

**HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA
(Component Unit of the City of Saint Paul)**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2005**

**Jay Benanav, Chairperson
Chris Coleman, Mayor of the City of Saint Paul
Tony Schertler, Interim 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, 2005**

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

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INTRODUCTORY SECTION



CITY OF SAINT PAUL
Christopher B. Coleman, Mayor

25 West Fourth Street
Saint Paul, MN 55102

Telephone: 651-266-6700
Facsimile: 651-228-3220

June 6, 2006

TO: Housing and Redevelopment Authority of the City of Saint Paul, Minnesota

Jay Benanav, Chairperson
Daniel Bostrom
Patrick Harris
Lee Helgen
Kathy Lantry
Deborah Montgomery
Dave Thune

Dear Board of Commissioners:

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, 2005 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, and should be read in conjunction with this letter of transmittal. 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 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, 2005.

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 customers 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.

City Financial Outlook

The City's budget, and in particular the General, Library Agency, and General Debt Service funds, remain heavily influenced by state budget decisions of previous years to reduce Local Government Aid payments, and subsequent City budget management decisions which, to date, have not completely restored an ongoing balance between annual operating revenues and expenditures.

State aid payments are an important component of the City's General Fund budget. In the 2006 adopted budget, state aids including Local Government Aid (LGA, the single largest program), are the single largest financing source at over 38% of the total (by comparison, property taxes provide 26% of financing in 2006.) In the 2003 legislative session, the state resolved its budget deficit in part by reducing aid payments to local governments. In Saint Paul, this had the effect of reducing LGA payments for 2006 by 21.8% (\$16.6 million) below the originally-certified 2003 level.

While the City made significant mid-year spending adjustments in 2003 (including elimination of approximately 139 budgeted positions) that carried forward into the 2004 budget year, permanent revenue and spending adjustments have not completely offset the loss of state aid payments, with the result that while the 2006 adopted budget uses no financing from the General Fund balance (consistent with the City's newly-adopted fund balance policy), it does rely considerably on one-time financing and transfers from a number of other sources.

The 2005 and 2006 sessions of the Minnesota Legislature adjourned without any action to restore the state aid cuts enacted in 2003. The major task that will confront the City over the next several years will be permanently-reduced levels of financial assistance from the state.

Employment Outlook

The 2005 annual average unemployment rate for the City of Saint Paul was reported by the Minnesota Department of Employment and Economic Development at 4.4%. This compares to a state unemployment rate of 4% and a U.S. average rate of 5.1%. Saint Paul has a balanced, diversified employment base with no single industry sector dominating. Education and Health Services, Professional and Business Services, and Trade, Transportation and Utilities, and Government (local, state, and federal combined) each supplied more than 10% of total employment in 2005.

The third quarter 2005 annual average wage in Saint Paul was \$43,784, compared to \$46,696 in the metro area and \$41,028 in Minnesota.

Major Housing 5000 Initiative

The City/HRA recognizes the need to grow the tax base, support increased economic activity, enhance the quality of life and capitalize on a strong demand for new housing in Saint Paul. In 2002, the HRA Board of Commissioners, the Mayor and the City Council approved a four-year, 5000 unit, \$1 billion new housing production plan for the period 2002-2005 called Housing 5000. The plan incorporated the City's policy that 20% of all new housing production is to be affordable to households with income at or below 50% of the area median income (AMI), with at least one-half or 10% of the units affordable to households with incomes at or below 30% of AMI. The production of the new units expected to strengthen and expand the City/HRA's partnership with other housing development funders. The plan, in addition to incorporating the City's "all incomes" policy, preserved existing publicly-supported affordable housing and maintained the commitment to residential rehabilitation and maintenance of the existing housing stock. It was envisioned that the HRA would invest at least \$2 million per year of HRA funds for new housing production. Additionally, the City Council approved \$5 million per year from the Neighborhood Sale Tax Revitalization (STAR) program in the support of Housing 5000 new housing production.

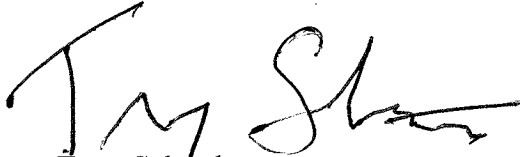
For the four-year period 2002-2005, financing closed for 5,371 units of new housing production, with a total development cost of \$1.059 billion. For the closed housing projects, new housing production resulted in 38% of the units being affordable to households with incomes at or below 60% of AMI. New housing production included large, mid-size and smaller rental and ownership developments in residential neighborhoods, downtown and along the Mississippi riverfront. It included housing for seniors, large and small families, and supportive housing for households with special needs. The new housing production is now serving a wide variety of existing and new Saint Paul residents.


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, 2004. This was the twentieth 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.

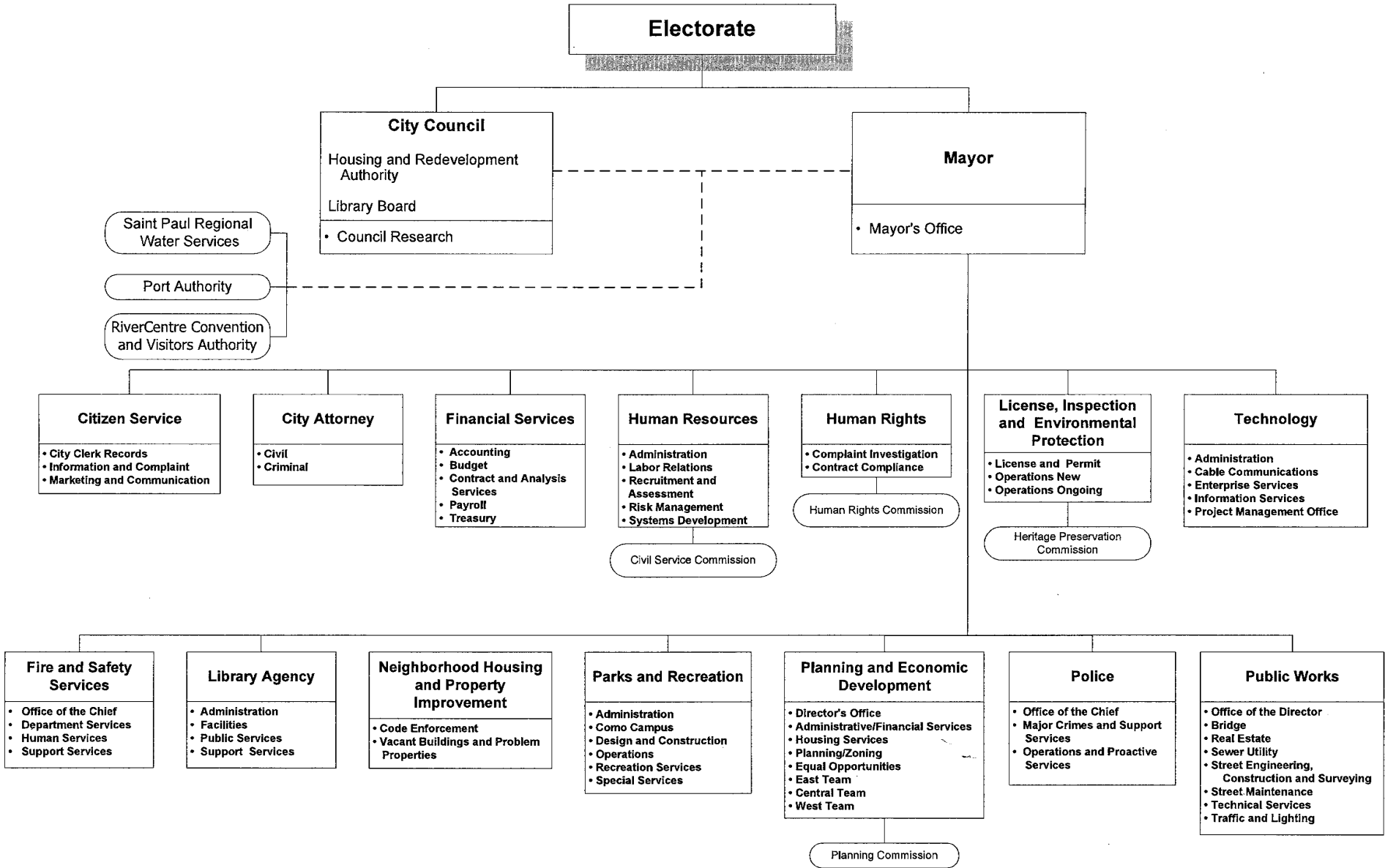
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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.


Tony Schertler
Interim Director


Thomas P. Meyer
Accountant

City of Saint Paul, Minnesota Organizational Chart



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

PRINCIPAL OFFICIALS

	<u>Term of Office</u>	
	<u>From</u>	<u>To</u>
<u>Commissioners</u>		
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
<u>Officers</u>		
<u>Chairperson</u>		
Jay Benanav	January 14, 2004	December 31, 2007
<u>Vice-Chairperson</u>		
David Thune	January 14, 2004	December 31, 2007
<u>Secretary</u>		
Kathy Lantry	January 14, 2004	December 31, 2007
<u>Treasurer</u>		
Lee Helgen	January 14, 2004	December 31, 2007
<u>Executive Director</u>		
Susan Kimberly	July 14, 2004	December 31, 2005
Tony Schertler	January 2, 2006	Interim

Certificate of Achievement for Excellence in Financial Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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.



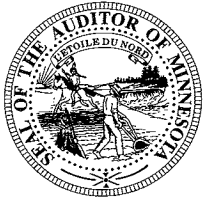
Carla E. Perry

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION



STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

PATRICIA ANDERSON
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, 2005, 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, 2005, 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.



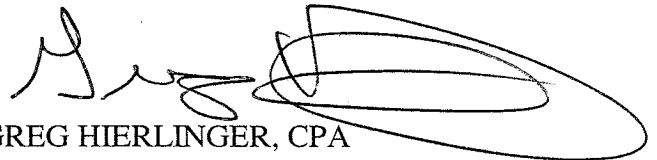
The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the 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 May 3, 2006, 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.



PATRICIA ANDERSON
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

End of Fieldwork: May 3, 2006

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2005**

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, 2005. We encourage readers to consider the information presented here in conjunction with the financial statements which are found on pages 34-90.

Financial Highlights

- Assets of the HRA exceeded liabilities at the end of 2005 by \$2.7 million. Total net assets increased by \$7.6 million during 2005. This net increase included an increase in business-type activity net assets by \$10.0 million and a decrease in governmental activity net assets by \$2.5 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 \$38.3 million in unrestricted net assets at year-end 2005. 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. There has been no significant change in the HRA development transactions and financing reported in the governmental activities statements, nor in the overall financial position, from 2001 to 2005.
- At the end of 2005, the HRA's governmental funds reported combined fund balances of \$46.4 million. The unreserved, undesignated balance is \$2.1 million. The remainder of the fund balances is either reserved or designated for specific use. An amount of \$20.0 million is reserved for future debt service on existing long term debt. An amount of \$23.6 million is unreserved, but designated for specific budgeted projects and programs of the HRA.
- The total principal amount of long-term debt increased during 2005 by \$1.6 million to a total of \$261.6 million, a 0.6% increase over 2004. New 2005 tax increment bonds were issued to finance development in the Business Scattered Site District and to refund the 1995 bonds in the Snelling-University District. Parking bonds were issued in 2005 to finance construction of the Smith Avenue Transit Center and to refund the 2001 parking bonds. Total interest expense on long-term debt in 2005 was \$16.4 million, an increase of \$1.3 million over 2004.

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2005**

- The assets of loans receivable and accrued interest on loans increased by \$3.1 million to a total of \$77.8 million at December 31, 2005. During 2005, large business loans were issued to St. Paul Radiology and St. Paul Commercial, LLC. Large development loans were issued to developers for the Payne-Phalen Redevelopment project and the Willow Reserve Townhomes project. The allowance for uncollectible loans and interest, based on an analysis of credit risk and payment delinquency, is \$46.4 million at December 31, 2005. The overall loan portfolio delinquency rate decreased by 7.4% during 2005.
- New HRA administered tax increment financing districts created in 2005 were Payne-Phalen and Carlton Lofts. Total tax increment revenue for HRA Districts was \$13.6 million in 2005, an increase of \$700 thousand from 2004. The captured tax capacity of all Saint Paul tax increment financing districts is 8.08% of Saint Paul's total tax capacity, which compares favorably with other major Minnesota Cities. This represents a decrease of .28% from 2004.
- The Housing 5000 Land Assembly program was completed in 2005. Large projects included Phalen Village, Hillcrest, Stroh's, Koch/Mobil, Upper Landing, and Gateway. The Housing 5000 Initiative is the largest housing initiative ever undertaken by the City of Saint Paul.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the HRA's basic financial statements. The HRA's basic financial statements comprise 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).

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2005**

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
- General operations financed through the HRA General Fund

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, 2005, 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 2005. 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,

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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, 2005**

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.

The HRA maintains the following four governmental funds: HRA General Fund, HRA Federal & State Programs Special Revenue Fund, HRA Debt Service Fund, and HRA Tax Increment 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 four 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 fund. 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 three governmental funds. The HRA's governmental funds reflected almost exclusively positive variances compared to the final 2005 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 49-90 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, 2005**

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 2005 with 2004 at December 31.

**Saint Paul HRA's Assets, Liabilities and Net Assets
At December 31, 2005 and 2004**

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	12/31/2005	12/31/2004	12/31/2005	12/31/2004	12/31/2005	12/31/2004	2005-2004
Assets							
Cash and Investments	\$55,240,975	\$57,746,219	\$79,106,855	\$57,794,051	\$134,347,830	\$115,540,270	16.3%
Other Current Assets	(3,032,561)	(2,498,815)	5,485,093	5,088,448	2,452,532	2,589,633	-5.3%
Land Held For Resale	2,138,865	9,092,329	8,212,463	4,772,799	10,351,328	13,865,128	-25.3%
Loans Receivable	9,807,241	7,432,061	21,603,786	28,822,436	31,411,027	36,254,497	-13.4%
Leases Receivable	6,870,000	6,920,000	--	--	6,870,000	6,920,000	-0.7%
Capital Assets	8,965,271	8,167,326	85,234,510	86,238,598	94,199,781	94,405,924	-0.2%
Other Non-Current Assets	1,328,417	1,093,982	1,538,885	1,015,327	2,867,302	2,109,309	35.9%
Total Assets	81,318,208	87,953,102	201,181,592	183,731,659	282,499,800	271,684,761	4.0%
Liabilities							
Current Liabilities	15,233,654	12,531,345	2,889,358	3,999,577	18,123,012	16,530,922	9.6%
Long-Term Debt	145,167,214	152,046,753	116,465,346	107,939,380	261,632,560	259,986,133	0.6%
Total Liabilities	160,400,868	164,578,098	119,354,704	111,938,957	279,755,572	276,517,055	1.2%
Net Assets							
Invested in Capital Assets, Net of Related Debt	8,965,271	8,167,326	5,544,000	5,456,993	14,509,271	13,624,319	6.5%
Restricted for Debt Service	10,105,742	9,523,636	15,720,681	8,184,523	25,826,423	17,708,159	45.8%
Restricted for Bond Operations and Maintenance	--	--	667,487	574,083	667,487	574,083	16.3%
Unrestricted	(98,153,673)	(94,315,958)	59,894,720	57,577,103	(38,258,953)	(36,738,855)	-4.1%
Total Net Assets	(\$79,082,660)	(\$76,624,996)	\$81,826,888	\$71,792,702	\$2,744,228	(\$4,832,294)	156.8%

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2005**

Total net assets of the HRA increased by \$7.6 million in 2005 to a balance of \$2.7 million at year-end. Net assets of the business-type activities are \$81.8 million at December 31, 2005. However, governmental activity net assets are in a deficit position of \$79.1 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, such as property tax increments or 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 \$59.9 million at December 31, 2005. However, a large portion of the unrestricted net assets is represented by loans receivable, which often have repayment terms in excess of twenty years.

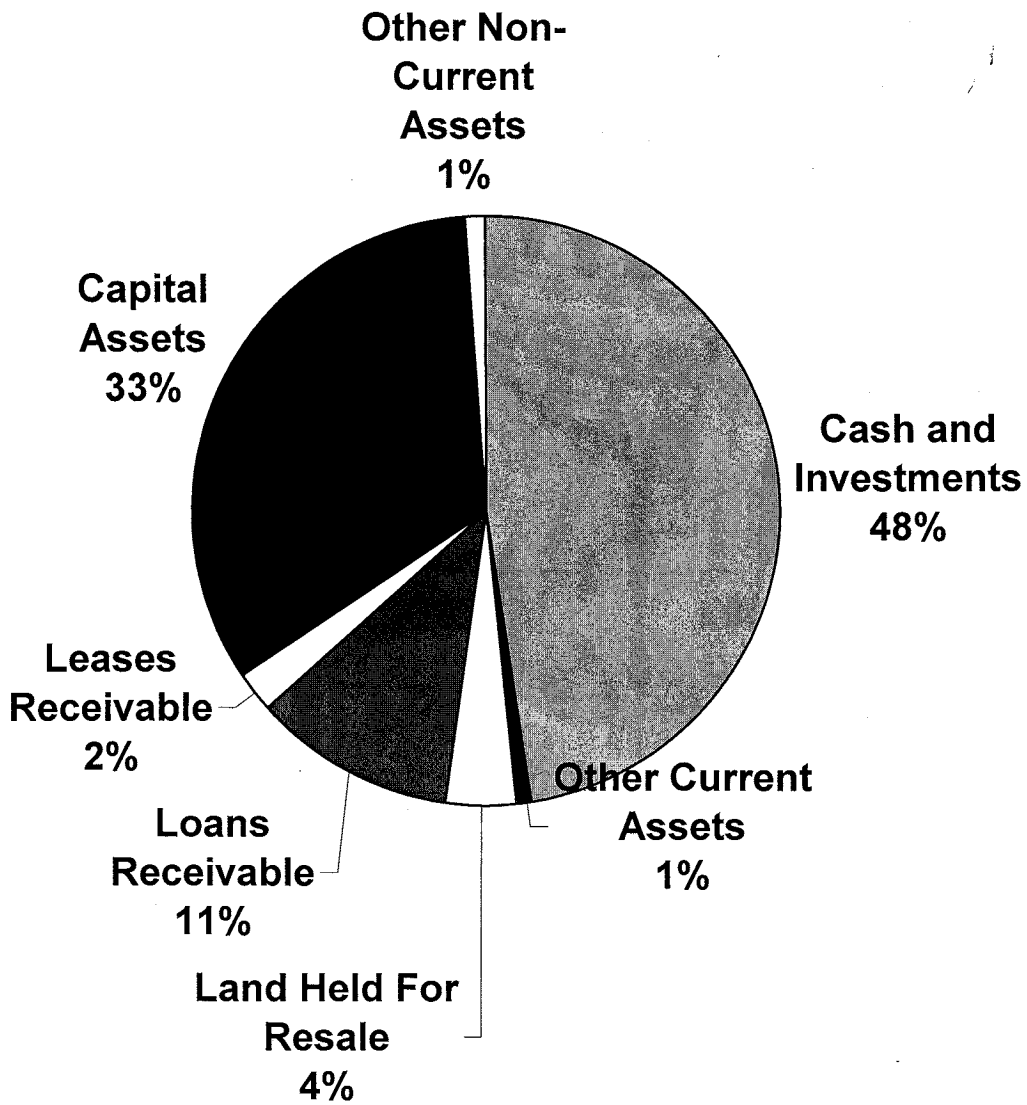
Total assets of the HRA increased by 4.0% to a total of \$282.5 million at year-end. Cash and investment balances increased by 16.3% in 2005 primarily due to unspent proceeds from the issuance of new long-term debt in 2005. Land held for resale decreased with the sale of 1000 Westgate Drive. Some relatively large loans were collected which decreased loans receivable. Capital assets had little change from 2004 to 2005.

The HRA's long-term debt, at \$261.6 million is 93.5% of its total liabilities. The outstanding balance of long-term debt increased by 0.6% during 2005. 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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(Continued)

2005 Assets



**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2005**

Changes in Net Assets. The following chart shows the changes in net assets during 2005 and compares this with 2004.

**Saint Paul HRA's Changes in Net Assets
For the Fiscal Years Ended December 31, 2005 and 2004**

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2005	2004	2005	2004	2005	2004	2005-2004
<u>Revenues</u>							
Program Revenues:							
Charges for Services	\$4,180,247	\$1,735,249	\$15,743,922	\$12,380,056	\$19,924,169	\$14,115,305	41.2%
Operating Grants and Contributions	20,067,244	20,582,957	10,025,408	13,750,499	30,092,652	34,333,456	-12.4%
Capital Grants and Contributions	--	--	900,000	1,780,421	900,000	1,780,421	-49.5%
General Revenues:							
Property Taxes	13,055,454	12,493,025	1,372,349	1,219,705	14,427,803	13,712,730	5.2%
Other Taxes and Unrestricted Grants	551,212	483,091	--	--	551,212	483,091	14.1%
Investment Income	1,381,833	1,053,345	1,627,274	725,517	3,009,107	1,778,862	69.2%
Total Revenues	<u>39,235,990</u>	<u>36,347,667</u>	<u>29,668,953</u>	<u>29,856,198</u>	<u>68,904,943</u>	<u>66,203,865</u>	4.1%
<u>Expenses</u>							
Housing and Economic Development	31,189,699	32,512,704	--	--	31,189,699	32,512,704	-4.1%
Interest on Govt Activity Long-Term Debt	10,949,282	10,251,572	--	--	10,949,282	10,251,572	6.8%
Development Loan Programs	--	--	8,450,161	11,820,912	8,450,161	11,820,912	-28.5%
Parking Operations	--	--	10,739,279	11,104,139	10,739,279	11,104,139	-3.3%
Total Expenses	<u>42,138,981</u>	<u>42,764,276</u>	<u>19,189,440</u>	<u>22,925,051</u>	<u>61,328,421</u>	<u>65,689,327</u>	-6.6%
Transfers	<u>445,327</u>	<u>(2,922,695)</u>	<u>(445,327)</u>	<u>2,922,695</u>	<u>--</u>	<u>--</u>	
Change in Net Assets	(2,457,664)	(9,339,304)	10,034,186	9,853,842	7,576,522	514,538	
Net Assets, January 1	<u>(76,624,996)</u>	<u>(67,285,692)</u>	<u>71,792,702</u>	<u>61,938,860</u>	<u>(4,832,294)</u>	<u>(5,346,832)</u>	
Net Assets, December 31	<u>(\$79,082,660)</u>	<u>(\$76,624,996)</u>	<u>\$81,826,888</u>	<u>\$71,792,702</u>	<u>\$2,744,228</u>	<u>(\$4,832,294)</u>	

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2005**

Total revenues of the HRA increased by 4.1% in 2005, while total expenses decreased by 6.6%, resulting in a very favorable change to net assets in 2005 – an increase of \$7,576,522. The increase in net assets was in the enterprise funds in the business-type activities, an amount of \$10,034,186. The governmental activities had a decrease in net assets in 2005, an amount of \$2,457,664.

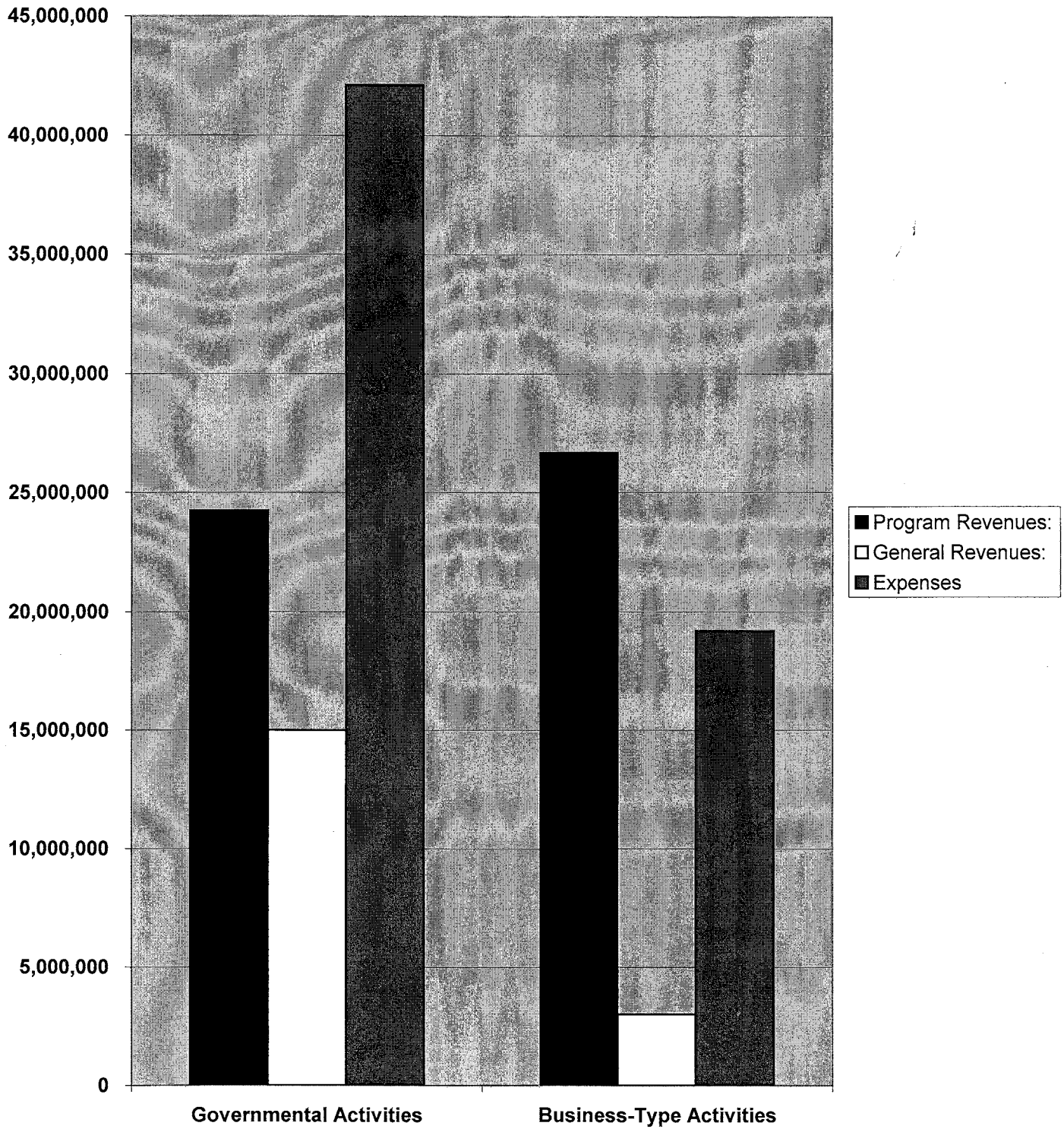
As shown in the table on the previous page, governmental activities are financed heavily with tax revenue and operating grants. Property tax revenue in governmental activities increased by 4.5% with most of the increase being in tax increment revenue. However, operating grants and contributions decreased by 2.5% in 2005. Housing and Economic Development expenses decreased in 2005 from 2004 by \$1.3 million, or 4.1%. Interest on governmental activity long-term debt increased in 2005 by 6.8% from 2004, primarily due to additional debt issued in late 2004 and 2005.

Charges for service revenue increased substantially in business-type activities in 2005 - \$3.4 million, or 27.2%. The major reason for the increase was the sale of land held for resale in the HRA Loan Enterprise Fund. Operating grants and contributions decreased with \$9 million received in 2005 from the City's sales tax STAR program for the Housing 5000 initiative, rather than the \$10 million received in 2004. Total business-type activities expenses decreased in 2005 by 16.3%. The major reason for this decrease in expenses was again the development related to the Housing 5000 Initiative, which ended in 2005. Parking operation expenses decreased by 3.3% in 2005.

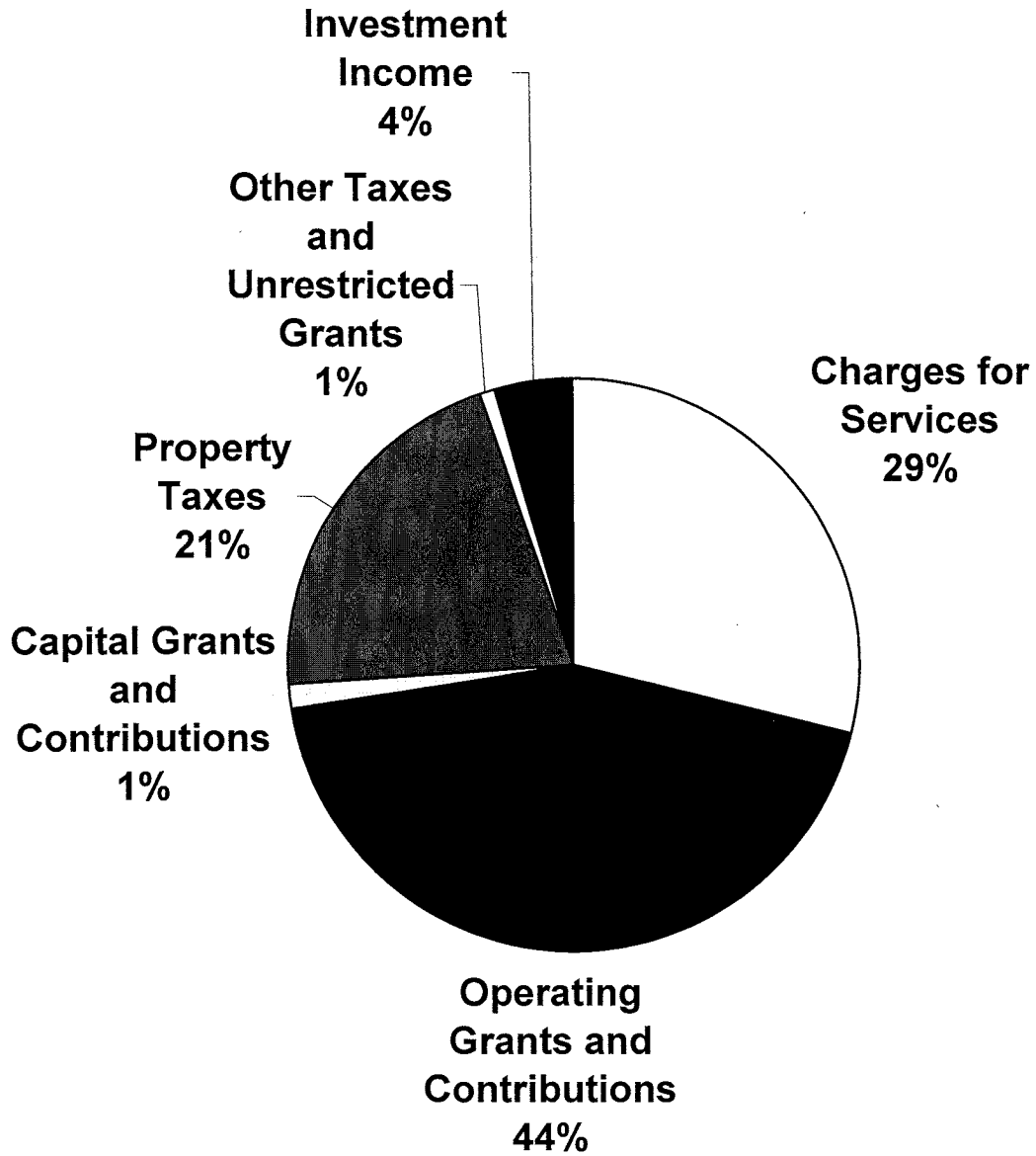
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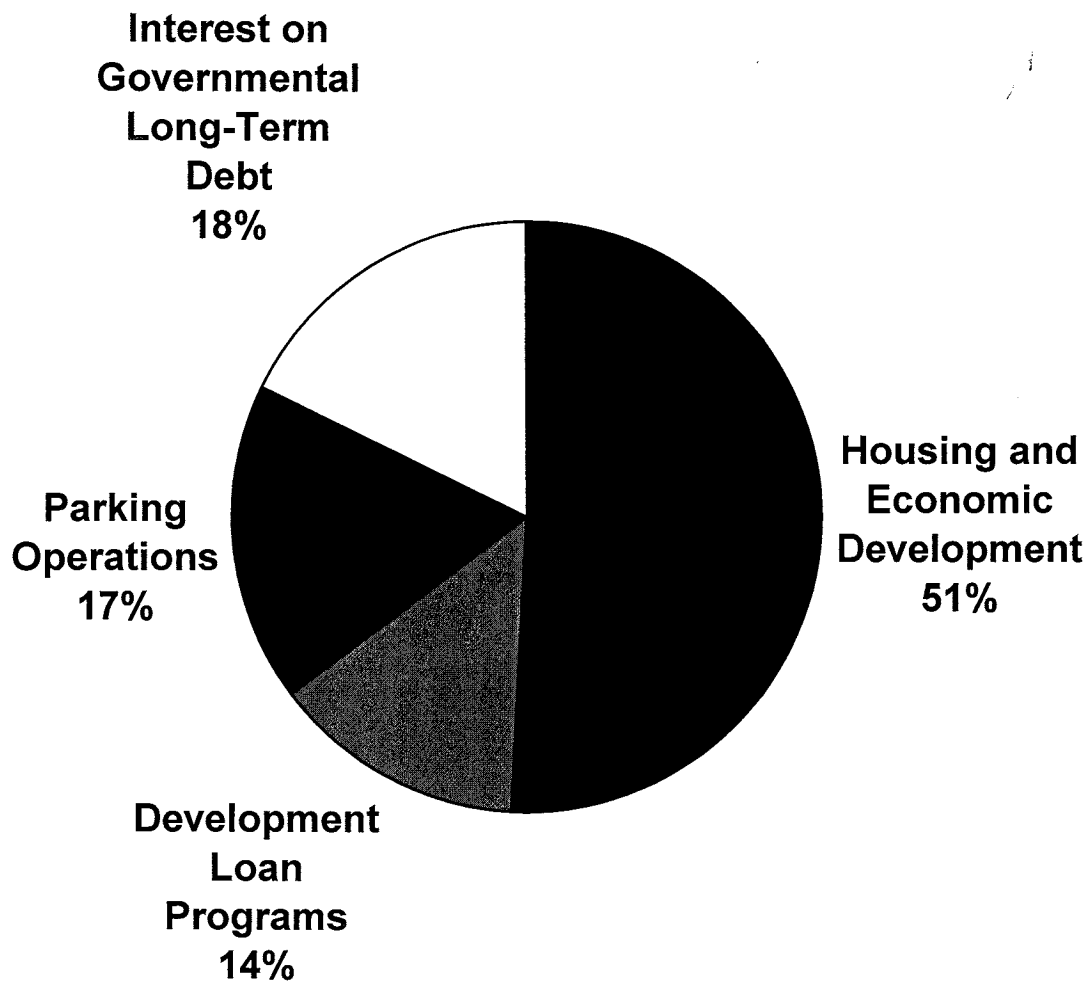
2005 Revenue and Expenses



2005 Revenues by Source



2005 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, 2005**

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, 2005, the HRA's governmental funds reported total fund balances of \$46.4 million. Approximately 45% 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 (\$20 million). Unreserved balances total \$25.7 million. Of the total unreserved fund balances, \$18.5 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.

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 2005 by \$2.8 million to a total of \$8.1 million at December 31, 2005, which is quite healthy relative to 2005 fund total spending of \$8 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 2005, the Special Revenue Fund received \$4.7 million in revenues, of which \$4.4 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, 2005, the fund balance is \$19.5 million, which is entirely reserved for future debt service. Total debt spending during 2005 was \$21.2 million, of which \$5 million was to retire existing bonds using refunding bond 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, 2005**

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, 2005, of \$18.7 million is reserved or designated for unspent balances of previously approved projects. Total 2005 spending from this Fund was \$15.2 million. Projects with the largest 2005 spending include the University Dale project, the Riverfront Renaissance Tax Increment District, and the Koch-Mobil Tax Increment District. All three are financed with tax increment bond proceeds.

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 \$48.5 million at December 31, 2005. The assets of the Fund include loans receivable and accrued interest on these loans which are reported at \$21.6 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 \$47.6 million at December 31, 2005, which includes cash and investments restricted for the Housing 5000 Land Assembly Bonds of \$22.3 million. The Fund had an overall increase in net assets of \$9.7 million for 2005.

The HRA Parking Enterprise Fund accounts for the operation of HRA owned parking facilities in Saint Paul. The Fund has unrestricted net assets of \$11.4 million at December 31, 2005. Assets in the Fund include capital assets for parking facilities reported at the depreciated amount of \$85.2 million. Long-term debt used for financing the construction of the parking facilities is \$94.5 million in principal outstanding at December 31, 2005. Bonds were issued in 2005 to construct the Smith Avenue Transit Center. Proceeds of \$10.7 million from this bond issue at December 31, 2005 are awaiting future disbursement for the construction. The Fund had operating income of \$4.3 million during 2005 – an increase of \$0.7 million over 2004.

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. There were no additional

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2005**

supplemental appropriations in 2005 that changed the original adopted budget. In 2005 the property at 1000 Westgate Drive was sold for \$6,780,000 resulting in a positive variance in fees, sales, and services revenue. With the sale of this property early in 2005, maintenance costs budgeted for the property for the entire year were not needed. This resulted in the major reason for the large positive budget variance in spending in the HRA General Fund.

Long-Term Debt

At December 31, 2005 the HRA had total long-term debt outstanding of \$261.5 million as shown in the following chart.

**Saint Paul HRA's Long-Term Debt
At December 31, 2005 and 2004**

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2005	2004	2005	2004	2005	2004	2005-2004
Tax Increment Bonds	\$78,934,780	\$76,825,929	\$ --	\$ --	\$78,934,780	\$76,825,929	2.8%
Sales Tax Revenue Bonds	44,895,000	46,115,000	--	--	44,895,000	46,115,000	-2.6%
Lease Revenue Bonds	6,870,000	6,920,000	--	--	6,870,000	6,920,000	-0.7%
Parking Revenue Bonds	--	--	39,440,000	40,715,000	39,440,000	40,715,000	-0.3%
Tax Increment – Parking Bonds	--	--	36,005,000	37,140,000	36,005,000	37,140,000	-3.1%
Parking Bonds (Smith Avenue Transit Center)	--	--	15,980,000	--	15,980,000	--	100.0%
Housing 5000 Land Assembly Bonds	--	--	21,830,000	25,000,000	21,830,000	25,000,000	-12.7%
Parking Revenue Notes	--	--	3,090,000	3,150,000	3,090,000	3,150,000	-1.9%
Development Notes	14,437,441	22,185,824	--	1,934,380	14,437,441	24,120,204	-40.1%
Totals	\$145,137,221	\$152,046,753	\$116,345,000	\$107,939,380	\$261,482,221	\$259,986,133	0.6%

(Continued)

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2005**

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 \$52.8 million outstanding at year-end 2005. 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 2005, the HRA issued \$36.4 million in long-term debt. New tax increment bonds were issued to finance development costs for the Neighborhood Scattered Site District in the amount of \$7,515,000. The Snelling-University Tax Increment Bonds were issued in the amount of \$5,130,000 to refund the 1995 Midway Marketplace Bonds. Parking Revenue Bonds payable from the HRA Parking Enterprise Fund were issued in the amount of \$7,790,000 to refund the 1995 Parking Revenue Bonds. The Smith Avenue Transit Center Bonds were issued in the amount of \$15,980,000 for the construction of the Smith Avenue Transit Center. These bonds will be retired using parking and other revenues from the Transit Center.

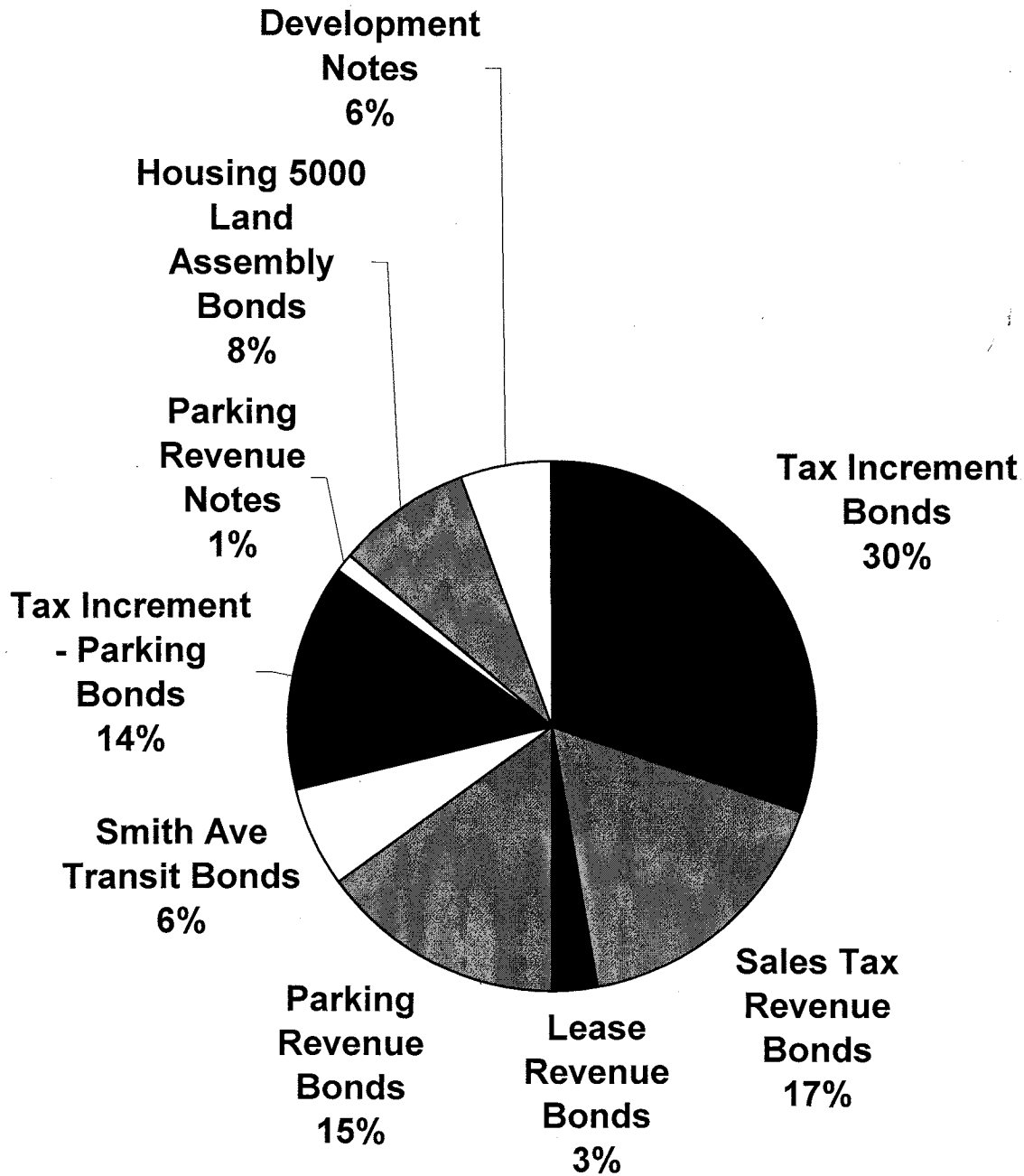
All 2005 scheduled principal and interest payments were made in accordance with the terms of the bonds and notes, with the exception of the principal payments on the 2004 Land Assembly Bonds which was scheduled to be \$3,354,000 and only \$3,170,000 in principal payments were made in 2005.

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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2005 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, 2005**

Capital Assets

The HRA's investment in capital assets for its governmental and business-type activities as of December 31, 2005 is \$94.2 million (net of accumulated depreciation) as shown in the following chart.

**Saint Paul HRA's Capital Assets
(Net of Depreciation)
At December 31, 2005 and 2004**

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2005	2004	2005	2004	2005	2004	2005-2004
Land	\$1,088,230	\$1,022,230	\$19,514,990	\$19,514,990	\$20,603,220	\$20,537,220	0.3%
Buildings	380,572	401,715	1,905,083	1,958,002	2,285,655	2,359,717	-3.1%
Equipment	--	--	19,153	22,260	19,153	22,260	-14.0%
Parking Ramps	--	--	62,462,281	64,743,346	62,462,281	64,743,346	-3.5%
Pedestrian Skyway Bridges	6,417,958	6,743,381	--	--	6,417,958	6,743,381	-4.8%
Construction in Progress	1,078,511	--	1,333,003	--	2,411,514	--	100.0%
Totals	\$8,965,271	\$8,167,326	\$85,234,510	\$86,238,598	\$94,199,781	\$94,405,924	-0.2%

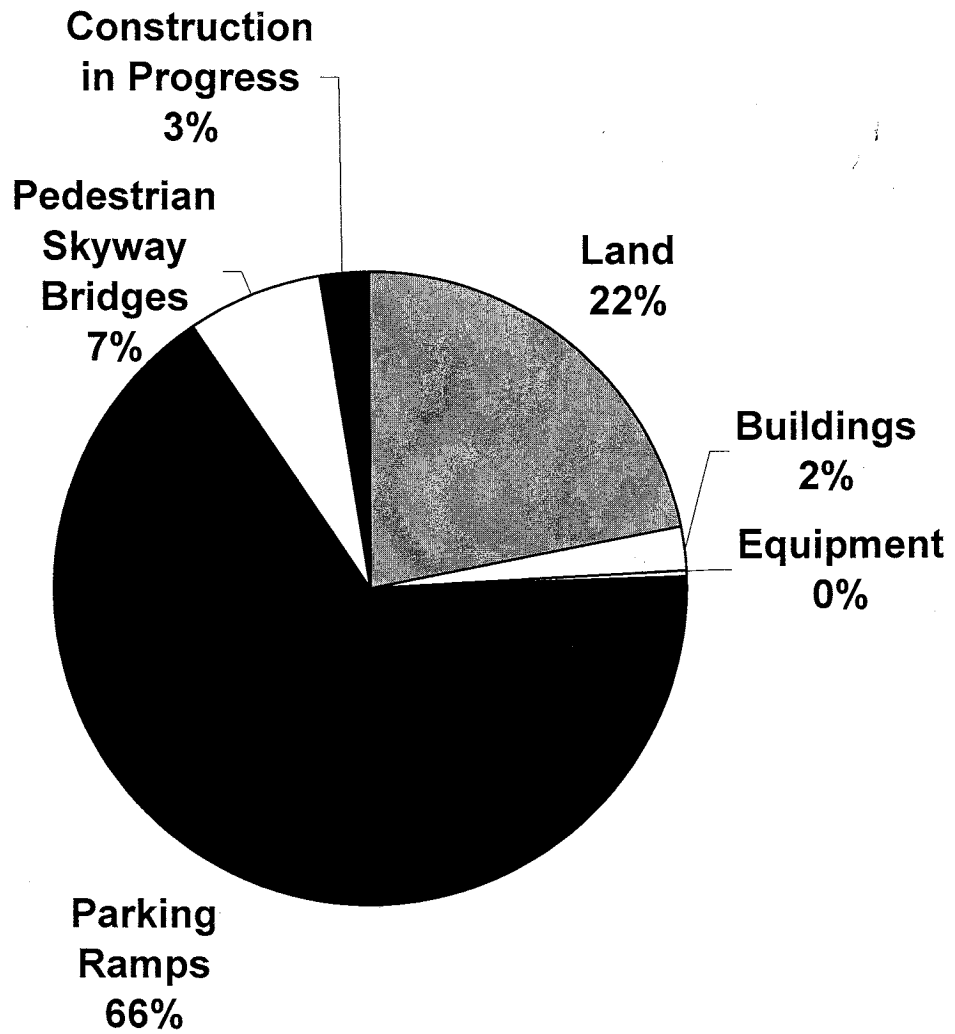
Construction was started in 2005 on the Smith Avenue Transit Center (business-type activities) and on the infrastructure in the Koch-Mobil Tax Increment Financing District (governmental activities). These are reported as construction in progress. Total depreciation expense for governmental and business type activities during 2005 was \$2.7 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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2005 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, 2005**

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.

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STATEMENT OF NET ASSETS

At December 31, 2005

(Amounts in dollars)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Investments with Treasurer	31,115,910	36,270,477	67,386,387
Cash and Investments with Trustee	24,125,065	1,916,923	26,041,988
Accounts Receivable (Net of Allowance)	64,407	1,075,949	1,140,356
Property Taxes Receivable - Due from Ramsey County	243,538	--	243,538
Delinquent Property Taxes Receivable (Net of Allowance)	27,236	11,819	39,055
Delinquent Assessments Receivable (Net of Allowance)	--	776	776
Accrued Interest Receivable on Investments	370,408	473,477	843,885
Internal Balances	(3,923,072)	3,923,072	--
Due from Other Governmental Units	184,922	--	184,922
Land Held for Resale	2,138,865	8,212,463	10,351,328
Restricted Assets:			
Cash for Revenue Bond Debt Service	--	12,027,465	12,027,465
Cash for Revenue Bond Reserve	--	10,000,000	10,000,000
Cash for Revenue Bond Development & Construction	--	18,224,503	18,224,503
Cash for Revenue Bond Operations and Maintenance	--	667,487	667,487
Direct Financing Leases Receivable	6,870,000	--	6,870,000
Loans Receivable	28,840,145	42,485,033	71,325,178
Accrued Interest Receivable on Loans	2,123,148	4,331,820	6,454,968
Less Allowance for Uncollectible Loans and Interest	(21,156,052)	(25,213,067)	(46,369,119)
Deferred Charges	1,328,417	1,538,885	2,867,302
Capital Assets, Net of Related Depreciation:			
Land	1,088,230	19,514,990	20,603,220
Buildings	380,572	1,905,083	2,285,655
Equipment	--	19,153	19,153
Parking Ramps	--	62,462,281	62,462,281
Pedestrian Skyway Bridges	6,417,958	--	6,417,958
Construction in Progress	1,078,511	1,333,003	2,411,514
TOTAL ASSETS	<u>81,318,208</u>	<u>201,181,592</u>	<u>282,499,800</u>

Continued

STATEMENT OF NET ASSETS

At December 31, 2005

(Amounts in dollars)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>LIABILITIES</u>			
Accounts Payable	1,033,497	479,960	1,513,457
Contracts Payable	743,862	260,556	1,004,418
Due to Other Governmental Units	2,961,790	476,819	3,438,609
Accrued Interest Payable on Long-Term Debt	2,371,406	709,267	3,080,673
Unearned Revenue	5,975,756	--	5,975,756
Advance from City of Saint Paul	2,147,343	--	2,147,343
Liabilities Payable from Restricted Assets:			
Revenue Bonds Payable	--	5,344,028	5,344,028
Accrued Interest on Bonds Payable	--	962,756	962,756
Long-Term Liabilities:			
Revenue Bonds Payable - Due within One Year	6,225,857	6,885,972	13,111,829
Revenue Notes Payable - Due within One Year	5,617,441	60,000	5,677,441
Revenue Bonds Payable - Due in more than One Year	124,503,916	101,145,346	225,649,262
Notes Payable - Due in more than One Year	<u>8,820,000</u>	<u>3,030,000</u>	<u>11,850,000</u>
TOTAL LIABILITIES	<u>160,400,868</u>	<u>119,354,704</u>	<u>279,755,572</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	8,965,271	5,544,000	14,509,271
Restricted for Debt Service	10,105,742	15,720,681	25,826,423
Restricted for Operations and Maintenance	--	667,487	667,487
Unrestricted (Deficit)	<u>(98,153,673)</u>	<u>59,894,720</u>	<u>(38,258,953)</u>
TOTAL NET ASSETS (DEFICIT)	<u>(79,082,660)</u>	<u>81,826,888</u>	<u>2,744,228</u>

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended December 31, 2005

(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	31,189,699	4,180,247	20,067,244	--	(6,942,208)	--	(6,942,208)
Interest on Governmental Long-Term Debt	10,949,282	--	--	--	(10,949,282)	--	(10,949,282)
Total - Governmental Activities	42,138,981	4,180,247	20,067,244	--	(17,891,490)	--	(17,891,490)
Business-type Activities:							
Development Loan Programs	8,450,161	5,477,876	9,400,408	--	--	6,428,123	6,428,123
Parking Operations	10,739,279	10,266,046	625,000	900,000	--	1,051,767	1,051,767
Total Business-type Activities	19,189,440	15,743,922	10,025,408	900,000	--	7,479,890	7,479,890
Total - All Functions/Programs	61,328,421	19,924,169	30,092,652	900,000	(17,891,490)	7,479,890	(10,411,600)
General Revenues:							
HRA Property Tax					828,287	--	828,287
Property Tax Increments					12,227,167	1,372,349	13,599,516
Hotel-Motel Tax					220,000	--	220,000
State Market Value Homestead Credit					331,212	--	331,212
Investment Income					1,381,833	1,627,274	3,009,107
Transfers					445,327	(445,327)	--
Change in Net Assets					(2,457,664)	10,034,186	7,576,522
Net Assets, January 1, 2005					(76,624,996)	71,792,702	(4,832,294)
Net Assets, December 31, 2005					<u>(79,082,660)</u>	<u>81,826,888</u>	<u>2,744,228</u>

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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HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

BALANCE SHEET
GOVERNMENTAL FUNDS

At December 31, 2005

(Amounts in dollars)

	HRA General	HRA Federal & State Programs Special Revenue	HRA Debt Service	HRA Tax Increment Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments with Treasurer	8,893,339	635,276	8,063,608	13,523,687	31,115,910
Cash and Investments with Trustee	--	--	11,358,295	12,766,770	24,125,065
Property Taxes Receivable:					
Due from County	13,567	--	145,775	84,196	243,538
Delinquent Taxpayer	30,616	--	422,081	8,219	460,916
Accounts Receivable (Net of Allowance)	54,799	--	9,608	--	64,407
Accrued Interest Receivable on Investments	78,007	--	142,482	149,919	370,408
Loans Receivable	--	23,548,663	4,730,000	561,482	28,840,145
Accrued Interest Receivable on Loans	--	2,123,148	--	--	2,123,148
Allowance for Uncollectible Loans and Interest	--	(18,257,644)	(2,365,000)	(533,408)	(21,156,052)
Due from Other Funds	--	23,764	--	176,518	200,282
Due from Other Governmental Units	--	49,073	135,849	--	184,922
Advances to Other Funds	343,628	--	--	--	343,628
Land Held for Resale	1,440,918	--	--	697,947	2,138,865
Direct Financing Leases Receivable	--	--	6,870,000	--	6,870,000
TOTAL ASSETS	<u>10,854,874</u>	<u>8,122,280</u>	<u>29,512,698</u>	<u>27,435,330</u>	<u>75,925,182</u>
LIABILITIES AND FUND BALANCES					
<u>Liabilities</u>					
Accounts Payable	121,931	25,130	--	886,436	1,033,497
Contracts Payable	743,862	--	--	--	743,862
Due to Other funds	176,518	--	--	--	176,518
Due to Other Governmental Units	162,353	2,121,394	176,700	501,343	2,961,790
Deferred Revenue	1,528,648	--	9,810,961	896,655	12,236,264
Unearned Revenue	--	5,975,756	--	--	5,975,756
Advance from Other Funds	--	--	--	4,290,464	4,290,464
Advance from Other Governmental Units	--	--	--	2,147,343	2,147,343
Total Liabilities	<u>2,733,312</u>	<u>8,122,280</u>	<u>9,987,661</u>	<u>8,722,241</u>	<u>29,565,494</u>

Continued

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

BALANCE SHEET
GOVERNMENTAL FUNDS

At December 31, 2005

(Amounts in dollars)

	<u>HRA General</u>	<u>HRA Federal & State Programs Special Revenue</u>	<u>HRA Debt Service</u>	<u>HRA Tax Increment Capital Projects</u>	<u>Total Governmental Funds</u>
<u>Fund Balances</u>					
Reserved for:					
Encumbrances	97,120	--	--	172,688	269,808
Debt Service	500,000	--	19,525,037	--	20,025,037
Advances to Other Funds	343,628	--	--	--	343,628
Unreserved, Designated for:					
Specific HRA Activities	3,467,523	--	--	18,540,401	22,007,924
Next Year's Appropriation	1,132,947	--	--	--	1,132,947
Cash Flow and Revenue Estimates	500,000	--	--	--	500,000
Unreserved, Undesignated	<u>2,080,344</u>	--	--	--	<u>2,080,344</u>
Total Fund Balances	<u>8,121,562</u>	<u>--</u>	<u>19,525,037</u>	<u>18,713,089</u>	<u>46,359,688</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>10,854,874</u></u>	<u><u>8,122,280</u></u>	<u><u>29,512,698</u></u>	<u><u>27,435,330</u></u>	<u><u>75,925,182</u></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.	8,965,271
2. Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	12,236,264
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.	(146,210,203)
4. Bad debt expense is not an outlay of financial resources and is, therefore, not reported in the funds.	<u>(433,680)</u>
Total Reconciling Items	(125,442,348)
Fund Balances per Balance Sheet - Governmental Funds, December 31, 2005	<u>46,359,688</u>
Net Assets (Deficit) per Statement of Net Assets - Governmental Activities column, December 31, 2005	<u><u>(79,082,660)</u></u>

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

For the Fiscal Year Ended December 31, 2005

(Amounts in dollars)

	HRA General	HRA Federal & State Programs Special Revenue	HRA Debt Service	HRA Tax Increment Capital Projects	Total Governmental Funds
REVENUES					
Taxes					
Current Property Taxes	661,061	--	--	--	661,061
Delinquent Property Taxes	3,559	--	--	--	3,559
Fiscal Disparities	160,358	--	--	--	160,358
Property Tax Increments	--	--	8,051,689	4,602,084	12,653,773
Hotel-Motel Taxes	--	--	220,000	--	220,000
Intergovernmental	54,331	4,431,478	15,778,743	66,492	20,331,044
Fees, Sales and Services					
Revenue Bond Fees	1,557,327	--	--	--	1,557,327
Other Fees and Services	1,082,281	56,124	--	--	1,138,405
Sales of Land	7,038,178	--	--	274,908	7,313,086
Rentals of Property	74,649	--	415,000	--	489,649
Interest on Loans	--	14,436	330,647	--	345,083
Loan Repayments	--	189,820	--	11,249	201,069
Investment Income					
Interest Earned on Investments	310,063	--	813,381	818,302	1,941,746
Decrease in the Fair Value of Investments	(120,899)	--	(178,818)	(116,842)	(416,559)
Miscellaneous					
Developer Contributions	--	--	--	117,412	117,412
Total Revenues	<u>10,820,908</u>	<u>4,691,858</u>	<u>25,430,642</u>	<u>5,773,605</u>	<u>46,717,013</u>
EXPENDITURES					
Current					
Housing and Economic Development	2,226,681	4,715,622	--	9,068,283	16,010,586
Intergovernmental - City	18,486	--	12,915,362	--	12,933,848
Intergovernmental - County	--	--	3,308,894	--	3,308,894
Capital Outlay	--	--	--	1,078,511	1,078,511
Debt Service					
Principal Payment on Bonds	--	--	6,741,162	--	6,741,162
Interest on Bonds	--	--	8,456,818	--	8,456,818
Principal Payment on Notes	5,750,000	--	540,000	--	6,290,000
Interest on Notes	47,917	--	402,729	2,122,338	2,572,984
Bond Issuance Costs	--	--	46,696	280,171	326,867
Total Expenditures	<u>8,043,084</u>	<u>4,715,622</u>	<u>32,411,661</u>	<u>12,549,303</u>	<u>57,719,670</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,777,824</u>	<u>(23,764)</u>	<u>(6,981,019)</u>	<u>(6,775,698)</u>	<u>(11,002,657)</u>

Continued

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

For the Fiscal Year Ended December 31, 2005

(Amounts in dollars)

	HRA General	HRA Federal & State Programs Special Revenue	HRA Debt Service	HRA Tax Increment Capital Projects	Total Governmental Funds
OTHER FINANCING SOURCES (USES)					
Transfers In	--	23,764	3,059,661	2,325,647	5,409,072
Transfers Out	--	--	(2,297,132)	(2,666,613)	(4,963,745)
Bonds Issued	--	--	5,130,000	7,515,000	12,645,000
Redemption of Refunded Bonds	--	--	(5,005,000)	--	(5,005,000)
Discount on Bonds Issued	--	--	(4,601)	--	(4,601)
Total Other Financing Sources (Uses)	<u>--</u>	<u>23,764</u>	<u>882,928</u>	<u>7,174,034</u>	<u>8,080,726</u>
Net Changes in Fund Balances	2,777,824	--	(6,098,091)	398,336	(2,921,931)
FUND BALANCES, January 1	<u>5,343,738</u>	<u>--</u>	<u>25,623,128</u>	<u>18,314,753</u>	<u>49,281,619</u>
FUND BALANCES, December 31	<u><u>8,121,562</u></u>	<u><u>--</u></u>	<u><u>19,525,037</u></u>	<u><u>18,713,089</u></u>	<u><u>46,359,688</u></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)	<u>(2,921,931)</u>
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.	797,945
2. Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(7,561,523)
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.	7,113,974
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.	<u>113,871</u>
Total Reconciling Items	<u>464,267</u>
Change in Net Assets of Governmental Activities - Statement of Activities	<u><u>(2,457,664)</u></u>

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

For the Fiscal Year Ended December 31, 2005

(Amounts in dollars)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	832,722	832,722	824,978	(7,744)
Intergovernmental	48,637	48,637	54,331	5,694
Fees, Sales and Services	1,226,224	1,226,224	9,752,435	8,526,211
Investment Income	150,000	150,000	189,164	39,164
Total Revenues	<u>2,257,583</u>	<u>2,257,583</u>	<u>10,820,908</u>	<u>8,563,325</u>
EXPENDITURES				
Current				
Housing and Economic Development	4,333,942	4,333,942	2,226,681	2,107,261
Intergovernmental - City	--	--	18,486	(18,486)
Debt Service				
Principal Payment on Notes	5,750,000	5,750,000	5,750,000	--
Interest on Notes	345,000	345,000	47,917	297,083
Note Issuance Costs	35,000	35,000	--	35,000
Total Expenditures	<u>10,463,942</u>	<u>10,463,942</u>	<u>8,043,084</u>	<u>2,420,858</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,206,359)	(8,206,359)	2,777,824	10,984,183
FUND BALANCE, January 1	<u>5,343,738</u>	<u>5,343,738</u>	<u>5,343,738</u>	<u>--</u>
FUND BALANCE, December 31	<u>(2,862,621)</u>	<u>(2,862,621)</u>	<u>8,121,562</u>	<u>10,984,183</u>

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STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

At December 31, 2005

(Amounts in dollars)

	Business Type Activities - Enterprise Funds		
	HRA Loan Enterprise	HRA Parking Enterprise	Total Proprietary Funds
ASSETS			
Current Assets:			
Cash and Investments with Treasurer	23,410,772	12,859,705	36,270,477
Cash and Investments with Trustee	1,916,923	--	1,916,923
Accounts Receivable (Net of Allowance)	718,273	357,676	1,075,949
Delinquent Property Taxes Receivable (Net of Allowance)	--	11,819	11,819
Delinquent Assessments Receivable (Net of Allowance)	776	--	776
Accrued Interest Receivable on Investments	386,381	87,096	473,477
Land Held for Resale	8,212,463	--	8,212,463
Restricted Cash for Revenue Bond Debt Service	4,743,984	7,283,481	12,027,465
Restricted Cash for Revenue Bond Reserve	10,000,000	--	10,000,000
Restricted Cash for Revenue Bond Development & Construction	7,556,668	10,667,835	18,224,503
Restricted Cash for Revenue Bond Operations and Maintenance	--	667,487	667,487
Total Current Assets	56,946,240	31,935,099	88,881,339
Noncurrent Assets:			
Loans Receivable	42,485,033	--	42,485,033
Accrued Interest Receivable on Loans	4,331,820	--	4,331,820
Less: Allowance for Uncollectible Loans and Interest	(25,213,067)	--	(25,213,067)
Advances to Other Funds	3,946,836	--	3,946,836
Deferred Charges	292,199	1,246,686	1,538,885
Capital Assets:			
Land	--	19,514,990	19,514,990
Parking Ramps	--	88,125,305	88,125,305
Buildings	--	2,108,356	2,108,356
Equipment	--	31,060	31,060
Construction in Progress	--	1,333,003	1,333,003
Less: Accumulated Depreciation	--	(25,878,204)	(25,878,204)
Total Capital Assets (Net of Accumulated Depreciation)	--	85,234,510	85,234,510
Total Noncurrent Assets	25,842,821	86,481,196	112,324,017
TOTAL ASSETS	82,789,061	118,416,295	201,205,356

Continued

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

At December 31, 2005

(Amounts in dollars)

	Business Type Activities - Enterprise Funds		
	HRA Loan Enterprise	HRA Parking Enterprise	Total Proprietary Funds
LIABILITIES			
Current Liabilities:			
Accounts Payable	395,014	84,946	479,960
Contracts Payable	260,556	--	260,556
Due to Other Funds	23,764	--	23,764
Due to Other Governmental Units	388,822	87,997	476,819
Accrued Interest on Long-Term Notes	--	72,450	72,450
Revenue Notes Payable	--	60,000	60,000
Accrued Interest on Bonds Payable	--	636,817	636,817
Revenue Bonds Payable	5,936,459	949,513	6,885,972
Accrued Interest on Bonds Payable from Restricted Assets	85,624	877,132	962,756
Revenue Bonds Payable from Restricted Assets	<u>3,368,541</u>	<u>1,975,487</u>	<u>5,344,028</u>
Total Current Liabilities	<u>10,458,780</u>	<u>4,744,342</u>	<u>15,203,122</u>
Noncurrent Liabilities:			
Revenue Notes Payable	--	3,030,000	3,030,000
Revenue Bonds Payable	<u>12,525,000</u>	<u>88,620,346</u>	<u>101,145,346</u>
Total Noncurrent Liabilities	<u>12,525,000</u>	<u>91,650,346</u>	<u>104,175,346</u>
TOTAL LIABILITIES	<u>22,983,780</u>	<u>96,394,688</u>	<u>119,378,468</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	--	5,544,000	5,544,000
Restricted for Debt Service	11,289,819	4,430,862	15,720,681
Restricted for Maintenance and Repair	--	667,487	667,487
Unrestricted	<u>48,515,462</u>	<u>11,379,258</u>	<u>59,894,720</u>
TOTAL NET ASSETS	<u>59,805,281</u>	<u>22,021,607</u>	<u>81,826,888</u>

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, 2005

(Amounts in dollars)

	Business Type Activities - Enterprise Funds		
	HRA Loan Enterprise	HRA Parking Enterprise	Total Proprietary Funds
OPERATING REVENUES			
Fees, Sales and Services	4,022,486	10,266,046	14,288,532
Interest Earned on Loans	1,455,390	--	1,455,390
Total Operating Revenues	<u>5,477,876</u>	<u>10,266,046</u>	<u>15,743,922</u>
OPERATING EXPENSES			
Development Loan Programs	3,588,607	--	3,588,607
Costs of Parking Facility Operation	--	3,585,103	3,585,103
Depreciation	--	2,340,511	2,340,511
Bad Debt Expense on Loans	618,681	--	618,681
Forgivable Loan Expense	1,839,768	--	1,839,768
Total Operating Expenses	<u>6,047,056</u>	<u>5,925,614</u>	<u>11,972,670</u>
OPERATING INCOME (LOSS)	(569,180)	4,340,432	3,771,252
NONOPERATING REVENUES (EXPENSES)			
Property Tax Increments	--	1,372,349	1,372,349
Operating Grants	9,088,500	--	9,088,500
Noncapital Contributions	311,908	625,000	936,908
Investment Income:			
Interest Earnings	1,649,037	512,983	2,162,020
Decrease in Fair Value of Investments	(462,485)	(72,261)	(534,746)
Interest on Bonds	(817,406)	(4,410,075)	(5,227,481)
Interest on Notes	(14,549)	(90,425)	(104,974)
Intergovernmental Expenses	(1,278,950)	(197,488)	(1,476,438)
Amortization of Bond Issuance Costs	(292,200)	(115,677)	(407,877)
Total Nonoperating Revenues (Expenses)	<u>8,183,855</u>	<u>(2,375,594)</u>	<u>5,808,261</u>
Income Before Contributions and Transfers	7,614,675	1,964,838	9,579,513
Capital Contributions	--	900,000	900,000
Transfers In	2,500,000	--	2,500,000
Transfers Out	(445,327)	(2,500,000)	(2,945,327)
CHANGE IN NET ASSETS	<u>9,669,348</u>	<u>364,838</u>	<u>10,034,186</u>
TOTAL NET ASSETS, January 1	<u>50,135,933</u>	<u>21,656,769</u>	<u>71,792,702</u>
TOTAL NET ASSETS, December 31	<u>59,805,281</u>	<u>22,021,607</u>	<u>81,826,888</u>

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**For the Year Ended December 31, 2005
(Amounts in dollars)

	Business Type Activities - Enterprise Funds		
	HRA Loan Enterprise	HRA Parking Enterprise	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers/Borrowers	19,536,385	10,401,590	29,937,975
Payments to Suppliers	(17,933,869)	(3,635,544)	(21,569,413)
Net Cash Provided (Used) for Operating Activities	<u>1,602,516</u>	<u>6,766,046</u>	<u>8,368,562</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property Tax Increments Received	--	1,369,213	1,369,213
Operating Grants Received	9,088,500	--	9,088,500
Noncapital Contributions Received	311,908	625,000	936,908
Intergovernmental Expenses Paid	(1,105,000)	(162,738)	(1,267,738)
Interest Paid on Revenue Bonds for Noncapital Activities	(784,532)	--	(784,532)
Interest Paid on Notes for Noncapital Activities	(37,491)	--	(37,491)
Principal Paid on Bonds for Noncapital Activities	(3,170,000)	--	(3,170,000)
Principal Paid on Notes for Noncapital Activities	(1,934,380)	--	(1,934,380)
Payment of Bond Issuance Costs	(150,691)	--	(150,691)
Transfers In from Other Funds	2,500,000	--	2,500,000
Transfers Out to Other Funds	(448,656)	(2,500,000)	(2,948,656)
Net Cash Provided (Used) for Noncapital Financing Activities	<u>4,269,658</u>	<u>(668,525)</u>	<u>3,601,133</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from Revenue Bond Issuance	--	23,904,279	23,904,279
Capital Contributions	--	900,000	900,000
Payments for Acquisition and Construction of Capital Assets:			
Parking Ramps	--	(45,719)	(45,719)
Construction in Progress	--	(1,276,467)	(1,276,467)
Principal Paid on Debt Maturities:			
Revenue Bonds	--	(10,200,000)	(10,200,000)
Notes	--	(60,000)	(60,000)
Interest Paid on Debt:			
Revenue Bonds	--	(4,504,843)	(4,504,843)
Notes	--	(94,000)	(94,000)
Payment of Bond Issuance Costs	--	(704,640)	(704,640)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>--</u>	<u>7,918,610</u>	<u>7,918,610</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received	1,453,400	471,605	1,925,005
Decrease in the Fair Value of Investments	(441,466)	(59,040)	(500,506)
Sale of investment Securities	10,780,000	--	10,780,000
Net Cash Provided (Used) for Investing Activities	<u>11,791,934</u>	<u>412,565</u>	<u>12,204,499</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>17,664,108</u>	<u>14,428,696</u>	<u>32,092,804</u>

Continued

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

 For the Year Ended December 31, 2005
 (Amounts in dollars)

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>HRA Loan Enterprise</u>	<u>HRA Parking Enterprise</u>	<u>Total Proprietary Funds</u>
CASH AND CASH EQUIVALENTS, January 1	29,964,239	17,049,812	47,014,051
CASH AND CASH EQUIVALENTS, December 31	<u>47,628,347</u>	<u>31,478,508</u>	<u>79,106,855</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES			
Operating Income (Loss)	(569,180)	4,340,432	3,771,252
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) for Operating Activities:			
Increase (decrease) in allowance for uncollectible loans	858,637	--	858,637
Depreciation Expense	--	2,340,511	2,340,511
(Increase) decrease in accounts receivable	(697,539)	(23,556)	(721,095)
(Increase) decrease in assessments receivable	238	--	238
(Increase) decrease in loans receivable	6,849,622	--	6,849,622
(Increase) decrease in accrued interest receivable on loans	(489,609)	--	(489,609)
(Increase) decrease in due from other governmental units	326,632	159,100	485,732
(Increase) decrease in land held for resale	(3,439,664)	--	(3,439,664)
Increase (decrease) in accounts payable	(215,097)	(95,916)	(311,013)
Increase (decrease) in contracts payable	(1,087,215)	--	(1,087,215)
Increase (decrease) in due to other governmental units	65,691	45,475	111,166
Total Adjustments	<u>2,171,696</u>	<u>2,425,614</u>	<u>4,597,310</u>
Net Cash Provided (Used) for Operating Activities	<u>1,602,516</u>	<u>6,766,046</u>	<u>8,368,562</u>
DETAILS OF CASH AND CASH EQUIVALENTS			
Cash and Investments with Treasurer	23,410,772	12,859,705	36,270,477
Cash and Investments with Trustee	1,916,923	--	1,916,923
Restricted Cash for Revenue Bond Debt Service	4,743,984	7,283,481	12,027,465
Restricted Cash for Revenue Bond Reserve	10,000,000	--	10,000,000
Restricted Cash for Revenue Bond Development & Construction	7,556,668	10,667,835	18,224,503
Restricted Cash for Bond Operations and Maintenance	--	667,487	667,487
Total Cash and Cash Equivalents	<u>47,628,347</u>	<u>31,478,508</u>	<u>79,106,855</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Capital Assets Purchased on Account:			
Construction in Progress	--	56,536	56,536

**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, 2005**

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

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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, 2005**

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, 2005. 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, 2005, 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 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 MCDA each appoint three of the six members of the Board. The Board was created for the public purpose of providing decent, safe, sanitary, and affordable housing to the

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
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For the Fiscal Year Ended December 31, 2005

Note 1. (Continued)

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, 2005, were \$11,317,380. The 2005 operations resulted in a decrease of \$2,484,165 to net assets.

During 2005, distributions were made from the HRA and the MCDA to the Board in the total amount of \$1,087,062. 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 MCDA 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 MCDA in the Board's assets, liabilities, and equity were not determined at December 31, 2005. 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 MCDA 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, 2005**

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.

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, 2005

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, 2005**

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, 2005

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, 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, 2005.

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*. 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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

Note 2.E. (Continued)

allocation of assets, liabilities, revenues, and expenditures/expenses relating to securities lending transactions. As of and for the year ended December 31, 2005, 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 *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

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005**

Note 2.G. (Continued)

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. However, in the case of the loan receivable from Central Towers Limited Partnership in the amount of \$2,100,000, an equal amount of \$2,100,000 is reported as "due to other government units" on the balance sheet since any payments on this loan receivable are, in turn, owed to the U.S. Department of Housing and Urban Development.

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, 2005

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, 2005

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, 2005

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

Quasi-external transactions between funds 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.

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 \$146,210,203 difference are as follows:

Governmental activity bonds payable	\$ 130,699,780
Unamortized premium on bonds	29,993
Governmental activity notes payable	14,437,441
Accrued interest payable	2,371,406
Deferred charge for issuance costs	<u>(1,328,417)</u>
Net Adjustment to Decrease Fund Balance - Total	
Governmental Funds to Arrive at Net Assets - Governmental Activities	<u>\$ 146,210,203</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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 \$7,113,974 difference are as follows:

Bonds issued in 2005	\$ (12,645,000)
Discount - 2005 bonds	4,601
2005 amortization of premium	29,994
Costs of issuance - 2005 bonds	327,187
2005 amortization of issuance costs	(97,353)
2005 principal payments on bonds	11,746,162
2005 principal payments on notes	<u>7,748,383</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 7,113,974</u>

4. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

The HRA followed these procedures in establishing the 2005 budget:

On August 15, 2004, the Executive Director presented his 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, 2005**

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, 2005, total \$42,625,000. Bonds authorized and unissued at December 31, 2005, 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, 2005**

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.).

During 2004, the City of Saint Paul issued Koch Mobil Tax Increment General Obligation Bonds, Series 2004C in the amount of \$3,950,000. Proceeds from the Series 2004C bonds are to be used to provide financing for certain public redevelopment costs in the Koch Mobil Redevelopment Project area. The bonds have a City general obligation pledge but are to be retired using the proceeds of a future HRA tax increment bond issue. The outstanding Series 2004C bonds are reported 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, 2005

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
12 & 173	New Housing & Blighted Land	1981	25 years	\$ -
82	Downtown & Seventh Place	1978	30 years	14,442,441
83	Spruce Tree Centre/Metz Bakery Area	1987	25 years	1,600,780
87	Riverfront	1987	25 years	7,685,000
100	Neighborhood Business Development - Scattered Sites	1988	25 years	7,220,000
135	Snelling-University	1990	25 years	5,130,000
193	Hubbard Site	1997	25 years	-
194	1919 University	1997	25 years	-
212	Block 4 Minnesota Mutual	1997	25 years	-
213	Block 39 Lawson/Arena	1997	25 years	36,005,000
215	Superior Street Cottages	1998	25 years	-
224	North Quadrant Phase 1	2000	20 years	1,059,000
225	Riverfront Renaissance	2001	25 years	39,187,807
228	Emerald Park	2002	25 years	-
232	Straus Building	2002	25 years	-
233	North Quadrant Expansion #1	2003	25 years	1,335,000
234	Phalen Village	2001	25 years	-
236	J. J. Hill	2001	25 years	3,660,000
237	Osceola Park	2002	25 years	-
240	Bridgecreek Senior Place	2003	25 years	-
241	North Quadrant Phase 2	2004	25 years	1,140,000
243	Shepard-Davern Owner Occupied	2003	25 years	4,820,000
244	Shepard-Davern Rental Housing	2003	25 years	-
245	Shepard-Davern Senior Rental	2003	25 years	-
248	Koch Mobil	2004	25 years	3,950,000
257	Payne Phalen	2005	25 years	-
Total Outstanding Long-Term Debt At December 31, 2005				<u>\$ 127,235,028</u>

Total tax capacity amounts and tax increment revenue for these districts in 2005 are as follows.

Current tax capacity (assessed in 2004, payable in 2005)	\$16,962,652
Captured tax capacity retained by the HRA	\$13,760,702
Tax increment revenue in 2005	\$13,599,516
Delinquent tax increment receivable at December 31, 2005	\$442,119

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005**

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 2005, 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, 2005**

Note 4.E. (Continued)

Conduit bonds issued subsequent to January 1, 1996, have an outstanding principal balance of \$1,525,000,000 at December 31, 2005. 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 87 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 \$79,082,660. 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 standard 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, 2005**

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, 2005 entirely consist of the City cash and investment pool in an amount of \$80,940,848. This pool is entirely insured or 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.

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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

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 their 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. 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.

The following table represents the HRA's investment balances at December 31, 2005, and information relating to potential investment risks:

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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

	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		08/01/10	906,865
U.S. Treasury Notes	N/A	N/R		08/01/11	577,185
Total U.S. Government Securities			<5%		\$ 2,208,050
U.S. Government Agency Securities					
Federal Farm Credit Bank					
Federal Farm Credit Bank Bonds	AAA	S&P		04/26/06	\$ 396,876
Federal Farm Credit Bank Bonds	AAA	S&P		01/18/11	1,054,825
Total Federal Farm Credit Bank			<5%		\$ 1,451,701
Federal Home Loan Bank					
Federal Home Loan Bank Bonds	AAA	S&P		02/27/06	\$ 966,663
Federal Home Loan Bank Bonds	AAA	S&P		05/26/06	961,813
Federal Home Loan Bank Bonds	AAA	S&P		05/26/06	248,047
Federal Home Loan Bank Bonds	AAA	S&P		11/27/06	368,437
Federal Home Loan Bank Bonds	AAA	S&P		08/03/07	623,200
Federal Home Loan Bank Bonds	AAA	S&P		12/30/08	1,191,077
Federal Home Loan Bank Bonds	AAA	S&P		06/29/10	1,564,105
Total Federal Home Loan Bank			11.1%		\$ 5,923,342
Federal Home Loan Mortgage Corp					
Federal Home Loan Mortgage Corp Notes	AAA	S&P		02/17/06	\$ 1,370,889
Federal Home Loan Mortgage Corp Notes	AAA	S&P		02/17/06	967,274
Total Federal Home Loan Mortgage Corp			<5%		\$ 2,338,163
Federal National Mortgage Association					
Federal Nat'l Mortgage Assoc Discount Note	A-1+	S&P	<5%	03/01/06	\$ 750,917
Guaranteed Investment Contracts					
AMCAC Investment Agreement	N/A	N/R	15.3%	12/31/06	8,166,341
Bayerische Landesbank Investment Agreement	N/A	N/R	21.0%	06/01/07	11,209,411
Mutual Funds					
First American Government Securities Fund	N/A	N/R	24.8%	N/A	13,245,921
Wells Fargo Advantage Fund	N/A	N/R	15.2%	N/A	8,113,136
Total Investments					\$ 53,406,982
Total Deposits - Invested in City of Saint Paul Pooled Cash (see note below)					80,940,848
Total Deposits and Investments					\$ 134,347,830

N/A - Not applicable; N/R - Not rated; < 5% - Concentration is less than 5% of investments

Total Deposits - Invested in City of Saint Paul Pooled Cash. 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, 2005.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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	\$ 67,386,387
Cash and Investments with Trustees	26,041,988
Restricted Cash for Revenue Bond Debt Service	12,027,465
Restricted Cash for Revenue Bond Reserve	10,000,000
Restricted Cash for Revenue Bond Development & Construction	18,224,503
Restricted Cash for Revenue Bond Operations and Maintenance	<u>667,487</u>
 Total	 <u>\$ 134,347,830</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 decrease in the fair value of investments during 2005 was \$951,305. 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, 2005, was \$869,046.

B. Loans Receivable

Loans receivable are reported as assets in the following funds at December 31, 2005 (net of allowances):

HRA Federal & State Programs Special Revenue Fund	\$ 7,246,600
HRA Debt Service Fund	2,365,000
HRA Tax Increment Capital Projects Fund	28,074
HRA Loan Enterprise Fund	<u>20,130,403</u>
 Total All Funds	 <u>\$ 29,770,077</u>

Allowances for uncollectible loans have been established for loans for which collection is doubtful or questionable in the total amount of \$41,555,101 at December 31, 2005. During 2005, loans determined to be uncollectible or forgiven were written off the books in the amount of \$1,604,813.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

Note 5.B. (Continued)

Changes in total gross loans receivable, allowances for uncollectible loans, and accrued interest receivable on loans for 2005 are shown below.

Total gross loans receivable - January 1, 2005	\$ 70,881,876
Single family mortgage loans issued	6,533,000
Single family mortgage loans sold	(7,208,050)
All other loans issued	8,462,140
Principal payments received	(5,738,975)
Loans written off	(399,500)
Loans forgiven	<u>(1,205,313)</u>
 Total Gross Loans Receivable - December 31, 2005	 \$ <u>71,325,178</u>
 Less: allowance for uncollectible loans - January 1, 2005	 \$ 34,627,379
Increase for bad debts and forgiveness	8,532,535
Loans written off	(399,500)
Loans forgiven	<u>(1,205,313)</u>
 Total allowance for uncollectible loans - December 31, 2005	 \$ <u>41,555,101</u>
 Net Loans Receivable - December 31, 2005	 \$ <u>29,770,077</u>
 Accrued Interest Receivable on Loans - December 31, 2005 (Net of Allowance)	 \$ <u>1,640,950</u>

At December 31, 2005, future minimum principal and interest payments (adjusted for collectibility based on credit risk analysis) to be received under the loan agreements for the next ten years are as follows:

2006	\$ 2,325,280
2007	1,473,627
2008	1,141,049
2009	4,747,279
2010	2,148,090
2011 - 2015	<u>10,073,768</u>
 Total	 \$ <u>21,909,093</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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, 2005.

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
HRA General Fund	\$ 8,233,382	\$ 13,500	\$ 6,805,964	\$ 1,440,918
HRA Tax Increment Capital Projects Fund	858,947	-	161,000	697,947
HRA Loan Enterprise Fund	4,772,799	6,869,664	3,430,000	8,212,463
Total All Funds	\$ 13,865,128	\$ 6,883,164	\$ 10,396,964	\$ 10,351,328

D. Leases Receivable

As described in Note 2.J., the HRA entered into direct a 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, 2005.

	RiverCentre Parking Facility Improvement Lease
Balance of leases receivable - January 1, 2005	\$ 6,920,000
Principal portion of lease payments received - 2005	(50,000)
Balance of Leases Receivable - December 31, 2005	\$ 6,870,000

The interest portion of the lease payments received in 2005 was \$365,000.

On the Governmental Fund Balance Sheet, the HRA Debt Service Fund reports deferred revenue to offset the entire amount of the leases receivable, since the lease payments are not available to finance current period expenditures. Revenues for the principal amount of the

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

Note 5.D. (Continued)

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:

Year Ending December 31	RiverCentre Parking Facility Improvement Lease
2006	\$ 758,863
2007	850,956
2008	936,488
2009	1,027,838
2010	1,124,175
2011 - 2014	4,244,450
Total	<u>\$ 8,942,770</u>

E. Capital Assets

Capital asset activity for the year ended December 31, 2005, was as follows:

Governmental Activities	Balance January 1, 2005	Increase	Decrease	Balance December 31, 2005
Land (not depreciated)	\$ 1,022,230	\$ 66,000	\$ -	\$ 1,088,230
Construction in progress (not depreciated)	-	1,078,511	-	1,078,511
Buildings	845,716	-	-	845,716
Pedestrian skyway bridges	13,016,925	-	-	13,016,925
Totals at historical cost	<u>\$ 14,884,871</u>	<u>\$ 1,144,511</u>	<u>\$ -</u>	<u>\$ 16,029,382</u>
Less: accumulated depreciation				
Buildings	\$ (444,001)	\$ (21,143)	\$ -	\$ (465,144)
Pedestrian skyway bridges	(6,273,544)	(325,423)	-	(6,598,967)
Total accumulated depreciation	<u>\$ (6,717,545)</u>	<u>\$ (346,566)</u>	<u>\$ -</u>	<u>\$ (7,064,111)</u>
Total Governmental Activities Capital Assets - Net	<u>\$ 8,167,326</u>	<u>\$ 797,945</u>	<u>\$ -</u>	<u>\$ 8,965,271</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

Note 5.E. (Continued)

Business-Type Activities	Balance January 1, 2005	Increase	Decrease	Balance December 31, 2005
Land (not depreciated)	\$ 19,514,990	\$ -	\$ -	\$ 19,514,990
Buildings	2,108,356	-	-	2,108,356
Parking ramps	88,121,885	3,420	-	88,125,305
Equipment	31,060	-	-	31,060
Construction in progress (not depreciated)	-	1,333,003	-	1,333,003
Totals at historical cost	\$ 109,776,291	\$ 1,336,423	\$ -	\$ 111,112,714
Less: accumulated depreciation				
Buildings	\$ (150,354)	\$ (52,919)	\$ -	\$ (203,273)
Parking ramps	(23,378,539)	(2,284,485)	-	(25,663,024)
Equipment	(8,800)	(3,107)	-	(11,907)
Total accumulated depreciation	\$ (23,537,693)	\$ (2,340,511)	\$ -	\$ (25,878,204)
Total Business-Type Activities Capital Assets – Net	\$ 86,238,598	\$ (1,004,088)	\$ -	\$ 85,234,510

Depreciation expense for 2005 was charged to functions/programs as follows:

Governmental Activities	
Housing and economic development	\$ 346,566
Business-Type Activities	
Parking operations	2,340,511

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, 2005

Note 5.F. (Continued)

(1) Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2005, was as follows:

Governmental Activities	Balance January 1, 2005	Increase	Decrease	Balance December 31, 2005	Due Within One Year
Bonds payable					
Tax increment bonds	\$ 76,765,942	\$ 12,645,000	\$ 10,476,162	\$ 78,934,780	\$ 4,615,857
Sales tax revenue bonds	46,115,000	-	1,220,000	44,895,000	1,310,000
Lease revenue bonds	6,920,000	-	50,000	6,870,000	300,000
Add: unamortized premium on tax increment bonds	59,987	-	29,994	29,993	-
Totals bonds payable	\$ 129,860,929	\$ 12,645,000	\$ 11,776,156	\$ 130,729,773	\$ 6,225,857
Notes payable	22,185,824	-	7,748,383	14,437,441	5,617,441
Total Governmental Activities Long-Term Debt	\$ 152,046,753	\$ 12,645,000	\$ 19,524,539	\$ 145,167,214	\$ 11,843,298
Business-Type Activities	Balance January 1, 2005	Increase	Decrease	Balance December 31, 2005	Due Within One Year
Bonds payable					
Land assembly bonds	\$ 25,000,000	\$ -	\$ 3,170,000	\$ 21,830,000	\$ 9,305,000
Parking revenue bonds	40,715,000	7,790,000	9,065,000	39,440,000	1,625,000
Tax increment - parking bonds	37,140,000	-	1,135,000	36,005,000	1,300,000
Parking revenue bonds (Smith Avenue Transit)	-	15,980,000	-	15,980,000	-
Add: unamortized premium on parking revenue bonds	-	140,404	20,058	120,346	-
Total bonds payable	\$ 102,855,000	\$ 23,910,404	\$ 13,390,058	\$ 113,375,346	\$ 12,230,000
Notes payable					
Parking revenue notes	\$ 3,150,000	\$ -	\$ 60,000	\$ 3,090,000	\$ 60,000
Phalen Village housing notes	1,934,380	-	1,934,380	-	-
Total notes payable	\$ 5,084,380	\$ -	\$ 1,994,380	\$ 3,090,000	\$ 60,000
Total Business-Type Activities Long-Term Debt	\$ 107,939,380	\$ 23,910,404	\$ 15,384,438	\$ 116,465,346	\$ 12,290,000

All 2005 scheduled principal and interest payments were made in accordance with the terms of the bonds and notes, except for the principal payment on the 2004 Land Assembly bonds which was scheduled to be \$3,354,000 and only \$3,170,000 in principal payments were made in 2005.

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005**

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

A description of the new 2005 issued long-term debt follows:

The Neighborhood Scattered Site Tax Increment Bonds, Series 2005 were issued in April 2005 in the amount of \$7,515,000 to provide financing for development in the Neighborhood Scattered Site Tax Increment District. The bonds are to be retired using tax increment revenues from this same district.

The Snelling-University Tax Increment Refunding Bonds, Series 2005C were issued in March 2005 in the amount of \$5,130,000 to currently refund the Midway Marketplace Tax Increment Bonds, Series 1995A. This current refunding was done to take advantage of lower interest rates and reduce debt service payments. Total debt service payments decreased by \$1,307,315. The current refunding resulted in an economic gain (difference between the present value of the debt service payments of the refunded and the refunding bonds) of \$977,430. For the government-wide financial statements, the reacquisition price and the net carrying amount of the refunded bonds were both \$5,005,000. HRA tax increment revenues from the Snelling-University Tax Increment District are to be used to retire the Series 2005C Bonds.

The Parking Revenue Refunding Bonds, Series 2005A were issued in February 2005 in the amount of \$7,790,000 to currently refund the Parking Revenue Bonds, Series 1995A. This current refunding was done to take advantage of lower interest rates and reduce debt service payments. Total debt service payments decreased by \$411,804. The current refunding resulted in an economic gain of \$401,496. The reacquisition price and the net carrying amount of the refunded bonds were both \$7,590,000. Parking revenues from various HRA parking facilities are to be used to retire the Series 2005A Bonds.

The Parking Revenue Bonds (Smith Avenue Transit Center), Series 2005 were issued in June 2005 in the amount of \$15,980,000 to provide financing for the construction of the Smith Avenue Transit Center, which includes a 600-stall parking ramp and transit facility. The bonds are to be retired using revenues from the Transit Center.

(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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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

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 Bonds, Series 2004C; 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, 2005, follows:

Debt Issue	Sources for Retirement	Interest Rate (%)	Amount Payable December 31, 2005
Sales Tax Revenue Refunding Bonds, Series 1996	1/2 Percent City Sales Tax/RiverCentre Revenues	7.10	\$ 44,895,000
Downtown Tax Increment Refunding Bonds, Series 1998	Downtown & 7 th Place District Tax Increments, RiverCentre Revenues, Hotel/Motel Taxes	5.00-6.50	8,585,000
RiverCentre Parking Facility Lease Bonds, Series 2000	Lease Payments from the City	4.87-6.00	6,870,000
Riverfront Tax Increment Refunding Bonds, Series 2000D	Riverfront District Tax Increments	4.50-5.00	5,920,000
US Bank Tax Increment Bonds, Series 2001	Riverfront Renaissance District Tax Increments	5.00 - 6.75	11,875,000
Riverfront Tax Increment Refunding Bonds, Series 2002C	Riverfront District Tax Increments	2.90 - 5.65	1,765,000
North Quadrant Tax Increment Refunding Bonds, Series 2002	North Quadrant District Tax Increments	7.50	1,059,000
North Quadrant Phase II Tax Increment Bonds, Series 2002	North Quadrant District Tax Increments	7.00	1,140,000
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	1,745,000
Spruce Tree Tax Increment Refunding Bonds, Series 2003	Spruce Tree/Metz District Tax Increments	6.50	1,600,780

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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

Debt Issue	Sources for Retirement	Interest Rate (%)	Amount Payable December 31, 2005
Gateway Tax Increment Bonds, Series 2003C	Shepard Davern District Tax Increments	Prime + 1%	2,609,000
Gateway Tax Increment Bonds, Series 2003D	Shepard Davern District Tax Increments	Prime + 1%	2,211,000
Koch Mobil Tax Increment Bonds, Series 2004C	Koch Mobil District Tax Increments	2.25	3,950,000
9th Street Lofts Tax Increment Bonds, Series 2004	North Quadrant District Tax Increments	6.37	1,335,000
J.J. Hill Tax Increment Bonds, Series 2004	J.J. Hill District Tax Increments	6.25	3,660,000
Neighborhood Scattered Site Tax Increment Bonds, Series 2005	Neighborhood Scattered Site District Tax Increments	4.24-5.45	7,220,000
Snelling-University Tax Increment Refunding Bonds, Series 2005C	Snelling-University District Tax Increments	3.60-5.12	5,130,000
CDBG Float Note	Downtown District Tax Increments	0.00	1,230,000
HUD Section 108 Note, Series 1997	Snelling-University District & Business Scattered Site District Tax Increments	7.25	580,000
Downtown & 7th Place Redevelopment Project Subordinated Tax Increment Note	Downtown & 7th Place District Tax Increment	11.00	4,627,441
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	4,700,000
Total Governmental Activities Long-Term Debt			<u>\$ 145,137,221</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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, 2005, follows:

Debt Issue	Sources for Retirement	Interest Rate (%)	Amount Payable December 31, 2005
Parking Revenue Bonds, Series 1997A	7th Street Ramp Parking Revenues	6.75	\$ 8,635,000
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	14,750,000
Parking Revenue Refunding Bonds, Series 2001A	Parking Facility Revenues, City Parking Meter and Fine Revenue	4.00 – 5.00	5,160,000
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	4,250,000
Parking Revenue Refunding Bonds, Series 2005A	Parking Facility Revenues, City Parking Meter and Fine Revenue	2.50 – 3.37	7,100,000
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	21,830,000
RiverCentre Exhibit Hall Parking Ramp Notes	RiverCentre Exhibit Hall Ramp Parking Revenues	6.00	1,090,000
Block 39 Parking Ramp Notes	Block 39 Ramp Parking Revenues	3.00 & 5.00	2,000,000
Total Business-Type Activities Long-Term Debt			<u>\$ 116,345,000</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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
2006	\$ 4,615,857	\$ 4,565,522	\$ 1,310,000	\$ 3,187,545	\$ 300,000	\$ 396,363
2007	8,833,352	4,265,799	1,400,000	3,094,535	425,000	375,956
2008	5,329,836	3,933,951	1,500,000	2,995,135	525,000	348,988
2009	4,386,848	3,617,017	1,605,000	2,888,635	650,000	315,337
2010	3,255,127	3,407,904	1,720,000	2,774,680	775,000	274,175
2011 - 2015	14,600,859	14,409,978	10,620,000	11,858,420	4,195,000	511,950
2016 - 2020	11,541,357	10,524,413	14,965,000	7,513,930	-	-
2021 - 2025	12,102,936	7,003,336	11,775,000	1,710,035	-	-
2026 - 2030	14,268,608	2,110,433	-	-	-	-
Total	\$ 78,934,780	\$ 53,838,353	\$ 44,895,000	\$ 36,022,915	\$ 6,870,000	\$ 2,222,769

Year Ending December 31	Development Notes		Total Governmental Activity	
	Principal	Interest	Principal	Interest
2006	\$ 5,617,441	\$ 797,957	\$ 11,843,298	\$ 8,947,387
2007	710,000	250,270	11,368,352	7,986,560
2008	710,000	245,470	8,064,836	7,523,544
2009	300,000	240,670	6,941,848	7,061,659
2010	300,000	235,870	6,050,127	6,692,629
2011 - 2015	2,750,000	991,525	32,165,859	27,771,873
2016 - 2020	2,950,000	540,055	29,456,357	18,578,398
2021 - 2025	1,100,000	68,210	24,977,936	8,781,581
2026 - 2030	-	-	14,268,608	2,110,433
Total	\$ 14,437,441	\$ 3,370,027	\$ 145,137,221	\$ 95,454,064

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
2006	\$ 1,625,000	\$ 2,669,345	\$ 1,300,000	\$ 1,886,780	\$ 60,000	\$ 90,700
2007	1,815,000	2,598,870	1,445,000	1,804,069	70,000	86,800
2008	2,270,000	2,518,468	1,570,000	1,712,473	75,000	82,600
2009	2,375,000	2,415,172	1,700,000	1,611,888	75,000	78,100
2010	2,475,000	2,305,291	1,885,000	1,500,281	80,000	73,600
2011 - 2015	27,370,000	7,564,028	12,080,000	5,522,784	490,000	289,100
2016 - 2020	7,045,000	3,704,879	8,080,000	2,704,651	1,029,095	366,165
2021 - 2025	5,200,000	2,260,236	7,945,000	978,381	1,210,905	174,545
2026 - 2030	5,245,000	719,842	-	-	-	-
Total	\$ 55,420,000	\$ 26,756,131	\$ 36,005,000	\$ 17,721,307	\$ 3,090,000	\$ 1,241,610

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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

Year Ending December 31	Housing 5000 Land Assembly Bonds HRA Loan Enterprise Fund		Total Business-Type Activity	
	Principal	Interest	Principal	Interest
2006	\$ 9,305,000	\$ 1,091,500	\$ 12,290,000	\$ 5,738,325
2007	3,294,000	626,250	6,624,000	5,115,989
2008	2,694,000	461,550	6,609,000	4,775,091
2009	3,930,000	326,850	8,080,000	4,432,010
2010	-	130,350	4,440,000	4,009,522
2011 - 2015	-	651,750	39,940,000	14,027,662
2016 - 2020	-	651,750	16,154,095	7,427,445
2021 - 2025	2,607,000	521,400	16,962,905	3,934,562
2026 - 2030	-	-	5,245,000	719,842
Total	<u>\$ 21,830,000</u>	<u>\$ 4,461,400</u>	<u>\$ 116,345,000</u>	<u>\$ 50,180,948</u>

(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, 2005, \$86,417,628 of the following outstanding bonds are considered defeased:

	Amount Outstanding December 31, 2005
New Housing & Blighted Lands Tax Increment Bonds, Series 1986	\$ 1,040,000
Downtown & 7th Place Tax Increment Bonds, Series 1989A and 1989B	19,732,628
Sales Tax Revenue Bonds, Series 1993	50,465,000
Downtown & 7th Place Tax Increment Bonds, Series 1993	<u>15,180,000</u>
Total Defeased Bonds	<u>\$ 86,417,628</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, 2005

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 \$3,500,000 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, 2005, 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 \$154,000. Likewise, \$154,000 is owing under the line of credit at December 31, 2005, and is reported as contracts payable.

Changes in the balance due on the line of credit for the year ended December 31, 2005, are as follows:

Balance Due December 31, 2004	Increase 2005	Decrease 2005	Balance Due December 31, 2005
\$ 829,050	\$ 6,533,000	\$ 7,208,050	\$ 154,000

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. During 2004, advances were made by the Foundation to the HRA in the amount of \$2,500,000 for the Phalen Village Housing Project. The HRA repaid \$2,500,000 to the Foundation by December 31, 2005, repaying the amounts advanced in full. Under the revolving loan agreement, there is \$2,500,000 available in loan funds from the Foundation at December 31, 2005.

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005**

Note 5. (Continued)

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, 2004, liability for claims and judgments; nor were there any fiscal year 2004 or 2005 claims or claims payments, which resulted in any end of fiscal year 2004 or 2005 claims liabilities.

The City has purchased all risk property insurance coverage of \$1.017 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, 2005

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, 2005.

No.	Tax Increment Financing District	Date Issued	Note Amount	Note Principal Balance 12/31/2004	Note Principal Balance 12/31/2005	Total Amount Expended Under Notes for the Year Ended 12/31/2005
135	Snelling - University	1/1/1999	\$ 675,238	\$ 581,216	\$ -	\$ 636,537
215	Superior Street Cottages	7/16/1998	311,341	272,974	270,073	19,639
194	1919 University	11/7/1997	1,357,000	1,357,000	1,357,000	110,550
193	Hubbard Site	1999	1,259,924	977,944	877,553	128,891
212	Block 4	11/17/1997	15,000,000	-	-	-
212	Block 4-TIR Note Series 2004	5/6/2004	17,800,000	17,800,000	17,800,000	1,023,500
212	Block 4-Taxable TIR Note Series 2004	5/6/2004	2,975,838	2,975,838	2,726,632	420,317
224	North Quadrant Rental Phase I	2/1/2001	2,140,000	2,140,000	2,140,000	137,132
233	North Quadrant Rental Phase II	2/28/2002	1,500,000	1,500,000	1,500,000	232,654
233	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	3,067,000	3,067,000	100,891
228	Emerald Park Owner Occupied Phase II	4/12/2005	2,074,000	-	2,074,000	-
228	Emerald Park Rental	10/16/2002	3,110,000	3,110,000	3,110,000	127,525
228	Emerald Park Commercial/Metro Project	6/21/2005	1,225,000	-	1,225,000	-
237	Osceola Park Series 2002	11/4/2002	950,000	950,000	950,000	41,625
236	JJ Hill	12/17/2002	2,750,000	-	-	-
234	Phalen Village Ames Lake	8/1/2003	418,000	418,000	418,000	26,051
232	Straus Building	12/26/2002	600,000	596,964	596,964	28,483
240	Bridgecreek Senior Place Project	6/30/2004	2,398,952	2,398,952	2,398,952	-
241	Lyons Court Rental Project	4/14/2004	682,000	682,000	682,000	-
245	Shepard-Davern Gateway Senior	12/2/2003	1,353,286	1,353,286	1,353,286	-
257	Phalen Senior Lofts Project (Payne Phalen TIF)	2/10/2005	925,000	-	925,000	-
	Total		<u>\$ 62,752,360</u>	<u>\$ 40,360,955</u>	<u>\$ 43,651,241</u>	<u>\$ 3,033,795</u>

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, 2005, since all scheduled note payments have been made from the available tax increment.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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, 2005, is \$1,196,473. The portion of these loans that the HRA has guaranteed is \$248,149. No liability has been recorded by the HRA for these loans at December 31, 2005.

M. Construction and Other Significant Commitments

At December 31, 2005, the HRA had a commitment for the construction of the Smith Avenue Transit Center in the amount of \$18,000,000.

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, 2005, individual fund interfund receivable and payable balances were as follows:

Fund	Interfund Receivable	Interfund Payable
HRA General Fund	\$ 343,628	\$ 176,518
HRA Federal & State Programs Special Revenue Fund	23,764	-
HRA Tax Increment Capital Projects Fund	176,518	4,290,464
HRA Loan Enterprise Fund	3,946,836	23,764
Total Interfund Receivables and Payables - All Funds	<u>\$ 4,490,746</u>	<u>\$ 4,490,746</u>

The interfund receivables in the HRA General Fund (\$343,628) and the HRA Loan Enterprise Fund (\$3,946,836) 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, 2005

Note 5.N. (Continued)

(2) Interfund Transfers

Individual fund interfund transfers during the fiscal year ended December 31, 2005, were as follows:

Transfers	Transfers In From Other Funds	Transfers Out To Other Funds
HRA Federal & State Programs Special Revenue Fund	\$ 23,764	\$ -
HRA Debt Service Fund	3,059,661	2,297,132
HRA Tax Increment Capital Projects Fund	2,325,647	2,666,613
HRA Loan Enterprise Fund	2,500,000	445,327
HRA Parking Enterprise Fund	-	2,500,000
Total Interfund Transfers -All Funds	\$ 7,909,072	\$ 7,909,072

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, 2005, is determined as follows:

Capital assets	\$ 16,029,382
Less: accumulated depreciation	(7,064,111)
Less: outstanding principal of related debt	-
Invested in Capital Assets - Net of Related Debt	\$ 8,965,271

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 \$10,105,472 at December 31, 2005.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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, 2005, is determined as follows:

Capital assets	\$ 111,112,714
Less: accumulated depreciation	(25,878,204)
Less: outstanding principal of related debt	(93,999,714)
Add: unspent proceeds of capital related debt	<u>14,309,204</u>
Invested in Capital Assets - Net of Related Debt	<u>\$ 5,544,000</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, 2005, 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	\$ 4,743,984	\$ 7,283,481	\$ 12,027,465
Cash for revenue bond reserve	10,000,000	-	10,000,000
Less: liabilities payable from restricted assets			
Revenue bonds payable	(3,368,541)	(1,975,487)	(5,344,028)
Accrued interest on bonds	<u>(85,624)</u>	<u>(877,132)</u>	<u>(962,756)</u>
Restricted for Debt Service	<u>\$ 11,289,819</u>	<u>\$ 4,430,862</u>	<u>\$ 15,720,681</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, 2005, is determined as follows:

Restricted assets - cash for revenue bond operations and maintenance	\$ 667,487
Less: liabilities payable from restricted assets	<u>-</u>
Restricted for Operations and Maintenance	<u>\$ 667,487</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005

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, 2005, fund balance reservations were reported in the following governmental funds:

	HRA General Fund	HRA Debt Service Fund	HRA Tax Increment Capital Projects Fund	Total
Reserved for				
Encumbrances	\$ 97,120	\$ -	\$ 172,688	\$ 269,808
Debt service on bonds and notes	500,000	19,525,037	-	20,025,037
Advances to other funds	343,628	-	-	343,628
	<u>940,748</u>	<u>19,525,037</u>	<u>172,688</u>	<u>20,638,473</u>
Total Reserved Fund Balances	<u>\$ 940,748</u>	<u>\$ 19,525,037</u>	<u>\$ 172,688</u>	<u>\$ 20,638,473</u>

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, 2005, 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	\$ 3,467,523	\$ 18,540,401	\$ 22,007,924
Next year's appropriation	1,132,947	-	1,132,947
Cash flow and revenue estimates	500,000	-	500,000
	<u>5,100,470</u>	<u>18,540,401</u>	<u>23,640,871</u>
Total Unreserved, Designated Fund Balance	<u>\$ 5,100,470</u>	<u>\$ 18,540,401</u>	<u>\$ 23,640,871</u>

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2005**

Note 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.

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.

SUPPLEMENTARY SCHEDULES

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HRA DEBT SERVICE FUND**

For the Fiscal Year Ended December 31, 2005

(Amounts in dollars)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	11,013,281	11,113,954	8,271,689	(2,842,265)
Intergovernmental	13,761,713	13,761,713	15,778,743	2,017,030
Fees, Sales and Services	755,000	755,000	745,647	(9,353)
Investment Income	469,384	495,345	634,563	139,218
Total Revenues	<u>25,999,378</u>	<u>26,126,012</u>	<u>25,430,642</u>	<u>(695,370)</u>
EXPENDITURES				
Intergovernmental - City	11,225,835	11,225,835	12,915,362	(1,689,527)
Intergovernmental - County	--	6,848,349	3,308,894	3,539,455
Debt Service				
Principal Payment on Bonds	5,417,162	6,402,162	6,741,162	(339,000)
Interest on Bonds	8,153,822	8,153,822	8,456,818	(302,996)
Principal Payment on Notes	950,000	950,000	540,000	410,000
Interest on Notes	323,552	323,552	402,729	(79,177)
Bond and Note Issuance Costs	--	48,230	46,696	1,534
Total Expenditures	<u>26,070,371</u>	<u>33,951,950</u>	<u>32,411,661</u>	<u>1,540,289</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(70,993)</u>	<u>(7,825,938)</u>	<u>(6,981,019)</u>	<u>844,919</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	214,333	304,120	3,059,661	2,755,541
Transfers Out	--	(2,690,161)	(2,297,132)	393,029
Current Refunding Bonds Issued	--	5,130,000	5,130,000	--
Redemption of Refunded Bonds	--	(5,005,000)	(5,005,000)	--
Discount on Bond Sale	--	(4,601)	(4,601)	--
Total Other Financing Sources (Uses)	<u>214,333</u>	<u>(2,265,642)</u>	<u>882,928</u>	<u>3,148,570</u>
Net Changes in Fund Balances	<u>143,340</u>	<u>(10,091,580)</u>	<u>(6,098,091)</u>	<u>3,993,489</u>
FUND BALANCE, January 1	<u>25,623,128</u>	<u>25,623,128</u>	<u>25,623,128</u>	<u>--</u>
FUND BALANCE, December 31	<u>25,766,468</u>	<u>15,531,548</u>	<u>19,525,037</u>	<u>3,993,489</u>

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

Inception Through December 31, 2005

(Amounts in dollars)

Program Title	Activity Code	Multi-Year Budget	Actual Program Costs		Amount To Be Completed
			Inception Through 12/31/04	Fiscal Year Ended 12/31/05	
FEDERAL HOME PROGRAM					
Single Family Housing Rehabilitation	37001	20,533,096	15,458,215	3,319,351	1,755,530
New Rental Housing	37002	2,169,000	2,169,000	--	--
Community Housing Development	37003	5,083,392	4,297,959	18,750	766,683
Program Administration	37004	3,037,370	2,635,621	217,673	184,076
Single Family Housing Rehab - Program Income	37005	1,556,759	1,213,971	305,147	37,641
Total Federal HOME Program		32,379,617	25,774,766	3,860,921	2,743,930
FEDERAL ADDI HOUSING GRANT					
Single Family Housing	37006	366,721	10,000	70,000	286,721
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	5,445,000	3,487,826	653,866	1,303,308
Minnesota Urban & Rural Homestead Program	38102	62,158	60,704	7	1,447
Program Administration	38104	353,110	241,219	56,124	55,767
Deferred Loan Program	38105	2,456,041	1,368,450	45,000	1,042,591
NEDA Community Fix-Up Program	38110	104,443	104,443	--	--
Total Minnesota Housing Finance Agency Programs		8,946,348	5,780,155	754,997	2,411,196
RAMSEY COUNTY CDBG HOUSING REHABILITATION PROGRAMS					
Single Family & Rental Rehabilitation	38107-38108	2,320,134	1,894,205	24,704	401,225
METROPOLITAN COUNCIL LIVABLE COMMUNITY GRANTS					
Brewery Neighborhood Project	38200	750,000	749,781	--	219
Capital Heights City Homes	38113	300,000	300,000	--	--
Tax Based Revitalization Grants	38103	540,265	540,265	5,000	(5,000)
Total Metropolitan Council Livable Community Grants		1,590,265	1,590,046	5,000	(4,781)
STATE OF MINNESOTA GRANTS					
Railroad Island Project	38203	1,300,000	27,761	--	1,272,239
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	--	2,562,239
TOTAL HRA FEDERAL & STATE PROGRAMS FUND		48,570,566	35,454,414	4,715,622	8,400,530

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

For the Fiscal Years Ended December 31, 1997 through 2005

(Amounts in dollars)

<u>Activity Title</u>	<u>Activity Code</u>	<u>Multi-Year Budget</u>	<u>Costs - Fiscal Years Ended 12/31/97-04</u>	<u>Costs - Fiscal Year Ended 12/31/05</u>	<u>Amount To Be Completed</u>
New Housing & Blighted Lands - Direct Increment Financed	76200	5,581,797	5,581,242	--	555
New Housing & Blighted Lands - Bond Financed	76201	2,921,576	2,922,131	--	(555)
New Housing & Blighted Lands - Post 1982 Subdistrict	76202	1,293,977	936,335	7,933	349,709
North Quadrant - Phase I	76203	4,392,268	1,439,514		2,952,754
North Quadrant - Non TIF	76204	372,871	355,761	5,093	12,017
North Quadrant - Phase II	76205	4,347,273	1,096,277	252	3,250,744
Superior Street Cottages	76206	686,025	121,075	19,897	545,053
J.J. Hill	76207	12,959,912	3,925,971	71,978	8,961,963
Sibley Park - Phase I	76208	6,495,378	203,261	138,046	6,154,071
Sibley Park - Phase II	76209	3,037,617	--	232,654	2,804,963
Straus Park	76210	1,447,696	18,707	28,750	1,400,239
North Quadrant Public Improvements	76211	860,000	864,429	--	(4,429)
Bridgecreek Senior Place	76213	6,747,810	--	290	6,747,520
Phalen Village TIF District	76214	10,892,280	15,066	48,985	10,828,229
North Quadrant - Phase III	76215	6,149,000	1,115,293	144,707	4,889,000
West Midway	76300	126,781	126,781	--	--
Spruce Tree Centre	76302	2,889,449	2,888,519	380	550
Neighborhood Business Development - Scattered Sites	76304	31,180,202	7,564,290	611,344	23,004,568
Twin City Testing	76305	312,126	318,450	--	(6,324)
Snelling-University	76306	8,361,600	288,867	14,722	8,058,011
Snelling-University - Hazardous Substance	76307	2,258,401	1,719,389	59,393	479,619
Energy Park FBS Data Center	76308	53,024	55,373	--	(2,349)
Midway Marketplace Bonds	76309	2,915,547	2,915,547	--	--
Hubbard Site	76310	5,271,106	3,077,680	128,891	2,064,535
1919 University	76311	2,855,075	764,269	111,086	1,979,720
Midway Marketplace Pay-As-You-Go TIF Note	76312	1,254,182	315,860	636,537	301,785
University/Dale - Panasian	76313	17,036,603	--	--	17,036,603
Scattered Site Business TIF Bonds, Series 2005	76314	7,515,000	--	2,474,482	5,040,518
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	6,666,713	2,007,286	158,282	4,501,145

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 2005

(Amounts in dollars)

<u>Activity Title</u>	<u>Activity Code</u>	<u>Multi-Year Budget</u>	<u>Costs - Fiscal Years Ended 12/31/97-04</u>	<u>Costs - Fiscal Year Ended 12/31/05</u>	<u>Amount To Be Completed</u>
Riverfront Renaissance - US Bank	76703	68,914,628	17,140,981	911,183	50,862,464
Riverfront Renaissance - Upper Landing	76704	61,896,457	2,554,531	924	59,341,002
Upper Landing Interfund Loan	76705	11,135	207,447	86,369	(282,681)
Osceola Park	76706	2,899,714	157	42,143	2,857,414
Block - Minnesota Mutual	76707	46,739,637	3,956,770	1,462,060	41,320,807
Emerald Park - Owner Occupied	76708	26,401,961	255,060	102,595	26,044,306
Emerald Park - Rental	76709	13,215,895	494,096	129,968	12,591,831
Emerald Park - Commercial	76710	2,180,100	--	--	2,180,100
Riverfront Renaissance - West Side Flats	76712	4,444,980	1,726,652	51,406	2,666,922
Riverfront Renaissance - Upper Landing TIF Bonds, Series 2002A	76713	5,000,000	444,380	4,654,036	(98,416)
Riverfront Renaissance - Upper Landing TIF Bonds, Series 2002B	76714	14,130,000	4,759,436	1,347,554	8,023,010
Shepard Davern - Phase I	76715	9,683,191	--	496	9,682,695
Shepard Davern - Phase II	76716	15,529,676	4,820,000	--	10,709,676
Shepard Davern - Phase III	76717	3,024,432	--	--	3,024,432
Downtown & 7th Place Redevelopment - Series 1989 Bonds	76801	1,458,854	1,459,851	--	(997)
Downtown & 7th Place Redevelopment - Direct Increment Financed	76805	16,104,598	16,104,598	--	--
Block 39 - Acquisition, Demolition, Parking Ramp & Retail	76803	42,844,807	42,462,746	37,446	344,615
Block 39 - Construction of Lawson Office Building	76804	56,729,854	56,729,826	--	28
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	12,338,148	12,338,148	--	--
RiverCentre Parking Facility Lease Revenue Bonds	76811	7,364,796	7,350,295	--	14,501
Armstrong-Quinlan House	76813	2,900,000	2,789,941	36,463	73,596
Central Library Renovation Lease Revenue Bonds	76814	13,161,975	13,162,075	--	(100)
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	1,279,099	1,283,053	76,534,202
TIF District Administration - Advance Funding	76820	940,950	167,110	176,518	597,322
10th Street / Jackson TIF District	76821	8,209,468	--	--	8,209,468
Payne / Phalen Senior Lofts TIF District	76822	2,847,354	--	--	2,847,354
Carleton Lofts TIF District	76823	9,257,028	--	--	9,257,028
TOTAL HRA TAX INCREMENT FUND		692,878,827	239,509,911	15,215,916	438,153,000

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES**ALL FUNDS**

For the Fiscal Year Ended December 31, 2005

(Amounts in dollars)

	<u>Balance 1/1/2005</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance 12/31/2005</u>
HRA General Fund	5,444,340	11,743,827	8,294,828	8,893,339
HRA Federal & State Programs Special Revenue Fund	1,199,068	6,539,040	7,102,832	635,276
HRA Debt Service Fund	25,900,176	31,780,607	38,258,880	19,421,903
HRA Tax Increment Capital Projects Fund	25,202,635	20,447,970	19,360,148	26,290,457
HRA Loan Enterprise Fund	40,744,239	49,433,415	42,549,307	47,628,347
HRA Parking Enterprise Fund	<u>17,049,812</u>	<u>56,873,518</u>	<u>42,444,822</u>	<u>31,478,508</u>
Total Cash and Investments - All Funds	<u>115,540,270</u>	<u>176,818,377</u>	<u>158,010,817</u>	<u>134,347,830</u>

Summary of Balances at December 31, 2005

Cash and Investments with Treasurer	67,386,387
Cash and Investments with Trustees	26,041,988
Restricted Cash for Revenue Bond Debt Service	12,027,465
Restricted Cash for Revenue Bond Reserve	10,000,000
Restricted Cash for Revenue Bond Development & Construction	18,224,503
Restricted Cash for Revenue Bond Operations and Maintenance	<u>667,487</u>
Total Cash and Investments	<u>134,347,830</u>

SCHEDULE OF DEPOSITS AND INVESTMENTS**ALL FUNDS**

At December 31, 2005

(Amounts in dollars)

<u>Investment Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Reported Amount</u>
First American Government Securities Fund			13,245,921
Wells Fargo Government Securities Fund			8,113,136
Federal Home Loan Mortgage Corp Notes	2/17/2006	2.18%	1,370,889
Federal Home Loan Mortgage Corp Notes	2/17/2006	2.25%	967,274
Federal Home Loan Bank Bonds	2/27/2006	2.30%	966,663
Federal National Mortgage Association Discount Note	3/1/2006	3.53%	750,917
Federal Farm Credit Bank Bonds	4/26/2006	2.13%	396,876
Federal Home Loan Bank Bonds	5/26/2006	2.50%	961,813
Federal Home Loan Bank Bonds	5/26/2006	2.58%	248,047
Federal Home Loan Bank Bonds	11/27/2006	2.73%	368,437
AMBAC Investment Agreement	12/31/2006	2.21%	8,166,341
Bayerische Landesbank Investment Agreement	6/1/2007	3.31%	11,209,411
Federal Home Loan Bank Bonds	8/3/2007	3.00%	253,175
Federal Home Loan Bank Bonds	8/3/2007	3.00%	370,025
Federal Home Loan Bank Bonds	12/30/2008	4.10%	1,191,077
United States Treasury Notes	5/1/2009	5.91%	724,000
Federal Home Loan Bank Bonds	6/29/2010	4.38%	1,564,105
United States Treasury Notes	8/1/2010	4.00%	906,865
Federal Farm Credit Bank Bonds	1/18/2011	5.75%	1,054,825
United States Treasury Notes	8/1/2011	4.00%	577,185
City Cash and Investment Pool			80,940,848
TOTAL CASH AND INVESTMENTS			<u>134,347,830</u>

Summary by Statement of Net Assets Account

Cash and Investments with Treasurer	67,386,387
Cash and Investments with Trustees	26,041,988
Restricted Cash for Revenue Bond Debt Service	12,027,465
Restricted Cash for Revenue Bond Reserve	10,000,000
Restricted Cash for Revenue Bond Development and Construction	18,224,503
Restricted Cash for Bond Operations and Maintenance	667,487
Total Cash and Investments	<u>134,347,830</u>

SCHEDULE OF LOANS RECEIVABLE**ALL FUNDS**

At December 31, 2005

(Amounts in dollars)

<u>Fund - Program</u>	<u>Number of Loans Outstanding</u>	<u>Principal Balance 12/31/2005</u>	<u>Allowance for Uncollectible Loans 12/31/2005</u>	<u>Net Reported Assets 12/31/2005</u>
HRA FEDERAL & STATE PROGRAMS SPECIAL REVENUE FUND				
Federal HOME Program	47	15,548,663	13,787,063	1,761,600
HUD 108 Loan Guaranty Program	2	8,000,000	2,515,000	5,485,000
Total HRA Federal & State Programs Special Revenue Fund	49	23,548,663	16,302,063	7,246,600
HRA DEBT SERVICE FUND				
Downtown Tax Increment Bonds - RiverCentre Authority	1	4,730,000	2,365,000	2,365,000
Total HRA Debt Service Fund	1	4,730,000	2,365,000	2,365,000
HRA TAX INCREMENT CAPITAL PROJECTS FUND				
Scattered Site TIF Bonds	1	561,482	533,408	28,074
Total HRA Tax Increment Capital Projects Fund	1	561,482	533,408	28,074
HRA LOAN ENTERPRISE FUND				
Enterprise Leverage	8	949,722	727,812	221,910
Commercial Real Estate	15	8,080,490	3,452,346	4,628,144
Home Purchase and Rehab	22	189,171	136,572	52,599
Housing Real Estate	30	8,456,821	4,551,480	3,905,341
Mixed Income Housing 5000	6	1,715,000	861,250	853,750
Strategic Investment Program	3	750,821	750,821	--
Business - UDAG	8	560,712	253,038	307,674
Housing - UDAG	6	1,643,409	1,525,504	117,905
Neighborhood Development Revolving Loan Program	1	60,577	30,288	30,289
Riverfront Tax Increment	2	878,970	835,022	43,948
Downtown Tax Increment	4	9,088,017	2,635,003	6,453,014
Neighborhood Development Tax Increment	4	1,051,908	634,813	417,095
New Housing & Blighted Lands Tax Increment	1	360,000	18,000	342,000
HUD Rental Rehab	22	2,575,185	2,090,347	484,838
CWR GO Bonds	1	3,460	2,595	865
Land Assembly	3	5,160,000	3,809,400	1,350,600
Mortgage Housing Loan Origination Program	1	154,000	--	154,000
Mortgage Housing - Phase I and Phase II	27	806,770	40,339	766,431
Total HRA Loan Enterprise Fund	164	42,485,033	22,354,630	20,130,403
TOTAL ALL FUNDS	215	71,325,178	41,555,101	29,770,077

SCHEDULE OF BONDS AND NOTES PAYABLE

At December 31, 2005

(Amounts in dollars)

<u>Bonds and Notes</u>	<u>Lender</u>	<u>Source for Retirement</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u>
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	10,970,000	44,895,000
Downtown Tax Increment Refunding Bonds, Series 1998	Public Sale	Downtown and 7th Place District TI's, RiverCentre Revenues, City Hotel/Motel Taxes	5.00% - 6.50%	1998	2009	24,295,000	15,710,000	8,585,000
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	370,000	6,870,000
Riverfront Tax Increment Refunding Bonds, Series 2000D *	Public Sale	Riverfront District TI's	4.50% - 5.00%	2000	2012	8,335,000	2,415,000	5,920,000
US Bank Tax Increment Bonds, Series 2001	Public Sale	Riverfront Renaissance District TI's	5.00% - 6.75%	2001	2028	12,000,000	125,000	11,875,000
Riverfront Tax Increment Refunding Bonds, Series 2002C *	Public Sale	Riverfront District TI's	2.90% - 5.65%	2002	2012	2,335,000	570,000	1,765,000
North Quadrant Tax Increment Refunding Bonds, Series 2002	Public Sale	North Quadrant District TI's	7.50%	2002	2028	1,089,000	30,000	1,059,000
North Quadrant Phase II Tax Increment Bonds, Series 2002	Public Sale	North Quadrant District TI's	7.00%	2002	2028	1,140,000	--	1,140,000
Upper Landing Tax Increment Bonds, Series 2002A	Public Sale	Riverfront Renaissance District TI's	6.80%	2002	2029	5,000,000	--	5,000,000
Upper Landing Tax Increment Bonds, Series 2002B-1	Public Sale	Riverfront Renaissance District TI'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 TI's	6.90%	2002	2029	2,000,000	--	2,000,000
Drake Marble Tax Increment Bonds, Series 2002	Public Sale	Riverfront Renaissance District TI's	6.75%	2002	2028	1,800,000	55,000	1,745,000
Spruce Tree Tax Increment Refunding Bonds, Series 2003	Public Sale	Spruce Tree/Metz District TI's	6.50%	2003	2013	1,890,000	289,220	1,600,780
Gateway Tax Increment Bonds, Series 2003C	Private Placement	Shepard Davern District TI's	Variable - Prime plus 1%	2003	2029	2,609,000	--	2,609,000

Continued

SCHEDULE OF BONDS AND NOTES PAYABLE

At December 31, 2005

(Amounts in dollars)

<u>Bonds and Notes</u>	<u>Lender</u>	<u>Source for Retirement</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u>
BONDS (Continued):								
Gateway Tax Increment Bonds, Series 2003D	Private Placement	Shepard Davern District TI's	Variable - Prime plus 1%	2003	2029	2,211,000	--	2,211,000
Koch/Mobil Tax Increment Bonds, Series 2004 C *	Private Placement	Koch/Mobil District TI's	2.25%	2004	2007	3,950,000	--	3,950,000
9th Street Lofts Tax Increment Bonds, Series 2004	Private Placement	9th Street Lofts District TI's	6.375%	2004	2028	1,335,000	--	1,335,000
JJ Hill Tax Increment Bonds, Series 2004	Private Placement	JJ Hill District TI's	6.25%	2004	2029	3,660,000	--	3,660,000
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	295,000	7,220,000
Snelling-University Tax Increment Refunding Bonds, Series 2005C *	Public Sale	Snelling-University District TI's	3.60% - 5.12%	2005	2017	5,130,000	--	5,130,000
TOTAL BONDS - GOVERNMENTAL ACTIVITIES						<u>161,529,000</u>	<u>30,829,220</u>	<u>130,699,780</u>
NOTES:								
CDBG Float Note	City of Saint Paul	Downtown and 7th Place District TI's	0.00%	1990	2008	7,800,000	6,570,000	1,230,000
HUD Section 108 Note, Series 1997-A	Public Sale	Snelling-University District & Business Scattered Site District TI's	7.25%	1997	2006	4,000,000	3,420,000	580,000
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	21,518,724	4,627,441
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	--	4,700,000
TOTAL NOTES - GOVERNMENTAL ACTIVITIES						<u>45,946,165</u>	<u>31,508,724</u>	<u>14,437,441</u>
TOTAL BONDS AND NOTES - GOVERNMENTAL ACTIVITIES						<u>207,475,165</u>	<u>62,337,944</u>	<u>145,137,221</u>

Continued

SCHEDULE OF BONDS AND NOTES PAYABLE

At December 31, 2005

(Amounts in dollars)

<u>Bonds and Notes</u>	<u>Lender</u>	<u>Source for Retirement</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u>
<u>BUSINESS-TYPE ACTIVITIES - HRA LOAN ENTERPRISE FUND</u>								
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	3,170,000	21,830,000
TOTAL BONDS - HRA LOAN ENTERPRISE FUND						<u>25,000,000</u>	<u>3,170,000</u>	<u>21,830,000</u>
<u>BUSINESS-TYPE ACTIVITIES - HRA PARKING ENTERPRISE FUND</u>								
BONDS:								
Parking Revenue Bonds, Series 1997A, (7th Street Ramp)	Public Sale	7th Street Ramp Parking Revenues	6.75%	1997	2017	11,305,000	2,670,000	8,635,000
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	3,995,000	14,750,000
Parking Revenue Refunding Bonds, Series 2001A	Public Sale	HRA Parking Revenues	4.00% - 5.00%	2001	2017	6,755,000	1,595,000	5,160,000
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	--	4,250,000
Parking Revenue Refunding Bonds, Series 2005A	Public Sale	HRA Parking Revenues	2.50% - 3.37%	2005	2013	7,790,000	690,000	7,100,000
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	410,000	1,090,000
Block 39 Municipal Parking Ramp Notes	Downtown Businesses	Block 39 Ramp Parking Revenues	3.00% & 5.00%	1999	2025	2,000,000	--	2,000,000
TOTAL BONDS AND NOTES - HRA PARKING ENTERPRISE FUND						<u>103,875,000</u>	<u>9,360,000</u>	<u>94,515,000</u>
TOTAL BONDS AND NOTES - BUSINESS-TYPE ACTIVITIES						<u>128,875,000</u>	<u>12,530,000</u>	<u>116,345,000</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, 2005

(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
2006	1,310,000	3,187,545	2,355,000	512,803	300,000	396,363	715,000	267,403	265,000	744,604
2007	1,400,000	3,094,535	2,400,000	363,052	425,000	375,956	760,000	232,819	275,000	730,894
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									490,000	16,537
2029										
Totals	<u>44,895,000</u>	<u>36,022,915</u>	<u>8,585,000</u>	<u>1,126,295</u>	<u>6,870,000</u>	<u>2,222,769</u>	<u>5,920,000</u>	<u>1,064,625</u>	<u>11,875,000</u>	<u>10,839,194</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2005

(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 Tax Increment Bonds, Series 2002A		Upper Landing Tax Increment Tax Increment Bonds, Series 2002B-1	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	210,000	86,932	25,000	78,638	31,000	74,750	--	340,000	--	843,100
2007	210,000	77,115	20,000	77,175	23,000	77,245	--	340,000	--	843,100
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			47,000	1,763	49,000	1,715	363,000	68,918	871,000	170,835
2029							832,000	28,288	2,005,000	70,175
Totals	<u>1,765,000</u>	<u>358,782</u>	<u>1,059,000</u>	<u>1,142,523</u>	<u>1,140,000</u>	<u>1,126,465</u>	<u>5,000,000</u>	<u>5,618,024</u>	<u>12,130,000</u>	<u>13,797,744</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2005

(Amounts in dollars)

Year	Upper Landing Tax Increment Tax Increment Bonds, Series 2002B-2		Drake Marble Tax Increment Bonds, Series 2002		Spruce Tree Tax Increment Refunding Bonds, Series 2003		Gateway Tax Increment Bonds Series 2003C		Gateway Tax Increment Bonds Series 2003D	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	--	138,000	--	117,788	158,857	104,051	--	143,496	--	121,606
2007	--	138,000	--	117,788	169,183	93,725	76,413	141,942	64,756	120,289
2008	38,000	136,689	--	117,788	180,180	82,728	42,575	138,729	36,081	117,566
2009	40,000	133,998	--	117,788	191,891	71,016	47,069	136,326	39,888	115,530
2010	43,000	131,134	--	117,788	204,364	58,544	51,835	133,673	43,928	113,282
2011	47,000	128,030	--	117,788	217,648	45,260	56,889	130,753	48,210	110,808
2012	50,000	124,683	--	117,788	231,795	31,113	62,246	127,552	52,751	108,095
2013	53,000	121,129	--	117,788	246,862	16,046	67,923	124,052	57,561	105,128
2014	57,000	117,335	--	117,788			73,939	120,234	62,660	101,893
2015	60,000	113,298	--	117,788			80,313	116,082	68,062	98,374
2016	64,000	109,020	--	117,788			87,065	111,573	73,783	94,553
2017	69,000	104,431	--	117,788			94,215	106,688	79,843	90,412
2018	73,000	99,533	--	117,788			101,788	101,403	86,261	85,935
2019	78,000	94,323	--	117,788			109,805	95,696	93,055	81,098
2020	84,000	88,734	--	117,788			118,294	89,542	100,248	75,882
2021	90,000	82,731	--	117,788			127,279	82,914	107,863	70,266
2022	96,000	76,314	--	117,788			136,789	75,785	115,922	64,224
2023	102,000	69,483	--	117,788			146,854	68,125	124,451	57,733
2024	109,000	62,203	--	117,788			157,504	59,904	133,476	50,766
2025	117,000	54,407	--	117,788			168,772	51,089	143,026	43,296
2026	125,000	46,057	--	117,788			180,693	41,644	153,129	35,292
2027	133,000	37,157	--	117,788			193,306	31,536	163,817	26,725
2028	143,000	27,635	1,745,000	58,894			206,645	20,723	175,121	17,562
2029	329,000	11,350					220,789	9,167	187,108	7,768
Totals	<u>2,000,000</u>	<u>2,245,674</u>	<u>1,745,000</u>	<u>2,650,230</u>	<u>1,600,780</u>	<u>502,483</u>	<u>2,609,000</u>	<u>2,258,628</u>	<u>2,211,000</u>	<u>1,914,083</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2005

(Amounts in dollars)

Year	Koch/Mobil Tax Increment Bonds Series 2004C		9th Street Lofts Tax Increment Bonds Series 2004		JJ Hill Tax Increment Bonds Series 2004		Neighborhood Scattered Site Tax Increment Bonds Series 2005		Snelling-University Tax Increment Bonds Series 2005C	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	--	88,875	11,000	85,106	--	228,750	495,000	357,478	350,000	232,142
2007	3,950,000	44,438	27,000	84,023	18,000	228,750	485,000	336,702	355,000	218,742
2008			32,000	82,174	40,000	227,063	480,000	314,761	370,000	203,780
2009			34,000	80,102	54,000	224,407	485,000	292,700	380,000	187,463
2010			36,000	77,902	69,000	220,750	510,000	269,762	395,000	169,923
2011			39,000	75,576	81,000	216,250	535,000	244,611	400,000	151,638
2012			41,000	73,058	94,000	211,001	565,000	217,854	420,000	132,568
2013			44,000	70,380	108,000	204,906	585,000	188,556	450,000	111,898
2014			47,000	67,543	124,000	197,906	620,000	157,858	470,000	89,583
2015			49,000	64,515	136,000	189,906	660,000	124,468	490,000	65,940
2016			53,000	61,327	144,000	181,281	690,000	88,835	515,000	40,615
2017			57,000	57,885	153,000	172,156	1,110,000	30,247	535,000	13,709
2018			61,000	54,188	163,000	162,438				
2019			63,000	50,267	173,000	152,094				
2020			69,000	47,175	184,000	141,094				
2021			73,000	41,693	195,000	129,438				
2022			77,000	36,975	209,000	117,031				
2023			82,000	32,003	221,000	103,782				
2024			87,000	26,679	236,000	89,751				
2025			93,000	21,038	250,000	74,782				
2026			99,000	15,014	266,000	58,906				
2027			106,000	8,606	283,000	42,032				
2028			55,000	1,753	301,000	24,063				
2029					158,000	4,938				
Totals	<u>3,950,000</u>	<u>133,313</u>	<u>1,335,000</u>	<u>1,214,982</u>	<u>3,660,000</u>	<u>3,603,475</u>	<u>7,220,000</u>	<u>2,623,832</u>	<u>5,130,000</u>	<u>1,618,001</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2005

(Amounts in dollars)

Year	CDBG Float Note		HUD Section 108 Note Series 1997-A		Downtown & 7th Place Redevelopment Project Subordinated Tax Increment Revenue Note		HUD Section 108 Note Series 2003-A		HUD Section 108 Note Series 2003-B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	410,000	--	580,000	37,468	4,627,441	509,019	--	171,470	--	80,000
2007	410,000	--					--	171,470	300,000	78,800
2008	410,000	--					--	171,470	300,000	74,000
2009							--	171,470	300,000	69,200
2010							--	171,470	300,000	64,400
2011							250,000	171,470	300,000	59,600
2012							250,000	160,370	300,000	54,800
2013							250,000	148,720	300,000	50,000
2014							250,000	136,645	300,000	45,200
2015							250,000	124,320	300,000	40,400
2016							250,000	111,645	300,000	35,600
2017							300,000	98,670	300,000	30,800
2018							300,000	82,800	300,000	26,000
2019							300,000	66,660	300,000	21,200
2020							300,000	50,280	300,000	16,400
2021							300,000	33,690	300,000	11,600
2022							300,000	16,920	200,000	6,000
2023										
2024										
2025										
2026										
2027										
2028										
2029										
Totals	<u>1,230,000</u>	<u>--</u>	<u>580,000</u>	<u>37,468</u>	<u>4,627,441</u>	<u>509,019</u>	<u>3,300,000</u>	<u>2,059,540</u>	<u>4,700,000</u>	<u>764,000</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2005

(Amounts in dollars)

Year	Parking Revenue Bonds Series 1997A		Block 39 Tax Increment Bonds Series 1998A		Block 39 Tax Increment Bonds Series 1998B		Parking Revenue Refunding Bonds Series 2001A		Parking Revenue Bonds Series 2002A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	490,000	582,863	--	1,004,650	1,300,000	882,130	335,000	237,440	--	751,485
2007	525,000	549,787	--	1,004,650	1,445,000	799,419	350,000	224,040	--	751,485
2008	560,000	514,350	--	1,004,650	1,570,000	707,823	365,000	209,690	--	751,485
2009	595,000	476,550	--	1,004,650	1,700,000	607,238	380,000	194,360	--	751,485
2010	635,000	436,388	--	1,004,650	1,885,000	495,631	395,000	178,020	--	751,485
2011	680,000	393,525	--	1,004,650	2,040,000	373,485	415,000	160,640	--	751,485
2012	725,000	347,625	--	1,004,650	2,210,000	238,973	430,000	141,965	--	751,485
2013	775,000	298,688	1,125,000	978,775	1,305,000	125,614	455,000	122,185	--	751,485
2014	825,000	246,375	1,630,000	915,206	980,000	51,922	475,000	100,800	--	751,485
2015	880,000	190,687	2,475,000	819,350	315,000	10,159	495,000	78,000	--	751,485
2016	940,000	131,288	2,930,000	691,600			520,000	53,250	545,000	751,485
2017	1,005,000	67,837	1,200,000	593,513			545,000	27,250	765,000	725,052
2018			1,255,000	535,206					805,000	687,185
2019			1,315,000	474,169					845,000	646,935
2020			1,380,000	410,163					890,000	602,572
2021			1,445,000	343,069					935,000	555,848
2022			1,515,000	272,769					985,000	506,760
2023			1,585,000	199,143					1,040,000	455,048
2024			1,660,000	122,075					1,090,000	400,448
2025			1,740,000	41,325					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
Totals	<u>8,635,000</u>	<u>4,235,963</u>	<u>21,255,000</u>	<u>13,428,913</u>	<u>14,750,000</u>	<u>4,292,394</u>	<u>5,160,000</u>	<u>1,727,640</u>	<u>14,295,000</u>	<u>13,908,157</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2005

(Amounts in dollars)

Year	Parking Revenue Bonds Series 2002B		Parking Revenue Bonds Series 2005A		Parking Revenue Bonds (Smith Avenue Transit Center), Series 2005		RiverCentre Exhibit Hall Parking Ramp Notes		Block 39 Municipal Parking Ramp Notes	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	--	259,295	800,000	219,062	--	619,200	60,000	65,700	--	25,000
2007	115,000	259,295	825,000	195,063	--	619,200	70,000	61,800	--	25,000
2008	380,000	253,430	845,000	170,313	120,000	619,200	70,000	57,600	--	25,000
2009	400,000	233,290	875,000	144,962	125,000	614,525	80,000	53,100	--	25,000
2010	420,000	211,010	895,000	118,713	130,000	609,675	80,000	48,600	--	25,000
2011	445,000	186,650	925,000	91,862	130,000	604,650	90,000	43,800	--	25,000
2012	475,000	159,950	955,000	64,113	15,475,000	299,813	90,000	38,700	--	25,000
2013	500,000	130,975	980,000	33,075			100,000	33,300	--	25,000
2014	645,000	98,475					100,000	27,300	--	25,000
2015	685,000	56,550					110,000	21,000	--	25,000
2016	185,000	12,025					120,000	14,400	--	25,000
2017							120,000	7,500	184,090	93,000
2018									192,606	84,484
2019									201,527	75,563
2020									210,872	66,218
2021									220,663	56,427
2022									230,920	46,170
2023									241,667	35,423
2024									252,928	24,162
2025									264,727	12,363
2026										
2027										
2028										
2029										
Totals	<u>4,250,000</u>	<u>1,860,945</u>	<u>7,100,000</u>	<u>1,037,163</u>	<u>15,980,000</u>	<u>3,986,263</u>	<u>1,090,000</u>	<u>472,800</u>	<u>2,000,000</u>	<u>768,810</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2005

(Amounts in dollars)

Year	Housing 5000 Land Assembly Bonds Series 2004		TOTAL BONDS AND NOTES		
	Principal	Interest	Principal	Interest	Total P&I
2006	9,305,000	1,091,500	24,133,298	14,685,712	38,819,010
2007	3,294,000	626,250	17,992,352	13,102,549	31,094,901
2008	2,694,000	461,550	14,668,836	12,298,635	26,967,471
2009	3,930,000	326,850	15,026,848	11,493,669	26,520,517
2010	--	130,350	10,490,127	10,702,151	21,192,278
2011	--	130,350	11,474,747	10,102,479	21,577,226
2012	--	130,350	27,618,792	9,140,066	36,758,858
2013	--	130,350	11,647,346	8,168,193	19,815,539
2014	--	130,350	10,855,599	7,502,294	18,357,893
2015	--	130,350	10,509,375	6,886,503	17,395,878
2016	--	130,350	11,106,848	6,269,168	17,376,016
2017	--	130,350	10,467,148	5,716,953	16,184,101
2018	--	130,350	7,558,655	5,140,518	12,699,173
2019	--	130,350	8,000,387	4,683,305	12,683,692
2020	--	130,350	8,477,414	4,195,899	12,673,313
2021	--	130,350	8,972,805	3,673,807	12,646,612
2022	--	130,350	9,405,631	3,119,578	12,525,209
2023	--	130,350	9,471,972	2,529,900	12,001,872
2024	2,607,000	130,350	8,182,908	1,924,722	10,107,630
2025			5,907,525	1,468,136	7,375,661
2026			4,156,822	1,165,144	5,321,966
2027			4,419,123	899,685	5,318,808
2028			5,790,766	558,058	6,348,824
2029			5,146,897	207,388	5,354,285
Totals	<u>21,830,000</u>	<u>4,461,400</u>	<u>261,482,221</u>	<u>145,634,512</u>	<u>407,116,733</u>

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

For the Fiscal Year Ended December 31, 2005

(Amounts in dollars)

	<u>Federal</u>	<u>State</u>	<u>City</u>	<u>Other</u>	<u>Totals 2005</u>
<u>HRA GENERAL FUND</u>					
Market Value Homestead Credit	--	54,331	--	--	54,331
Total HRA General Fund	<u>--</u>	<u>54,331</u>	<u>--</u>	<u>--</u>	<u>54,331</u>
<u>HRA FEDERAL & STATE PROGRAMS SPECIAL REVENUE FUND</u>					
HOME Investment Partnership Program	3,656,672	--	--	--	3,656,672
HUD American Dream Initiative Program	70,000	--	--	--	70,000
Community Development Block Grant Program - Ramsey County Administered	24,704	--	--	--	24,704
Minnesota Housing Finance Agency Programs	--	675,102	--	--	675,102
Livable Community Grant	--	--	--	5,000	5,000
Total HRA Federal & State Programs Special Revenue Fund	<u>3,751,376</u>	<u>675,102</u>	<u>--</u>	<u>5,000</u>	<u>4,431,478</u>
<u>HRA DEBT SERVICE FUND</u>					
Market Value Homestead Credit	--	219,164	--	--	219,164
Financing for Sales Tax Revenue Bonds	--	--	15,323,730	--	15,323,730
Financing for HUD Section 108 Note	--	--	135,849	--	135,849
Financing for Downtown Tax Increment Bonds	--	--	100,000	--	100,000
Total HRA Debt Service Fund	<u>--</u>	<u>219,164</u>	<u>15,559,579</u>	<u>--</u>	<u>15,778,743</u>
<u>HRA TAX INCREMENT CAPITAL PROJECTS FUND</u>					
Market Value Homestead Credit	--	57,717	--	--	57,717
Financing for Downtown Capital Projects	--	--	8,775	--	8,775
Total HRA Tax Increment Capital Projects Fund	<u>--</u>	<u>57,717</u>	<u>8,775</u>	<u>--</u>	<u>66,492</u>
<u>HRA LOAN ENTERPRISE FUND</u>					
Mortgage Foreclosure Prevention Program	--	88,500	--	--	88,500
Sales Tax Funds for Land Assembly Program	--	--	9,000,000	--	9,000,000
Developer Contribution for Lakewood Apartments	--	--	--	311,908	311,908
Total HRA Loan Enterprise Fund	<u>--</u>	<u>88,500</u>	<u>9,000,000</u>	<u>311,908</u>	<u>9,400,408</u>
<u>HRA PARKING ENTERPRISE FUND</u>					
Developer Contribution for Block 39 Tax Increment Bonds	--	--	--	625,000	625,000
Total HRA Parking Enterprise Fund	<u>--</u>	<u>--</u>	<u>--</u>	<u>625,000</u>	<u>625,000</u>
TOTAL INTERGOVERNMENTAL REVENUE AND OPERATING GRANTS	<u><u>3,751,376</u></u>	<u><u>1,094,814</u></u>	<u><u>24,568,354</u></u>	<u><u>941,908</u></u>	<u><u>30,356,452</u></u>

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

For the Fiscal Year Ended December 31, 2005

(Amounts in dollars)

	<u>City</u>	<u>County</u>	<u>Totals 2005</u>
<u>HRA GENERAL FUND</u>			
Financing for Citizen Participation Program	18,486	--	18,486
Total HRA General Fund	<u>18,486</u>	<u>--</u>	<u>18,486</u>
<u>HRA DEBT SERVICE FUND</u>			
Financing for City Sales Tax Revenue Bonds	2,382,274	--	2,382,274
Surplus Sales Tax Revenues for City STAR Program	8,603,939	--	8,603,939
Repayment of CDBG Float Note	410,000	--	410,000
Repayment of Downtown & 7th Place Redevelopment Project Subordinated Tax Increment Revenue Note	1,519,149	--	1,519,149
Excess Tax Increments	--	3,308,894	3,308,894
Total HRA Debt Service Fund	<u>12,915,362</u>	<u>3,308,894</u>	<u>16,224,256</u>
<u>HRA LOAN ENTERPRISE FUND</u>			
Financing for City Capital Projects	1,278,950	--	1,278,950
Total HRA Loan Enterprise Fund	<u>1,278,950</u>	<u>--</u>	<u>1,278,950</u>
<u>HRA PARKING ENTERPRISE FUND</u>			
Financing for City Capital Projects	197,488	--	197,488
Total HRA Loan Enterprise Fund	<u>197,488</u>	<u>--</u>	<u>197,488</u>
TOTAL INTERGOVERNMENTAL EXPENDITURES AND EXPENSES	<u><u>14,410,286</u></u>	<u><u>3,308,894</u></u>	<u><u>17,719,180</u></u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended December 31, 2005

(Amounts in dollars)

Grant Name:	Home Investment Partnership Program	HUD American Dream Initiative Program	Community Development Block Grant Program	
Federal Domestic Assistance Number:	14.239	14.239	14.218	
Fund Reported In:	HRA Federal & State Programs	HRA Federal & State Programs	HRA Federal & State Programs	
Federal Agency:	Housing and Urban Development	Housing and Urban Development	Housing and Urban Development	
Pass Through:	<u>Direct</u>	<u>Direct</u>	<u>Ramsey County</u>	<u>Total</u>
REVENUES				
Federal				
Direct	3,656,672	70,000		3,726,672
Pass Through Ramsey County	--		24,704	24,704
Program Income	<u>204,249</u>	<u> </u>	<u> </u>	<u>204,249</u>
Total Revenues	<u>3,860,921</u>	<u>70,000</u>	<u>24,704</u>	<u>3,955,625</u>
EXPENDITURES				
Current				
Housing and Economic Development	<u>3,860,921</u>	<u>70,000</u>	<u>24,704</u>	<u>3,955,625</u>
Total Expenditures	<u>3,860,921</u>	<u>70,000</u>	<u>24,704</u>	<u>3,955,625</u>
Excess of Revenues Over (Under) Expenditures	--	--	--	--
FUND BALANCE, Federal Awards				
January 1	<u> </u>	<u> </u>	<u> </u>	<u> </u>
December 31	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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STATISTICAL SECTION

GOVERNMENT-WIDE REVENUES
Last Four Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>PROGRAM REVENUES</u>				
Charges for Services / Loan Interest	\$14,762,541	\$14,680,494	\$14,115,305	\$19,924,169
Operating Grants and Contributions	24,187,261	20,004,890	34,333,456	30,092,652
Capital Grants	<u>4,977,888</u>	<u>615,884</u>	<u>1,780,421</u>	<u>900,000</u>
Total Program Revenues	<u>43,927,690</u>	<u>35,301,268</u>	<u>50,229,182</u>	<u>50,916,821</u>
<u>GENERAL REVENUES</u>				
HRA Property Tax	774,231	772,649	767,867	828,287
Property Tax Increments	11,682,139	13,752,005	12,944,863	13,599,516
Hotel-Motel Tax	220,000	220,000	220,000	220,000
State Market Value Homestead Credit	269,408	278,150	263,091	331,212
Investment Income	<u>4,450,795</u>	<u>1,595,724</u>	<u>1,778,862</u>	<u>3,009,107</u>
Total General Revenues	<u>17,396,573</u>	<u>16,618,528</u>	<u>15,974,683</u>	<u>17,988,122</u>
TOTAL GOVERNMENT-WIDE REVENUES	<u>\$61,324,263</u>	<u>\$51,919,796</u>	<u>\$66,203,865</u>	<u>\$68,904,943</u>

GOVERNMENT-WIDE EXPENSES BY FUNCTION
Last Four Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Housing and Economic Development	\$32,639,713	\$39,091,894	\$32,512,704	\$31,189,699
Interest on Governmental Long-Term Debt	<u>10,581,752</u>	<u>10,326,891</u>	<u>10,251,572</u>	<u>10,949,282</u>
Total Governmental Activities	<u>43,221,465</u>	<u>49,418,785</u>	<u>42,764,276</u>	<u>42,138,981</u>
<u>BUSINESS-TYPE ACTIVITIES</u>				
Development Loan Programs	4,404,208	6,163,748	11,820,912	8,450,161
Parking Operations	<u>9,389,968</u>	<u>8,431,480</u>	<u>11,104,139</u>	<u>10,739,279</u>
Total Business-Type Activities	<u>13,794,176</u>	<u>14,595,228</u>	<u>22,925,051</u>	<u>19,189,440</u>
TOTAL GOVERNMENT-WIDE EXPENSES	<u>\$57,015,641</u>	<u>\$64,014,013</u>	<u>\$65,689,327</u>	<u>\$61,328,421</u>

REVENUES AND OTHER FINANCING SOURCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Taxes										
HRA Levy	\$788,257	\$803,409	\$849,562	\$850,069	\$834,917	\$833,160	\$775,151	\$760,130	\$777,961	\$824,978
Property Tax Increments	7,453,271	9,598,677	10,465,719	12,198,460	15,423,517	18,803,401	9,947,611	11,704,833	13,123,174	12,653,773
Hotel-Motel Taxes	220,000	220,000	220,000	220,000	220,000	225,898	220,000	220,000	220,000	220,000
Intergovernmental Revenue										
City Sales Tax	9,573,932	9,300,928	10,326,798	10,348,528	14,788,531	13,367,868	12,935,786	13,799,719	13,697,037	14,154,920
All Other Intergovernmental	5,051,030	9,230,750	7,800,440	12,016,399	6,568,628	9,284,010	10,768,622	7,710,833	8,750,603	6,176,124
Fees, Sales and Services										
Revenue Bond Fees	745,180	1,132,540	1,517,801	1,382,980	1,040,659	1,318,029	1,408,071	1,460,800	1,147,570	1,557,327
Other Fees and Services	135,112	565,752	565,566	1,066,094	84,130	44,955	141,474	143,504	223,267	1,138,405
Sales of Land	9,731	82,015	159,139	30,011	258,576	241,059	1,216,999	69,505	396,895	7,313,086
Rentals of Property	609,348	512,280	779,909	1,935,317	5,114,046	4,652,448	1,381,332	1,444,869	467,825	489,649
Loan Repayments	57,741	150,825	385,440	529,658	515,826	491,739	379,062	482,042	583,092	546,152
Investment Income										
Interest Earned on Investments	4,312,504	2,884,664	7,061,152	4,116,235	3,031,400	3,212,202	2,045,620	1,771,660	1,333,482	1,941,746
Increase (Decrease) in Fair Value of Investments	--	167,418	187,070	(2,125,847)	1,224,506	650,332	718,789	(537,362)	(274,071)	(416,559)
Miscellaneous Revenue	4,042,365	2,427,653	131,841	65,538	812,955	127,763	266,920	--	260,000	117,412
Bonds and Notes Issued	58,150,437	53,851,899	63,473,914	2,000,000	28,638,671	20,542,883	25,494,000	12,460,000	9,034,981	12,645,000
Transfers From Other Funds	1,906,832	19,638,270	2,349,445	8,494,224	16,795,853	14,714,431	7,208,678	4,398,354	3,178,053	5,409,072
Sale of Fixed Assets	--	--	--	--	54,654,583	--	--	--	--	--
TOTAL	<u>\$93,055,740</u>	<u>\$110,567,080</u>	<u>\$106,273,796</u>	<u>\$53,127,666</u>	<u>\$150,006,798</u>	<u>\$88,510,178</u>	<u>\$74,908,115</u>	<u>\$55,888,887</u>	<u>\$52,919,869</u>	<u>\$64,771,085</u>

Note: Includes the General, Special Revenue, Debt Service and Capital Projects Fund Types.

EXPENDITURES AND OTHER USES BY FUNCTION - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Current - Housing and Economic Development	\$10,340,181	\$10,452,974	\$9,646,431	\$13,492,785	\$13,055,720	\$21,622,830	\$26,960,630	\$19,314,774	\$14,620,402	\$16,010,586
Intergovernmental	19,198,007	9,708,619	8,888,566	13,343,244	13,903,211	20,708,772	12,680,339	17,613,616	16,264,384	16,242,742
Capital Outlay	5,705,817	11,121,497	42,927,947	39,231,120	9,306,900	2,395,968	--	--	--	1,078,511
Debt Service	73,936,048	16,655,769	60,361,749	16,616,890	72,466,661	41,384,416	24,554,084	22,383,539	18,606,344	29,397,432
Transfers To Other Funds	716,116	3,671,055	2,042,541	8,457,665	16,711,267	14,325,126	6,084,236	6,204,474	6,100,748	4,963,745
TOTAL	<u>\$109,896,169</u>	<u>\$51,609,914</u>	<u>\$123,867,234</u>	<u>\$91,141,704</u>	<u>\$125,443,759</u>	<u>\$100,437,112</u>	<u>\$70,279,289</u>	<u>\$65,516,403</u>	<u>\$55,591,878</u>	<u>\$67,693,016</u>

Note: Includes the General, Special Revenue, Debt Service and Capital Projects Fund Types.

FUND EQUITIES - ALL FUNDS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
HRA General Fund	\$5,137,616	\$5,520,348	\$6,395,134	\$6,304,983	\$6,584,610	\$7,337,450	\$8,188,053	\$6,569,272	\$5,343,738	\$8,121,562
HRA Federal & State Programs Special Revenue Fund	--	--	--	--	--	57,762	130	11	--	--
HRA Debt Service Fund	22,377,009	44,016,059	31,435,331	27,687,002	31,586,760	35,542,256	31,721,625	27,067,655	25,623,128	19,525,037
Capital Projects Funds:										
HRA Tax Increment	--	56,696,140	50,808,644	16,633,086	37,016,740	20,323,708	21,671,336	18,316,690	18,314,753	18,713,089
HRA Downtown & 7th Place Redevelopment	5,910,891	--	--	--	--	--	--	--	--	--
New Housing and Blighted Lands Tax Increment	5,820,612	--	--	--	--	--	--	--	--	--
Neighborhood Development Tax Increment	6,386,981	--	--	--	--	--	--	--	--	--
Riverfront Development Tax Increment	1,642,272	--	--	--	--	--	--	--	--	--
Total Capital Projects Funds	19,760,756	56,696,140	50,808,644	16,633,086	37,016,740	20,323,708	21,671,336	18,316,690	18,314,753	18,713,089
Enterprise Funds:										
HRA Loan Enterprise	--	35,617,375	34,080,200	33,104,068	39,999,329	47,183,292	44,763,590	45,222,845	50,135,933	59,805,281
HRA Housing Loan	13,686,136	--	--	--	--	--	--	--	--	--
HRA Business Loan	38,704,952	--	--	--	--	--	--	--	--	--
HRA Parking Enterprise	--	--	--	--	--	--	14,557,855	16,716,015	21,656,769	22,021,607
Total Enterprise Funds	52,391,088	35,617,375	34,080,200	33,104,068	39,999,329	47,183,292	59,321,445	61,938,860	71,792,702	81,826,888
TOTAL - ALL FUNDS	\$99,666,469	\$141,849,922	\$122,719,309	\$83,729,139	\$115,187,439	\$110,444,468	\$120,902,589	\$113,892,488	\$121,074,321	\$128,186,576

SUMMARY OF HRA PROPERTY TAX

Last Ten Fiscal Years

LEVY/PAYABLE	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Total Tax Capacity (Real and Personal Property and Fiscal Disparity)	\$173,323,404	\$179,713,158	\$169,262,581	\$162,553,273	\$172,563,457	\$189,530,112	\$150,408,675	\$167,879,665	\$180,113,604	\$202,575,538
Estimated Market Value (Real and Personal Property and Fiscal Disparity)	7,418,519,500	7,573,546,000	7,954,086,450	8,488,585,500	9,169,403,301	11,065,165,900	13,046,883,300	15,532,144,700	17,562,535,900	19,629,226,000
Ratio of Tax Capacity to Estimated Market Value	.0234:1	.0237:1	.0213:1	.0191:1	.0188:1	.0171:1	.0115:1	.0108:1	.0103:1	.0103:1
Tax Capacity Rate	0.466%	0.466%	0.501%	0.509%	0.476%	0.433%	0.510%	0.497%	0.458%	0.440%
Tax Levy Certified	\$1,064,309	\$1,064,309	\$1,109,074	\$1,109,074	\$1,109,074	\$1,109,074	\$840,174	\$840,174	\$840,174	\$898,986
Tax Collection:										
Current Levy	\$601,585	\$595,636	\$631,098	\$625,070	\$614,420	\$622,097	\$526,934	\$584,041	\$594,122	\$661,061
Delinquent	\$2,536	\$13,988	\$14,461	\$10,231	\$9,923	\$8,184	\$13,691	\$5,816	\$11,901	\$3,559
Fiscal Disparities	\$184,136	\$193,785	\$204,003	\$214,768	\$210,574	\$202,879	\$234,526	\$170,273	\$171,938	\$160,358
Homestead and other State Credits and Aids	\$252,200	\$258,081	\$258,112	\$258,237	\$268,900	\$268,900	\$61,625	\$46,766	\$38,346	\$54,331
Total Collection	\$1,040,457	\$1,061,490	\$1,107,674	\$1,108,306	\$1,103,817	\$1,102,060	\$836,776	\$806,896	\$816,307	\$879,309
Percentage of Total Collection to Levy Certified	97.76%	99.74%	99.87%	99.93%	99.53%	99.37%	99.60%	96.04%	97.16%	97.81%
Delinquent Taxes Receivable at December 31	\$43,022	\$37,215	\$25,515	\$24,726	\$25,702	\$27,368	\$21,723	\$32,529	\$31,527	\$30,616

Note: Collections do not include tax increment districts.

HRA PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Tax Levy Certified:										
Due From Taxpayers	\$813,484	\$806,228	\$850,986	\$850,986	\$840,174	\$840,174	\$778,549	\$793,408	\$801,828	\$844,655
Homestead Credit and other State credits and aids	\$250,825	\$258,081	\$258,088	\$258,088	\$268,900	\$268,900	\$61,625	\$46,766	\$38,346	\$54,331
Total Tax Levy Certified	\$1,064,309	\$1,064,309	\$1,109,074	\$1,109,074	\$1,109,074	\$1,109,074	\$840,174	\$840,174	\$840,174	\$898,986
Collection of Current Year Tax Levy:										
From Taxpayers	\$785,721	\$789,421	\$835,101	\$839,838	\$824,994	\$824,976	\$761,460	\$754,314	\$766,060	\$821,419
Homestead Credit and other State credits and aids	\$252,200	\$258,081	\$258,112	\$258,237	\$268,900	\$268,900	\$61,625	\$46,766	\$38,346	\$54,331
Total Collection of Current Year Tax Levy	\$1,037,921	\$1,047,502	\$1,093,213	\$1,098,075	\$1,093,894	\$1,093,876	\$823,085	\$801,080	\$804,406	\$875,750
Percentage of Current Year Levy Collected:										
From Taxpayers	96.59	97.92	98.13	98.69	98.19	98.19	97.81	95.07	95.54	97.25
Homestead Credit and other State credits and aids	100.55	100.00	100.01	100.06	100.00	100.00	100.00	100.00	100.00	100.00
Total Percentage of Current Levy Collected	97.52	98.42	98.57	99.01	98.63	98.63	97.97	95.35	95.74	97.42
Collection of Prior Year's Taxes:										
From Taxpayers	\$2,536	\$13,988	\$14,461	\$10,231	\$9,923	\$8,184	\$13,691	\$5,816	\$11,901	\$3,559
Total Collection of Prior Year's Taxes	\$2,536	\$13,988	\$14,461	\$10,231	\$9,923	\$8,184	\$13,691	\$5,816	\$11,901	\$3,559
Total Collection-Current and Prior:										
From Taxpayers	\$788,257	\$803,409	\$849,562	\$850,069	\$834,917	\$833,160	\$775,151	\$760,130	\$777,961	\$824,978
Homestead Credit and other State credits and aids	\$252,200	\$258,081	\$258,112	\$258,237	\$268,900	\$268,900	\$61,625	\$46,766	\$38,346	\$54,331
Total Collections - Current and Prior	\$1,040,457	\$1,061,490	\$1,107,674	\$1,108,306	\$1,103,817	\$1,102,060	\$836,776	\$806,896	\$816,307	\$879,309
Percentage of Total collections to Tax Levy Certified	97.76	99.74	99.87	99.93	99.53	99.37	99.60	96.04	97.16	97.81
Delinquent Taxes Receivable at 12/31	\$43,022	\$37,215	\$25,515	\$24,726	\$25,702	\$27,368	\$21,723	\$32,529	\$31,527	\$30,616
Percentage of Delinquent Taxes Receivable to Current Year Tax Levy Certified	4.04	3.50	2.30	2.23	2.32	2.47	2.59	3.87	3.75	3.41

Note: Collections do not include tax increment districts.

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
PARK NURSERY TAX DISTRICT #081										
Administering Agency - HRA										
Type of district - Redevelopment										
Year established - 1977										
Duration of district - 25 years										
Original tax capacity before development										
Current tax capacity										
Captured tax capacity retained by the HRA										
Tax capacity rate										
Tax increment spread										
Tax increment collected:										
Current										
Delinquent										
Homestead credit										
Total tax increment collected										
Percentage of tax increment collected to tax increment spread										
Delinquent tax increment receivable at December 31										
Percentage of delinquent tax increment receivable to tax increment spread										
Percentage of captured tax capacity to Saint Paul total tax capacity										
DOWNTOWN AND SEVENTH PLACE DISTRICT #082										
Administering Agency - HRA										
Type of district - Redevelopment										
Year established - 1978 (amended 1982)										
Duration of district - 30 years										
Original tax capacity before development	\$3,605,512	\$3,601,020	\$3,138,135	\$2,440,473	\$2,423,285	\$2,391,644	\$1,408,540	\$1,408,110	\$1,196,348	\$1,398,118
Current tax capacity	\$6,890,482	\$7,085,607	\$7,572,611	\$7,822,704	\$9,189,140	\$9,636,400	\$5,888,150	\$5,982,307	\$6,177,277	\$5,361,926
Captured tax capacity retained by the HRA	\$3,284,968	\$3,484,587	\$4,434,476	\$5,382,231	\$6,765,855	\$7,244,756	\$4,479,610	\$4,574,197	\$4,980,929	\$3,963,808
Tax capacity rate	153.090%	150.802%	145.653%	152.191%	148.324%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	\$5,028,958	\$5,254,828	\$6,458,947	\$8,191,271	\$10,035,387	\$9,909,522	\$5,820,044	\$5,879,673	\$6,080,220	\$4,381,237
Tax increment collected:										
Current	\$4,557,886	\$5,152,959	\$6,092,394	\$7,863,179	\$9,031,026	\$10,075,108	\$5,192,117	\$5,216,007	\$5,892,981	\$4,211,968
Delinquent	(\$135,975)	\$104,058	\$90,160	\$179,977	(\$5,428)	\$64,787	(\$219,313)	\$27,223	(\$443,868)	(\$491,581)
Homestead credit	\$0	\$0	\$0	\$0	\$0	\$0	\$75,423	\$80,273	\$89,995	\$86,771
Total tax increment collected	\$4,421,911	\$5,257,017	\$6,182,554	\$8,043,156	\$9,025,598	\$10,139,895	\$5,048,227	\$5,323,503	\$5,539,108	\$3,807,158
Percentage of tax increment collected to tax increment spread	87.93	100.04	95.72	98.19	89.94	102.32	86.74	90.54	91.10	86.90
Delinquent tax increment receivable at December 31	\$455,371	\$277,510	\$311,022	\$519,826	\$744,392	\$984,165	\$1,016,038	\$927,264	\$732,938	\$348,564
Percentage of delinquent tax increment receivable to tax increment spread	9.05	5.28	4.82	6.35	7.42	9.93	17.46	15.77	12.05	7.96
Percentage of captured tax capacity to Saint Paul total tax capacity	1.80	1.84	2.46	3.08	3.62	3.48	2.74	2.51	2.53	1.80

Continued

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS

Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
ENERGY PARK DISTRICT #011										
Administering Agency - Port Authority										
Type of district - Redevelopment										
Year established - 1981										
Duration of district - 25 years										
Original tax capacity before development	\$545,032	\$581,033	\$503,551	\$439,414	\$412,564	\$353,991	\$179,258	\$410,141	\$418,027	\$428,955
Current tax capacity	\$3,420,157	\$3,395,795	\$3,013,696	\$2,821,415	\$3,122,082	\$3,385,230	\$2,508,012	\$2,757,905	\$2,871,835	\$2,922,666
Captured tax capacity retained by the Port	\$2,875,124	\$2,814,762	\$2,510,145	\$2,382,001	\$2,709,518	\$3,031,239	\$2,328,754	\$2,347,764	\$2,453,808	\$2,493,711
Tax capacity rate	153.090%	150.802%	145.653%	152.191%	148.324%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	\$4,401,527	\$4,244,716	\$3,656,101	\$3,625,191	\$4,018,865	\$4,146,189	\$3,025,587	\$3,017,816	\$2,995,363	\$2,756,324
Tax increment collected:										
Current	\$4,365,159	\$4,272,084	\$3,584,825	\$3,622,768	\$4,010,973	\$4,020,159	\$2,953,196	\$2,938,074	\$2,845,633	\$2,657,089
Delinquent	\$7,590	(\$27,672)	\$4,589	\$6,263	\$2,742	(\$16,414)	(\$57)	(\$42,445)	(\$98,367)	(\$33,777)
Homestead credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,631	\$25,579	\$25,135
Total tax increment collected	\$4,372,749	\$4,244,412	\$3,589,414	\$3,629,031	\$4,013,715	\$4,003,745	\$2,953,139	\$2,920,260	\$2,772,845	\$2,648,447
Percentage of tax increment collected to tax increment spread	99.35	99.99	98.18	100.11	99.87	96.56	97.61	96.77	92.57	96.09
Delinquent tax increment receivable at December 31	\$1,079,889	\$702,883	\$261,744	\$258,147	\$128,315	\$269,246	\$272,143	\$307,121	\$292,585	\$72,985
Percentage of delinquent tax increment receivable to tax increment spread	24.53	16.56	7.16	7.12	3.19	6.49	8.99	10.18	9.77	2.65
Percentage of captured tax capacity to Saint Paul total tax capacity	1.57	1.48	1.39	1.37	1.45	1.46	1.42	1.40	1.25	1.13
NEW HOUSING AND BLIGHTED LANDS DISTRICT #012 AND #173										
Administering Agency - HRA										
Type of district - Redevelopment & Housing										
Year established - 1981 (amended 1982, 1986)										
Duration of district - 25 years										
Original tax capacity before development	\$171,399	\$171,717	\$151,019	\$130,806	\$167,545	\$159,834	\$87,703	\$84,904	\$73,231	\$87,407
Current tax capacity	\$816,957	\$825,672	\$746,597	\$683,398	\$745,043	\$862,067	\$811,137	\$930,136	\$972,722	\$1,264,508
Captured tax capacity retained by the HRA	\$645,558	\$653,955	\$595,578	\$552,592	\$577,498	\$702,233	\$723,434	\$845,232	\$899,491	\$1,177,101
Tax capacity rate	153.090%	150.802%	145.653%	152.191%	148.324%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	\$989,610	\$988,751	\$872,336	\$845,297	\$858,992	\$962,110	\$943,131	\$1,091,996	\$1,100,492	\$1,305,417
Tax increment collected:										
Current	\$966,300	\$967,244	\$861,506	\$819,941	\$843,171	\$944,102	\$790,623	\$892,333	\$1,061,994	\$598,883
Delinquent	\$24,254	\$33,197	\$31,501	\$2,224	\$4,651	\$11,410	\$17,782	(\$33,807)	\$42,918	\$8,544
Homestead credit	\$0	\$0	\$0	\$0	\$0	\$0	\$110,750	\$118,485	\$121,508	\$117,902
Total tax increment collected	\$990,554	\$1,000,441	\$893,007	\$822,165	\$847,822	\$955,512	\$919,155	\$977,011	\$1,226,420	\$725,329
Percentage of tax increment collected to tax increment spread	100.10	101.18	102.37	97.26	98.70	99.31	97.46	89.47	111.44	55.56
Delinquent tax increment receivable at December 31	\$51,385	\$21,886	\$18,455	\$16,372	\$29,961	\$36,155	\$33,582	\$72,211	\$74,773	\$55,716
Percentage of delinquent tax increment receivable to tax increment spread	5.19	2.21	2.12	1.94	3.49	3.76	3.56	6.61	6.79	4.27
Percentage of captured tax capacity to Saint Paul total tax capacity	0.35	0.34	0.33	0.32	0.31	0.34	0.44	0.50	0.46	0.53

Continued

Unaudited

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
SAINT PAUL NEIGHBORHOOD BUSINESS DEVELOPMENT - HAMMOND BUILDING DISTRICT #028										
Administering Agency - HRA										
Type of district - Economic Development										
Year established - 1982										
Duration of district - 8 years										
Original tax capacity before development										
Current tax capacity										
Captured tax capacity retained by the HRA										
Tax capacity rate										
Tax increment spread										
Tax increment collected:										
Current										
Delinquent										
Homestead credit										
Total tax increment collected										
Percentage of tax increment collected to tax increment spread										
Delinquent tax increment receivable at December 31										
Percentage of delinquent tax increment receivable to tax increment spread										
Percentage of captured tax capacity to Saint Paul total tax capacity										
WEST MIDWAY (WALDORF) DISTRICT #055										
Administering Agency - HRA										
Type of district - Economic Development										
Year established - 1985										
Duration of district - 8 years										
Original tax capacity before development		NA								
Current tax capacity		NA								
Captured tax capacity retained by the HRA		NA								
Tax capacity rate		NA								
Tax increment spread		NA								
Tax increment collected:										
Current		\$0								
Delinquent		(\$775,748)								
Homestead credit		\$0								
Total tax increment collected		(\$775,748)								
Percentage of tax increment collected to tax increment spread		NA								
Delinquent tax increment receivable at December 31		NA								
Percentage of delinquent tax increment receivable to tax increment spread		NA								
Percentage of captured tax capacity to Saint Paul total tax capacity		NA								

Continued

Unaudited

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS

Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
SAINT PAUL NEIGHBORHOOD BUSINESS DEVELOPMENT - SPRUCE TREE CENTRE/METZ BAKERY AREA DISTRICT #083										
Administering Agency - HRA										
Type of district - Redevelopment										
Year established - 1987										
Duration of district - 25 years										
Original tax capacity before development	\$98,962	\$98,962	\$86,935	\$76,158	\$74,236	\$79,031	\$48,303	\$47,937	\$46,082	\$47,409
Current tax capacity	\$461,132	\$461,506	\$397,088	\$384,685	\$413,217	\$467,669	\$301,955	\$308,285	\$313,158	\$314,649
Captured tax capacity retained by the HRA	\$362,170	\$362,544	\$310,153	\$308,527	\$338,981	\$388,638	\$253,652	\$260,348	\$267,076	\$267,240
Tax capacity rate	153.090%	150.802%	145.653%	152.191%	148.324%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	\$554,446	\$546,724	\$451,747	\$469,550	\$502,790	\$531,587	\$329,552	\$334,651	\$326,020	\$295,383
Tax increment collected:										
Current	\$551,629	\$543,985	\$446,536	\$467,188	\$502,171	\$530,406	\$328,366	\$335,790	\$321,193	\$296,044
Delinquent	\$2,321	\$1,524	\$41	\$2,849	\$4,490	\$0	\$4,127	\$0	\$4,223	\$0
Developer Shortfall Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$124,908	\$115,300	\$115,300
Homestead credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total tax increment collected	\$553,950	\$545,509	\$446,577	\$470,037	\$506,661	\$530,406	\$332,493	\$460,698	\$440,716	\$411,344
Percentage of tax increment collected to tax increment spread	99.91	99.78	98.86	100.10	100.77	99.78	100.89	137.67	135.18	139.26
Delinquent tax increment receivable at December 31	\$4,130	\$4,032	\$10,728	\$10,243	\$6,372	\$9,616	\$6,674	\$1,546	(\$3,653)	\$2,555
Percentage of delinquent tax increment receivable to tax increment spread	0.74	0.74	2.37	2.18	1.27	1.81	2.03	0.46	(1.12)	0.86
Percentage of captured tax capacity to Saint Paul total tax capacity	0.20	0.19	0.17	0.18	0.18	0.19	0.15	0.14	0.14	0.12
RIVERFRONT DISTRICT #087										
Administering Agency - HRA										
Type of district - Redevelopment										
Year established - 1987										
Duration of district - 25 years										
Original tax capacity before development	\$688,185	\$697,931	\$555,266	\$492,734	\$436,831	\$431,081	\$148,023	\$148,470	\$136,376	\$156,102
Current tax capacity	\$1,173,192	\$1,187,382	\$991,069	\$918,815	\$1,009,801	\$1,230,305	\$655,070	\$688,251	\$737,417	\$847,763
Captured tax capacity retained by the HRA	\$485,007	\$489,451	\$435,803	\$426,081	\$572,970	\$799,224	\$507,047	\$539,781	\$601,041	\$691,661
Tax capacity rate	153.090%	150.802%	145.653%	152.191%	148.324%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	\$742,497	\$738,102	\$634,760	\$648,457	\$847,390	\$1,086,987	\$654,899	\$690,468	\$730,813	\$761,554
Tax increment collected:										
Current	\$762,340	\$722,301	\$638,421	\$643,431	\$846,320	\$1,079,136	\$505,652	\$807,510	\$704,369	\$743,233
Delinquent	(\$3,053)	(\$26,468)	\$2,678	(\$1,733)	\$1,728	\$0	\$0	\$4,391	\$1,094	\$10,620
Homestead credit	\$0	\$0	\$0	\$0	\$0	\$0	\$10,563	\$11,485	\$13,242	\$14,491
Total tax increment collected	\$759,287	\$695,833	\$641,099	\$641,698	\$848,048	\$1,079,136	\$516,215	\$823,386	\$718,705	\$768,344
Percentage of tax increment collected to tax increment spread	102.26	94.27	101.00	98.96	100.08	99.28	78.82	119.25	98.34	100.89
Delinquent tax increment receivable at December 31	\$55,764	\$3,432	\$1,448	\$5,959	\$4,167	\$12,019	\$18,636	\$14,945	\$24,505	\$8,921
Percentage of delinquent tax increment receivable to tax increment spread	7.51	0.46	0.23	0.92	0.49	1.11	2.85	2.16	3.35	1.17
Percentage of captured tax capacity to Saint Paul total tax capacity	0.27	0.26	0.24	0.24	0.31	0.38	0.31	0.32	0.31	0.31

Continued

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
UNIVERSITY AVENUE/HIGHWAY 280 DISTRICT #089										
Administering Agency - Port Authority										
Type of district - Redevelopment										
Year established - 1987										
Duration of district - 25 years										
Original tax capacity before development	\$194,733	\$194,733	\$173,183	\$151,542	\$153,652	\$147,369	\$84,399	\$84,399.00	\$76,141	\$84,585
Current tax capacity	\$869,473	\$1,015,174	\$949,150	\$896,421	\$1,003,452	\$1,145,902	\$676,711	\$740,739.00	\$753,061	\$812,700
Captured tax capacity retained by the Port	\$674,740	\$820,441	\$775,967	\$744,879	\$849,800	\$998,533	\$592,312	\$656,340.00	\$676,920	\$728,115
Tax capacity rate	153.090%	150.802%	145.653%	152.191%	148.324%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	\$1,032,959	\$1,237,243	\$1,130,219	\$1,133,639	\$1,259,561	\$1,363,942	\$772,147	\$846,205	\$828,997	\$807,976
Tax increment collected:										
Current	\$1,032,961	\$1,235,290	\$1,130,219	\$1,118,829	\$1,250,974	\$1,360,532	\$763,851	\$834,215	\$828,997	\$807,976
Delinquent	\$1,619	(\$1,900)	\$0	\$0	\$0	(\$6,741)	(\$9,605)	\$17,538	\$0	\$0
Homestead credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total tax increment collected	\$1,034,580	\$1,233,390	\$1,130,219	\$1,118,829	\$1,250,974	\$1,353,791	\$754,246	\$851,753	\$828,997	\$807,976
Percentage of tax increment collected to tax increment spread	100.16	99.69	100.00	98.69	99.32	99.26	97.68	100.66	100.00	100.00
Delinquent tax increment receivable at December 31	\$0	\$0	\$0	\$0	\$1,411	\$11,562	\$24,753	\$4,174	\$39,378	\$11,990
Percentage of delinquent tax increment receivable to tax increment spread	0.00	0.00	0.00	0.00	0.11	0.85	3.21	0.49	4.75	1.48
Percentage of captured tax capacity to Saint Paul total tax capacity	0.37	0.43	0.43	0.43	0.45	0.48	0.36	0.39	0.34	0.33
TWIN CITY TESTING - DISTRICT #125										
Administering Agency - Port Authority										
Type of district - Redevelopment										
Year established - 1989										
Duration of district - 25 years										
Original tax capacity before development	\$148,671	\$148,671	\$124,260	\$109,253	\$106,253	\$106,252	\$63,030	\$63,030	\$63,030	\$63,030
Current tax capacity	\$269,061	\$269,057	\$166,488	\$179,199	\$192,775	\$172,285	\$162,240	\$178,764	\$126,580	\$138,247
Captured tax capacity retained by the HRA	\$120,390	\$120,386	\$42,228	\$69,946	\$86,522	\$66,033	\$99,210	\$115,734	\$63,550	\$75,217
Tax capacity rate	106.600%	106.600%	106.600%	106.600%	106.600%	106.600%	106.600%	106.600%	106.600%	106.000%
Tax increment spread	\$128,336	\$128,331	\$45,015	\$74,562	\$92,232	\$70,391	\$105,758	\$123,372	\$67,744	\$80,181
Tax increment collected:										
Current	\$93,967	\$128,441	\$45,015	\$74,343	\$70,745	\$70,215	\$105,377	\$82,990	\$67,744	\$80,181
Delinquent	\$0	(\$34,259)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Homestead credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total tax increment collected	\$93,967	\$94,182	\$45,015	\$74,343	\$70,745	\$70,215	\$105,377	\$82,990	\$67,744	\$80,181
Percentage of tax increment collected to District tax increment spread	73.22	73.39	100.00	99.71	76.70	99.75	99.64	67.27	100.00	100.00
Delinquent tax increment receivable at December 31	\$0	\$0	\$0	\$219	\$335	\$511	(\$11,498)	(\$11,498)	(\$11,498)	\$219
Percentage of delinquent tax increment receivable to tax increment spread	0.00	0.00	0.00	0.29	0.36	0.73	(10.87)	(9.32)	(16.97)	0.27
Percentage of captured tax capacity to Saint Paul total tax capacity	0.07	0.06	0.02	0.04	0.05	0.03	0.06	0.07	0.03	0.03

Continued

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS

Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
SAINT PAUL NEIGHBORHOOD BUSINESS DEVELOPMENT - SCATTERED SITE DISTRICT #100										
Administering Agency - HRA										
Type of district - Redevelopment										
Year established - 1988										
Duration of district - 25 years										
Original tax capacity before development	\$1,884,061	\$1,884,892	\$1,594,137	\$1,397,882	\$1,320,037	\$1,253,030	\$786,463	\$775,178	\$743,512	\$734,955
Current tax capacity	\$1,954,465	\$1,953,570	\$1,832,986	\$1,823,960	\$1,915,943	\$2,060,379	\$1,356,235	\$1,548,055	\$1,722,826	\$1,970,773
Captured tax capacity retained by the HRA	\$138,298	\$68,678	\$238,849	\$426,078	\$595,906	\$807,349	\$569,772	\$772,877	\$979,314	\$1,235,818
Tax capacity rate	107.676%	107.676%	107.676%	107.676%	107.676%	107.676%	107.676%	107.676%	107.676%	107.676%
Tax increment spread	\$149,005	\$73,994	\$257,327	\$458,971	\$641,896	\$869,585	\$613,695	\$832,469	\$1,054,794	\$1,331,123
Tax increment collected:										
Current	\$143,181	\$69,915	\$243,966	\$446,957	\$621,705	\$842,573	\$564,525	\$797,329	\$1,019,413	\$1,249,990
Delinquent	(\$2,510)	\$3,912	\$4,590	(\$1,323)	\$26,978	\$51,326	\$3,692	\$32,546	\$7,071	(\$11,502)
Homestead credit	\$0	\$0	\$0	\$0	\$0	\$0	\$11,047	\$14,915	\$17,643	\$19,379
Total tax increment collected	\$140,671	\$73,827	\$248,556	\$445,634	\$648,683	\$893,899	\$579,264	\$844,790	\$1,044,127	\$1,257,867
Percentage of tax increment collected to tax increment spread	94.41	99.77	96.59	97.09	101.06	102.80	94.39	101.48	98.99	94.50
Delinquent tax increment receivable at December 31	\$4,399	\$3,683	\$7,391	\$17,993	\$10,537	\$26,549	(\$21,724)	(\$12,478)	(\$8,760)	(\$18,484)
Percentage of delinquent tax increment receivable to tax increment spread	2.95	4.98	2.87	3.92	1.64	3.05	(3.54)	(1.50)	(0.83)	(1.39)
Percentage of captured tax capacity to Saint Paul total tax capacity	0.08	0.04	0.13	0.24	0.32	0.39	0.35	0.47	0.50	0.56
SNELLING/UNIVERSITY DISTRICT #135 AND #135-1										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 1990										
Duration of District - 25 years										
Original tax capacity before development	\$985	\$985	\$856	\$749	\$729	\$727	\$428	\$381,883	\$381,133	\$428
Current tax capacity	\$716,191	\$1,238,898	\$1,659,975	\$1,566,511	\$1,728,188	\$1,872,376	\$1,127,176	\$1,548,335	\$1,594,315	\$1,288,187
Captured tax capacity retained by the HRA	\$881,008	\$1,237,913	\$1,659,119	\$1,565,762	\$1,727,459	\$1,871,649	\$1,126,748	\$1,166,452	\$1,213,182	\$1,287,759
Tax capacity rate	109.004%	109.004%	109.004%	109.004%	109.004%	109.004%	109.004%	109.004%	109.004%	109.004%
Tax increment spread	\$960,334	\$1,349,375	\$1,808,506	\$1,706,743	\$1,882,999	\$2,040,172	\$1,228,200	\$1,271,479	\$1,322,417	\$1,403,709
Tax increment collected:										
Current	\$926,597	\$1,180,792	\$1,289,420	\$1,706,743	\$1,897,759	\$2,035,072	\$1,061,059	\$1,295,134	\$1,306,824	\$1,171,370
Delinquent	\$17,128	\$38,538	\$204,843	(\$110,747)	\$3,477	\$43,107	(\$21,739)	\$22,843	(\$80,768)	(\$75,215)
Developer Shortfall Payments	\$324,954	\$712,536	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Homestead credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total tax increment collected	\$1,268,679	\$1,931,866	\$1,494,263	\$1,595,996	\$1,901,236	\$2,078,179	\$1,039,320	\$1,317,977	\$1,226,056	\$1,096,155
Percentage of tax increment collected to tax increment spread	132.11	143.17	82.62	93.51	100.97	101.86	84.62	103.66	92.71	78.09
Delinquent tax increment receivable at December 31	\$235,549	\$380,526	\$180,120	\$0	\$0	\$7,007	(\$22,843)	\$11,472	\$11,429	\$1,907
Percentage of delinquent tax increment receivable to tax increment spread	24.53	28.20	9.96	0.00	0.00	0.34	(1.86)	0.90	0.86	0.14
Percentage of captured tax capacity to Saint Paul total tax capacity	0.48	0.65	0.92	0.90	0.92	0.90	0.69	0.69	0.62	0.58

Continued

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS

Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1919 UNIVERSITY DISTRICT #194										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 1997										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	\$32,050	\$28,175	\$27,401	\$27,400	\$16,251	\$16,250	\$16,250	\$16,250
Current tax capacity	NA	NA	\$32,050	\$98,088	\$147,889	\$182,545	\$117,530	\$109,250	\$109,250	\$114,298
Captured tax capacity retained by the HRA	NA	NA	\$0	\$69,913	\$120,488	\$155,145	\$101,279	\$93,000	\$93,000	\$98,048
Tax capacity rate	NA	NA	145.653%	150.802%	148.324%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	\$0	\$105,430	\$178,713	\$212,210	\$131,585	\$119,542	\$113,525	\$108,373
Tax increment collected:										
Current	NA	NA	\$0	\$105,430	\$178,458	\$211,649	\$121,874	\$119,112	\$113,116	\$107,983
Delinquent	NA	NA	\$0	\$0	\$0	\$0	\$64	\$0	\$0	\$0
Homestead credit	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total tax increment collected	NA	NA	\$0	\$105,430	\$178,458	\$211,649	\$121,938	\$119,112	\$113,116	\$107,983
Percentage of tax increment collected to tax increment spread	NA	NA	NA	100.00	99.86	99.74	92.67	99.64	99.64	99.64
Delinquent tax increment receivable at December 31	NA	NA	NA	\$0	\$255	\$562	\$2,451	\$2,451	\$2,451	\$222
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	0.00	0.14	0.26	1.86	2.05	2.16	0.20
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	0.00	0.04	0.06	0.07	0.06	0.06	0.05	0.04
WILLIAMS HILL DISTRICT #198 AND #198-1										
Administering Agency - Port Authority										
Type of District - Redevelopment										
Year established - 1997										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	\$0	\$1,954	\$122,766	\$68,037	\$35,364	\$86,296	\$86,296	\$35,364
Current tax capacity	NA	NA	\$933	\$1,954	\$122,766	\$479,769	\$348,147	\$452,947	\$456,825	\$417,753
Captured tax capacity retained by the Port	NA	NA	\$933	\$0	\$0	\$411,732	\$312,783	\$366,651	\$370,529	\$382,389
Tax capacity rate	NA	NA	145.653%	150.802%	148.324%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	\$1,359	\$0	\$0	\$563,175	\$406,377	\$471,293	\$452,305	\$422,658
Tax increment collected:										
Current	NA	NA	\$1,359	\$0	\$0	\$561,767	\$404,914	\$406,737	\$447,628	\$422,658
Delinquent	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,059)	\$1,239
Homestead credit	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total tax increment collected	NA	NA	\$1,359	\$0	\$0	\$561,767	\$404,914	\$406,737	\$444,569	\$423,897
Percentage of tax increment collected to tax increment spread	NA	NA	100.00	NA	NA	99.75	99.64	86.30	98.29	100.29
Delinquent tax increment receivable at December 31	NA	NA	\$0	\$0	\$0	\$1,408	\$2,871	\$2,870	\$4,111	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	0.00	NA	NA	0.25	0.71	0.61	0.91	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	0.00	0.00	0.00	0.20	0.19	0.22	0.19	0.17

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Unaudited

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
SUPERIOR STREET COTTAGES DISTRICT #215										
Administering Agency - HRA										
Type of District - Housing										
Year established - 1998										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	\$6,491	\$6,231	\$6,230	\$4,673	\$3,894	\$3,245	\$3,245
Current tax capacity	NA	NA	NA	\$6,038	\$25,071	\$33,120	\$26,910	\$25,875	\$21,563	\$22,641
Captured tax capacity retained by the HRA	NA	NA	NA	\$0	\$18,840	\$26,890	\$22,237	\$21,981	\$18,318	\$19,396
Tax capacity rate	NA	NA	NA	145.653%	145.653%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	\$0	\$27,441	\$36,781	\$28,891	\$28,254	\$22,361	\$21,439
Tax increment collected:										
Current	NA	NA	NA	\$0	\$27,407	\$36,689	\$28,787	\$28,153	\$22,361	\$21,361
Delinquent	NA	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Homestead credit	NA	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total tax increment collected	NA	NA	NA	\$0	\$27,407	\$36,689	\$28,787	\$28,153	\$22,361	\$21,361
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	99.88	99.75	99.64	99.64	100.00	99.64
Delinquent tax increment receivable at December 31	NA	NA	NA	\$0	\$34	\$92	\$230	\$230	\$230	\$34
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	0.12	0.25	0.80	0.81	1.03	0.16
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	0.00	0.01	0.01	0.01	0.01	0.01	0.01
BLOCK 4 (MN MUTUAL) DISTRICT #212										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 1997										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	\$138,624	\$114,176	\$75,632	\$75,632	\$75,632	\$75,632
Current tax capacity	NA	NA	NA	NA	\$109,111	\$888,109	\$1,198,574	\$1,491,511	\$1,438,822	\$1,199,250
Captured tax capacity retained by the HRA	NA	NA	NA	NA	\$0	\$773,933	\$1,122,942	\$1,415,879	\$1,363,190	\$1,123,618
Tax capacity rate	NA	NA	NA	NA	148.324%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	\$0	\$1,058,601	\$1,458,960	\$1,819,971	\$1,664,046	\$1,241,946
Tax increment collected:										
Current	NA	NA	NA	NA	\$0	\$1,055,955	\$1,410,014	\$1,354,082	\$1,885,011	\$1,237,475
Delinquent	NA	NA	NA	NA	\$0	\$0	\$0	\$0	(\$646,117)	\$0
Homestead credit	NA	NA	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0
Total tax increment collected	NA	NA	NA	NA	\$0	\$1,055,955	\$1,410,014	\$1,354,082	\$1,238,894	\$1,237,475
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	99.75	96.65	74.40	74.45	99.64
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	\$0	\$2,646	\$7,899	\$7,899	\$7,899	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	0.25	0.54	0.43	0.47	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	0.00	0.37	0.69	0.86	0.69	0.51

Continued

Unaudited

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS

Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
BLOCK 39 (LAWSON/ARENA) DISTRICT #213										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 1997										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	\$302,243	\$302,242	\$199,250	\$199,250	\$199,250	\$219,658
Current tax capacity	NA	NA	NA	NA	\$302,243	\$1,587,665	\$1,115,992	\$1,060,154	\$1,007,108	\$856,360
Captured tax capacity retained by the HRA	NA	NA	NA	NA	\$0	\$1,285,423	\$916,742	\$860,904	\$807,858	\$636,702
Tax capacity rate	NA	NA	NA	NA	148.324%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	\$0	\$1,758,227	\$1,191,059	\$1,106,606	\$986,152	\$703,753
Tax increment collected:										
Current	NA	NA	NA	NA	\$0	\$1,753,832	\$1,186,771	\$1,102,623	\$982,602	\$687,328
Delinquent	NA	NA	NA	NA	\$0	\$0	\$8,683	\$0	\$0	\$3,136
Developer Shortfall Payments	NA	NA	NA	NA	\$1,368,859	\$0	\$0	\$100,640	\$237,104	\$681,886
Homestead credit	NA	NA	NA	NA	\$0	\$0	\$0	\$0	\$0	\$0
Total tax increment collected	NA	NA	NA	NA	\$1,368,859	\$1,753,832	\$1,195,454	\$1,203,263	\$1,219,706	\$1,372,350
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	99.75	100.37	108.73	123.68	195.00
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	\$0	\$4,396	\$8,683	\$8,683	\$8,683	\$11,819
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	0.25	0.73	0.78	0.88	1.68
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	0.00	0.62	0.56	0.53	0.41	0.29
HUBBARD SITE DISTRICT #193										
Administering Agency - HRA										
Type of District - Soils Condition										
Year established - 2000										
Duration of District - 20 years										
Original tax capacity before development	NA	NA	NA	NA	NA	\$65,609	\$38,859	\$38,858	\$38,858	\$38,858
Current tax capacity	NA	NA	NA	NA	NA	\$115,676	\$88,608	\$113,476	\$113,476	\$118,476
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	\$50,067	\$49,749	\$74,618	\$74,618	\$79,618
Tax capacity rate	NA	NA	NA	NA	NA	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	NA	\$68,422	\$64,746	\$96,099	\$91,276	\$88,191
Tax increment collected:										
Current	NA	NA	NA	NA	NA	\$68,251	\$64,513	\$95,753	\$90,948	\$87,874
Delinquent	NA	NA	NA	NA	NA	\$0	\$0	\$0	\$0	\$0
Homestead credit	NA	NA	NA	NA	NA	\$0	\$0	\$0	\$0	\$0
Total tax increment collected	NA	NA	NA	NA	NA	\$68,251	\$64,513	\$95,753	\$90,948	\$87,874
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	99.75	99.64	99.64	99.64	99.64
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	\$171	\$404	\$404	\$404	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	0.25	0.62	0.42	0.44	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	0.02	0.03	0.05	0.04	0.04

Continued

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS

Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
NORTH QUADRANT PHASE I DISTRICT #224										
Administering Agency - HRA										
Type of District - Housing										
Year established - 2000										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	\$12,827	\$9,458	\$8,430	\$8,430
Current tax capacity	NA	NA	NA	NA	NA	NA	\$21,752	\$181,383	\$215,432	\$226,382
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	\$8,925	\$171,925	\$207,002	\$217,952
Tax capacity rate	NA	NA	NA	NA	NA	NA	129.923%	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	\$11,596	\$220,992	\$252,687	\$240,905
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	\$10,929	\$210,909	\$242,189	\$235,803
Delinquent	NA	NA	NA	NA	NA	NA	\$0	\$475	\$87	\$7,288
Homestead credit	NA	NA	NA	NA	NA	NA	\$0	\$5,665	\$5,724	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	\$10,929	\$217,049	\$248,000	\$243,091
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	94.25	98.22	98.15	100.91
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	\$667	\$3,744	\$7,663	\$635
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	5.75	1.69	3.03	0.26
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	0.01	0.11	0.11	0.10
RIVERFRONT RENAISSANCE DISTRICT #225										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2002										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	\$128,361	\$193,235	\$193,292	\$194,438
Current tax capacity	NA	NA	NA	NA	NA	NA	\$120,464	\$374,136	\$1,098,814	\$1,714,610
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	\$0	\$180,901	\$905,522	\$1,520,172
Tax capacity rate	NA	NA	NA	NA	NA	NA	129.923%	128.540%	122.070%	109.818%
Tax increment spread	NA	NA	NA	NA	NA	NA	\$0	\$231,161	\$1,098,680	\$1,671,868
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	\$0	\$229,528	\$1,092,284	\$1,054,715
Delinquent	NA	NA	NA	NA	NA	NA	\$0	\$799	\$0	\$3,947
Homestead credit	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0	\$3,695
Total tax increment collected	NA	NA	NA	NA	NA	NA	\$0	\$230,327	\$1,092,284	\$1,062,357
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	99.64	99.42	63.54
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	\$0	(\$1,527)	\$2,434	\$7,452
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	(0.66)	0.22	0.45
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	0.00	0.11	0.46	0.69

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Unaudited

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
J. J. HILL DISTRICT										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2003										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	\$20,080	\$19,585	\$14,549
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	\$21,125	\$116,583	\$233,790
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	\$1,045	\$96,998	\$219,241
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	\$1,343	\$118,405	\$242,329
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	\$1,338	\$116,813	\$238,455
Delinquent	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	(\$49,833)
Homestead credit	NA	NA	NA	NA	NA	NA	NA	\$0	\$1,171	\$3,874
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	\$1,338	\$117,984	\$192,496
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	99.61	99.64	79.44
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	0.00	0.00	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	0.00	0.05	0.10
OSCEOLA PARK HOUSING DISTRICT										
Administering Agency - HRA										
Type of District - Housing										
Year established - 2003										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	\$390	\$390	\$390
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	\$480	\$1,241	\$82,500
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	\$90	\$851	\$82,110
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	\$116	\$1,039	\$90,757
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	\$115	\$1,035	\$90,430
Delinquent	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	\$115	\$1,035	\$90,430
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	99.41	99.62	99.64
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	0.00	0.00	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	0.00	0.00	0.04

Continued

Unaudited

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EMERALD PARK DISTRICT										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2003										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	\$63,590	\$53,697	\$48,976
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	\$92,621	\$75,392	\$522,839
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	\$29,031	\$21,695	\$473,863
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	\$37,316	\$26,483	\$523,766
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	\$37,125	\$24,936	\$504,464
Delinquent	NA	NA	NA	NA	NA	NA	NA	\$0	(\$2,162)	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	(\$7)	\$0	\$13,237
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	\$37,118	\$22,774	\$517,701
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	99.47	85.99	98.84
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$510
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	0.00	0.00	0.10
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	0.01	0.01	0.22
PHALEN VILLAGE DISTRICT										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2003										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	\$242,851	\$216,805	\$212,265
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	\$299,382	\$330,025	\$395,835
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	\$56,531	\$113,220	\$183,570
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	130.821%	123.203%	112.049%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	\$73,954	\$139,490	\$205,688
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	\$66,145	\$135,463	\$185,042
Delinquent	NA	NA	NA	NA	NA	NA	NA	\$0	\$7,483	\$2,396
Homestead credit	NA	NA	NA	NA	NA	NA	NA	\$505	\$896	\$8,341
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	\$66,650	\$143,842	\$195,779
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	90.12	103.12	95.18
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	\$8,487	\$2,404	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	11.48	1.72	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	0.03	0.06	0.08

Continued

Unaudited

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EMPIRE BUILDER DISTRICT #148 (Part of District 100 prior to 2001)										
Administering Agency - Port Authority										
Type of District - Redevelopment										
Year established - 2001										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	\$51,088	\$35,540	\$35,535	\$32,220	\$33,488
Current tax capacity	NA	NA	NA	NA	NA	\$170,246	\$111,416	\$128,069	\$138,690	\$157,969
Captured tax capacity retained by the Port	NA	NA	NA	NA	NA	\$119,158	\$75,876	\$92,534	\$106,470	\$124,481
Tax capacity rate	NA	NA	NA	NA	NA	107.676%	107.676%	107.676%	107.676%	107.676%
Tax increment spread	NA	NA	NA	NA	NA	\$128,305	\$81,700	\$99,637	\$114,643	\$134,036
Tax increment collected:										
Current	NA	NA	NA	NA	NA	\$125,539	\$78,071	\$94,563	\$107,833	\$128,164
Delinquent	NA	NA	NA	NA	NA	\$456	\$517	\$184	\$1,518	\$3,971
Homestead credit	NA	NA	NA	NA	NA	\$0	\$0	\$3,448	\$0	\$3,927
Total tax increment collected	NA	NA	NA	NA	NA	\$125,995	\$78,588	\$98,195	\$109,351	\$136,062
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	98.20	96.19	98.55	95.38	101.51
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	\$1,947	\$2,273	\$5,177	\$6,437	\$1,849
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	1.52	2.78	5.20	5.61	1.38
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	0.06	0.05	0.05	0.05	0.06
RIVERBEND DISTRICT #210										
Administering Agency - Port Authority										
Type of District - Redevelopment										
Year established - 2002										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Captured tax capacity retained by the Port	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Delinquent	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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Unaudited

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GREAT NORTHERN BUSINESS CENTER DISTRICT #222										
Administering Agency - Port Authority										
Type of District - Redevelopment										
Year established - 2002										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	\$3,994	\$0	\$13,840	\$13,840	\$13,090
Current tax capacity	NA	NA	NA	NA	NA	\$4,569	\$0	\$13,840	\$66,616	\$70,730
Captured tax capacity retained by the Port	NA	NA	NA	NA	NA	\$575	\$0	\$0	\$52,776	\$57,640
Tax capacity rate	NA	NA	NA	NA	NA	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	NA	\$786	\$0	\$0	\$64,424	\$63,710
Tax increment collected:										
Current	NA	NA	NA	NA	NA	\$0	\$0	\$0	\$64,424	\$63,710
Delinquent	NA	NA	NA	NA	NA	\$0	\$0	\$0	\$0	\$0
Homestead credit	NA	NA	NA	NA	NA	\$0	\$0	\$0	\$0	\$0
Total tax increment collected	NA	NA	NA	NA	NA	\$0	\$0	\$0	\$64,424	\$63,710
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	0.00	NA	NA	100.00	100.00
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	\$786	\$786	\$786	\$786	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	100.00	NA	NA	1.22	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	0.00	0.00	0.00	0.03	0.03
STRAUS BUILDING DISTRICT #232										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2003										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	\$9,760	\$9,760	\$6,693
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	\$21,250	\$22,650	\$49,930
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	\$11,490	\$12,890	\$43,237
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	\$14,769	\$15,735	\$47,790
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	\$14,716	\$15,678	\$47,618
Delinquent	NA	NA	NA	NA	NA	NA	NA	\$0	(\$2,077)	(\$2,354)
Homestead credit	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	\$14,716	\$13,601	\$45,264
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	99.64	86.44	94.71
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	0.00	0.00	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	0.01	0.01	0.02

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Unaudited

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS

Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
NORTH QUADRANT EXPANSION DISTRICT #233										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2003										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	\$0	\$108,146	(\$188,971)
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	\$0	\$108,146	\$225,755
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$414,726
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	128.540%	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$458,401
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$450,359
Delinquent	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$4,357
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$454,716
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	99.20
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	\$0	\$0	\$3,627
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.79
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	0.00	0.19
ENERGY LANE DISTRICT #238										
Administering Agency - Port Authority										
Type of District - Redevelopment										
Year established - 2004										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	NA	\$22,400	\$0
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	\$22,400	\$148,544
Captured tax capacity retained by the Port	NA	NA	NA	NA	NA	NA	NA	NA	\$0	\$148,544
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	NA	122.070%	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	\$0	\$164,187
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	NA	\$0	\$164,187
Delinquent	NA	NA	NA	NA	NA	NA	NA	NA	\$0	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	NA	\$0	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	NA	\$0	\$164,187
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	100.00
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	NA	\$0	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	0.00	0.07

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Unaudited

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
BRIDGECREEK SENIOR PLACE DISTRICT #240										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2004										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	NA	\$5,644	\$5,658
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	\$8,286	\$14,119
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	NA	\$2,642	\$8,461
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	NA	122.070%	112.049%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	\$3,225	\$9,480
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	NA	\$3,061	\$9,446
Delinquent	NA	NA	NA	NA	NA	NA	NA	NA	\$0	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	NA	\$183	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	NA	\$3,244	\$9,446
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	1.01	1.00
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	NA	\$0	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	0.00	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	0.00	0.00
NORTH QUADRANT EXPANSION DISTRICT #241										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2004										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$14,144
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$17,268
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$3,124
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$3,453
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$2,764
Delinquent	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$2,764
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	80.05
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$157
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	4.55
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00

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Unaudited

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
SHEPARD DAVERN HOUSING #1 DISTRICT #243										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2004										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$10,129
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$12,518
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$2,389
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$2,641
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$2,641
Delinquent	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$2,641
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	100
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00
SHEPARD DAVERN HOUSING #2 DISTRICT #244										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2004										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$38,347
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$28,159
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Delinquent	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00

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PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
SHEPARD DAVERN HOUSING #3 DISTRICT #245										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2004										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$10,535
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$12,115
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$1,580
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$1,746
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$1,746
Delinquent	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$1,746
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	100.00
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00
KOCH MOBIL DISTRICT #248										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2004										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$58,516
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$68,024
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$9,508
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$10,509
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$10,509
Delinquent	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$10,509
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	100.00
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00

Continued

PROPERTY TAX INCREMENTS - TAX INCREMENT DISTRICTS

Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
WESTMINSTER DISTRICT #249										
Administering Agency - HRA										
Type of District - Redevelopment										
Year established - 2004										
Duration of District - 25 years										
Original tax capacity before development	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Current tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Captured tax capacity retained by the HRA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Tax capacity rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	110.531%
Tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Tax increment collected:										
Current	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Delinquent	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Homestead credit	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Total tax increment collected	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Percentage of tax increment collected to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Delinquent tax increment receivable at December 31	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Percentage of delinquent tax increment receivable to tax increment spread	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Percentage of captured tax capacity to Saint Paul total tax capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
TOTAL - ALL TAX INCREMENT DISTRICTS										
Original tax capacity before development	\$7,337,540	\$7,379,944	\$6,359,392	\$5,275,631	\$5,692,397	\$5,561,735	\$3,352,904	\$4,412,971	\$4,237,620	\$3,870,673
Current tax capacity	\$16,571,110	\$17,432,661	\$17,362,643	\$17,203,188	\$20,026,721	\$24,294,312	\$16,636,079	\$19,068,276	\$20,620,510	\$21,631,284
Captured tax capacity retain by HRA/Port	\$9,467,263	\$10,052,717	\$11,003,251	\$11,928,010	\$14,363,837	\$18,732,577	\$13,291,072	\$14,655,305	\$16,382,890	\$17,770,799
Tax capacity rate	153.090%	150.802%	145.653%	152.191%	148.324%	136.782%	129.923%	128.540%	122.070%	110.531%
Tax increment spread	\$13,987,672	\$14,562,064	\$15,316,318	\$17,259,112	\$20,346,267	\$24,806,993	\$16,867,927	\$18,409,185	\$19,671,336	\$19,580,530
Tax increment collected:										
Current	\$13,400,020	\$14,273,011	\$14,333,661	\$16,868,809	\$19,280,709	\$24,770,985	\$15,570,639	\$16,960,281	\$19,394,530	\$17,571,466
Delinquent	(\$864,374)	\$90,930	\$338,402	\$77,510	\$38,638	\$147,931	(\$215,849)	\$29,747	(\$1,212,024)	(\$623,121)
Developer Shortfall Payments	\$324,954	\$712,536	\$0	\$0	\$1,368,859	\$0	\$0	\$225,548	\$352,404	\$797,186
Homestead credit	\$0	\$0	\$0	\$0	\$0	\$0	\$207,783	\$259,400	\$275,941	\$301,109
Total tax increment collected	\$12,860,600	\$15,076,477	\$14,672,063	\$16,946,319	\$20,688,206	\$24,918,916	\$15,562,573	\$17,474,976	\$18,810,851	\$18,046,640
Percentage of tax increment collected District to tax increment spread	91.94	103.53	95.79	98.19	101.68	100.45	92.26	94.93	95.63	92.17
Delinquent tax increment receivable at December 31	\$1,886,487	\$1,393,952	\$790,908	\$828,759	\$925,779	\$1,368,838	\$1,342,025	\$1,353,961	\$1,195,199	\$510,678
Percentage of delinquent tax increment receivable to tax increment spread	13.49	9.57	5.16	4.80	4.55	5.52	7.96	7.35	6.08	2.61
Percentage of captured tax capacity to Saint Paul total tax capacity	5.18	5.30	6.10	6.84	7.68	8.99	8.12	8.03	8.34	8.06

NOTES:

1. Years where tax data does not appear are prior to the establishment of the individual tax increment district.
2. Includes data from all Saint Paul tax increment districts with captured tax capacity including those administered by the Port Authority of the City of Saint Paul. Note 4.C. to the financial statements includes data from Housing and Redevelopment Authority administered tax increment districts.

City of Saint Paul, Minnesota
PROPERTY TAX RATES AND TAX LEVIES (Certified to County)
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year	City of Saint Paul	School District 625	Housing & Redevelopment Authority	Port Authority	Ramsey County	Special Districts	Total
TAX CAPACITY RATES (PER \$100 OF ADJUSTED TAX CAPACITY VALUE)							
1996	36.598	69.662	0.466	1.369	40.022	4.973	153.090
1997	34.374	69.219	0.444	1.309	40.200	5.256	150.802
1998	36.003	60.203	0.501	1.359	42.008	5.579	145.653
1999	37.517	63.926	0.509	1.426	42.879	5.934	152.191
2000	35.395	63.717	0.476	1.337	40.712	6.188	147.825
2001	32.115	57.529	0.433	1.210	38.466	7.029	136.782
2002	37.892	34.772	0.510	1.700	50.517	4.532	129.923
2003	36.982	33.283 (2)	0.497	1.506	50.086	6.186	128.540
2004	34.161	31.866 (2)	0.458	1.328	49.255	5.002	122.070
2005	30.207	28.192 (2)	0.440	1.112	45.689	4.891	110.531
TAX LEVIES (1)							
1996	\$83,847,115	\$128,067,840	\$1,064,309	\$2,668,158	\$75,674,955	\$9,145,642	\$300,468,019
1997	82,758,996	131,094,265	1,064,309	2,678,055	77,953,834	9,720,998	305,270,457
1998	82,416,015	114,384,121	1,109,074	2,645,107	162,516,474	12,770,986	375,841,777
1999	82,405,836	108,599,144	1,109,074	2,650,000	162,516,474	14,886,917	372,167,445
2000	83,202,989	112,350,891	1,109,074	2,650,000	165,546,024	14,000,263	378,859,241
2001	83,208,092	112,158,774	1,109,074	2,645,000	172,225,465	16,606,957	387,953,362
2002	62,393,263	53,799,194	840,174	2,640,000	180,723,664	10,953,106	311,349,401
2003	62,393,263	56,718,144 (2)	840,174	2,595,000	186,698,750	15,551,656	324,796,987
2004	62,545,263	58,237,244 (2)	840,174	2,443,000	197,811,166	11,034,681	332,911,528
2005	62,615,088	58,759,418 (2)	898,986	2,317,175	206,554,708	12,155,935	343,301,310

(1) 1996 - 2001 Tax Levies for City of Saint Paul and Housing & Redevelopment Authority included HACA Aid paid by the State of Minnesota. Beginning year 2002, HACA Aid was eliminated. Local Government Aid was increased to compensate for the elimination of HACA Aid.

(2) Voters approved an excess operating levy for School District 625 adding a market value based levy in addition to the tax capacity levy beginning year 2003. The 2003 market based tax rate and levy were 0.08778% and \$11,103,874. The 2004 rate and levy were 0.08894% and \$15,570,869. The 2005 market based tax rate and levy were 0.06741% and \$14,168,313.

Note: In addition to the above, the following tax rates and tax levies were applied against portions of Saint Paul.

Fiscal Year	Metropolitan Watershed District		Tax Increment Districts		
	Tax Rate	Tax Levies	Tax Rates		
			Without METRO W/S Dist	Including METRO W/S Dist	Tax Levies
1996	2.352	\$ 561,072	153.090	155.442	\$ 13,987,671
1997	2.036	537,902	150.802	152.838	14,562,064
1998	2.511	655,805	145.653	148.165	15,316,318
1999	2.321	637,535	152.191	154.513	17,259,113
2000	1.898	554,909	147.825	149.721	20,346,267
2001	1.759	535,548	135.881	137.635	24,806,994
2002	2.265	632,713	128.937	132.028	16,867,927
2003	3.066	839,172	128.540	130.821	18,409,185
2004	1.833	662,103	122.070	123.203	19,763,562
2005	2.182	748,734	110.531	112.049	19,580,532

unaudited

SCHEDULE OF REVENUE BOND COVERAGE
 Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	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	\$553,950	\$545,509	\$446,577	\$470,037	\$506,661	\$530,406	\$332,493	\$335,790	\$325,416	\$296,044	\$4,342,883
Developer Shortfall Payments	--	--	--	--	--	--	--	\$124,908	\$115,300	\$115,300	\$355,508
Investment Earnings	\$43,904	\$30,669	\$36,697	\$24,875	\$47,896	\$22,246	\$7,912	\$18,383	\$28,038	\$24,322	\$284,942
Total Revenues Available for Debt Service	\$597,854	\$576,178	\$483,274	\$494,912	\$554,557	\$552,652	\$340,405	\$479,081	\$468,754	\$435,666	\$4,983,333
Debt Service Requirements											
Principal	\$75,000	\$100,000	\$100,000	\$125,000	\$125,000	\$125,000	\$150,000	\$175,000	\$140,058	\$149,162	\$1,264,220
Interest	\$343,359	\$335,156	\$325,781	\$315,234	\$303,516	\$291,797	\$278,906	\$135,938	\$122,850	\$113,746	\$2,566,283
Total Debt Service Requirements	\$418,359	\$435,156	\$425,781	\$440,234	\$428,516	\$416,797	\$428,906	\$310,938	\$262,908	\$262,908	\$3,830,503
Coverage (Revenues / Debt Service)	1.43	1.32	1.14	1.12	1.29	1.33	0.79	1.54	1.78	1.66	1.30
NEW HOUSING AND BLIGHTED LANDS TAX INCREMENT BONDS, SERIES 1986 AND 1995											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$990,554	\$1,000,441	\$893,007	\$822,165	\$847,822	\$955,512	\$919,155	\$977,011	\$1,226,420	\$607,426	\$9,239,513
Investment Earnings	\$204,161	\$223,777	\$256,936	\$244,686	\$103,009	\$65,928	\$31,198	\$12,053	\$19,503	\$62,339	\$1,223,590
Total Revenues Available for Debt Service	\$1,194,715	\$1,224,218	\$1,149,943	\$1,066,851	\$950,831	\$1,021,440	\$950,353	\$989,064	\$1,245,923	\$669,765	\$10,463,103
Debt Service Requirements											
Principal	\$285,000	\$320,000	\$335,000	\$350,000	\$360,000	\$380,000	\$395,000	\$415,000	\$435,000	\$1,445,000	\$4,720,000
Interest	\$238,336	\$213,637	\$200,518	\$186,280	\$170,880	\$154,500	\$136,640	\$117,483	\$96,940	\$75,190	\$1,590,404
Total Debt Service Requirements	\$523,336	\$533,637	\$535,518	\$536,280	\$530,880	\$534,500	\$531,640	\$532,483	\$531,940	\$1,520,190	\$6,310,404
Coverage (Revenues / Debt Service)	2.28	2.29	2.15	1.99	1.79	1.91	1.79	1.86	2.34	0.44	1.66
MIDWAY MARKETPLACE TAX INCREMENT BONDS, SERIES 1995A / SNELLING-UNIVERSITY TAX INCREMENT BONDS, SERIES 2005C											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$943,724	\$1,219,330	\$1,494,263	\$1,595,996	\$1,775,208	\$2,078,179	\$1,039,320	\$1,317,977	\$1,226,056	\$1,096,155	\$13,786,208
Developer Shortfall Payments	\$324,955	\$712,536	--	--	--	--	--	--	--	--	\$1,037,491
Investment Earnings	--	--	\$39,766	\$6,070	\$204,936	\$194,935	\$341,690	\$200,156	\$207,669	\$178,567	\$1,373,789
Bond Proceeds - Capitalized Interest	\$398,249	\$110,388	--	--	--	--	--	--	--	--	\$508,637
Total Revenues Available for Debt Service	\$1,666,928	\$2,042,254	\$1,534,029	\$1,602,066	\$1,980,144	\$2,273,114	\$1,381,010	\$1,518,133	\$1,433,725	\$1,274,722	\$16,706,125
Debt Service Requirements											
Principal	\$440,000	\$415,000	\$470,000	\$150,000	\$160,000	\$175,000	\$190,000	\$200,000	\$220,000	\$235,000	\$2,655,000
Interest	\$603,575	\$573,351	\$540,800	\$517,593	\$505,733	\$492,791	\$478,553	\$463,095	\$446,240	\$392,424	\$5,014,155
Total Debt Service Requirements	\$1,043,575	\$988,351	\$1,010,800	\$667,593	\$665,733	\$667,791	\$668,553	\$663,095	\$666,240	\$627,424	\$7,669,155
Coverage (Revenues / Debt Service)	1.60	2.07	1.52	2.40	2.97	3.40	2.07	2.29	2.15	2.03	2.18

Continued

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Totals
SALES TAX REVENUE BONDS, SERIES 1993 AND 1996											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
City Sales Tax Revenues	\$9,573,933	\$9,797,300	\$10,542,813	\$10,829,384	\$13,007,632	\$13,432,179	\$13,344,192	\$13,312,004	\$13,753,085	\$14,154,920	\$121,747,442
RiverCentre Revenues	--	--	--	--	--	--	--	--	--	--	--
Investment Earnings	\$326,757	\$101,841	\$118,764	\$104,493	\$158,621	\$85,348	\$33,685	\$18,495	\$22,509	\$61,737	\$1,032,250
Total Revenues Available for Debt Service	\$9,900,690	\$9,899,141	\$10,661,577	\$10,933,877	\$13,166,253	\$13,517,527	\$13,377,877	\$13,330,499	\$13,775,594	\$14,216,657	\$122,779,692
Debt Service Requirements											
Principal	\$2,490,000	\$705,000	\$755,000	\$810,000	\$865,000	\$925,000	\$995,000	\$1,065,000	\$1,140,000	\$1,220,000	\$10,970,000
Interest	\$2,005,243	\$3,789,625	\$3,739,570	\$3,685,965	\$3,628,455	\$3,567,040	\$3,501,365	\$3,430,720	\$3,355,105	\$3,274,165	\$33,977,253
Total Debt Service Requirements	\$4,495,243	\$4,494,625	\$4,494,570	\$4,495,965	\$4,493,455	\$4,492,040	\$4,496,365	\$4,495,720	\$4,495,105	\$4,494,165	\$44,947,253
Coverage (Revenues / Debt Service)	2.20	2.20	2.37	2.43	2.93	3.01	2.98	2.97	3.06	3.16	2.73

DOWNTOWN TAX INCREMENT BONDS, SERIES 1993 AND 1998

Fund Servicing Debt - HRA Debt Service Fund

Revenues Available for Debt Service											
Tax Increments	\$4,421,911	\$5,257,817	\$6,182,554	\$8,043,156	\$9,025,598	\$10,139,895	\$5,048,227	\$5,323,503	\$5,539,108	\$3,807,158	\$62,788,927
Hotel-Motel Taxes	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$225,898	\$220,000	\$220,000	\$220,000	\$220,000	\$2,205,898
RiverCentre Revenues	\$660,000	\$660,000	\$660,000	\$660,000	\$660,000	--	\$125,000	\$100,000	\$100,000	\$220,000	\$3,845,000
Loan Repayments	\$273,601	\$273,601	--	--	--	--	--	--	--	\$273,047	\$820,249
Investment Earnings	\$701,013	\$710,176	\$245,130	\$100,592	\$151,020	\$181,171	\$291,471	\$74,065	\$82,602	\$60,326	\$2,597,566
Total Revenues Available for Debt Service	\$6,276,525	\$7,121,594	\$7,307,684	\$9,023,748	\$10,056,618	\$10,546,964	\$5,684,698	\$5,717,568	\$5,941,710	\$4,580,531	\$72,257,640
Debt Service Requirements											
Principal	\$3,030,000	\$3,145,000	\$880,000	\$1,850,000	\$1,945,000	\$2,060,000	\$2,180,000	\$2,235,000	\$2,275,000	\$2,285,000	\$21,885,000
Interest	\$2,578,813	\$2,463,673	\$747,377	\$1,394,470	\$1,294,498	\$1,184,996	\$1,064,791	\$933,871	\$797,635	\$657,314	\$13,117,438
Total Debt Service Requirements	\$5,608,813	\$5,608,673	\$1,627,377	\$3,244,470	\$3,239,498	\$3,244,996	\$3,244,791	\$3,168,871	\$3,072,635	\$2,942,314	\$35,002,438
Coverage (Revenues / Debt Service)	1.12	1.27	4.49	2.78	3.10	3.25	1.75	1.80	1.93	1.56	2.06

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	\$2,245,000
Investment Earnings	--	--	--	--	\$92,538	\$128,124	\$36,339	\$43,200	\$43,229	\$40,630	\$384,060
Total Revenues Available for Debt Service	--	--	--	--	\$292,538	\$528,124	\$436,339	\$458,200	\$458,229	\$455,630	\$2,629,060
Debt Service Requirements											
Principal	--	--	--	--	--	\$170,000	\$50,000	\$50,000	\$50,000	\$50,000	\$370,000
Interest	--	--	--	--	\$211,925	\$419,706	\$414,250	\$411,600	\$408,900	\$406,150	\$2,272,531
Total Debt Service Requirements	--	--	--	--	\$211,925	\$589,706	\$464,250	\$461,600	\$458,900	\$456,150	\$2,642,531
Coverage (Revenues / Debt Service)	--	--	--	--	1.38	0.90	0.94	0.99	1.00	1.00	0.99

Continued

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE

Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Totals
RIVERFRONT TAX INCREMENT BONDS, SERIES 1993C, 1993D, 2000D, AND 2002C											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$759,288	\$695,833	\$641,099	\$641,698	\$848,048	\$1,079,136	\$516,215	\$823,386	\$718,705	\$768,344	\$7,491,752
Tax Increment Pooling from Other Districts	--	--	--	--	\$201,843	\$304,808	\$396,916	\$364,000	\$610,335	\$571,150	\$2,449,052
Loan Repayments and Sales Proceeds	\$909,047	\$454,524	--	\$201,976	--	--	--	--	--	--	\$1,565,547
Transfer from Capital Projects Fund	--	--	--	--	--	--	--	--	\$309,845	\$2,798	\$312,643
Investment Earnings	\$50,066	\$62,219	\$25,221	(\$455)	\$114,825	(\$23,104)	(\$21,324)	(\$22,326)	(\$4,281)	\$161	\$181,002
Total Revenues Available for Debt Service	\$1,718,401	\$1,212,576	\$666,320	\$843,219	\$1,164,716	\$1,360,840	\$891,807	\$1,165,060	\$1,634,604	\$1,342,453	\$11,999,996
Debt Service Requirements											
Principal	\$500,000	\$525,000	\$550,000	\$575,000	\$625,000	\$650,000	\$635,000	\$790,000	\$845,000	\$865,000	\$6,560,000
Interest	\$810,438	\$788,013	\$763,187	\$735,888	\$705,300	\$732,392	\$544,930	\$467,266	\$432,982	\$395,347	\$6,375,743
Total Debt Service Requirements	\$1,310,438	\$1,313,013	\$1,313,187	\$1,310,888	\$1,330,300	\$1,382,392	\$1,179,930	\$1,257,266	\$1,277,982	\$1,260,347	\$12,935,743
Coverage (Revenues / Debt Service)	1.31	0.92	0.51	0.64	0.88	0.98	0.76	0.93	1.28	1.07	0.93
US BANK TAX INCREMENT BONDS, SERIES 2001											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	--	--	--	--	--	--	--	--	\$347,905	\$879,169	\$1,227,074
Investment Earnings	--	--	--	--	--	\$47,154	\$133,570	\$145,265	\$67,457	\$16,281	\$409,727
Bond Proceeds - Capitalized Interest	--	--	--	--	--	\$2,641,606	--	--	--	--	\$2,641,606
Total Revenues Available for Debt Service	--	--	--	--	--	\$2,688,760	\$133,570	\$145,265	\$415,362	\$895,450	\$4,278,407
Debt Service Requirements											
Principal	--	--	--	--	--	--	--	--	--	\$125,000	\$125,000
Interest	--	--	--	--	--	--	\$726,935	\$754,169	\$754,169	\$754,169	\$2,989,442
Total Debt Service Requirements	--	--	--	--	--	--	\$726,935	\$754,169	\$754,169	\$879,169	\$3,114,442
Coverage (Revenues / Debt Service)	--	--	--	--	--	--	0.18	0.19	0.55	1.02	1.37
NORTH QUADRANT TAX INCREMENT BONDS, SERIES 2000 AND 2002											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	--	--	--	--	--	--	\$10,929	\$217,049	\$92,007	\$213,655	\$533,640
Bond Proceeds - Capitalized Interest	--	--	--	--	--	--	--	\$125,000	--	--	\$125,000
Investment Earnings	--	--	--	--	--	\$60,219	\$68,320	\$5,889	\$5	\$132	\$134,565
Total Revenues Available for Debt Service	--	--	--	--	--	\$60,219	\$79,249	\$347,938	\$92,012	\$213,787	\$793,205
Debt Service Requirements											
Principal	--	--	--	--	--	--	--	\$5,000	\$8,000	\$17,000	\$30,000
Interest	--	--	--	--	--	\$60,219	\$79,249	\$172,337	\$120,900	\$149,372	\$582,077
Total Debt Service Requirements	--	--	--	--	--	\$60,219	\$79,249	\$177,337	\$128,900	\$166,372	\$612,077
Coverage (Revenues / Debt Service)	--	--	--	--	--	1.00	1.00	1.96	0.71	1.28	1.30

Continued
Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
 Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Totals
UPPER LANDING TAX INCREMENT BONDS, SERIES 2002A, 2002B, AND 2002C											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	--	--	--	--	--	--	--	--	--	\$201,311	\$201,311
Bond Proceeds - Capitalized Interest	--	--	--	--	--	--	\$4,537,870	--	--	--	\$4,537,870
Investment Earnings	--	--	--	--	--	--	\$322	\$298,905	\$341,621	\$126,908	\$767,756
Total Revenues Available for Debt Service	--	--	--	--	--	--	\$4,538,192	\$298,905	\$341,621	\$328,219	\$5,506,937
Debt Service Requirements											
Principal	--	--	--	--	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--	\$1,130,274	\$1,321,100	\$1,321,100	\$3,772,474
Total Debt Service Requirements	--	--	--	--	--	--	--	\$1,130,274	\$1,321,100	\$1,321,100	\$3,772,474
Coverage (Revenues / Debt Service)	--	--	--	--	--	--	--	0.26	0.26	0.25	1.46
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	\$357,152
Investment Earnings	--	--	--	--	--	--	\$36,461	\$65,712	\$172	\$721	\$103,066
Total Revenues Available for Debt Service	--	--	--	--	--	--	\$36,461	\$132,462	\$137,666	\$153,629	\$460,218
Debt Service Requirements											
Principal	--	--	--	--	--	--	--	--	--	\$55,000	\$55,000
Interest	--	--	--	--	--	--	--	\$95,175	\$121,500	\$121,500	\$338,175
Total Debt Service Requirements	--	--	--	--	--	--	--	\$95,175	\$121,500	\$176,500	\$393,175
Coverage (Revenues / Debt Service)	--	--	--	--	--	--	--	1.39	1.13	0.87	1.17
GATEWAY TAX INCREMENT BONDS, SERIES 2003C AND 2003D											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	--	--	--	--	--	--	--	--	--	--	--
Bond Proceeds - Capitalized Interest	--	--	--	--	--	--	--	\$711,619	--	--	\$711,619
Investment Earnings	--	--	--	--	--	--	--	--	--	\$3,106	\$3,106
Total Revenues Available for Debt Service	--	--	--	--	--	--	--	\$711,619	--	\$3,106	\$714,725
Debt Service Requirements											
Principal	--	--	--	--	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--	--	\$214,289	\$321,902	\$536,191
Total Debt Service Requirements	--	--	--	--	--	--	--	--	\$214,289	\$321,902	\$536,191
Coverage (Revenues / Debt Service)	--	--	--	--	--	--	--	--	--	0.01	1.33

Continued

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Totals
KOCH/MOBIL TAX INCREMENT BONDS, SERIES 2004C											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	--	--	--	--	--	--	--	--	--	--	--
Bond Proceeds - Capitalized Interest	--	--	--	--	--	--	--	--	\$266,625	--	\$266,625
Investment Earnings	--	--	--	--	--	--	--	--	--	\$1,601	\$1,601
Total Revenues Available for Debt Service	--	--	--	--	--	--	--	--	\$266,625	\$1,601	\$268,226
Debt Service Requirements											
Principal	--	--	--	--	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--	--	\$44,437	\$88,875	\$133,312
Total Debt Service Requirements	--	--	--	--	--	--	--	--	\$44,437	\$88,875	\$133,312
Coverage (Revenues / Debt Service)	--	--	--	--	--	--	--	--	6.00	0.02	2.01
9TH STREET LOFTS TAX INCREMENT BONDS, SERIES 2004											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	--	--	--	--	--	--	--	--	--	--	--
Bond Proceeds - Capitalized Interest	--	--	--	--	--	--	--	--	\$156,300	--	\$156,300
Investment Earnings	--	--	--	--	--	--	--	--	\$8	\$610	\$618
Total Revenues Available for Debt Service	--	--	--	--	--	--	--	--	\$156,308	\$610	\$156,918
Debt Service Requirements											
Principal	--	--	--	--	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--	--	\$28,605	\$85,106	\$113,711
Total Debt Service Requirements	--	--	--	--	--	--	--	--	\$28,605	\$85,106	\$113,711
Coverage (Revenues / Debt Service)	--	--	--	--	--	--	--	--	5.46	0.01	1.38
JJ HILL TAX INCREMENT BONDS, SERIES 2004											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	--	--	--	--	--	--	--	--	--	\$259,004	\$259,004
Bond Proceeds - Capitalized Interest	--	--	--	--	--	--	--	--	\$403,765	--	\$403,765
Investment Earnings	--	--	--	--	--	--	--	--	\$444	\$1,278	\$1,722
Total Revenues Available for Debt Service	--	--	--	--	--	--	--	--	\$404,209	\$260,282	\$664,491
Debt Service Requirements											
Principal	--	--	--	--	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--	--	--	\$172,198	\$172,198
Total Debt Service Requirements	--	--	--	--	--	--	--	--	--	\$172,198	\$172,198
Coverage (Revenues / Debt Service)	--	--	--	--	--	--	--	--	--	1.51	3.86

Continued

SCHEDULE OF REVENUE BOND COVERAGE
 Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	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	\$1,061,105
Bond Proceeds - Capitalized Interest	--	--	--	--	--	--	--	--	--	\$751,500	\$751,500
Investment Earnings	--	--	--	--	--	--	--	--	--	\$19,750	\$19,750
Total Revenues Available for Debt Service	--	--	--	--	--	--	--	--	--	\$1,832,355	\$1,832,355
Debt Service Requirements											
Principal	--	--	--	--	--	--	--	--	--	\$295,000	\$295,000
Interest	--	--	--	--	--	--	--	--	--	\$128,259	\$128,259
Total Debt Service Requirements	--	--	--	--	--	--	--	--	--	\$423,259	\$423,259
Coverage (Revenues / Debt Service)	--	--	--	--	--	--	--	--	--	4.33	4.33
HOUSING 5000 LAND ASSEMBLY BONDS, SERIES 2004											
Fund Servicing Debt - HRA Loan Enterprise Fund											
Revenues Available for Debt Service											
Land Sales	--	--	--	--	--	--	--	--	--	\$3,779,663	\$3,779,663
Bond Proceeds - Capitalized Interest	--	--	--	--	--	--	--	--	\$2,387,200	--	\$2,387,200
Investment Earnings	--	--	--	--	--	--	--	--	\$120,529	\$641,722	\$762,251
Total Revenues Available for Debt Service	--	--	--	--	--	--	--	--	\$2,507,729	\$4,421,385	\$6,929,114
Debt Service Requirements											
Principal	--	--	--	--	--	--	--	--	--	\$3,170,000	\$3,170,000
Interest	--	--	--	--	--	--	--	--	\$357,759	\$764,656	\$1,122,415
Total Debt Service Requirements	--	--	--	--	--	--	--	--	\$357,759	\$3,934,656	\$4,292,415
Coverage (Revenues / Debt Service)	--	--	--	--	--	--	--	--	7.01	1.12	1.61
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	\$2,004,620	\$2,372,788	\$3,061,028	\$3,448,732	\$3,473,247	\$3,462,193	\$3,168,812	\$2,293,082	\$2,807,196	\$2,931,998	\$29,023,696
Parking Meter & Parking Fine Revenues	\$1,816,000	\$1,816,000	\$1,816,000	\$1,816,000	\$1,989,400	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$19,253,400
Bond Proceeds - Capitalized Interest	--	--	--	--	--	--	\$210,579	\$1,010,780	\$124,361	\$67,517	\$1,413,237
Total Revenues Available for Debt Service	\$3,820,620	\$4,188,788	\$4,877,028	\$5,264,732	\$5,462,647	\$5,462,193	\$5,379,391	\$5,303,862	\$4,931,557	\$4,999,515	\$49,690,333
Debt Service Requirements											
Principal	\$215,000	\$410,000	\$635,000	\$670,000	\$710,000	\$925,000	\$875,000	\$910,000	\$955,000	\$1,015,000	\$7,320,000
Interest	\$960,498	\$908,950	\$885,184	\$832,494	\$866,879	\$766,316	\$1,014,904	\$1,774,840	\$1,732,700	\$1,496,125	\$11,238,890
Total Debt Service Requirements	\$1,175,498	\$1,318,950	\$1,520,184	\$1,502,494	\$1,576,879	\$1,691,316	\$1,889,904	\$2,684,840	\$2,687,700	\$2,511,125	\$18,558,890
Coverage (Revenues / Debt Service)	3.25	3.18	3.21	3.50	3.46	3.23	2.85	1.98	1.83	1.99	2.68

SCHEDULE OF REVENUE BOND COVERAGE

Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	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	\$7,941,882
Investment Earnings	--	--	\$12,371	\$11,405	\$18,348	\$7,718	\$592	\$8,768	(\$3,235)	\$6,474	\$62,441
Bond Proceeds - Capitalized Interest	--	--	\$407,905	--	\$128,993	--	--	--	--	--	\$536,898
Total Revenues Available for Debt Service	--	--	\$885,296	\$1,068,058	\$1,077,842	\$1,070,406	\$1,075,328	\$1,205,668	\$1,072,101	\$1,086,522	\$8,541,221
Debt Service Requirements											
Principal	--	--	--	\$310,000	\$330,000	\$355,000	\$380,000	\$405,000	\$430,000	\$460,000	\$2,670,000
Interest	--	--	\$801,237	\$763,093	\$742,163	\$719,887	\$695,925	\$670,275	\$642,938	\$606,629	\$5,642,147
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	\$8,312,147
Coverage (Revenues / Debt Service)	--	--	1.10	1.00	1.01	1.00	1.00	1.12	1.00	1.02	1.03

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	\$5,822,478
Developer Shortfall Payments	--	--	--	--	\$1,368,859	--	--	\$100,640	\$237,104	\$681,886	\$2,388,489
Net Parking Revenues	--	--	--	\$156,796	\$1,373,474	\$1,907,913	\$1,910,988	\$1,865,629	\$1,940,275	\$1,957,191	\$11,112,266
Investment Earnings	--	--	\$96,642	\$34,453	\$134,468	\$106,898	\$207,513	\$74,901	\$199,881	\$112,108	\$966,864
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	\$25,061,550
Debt Service Requirements											
Principal	--	--	--	--	--	--	\$855,000	\$950,000	\$1,055,000	\$1,135,000	\$3,995,000
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	\$15,902,269
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	\$19,897,269
Coverage (Revenues / Debt Service)	--	--	3.87	0.09	1.33	1.75	1.11	1.07	1.09	1.12	1.26

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	--	--	--	--	--	--	--	--	--	--	--
Investment Earnings	--	--	--	--	--	--	--	--	--	\$230,589	\$230,589
Bond Proceeds - Capitalized Interest	--	--	--	--	--	--	--	--	--	\$2,425,100	\$2,425,100
Total Revenues Available for Debt Service	--	--	--	--	--	--	--	--	--	\$2,655,689	\$2,655,689
Debt Service Requirements											
Principal	--	--	--	--	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--	--	--	\$349,160	\$349,160
Total Debt Service Requirements	--	--	--	--	--	--	--	--	--	\$349,160	\$349,160
Coverage (Revenues / Debt Service)	--	--	--	--	--	--	--	--	--	7.61	7.61

Unaudited

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

Fiscal Year	Population (1)	School Enrollment (2)		Total Labor Force (3)	Unemployment Rate (4)
		Public	Private		
1996	270,441	43,747	11,042	138,831	3.9%
1997	269,636	45,102	11,403	143,425	3.3%
1998	268,667	45,375	11,373	139,486	2.5%
1999	266,927	45,240	11,392	138,498	2.9%
2000	287,151	48,054	10,989	140,788	3.5%
2001	287,260	47,488	11,010	144,764	4.1%
2002	288,000	47,244	10,837	150,079	5.1%
2003	287,604	46,051	10,217	163,039	5.5%
2004	287,410	45,177	9,875	152,123	5.4%
2005	N/A	45,383	9,375	149,832	4.4%

(1) 1996-1999 and 2001-2004 data based on Metropolitan Council estimates.
2000 data provided by U.S. Bureau of Census.
2005 estimate not yet available from Metropolitan Council

(2) Data provided by Independent School District #625. Figures represent elementary and secondary schools.
Public school enrollment figures include students in charter schools.
Students in community colleges not included.

(3) Annual average - not seasonally adjusted.
Data provided by Minnesota Department of Employment and Economic Development (DEED)

(4) Annual average - not seasonally adjusted.
Data provided by Minnesota Department of Employment and Economic Development (DEED)

unaudited

City of Saint Paul, Minnesota
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
 Last Ten Fiscal Years

Fiscal Year	Property Value (1)			Commercial & Residential Construction (2)		Bank Deposits (in thousands) (3)
	Commercial	Residential	Nontaxable	Number of Permits	Value	
1996	\$ 2,006,290,100	\$ 5,113,542,100	\$ 2,241,230,700	26,273	\$ 396,289,229	\$ 3,059,499
1997	2,029,259,900	5,257,375,700	2,244,702,300	25,642	417,938,697	3,049,803
1998	2,160,976,200	5,500,025,550	2,254,165,720	28,100	558,166,125	3,045,399
1999	2,332,266,761	5,865,972,439	2,621,978,900	29,996	605,666,792	6,162,533
2000	2,447,319,801	6,419,038,200	2,707,337,650	29,868	568,450,038	6,470,782
2001	2,896,782,362	7,891,208,338	3,283,221,700	30,476	553,362,498	5,391,778
2002	3,274,644,900	9,486,104,900	3,196,906,800	32,249	670,970,682	4,500,831
2003	2,749,408,800	12,496,680,600	3,580,024,300	30,559	577,290,765	6,753,154
2004	2,887,455,100	14,379,068,900	3,601,316,000	29,824	859,539,337	8,203,525
2005	2,972,619,100	16,345,678,400	5,803,561,500	28,000	634,039,335	8,844,358

(1) Values are referred to as Estimated Market Values for Real Property and do not include personal property.
 Data provided by Ramsey County Taxation Office.

(2) Based on building and miscellaneous permits issued by the Office of License, Inspection and Environmental Protection.
 Property values are estimated construction costs (separate commercial & residential figures not available).

(3) Data for 1996 -1998 bank deposits in commercial banks was provided by Northwestern Financial Review. This data includes deposits only for banks with main office located in the City of Saint Paul.
 Data for 1999-2005 was provided by the Federal Deposit Insurance Corporation and includes deposits for all banks located in the City of Saint Paul.

unaudited

City of Saint Paul, Minnesota
PRINCIPAL TAXPAYERS
 December 31, 2005

<u>Taxpayers</u>	<u>Type of Property</u>	<u>2004 Net Tax Capacity for Taxes Payable in 2005</u>	<u>Percentage of 2004 Total Net Tax Capacity for Taxes Payable in 2005</u>
Xcel Energy	Utility	\$4,501,318	2.22%
Minnesota Life Insurance Co.	Corporate Headquarters	1,679,904	0.83%
U.S. Bank Corp. Property & U.S. Bancorp	Office Building (US Bank Trust Center)	1,384,533	0.68%
St. Paul Companies	Corporate Headquarters	1,006,866	0.50%
3M	Manufacturing	938,216	0.46%
Stuart Companies	Apartment Buildings	920,902	0.45%
Rice Park Associates, LLC	Office Building (Lawson Software)	830,500	0.41%
Zeller World Trade, LLC	Office Building (World Trade Center)	749,374	0.37%
HealthEast	Health Care	649,798	0.32%
Ford Motor Company	Automobile Manufacturing	641,100	0.32%
		<u>\$13,302,511</u>	<u>6.56%</u>

Data Source

Ramsey County Department of Property Records and Revenue

unaudited

**City of Saint Paul, Minnesota
MISCELLANEOUS PROPERTY TAX INFORMATION**

TAXES DUE

Real Estate - First half, May 15; second half, October 15.

Personal Property - May 15; except taxes on personal property on property leased from a governmental agency which are payable the same as real estate.

TAXES INTEREST DATE

First Monday in January

DISCOUNTS ALLOWED

None

PENALTIES FOR LATE PAYMENTS

Real Estate:

If the tax is not paid by the due date of the installment, a late payment penalty will be assessed at the percentage rate provided by law as shown in the following table:

	2006										
	May	June	July	Aug.	Sept.	Oct.	Oct.	Nov.	Nov.	Dec.	Jan.
PENALTY RATES	17	1	1	1	1	1	18	1	16	1	2

On Homestead Property:

1st half installment	2%	4%	5%	6%	7%	8%	8%	8%	8%	8%	10%
2nd half installment	-	-	-	-	-	-	2%	6%	6%	8%	10%

On Non-Homestead Property:

1st half installment	4%	8%	9%	10%	11%	12%	12%	12%	12%	12%	14%
2nd half installment	-	-	-	-	-	-	4%	8%	8%	12%	14%

On Personal Property - 8%

INTEREST

Interest is computed on delinquent tax payments plus accumulated penalty and costs at a rate determined pursuant to Minn. Stat. Sec. 279.03.

UNCOLLECTED TAXES ARE HANDLED AS FOLLOWS:

Uncollected real estate taxes are considered receivable until land forfeits to the State. After forfeiture, the proceeds from the sale or rental of tax forfeited lands is apportioned to the taxing districts as follows:

continued

**City of Saint Paul, Minnesota
MISCELLANEOUS PROPERTY TAX INFORMATION**

1. Such portion as may be required to pay any amounts included in the appraised value as representing increased value due to any improvement made after forfeiture of such parcel to the state, shall be apportioned to the municipal subdivision entitled hereto.
2. Such portion of the remainder as may be required to discharge any special assessments chargeable against such parcel for drainage or other purpose whether due or deferred at that time of forfeiture shall be apportioned to the municipal subdivision entitled thereto.
3. Such portion of the remainder as may have been theretofore levied on the parcel of land for any bond issue of the school district, town, city or county wherein the parcel of land is situated shall be apportioned to the municipal subdivision in the proportions of their respective interest.
4. Any balance shall be apportioned as follows:
 - a. Any county board may annually by resolution set aside not exceeding 30 percent of the receipts remaining to be used for timber development on tax forfeited land and dedicated memorial forests, to be expended under the supervision of the county board. It shall be expended only on projects approved by the commissioner of natural resources.
 - b. Any county board may annually by resolution set aside not exceeding 20 percent of the receipts remaining to be used for the acquisition and maintenance of county parks or recreational areas as defined in Section 398.31 to 398.36, to be expended under the supervision of the county board.
 - c. If the board does not avail itself of the authority under paragraph (a) or (b), any balance remaining shall be apportioned as follows: county, 40 percent; town or city, 20 percent; and school district, 40 percent. If the board does avail itself of the authority under paragraph (a) or (b), the balance remaining shall be apportioned among the county, town, or city proportions in this paragraph above stated, provided however, that in unorganized territory that portion which should have accrued in the township shall be administered by the county board of commissioners.

Uncollected personal property taxes revert to judgment and become a lien upon the assets of the debtor.

COLLECTION OF TAXES

Taxes are collected by Ramsey County and distributed to each governmental unit within the county in the same proportion that the unit's tax rate bears to the total tax rate.

FISCAL DISPARITIES

Fiscal Disparity Laws (MSA Chapter 473F) were implemented for taxes payable 1975. Since 1975, 40% of the increase of new commercial industrial taxable assessed values, over the base year 1972, have been contributed to a seven county metropolitan tax "pool" in an effort to equalize property tax burdens within the metropolitan "pool" area.

SPECIAL DISTRICTS

Tax Increment Districts are geographic areas selected for improvements which are intended to attract economic development. The first step is to define the area and establish the existing valuation. The second step is to finance the improvement, such as clearing property and constructing improvements; this financing is normally accomplished through a bond issue. The final step is repayment of the bonds, including interest by taking the portion of the taxes attributable to the increase valuation and using the proceeds for payment.

The Ramsey/Washington Metropolitan Watershed district pertaining to Saint Paul was established to alleviate watershed problems for overlapping jurisdictions.

unaudited

City of Saint Paul, Minnesota
 MISCELLANEOUS STATISTICAL DATA

DATE OF INCORPORATION 1854
 DATE FIRST CHARTER ADOPTED: 1900
 DATE PRESENT CHARTER ADOPTED: 1972

FORM OF GOVERNMENT: Mayor-Council
 AREA - SQUARE MILES 55.44

INFRASTRUCTURE (in miles):
 Streets (in miles)
 - Improved 841.9
 - Unimproved 5.1
 Alleys (number of)
 - Paved 1,149
 - Oiled 888
 - Unimproved 274
 Storm Sewers 450
 Sanitary Sewers 804
 Sidewalks 1,006.6

NUMBER OF STREET LIGHTS 32,619

BUILDING PERMITS:
 (excludes miscellaneous permits)

Year	Permits Issued	Valuation
1996	7,736	\$ 267,620,491
1997	8,322	299,841,425
1998	8,925	395,821,236
1999	10,993	437,622,506
2000	10,612	405,886,895
2001	11,444	414,778,340
2002	11,557	498,371,219
2003	10,577	432,220,911
2004	9,835	673,664,737
2005	8,905	479,840,220

FIRE PROTECTION:

Number of Stations 16
 Number of Employees (authorized) 464.6
 Structure Fires 708
 EMS Incidents 28,159
 All Self-Propelled Vehicles 105

POLICE PROTECTION:

Number of Sworn Employees (authorized) 562
 Number of Calls for Service 318,447
 Number of Fleet Vehicles 365

RECREATION:

Total Acreage 4,277
 Major Parks 15
 Ballfields 199
 Recreation Centers 41
 Senior Center 1
 Golf Courses 4
 Tennis Courts 92
 Zoo & Conservatory 1
 Municipal Stadium 1
 Swimming Facilities 4

LIBRARIES:

Number of Libraries 13
 Circulation 3,319,113
 Titles 435,395

WATER UTILITY:

Water Department
 Number of Retail Customers 95,797
 Gallons Pumped to Distribution (M.G.D.) 45.0
 Plant Capacity (M.G.D.) 144
 Wholesale and Retail Distribution System (Miles of Mains) 1,402

EMPLOYEES: (as of December 31, 2005)

Merit System (Regular Certified, Provisional, Temporary) 3,243
 Exempt (Unclassified) 112
 Total 3,355

ELECTIONS:

Number of Registered Voters 160,414
 Number of Votes Cast in:
 Last General Election (2004) 137,932
 Last Municipal Election (2005) 59,509
 Percentage Voting in:
 Last General Election (2004) 66 %
 Last Municipal Election (2005) 29 %

POPULATION:

Census for last four Census:

	1970	1980	1990	2000
Population	309,866	270,230	272,235	287,151

2000 Population by Sex :

Male 138,863 48.4 %
 Female 148,288 51.6 %

2000 Population by Age Distribution:

0-14 65,592 22.8 %
 15-24 48,180 16.7 %
 25-34 48,210 16.8 %
 35-44 43,792 15.3 %
 45-59 44,009 15.4 %
 60-74 21,013 7.3 %
 75+ 16,355 5.7 %

EDUCATION:

Number of Schools:
 Elementary (K-6) 49
 Elementary (K-8) 2
 Middle School (6-8)/Junior High (7-8) 8
 Senior High (9-12) 7
 Open School (K-12) 1
 Special Education School 1
 Special Program Sites 23

Number of Administrative Personnel 125
 Number of Teachers (licensed staff) 3,470
 Number of Students (Public Schools) 41,143
 Number of Students (Private Schools) 9,375
 Number of Students (Charter Schools) 4,240



STATE OF MINNESOTA
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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, 2005, 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, 2005, 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.



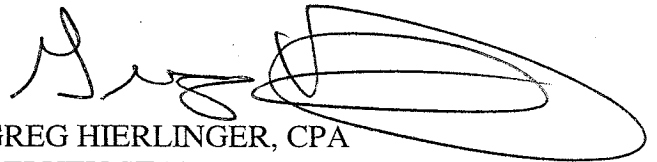
The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the 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 May 3, 2006, 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.



PATRICIA ANDERSON
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

End of Fieldwork: May 3, 2006