14,936,361
2007	997,821	17,040,341	220,000	18,258,162
Change 1998-2007	17.5%	62.8%	0.0%	58.3%

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

HRA PROPERTY TAX LEVIES, PROPERTY VALUES, AND RATES
Last Ten Fiscal Years

LEVY - PAYABLE	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Tax Capacity*	169,262,581	162,553,273	172,563,457	189,530,112	150,408,675	167,879,665	180,113,604	202,575,538	225,186,571	253,000,058
Taxable Market Value*	7,946,427,350	8,480,678,600	9,157,393,201	10,164,670,200	11,226,398,800	12,643,120,100	14,214,708,900	16,403,703,100	18,550,595,100	21,103,230,000
Tax Capacity Rate	0.5010%	0.5090%	0.4760%	0.4330%	0.5100%	0.4970%	0.4580%	0.4400%	0.4340%	0.4140%
State Law Maximum Levy Rate (% of Taxable Market Value)	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%
Maximum Tax Levy per State Law	\$ 1,144,286	\$ 1,221,218	\$ 1,318,665	\$ 1,463,713	\$ 1,616,601	\$ 1,820,609	\$ 2,046,918	\$ 2,362,133	\$ 2,671,286	\$ 3,038,865
Actual Tax Levy Certified	\$ 1,109,074	\$ 1,109,074	\$ 1,109,074	\$ 1,109,074	\$ 840,174	\$ 840,174	\$ 840,174	\$ 898,986	\$ 979,895	\$ 1,057,307
Actual Levy under Maximum	\$ 35,212	\$ 112,144	\$ 209,591	\$ 354,639	\$ 776,427	\$ 980,435	\$ 1,206,744	\$ 1,463,147	\$ 1,691,391	\$ 1,981,558
% of Actual Levy to Maximum	96.92%	90.82%	84.11%	75.77%	51.97%	46.15%	41.05%	38.06%	36.68%	34.79%

Data for this table is obtained from the City of Saint Paul Comprehensive Annual Financial Report, the Housing and Redevelopment Authority of the City of Saint Paul Comprehensive Annual Financial Report, and the City of Saint Paul Office of Financial Services.

* Amounts are in Dollars. Real and Personal Property and Fiscal Disparity

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

HRA PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Taxes Levied for Current Fiscal Year	\$ 1,109,074	\$ 1,109,074	\$ 1,109,074	\$ 1,109,074	\$ 840,174	\$ 840,174	\$ 840,174	\$ 898,986	\$ 979,895	\$ 1,057,307
Collection of Current Year Tax Levy										
From Taxpayers	\$ 621,269	\$ 625,070	\$ 614,420	\$ 622,097	\$ 526,934	\$ 584,041	\$ 594,122	\$ 661,061	\$ 750,062	\$ 818,668
Fiscal Disparity Aid	\$ 213,832	\$ 214,768	\$ 210,574	\$ 202,879	\$ 234,526	\$ 170,273	\$ 171,938	\$ 160,358	\$ 157,181	\$ 169,430
State Credits and Aids	\$ 258,112	\$ 258,237	\$ 268,900	\$ 268,900	\$ 61,625	\$ 46,766	\$ 38,346	\$ 54,331	\$ 49,130	\$ 44,056
Total Collection of Current Levy	\$ 1,093,213	\$ 1,098,075	\$ 1,093,894	\$ 1,093,876	\$ 823,085	\$ 801,080	\$ 804,406	\$ 875,750	\$ 956,373	\$ 1,032,154

Percentage of Current Year Levy Collected in the Fiscal Year of Levy	98.57	99.01	98.63	98.63	97.97	95.35	95.74	97.42	97.60	97.62
Delinquent Taxes Collected in subsequent years										
1st Year Delinquent (1)	\$ 10,231	\$ 9,923	\$ 8,184	\$ 13,691	\$ 5,816	\$ 11,901	\$ 3,559	\$ 12,963	\$ 8,723	\$ 9,118

Total Tax Collections as of 12/31/07	\$ 1,103,444	\$ 1,107,998	\$ 1,102,078	\$ 1,107,567	\$ 828,901	\$ 812,981	\$ 807,965	\$ 888,713	\$ 965,096	\$ 1,041,272
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Percentage of Levy Collected as of 12/31/07	99.49	99.90	99.37	99.86	98.66	96.76	96.17	98.86	98.49	98.48
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(1) Entire amount of delinquent collections for each individual fiscal year is reported as 1st year delinquent for previous year's levy as breakdown by levy year is not available.

Note: Collections do not include Tax Incremental Districts.

unaudited

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL
PROPERTY TAX INCREMENT LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Original Tax Capacity Before Development - All Tax Increment Districts	\$ 6,359,392	\$ 5,275,631	\$ 5,692,397	\$ 5,561,735	\$ 3,352,904	\$ 4,412,971	\$ 4,237,620	\$ 3,870,673	\$ 4,281,963	\$ 4,359,920
Current Tax Capacity - All Tax Increment Districts	\$ 17,362,643	\$ 17,203,188	\$ 20,026,721	\$ 24,294,312	\$ 16,636,079	\$ 19,068,276	\$ 20,620,510	\$ 21,631,284	\$ 22,515,669	\$ 27,333,156
Captured Tax Capacity Retained by HRA / Port Authority	\$ 11,003,251	\$ 11,928,010	\$ 14,363,837	\$ 18,732,577	\$ 13,291,072	\$ 14,655,305	\$ 16,382,890	\$ 17,770,799	\$ 18,233,706	\$ 22,973,236
Tax Increment Spread	\$ 15,316,318	\$ 17,259,112	\$ 20,346,267	\$ 24,806,993	\$ 16,867,927	\$ 18,409,185	\$ 19,671,336	\$ 19,580,530	\$ 19,733,859	\$ 23,710,560
Tax Increment Collected:										
Current	\$ 14,333,661	\$ 16,868,809	\$ 19,280,709	\$ 24,770,985	\$ 15,570,639	\$ 16,960,281	\$ 19,394,530	\$ 17,571,466	\$ 19,085,800	\$ 23,569,649
Delinquent	\$ 338,402	\$ 77,510	\$ 38,638	\$ 147,931	\$ (215,949)	\$ 29,747	\$ (1,212,024)	\$ (623,121)	\$ (56,558)	\$ 108,908
Developer Shortfall Payments	\$ -	\$ -	\$ 1,368,859	\$ -	\$ -	\$ 225,548	\$ 352,404	\$ 797,186	\$ 819,772	\$ 478,743
Homeslead Credit	\$ -	\$ -	\$ -	\$ -	\$ 207,783	\$ 259,400	\$ 275,941	\$ 301,109	\$ 193,706	\$ 216,482
Total Tax Increment Collected	\$ 14,672,063	\$ 16,946,319	\$ 20,688,206	\$ 24,918,916	\$ 15,562,573	\$ 17,474,976	\$ 18,810,851	\$ 18,046,640	\$ 20,042,720	\$ 24,373,782
Percentage of Tax Increment Collected to Tax Increment Spread	95.79	98.19	101.68	100.45	92.26	94.93	95.63	92.17	101.57	102.80
Delinquent Tax Increment Receivable December 31	\$ 790,908	\$ 828,759	\$ 925,779	\$ 1,368,838	\$ 1,342,025	\$ 1,353,961	\$ 1,195,199	\$ 510,678	\$ 221,683	\$ 455,265
Percentage of Delinquent Tax Increment Receivable to Tax Increment Spread	5.16	4.80	4.55	5.52	7.96	7.35	6.08	2.61	1.12	1.92
Percentage of Captured Tax Capacity to Saint Paul Total Tax Capacity	6.10	6.84	7.68	8.99	8.12	8.03	8.34	8.06	7.49	9.44

Note: This table includes data from both Saint Paul Housing and Redevelopment Authority and Saint Paul Port Authority administered tax increment financing districts

City of Saint Paul, Minnesota
PRINCIPAL PROPERTY TAX PAYERS
 Current Year and Nine Years Ago

Taxpayer	2007			1998		
	2006 Net Tax Capacity for Taxes Payable in 2007	Rank	Percentage of 2006 Total Net Tax Capacity for Taxes Payable in 2007	1997 Net Tax Capacity for Taxes Payable in 1998	Rank	Percentage of 1997 Total Net Tax Capacity for Taxes Payable in 1998
Xcel Energy (Northern States Power Company)	\$5,181,673	1	2.05%	\$5,736,010	1	3.39%
Minnesota Mutual Life Insurance Company	2,082,664	2	0.82%	772,181	6	0.46%
U.S. Bank Corp. Property & U.S. Bancorp	1,512,023	3	0.60%			
Ford Motor Company	1,270,572	4	0.50%	838,425	5	0.50%
St. Paul Fire & Marine Insurance Company	1,176,094	5	0.46%			
St. Paul Tower LP (World Trade Center)	1,082,850	6	0.43%			
Behringer Harvard LC LLC (Lawson Software)	1,054,938	7	0.42%			
3M	882,940	8	0.35%	636,868	10	0.38%
CSM Corporation & Investors	803,236	9	0.32%			
BNSF Railway Company	730,360	10	0.29%	758,513	7	0.45%
St. Paul Companies				2,328,838	2	1.38%
Principal Mutual Life Insurance Company				1,387,474	3	0.82%
Minnesota Street Associates				1,041,527	4	0.62%
KB Fund II				746,901	8	0.43%
St. Paul Real Estate LLC				658,973	9	0.38%
	<u>\$15,777,350</u>		<u>6.24%</u>	<u>\$14,905,710</u>		<u>8.81%</u>

Data Source
 Ramsey County Department of Property Records and Revenue

unaudited

HRA PARKING FACILITY REVENUES
Last Six Fiscal Years

	2002	2003	2004	2005	2006	2007
Block 7A Ramp						
Operating Revenues	\$ 827,468	\$ 846,913	\$ 845,775	\$ 879,184	\$ 889,550	\$ 942,753
Operating Expenses	\$ 624,894	\$ 555,265	\$ 492,466	\$ 493,758	\$ 456,309	\$ 494,551
Operating Income (Loss)	\$ 202,574	\$ 291,648	\$ 353,309	\$ 385,426	\$ 433,241	\$ 448,202
Seventh Street Ramp						
Operating Revenues	\$ 1,178,436	\$ 1,150,039	\$ 1,200,036	\$ 1,204,748	\$ 1,170,240	\$ 1,228,513
Operating Expenses	\$ 335,355	\$ 338,494	\$ 340,083	\$ 341,538	\$ 495,950	\$ 346,293
Operating Income (Loss)	\$ 843,081	\$ 811,545	\$ 859,953	\$ 863,210	\$ 674,290	\$ 882,220
Robert Street Ramp						
Operating Revenues	\$ 1,287,726	\$ 1,303,923	\$ 1,085,176	\$ 1,194,462	\$ 1,072,025	\$ 1,130,831
Operating Expenses	\$ 594,882	\$ 502,248	\$ 498,078	\$ 509,752	\$ 544,774	\$ 518,435
Operating Income (Loss)	\$ 692,844	\$ 801,675	\$ 587,098	\$ 684,710	\$ 527,251	\$ 612,396
Kellogg Street Ramp						
Operating Revenues	\$ 981,027	\$ 999,085	\$ 880,546	\$ 938,007	\$ 979,675	\$ 980,206
Operating Expenses	\$ 561,929	\$ 546,474	\$ 525,788	\$ 617,826	\$ 628,937	\$ 547,161
Operating Income (Loss)	\$ 419,098	\$ 452,611	\$ 354,758	\$ 320,181	\$ 350,738	\$ 433,045
Lowertown Ramp						
Operating Revenues	\$ 956,881	\$ 1,098,663	\$ 795,476	\$ 932,953	\$ 1,160,210	\$ 1,204,184
Operating Expenses	\$ 364,515	\$ 748,523	\$ 630,104	\$ 681,949	\$ 771,846	\$ 804,191
Operating Income (Loss)	\$ 592,366	\$ 350,140	\$ 165,372	\$ 251,004	\$ 388,364	\$ 399,993
Block 19 Ramp						
Operating Revenues	\$ -	\$ -	\$ 640,858	\$ 886,918	\$ 779,947	\$ 688,451
Operating Expenses	\$ -	\$ -	\$ 643,949	\$ 751,451	\$ 693,548	\$ 724,049
Operating Income (Loss)	\$ -	\$ -	\$ (3,091)	\$ 135,467	\$ 86,399	\$ (35,598)
Block 39 - Lawson Ramp						
Operating Revenues	\$ 2,699,185	\$ 2,520,730	\$ 2,794,316	\$ 2,772,537	\$ 3,300,934	\$ 2,841,018
Operating Expenses	\$ 1,347,305	\$ 1,215,727	\$ 1,414,944	\$ 1,376,249	\$ 1,474,826	\$ 1,443,988
Operating Income (Loss)	\$ 1,351,880	\$ 1,305,003	\$ 1,379,372	\$ 1,396,288	\$ 1,826,108	\$ 1,397,030
Spruce Tree Ramp						
Operating Revenues	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Operating Expenses	\$ 54,762	\$ 67,723	\$ 102,332	\$ 53,887	\$ 108,559	\$ 62,276
Operating Income (Loss)	\$ (24,762)	\$ (37,723)	\$ (72,332)	\$ (23,887)	\$ (78,559)	\$ (32,276)
Smith Avenue Transit Hub						
Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,410
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355,323
Operating Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (63,913)
HRA Parking Lots / Miscellaneous						
Operating Revenues	\$ 416,404	\$ 696,898	\$ 1,583,565	\$ 1,427,237	\$ 1,417,302	\$ 1,354,530
Operating Expenses	\$ 407,008	\$ 859,358	\$ 1,620,082	\$ 1,099,204	\$ 1,694,448	\$ 1,423,675
Operating Income (Loss)	\$ 9,396	\$ (162,460)	\$ (36,517)	\$ 328,033	\$ (277,146)	\$ (69,145)
TOTAL PARKING FACILITIES						
Operating Revenues	\$ 8,377,127	\$ 8,646,251	\$ 9,855,748	\$ 10,266,046	\$ 10,799,883	\$ 10,691,896
Operating Expenses	\$ 4,290,650	\$ 4,833,812	\$ 6,267,826	\$ 5,925,614	\$ 6,869,197	\$ 6,719,942
Operating Income (Loss)	\$ 4,086,477	\$ 3,812,439	\$ 3,587,922	\$ 4,340,432	\$ 3,930,686	\$ 3,971,954

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Saint Paul HRA	Per Capita (1)
	Tax Incremental Bonds	Sales Tax Bonds	Lease Revenue Bonds	Parking Revenue Bonds	Tax Incremental Parking Bonds	Housing 5000 Land Assembly Bonds		
1998	\$49,605,000	\$51,915,000	\$ -	\$29,690,000	\$40,000,000	\$ -	\$230,932,277	\$ 859.55
1999	46,555,000	51,105,000	-	28,710,000	40,000,000	-	232,289,164	870.23
2000	52,958,000	50,240,000	19,015,000	27,670,000	40,000,000	-	210,786,206	734.06
2001	53,193,000	49,315,000	15,045,000	26,125,000	40,000,000	-	205,672,891	715.98
2002	71,579,000	48,320,000	12,195,000	43,415,000	39,145,000	-	233,385,554	810.37
2003	71,744,000	47,255,000	9,015,000	42,100,000	38,195,000	-	236,672,234	822.91
2004	76,825,929	46,115,000	6,920,000	40,715,000	37,140,000	25,000,000	259,986,133	904.58
2005	78,934,780	44,895,000	6,870,000	55,420,000	36,005,000	21,830,000	261,482,221	909.87
2006	69,420,923	43,585,000	6,570,000	53,795,000	34,705,000	12,455,000	239,405,732	833.05
2007	64,573,740	42,185,000	6,145,000	51,980,000	33,260,000	9,135,000	223,894,402	781.15
% Change 1998-2007	30.18	(18.74)	(67.68)	75.08	(16.85)	(63.46)	(3.05)	(20.88)

Notes:

Details regarding the HRA's outstanding debt can be found in the notes to the financial statements.

(1) See the "Demographic and Economic Statistics" Table for population data. The 2007 ratio is calculated using population for the prior calendar year.

SCHEDULE OF REVENUE BOND COVERAGE

Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Totals
SPRUCE TREE CENTRE TAX INCREMENT BONDS, SERIES 1988A AND 2003											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ 446,577	\$ 470,037	\$ 506,661	\$ 530,406	\$ 332,493	\$ 335,790	\$ 325,416	\$ 296,044	\$ 283,041	\$ 290,730	\$ 3,817,195
Developer Shortfall Payments	-	-	-	-	-	124,908	115,300	115,300	112,400	92,229	560,137
Investment Earnings	36,697	24,875	47,896	22,246	7,912	18,383	28,038	24,322	52,669	90,639	363,677
Total Revenues Available for Debt Service	\$ 483,274	\$ 494,912	\$ 554,557	\$ 552,652	\$ 340,405	\$ 479,081	\$ 468,754	\$ 435,666	\$ 448,110	\$ 473,598	\$ 4,731,009
Debt Service Requirements											
Principal	\$ 100,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 150,000	\$ 175,000	\$ 140,058	\$ 149,162	\$ 158,857	\$ 169,183	\$ 1,417,260
Interest	325,781	315,234	303,516	291,797	278,906	135,938	122,850	113,746	104,051	93,725	2,085,544
Total Debt Service Requirements	\$ 425,781	\$ 440,234	\$ 428,516	\$ 416,797	\$ 428,906	\$ 310,938	\$ 262,908	\$ 262,908	\$ 262,908	\$ 262,908	\$ 3,502,804
Coverage (Revenues / Debt Service)	1.14	1.12	1.29	1.33	0.79	1.54	1.78	1.66	1.70	1.80	1.35
MIDWAY MARKETPLACE TAX INCREMENT BONDS, SERIES 1998A / SNELLING-UNIVERSITY TAX INCREMENT BONDS, SERIES 2005C											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ 1,494,263	\$ 1,595,996	\$ 1,775,208	\$ 2,078,179	\$ 1,039,320	\$ 1,317,977	\$ 1,226,056	\$ 1,096,155	\$ 1,835,383	\$ 1,416,074	\$ 14,874,611
Developer Shortfall Payments	-	-	-	-	-	-	-	-	-	-	-
Investment Earnings	39,766	6,070	204,936	194,935	341,690	200,156	207,669	178,567	87,266	110,707	1,571,762
Bond Proceeds - Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-
Total Revenues Available for Debt Service	\$ 1,534,029	\$ 1,602,066	\$ 1,980,144	\$ 2,273,114	\$ 1,381,010	\$ 1,518,133	\$ 1,433,725	\$ 1,274,722	\$ 1,922,649	\$ 1,526,781	\$ 16,446,373
Debt Service Requirements											
Principal	\$ 470,000	\$ 150,000	\$ 160,000	\$ 175,000	\$ 190,000	\$ 200,000	\$ 220,000	\$ 235,000	\$ 350,000	\$ 355,000	\$ 2,505,000
Interest	540,800	517,593	505,733	492,791	478,553	463,095	446,240	392,424	232,142	218,742	4,288,113
Total Debt Service Requirements	\$ 1,010,800	\$ 667,593	\$ 665,733	\$ 667,791	\$ 668,553	\$ 663,095	\$ 666,240	\$ 627,424	\$ 582,142	\$ 573,742	\$ 6,793,113
Coverage (Revenues / Debt Service)	1.52	2.40	2.97	3.40	2.07	2.29	2.15	2.03	3.30	2.66	2.42
SALES TAX REVENUE BONDS, SERIES 1993 AND 1996											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
City Sales Tax Revenues	\$ 10,542,813	\$ 10,829,384	\$ 13,007,632	\$ 13,432,179	\$ 13,344,192	\$ 13,312,004	\$ 13,753,085	\$ 14,154,920	\$ 14,798,156	\$ 15,201,412	\$ 132,375,777
RiverCentre Revenues	118,764	104,493	158,621	85,348	33,685	18,495	22,509	61,737	109,608	122,831	836,091
Investment Earnings	\$ 10,661,577	\$ 10,933,877	\$ 13,166,253	\$ 13,517,527	\$ 13,377,877	\$ 13,330,499	\$ 13,775,594	\$ 14,216,657	\$ 14,907,764	\$ 15,324,243	\$ 133,211,868
Total Revenues Available for Debt Service	\$ 755,000	\$ 810,000	\$ 865,000	\$ 925,000	\$ 995,000	\$ 1,065,000	\$ 1,140,000	\$ 1,220,000	\$ 1,310,000	\$ 1,400,000	\$ 10,485,000
Debt Service Requirements											
Principal	3,739,570	3,685,965	3,628,455	3,567,040	3,501,365	3,430,720	3,355,105	3,274,165	3,187,545	3,094,535	34,464,465
Interest	\$ 4,494,570	\$ 4,495,965	\$ 4,493,455	\$ 4,492,040	\$ 4,496,365	\$ 4,495,720	\$ 4,495,105	\$ 4,494,165	\$ 4,497,545	\$ 4,494,535	\$ 44,949,465
Total Debt Service Requirements	\$ 2.37	2.43	2.93	3.01	2.98	2.97	3.06	3.16	3.31	3.41	2.96
Coverage (Revenues / Debt Service)											

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Totals
DOWNTOWN TAX INCREMENT BONDS, SERIES 1993 AND 1998											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ 6,182,554	\$ 8,043,156	\$ 9,025,598	\$ 10,139,895	\$ 5,048,227	\$ 5,323,503	\$ 5,539,108	\$ 3,807,158	\$ 4,276,947	\$ 5,309,827	\$ 62,695,973
Hotel/Motel Taxes	220,000	220,000	220,000	225,898	220,000	220,000	220,000	220,000	220,000	220,000	2,205,898
RiverCentre Revenues	660,000	660,000	660,000	-	125,000	100,000	100,000	100,000	100,000	100,000	2,605,000
N.O.C. Sales	-	-	-	-	-	-	-	-	-	12,871	12,871
Loan Repayments	-	-	-	-	-	-	-	273,047	2,026,344	-	2,299,391
Investment Earnings	245,130	100,592	151,020	181,171	291,471	74,065	82,602	60,326	105,094	292,631	1,594,102
Total Revenues Available for Debt Service	\$ 7,307,684	\$ 9,023,748	\$ 10,056,618	\$ 10,546,964	\$ 5,684,698	\$ 5,717,568	\$ 5,941,710	\$ 4,460,531	\$ 6,728,365	\$ 5,935,329	\$ 71,403,235
Debt Service Requirements											
Principal	\$ 880,000	\$ 1,850,000	\$ 1,945,000	\$ 2,060,000	\$ 2,180,000	\$ 2,235,000	\$ 2,275,000	\$ 2,285,000	\$ 2,355,000	\$ 2,400,000	\$ 20,465,000
Interest	747,377	1,394,470	1,294,498	1,184,996	1,064,791	933,871	797,635	657,314	512,803	363,052	8,950,807
Total Debt Service Requirements	\$ 1,627,377	\$ 3,244,470	\$ 3,239,498	\$ 3,244,996	\$ 3,244,791	\$ 3,168,871	\$ 3,072,635	\$ 2,942,314	\$ 2,867,803	\$ 2,763,052	\$ 29,415,807
Coverage (Revenues / Debt Service)	4.49	2.78	3.10	3.25	1.75	1.80	1.93	1.52	2.35	2.15	2.43
RIVERCENTRE PARKING FACILITY LEASE REVENUE BONDS, SERIES 2000											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Lease Payments from the City	\$ -	\$ -	\$ 200,000	\$ 400,000	\$ 400,000	\$ 415,000	\$ 415,000	\$ 415,000	\$ 657,928	\$ 758,559	\$ 3,661,487
Investment Earnings	-	-	92,538	128,124	36,339	43,200	43,229	40,630	36,129	11,728	431,917
Total Revenues Available for Debt Service	\$ -	\$ -	\$ 292,538	\$ 528,124	\$ 436,339	\$ 458,200	\$ 458,229	\$ 455,630	\$ 694,057	\$ 770,287	\$ 4,093,404
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ 170,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 425,000	\$ 1,095,000
Interest	-	-	211,925	419,706	414,250	411,600	408,900	406,150	396,363	375,956	3,044,850
Total Debt Service Requirements	\$ -	\$ -	\$ 211,925	\$ 589,706	\$ 464,250	\$ 461,600	\$ 458,900	\$ 456,150	\$ 696,363	\$ 800,956	\$ 4,139,850
Coverage (Revenues / Debt Service)	NA	NA	1.38	0.90	0.94	0.99	1.00	1.00	1.00	0.96	0.99
RIVERFRONT TAX INCREMENT BONDS, SERIES 1993C, 1993D, 2000D, AND 2002C											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ 641,099	\$ 641,698	\$ 848,048	\$ 1,079,136	\$ 516,215	\$ 823,386	\$ 718,705	\$ 768,344	\$ 775,838	\$ 794,927	\$ 7,607,396
Tax Increment Pooling from Other Districts	-	-	201,843	304,808	396,916	364,000	610,335	571,150	576,714	520,420	3,546,186
Loan Repayments and Sales Proceeds	-	201,976	-	-	-	-	309,845	2,798	1,399	-	201,976
Transfer from Capital Projects Fund	-	(455)	114,825	(23,104)	(21,324)	(22,326)	(4,281)	161	7,096	11,242	314,042
Investment Earnings	25,221	-	-	-	-	-	-	-	-	-	87,055
Total Revenues Available for Debt Service	\$ 666,320	\$ 843,219	\$ 1,164,716	\$ 1,360,840	\$ 891,807	\$ 1,165,060	\$ 1,634,604	\$ 1,342,453	\$ 1,361,047	\$ 1,326,589	\$ 11,756,655
Debt Service Requirements											
Principal	\$ 550,000	\$ 575,000	\$ 625,000	\$ 650,000	\$ 635,000	\$ 790,000	\$ 845,000	\$ 865,000	\$ 925,000	\$ 970,000	\$ 7,430,000
Interest	763,187	735,888	705,300	732,392	544,930	467,266	432,982	395,347	354,335	309,934	5,441,561
Total Debt Service Requirements	\$ 1,313,187	\$ 1,310,888	\$ 1,330,300	\$ 1,382,392	\$ 1,179,930	\$ 1,257,266	\$ 1,277,982	\$ 1,260,347	\$ 1,279,335	\$ 1,279,934	\$ 12,871,561
Coverage (Revenues / Debt Service)	0.51	0.64	0.88	0.98	0.76	0.93	1.28	1.07	1.06	1.04	0.91

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 Totals

US BANK TAX INCREMENT BONDS, SERIES 2001
Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,905	\$ 879,169	\$ 1,034,905	\$ 993,054	\$ 3,255,033
Tax Increments	-	-	-	-	-	67,457	16,281	44,179	42,039	496,945
Investment Earnings	-	-	47,154	133,570	145,265	-	-	-	-	2,641,606
Bond Proceeds - Capitalized Interest	-	-	2,641,606	-	-	-	-	-	-	-
Total Revenues Available for Debt Service	\$ -	\$ -	\$ 2,688,760	\$ 133,570	\$ 145,265	\$ 415,362	\$ 895,450	\$ 1,079,084	\$ 1,035,093	\$ 6,392,584
Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ 335,000	\$ 275,000	\$ 735,000
Principal	-	-	-	-	-	-	754,169	742,877	726,606	4,458,925
Interest	-	-	-	726,935	754,169	754,169	879,169	1,077,877	1,001,606	5,193,925
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ 726,935	\$ 754,169	\$ 754,169	\$ 879,169	\$ 1,077,877	\$ 1,001,606	\$ 5,193,925
Coverage (Revenues / Debt Service)	NA	NA	NA	0.18	0.19	0.55	1.02	1.00	1.03	1.23

NORTH QUADRANT TAX INCREMENT BONDS, SERIES 2000 AND 2002, AND 9TH STREET LOFTS TAX INCREMENT BONDS, SERIES 2004

Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 10,929	\$ 217,049	\$ 213,655	\$ 430,148	\$ 345,683	\$ 1,309,471
Tax Increments	-	-	-	-	-	156,300	-	-	-	281,300
Bond Proceeds - Capitalized Interest	-	-	-	-	-	13	742	1,047	2,679	138,909
Investment Earnings	-	-	60,219	68,320	5,889	-	-	-	-	-
Total Revenues Available for Debt Service	\$ -	\$ -	\$ 60,219	\$ 79,249	\$ 347,938	\$ 248,320	\$ 214,397	\$ 431,195	\$ 348,362	\$ 1,729,680
Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000	\$ 17,000	\$ 42,000	\$ 84,000	\$ 156,000
Principal	-	-	-	-	-	149,505	234,478	294,779	240,806	1,231,373
Interest	-	-	60,219	79,249	172,337	157,505	251,478	336,779	324,806	1,387,373
Total Debt Service Requirements	\$ -	\$ -	\$ 60,219	\$ 79,249	\$ 177,337	\$ 157,505	\$ 251,478	\$ 336,779	\$ 324,806	\$ 1,387,373
Coverage (Revenues / Debt Service)	NA	NA	1.00	1.00	1.96	1.58	0.85	1.28	1.07	1.25

UPPER LANDING TAX INCREMENT BONDS, SERIES 2002A, 2002B, AND 2002C

Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,311	\$ 600,473	\$ 1,049,372	\$ 1,851,156
Tax Increments	-	-	-	-	-	-	-	-	-	4,537,870
Bond Proceeds - Capitalized Interest	-	-	-	-	-	-	-	-	-	1,194,236
Developer Shortfall Payments	-	-	-	-	-	-	-	498,044	696,192	1,080,668
Investment Earnings	-	-	-	-	-	341,621	126,908	200,503	112,409	1,080,668
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341,621	\$ 328,219	\$ 1,299,020	\$ 1,857,973	\$ 8,663,930
Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal	-	-	-	-	-	1,321,100	1,321,100	1,321,100	1,321,100	6,414,674
Interest	-	-	-	-	-	-	-	-	-	-
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ 1,130,274	\$ 1,321,100	\$ 1,321,100	\$ 1,321,100	\$ 1,321,100	\$ 6,414,674
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	0.26	0.26	0.25	0.98	1.41	1.35

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Totals	
DRAKE MARBLE TAX INCREMENT BONDS, SERIES 2002												
Fund Servicing Debt - HRA Debt Service Fund												
Revenues Available for Debt Service												
Tax Increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,750	\$ 137,494	\$ 152,908	\$ 171,187	\$ 180,593	\$ 708,932	
Investment Earnings	-	-	-	-	\$ 36,461	85,712	172	721	937	1,664	105,687	
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 36,461	\$ 132,462	\$ 137,666	\$ 153,629	\$ 172,124	\$ 182,277	\$ 814,619	
Debt Service Requirements												
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 33,000	\$ 36,000	\$ 124,000	
Interest	-	-	-	-	-	95,175	121,500	121,500	117,788	114,953	570,916	
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,175	\$ 121,500	\$ 176,500	\$ 150,788	\$ 150,953	\$ 694,916	
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	NA	1.39	1.13	0.87	1.14	1.21	1.17	

KOCHIMOBIL TAX INCREMENT BONDS, SERIES 2004C and 2007B

Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service											
Tax Increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,822	\$ 160,828	\$ 180,650
Bond Proceeds - Capitalized Interest	-	-	-	-	-	-	266,625	-	-	-	266,625
Investment Earnings	-	-	-	-	-	-	-	1,601	4,485	2,845	8,931
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,625	\$ 1,601	\$ 24,307	\$ 163,673	\$ 456,206
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,950,000	\$ 3,950,000
Interest	-	-	-	-	-	-	44,437	88,875	88,875	127,207	349,394
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,437	\$ 88,875	\$ 88,875	\$ 4,077,207	\$ 4,299,394
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	NA	NA	6.00	0.02	0.27	0.04	0.11

JJ HILL TAX INCREMENT BONDS, SERIES 2004

Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service											
Tax Increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,004	\$ 261,006	\$ 200,351	\$ 720,361
Bond Proceeds - Capitalized Interest	-	-	-	-	-	-	403,765	-	-	-	403,765
Investment Earnings	-	-	-	-	-	-	444	1,278	5,375	18,680	25,777
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404,209	\$ 260,282	\$ 266,381	\$ 219,031	\$ 1,149,903
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000	\$ 18,000
Interest	-	-	-	-	-	-	-	172,198	228,750	228,750	629,698
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,198	\$ 228,750	\$ 246,750	\$ 647,698
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	NA	NA	NA	1.51	1.16	0.89	1.78

SCHEDULE OF REVENUE BOND COVERAGE

Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Totals
NEIGHBORHOOD SCATTERED SITE TAX INCREMENT BONDS, SERIES 2005											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,061,105	\$ 1,554,684	\$ 1,869,289	\$ 4,485,078
Bond Proceeds - Capitalized Interest	-	-	-	-	-	-	-	751,500	-	-	751,500
Investment Earnings	-	-	-	-	-	-	-	19,750	33,180	123,020	175,950
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,832,355	\$ 1,587,864	\$ 1,992,309	\$ 5,412,528
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295,000	\$ 495,000	\$ 485,000	\$ 1,275,000
Interest	-	-	-	-	-	-	-	128,259	357,478	336,702	822,439
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,259	\$ 852,478	\$ 821,702	\$ 2,097,439
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	NA	NA	NA	4.33	1.86	2.42	2.58
HOUSING 5000 LAND ASSEMBLY BONDS, SERIES 2004											
Fund Servicing Debt - HRA Loan Enterprise Fund											
Revenues Available for Debt Service											
Land Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,779,663	\$ 2,308,000	\$ -	\$ 6,087,663
Bond Proceeds - Capitalized Interest	-	-	-	-	-	-	2,387,200	-	-	-	2,387,200
Investment Earnings	-	-	-	-	-	-	120,529	641,722	874,360	741,206	2,377,817
Use of Bond Reserve Account	-	-	-	-	-	-	-	-	3,555,284	-	3,555,284
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,507,729	\$ 4,421,385	\$ 6,737,644	\$ 741,206	\$ 14,407,964
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,170,000	\$ 9,375,000	\$ 3,320,000	\$ 15,865,000
Interest	-	-	-	-	-	-	357,759	764,656	777,522	569,468	2,469,405
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 357,759	\$ 3,934,656	\$ 10,152,522	\$ 3,889,468	\$ 18,334,405
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	NA	NA	7.01	1.12	0.66	0.19	0.79
PARKING REVENUE BONDS, SERIES 1992A, 1995A, 1995B, 2001A, 2002A, 2002B, AND 2005A											
Fund Servicing Debt - HRA Parking Enterprise Fund											
Revenues Available for Debt Service											
Parking Facility Net Revenues	\$ 3,061,028	\$ 3,448,732	\$ 3,473,247	\$ 3,462,193	\$ 3,168,812	\$ 2,293,082	\$ 2,807,196	\$ 2,931,998	\$ 3,022,153	\$ 3,246,417	\$ 30,914,858
Parking Meter & Parking Fine Revenues	1,816,000	1,816,000	1,989,400	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	19,621,400
Bond Proceeds - Capitalized Interest	-	-	-	-	210,579	1,010,760	124,361	67,517	-	-	1,413,237
Total Revenues Available for Debt Service	\$ 4,877,028	\$ 5,264,732	\$ 5,462,647	\$ 5,462,193	\$ 5,379,391	\$ 5,303,862	\$ 4,931,557	\$ 4,999,515	\$ 5,022,153	\$ 5,246,417	\$ 51,949,495
Debt Service Requirements											
Principal	\$ 635,000	\$ 670,000	\$ 710,000	\$ 925,000	\$ 875,000	\$ 910,000	\$ 955,000	\$ 1,015,000	\$ 1,135,000	\$ 1,290,000	\$ 9,120,000
Interest	885,184	832,494	866,879	766,316	1,014,904	1,774,840	1,732,700	1,496,125	1,467,282	1,429,882	12,266,606
Total Debt Service Requirements	\$ 1,520,184	\$ 1,502,494	\$ 1,576,879	\$ 1,691,316	\$ 1,889,904	\$ 2,684,840	\$ 2,687,700	\$ 2,511,125	\$ 2,602,282	\$ 2,719,882	\$ 21,386,606
Coverage (Revenues / Debt Service)	3.21	3.50	3.46	3.23	2.85	1.98	1.83	1.99	1.93	1.93	2.43

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE

Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Totals
PARKING REVENUE BONDS, SERIES 1997A											
Fund Servicing Debt - HRA Parking Enterprise Fund											
Revenues Available for Debt Service											
Ramp Lease Revenues	\$ 465,020	\$ 1,056,653	\$ 930,501	\$ 1,062,688	\$ 1,074,736	\$ 1,196,900	\$ 1,075,336	\$ 1,080,048	\$ 1,058,040	\$ 1,078,813	\$ 10,078,735
Investment Earnings	12,371	11,405	18,348	7,718	592	8,768	(3,235)	6,474	16,412	13,655	92,508
Bond Proceeds - Capitalized Interest	407,905	-	128,993	-	-	-	-	-	-	-	536,888
Total Revenues Available for Debt Service	\$ 885,296	\$ 1,068,058	\$ 1,077,842	\$ 1,074,406	\$ 1,075,328	\$ 1,205,668	\$ 1,072,101	\$ 1,086,522	\$ 1,074,452	\$ 1,092,468	\$ 10,708,141
Debt Service Requirements											
Principal	\$ -	\$ 310,000	\$ 330,000	\$ 355,000	\$ 380,000	\$ 405,000	\$ 430,000	\$ 460,000	\$ 490,000	\$ 525,000	\$ 3,685,000
Interest	801,237	763,093	742,163	719,887	695,925	670,275	642,938	606,629	582,863	549,788	6,774,798
Total Debt Service Requirements	\$ 801,237	\$ 1,073,093	\$ 1,072,163	\$ 1,074,887	\$ 1,075,925	\$ 1,075,275	\$ 1,072,938	\$ 1,066,629	\$ 1,072,863	\$ 1,074,788	\$ 10,459,798
Coverage (Revenues / Debt Service)	1.10	1.00	1.01	1.00	1.00	1.12	1.00	1.02	1.00	1.02	1.02
BLOCK 39 TAX INCREMENT BONDS, SERIES 1998A AND 1998B											
Fund Servicing Debt - HRA Parking Enterprise Fund											
Revenues Available for Debt Service											
Tax Increments	\$ -	\$ -	\$ -	\$ 1,753,832	\$ 1,195,454	\$ 1,203,263	\$ 982,602	\$ 687,327	\$ 689,844	\$ 889,488	\$ 7,401,810
Developer Shortfall Payments	-	-	1,368,859	-	-	100,640	237,104	681,886	707,372	386,514	3,482,375
Net Parking Revenues	-	156,796	1,373,474	1,907,913	1,910,988	1,865,629	1,940,275	1,957,191	2,387,011	1,958,727	15,458,004
Investment Earnings	96,642	34,453	134,468	106,898	207,513	74,901	199,881	112,108	97,039	261,767	1,325,670
Bond Proceeds - Capitalized Interest	4,771,453	-	-	-	-	-	-	-	-	-	4,771,453
Total Revenues Available for Debt Service	\$ 4,868,095	\$ 191,249	\$ 2,876,801	\$ 3,768,643	\$ 3,313,955	\$ 3,244,433	\$ 3,359,862	\$ 3,438,512	\$ 3,881,266	\$ 3,496,496	\$ 32,439,312
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ 855,000	\$ 950,000	\$ 1,055,000	\$ 1,135,000	\$ 1,300,000	\$ 1,445,000	\$ 6,740,000
Interest	1,258,653	2,157,692	2,157,692	2,157,692	2,133,410	2,081,815	2,023,908	1,931,407	1,886,780	1,804,069	19,593,118
Total Debt Service Requirements	\$ 1,258,653	\$ 2,157,692	\$ 2,157,692	\$ 2,157,692	\$ 2,988,410	\$ 3,031,815	\$ 3,078,908	\$ 3,066,407	\$ 3,186,780	\$ 3,249,069	\$ 26,333,118
Coverage (Revenues / Debt Service)	3.87	0.09	1.33	1.75	1.11	1.07	1.09	1.12	1.22	1.08	1.23
PARKING REVENUE BONDS (SMITH AVENUE TRANSIT CENTER), SERIES 2005											
Fund Servicing Debt - HRA Parking Enterprise Fund											
Revenues Available for Debt Service											
Parking & Transit Center Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,434	\$ 155,434
Investment Earnings	-	-	-	-	-	-	-	230,569	65,455	265,494	581,538
Bond Proceeds - Capitalized Interest	-	-	-	-	-	-	-	2,425,100	-	-	2,425,100
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,655,689	\$ 65,455	\$ 420,928	\$ 3,162,072
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	349,160	619,200	619,200	1,587,560
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349,160	\$ 619,200	\$ 619,200	\$ 1,587,560
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	NA	NA	NA	7.61	0.14	0.68	1.99

City of Saint Paul, Minnesota
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Total Personal Income (2)	Total Labor Force (3)	Unemployment Rate (3)
1998	268,667	N/A	N/A	139,486	2.5%
1999	266,927	N/A	N/A	138,498	2.9%
2000	287,151	\$20,216	\$5,805,016,300	140,788	3.5%
2001	287,260	22,949	6,232,998,475	144,764	4.1%
2002	288,000	21,488	5,974,694,440	150,079	5.1%
2003	287,604	21,893	5,878,881,200	163,039	5.5%
2004	287,410	22,533	5,822,971,800	152,123	5.4%
2005	287,385	23,541	6,157,265,700	149,832	4.4%
2006	286,620	23,675	6,444,728,300	146,616	4.1%
2007	N/A	N/A	N/A	144,446	4.6%

(1) 1998-1999 and 2001-2006 data based on Metropolitan Council estimates.

2000 data provided by U.S. Census Bureau.

2007 estimate not yet available from Metropolitan Council.

(2) Data is not available for 1998 and 1999.

2000-2006 data provided by U.S. Census Bureau's Annual American Community Survey.

2007 data is not yet available.

(3) Annual average - not seasonally adjusted.

Data provided by Minnesota Department of Employment and Economic Development (DEED).

unaudited

City of Saint Paul, Minnesota
PRINCIPAL EMPLOYERS

2007

<u>Employers</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
State of Minnesota	12,800	1	7.09%
St Paul Public Schools	5,245	2	2.90%
US Bancorp	4,500	3	2.49%
Health Partners, Inc. / Regions Hospital	4,376	4	2.42%
United States Federal Government	4,184	5	2.32%
Allina Health System / United Hospital	3,111	6	1.72%
Health East Care System / St Joseph's Hospital	2,969	7	1.64%
City of Saint Paul	2,877	8	1.59%
The Travelers Companies, Inc.	2,700	9	1.50%
Ramsey County	2,653	10	1.47%
	<u>45,415</u>		<u>25.14%</u>

Data from nine years ago is not available.

Source: Capital City Partnership

unaudited

OPERATING INDICATORS
Last Six Fiscal Years

	2002	2003	2004	2005	2006	2007
New and Substantially Rehabilitated Housing Units	1,632	1,278	1,331	1,130	428	355

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CAPITAL ASSET STATISTICS
Last Six Fiscal Years

	2002	2003	2004	2005	2006	2007
Number of Pedestrian Skyway Bridges	37	37	37	37	37	37
Depreciated Cost of Pedestrian Skyway Bridges	\$ 7,394,227	\$ 7,068,804	\$ 6,743,381	\$ 6,417,958	\$ 6,092,535	\$ 5,767,112
Number of Parking Ramps	7	7	8	8	8	9
Number of Parking Lots	11	11	11	11	11	11
Number of Parking Spaces	7,395	7,395	8,439	8,439	8,439	9,042
Depreciated Cost of Parking Ramps and Lots	\$69,867,298	\$68,541,993	\$84,258,336	\$81,977,271	\$79,718,115	\$ 105,863,097