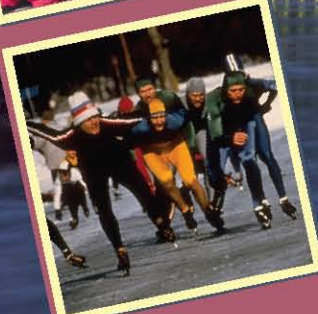


CITY OF SAINT PAUL, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006



Cover Photographs

Cover photographs include depictions of the following events (from top to bottom):

- Hot Summer Jazz Festival in Mears Park
- La Familia Family Festival at the Rivercentre
- International Hmong Sports Tournament at Como Park
- Dragon Festival at Lake Phalen
- Saint Paul Winter Carnival

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City of Saint Paul Minnesota

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



Office of Financial Services
Matt Smith, Director

City of Saint Paul

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

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Office of the Mayor
Office of Financial Services

Matt Smith, Director



City of Saint Paul

Mayor Christopher B. Coleman

*700 City Hall
15 West Kellogg Boulevard
Saint Paul, Minnesota 55102-1658*

Telephone: (651) 266-8800

Facsimile: (651) 266-8541

June 29, 2007

To the Honorable Mayor, Members of the City Council, and Citizens of Saint Paul:

The City of Saint Paul's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2006 is hereby submitted. The purpose of this report is to provide the Mayor, City Council, City Staff, citizens, bondholders and other interested parties with useful information concerning the City's operations and financial position. Responsibility for both the accuracy of data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

The CAFR is presented in three main sections:

1. Introductory Section - includes this transmittal letter, the City's organizational chart and a list of principal officials.
2. Financial Section - includes the independent auditor's report, Management's Discussion and Analysis (MD&A), the basic financial statements, notes to the financial statements and supplementary information.
3. Statistical Section - contains selected financial and demographic information presented on a multi-year basis.

Generally Accepted Accounting Principles (GAAP) require that the City provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Saint Paul's MD&A can be found immediately following the report of the independent auditors.

INTERNAL CONTROL

To provide a reasonable basis for making these representations, the City of Saint Paul has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Saint Paul's financial statements in conformity with Generally Accepted Accounting Principles. Because the cost of internal controls should not outweigh their benefits, the City of Saint Paul's comprehensive framework of internal controls has been designed to provide a reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. All internal control evaluations occur within this framework. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

INDEPENDENT AUDIT

State law requires the State Auditor to perform an annual audit of the City and other cities of the first class in Minnesota. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Saint Paul for the fiscal year ended December 31, 2006 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the City, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Saint Paul's financial statements for the fiscal year ended December 31, 2006 are fairly presented in conformity with GAAP. The State Auditor's report is presented as the first component of the financial section of this report. As part of their examination, the State Auditor is also issuing a Management and Compliance letter covering the review of the City's system of internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The Management and Compliance letter will not modify or affect, in any way, this report.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit - including the schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts and grants - will be included in the State Auditor's separately-issued Management and Compliance letter.

PROFILE OF THE GOVERNMENT

The City of Saint Paul has been a municipal corporation since 1854. Saint Paul is the state capital and Minnesota's second largest city. The City covers an area of 56 square miles and is situated wholly in Ramsey County. Saint Paul's 2005 population, per the Metropolitan Council, is 287,385. Data recorded by the Metropolitan Council indicates that the number of households in the City has remained relatively stable, and is 113,587 for 2005, a 3.0% increase from 1990.

The City of Saint Paul, Minnesota has a Mayor-Council form of government. The Mayor is elected by the voters of the City at large for four years on a full-time basis. The City is divided into seven wards. Voters of each ward elect a member of the City Council for four years on a part-time basis. Executive power is vested in the Mayor; legislative power is vested in the Council. The Mayor has veto power, which the Council may override with a vote of five members.

City services include: police, fire, street, sewer and bridge maintenance, parks and recreation centers, libraries, licensing, building and housing code inspections, planning and economic development, zoning, public improvements and general administration.

REPORTING ENTITY

The City's financial statements include all funds of the City (primary government) and its component units. The primary government represents all funds under the ultimate control of the Mayor and City Council. The Library Agency and Housing and Redevelopment Authority (HRA) are legally separate; however they both function in essence as a department of the City of Saint Paul and, therefore, have been included as an integral part of the City of Saint Paul's financial statements. The City of Saint Paul is also financially accountable for the legally separate Saint Paul RiverCentre Convention & Visitors Authority, Saint Paul Regional Water Services and the Port Authority of the City of Saint Paul, all of which are reported separately as component units within the City of Saint Paul's financial statements. The nature of the activities of these organizations and the specific justification and methods for inclusion as component units of the City are discussed in the notes to the financial statements.

BUDGET CONTROL

The annual budget serves as a foundation for the City of Saint Paul's financial planning and control. In August of each year, the Mayor presents the budget to the City Council for the following calendar year. The budget includes proposed expenditures and means of financing them. The Council then holds a public hearing to obtain taxpayer comments. The budget is legally adopted through the passage of a Council resolution.

City budget amendments that authorize an increase in total fund spending require approval of the City Council. In addition, City Council approval is required for budget amendments transferring appropriations between departments within the General Fund.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, Library Agency and the HRA General Fund, this is presented on pages 139-141 as part of the required supplementary comparison information. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 150.

ECONOMIC OUTLOOK

Saint Paul is an important part of the overall strong Twin Cities metro area economy.

Saint Paul compares favorably when ranked among the 20 largest northeast and midwest cities on certain economic and social factors¹.

- 2nd lowest in unemployment rate
- 5th lowest in percent of people below poverty level (18.6%)
- 4th highest in percent of population over 25 years with a bachelor's degree (21.7%)
- 5th highest in percent of occupied housing units (91.3%)
- 4th highest in percent of housing that is owner occupied (58.9%)
- 6th highest in median value of owner-occupied houses (\$200,100)
- The highest in median household income (\$44,103)
- 2nd highest in median family income (\$55,606)
- 5th highest in per capita income (\$23,541)

Over the years, Saint Paul has consistently registered a lower unemployment rate than that of the U.S. as a whole. For 2006, the City's 4.1% unemployment rate was lower than the U.S. rate of 4.6%. Saint Paul's employment is spread among twelve "super-sectors," with the largest employers being health care and social assistance (33,559 jobs in 2005; 18.7% of the total).

Similarly, tax base growth has been strong and sustained: From Pay 2002 to Pay 2007, Saint Paul's taxable market values have increased 67%. Relatively high incomes and moderate housing costs combine to rank Saint Paul comparatively high in overall housing affordability. The City anticipates this growth to continue. Based on estimates provided by Ramsey County, the percent change in taxable value from Pay 2007 to Pay 2008 is expected to be 9% for residential and 11% for commercial and industrial property.

Vacancy rates decreased from 7% to 4% in Saint Paul's rental market between 2004 and 2006. Rental rates increased by 7% between 2001 and 2006 for one bedroom apartment units and by 11% for two bedroom units. Office rental rates are stable, – with no change since 2004. Total occupied office space has grown 8% from 2005 to 2006. This is an annual record increase.

Saint Paul sales and use tax and hotel motel tax revenues have grown by 3% between 2005 and 2006.

¹ The cities are Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Columbus, Detroit, Indianapolis, Kansas City, Milwaukee, Minneapolis, New York, Newark, Omaha, Philadelphia, Pittsburgh, St. Louis and Toledo.

MAJOR INITIATIVES

To maintain this economic growth, the City will continue to develop and implement strategic plans to encourage private investment in housing and economic development projects in Saint Paul.

Two major foundations for economic development activities have been set during 2007:

City Strategic Plan

A new strategic vision for the City was developed by the Mayor's administration in consultation with other stakeholders. To support a vision of Saint Paul as the most livable city in America, it identifies 6 strategic goals:

Ready for School, Ready for Life: Education is core to the quality of life in our great City. Saint Paul will strive to ensure that learning opportunities are quality-driven and accessible for all. We will work to leverage City and community resources, building on the strengths of our people. Saint Paul will work in concert with its many education resources: our world-class public, private and charter schools; premier colleges and universities; libraries; and a network of informal learning institutions. Education will be at the forefront of closing the gap between the "haves" and "have-nots."

Safe Streets and Safe Homes: A sense of security on our sidewalks and in our homes is essential to our City's quality of life. This feeling of safety comes from a strong sense of community and confidence in our exceptional public safety system. Our residents know that safety comes first in Saint Paul and have come to expect that our world-class police and fire departments will deliver the best possible emergency services quickly and equitably.

Expanding Economic Opportunity: Saint Paul is at the heart of state and regional government, health care industries, bio-science/medical development and the arts community. We will build our economic future on the foundation of the City's strengths—a well-educated citizenry, safe neighborhoods, a diverse and affordable housing mix, sound infrastructure, and local businesses rich with growth potential. Saint Paul will invest in supporting our homegrown entrepreneurs and our small and mid-sized businesses within the fabric of our community. We will also work to continue and expand the presence of large businesses who embrace the tradition of engaged corporate citizenry. While aggressively pursuing more commerce in our community, we will be strong stewards of our historic structures, which are continual reminders of our City's foundation. We will continue with inclusive, responsible community planning efforts to ensure our development work is reflective of the community's vision.

Healthy Communities = Healthy Living: Saint Paul will be a leader in sustainable urban living by "acting locally" to help reverse the negative effects of global warming. Environmental stewardship must start at home. We will implement the vision of the National Great River Park by focusing development on a more natural, more urban and more connected Saint Paul. Our healthy community will encourage healthy lifestyles. The health and welfare of our community and our residents will help attract and retain quality businesses and a quality workforce.

Quality Infrastructure: Saint Paul's mission to become the most livable City in America is grounded in our assets and infrastructure. The principles of sound infrastructure, quality public amenities and proactive environmental stewardship will guide our work.

The Soul of Saint Paul: The soul of Saint Paul can be experienced within our neighborhoods and among our diverse people. We will enhance the spirit of our City to fuel our economic vitality. We will capitalize on Saint Paul's national leadership in civic health by strengthening our neighborhood engagement. We will work to expand access to exciting parks, cultural institutions, vibrant music and artistic brilliance. We will use technology to connect residents and visitors to the great character of our City.

Invest St. Paul Initiative

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

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

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

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

MAJOR DEVELOPMENTS

Central Corridor

The Central Corridor runs along University Avenue from the State Capitol to Minneapolis. It has attracted significant investment in the past few years, and stands to attract more in the future if Light Rail Transit (LRT) is developed on University Avenue, a final decision on which is expected in the next couple of years. The Environmental Impact Statement has been completed and approved, and the state and federal governments have approved funding for preliminary engineering, which Ramsey County has begun. Anticipating major redevelopment from the construction of the second LRT system in the region, the City of Saint Paul has begun multi-year land-use planning for the Central Corridor. Two task forces have been appointed by the Planning Commission to develop a vision and development strategy for University Avenue and the Capitol/Downtown area.

Fort Road

Also called West Seventh Street, Fort Road runs southwest from the downtown to Fort Snelling, parallel to the Mississippi River. At the Gateway Village across from Fort Snelling at the southwestern gateway to Saint Paul, 578 units of new rental and ownership housing are now complete. At the western edge of the downtown, United and Children's Hospitals are nearing the end of their decade-long expansion. Two new clinics specializing in heart care, and new parking ramps, have been completed in the past 5 years at Smith and Chestnut, boosting overall employment at the two hospitals to over 4,700. At Randolph and West Seventh Street, construction on the \$13 million United Family Practice Health Center is expected to begin this summer.

Phalen Corridor

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

Downtown District

The downtown district extends from the State Capitol campus on the north to the West Side Flats across the river. The \$25 million Smith Avenue Transit Center adjacent to the Xcel Arena, with a bus layover facility and parking for 600 cars, is almost complete. Important headquarters companies have expanded downtown including the Saint Paul Companies, Minnesota Mutual, and Ecolab. Regions Hospital has begun a \$150 million hospital expansion project, with completion of the 10-story medical tower and parking ramp anticipated in 2009, and St. Joseph's \$96 million expansion is underway.

Housing

Five years ago, with vacancy rates hovering around 1%, the City established the *Housing 5000 Program* to accelerate housing development. When the *Housing 5000 Program* ended on December 31, 2005, it had exceeded its goals. Instead of 5,000 new or substantially rehabilitated housing units, the construction financing for 5,370 units had closed. And, instead of leveraging the investment of \$1 billion, the Program had leveraged \$1.059 billion, 84% of which came from private sources. As part of its *Housing 5000* goals, the City also established the goal that the construction financing for 1,000 new or substantially rehabilitated units of affordable housing would close before December 31, 2005. When the Program ended, construction financing had closed for 1,173 affordable units, 600 of them affordable to families at or below 30% of Area Median Income (AMI), and 573 affordable to families between 31% and 50% of AMI.

CASH AND INVESTMENT MANAGEMENT

Cash balances during the year were invested in U.S. Treasuries, Agencies of the Federal Government, commercial paper, certificates of deposit, municipal securities, money market funds and guaranteed investment contracts, in accordance with Minnesota State Statute 118A and the City's Investment Policy. A new investment policy was adopted by the City Council in July 2003 to improve management of the City's investment portfolio. The investment policy's goal is to preserve safety by minimizing credit and market risks, while ensuring liquidity and maintaining a competitive yield on the portfolio.

The City has contracted investment management services with five external managers to manage a portion of the portfolio. As of December 31, 2006, the effective yield on the portfolio was 4.46% and reported interest on investments was \$8.8 million. All securities purchased by the City are held by a third party safekeeping agent in the City's name.

DEBT MANAGEMENT

The City of Saint Paul partners with Ramsey County and Independent School District #625 (Saint Paul Public Schools) as members of the Joint Property Tax Advisory Committee (JPTAC). The JPTAC, created by Minnesota law, is charged with the obligation to reduce the overall tax burden on the citizens of Saint Paul. The Joint Debt Advisory Committee (JDAC), a subcommittee of JPTAC, is charged with overseeing and reporting to the public on joint debt activities. This group evaluates compliance by the jurisdictions within the adopted target ranges for satisfactory debt management and releases its findings in the Joint Debt Book, which is published every two years.

The City of Saint Paul's overall general obligation debt, adjusted to inflation, decreased 4.1% from 2005 to 2006. The major debt position indicators fall into average or below average range according to the Standard & Poor's ranges for Cities with population over 150,000.

The City maintained its AAA bond rating from Standard & Poor's and Aa2 bond rating from Moody's due to strong management and financial performance. Approximately 70 cities nationwide have an AAA rating with Standard & Poor's and only 7% of the municipalities nationwide have a higher rating with Moody's than the City of Saint Paul.

RISK MANAGEMENT

The City has a centralized Risk Management Division within the Office of Human Resources that provides direction, management, coordination and planning services for risk, insurance and employee benefit programs. The risk management effort covers significant loss exposures, applies effective and reasonable risk controls and suggests funding arrangements for both insured and self-funded risks to ensure that the financial integrity of the City is not impaired after a loss.

The Risk and Management Division also provides administrative and management services in the areas of health and welfare benefits, tort liability, workers= compensation, occupational health, loss control and safety, emergency preparedness, contract review and property insurance. Additional information on the City of Saint Paul's risk management activities can be found in Note VIII. C. of the notes to the financial statements.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Saint Paul, Minnesota for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2005. This was the 30th consecutive year that the City has received 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.

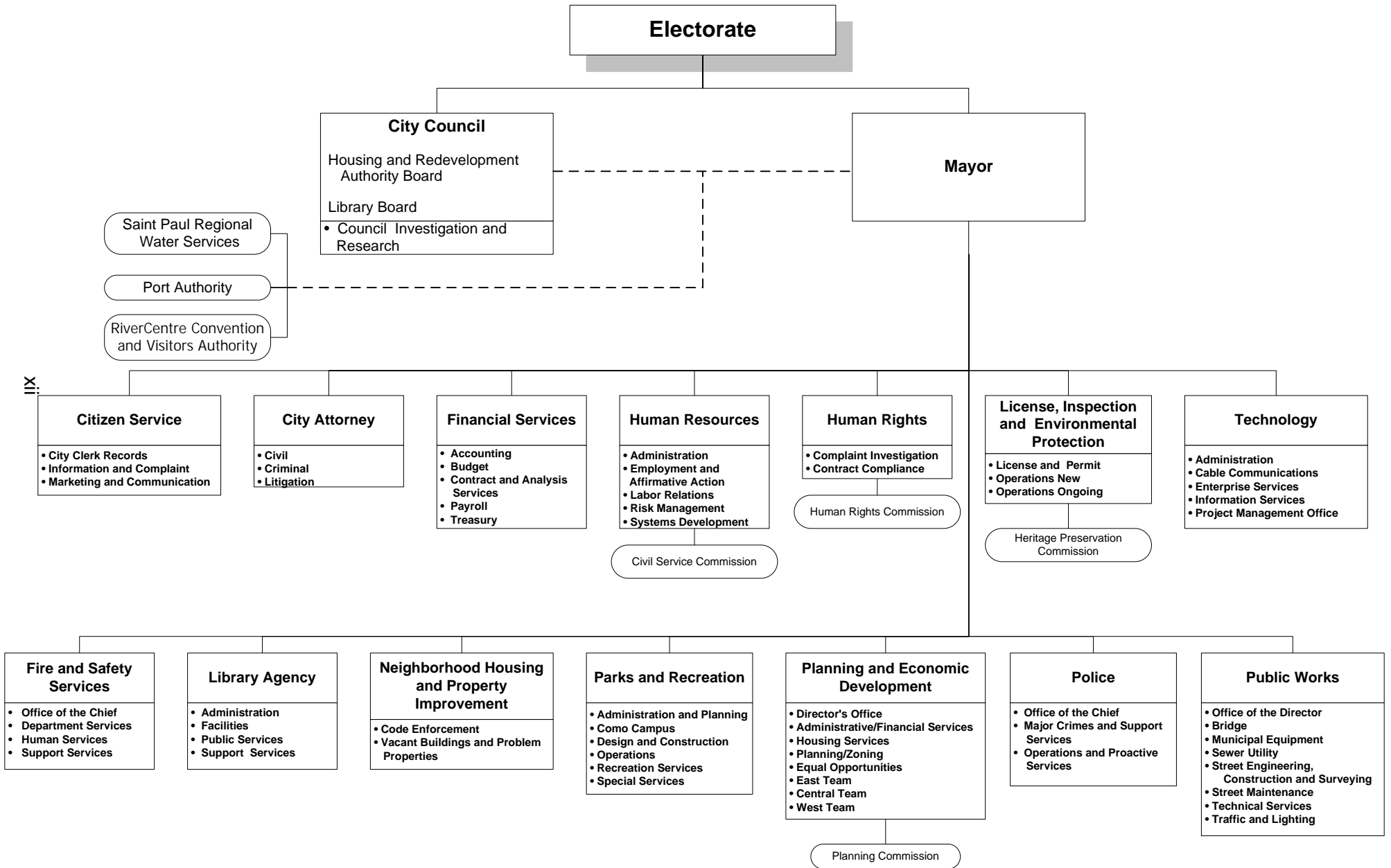
The preparation of the 2006 Comprehensive Annual Financial Report was accomplished through the combined efforts of the Office of Financial Services' accounting staff and departmental accountants. The State Auditor's cooperation in scheduling staff to review statements as they were prepared was very helpful and appreciated.

Cordially,



Matt Smith, Director
Office of Financial Services

City of Saint Paul, Minnesota Organizational Chart



**City of Saint Paul, Minnesota
Elected and Appointed Officials
As of December 31, 2006**

Elected Officials

| Office | Name | Term Expires |
|----------------------|------------------------|-----------------|
| Mayor | Christopher B. Coleman | January 1, 2010 |
| Councilmember—Ward 1 | Debbie Montgomery | January 1, 2008 |
| Councilmember—Ward 2 | Dave Thune | January 1, 2008 |
| Councilmember—Ward 3 | Patrick Harris | January 1, 2008 |
| Councilmember—Ward 4 | Jay Benanav | January 1, 2008 |
| Councilmember—Ward 5 | Lee Helgen | January 1, 2008 |
| Councilmember—Ward 6 | Dan Bostrom | January 1, 2008 |
| Councilmember—Ward 7 | Kathy Lantry | January 1, 2008 |

Appointed Officials

| Department/Division/Office | Director's Name | Term Expires |
|---|-------------------|-----------------|
| Citizen Services | Shari Moore | * |
| City Attorney | John Choi | * |
| Financial Services | Matt Smith | * |
| Fire and Safety Services** | Douglas Holton | August 18, 2009 |
| Human Rights | Tyrone Terrill | * |
| Human Resources | Angela Nalezny | * |
| Library Agency | Melanie Huggins | * |
| *License, Inspection and Environmental Protection | Bob Kessler | * |
| Mayor's Chief of Staff | Ann Mulholland | * |
| *Neighborhood Housing and Property Improvement | Bob Kessler | * |
| Parks and Recreation | Bob Bierscheid | * |
| Planning and Economic Development | Cecile Bedor | * |
| Police | John Harrington | June 30, 2010 |
| Public Works | Bruce Beese | * |
| Technology | Andrea Casselton | * |
| Saint Paul Regional Water Services | Stephen Schneider | * |

* Serves at the pleasure of the Mayor.

** In May 2007, Mayor Coleman appointed Bob Morrison as Acting Fire Chief.

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Saint Paul
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

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.



President

Executive Director



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT

The Honorable Christopher B. Coleman, Mayor,
and Members of the City Council
City of Saint Paul, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Saint Paul, Minnesota, as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Saint Paul RiverCentre Convention and Visitors Authority, which represent 2 percent, less than 1 percent, and 16 percent, respectively, and the Port Authority of the City of Saint Paul, which represent 27 percent, 12 percent, and 21 percent, respectively, of the assets, net assets, and program revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Saint Paul RiverCentre Convention and Visitors Authority and the Port Authority of the City of Saint Paul, is based on the reports of the other auditors.

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. The financial statements of the Saint Paul RiverCentre Convention and Visitors Authority were not audited in accordance with *Government Auditing Standards*. 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 and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Saint Paul as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

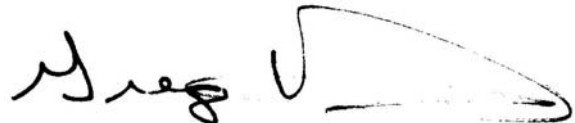
The Management's Discussion and Analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, 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 City of Saint Paul's basic financial statements. The supplementary information and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we are also issuing a report dated June 27, 2007, on our consideration 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. It does not include the Saint Paul RiverCentre Convention and Visitors Authority or the Port Authority of the City of Saint Paul, which were audited by other auditors.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 27, 2007

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

OVERVIEW OF THE FINANCIAL STATEMENTS

As management of the City of Saint Paul, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with the City's financial statements and the additional information that we have furnished in our letter of transmittal, which can be found on pages v-xi of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Saint Paul exceeded its liabilities at the close of the most recent fiscal year by \$1,243.5 million (*net assets*). Of this amount, \$95.9 million (*unrestricted net assets*) may be used to meet the government's obligations to citizens and creditors; \$31.0 million is restricted for specific purposes and \$1,116.6 million is invested in capital assets net of related debt. The total net assets include all major infrastructure networks.
- The City's total net assets decreased by \$3.95 million. Governmental activities decreased by \$3.0 million and business-type activities decreased by \$910,000.
- The City of Saint Paul's governmental funds reported combined ending fund balances of \$167.4 million, a decrease of \$22.7 million in comparison with the prior year. Approximately 86.5% of this amount, \$144.8 million, is unreserved and available for use within the City's designations and policies.
- The City adopted a fund balance policy for the General and General Debt Service Funds. The policy established specific goals and guidance for future decisions regarding the appropriate level and use of fund balance. The General Fund balance should be maintained at 15% of the next year's planned budget for the General Fund and part of the Library Agency Fund which is financed by property taxes and local government aid. The General Debt Service fund balance should maintain an amount equal to the first half of the subsequent year's debt service, plus 7.5%, in addition to any reserves required by bond indentures, covenants, ordinances, other debt obligations and any net unrealized gains or losses associated with the fair value of investments.
- At the end of the fiscal year, fund balance for the General Fund was \$30.3 million, an increase of \$3.0 million. The City is in compliance with the Fund Balance Policy. The General Fund balance is 16.3% of the budgeted 2007 General Fund expenditures of \$171.9 million plus the Library Agency general activities expenditures of \$13.9 million.
- At the end of the fiscal year, fund balance for the General Debt Service Fund was \$19.8 million or 91% of the 2007 budgeted annual debt service payments, which includes principal and interest of \$21.7 million.
- The City's total long-term bonds and notes decreased by \$22.7 million, a 4.1% decrease from 2005 for a total outstanding on December 31, 2006 of \$535.1 million.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information 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 overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The *Statement of Activities* presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when 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 only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, health, culture and recreation, and housing and economic development. The business-type activities of the City of Saint Paul include sewer; development loan programs; parking; parks, recreation and athletics; impound lot; and printing.

The government-wide financial statements include not only the City of Saint Paul itself (known as the primary government), but also Saint Paul RiverCentre Convention & Visitors Authority (RCVA), Saint Paul Regional Water Services (SPRWS) and Port Authority of the City of Saint Paul, which are separate legal entities for which the City of Saint Paul is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Housing and Redevelopment Authority of the City of Saint Paul (HRA) and the Saint Paul Library Agency, although legally separate, function for all practical purposes as departments of the City of Saint Paul; and therefore, have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 25-27 of this report.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

OVERVIEW OF THE FINANCIAL STATEMENTS

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 City, 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 City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially 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 balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government'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 City maintains 51 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Library Agency, HRA General, General Debt Service, HRA General Debt Service and Capital Improvement Projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 28-34 of this report.

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sewer Utility, HRA Loan Enterprise, HRA Parking, Special Services, Rice and Arlington Sports Dome, Watergate Marina, Impounding Lot and RiverPrint Saint Paul/Ramsey County activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for City Attorney-Outside Services, Risk Management Retention, Internal Borrowing, Purchasing's Value Added Services, Information Systems, City-Wide Data Processing, Equipment Services Fire-Police, Public Works Engineering, Public Works Traffic, Signal and Lighting Maintenance, Asphalt Plant, Public Works Equipment, Public Works Administration, Parks and Recreation Special Projects, Parks and Recreation Supply and Maintenance, and Planning and Economic Development Administration. The services provided by these funds predominately benefit the governmental rather than the business-type functions. They have been included within governmental activities in the government-wide financial statements.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

OVERVIEW OF THE FINANCIAL STATEMENTS

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Utility, HRA Loan Enterprise and HRA Parking funds, since they are considered to be major funds of the City. Data from the other enterprise funds are combined into a single aggregated presentation. All internal service funds are combined into a separate single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 35-41 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 43 of this report.

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 can be found on pages 47-138 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, *Required Supplementary Information*, presents a detailed budgetary comparison schedule for the General Fund, Library Agency and the HRA General Fund to demonstrate compliance with the budget. These schedules can be found on pages 139-142 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds, proprietary funds, internal service funds and other information related to the individual funds are presented immediately following the required supplementary information. Combining and individual statements and schedules can be found on pages 148-204 of this report.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

The analysis of the City's financial position begins with a review of the *Statement of Net Assets* and the *Statement of Changes in Net Assets*. These two statements report the City's net assets and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations. Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Saint Paul, assets exceeded liabilities by \$1,243.5 million as of December 31, 2006. The City is able to report positive balances in all categories of net assets, for the government as a whole, as well as for its separate categories – governmental and business-type activities.

CONDENSED STATEMENT OF NET ASSETS

(in thousands of dollars)

| | Governmental Activities | | Business-Type Activities | | Total | | Total Percent Change |
|--|-------------------------|--------------------|--------------------------|-------------------|--------------------|--------------------|----------------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | |
| Current and Other Assets | \$ 429,570 | \$ 458,035 | \$ 147,052 | \$ 162,649 | \$ 576,622 | \$ 620,684 | (7.10)% |
| Capital Assets | 1,109,240 | 1,096,618 | 355,403 | 353,124 | 1,464,643 | 1,449,742 | 1.03% |
| Total Assets | \$1,538,810 | \$1,554,653 | \$ 502,455 | \$ 515,773 | \$2,041,265 | \$2,070,426 | (1.41)% |
| Long-Term Liabilities | \$ 455,551 | \$ 462,648 | \$ 146,459 | \$ 159,615 | \$ 602,010 | \$ 622,263 | (3.25)% |
| Other Liabilities | 185,257 | 190,959 | 10,507 | 9,759 | 195,764 | 200,718 | (2.47)% |
| Total Liabilities | \$ 640,808 | \$ 653,607 | \$ 156,966 | \$ 169,374 | \$ 797,774 | \$ 822,981 | (3.06)% |
| Net Assets: | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 873,833 | \$ 844,290 | \$ 242,733 | \$ 241,242 | \$1,116,566 | \$1,085,532 | 2.86% |
| Restricted | 13,395 | 16,618 | 17,621 | 22,967 | 31,016 | 39,585 | (21.65)% |
| Unrestricted | 10,774 | 40,138 | 85,135 | 82,190 | 95,909 | 122,328 | (21.60)% |
| Total Net Assets | \$ 898,002 | \$ 901,046 | \$ 345,489 | \$ 346,399 | \$1,243,491 | \$1,247,445 | (0.32)% |

The largest portion of the City's net assets, \$1,116.6 million (approximately 89.8%), reflects its investments in capital assets (e.g., land, building, improvements, equipment, infrastructure, and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, \$31.0 million (approximately 2.5%), represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, \$95.9 million, may be used to meet the government's ongoing obligation to citizens and creditors.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended December 31, 2006. Overall, both the governmental and business type activities revenue and expenses remained stable. Governmental activities decreased the City of Saint Paul's net assets by \$3.0 million. Business-type activities decreased the City's net assets by \$910,000. Compared to last year's change in net assets, the governmental activities experienced an increase of \$13.8 million and the business type activities incurred a decrease of \$11.7 million.

CONDENSED STATEMENT OF CHANGES IN NET ASSETS

(in thousands of dollars)

| | Governmental Activities | | Business-Type Activities | | Total | | Total Percent Change |
|---|-------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|----------------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | |
| Revenues: | | | | | | | |
| Program Revenues | | | | | | | |
| Charges for Services | \$ 89,920 | \$ 88,124 | \$ 66,636 | \$ 66,035 | \$ 156,556 | \$ 154,159 | 1.55% |
| Operating Grants and Contributions | 29,672 | 32,976 | 1,316 | 488 | 30,988 | 33,464 | (7.40)% |
| Capital Grants and Contributions | 16,944 | 26,385 | 6,239 | 900 | 23,183 | 27,285 | (15.03)% |
| General Revenues | | | | | | | |
| Property Taxes | 77,548 | 71,859 | 1,397 | 1,372 | 78,945 | 73,231 | 7.80% |
| City Sales Tax | 14,789 | 14,220 | - | - | 14,789 | 14,220 | 4.00% |
| Franchise Fees and Other Taxes | 24,697 | 24,427 | - | - | 24,697 | 24,427 | 1.11% |
| Local Government Aid | 59,545 | 53,206 | - | - | 59,545 | 53,206 | 11.91% |
| Grants and Contributions Not Restricted | 10,038 | 10,569 | - | - | 10,038 | 10,569 | (5.02)% |
| Investment Income | 16,133 | 10,662 | 2,957 | 1,848 | 19,090 | 12,510 | 52.60% |
| Gain on Sale of Capital Assets | 1,774 | - | 71 | - | 1,845 | - | 100.00% |
| Miscellaneous | 4,405 | 5,551 | 4,013 | 626 | 8,418 | 6,177 | 36.28% |
| Total Revenues | <u>\$ 345,465</u> | <u>\$ 337,979</u> | <u>\$ 82,629</u> | <u>\$ 71,269</u> | <u>\$ 428,094</u> | <u>\$ 409,248</u> | 4.61% |

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

CONDENSED STATEMENT OF CHANGES IN NET ASSETS

(in thousands of dollars)

| | Governmental Activities | | Business-Type Activities | | Total | | Total Percent Change |
|---|-------------------------|--------------------|--------------------------|-------------------|--------------------|--------------------|----------------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | |
| Expenses: | | | | | | | |
| General Government | \$ 32,449 | \$ 32,569 | \$ - | \$ - | \$ 32,449 | \$ 32,569 | (0.37)% |
| Public Safety | 132,379 | 126,073 | - | - | 132,379 | 126,073 | 5.00% |
| Highway and Streets | 50,495 | 52,527 | - | - | 50,495 | 52,527 | (3.87)% |
| Sanitation | 11,583 | 12,444 | - | - | 11,583 | 12,444 | (6.92)% |
| Health | 3,635 | 3,892 | - | - | 3,635 | 3,892 | (6.60)% |
| Culture and Recreation | 65,014 | 66,028 | - | - | 65,014 | 66,028 | (1.54)% |
| Housing and Economic Development | 42,549 | 44,280 | - | - | 42,549 | 44,280 | (3.91)% |
| Interest and Fiscal Charges | 30,245 | 26,161 | - | - | 30,245 | 26,161 | 15.61% |
| Sewer | - | - | 26,355 | 23,964 | 26,355 | 23,964 | 9.98% |
| Development Loan Programs | - | - | 17,396 | 7,117 | 17,396 | 7,117 | 144.43% |
| Parking | - | - | 11,495 | 10,508 | 11,495 | 10,508 | 9.39% |
| Parks, Recreation and Athletics | - | - | 4,772 | 5,996 | 4,772 | 5,996 | (20.41)% |
| Impound Lot | - | - | 2,402 | 2,479 | 2,402 | 2,479 | (3.11)% |
| Printing | - | - | 1,279 | 1,231 | 1,279 | 1,231 | 3.90% |
| Total Expenses | \$ 368,349 | \$ 363,974 | \$ 63,699 | \$ 51,295 | \$ 432,048 | \$ 415,269 | 4.04% |
| Increases in Net Assets before Transfers | \$ (22,884) | \$ (25,995) | \$ 18,930 | \$ 19,974 | \$ (3,954) | \$ (6,021) | (34.33)% |
| Transfers | 19,840 | 9,127 | (19,840) | (9,127) | - | - | |
| Change in Net Assets | \$ (3,044) | \$ (16,868) | \$ (910) | \$ 10,847 | \$ (3,954) | \$ (6,021) | (34.33)% |
| Net Assets - January 1, As Restated (Note III.C) | \$ 901,046 | \$ 917,914 | \$ 346,399 | \$ 335,552 | \$1,247,445 | \$1,253,466 | (0.48)% |
| Net Assets - December 31 | \$ 898,002 | \$ 901,046 | \$ 345,489 | \$ 346,399 | \$1,243,491 | \$1,247,445 | (0.32)% |

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Governmental Activities

Governmental activities decreased the City's net assets by \$3.0 million. Revenues increased by \$7.5 million, or 2.2% and Transfers In increased by \$10.7 million. Expenses increased by \$4.4 million, or 1.2% compared to the previous year.

Program expenses increased \$4.4 million. Two governmental functions contributed to the majority of the increase in expenses: public safety, \$6.3 million and interest and fiscal charges, \$4.1 million. The remaining governmental functions decreased.

Included in the increase in these expenses are:

- Salaries and fringe benefits paid to public safety personnel \$5.5 million
- Expenses related to securities lending transactions \$2.7 million
- Interest expense for notes issued for development in the tax increment districts \$2.1 million

Business -Type Activities

Business type activities experienced a decrease in net assets of \$910,000.

Revenues increased in 2006 by \$11.4 million. A majority of this increase came from capital contributions of an additional \$5.3 million, which came from Federal grants totaling \$6.2 million received for the construction of the Smith Avenue Transit Hub. Miscellaneous revenue increased \$3.4 million from a reimbursement received from the Metropolitan Council Environmental Services in the amount of \$4.0 million to level sewer charges and credits owed to the City.

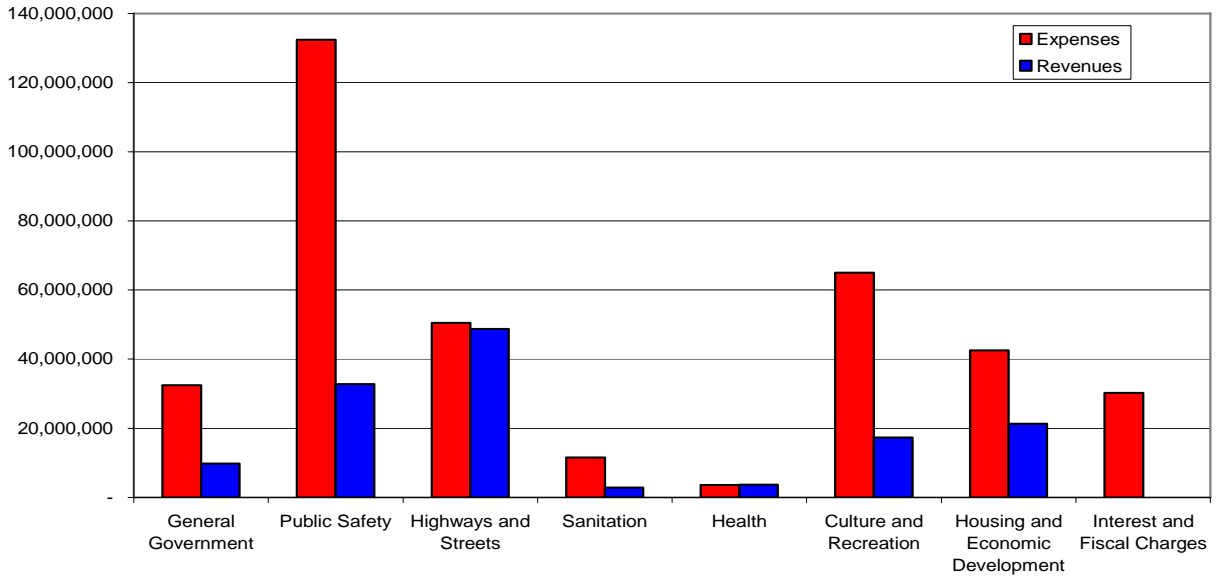
Business type expenses increased by \$12.4 million in 2006. Development and loan programs reported \$17.4 million of expense, an increase of \$10.3 million from 2005. This was a result of an increase in bad debt expense of \$5.5 million because several large development loans issued were risk rated as a loss; a forgivable loan expense increase of \$3.1 million, for development loans that were risk rated forgivable and a loss on sale the Science Museum loan of \$1.6 million to the City.

CITY OF SAINT PAUL, MINNESOTA

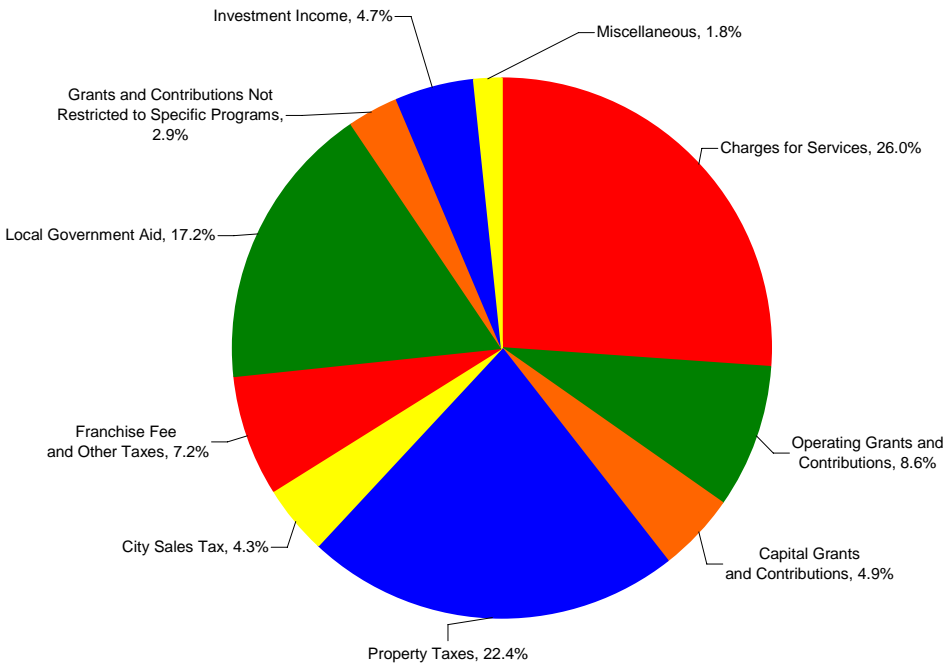
MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Expenses and Program Revenues – Governmental Activities



Revenue by Source – Governmental Activities

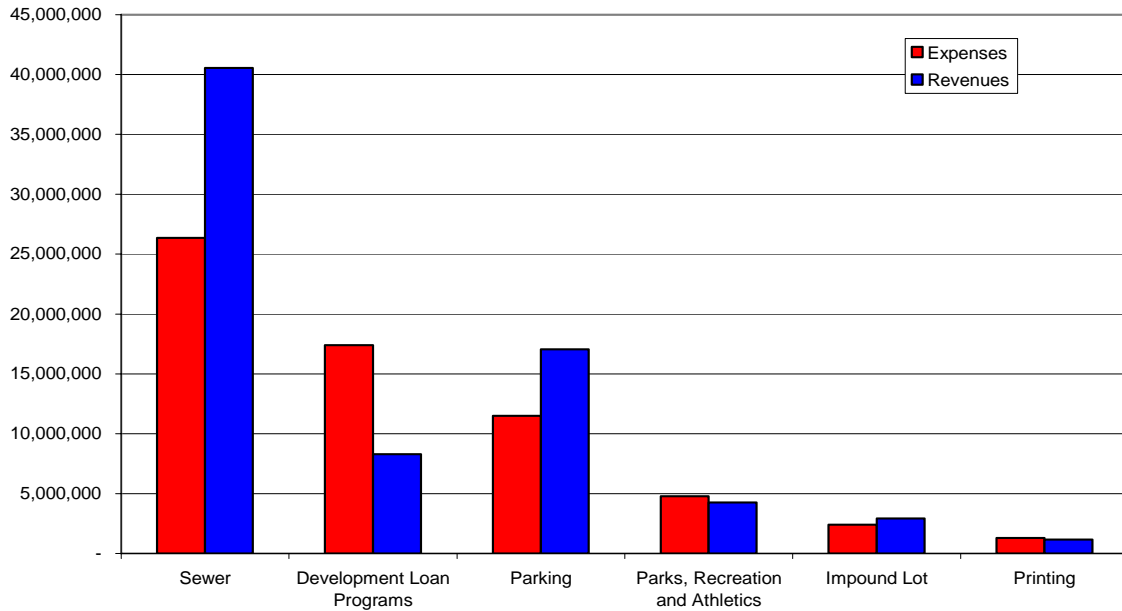


CITY OF SAINT PAUL, MINNESOTA

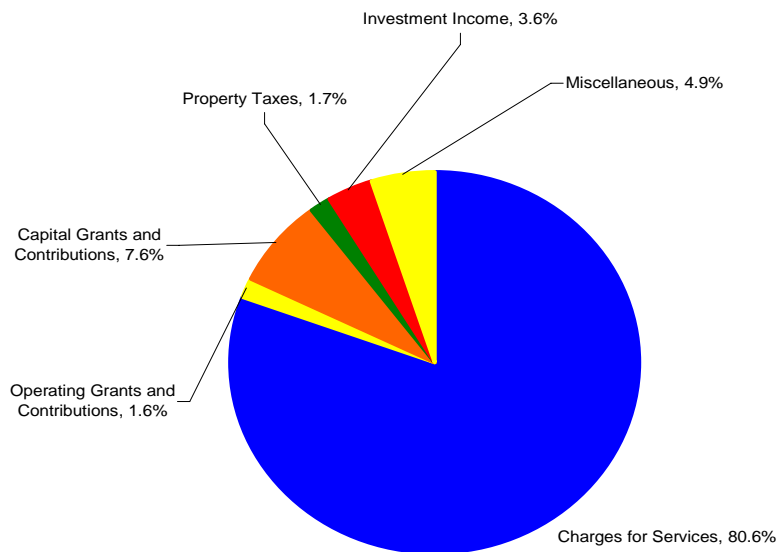
MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

At the end of current fiscal year, the City of Saint Paul's governmental funds reported combined ending fund balances of \$167.4 million. Approximately 86.5% of this total amount (\$144.8 million) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending, because it has already been committed to pay for:

| | (in thousands) |
|--|------------------|
| Encumbrances | \$ 17,551 |
| Imprest Funds | 100 |
| Advances to Other Funds | 1,214 |
| Advance to Component Unit | 1,756 |
| Long-Term Receivable | 260 |
| Mandatory 5% for Debt Retirement | 1,122 |
| Revenue Shortfalls and Unforeseen Expenditures | 543 |
| Permanent Funds' Activities | 35 |
| | <u>\$ 22,581</u> |

Of the \$144.8 million unreserved fund balance, the use is available for specific purposes in which these funds were collected.

| | (in thousands) |
|------------------------|-------------------|
| General Fund | \$ 27,005 |
| Special Revenue Funds | 42,750 |
| Debt Service Funds | 56,421 |
| Capital Projects Funds | 18,638 |
| Permanent Funds | 30 |
| Total | <u>\$ 144,844</u> |

General Fund: The General Fund is the primary operating fund of the City. Total fund balance as of December 31, 2006, was \$30.3 million, of which \$27 million was unreserved. It may be useful to compare unreserved fund balance to total fund balance and total fund expenditures as a measure of the fund's liquidity. Unreserved fund balance represents 89.2% of total fund balance and 15.5% of total 2006 fund expenditures including transfers out. The fund balance increased by \$3 million during the current fiscal year.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The following tables provide an overview of General Fund revenues by source and expenditures by function.

| Revenues by Source | 2006 | 2005 | Total Percent Change |
|--------------------------------|-----------------------|-----------------------|----------------------------|
| Property Tax | \$ 46,014,519 | \$ 42,990,712 | 7.03% |
| Franchise Fees and Other Taxes | 19,369,250 | 19,382,849 | (0.07)% |
| Intergovernmental | 63,746,052 | 57,473,669 | 10.91% |
| Fees, Sales and Services | 15,828,606 | 15,351,211 | 3.11% |
| Interest | 10,221,265 | 6,388,142 | 60.00% |
| Miscellaneous | 1,056,559 | 1,327,428 | (20.41)% |
| Transfers In | 19,692,272 | 13,381,951 | 47.16% |
| Sale of Capital Asset | 1,413,257 | 69,968 | 1919.86% |
| Capital Lease | - | 1,000,000 | (100.00)% |
| Total | <u>\$ 177,341,780</u> | <u>\$ 157,365,930</u> | 12.69% |

Overall, General Fund revenues have increased by \$20 million or 12.7% as compared to 2005.

In 2006, property tax revenue has increased by \$3.0 million. The General Fund's portion of the levy was increased by \$1.6 million, which represents 73.2% of the total levy. The City's total property tax levy of \$64.5 million is allocated between the General, General Debt and Library Agency Funds. The levy increased \$1.9 million or 3.1% after being held constant for twelve consecutive years prior to this. Also, additional property tax revenue was received from the decertification of a tax increment district.

Intergovernmental revenue increased by \$6.3 million. After three years of reduction in Local Government Aid (LGA), which totaled \$22.6 million, the State Legislature provided an increase of \$6.4 million.

Fees, sales and services increased by \$477,395.

Interest earnings increasing by \$3.8 million is mainly associated with security lending transactions. Interest earnings on the collateral received are reported on the operating statement as Interest Earned on Securities Lending. The costs of securities lending transactions are not netted with interest revenue. Borrower rebates are reported on the operating statement as Interest Expenditures on Securities Lending and the bank fees are included in Miscellaneous-Other Expenditures. For fiscal year 2006 net revenue from securities lending transactions was \$61,587.

Transfers In increased by \$6.3 million. An additional \$3.9 million was transferred from Special Revenue Funds and \$2.3 from Internal Service Funds.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

| Expenditures by Function | 2006 | 2005 | Total Percent Change |
|----------------------------------|-----------------------|-----------------------|----------------------------|
| General Government | \$ 22,279,210 | \$ 20,387,754 | 9.28% |
| Public Safety | 110,888,728 | 105,122,677 | 5.49% |
| Highways and Streets | 1,530,528 | 2,096,092 | (26.98)% |
| Culture and Recreation | 23,866,883 | 22,643,432 | 5.40% |
| Housing and Economic Development | - | 78,483 | (100.00)% |
| Miscellaneous | 5,144,659 | 5,734,053 | (10.28)% |
| Debt | 7,767,476 | 5,078,423 | 52.95% |
| Transfers Out | 2,846,479 | 2,810,644 | 1.27% |
| Total | <u>\$ 174,323,963</u> | <u>\$ 163,951,558</u> | 6.33% |

Total General Fund expenditures increased by \$10.4 million or 6.33% as compared to 2005. The majority of increases occurred in salary and fringe benefit expenditures. An additional \$5.5 million or 5.7% was spent for salaries and \$2.7 million or 9.2% was spent in fringe benefits.

General Government expenditures increased by \$1.9 million or 9.28%. Technology staff were transferred from special funds to the General Fund-Office of Technology and financed by transfers in from department special funds. Public Safety expenditures have increased by \$5.8 million, \$2.6 million in Police expenditures and \$2.8 million in Fire expenditures. The increases relate to increased staffing in both departments. The Police department's budget authorized 25 additional police officers and \$1 million in additional overtime. Fire and Safety Services budget added nine fire fighter positions and an emergency medical services chief. Culture and Recreation expenditures increased by \$1.2 million which mainly reflects normal salary and fringe increases, increased cost for operation of the Wellstone Center, and utilities. The increase in debt of \$2.7 million, or 52.95% was caused by an increase in securities lending transactions, as explained in the revenue analysis.

Library Agency Fund: The City's Library Agency Fund accounts for the general operations of the Saint Paul Public Library. The purpose of separating the Library from the General Fund was to increase its visibility within the community. Revenues to support the agency are from property taxes, local government aid and market value homestead credit. Revenues reported from these sources totaled \$13.4 million with expenditures of \$13.4 million. Fund balance of \$1 million from other revenue sources such as donations, grants, fees and fines were transferred to Library Agency Revenues and Grants, a separate special revenue fund. This will isolate revenues and expenditures supported by property taxes and local government aid. The fund is reporting a fund balance on December 31, 2006, of \$261,917.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

HRA General Fund: The HRA General Fund is the chief operating fund of the HRA. Revenues include the HRA property tax levy, fees from conduit revenue bond issues, property rentals, land sale proceeds and investment earnings. The major spending activities are for staff administration of HRA programs, maintenance of HRA properties and professional services for HRA programs and projects. The fund balance in the HRA General Fund decreased during 2006 by \$110 thousand to a total of \$8.0 million at December 31, 2006, which is healthy relative to 2006 total fund spending of \$3.1 million.

General Debt Service Fund: The City's General Debt Service Fund accounts for the revenues and expenditures relating to the City's general obligation debt that is supported by property tax revenues. During 2006, \$7.5 million was received in taxes and \$10.1 million in transfers for a total of \$17.6 million. The expenditures made on debt payments during 2006 totaled \$22.5 million resulting in a planned decrease in fund balance of \$4.4 million. The remaining fund balance of \$19.8 million at the end of the fiscal year is to be used for future debt service payments.

HRA General Debt Service Fund: The HRA General Debt Service Fund accumulates resources and pays debt service for the HRA debt that is not financed by its 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, 2006, the fund balance was \$20.4 million, which is reserved for future debt service. Total debt spending during 2006 was \$20.4 million, of which \$4.8 million was to retire existing bonds using refunding proceeds.

Capital Improvement Projects Fund: The City's Capital Improvement Projects Fund accounts for the major capital improvement projects relating to City-owned capital assets. Total expenditures reported by this fund in 2006 were \$56.4 million. The fund reported reserves for existing contracts of \$14.7 million. The total fund balance at December 31, 2006 was a negative \$3.0 million. The negative fund balance will be resolved as money is received for capital projects financed by grants upon their completion. The City's Residential Street Vitality Program, Major Sewer Repairs, Phalen Boulevard Project, Jimmy Lee Recreation Center, Dale Street Redesign and the completion of Fire Station No. 8 were among the projects with the largest amount of expenditures in 2006.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Proprietary Funds

The City of Saint Paul's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Sewer Utility Fund: The Sewer Utility Enterprise Fund had another year of strong performance in 2006, with an unrestricted net asset balance of \$34.8 million at December 31, 2006. Operating cash is being maintained in the \$25-\$30 million range. Revenues continue their constant trend with a two percent (2.0%) increase in both storm and sanitary rates, which was recommended by the Mayor and adopted by the City Council in late 2006 for implementation January 1, 2007.

In the next couple of years the Sewer Utility Enterprise Fund anticipates a decrease in unrestricted net assets as a result of the Ford Motor Plant closing, implementation of an Inflow / Infiltration program, major reconstruction of storm sewer tunnels, and other construction repair work.

At this time the only restrictions placed on resources in the Sewer Utility Enterprise Fund are those related to outstanding debt, which are not unusual in their nature or restrictions. In March 2006, Standard & Poor's Rating Group indicated their support of Sewer Utility management by maintaining their rating of the Sewer Utility's revenue bonds to AAA and Moody's increased their rating to AA2.

HRA Loan 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 \$40.3 million at December 31, 2006. The assets of the Fund include loans receivable and accrued interest on these loans which are reported at \$13.1 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 \$30.0 million at December 31, 2006, which includes cash and investments restricted for the Housing 5000 Land Assembly Bonds of \$14.3 million. The Fund had an overall decrease in net assets of \$12.5 million for 2006, primarily due to the issuance of large development loans with credit risk ratings of "loss" and "forgivable".

HRA Parking Fund: The HRA Parking Fund accounts for the operation of HRA owned parking facilities in Saint Paul. The Fund has unrestricted net assets of \$10.5 million at December 31, 2006. Assets in the Fund include capital assets for parking facilities reported at the depreciated amount of \$91.7 million. Long-term debt used for financing the construction of the parking facilities is \$89.6 million in principal outstanding at December 31, 2006. Bonds were issued in 2005 to construct the Smith Avenue Transit Center. Proceeds of \$8.8 million from this bond issue at December 31, 2006 are awaiting future disbursement for the construction. The Fund had operating income of \$3.9 million during 2006 – a decrease of \$0.4 million from 2005.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget for the 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 and commitments), plus any additional supplemental appropriations that were legislated by City Council during the year. The total original adopted financing and spending budgets including transfers was \$166.8 million, plus reserved for encumbrances carried forward of \$2.4 million, for total original appropriations of \$169.2 million. This compared to final appropriations of \$178.6 million, is \$9.4 million greater than the original budget. The 2006 final General Fund appropriations are \$11 million more than 2005 final appropriations of \$167.6 million.

The majority of the difference between the adopted and final budget was related to the following items:

- \$6.8 million additional interest expense relating to security lending transactions which was offset by interest earnings of \$6.8 million.
- \$2.1 million year end adjustment, recognizing increased tax increment revenue from a decertified district, transfers and sale of capital asset to cover additional costs associated with civil litigation, workers compensation and utility costs and summary nuisance abatement activity.

2006 actual spending including transfers out was \$174.3 million, as compared to final budget of \$178.6 million resulted in a \$4.3 million positive variance. Actual expenditures were 97.6% of the final budgeted amount. Over the past ten years, the City's actual expenditures compared to budget have averaged 96.8%.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

CAPITAL ASSETS

At the end of 2006, the City had invested a total of \$1,464.6 million in capital assets (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress of the City, including the capital assets recorded for the City's internal service funds which have a depreciated value of \$10.7 million.

Major capital asset events during the current fiscal year included the following:

Public Works completed its eleventh year of the Residential Street Vitality Program (RSVP) by completing the Chatsworth/Goodrich and the Orange/Park projects in the amount of \$6.1 million. In addition, the Baker/Bellows and the Arlington/Pascal RSVP projects that spanned two years were completed in the amount of \$14.4 million

The Sewer System Rehabilitation program is now in its ninth year. The City awarded contracts for the Fairmount/Fairview Relining project in the amount of \$1.5 million, the Downtown Sewer Lining project in the amount of \$1.1 million, the Davern/Bayard Sewer Lining project in the amount of \$1.2 and the Edgerton/Orange Sewer Lining project in the amount of \$1.0 million. All projects have an estimated completion date of November 30, 2007. A contract for the rehabilitation of the St. Peter/Rondo Storm Tunnel will be awarded early in 2007 so that work can take place during the winter months.

Public Works substantially completed the construction of the third and final phase of Phalen Boulevard in 2005. Purchase of right-of-way, in the amount of \$1.9 million, took place in anticipation of the realignment of Pierce Butler Road.

The Tropical Encounter exhibit, located in the Como Park Visitor's Center, opened in the fall of 2006. This \$2.5 million exhibit is a total immersion experience which allows guests to visit an authentic neotropical rainforest and explore the relationships between plants and animals. Tropical Encounters is the first new exhibit at Como Park Zoo and Conservatory in over two decades, as well as the first that combines both plant and animal worlds.

The new, award-winning addition to the Saint Paul Public Library celebrated its grand opening on September 9, 2006. The Rondo Community Outreach Library is the largest branch of the Saint Paul Public Library and was completed at a cost of \$9.3 million. The innovative building is a public/private partnership which includes three floors of mixed-income housing in addition to the library facility. This library serves as a national model.

In November of 2006, the City council approved a ten-year lease agreement, with the option to purchase, for the new Western District Police Station to be constructed on the northwest corner of Hamline Avenue and St. Anthony beginning in 2007. The tentative move in date is scheduled for November 2007. The estimated purchase price of the building is approximately \$9.1 million.

Construction continued on the new Smith Avenue Transit Center. This Transit Center will consist of a 603 space parking ramp near the RiverCentre complex, plus a bus layover facility for Metro Transit busses. The Transit Center is projected to be open for operation in July 2007.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

CAPITAL ASSETS

CAPITAL ASSETS AT YEAR-END NET OF ACCUMULATED DEPRECIATION (in thousands of dollars)

| | Governmental Activities | | Business-Type Activities | | Total | | Total Percent Change |
|--------------------------------------|-------------------------|---------------------|--------------------------|-------------------|---------------------|---------------------|----------------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | |
| Land | \$ 141,438 | \$ 138,804 | \$ 23,061 | \$ 23,061 | \$ 164,499 | \$ 161,865 | 1.63% |
| Buildings | 374,198 | 376,237 | 65,553 | 68,032 | 439,751 | 444,269 | (1.02)% |
| Improvements other than Buildings | 63,382 | 61,077 | - | - | 63,382 | 61,077 | 3.77% |
| Public Improvements | - | - | 254,726 | 257,478 | 254,726 | 257,478 | (1.07)% |
| Equipment | 26,788 | 24,175 | 1,965 | 2,302 | 28,753 | 26,477 | 8.60% |
| Infrastructure | 465,762 | 473,999 | - | - | 465,762 | 473,999 | (1.74)% |
| Construction in Progress | 37,672 | 22,326 | 10,098 | 2,251 | 47,770 | 24,577 | 94.37% |
| Total | \$ 1,109,240 | \$ 1,096,618 | \$ 355,403 | \$ 353,124 | \$ 1,464,643 | \$ 1,449,742 | 1.03% |

Additional information on the City of Saint Paul's capital assets can be found in Note VI.E. on pages 88-89 of this report.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

LONG-TERM OBLIGATIONS

During 2006, the City issued \$30.5 million in bonds and retired/defeased \$52.8 million in bonds, resulting in \$463.2 million in bonds payable and \$71.9 million in notes payable at the end of 2006. Of the bonded debt, \$111.7 million is considered to be gross direct general property tax supported debt; considering the \$19.8 million available in the General Debt Service Fund, the net general property tax supported debt at year end was \$91.9 million or \$320 per capita.

The City's General Obligation bonds issued in 2006 continued their Aa2 rating from Moody's Investors Service, Inc. and AAA rating from Standard & Poor's Corporation. The Sewer Revenue bonds were upgraded from Aa3 to Aa2 by Moody's and were reaffirmed at AAA by Standard and Poor's.

OUTSTANDING DEBT GENERAL OBLIGATION, REVENUE, LEASE REVENUE AND SALES TAX NOTES AND BONDS (in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | | Total Percent Change |
|--------------------------------------|-------------------------|------------|--------------------------|------------|------------|------------|----------------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | |
| General Obligation Bonds | \$ 160,745 | \$ 159,285 | \$ 37,980 | \$ 39,485 | \$ 198,725 | \$ 198,770 | (0.02)% |
| Revenue Bonds | - | - | 27,830 | 27,690 | 27,830 | 27,690 | 0.51% |
| Sales Tax Revenue Bonds | 66,280 | 67,750 | - | - | 66,280 | 67,750 | (2.17)% |
| HRA Tax Increment Revenue Bonds | 53,931 | 62,170 | - | - | 53,931 | 62,170 | (13.25)% |
| HRA Parking Facilities Revenue Bonds | - | - | 53,795 | 55,420 | 53,795 | 55,420 | (2.93)% |
| HRA Loan Enterprise Revenue Bonds | - | - | 12,455 | 21,830 | 12,455 | 21,830 | (42.95)% |
| HRA Sales Tax Revenue Bonds | 43,585 | 44,895 | - | - | 43,585 | 44,895 | (2.92)% |
| HRA Lease Revenue Bonds | 6,570 | 6,870 | - | - | 6,570 | 6,870 | (4.37)% |
| Revenue Notes | 42,951 | 44,844 | 14,911 | 15,825 | 57,862 | 60,669 | (4.63)% |
| HRA Revenue Notes | 12,820 | 8,580 | 1,225 | 3,090 | 14,045 | 11,670 | 20.35% |
| Total | \$ 386,882 | \$ 394,394 | \$ 148,196 | \$ 163,340 | \$ 535,078 | \$ 557,734 | (4.06)% |

Additional information on the City of Saint Paul's long-term obligations can be found in Note VI.G on pages 94-116 of this report.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

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 the single largest source of financing for the City's General Fund budget. In the 2007 adopted budget, state aid including Local Government Aid (LGA-the largest program), supported 37% of total spending (by comparison, property taxes provide 26% of financing in 2007). In the 2003 legislative session, the state resolved its budget deficit in part by sharply reducing aid payments to local governments. In Saint Paul, this has the effect of reducing LGA transfers for 2007 by \$16 million below the originally-certified 2003 level.

Since 2003, permanent revenue and spending adjustments have not completely offset the loss of state aid payments. Despite a partial restoration of LGA payments from the state for 2006, and a substantial increase (9%) in the city's property tax levy for 2007, the combined state aid and local tax levy (which together comprise nearly two-thirds of total general fund revenues) remain about \$8 million lower in 2007 than they were in the 2003 budget. During this period City budgets came to rely increasingly on one-time financing and spending measures to balance the annual operating budget.

The 2007 budget proposed by the Mayor identified a goal of restoring structural balance to the general operating budget by 2010, through measured steps to increase permanent revenues more rapidly and adopt management measures (such as service delivery system restructurings and increased attention to internal cost recovery from other funds) to contain overall spending growth. The 2007 adopted budget made significant progress in this regard, adding approximately \$11 million in new budgeted general fund revenues, primarily through a significant increase in the property tax levy and in energy franchise fees.

The financial outlook for the City for 2008 and future years will continue to be influenced primarily by state policymakers' decisions on LGA funding levels (as of May 31, a bill providing an additional \$7 million in state aid for Saint Paul in 2008 had been passed by the Legislature but vetoed by the Governor), and City officials' ability to balance competing budget needs: on one hand, the need for continued growth in local revenues (which would need to come primarily from property tax levies in the absence of state assistance); balanced against citizens' concerns about both the current level of property taxation, and preserving the scope and quality of municipal services (and increasing them, in the case of public safety activities).

Employment Outlook

The 2006 annual average unemployment rate for the City of Saint Paul was reported by the Minnesota Department of Employment and Economic Development at 4.1%. This compares to a state unemployment rate of 4% and a U.S. average rate of 4.6%. Saint Paul has a balanced, diversified employment base with no single industry sector dominating. Health care and social assistance, trade, transportation, utilities, and government (local, state and federal combined) each supplied more than 10% of total employment in 2006.

The third quarter 2006 annual average wage in Saint Paul was \$44,200, compared to \$46,332 in the metro area and \$40,872 in Minnesota.

CITY OF SAINT PAUL, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2006

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the City's finances. If you have questions about this report or need any additional information, contact the Office of Financial Services, Attn: Lori Lee, at 15 W. Kellogg Blvd., Room 700; Saint Paul, Minnesota 55102, call 651-266-8822, or e-mail lori.lee@ci.stpaul.mn.us.

General information relating to the City of Saint Paul, Minnesota, can be found at the City's website, www.stpaul.gov.

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City of Saint Paul, Minnesota
STATEMENT OF NET ASSETS
December 31, 2006

Exhibit 1

| | Primary Government | | | Component Units |
|---|-------------------------|--------------------------|----------------------|--------------------|
| | Governmental Activities | Business-Type Activities | Totals | |
| ASSETS | | | | |
| Cash and Investments | 171,806,779 | 62,434,271 | 234,241,050 | 7,802,340 |
| Investments | - | 453,818 | 453,818 | 20,526,329 |
| Securities Lending Collateral | 132,477,149 | - | 132,477,149 | - |
| Receivables (Net of Allowance for Uncollectibles) | 76,016,157 | 6,449,530 | 82,465,687 | 45,407,697 |
| Due from Component Units | 141,765 | 1,608,508 | 1,750,273 | - |
| Due from Primary Government | - | - | - | 181,054 |
| Due from Other Governmental Units | 24,892,834 | 1,691,118 | 26,583,952 | 686,388 |
| Advance to Component Units | 1,756,126 | - | 1,756,126 | - |
| Internal Balances | (2,000,799) | 2,000,799 | - | - |
| Inventories | 7,461,706 | 15,384,021 | 22,845,727 | 2,095,659 |
| Other Assets | 5,291,275 | 1,613,767 | 6,905,042 | 402,380 |
| Restricted Cash and Investments | 35,000 | 42,216,122 | 42,251,122 | 30,039,379 |
| Long Term Receivables | 11,692,027 | 13,200,466 | 24,892,493 | 819,527 |
| Capital Assets, Net of Related Depreciation | | | | |
| Land | 141,438,508 | 23,061,231 | 164,499,739 | 7,485,649 |
| Buildings and Structures | 374,197,867 | 65,552,690 | 439,750,557 | 65,733,488 |
| Improvements Other than Buildings | 63,381,637 | - | 63,381,637 | - |
| Public Improvements | - | 254,725,835 | 254,725,835 | 140,821,961 |
| Equipment | 26,788,244 | 1,964,963 | 28,753,207 | 17,995,551 |
| Infrastructure | 465,761,783 | - | 465,761,783 | - |
| Construction in Progress | 37,671,629 | 10,098,345 | 47,769,974 | 19,012,041 |
| Total Assets | 1,538,809,687 | 502,455,484 | 2,041,265,171 | 359,009,443 |
| LIABILITIES | | | | |
| Accounts Payable and Other Current Liabilities | 19,717,751 | 3,603,401 | 23,321,152 | 6,216,725 |
| Accrued Salaries | 9,066,985 | 307,002 | 9,373,987 | 761,727 |
| Due to Component Units | 121,232 | 59,822 | 181,054 | - |
| Due to Primary Government | - | - | - | 1,750,273 |
| Due to Other Governmental Units | 1,846,878 | 20,735 | 1,867,613 | 3,147,494 |
| Unearned Revenue | 22,026,287 | - | 22,026,287 | 2,518,313 |
| Obligations Under Securities Lending | 132,477,149 | - | 132,477,149 | - |
| Liabilities Payable from Restricted Assets | - | 6,516,486 | 6,516,486 | 10,921,726 |
| Advance from Primary Government | - | - | - | 1,756,126 |
| Noncurrent Liabilities: | | | | |
| Due Within One Year | 46,525,177 | 10,775,520 | 57,300,697 | 2,062,063 |
| Due in More than One Year | 409,026,069 | 135,683,118 | 544,709,187 | 99,114,789 |
| Total Liabilities | 640,807,528 | 156,966,084 | 797,773,612 | 128,249,236 |
| NET ASSETS | | | | |
| Invested in Capital Assets, Net of Related Debt | 873,832,717 | 242,732,729 | 1,116,565,446 | 177,037,135 |
| Restricted for: | | | | |
| Public Safety | 3,579,631 | - | 3,579,631 | - |
| Culture and Recreation | 1,260,181 | - | 1,260,181 | - |
| Economic Development | - | - | - | 18,238,992 |
| Debt Service | 8,490,798 | 14,524,953 | 23,015,751 | 13,818,439 |
| Permanent Activities | | | | |
| Expendable | 29,788 | - | 29,788 | - |
| Nonexpendable | 35,000 | - | 35,000 | - |
| Operations and Maintenance | - | 3,096,188 | 3,096,188 | - |
| Unrestricted | 10,774,044 | 85,135,530 | 95,909,574 | 21,665,641 |
| Total Net Assets | 898,002,159 | 345,489,400 | 1,243,491,559 | 230,760,207 |

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

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| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | Component Units |
|---|--------------------|-------------------------|--|--|--|-----------------------------|----------------------|--------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | |
| | | | | | Governmental Activities | Business-Type Activities | Totals | |
| Primary Government | | | | | | | | |
| Governmental Activities | | | | | | | | |
| General Government | 32,449,114 | 9,134,829 | 435,557 | 253,112 | (22,625,616) | - | (22,625,616) | - |
| Public Safety | 132,378,948 | 26,692,642 | 6,087,926 | - | (99,598,380) | - | (99,598,380) | - |
| Highways and Streets | 50,495,027 | 34,352,127 | 5,198,065 | 9,197,688 | (1,747,147) | - | (1,747,147) | - |
| Sanitation | 11,583,096 | 2,324,880 | 540,052 | - | (8,718,164) | - | (8,718,164) | - |
| Health | 3,635,124 | 3,707,070 | - | - | 71,946 | - | 71,946 | - |
| Culture and Recreation | 65,013,514 | 5,512,146 | 4,321,060 | 7,492,830 | (47,687,478) | - | (47,687,478) | - |
| Housing and Economic Development | 42,549,059 | 8,196,016 | 13,089,151 | - | (21,263,892) | - | (21,263,892) | - |
| Interest and Fiscal Charges | 30,244,973 | - | - | - | (30,244,973) | - | (30,244,973) | - |
| Total Governmental Activities | 368,348,855 | 89,919,710 | 29,671,811 | 16,943,630 | (231,813,704) | - | (231,813,704) | - |
| Business-Type Activities | | | | | | | | |
| Sewer | 26,354,648 | 40,480,344 | 72,711 | - | - | 14,198,407 | 14,198,407 | - |
| Development Loan Programs | 17,395,885 | 7,046,559 | 1,243,577 | - | - | (9,105,749) | (9,105,749) | - |
| Parking | 11,494,853 | 10,799,884 | - | 6,235,375 | - | 5,540,406 | 5,540,406 | - |
| Parks, Recreation and Athletics | 4,771,876 | 4,253,281 | - | - | - | (518,595) | (518,595) | - |
| Impound Lot | 2,402,149 | 2,913,522 | - | - | - | 511,373 | 511,373 | - |
| Printing | 1,279,068 | 1,142,229 | - | 4,020 | - | (132,819) | (132,819) | - |
| Total Business-Type Activities | 63,698,479 | 66,635,819 | 1,316,288 | 6,239,395 | - | 10,493,023 | 10,493,023 | - |
| Total Primary Government | 432,047,334 | 156,555,529 | 30,988,099 | 23,183,025 | (231,813,704) | 10,493,023 | (221,320,681) | - |
| Component Units | | | | | | | | |
| RiverCentre Convention & Visitors Authority | 10,760,349 | 7,538,468 | 564,645 | 1,011,361 | - | - | - | (1,645,875) |
| Regional Water Services | 35,083,572 | 35,290,110 | 77,960 | 1,454,309 | - | - | - | 1,738,807 |
| Port Authority | 13,970,016 | 9,558,373 | 2,624,766 | - | - | - | - | (1,786,877) |
| Total Component Units | 59,813,937 | 52,386,951 | 3,267,371 | 2,465,670 | - | - | - | (1,693,945) |
| General Revenues | | | | | | | | |
| Taxes | | | | | | | | |
| Property Taxes, Levied for General Purposes | | | | | 66,522,052 | 1,397,216 | 67,919,268 | - |
| Property Taxes, Levied for Debt Service | | | | | 11,026,264 | - | 11,026,264 | 1,079,943 |
| City Sales Tax | | | | | 14,788,775 | - | 14,788,775 | - |
| Gross Earnings Franchise Fee | | | | | 23,631,601 | - | 23,631,601 | - |
| Other Taxes | | | | | 1,064,984 | - | 1,064,984 | 1,523,793 |
| Revenues Not Restricted to Specific Programs | | | | | | | | |
| Local Government Aid | | | | | 59,544,620 | - | 59,544,620 | - |
| Grants and Contributions | | | | | 10,038,235 | - | 10,038,235 | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | | | | | 9,421,782 | 2,921,360 | 12,343,142 | 3,026,188 |
| Increase (Decrease) in Fair Value of Investments | | | | | (116,483) | 35,534 | (80,949) | 25,140 |
| Other Investment Income | | | | | 6,828,069 | - | 6,828,069 | - |
| Gain on Sale of Capital Assets | | | | | 1,774,601 | 70,535 | 1,845,136 | 23,576,221 |
| Miscellaneous | | | | | 4,405,124 | 4,013,182 | 8,418,306 | 221,088 |
| Transfers | | | | | 19,840,276 | (19,840,276) | - | - |
| Total General Revenues and Transfers | | | | | 228,769,900 | (11,402,449) | 217,367,451 | 29,452,373 |
| Change in Net Assets | | | | | (3,043,804) | (909,426) | (3,953,230) | 27,758,428 |
| Net Assets - January 1, Restated | | | | | 901,045,963 | 346,398,826 | 1,247,444,789 | 203,001,779 |
| Net Assets - December 31 | | | | | 898,002,159 | 345,489,400 | 1,243,491,559 | 230,760,207 |

City of Saint Paul, Minnesota
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2006

Exhibit 3

| | <u>General</u> | <u>Library Agency</u> | <u>HRA General Fund</u> | <u>General Debt Service</u> | <u>HRA General Debt Service</u> | <u>Capital Improvement Projects</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|--------------------|-----------------------|-------------------------|-----------------------------|---------------------------------|-------------------------------------|---------------------------------|---------------------------------|
| ASSETS | | | | | | | | |
| Cash and Investments with Treasurer | 16,303,395 | 2,116,460 | 8,648,229 | 19,422,774 | 8,677,331 | - | 87,833,843 | 143,002,032 |
| Cash and Investments with Trustees | - | - | - | - | 11,552,010 | - | 6,572,018 | 18,124,028 |
| Interfund Receivable for Pooled Cash and Investments Overdrafts | 6,077,452 | - | - | - | - | - | - | 6,077,452 |
| Imprest Funds | 59,540 | - | - | - | - | - | 40,700 | 100,240 |
| Securities Lending Collateral (Note VI.A.) | 132,477,149 | - | - | - | - | - | - | 132,477,149 |
| Receivables | | | | | | | | |
| Property Taxes - Due from Ramsey County | 637,361 | 151,254 | 14,024 | 125,852 | 256,205 | - | 164,675 | 1,349,371 |
| Property Taxes - Delinquent | 1,247,570 | 272,983 | 35,248 | 85,869 | 163,093 | - | 14,294 | 1,819,057 |
| Accounts (net of allowance for estimated uncollectible) | 8,771,946 | - | 190,868 | 133,000 | 9,608 | 564,444 | 1,958,483 | 11,628,349 |
| Assessments | - | - | - | - | - | 13,241,523 | 26,074,024 | 39,315,547 |
| Notes and Loans | - | - | - | - | - | - | 20,226,719 | 20,226,719 |
| Accrued Interest | 1,346,682 | - | 102,912 | 194,560 | 135,268 | 1,849 | 1,454,842 | 3,236,113 |
| Due from Xcel Energy | 936,083 | - | - | - | - | - | - | 936,083 |
| Due from Other Funds | 16,564,372 | - | - | - | 63,839 | 3,430,335 | 2,484,136 | 22,542,682 |
| Due from Component Units | - | - | - | - | - | - | 60,342 | 60,342 |
| Due from Other Governmental Units | 328,650 | 9,997 | - | - | - | 14,018,677 | 6,996,808 | 21,354,132 |
| Advance to Other Funds | 46,400 | - | 516,588 | - | - | - | 650,800 | 1,213,788 |
| Advance to Component Units | 1,525,000 | - | - | - | - | - | 231,126 | 1,756,126 |
| Prepaid Items | - | - | - | - | - | 50,000 | - | 50,000 |
| Land Held for Resale | - | - | 1,440,918 | - | - | - | 3,805,324 | 5,246,242 |
| TOTAL ASSETS | <u>186,321,600</u> | <u>2,550,694</u> | <u>10,948,787</u> | <u>19,962,055</u> | <u>20,857,354</u> | <u>31,306,828</u> | <u>158,568,134</u> | <u>430,515,452</u> |

continued

City of Saint Paul, Minnesota
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2006

Exhibit 3

| | General | Library Agency | HRA General Fund | General Debt Service | HRA General Debt Service | Capital Improvement Projects | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|------------------|-------------------|----------------------|--------------------------|------------------------------|--------------------------|--------------------------|
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Interfund Payable for Pooled | | | | | | | | |
| Cash and Investments Overdrafts | - | - | - | - | - | 1,618,264 | 1,833,979 | 3,452,243 |
| Accrued Salaries Payable | 6,261,920 | 431,537 | - | 5,387 | - | 6,107 | 1,268,282 | 7,973,233 |
| Obligations Under Securities Lending (Note VI.A.) | 132,477,149 | - | - | - | - | - | - | 132,477,149 |
| Accounts Payable | 2,000,283 | 396,302 | 49,263 | - | 11,378 | 874,816 | 2,484,569 | 5,816,611 |
| Contracts/Retention Payable | - | - | 611,315 | - | - | 5,997,663 | 258,331 | 6,867,309 |
| Due to Other Funds | 1,210,620 | 1,131,800 | 696,499 | 940 | - | 839,321 | 9,203,450 | 13,082,630 |
| Due to Component Units | - | - | - | - | - | 30,298 | 72,200 | 102,498 |
| Due to Other Governmental Units | 1,700,141 | - | - | - | 3,708 | - | 140,854 | 1,844,703 |
| Advance from Other Funds | 100,000 | - | - | - | - | 375,000 | 8,496,301 | 8,971,301 |
| Accrued Interest Payable - Securities Lending | 601,604 | - | - | - | - | - | - | 601,604 |
| Deferred Revenue | 11,697,309 | 327,168 | 1,580,780 | 201,955 | 382,186 | 23,736,410 | 26,813,941 | 64,739,749 |
| Unearned Revenue | - | 1,970 | - | - | - | 872,554 | 16,287,471 | 17,161,995 |
| Total Liabilities | 156,049,026 | 2,288,777 | 2,937,857 | 208,282 | 397,272 | 34,350,433 | 66,859,378 | 263,091,025 |
| Fund Balances | | | | | | | | |
| Reserved for | | | | | | | | |
| Encumbrances | 1,636,872 | 55,610 | 95,583 | - | - | 14,744,446 | 1,017,996 | 17,550,507 |
| Imprest Funds | 59,540 | - | - | - | - | - | 40,700 | 100,240 |
| Advance to Other Funds | 46,400 | - | 516,588 | - | - | - | 650,800 | 1,213,788 |
| Advance to Component Units | 1,525,000 | - | - | - | - | - | 231,126 | 1,756,126 |
| Long-Term Receivable | - | - | - | - | - | - | 259,935 | 259,935 |
| Mandatory 5% for Retirement of Debt | - | - | - | 1,085,877 | - | - | 36,328 | 1,122,205 |
| Revenue Shortfalls and Unforeseen Expenditures | - | - | - | 542,939 | - | - | - | 542,939 |
| Permanent Fund Activities | - | - | - | - | - | - | 35,000 | 35,000 |
| Unreserved, Reported in | | | | | | | | |
| General Fund | 27,004,762 | - | - | - | - | - | - | 27,004,762 |
| Special Revenue Funds | - | 206,307 | 7,398,759 | - | - | - | 35,144,450 | 42,749,516 |
| Debt Service Funds | - | - | - | 18,124,957 | 20,460,082 | - | 17,836,090 | 56,421,129 |
| Capital Projects Funds | - | - | - | - | - | (17,788,051) | 36,426,543 | 18,638,492 |
| Permanent Funds | - | - | - | - | - | - | 29,788 | 29,788 |
| Total Fund Balances | 30,272,574 | 261,917 | 8,010,930 | 19,753,773 | 20,460,082 | (3,043,605) | 91,708,756 | 167,424,427 |
| TOTAL LIABILITIES AND FUND BALANCES | 186,321,600 | 2,550,694 | 10,948,787 | 19,962,055 | 20,857,354 | 31,306,828 | 158,568,134 | 430,515,452 |

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

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City of Saint Paul, Minnesota
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET AND
 THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS**
 December 31, 2006

Exhibit 4

| | |
|---|-------------------------------------|
| Total Fund Balances - Governmental Funds | \$ 167,424,427 |
| Amounts reported for governmental activities in the Statement of Net Assets are different because: | |
| Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. | 1,098,560,336 |
| Some receivables that are not currently available are reported as deferred revenue in the fund financial statements, but are recognized as revenue when earned in the government-wide statements. | 64,739,749 |
| Internal Service funds are used by management to charge the costs of various services provided to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets | 21,683,875 |
| Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(454,406,228)</u> |
| Net Assets of Governmental Activities | <u><u>\$ 898,002,159</u></u> |

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

City of Saint Paul, Minnesota
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES**
GOVERNMENTAL FUNDS
 For the Fiscal Year Ended December 31, 2006

Exhibit 5

| | General | Library Agency | HRA General Fund | General Debt Service | HRA General Debt Service | Capital Improvement Projects | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|-------------------|------------------|----------------------|--------------------------|------------------------------|--------------------------|--------------------------|
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Property Taxes | | | | | | | | |
| Current Taxpayer | 46,014,519 | 7,845,300 | 907,243 | 6,147,192 | - | - | 1,963,782 | 62,878,036 |
| Current Tax Increment | - | - | - | - | 10,487,021 | - | 3,271,969 | 13,758,990 |
| Delinquent Taxpayer | - | 137,424 | 12,963 | 97,893 | - | - | - | 248,280 |
| Delinquent Tax Increment | - | - | - | - | 37,165 | - | - | 37,165 |
| Total Property Taxes | 46,014,519 | 7,982,724 | 920,206 | 6,245,085 | 10,524,186 | - | 5,235,751 | 76,922,471 |
| City Sales Tax | - | - | - | - | - | - | 14,788,775 | 14,788,775 |
| Gross Earnings Franchise Fees | 18,524,266 | - | - | 1,256,760 | - | - | 1,938,046 | 21,719,072 |
| Hotel-Motel Tax | 794,072 | - | - | - | 220,000 | - | 1,912,529 | 2,926,601 |
| Other Taxes | 50,912 | - | - | - | - | - | - | 50,912 |
| Total Taxes | 65,383,769 | 7,982,724 | 920,206 | 7,501,845 | 10,744,186 | - | 23,875,101 | 116,407,831 |
| Licenses and Permits | 925,299 | - | - | - | - | - | 8,901,196 | 9,826,495 |
| Intergovernmental Revenue (Schedule 34) | 63,746,052 | 5,638,619 | 49,130 | 331,181 | 132,799 | 14,726,243 | 26,547,823 | 111,171,847 |
| Fees, Sales and Services | 14,903,307 | 59,910 | 1,617,345 | 37,500 | 1,255,972 | 975,484 | 24,268,224 | 43,117,742 |
| Assessments | - | - | - | - | - | 3,426,609 | 22,651,034 | 26,077,643 |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | 3,381,982 | - | 373,608 | 800,898 | 757,510 | 7,231 | 4,371,197 | 9,692,426 |
| Increase (Decrease) in Fair Value of Investments | 17,905 | - | 2,495 | 18,866 | (13,156) | 45 | (142,008) | (115,853) |
| Interest Earned on Securities Lending | 6,821,378 | - | - | - | - | - | - | 6,821,378 |
| Interest Earned - Other | - | - | - | - | 419,110 | - | 403,755 | 822,865 |
| Miscellaneous Revenue | | | | | | | | |
| Program Income | - | - | - | - | - | - | 3,183,060 | 3,183,060 |
| Other | 1,056,559 | 1,011,692 | - | 8,010 | - | 3,636,399 | 7,215,888 | 12,928,548 |
| Total Revenues | 156,236,251 | 14,692,945 | 2,962,784 | 8,698,300 | 13,296,421 | 22,772,011 | 121,275,270 | 339,933,982 |

continued

City of Saint Paul, Minnesota
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES**
GOVERNMENTAL FUNDS
 For the Fiscal Year Ended December 31, 2006

Exhibit 5

| | General | Library Agency | HRA General Fund | General Debt Service | HRA General Debt Service | Capital Improvement Projects | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|--------------------|------------------|----------------------|--------------------------|------------------------------|--------------------------|--------------------------|
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | 22,279,210 | - | - | 450,023 | - | 488,434 | 3,624,109 | 26,841,776 |
| Public Safety | 110,888,728 | - | - | - | - | 286,033 | 18,403,143 | 129,577,904 |
| Highways and Streets | 1,530,528 | - | - | - | - | 7,670,091 | 18,037,203 | 27,237,822 |
| Sanitation | - | - | - | - | - | 8,986,144 | 2,597,389 | 11,583,533 |
| Health | - | - | - | - | - | - | 3,707,070 | 3,707,070 |
| Culture and Recreation | 23,866,883 | 14,174,158 | - | - | - | 937,904 | 10,364,476 | 49,343,421 |
| Housing and Economic Development | - | - | 2,975,609 | - | 3,663,887 | 167,308 | 34,215,120 | 41,021,924 |
| Miscellaneous | 5,144,659 | - | - | - | - | - | - | 5,144,659 |
| Capital Outlay | - | 79,783 | - | - | - | 37,731,116 | 11,331,497 | 49,142,396 |
| Debt Service | | | | | | | | |
| Bond Principal | - | - | - | 18,480,000 | 6,303,857 | - | 3,755,000 | 28,538,857 |
| Other Debt Principal | 495,000 | - | - | - | 580,000 | - | 2,717,948 | 3,792,948 |
| Interest - Bonds | - | - | - | 4,055,453 | 8,119,562 | - | 6,459,404 | 18,634,419 |
| Interest - Securities Lending | 6,718,934 | - | - | - | - | - | - | 6,718,934 |
| Interest - Other Debt | 553,542 | - | - | - | 532,645 | - | 3,653,999 | 4,740,186 |
| Bond Issuance Costs | - | - | - | - | - | 151,527 | 56,022 | 207,549 |
| Total Expenditures | 171,477,484 | 14,253,941 | 2,975,609 | 22,985,476 | 19,199,951 | 56,418,557 | 118,922,380 | 406,233,398 |
| 33 Excess (Deficiency) of Revenues Over (Under) Expenditures | (15,241,233) | 439,004 | (12,825) | (14,287,176) | (5,903,530) | (33,646,546) | 2,352,890 | (66,299,416) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 19,692,272 | - | - | 10,129,396 | 20,218,352 | 25,402,188 | 24,635,234 | 100,077,442 |
| Transfers Out | (2,846,479) | (1,446,316) | (97,808) | (238,693) | (13,379,777) | (2,241,757) | (61,454,531) | (81,705,361) |
| Bonds Issued | - | - | - | - | - | 12,500,000 | 11,000,000 | 23,500,000 |
| Premium on Bonds Issued | - | - | - | - | - | 65,043 | 150,049 | 215,092 |
| Notes Issued | - | - | - | - | 4,820,000 | - | - | 4,820,000 |
| Refunded Bonds | - | - | - | - | (4,820,000) | - | - | (4,820,000) |
| Sale of Capital Assets | 1,413,257 | - | - | - | - | - | 63,353 | 1,476,610 |
| Total Other Financing Sources (Uses) | 18,259,050 | (1,446,316) | (97,808) | 9,890,703 | 6,838,575 | 35,725,474 | (25,605,895) | 43,563,783 |
| Net Change in Fund Balances | 3,017,817 | (1,007,312) | (110,633) | (4,396,473) | 935,045 | 2,078,928 | (23,253,005) | (22,735,633) |
| FUND BALANCES, January 1 | 27,254,757 | 1,269,229 | 8,121,563 | 24,150,246 | 19,525,037 | (5,122,533) | 114,961,761 | 190,160,060 |
| FUND BALANCES, December 31 | 30,272,574 | 261,917 | 8,010,930 | 19,753,773 | 20,460,082 | (3,043,605) | 91,708,756 | 167,424,427 |

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

City of Saint Paul, Minnesota
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Fiscal Year Ended December 31, 2006

Exhibit 6

| | |
|--|---|
| Net Change in Fund Balances - Total Governmental Funds | \$ (22,735,633) |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlay as expenditures. However, in the Statement of Net Assets, the cost of these assets is capitalized and depreciated over their estimated useful lives with depreciation expense reported in the Statement of Activities. | 18,112,899 |
| Net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) is to increase net assets. | (3,477,443) |
| Receivables not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. | (895,112) |
| Debt and lease proceeds provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the Statement of Net Assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. | 8,912,889 |
| Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. | (7,543) |
| Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | (1,947,711) |
| Internal Service funds are used by management to charge the costs of various services provided to individual funds. The net revenues of certain activities of internal service funds are reported with governmental activities. | <u>(1,006,150)</u> |
| Change in Net Assets of Governmental Activities | <u><u>\$ (3,043,804)</u></u> |

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

City of Saint Paul, Minnesota
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2006

Exhibit 7

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|------------------------|-------------------|------------------------------|--------------------|---|
| | Sewer Utility | HRA Loan Enterprise | HRA Parking | Other Enterprise Funds | Totals | |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and Investments with Treasurer | 34,826,187 | 15,713,742 | 10,260,192 | 1,627,500 | 62,427,621 | 10,614,504 |
| Investments | 453,818 | - | - | - | 453,818 | - |
| Imprest Funds | 150 | - | - | 6,500 | 6,650 | 975 |
| Restricted Cash and Cash Equivalents | | | | | | |
| Cash for General Obligation Bond Current Debt Service | 31,231 | - | 4,003,167 | - | 4,034,398 | - |
| Cash for Revenue Bond Current Debt Service | 1,180,643 | 7,398,355 | 4,495,986 | - | 13,074,984 | - |
| Cash for Revenue Bond Operations and Maintenance | - | - | 596,679 | - | 596,679 | - |
| Cash for Revenue Bond Construction | 1,791,093 | 6,924,420 | 8,809,694 | - | 17,525,207 | - |
| Receivables | | | | | | |
| Delinquent Taxes Receivable | - | - | 25,723 | - | 25,723 | - |
| Accounts (net of allowance for estimated uncollectibles) | 20,293 | 6,780 | 350,774 | 109,264 | 487,111 | 433,752 |
| Unbilled | - | - | - | - | - | 126,636 |
| Assessments | 5,383,946 | 806 | - | - | 5,384,752 | - |
| Accrued Interest | 101,969 | 344,392 | 121,495 | 9,811 | 577,667 | 112,958 |
| Due from Other Funds | 931,400 | 7,362 | 2,558 | 41,560 | 982,880 | 4,550,288 |
| Due from Component Units | 1,591,496 | - | - | 17,012 | 1,608,508 | 81,423 |
| Due from Other Governmental Units | 55,260 | 241 | 1,497,133 | 112,761 | 1,665,395 | 370,274 |
| Inventories | | | | | | |
| Materials and Supplies | 70,571 | - | - | 223,207 | 293,778 | 2,215,464 |
| Impounded Cars | - | - | - | 113,599 | 113,599 | - |
| Prepaid Items | - | - | - | - | - | 3,291,590 |
| Land Held for Resale | - | 14,976,644 | - | - | 14,976,644 | - |
| Total Current Assets | 46,438,057 | 45,372,742 | 30,163,401 | 2,261,214 | 124,235,414 | 21,797,864 |
| Noncurrent Assets | | | | | | |
| Restricted Assets | | | | | | |
| Cash for Revenue Bond Operations and Maintenance | 2,499,509 | - | - | - | 2,499,509 | - |
| Cash for Budget and Rate Stabilization | 3,818,595 | - | - | - | 3,818,595 | - |
| Investment for Revenue Bond Debt Service Reserve | - | - | - | 666,750 | 666,750 | - |
| Total Restricted Assets | 6,318,104 | - | - | 666,750 | 6,984,854 | - |
| Other Assets | | | | | | |
| Contract Receivable - Metropolitan Council Environmental Services (Note VI.B.) | 94,285 | - | - | - | 94,285 | - |
| Advance to Other Funds | 884,955 | 5,623,484 | - | - | 6,508,439 | 2,247,343 |
| Deferred Charges | 394,511 | - | 1,112,210 | 107,046 | 1,613,767 | - |
| Other Long-Term Loans Receivable | - | 12,189,935 | - | - | 12,189,935 | 11,692,027 |
| Accrued Interest Receivable on Loans | - | 916,246 | - | - | 916,246 | - |
| Total Other Assets | 1,373,751 | 18,729,665 | 1,112,210 | 107,046 | 21,322,672 | 13,939,370 |

continued

City of Saint Paul, Minnesota
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2006

Exhibit 7

| | Business-Type Activities - Enterprise Funds | | | | Totals | Governmental Activities - Internal Service Funds |
|--|---|------------------------|--------------------|------------------------------|--------------------|---|
| | Sewer Utility | HRA Loan Enterprise | HRA Parking | Other Enterprise Funds | | |
| Capital Assets | | | | | | |
| Land | 82,186 | - | 19,514,990 | 3,464,055 | 23,061,231 | 80,907 |
| Buildings and Structures | 3,108,731 | - | 88,592,212 | 2,742,671 | 94,443,614 | 9,631,095 |
| Less: Accumulated Depreciation | (333,827) | - | (27,635,299) | (921,798) | (28,890,924) | (5,205,227) |
| Public Improvements | 352,133,720 | - | 1,641,449 | - | 353,775,169 | - |
| Less: Accumulated Depreciation | (98,506,262) | - | (543,072) | - | (99,049,334) | - |
| Equipment | 1,974,230 | - | 31,060 | 3,310,717 | 5,316,007 | 25,186,684 |
| Less: Accumulated Depreciation | (1,052,733) | - | (15,012) | (2,283,299) | (3,351,044) | (19,014,127) |
| Construction in Progress | - | - | 10,098,345 | - | 10,098,345 | - |
| Total Capital Assets | 257,406,045 | - | 91,684,673 | 6,312,346 | 355,403,064 | 10,679,332 |
| Total Noncurrent Assets | 265,097,900 | 18,729,665 | 92,796,883 | 7,086,142 | 383,710,590 | 24,618,702 |
| TOTAL ASSETS | 311,535,957 | 64,102,407 | 122,960,284 | 9,347,356 | 507,946,004 | 46,416,566 |
| LIABILITIES | | | | | | |
| Current Liabilities (Payable from Current Assets) | | | | | | |
| Interfund Payable for Pooled | | | | | | |
| Cash and Investments Overdrafts | - | - | - | 2,414,677 | 2,414,677 | 210,532 |
| Accrued Salaries Payable | 148,011 | - | - | 158,991 | 307,002 | 1,093,752 |
| Accounts Payable | 613,529 | 451,286 | 391,552 | 102,553 | 1,558,920 | 1,146,575 |
| Contracts Payable | - | 1,310,925 | - | - | 1,310,925 | - |
| Due to Other Funds | 591,036 | 2,289,729 | 134,697 | 46,960 | 3,062,422 | 11,934,646 |
| Due to Component Units | 59,822 | - | - | - | 59,822 | 18,734 |
| Due to Other Governmental Units | - | - | 43 | 20,692 | 20,735 | 2,175 |
| Unearned Revenue | - | - | - | - | - | 4,864,292 |
| Compensated Absences Payable | 18,425 | - | - | 14,161 | 32,586 | 97,196 |
| General Obligation Bonds Payable | 197,083 | - | - | - | 197,083 | - |
| Revenue Bonds Payable | 5,266,250 | 3,004,190 | 582,024 | 205,000 | 9,057,464 | - |
| Revenue Notes Payable | 943,879 | 195,190 | 70,000 | - | 1,209,069 | - |
| Capital Lease Payable | - | - | - | 279,318 | 279,318 | 130,586 |
| Accrued Interest Payable | | | | | | |
| Revenue Bonds | - | - | 421,159 | 81,953 | 503,112 | - |
| Revenue Notes | 172,733 | 182 | 56,650 | - | 229,565 | - |
| Capital Lease | - | - | - | 857 | 857 | 31,067 |
| Total Current Liabilities (Payable from Current Assets) | 8,010,768 | 7,251,502 | 1,656,125 | 3,325,162 | 20,243,557 | 19,529,555 |

continued

City of Saint Paul, Minnesota
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2006

Exhibit 7

| | Business-Type Activities - Enterprise Funds | | | | Totals | Governmental Activities - Internal Service Funds |
|---|---|------------------------|-------------------|------------------------------|--------------------|---|
| | Sewer Utility | HRA Loan Enterprise | HRA Parking | Other Enterprise Funds | | |
| Current Liabilities (Payable from Restricted Assets) | | | | | | |
| Accounts Payable | - | - | 1,893,756 | - | 1,893,756 | - |
| General Obligation Bonds Payable | 17,917 | - | 1,445,000 | - | 1,462,917 | - |
| Revenue Bonds Payable | 478,750 | 289,810 | 1,232,976 | - | 2,001,536 | - |
| Accrued Interest Payable | | | | | | |
| General Obligation Bonds | 13,314 | - | 751,695 | - | 765,009 | - |
| Revenue Bonds | 62,218 | 59,008 | 272,042 | - | 393,268 | - |
| Total Current Liabilities (Payable from Restricted Assets) | 572,199 | 348,818 | 5,595,469 | - | 6,516,486 | - |
| Total Current Liabilities | 8,582,967 | 7,600,320 | 7,251,594 | 3,325,162 | 26,760,043 | 19,529,555 |
| Noncurrent Liabilities | | | | | | |
| General Obligation Bonds Payable | 3,060,000 | - | 33,260,000 | - | 36,320,000 | - |
| Less: Unamortized Discount | (34,751) | - | - | - | (34,751) | - |
| Revenue Bonds Payable | 14,985,000 | 9,161,000 | 51,980,000 | 6,895,000 | 83,021,000 | - |
| Add: Unamortized Premium | 295,612 | - | 100,289 | 211,306 | 607,207 | - |
| Less: Unamortized Discount | (73,095) | - | - | - | (73,095) | - |
| Revenue Notes Payable | 13,967,430 | - | 960,000 | - | 14,927,430 | - |
| Capital Lease Payable | - | - | - | 71,116 | 71,116 | 2,045,756 |
| Advance from Other Funds | - | - | - | - | - | 998,269 |
| Compensated Absences Payable | 227,555 | - | - | 616,656 | 844,211 | 2,172,554 |
| Total Noncurrent Liabilities | 32,427,751 | 9,161,000 | 86,300,289 | 7,794,078 | 135,683,118 | 5,216,579 |
| TOTAL LIABILITIES | 41,010,718 | 16,761,320 | 93,551,883 | 11,119,240 | 162,443,161 | 24,746,134 |
| NET ASSETS | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 233,213,279 | - | 10,868,843 | (1,349,393) | 242,732,729 | 7,840,568 |
| Restricted for: | | | | | | |
| Debt Service | - | 7,049,537 | 7,475,416 | - | 14,524,953 | - |
| Operation and Maintenance | 2,499,509 | - | 596,679 | - | 3,096,188 | - |
| Total Restricted | 2,499,509 | 7,049,537 | 8,072,095 | - | 17,621,141 | - |
| Unrestricted | 34,812,451 | 40,291,550 | 10,467,463 | (422,491) | 85,148,973 | 13,829,864 |
| TOTAL NET ASSETS | 270,525,239 | 47,341,087 | 29,408,401 | (1,771,884) | 345,502,843 | 21,670,432 |
| Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds | | | | | (13,443) | |
| Net Assets of Business-Type Activities | | | | | 345,489,400 | |

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

City of Saint Paul, Minnesota
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2006

Exhibit 8

| | Business Type Activities - Enterprise Funds | | | | Totals | Governmental Activities - Internal Service Funds |
|--|---|------------------------|--------------------|------------------------------|--------------------|---|
| | Sewer Utility | HRA Loan Enterprise | HRA Parking | Other Enterprise Funds | | |
| OPERATING REVENUES | | | | | | |
| Fees, Sales and Services | 40,473,234 | 5,356,857 | 10,799,884 | 7,701,085 | 64,331,060 | 36,655,110 |
| Rents and Leases | - | - | - | 577,934 | 577,934 | 1,613,312 |
| Interest Earned on Loans | - | 1,689,702 | - | - | 1,689,702 | 712,442 |
| Miscellaneous | 3,991,639 | - | - | 30,033 | 4,021,672 | 1,202,935 |
| Total Operating Revenues | 44,464,873 | 7,046,559 | 10,799,884 | 8,309,052 | 70,620,368 | 40,183,799 |
| OPERATING EXPENSES | | | | | | |
| Cost of Merchandise Sold | - | - | - | 279,706 | 279,706 | 2,638,553 |
| Salaries | 2,706,753 | - | - | 3,538,345 | 6,245,098 | 18,528,580 |
| Employee Fringe Benefits | 1,212,673 | - | - | 883,478 | 2,096,151 | 7,589,943 |
| Agent | - | - | 3,018,709 | - | 3,018,709 | - |
| Services | 15,484,831 | 5,241,210 | 1,299,371 | 1,955,624 | 23,981,036 | 7,130,202 |
| Materials and Supplies | 558,841 | - | 108,876 | 1,101,881 | 1,769,598 | 7,290,138 |
| Depreciation | 4,405,772 | - | 2,315,180 | 355,490 | 7,076,442 | 1,908,514 |
| Bad Debts | 1,691 | 6,137,550 | - | 14,987 | 6,154,228 | 78,286 |
| Forgivable Loans | - | 4,986,221 | - | - | 4,986,221 | - |
| Miscellaneous | 356,160 | - | 127,061 | - | 483,221 | 471,242 |
| Total Operating Expenses | 24,726,721 | 16,364,981 | 6,869,197 | 8,129,511 | 56,090,410 | 45,635,458 |
| OPERATING INCOME (LOSS) | 19,738,152 | (9,318,422) | 3,930,687 | 179,541 | 14,529,958 | (5,451,659) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | |
| Property Tax Increment | - | - | 1,397,216 | - | 1,397,216 | - |
| Intergovernmental Revenue (Schedule 34) | 72,711 | 429,793 | - | - | 502,504 | 2,458,315 |
| Gain on Sale of Assets | - | - | - | 70,535 | 70,535 | 9,987 |
| Investment Income | | | | | | |
| Interest Earned on Investments | 361,213 | 1,846,530 | 655,050 | 58,567 | 2,921,360 | - |
| Increase (Decrease) in Fair Value of Investments | 974 | 34,259 | 7,811 | (7,510) | 35,534 | - |
| Interest Earned - Other | 6,890 | - | - | - | 6,890 | - |
| Miscellaneous Other Revenue | - | 813,784 | 21,743 | - | 835,527 | 250,000 |
| Loss on Retirement of Assets | (36,204) | - | - | - | (36,204) | (1,037) |
| Interest Expense | | | | | | |
| General Obligation Bonds | (171,031) | - | (1,836,067) | - | (2,007,098) | - |
| Revenue Bonds | (713,222) | (750,906) | (2,585,285) | (333,898) | (4,383,311) | - |
| Capital Lease | - | - | - | (14,624) | (14,624) | (127,818) |
| Revenue Notes | (536,424) | (182) | (87,100) | - | (623,706) | - |
| Contracts | - | (15,822) | - | - | (15,822) | - |
| Advance from Other Funds | - | - | - | - | - | (15,551) |
| Amortization of Bond Issuance Costs | (190,010) | (292,200) | (133,796) | (5,684) | (621,690) | - |
| Total Non-Operating Revenues (Expenses) | (1,205,103) | 2,065,256 | (2,560,428) | (232,614) | (1,932,889) | 2,573,896 |
| Income (Loss) Before Capital Contributions and Transfers | 18,533,049 | (7,253,166) | 1,370,259 | (53,073) | 12,597,069 | (2,877,763) |
| Capital Contributions | 643,741 | - | 6,235,375 | 7,937 | 6,887,053 | - |
| Transfers In | 10,000 | 834,843 | 454,684 | 296,000 | 1,595,527 | 4,595,100 |
| Transfers Out | (14,895,109) | (6,045,871) | (673,524) | (468,957) | (22,083,461) | (2,629,101) |
| Change in Net Assets | 4,291,681 | (12,464,194) | 7,386,794 | (218,093) | (1,003,812) | (911,764) |
| TOTAL NET ASSETS, January 1, as restated | 266,233,558 | 59,805,281 | 22,021,607 | (1,553,791) | | 22,582,196 |
| TOTAL NET ASSETS, December 31 | 270,525,239 | 47,341,087 | 29,408,401 | (1,771,884) | | 21,670,432 |
| Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds | | | | | 94,386 | |
| Total change in net assets of business-type activities | | | | | (909,426) | |

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

City of Saint Paul, Minnesota
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2006

Exhibit 9

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds | |
|---|---|------------------------|---------------------|------------------------------|---|--------------------|
| | Sewer Utility | HRA Loan Enterprise | HRA Parking | Other Enterprise Funds | | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from Loan Recipients and Other Customers | 45,178,359 | 3,040,282 | 10,825,970 | 7,863,022 | 66,907,633 | 6,714,172 |
| Receipts from Other Funds for Services Provided | 901,367 | 2,400,000 | - | 679,523 | 3,980,890 | 33,359,954 |
| Other Operating Receipts | 260 | - | - | - | 260 | 222,450 |
| Payment to Suppliers | (13,740,519) | (8,181,611) | (3,429,996) | (3,310,397) | (28,662,523) | (13,541,437) |
| Payment to Employees | (3,903,347) | - | - | (4,600,651) | (8,503,998) | (26,117,624) |
| Payment to Other Funds for Services Used | (2,006,717) | (832,911) | (721,249) | (510,372) | (4,071,249) | (4,431,449) |
| Other Operating Payments | (6,809) | - | - | - | (6,809) | - |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 26,422,594 | (3,574,240) | 6,674,725 | 121,125 | 29,644,204 | (3,793,934) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Transfers In from Other Funds | 10,000 | 834,843 | 454,684 | 296,000 | 1,595,527 | 4,866,654 |
| Transfers Out to Other Funds | (14,757,506) | (6,369,635) | (666,413) | (468,957) | (22,262,511) | (1,880,746) |
| Operating Grants Received | 72,711 | 429,793 | - | - | 502,504 | 2,458,315 |
| Noncapital Contributions Received from Outside Sources | - | 813,783 | - | - | 813,783 | 250,000 |
| Advance Received for Pooled Cash and Investments Overdraft | - | - | - | 567,198 | 567,198 | 175,886 |
| Repayment of Advance Received for Pooled Cash and Investments Overdrafts | - | - | - | (33,496) | (33,496) | (348,476) |
| Advance Received From Other Funds | - | - | - | - | - | 10,929,873 |
| Repayment of Advance Made to Other Funds | 972,077 | - | - | - | 972,077 | 25,000 |
| Proceeds from Issuance of Notes | - | 195,190 | - | - | 195,190 | - |
| Principal Payment on Long-Term Revenue Notes | - | (9,375,000) | - | - | (9,375,000) | - |
| Interest Paid on Long-Term Notes for Noncapital Items | - | - | - | - | - | - |
| Interest Paid on Long-Term Revenue Notes | - | (777,522) | - | - | (777,522) | - |
| Interest Paid on Noncapital Contracts | - | (15,172) | - | - | (15,172) | - |
| Purchase of Loan | - | - | - | - | - | (2,400,000) |
| Advance Made to Other Funds | (715,000) | (1,676,648) | - | - | (2,391,648) | - |
| Repayment of Advance Received from Other Funds | - | - | - | - | - | (10,120,333) |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | (14,417,718) | (15,940,368) | (211,729) | 360,745 | (30,209,070) | 3,956,173 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Property Tax Increments Received for Financing Capital Debt | - | - | 1,383,312 | - | 1,383,312 | - |
| Payment Received on Current Value Credits | | | | | | |
| Principal | 77,971 | - | - | - | 77,971 | - |
| Interest | 6,890 | - | - | - | 6,890 | - |
| Proceeds from Issuance of Revenue Bonds | 7,085,602 | - | - | - | 7,085,602 | - |
| Proceeds from Sale of Capital Assets | | | | | | |
| Equipment | - | - | - | 70,535 | 70,535 | 9,987 |
| Cash Received for Capital Acquisition | | | | | | |
| From Grants | - | - | 4,738,242 | - | 4,738,242 | - |
| Principal Paid On | | | | | | |
| General Obligation Bonds | (205,000) | - | (1,300,000) | - | (1,505,000) | - |
| Revenue Bonds | (6,690,000) | - | (1,625,000) | (210,000) | (8,525,000) | - |
| Revenue Notes | (913,280) | - | (2,060,000) | - | (2,973,280) | - |
| Capital Lease | - | - | - | (271,264) | (271,264) | (123,437) |
| Advance From Other Funds | - | - | - | - | - | (211,600) |
| Payments for Acquisition and Construction of Capital Assets | | | | | | |
| Land | - | - | - | (1,192) | (1,192) | - |
| Buildings and Structures | - | - | - | - | - | (735,784) |
| Equipment | (44,003) | - | - | (15,547) | (59,550) | (1,318,875) |
| Construction in Progress | - | - | (6,881,777) | - | (6,881,777) | - |
| Interest Paid On | | | | | | |
| General Obligation Bonds | (168,895) | - | (1,874,280) | - | (2,043,175) | - |
| Revenue Bonds | (814,111) | - | (2,669,345) | (310,957) | (3,794,413) | - |
| Capital Lease | - | - | - | (15,287) | (15,287) | (129,580) |
| Revenue Notes | (546,840) | - | (115,400) | - | (662,240) | - |
| Advance From Other Funds | - | - | - | - | - | (15,551) |
| Payment of Bond Issuance Costs | (33,220) | - | - | - | (33,220) | - |
| NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES | (2,244,886) | - | (10,404,248) | (753,712) | (13,402,846) | (2,524,840) |

continued

City of Saint Paul, Minnesota
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2006

Exhibit 9

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds |
|--|---|------------------------|--------------------|------------------------------|---|
| | Sewer Utility | HRA Loan Enterprise | HRA Parking | Other Enterprise Funds | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest and Dividends Received | 343,976 | 1,656,572 | 639,688 | 41,847 | 2,682,083 |
| Increase (Decrease) in Fair Value of Investments | 16,962 | 266,206 | (11,225) | 17,544 | 289,487 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | 360,938 | 1,922,778 | 628,463 | 59,391 | 2,971,570 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 10,120,928 | (17,591,830) | (3,312,789) | (212,451) | (10,996,142) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 34,026,480 | 47,628,347 | 31,478,507 | 1,846,451 | 114,979,785 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 44,147,408 | 30,036,517 | 28,165,718 | 1,634,000 | 10,615,479 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | |
| Operating Income (Loss) | 19,738,152 | (9,318,422) | 3,930,687 | 179,541 | 14,529,958 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | | | | |
| Depreciation | 4,405,772 | - | 2,315,180 | 355,490 | 7,076,442 |
| Increase (Decrease) in Allowance for Uncollectible Accounts/Loans | (38) | 8,315,544 | - | (38,462) | 8,277,044 |
| Nonoperating Miscellaneous Other Revenue Received | - | - | 21,743 | - | 21,743 |
| Changes in Assets and Liabilities | | | | | |
| (Increase) Decrease in | | | | | |
| Accounts Receivable | 967,168 | 711,493 | 6,901 | 90,564 | 1,776,126 |
| Unbilled Accounts Receivable | - | - | - | - | - |
| Assessments Receivable | 157,389 | (30) | - | - | 157,359 |
| Notes and Loans Receivable | - | (316,029) | - | - | (316,029) |
| Accrued Interest Receivable | - | 498,090 | - | - | 498,090 |
| Due from Other Funds | (196,465) | (7,362) | (2,558) | 161,056 | (45,329) |
| Due from Component Units | 691,792 | - | - | 4,138 | 695,930 |
| Due from Other Governmental Units | (3,043) | (241) | - | 31,185 | 27,901 |
| Inventories | 34,251 | - | - | 132,301 | 166,552 |
| Prepaid Items | - | - | - | - | - |
| Land Held for Resale | - | (6,764,181) | - | - | (6,764,181) |
| Increase (Decrease) in | | | | | |
| Accrued Salaries Payable | 5,669 | - | - | (61,952) | (56,283) |
| Compensated Absences Payable | 22,209 | - | - | (88,079) | (65,870) |
| Accounts Payable | 452,041 | 55,622 | 363,140 | (388,265) | 482,538 |
| Contracts and Retention Payable | - | 1,050,369 | - | - | 1,050,369 |
| Due to Other Funds | 145,630 | 2,200,907 | 39,632 | (269,731) | 2,116,438 |
| Due to Component Units | 2,067 | - | - | - | 2,067 |
| Due to Other Governmental Units | - | - | - | 13,339 | 13,339 |
| Unearned Revenue | - | - | - | - | - |
| Total Adjustments | 6,684,442 | 5,744,182 | 2,744,038 | (58,416) | 15,114,246 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 26,422,594 | (3,574,240) | 6,674,725 | 121,125 | (3,793,934) |

continued

City of Saint Paul, Minnesota
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2006

Exhibit 9

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds | |
|---|---|------------------------|-------------------|------------------------------|---|-------------------|
| | Sewer Utility | HRA Loan Enterprise | HRA Parking | Other Enterprise Funds | | Total |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS | | | | | | |
| Cash and Investments with Treasurer | 34,826,187 | 15,713,742 | 10,260,192 | 1,627,500 | 62,427,621 | 10,614,504 |
| Imprest Funds | 150 | - | - | 6,500 | 6,650 | 975 |
| Restricted Cash | | | | | | |
| For General Obligation Bond Current Debt Service | 31,231 | - | 4,003,167 | - | 4,034,398 | - |
| For Revenue Bond Current Debt Service | 1,180,643 | 7,398,355 | 4,495,986 | - | 13,074,984 | - |
| For Revenue Bond Operation and Maintenance | 2,499,509 | - | 596,679 | - | 3,096,188 | - |
| For Revenue Bond Construction | 1,791,093 | 6,924,420 | 8,809,694 | - | 17,525,207 | - |
| For Cash for Budget and Rate Stabilization | 3,818,595 | - | - | - | 3,818,595 | - |
| TOTAL CASH AND CASH EQUIVALENTS | 44,147,408 | 30,036,517 | 28,165,718 | 1,634,000 | 103,983,643 | 10,615,479 |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | |
| Capital Assets Purchased on Account | | | | | | |
| Land | - | - | 1,893,756 | - | 1,893,756 | - |
| Equipment | - | - | - | - | - | 31,298 |
| Net Book Value of Traded Capital Assets | - | - | - | - | - | 5,088 |
| Loss Incurred on Acquisition of Asset Through Trade In | - | - | - | - | - | (3,851) |
| Contributions of Capital Assets to General Capital Assets | - | - | - | 3,917 | 3,917 | - |
| Contributions of Capital Assets from General Capital Assets | 643,741 | - | - | - | 643,741 | - |
| Contributions of Capital Assets from Proprietary Capital Assets | - | - | - | 4,020 | 4,020 | - |
| Loss on Retirement of Assets | - | - | - | - | - | (1,037) |

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

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City of Saint Paul, Minnesota
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
December 31, 2006

Exhibit 10

ASSETS

| | |
|---|--------------------------------|
| Cash and Investments with Treasurer | 3,888,861 |
| Receivables | |
| Property Taxes - Due from Ramsey County | 16,220 |
| Accounts (net of allowance for estimated uncollectibles) | 6,677 |
| Accrued Interest | 10,784 |
| Due from Other Funds | 3,848 |
| Due from Other Governmental Units | <u>777</u> |
| TOTAL ASSETS | <u><u>3,927,167</u></u> |

LIABILITIES

| | |
|---------------------------------|--------------------------------|
| Accounts Payable | 2,340,880 |
| Due to Other Governmental Units | <u>1,586,287</u> |
| TOTAL LIABILITIES | <u><u>3,927,167</u></u> |

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

City of Saint Paul, Minnesota
STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2006

Exhibit 11

| | RiverCentre Convention & Visitors Authority | Regional Water Services | Port Authority | Total |
|--|--|----------------------------|-------------------|--------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Investments | 1,942,359 | 4,202,718 | 662,232 | 6,807,309 |
| Investments | 216,452 | 8,326,029 | 11,983,848 | 20,526,329 |
| Departmental Cash | - | 988,031 | - | 988,031 |
| Imprest Funds | - | 7,000 | - | 7,000 |
| Restricted Cash and Cash Equivalents | | | | |
| Cash for Grants and Other Contributions | - | 12,624 | - | 12,624 |
| Investments for Revenue Bond Debt Service | - | 2,940,728 | - | 2,940,728 |
| Receivables | | | | |
| Taxes | - | - | 2,234,659 | 2,234,659 |
| Accounts (net of allowance for Estimated Uncollectibles) | 1,262,397 | 3,744,865 | 8,236,186 | 13,243,448 |
| Assessments | - | 3,125,073 | - | 3,125,073 |
| Loans | - | - | 1,685,327 | 1,685,327 |
| Accrued Interest | 32,837 | 161,337 | - | 194,174 |
| Due from Primary Government | - | 181,054 | - | 181,054 |
| Due from Other Governmental Units | - | 686,388 | - | 686,388 |
| Inventory - Materials and Supplies | - | 2,095,659 | - | 2,095,659 |
| Prepaid Items | 59,513 | - | 225,379 | 284,892 |
| Total Current Assets | 3,513,558 | 26,471,506 | 25,027,631 | 55,012,695 |
| Noncurrent Assets | | | | |
| Restricted Assets | | | | |
| Cash for Operations | 911,126 | - | 3,577,108 | 4,488,234 |
| Cash for Economic Development | - | - | 591,924 | 591,924 |
| Cash for Other Funds Held in Trust | - | - | 1,013,719 | 1,013,719 |
| Investments for Port Authority Operations | - | - | 3,982,092 | 3,982,092 |
| Investments for Other Funds Held in Trust | - | - | 4,587,618 | 4,587,618 |
| Investments for Revenue Bond Future Debt Service | - | 4,355,507 | 1,829,911 | 6,185,418 |
| Investments for Revenue Bond and Notes | - | - | 3,086,973 | 3,086,973 |
| Investments for Revenue Bond Operations and Maintenance | - | 1,145,206 | - | 1,145,206 |
| Investments for City Obligations | - | - | 2,004,843 | 2,004,843 |
| Total Restricted Assets | 911,126 | 5,500,713 | 20,674,188 | 27,086,027 |
| Other Assets | | | | |
| Deferred Charges | - | 117,488 | - | 117,488 |
| Other Long-Term Receivables | - | 233,292 | 586,235 | 819,527 |
| Taxes Receivable | - | - | 24,925,016 | 24,925,016 |
| Total Other Assets | - | 350,780 | 25,511,251 | 25,862,031 |
| Capital Assets | | | | |
| Land | - | 1,307,887 | 6,177,762 | 7,485,649 |
| Buildings and Structures | 1,221,756 | 55,787,120 | 28,621,338 | 85,630,214 |
| Less: Accumulated Depreciation | (852,147) | (11,331,743) | (7,712,836) | (19,896,726) |
| Public Improvements | - | 202,340,400 | - | 202,340,400 |
| Less: Accumulated Depreciation | - | (61,518,439) | - | (61,518,439) |
| Equipment | 4,295,865 | 34,706,131 | 950,976 | 39,952,972 |
| Less: Accumulated Depreciation | (3,608,913) | (17,753,969) | (594,539) | (21,957,421) |
| Construction in Progress | - | 19,012,041 | - | 19,012,041 |
| Total Capital Assets | 1,056,561 | 222,549,428 | 27,442,701 | 251,048,690 |
| Total Noncurrent Assets | 1,967,687 | 228,400,921 | 73,628,140 | 303,996,748 |
| Total Assets | 5,481,245 | 254,872,427 | 98,655,771 | 359,009,443 |

continued

City of Saint Paul, Minnesota
STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2006

Exhibit 11

| | RiverCentre Convention & Visitors Authority | Regional Water Services | Port Authority | Total |
|---|--|----------------------------|-------------------|--------------------|
| LIABILITIES | | | | |
| Current Liabilities (Payable from Current Assets) | | | | |
| Accrued Salaries Payable | 1,180 | 760,547 | - | 761,727 |
| Compensated Absences Payable | 14,234 | 60,894 | 135,000 | 210,128 |
| Claims and Judgments Payable | - | 516,035 | - | 516,035 |
| Accounts Payable | 781,345 | 2,871,355 | 1,344,991 | 4,997,691 |
| Contract Retention Payable | - | 568,177 | - | 568,177 |
| Due to Primary Government | - | 1,750,273 | - | 1,750,273 |
| Due to Other Governmental Units | 3,071 | 1,560,457 | 1,583,966 | 3,147,494 |
| Unearned Revenue | 443,451 | 194,546 | 1,880,316 | 2,518,313 |
| Revenue Notes Payable | - | 1,175,618 | - | 1,175,618 |
| Capital Lease Payable | 160,282 | - | - | 160,282 |
| Accrued Interest Payable | | | | |
| Revenue Notes | - | 56,009 | - | 56,009 |
| Capital Lease | 97,219 | - | - | 97,219 |
| Other Liabilities | - | - | 497,629 | 497,629 |
| Total Current Liabilities (Payable from Current Assets) | 1,500,782 | 9,513,911 | 5,441,902 | 16,456,595 |
| Current Liabilities (Payable from Restricted Assets) | | | | |
| Accounts Payable | - | 625 | - | 625 |
| General Obligation Bonds | - | - | 685,000 | 685,000 |
| Revenue Bonds Payable | - | 1,705,000 | 3,025,474 | 4,730,474 |
| Revenue Notes Payable | - | - | 12,083 | 12,083 |
| Accrued Interest Payable | | | | |
| General Obligation Bonds | - | - | 335,551 | 335,551 |
| Revenue Bonds | - | 102,977 | 5,055,016 | 5,157,993 |
| Total Current Liabilities (Payable from Restricted Assets) | - | 1,808,602 | 9,113,124 | 10,921,726 |
| Total Current Liabilities | 1,500,782 | 11,322,513 | 14,555,026 | 27,378,321 |
| Noncurrent Liabilities | | | | |
| General Obligation Bonds Payable | - | - | 21,900,000 | 21,900,000 |
| Less: Unamortized Discount | - | - | (204,350) | (204,350) |
| Revenue Bonds Payable | - | 27,405,000 | 26,391,217 | 53,796,217 |
| Less: Unamortized Discount | - | - | (222,820) | (222,820) |
| Revenue Notes Payable | - | 11,562,034 | 7,821,226 | 19,383,260 |
| Less: Unamortized Discount | - | (334,068) | - | (334,068) |
| Accrued Interest Payable on Revenue Note | - | - | 221,267 | 221,267 |
| Capital Lease Payable | 1,168,642 | - | - | 1,168,642 |
| Advance from Primary Government | 1,756,126 | - | - | 1,756,126 |
| Compensated Absences Payable | - | 1,662,827 | - | 1,662,827 |
| Claims and Judgments Payable | - | 1,743,814 | - | 1,743,814 |
| Total Noncurrent Liabilities | 2,924,768 | 42,039,607 | 55,906,540 | 100,870,915 |
| Total Liabilities | 4,425,550 | 53,362,120 | 70,461,566 | 128,249,236 |
| NET ASSETS | | | | |
| Invested in Capital Assets, Net of Related Debt | (272,363) | 181,464,703 | (4,155,205) | 177,037,135 |
| Restricted | - | 8,338,464 | 23,718,967 | 32,057,431 |
| Unrestricted | 1,328,058 | 11,707,140 | 8,630,443 | 21,665,641 |
| Total Net Assets | 1,055,695 | 201,510,307 | 28,194,205 | 230,760,207 |

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

City of Saint Paul, Minnesota
STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
For The Fiscal Year Ended December 31, 2006

Exhibit 12

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | Totals |
|---|-------------------|-------------------------|--|--|--|----------------------------|--------------------|--------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Component Units | | | |
| | | | | | RiverCentre Convention & Visitors Authority | Regional Water Services | Port Authority | |
| RiverCentre Convention & Visitors Authority | 10,760,349 | 7,538,468 | 564,645 | 1,011,361 | (1,645,875) | - | - | (1,645,875) |
| Regional Water Services | 35,083,572 | 35,290,110 | 77,960 | 1,454,309 | - | 1,738,807 | - | 1,738,807 |
| Port Authority | 13,970,016 | 9,558,373 | 2,624,766 | - | - | - | (1,786,877) | (1,786,877) |
| Total Component Units | 59,813,937 | 52,386,951 | 3,267,371 | 2,465,670 | (1,645,875) | 1,738,807 | (1,786,877) | (1,693,945) |
| General Revenues | | | | | | | | |
| Taxes | | | | | | | | |
| Property Taxes, Levied for Debt Service | | | | | - | - | 1,079,943 | 1,079,943 |
| Hotel/Motel Tax | | | | | 1,523,793 | - | - | 1,523,793 |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | | | | | 107,740 | 1,246,032 | 1,677,415 | 3,031,187 |
| Increase in Fair Value of Investments | | | | | 7,969 | 12,172 | - | 20,141 |
| Gain on Sale of Capital Assets | | | | | - | 1,361,089 | 22,215,132 | 23,576,221 |
| Miscellaneous | | | | | 140,976 | 80,112 | - | 221,088 |
| Total General Revenues | | | | | 1,780,478 | 2,699,405 | 24,972,490 | 29,452,373 |
| Change in Net Assets | | | | | 134,603 | 4,438,212 | 23,185,613 | 27,758,428 |
| Net Assets - January 1 | | | | | 921,092 | 197,072,095 | 5,008,592 | 203,001,779 |
| Net Assets - December 31 | | | | | 1,055,695 | 201,510,307 | 28,194,205 | 230,760,207 |

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

City of Saint Paul

Index to Notes to Financial Statements December 31, 2006

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Note I. Form of Government

The City of Saint Paul, Minnesota has a mayor-council form of government. The mayor is elected by the voters of the City at large for four years on a full-time basis. The City is divided into seven wards. Voters of each ward elect a member of the City Council for four years on a part-time basis. Executive power is vested in the mayor; legislative power is vested in the Council. The mayor has veto power, which the Council may override with a vote of five members.

Note II. Financial Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 – *The Financial Reporting Entity*, the City's financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable for the component unit if it appoints a voting majority of the component unit's governing body and is able to impose its will on the component unit or there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Saint Paul (the primary government) and its component units (legally separate organizations). The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

In conformity with generally accepted accounting principles, the financial statements of component units have been included in the City's reporting entity either as blended component units or as discretely presented component units. Blended component units' financial data is reported as part of the primary government and are reported with similar funds of the primary government. Discretely presented component units' financial data is reported in a column separate from the financial data of the primary government to emphasize that they are legally separate from the City.

Blended Component Units. The following component units have been presented as blended component units because the component units' governing bodies are the same as the governing body of the City.

Housing and Redevelopment Authority of the City of Saint Paul (HRA)

The Housing and Redevelopment Authority of the City of Saint Paul (HRA) was established to undertake urban renewal programs. These programs strive to redevelop the residential, commercial and industrial areas of the City of Saint Paul and to provide adequate jobs, a sound fiscal base and a variety of affordable housing for City residents. The City of Saint Paul's City Councilmembers act as the HRA Board. The Authority's budget and tax levy are approved by the City Council. The City has a general obligation pledge on certain HRA debt. Separate financial statements for the HRA can be obtained from the City of Saint Paul, Department of Planning and Economic Development, 1400 City Hall Annex, 25 West Fourth Street, Saint Paul, MN 55102.

Saint Paul Library Agency

The Saint Paul Library Agency was established in 2003 and is responsible for operating the City's public library system. This system provides reading materials to meet the interests of all ages, responds to the community's need for information and facilitates lifelong learning to enrich the quality of life in the community. The City of Saint Paul's City Councilmembers act as the Library Board. The agency's budget is approved by the Board. The agency's tax levy is approved by City Council. The City has a general obligation pledge on Library debt. The Library Agency consists of an operating fund, debt service fund and a capital improvement fund. These funds are incorporated into the City's financial report.

Discretely Presented Component Units. The component unit columns in the Government-wide financial statements includes the financial data of the City's other component units. The governing bodies of these component units are not substantively the same as the governing body of the primary government and the component units do not provide services exclusively to the primary government.

RiverCentre Convention & Visitors Authority

The Saint Paul RiverCentre Convention & Visitors Authority (RCVA), a Minnesota non-profit corporation, was organized to equip, maintain, manage and operate the RiverCentre Convention Center, Roy Wilkins Auditorium, RiverCentre Parking Ramp and pedestrian connection and operate a convention bureau to market and promote the City as a tourist and convention destination. The Mayor appoints the President and CEO. There are nineteen individuals on the Board of Directors. Ten directors are designated by the Mayor with the approval of City Council, three directors are City Councilmembers and six directors are members of the RCVA who represent the business community. Debt obligations have been issued on behalf of the RCVA and the operational revenues have been committed to the repayment of those obligations. However, ultimately, the City of Saint Paul or the Saint Paul Housing Redevelopment Authority would be obligated to pay those debt obligations if the RCVA's revenues were to be insufficient to meet debt service. Separate financial statements for the RCVA can be obtained from the Saint Paul RiverCentre Convention & Visitors Authority; 175 West Kellogg Boulevard; Suite 502; Saint Paul, MN 55102.

Saint Paul Regional Water Services

The Saint Paul Regional Water Services provides safe, quality water to Saint Paul and surrounding communities at a reasonable price. The Board of Water Commissioners consists of seven members. Five board members are appointed by the Mayor with the consent of the City Council, three of whom are City Councilmembers and two are citizens. The remaining two board members are appointed by suburban city councils. The City Council approves the Regional Water Services' water rates and the City has issued general obligation bonded debt on behalf of Regional Water Services. As part of the annual audit of the City performed by the State Auditor's Office, the Regional Water Services' financial statements have been included in their audit. Separate financial statements can be obtained from the Regional Water Services; Business Division; 1900 Rice Street; Saint Paul, MN 55113.

Port Authority of the City of Saint Paul

The Port Authority of the City of Saint Paul was established to increase the volume of commerce in the City through the creation of development districts and the acquisition and construction of industrial, commercial and other revenue-producing projects. The Port Authority finances this development in order to expand the tax base and create job opportunities. The Mayor appoints the Port Authority's board of commissioners with the consent of the City Council. Two of the seven board of commissioners are City Councilmembers. The Port Authority has issued general obligation debt and the Authority's development activities are financed in part with tax increment financing. It should be noted that other debt issued by the Port Authority, including industrial development revenue bonds, are not liabilities of the City of Saint Paul. The Port Authority considers these bonds as no-commitment debt, and they are excluded from its financial statements. The Authority defines no-commitment debt as debt for which the Authority has no further financial obligation. The industrial development bonds do not constitute indebtedness of the City and are secured solely by revenues from the commercial organizations on whose behalf the bonds are issued.

The Port Authority's component unit, Capital City Properties (CCP), is a Minnesota not-for-profit corporation established in 1991 for the purpose of performing the functions and carrying out the public purposes of the Port Authority. All of the members of the board of directors of CCP are either commissioners or staff of the Port Authority. CCP leases the Capital City Plaza Parking Garage St. Paul, as well as participates in various joint ventures. In March 2006, CCP sold the Radisson Riverfront Hotel St. Paul and Radisson City Center Hotel St. Paul. Subject to the authorization of the CCP board of directors, excess cash flow may be utilized to carry out the public purpose of the Port Authority. Complete financial statements for CCP may be obtained at CCP's administrative office.

The City assumes no responsibility for the day-to-day operations of the Port Authority, nor is it responsible for financing deficits. Separate financial statements can be obtained from the Port Authority of the City of Saint Paul; Chief Financial Officer; 1900 Landmark Towers; 345 St. Peter Street; Saint Paul, MN 55102.

Related Organizations. The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. Related organizations are not included in the City's reporting entity.

The Public Housing Agency of the City of Saint Paul owns and operates housing projects for low income, elderly and handicapped families. The commissioners of the Public Housing Agency are appointed by the City Council. The City does not provide funding, has no obligation for the debt of the Agency, and cannot impose its will on the Agency.

The Riverfront Redevelopment Corporation was established to effect the planning and implementation of the development and preservation of the Mississippi River Corridor within Saint Paul. The operations of the Redevelopment Corporation are managed by a board of directors consisting of not less than eight, nor more than seventeen members. All members of the board of directors are appointed by the Mayor with the consent of the City Council. Four of the directors of the corporation are designated as the "City representatives." These are (1) Mayor or the Mayor's designee, (2) two members of the City Council and (3) the Director of the City of Saint Paul, Department of Planning and Economic Development. The City has no ability to impose its will to significantly influence the programs, projects or level of services performed or provided by the Riverfront Redevelopment Corporation. The City is not responsible for funding debts, operating deficiencies and/or disposing of surpluses.

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), the former Minneapolis Community Development Agency (MCDA), and accepted by the cities of Minneapolis and Saint Paul under State of Minnesota laws. The governing bodies of the HRA and the City of Minneapolis each appoint three of the six members of the Board. The Board was created for the public purpose of providing decent, safe, sanitary and affordable housing to the residents of the City of Saint Paul and the City of Minneapolis. The powers exercised by the Board include the power to undertake financing programs to implement individual components of the housing plan for each city and to issue revenue bonds to finance such programs. All bonds are special limited obligations of the Board and shall be payable only out of funds specifically pledged for each issue. Total net assets at December 31, 2006, were \$12,137,836. The 2006 operations resulted in an increase of \$820,456 to net assets.

During 2006, distributions were made from the HRA and the City of Minneapolis to the Board in the total amount of \$412,898. These distributions resulted from surplus funds remaining from the closed-out Board-issued revenue bonds. There was no effect to HRA assets or net assets as a result of these distributions.

Upon dissolution of the Board, all properties acquired by the Board and any surplus monies shall be distributed to the HRA and the City of Minneapolis in the proportion and otherwise pursuant to directions provided in the related indenture of trust or other bond documents. If properties acquired by the Board and any surplus monies are not traceable to a particular bond issue or the indenture is silent as to distribution of the assets upon discharge of the issue, the assets shall be distributed on the basis of the amount of funds each entity has contributed that would affect those assets. The respective percentage shares of the HRA and the City of Minneapolis in the Board's assets, liabilities and equity were not determined at December 31, 2006. There has been no investment made by the HRA in the joint venture. Thus, the financial statements do not reflect an equity interest in the joint venture. Complete financial statements of the Board can be obtained from the City of Minneapolis Community Planning and Economic Development Department; Suite 700; Crown Roller Mill; 105 Fifth Avenue South; Minneapolis, MN 55401.

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Note III. Summary of Significant Accounting Policies

The financial statements of the City of Saint Paul have been prepared in conformity with generally accepted accounting principles (GAAP) 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. The more significant of the City's accounting policies are described below.

A. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities and are prepared on the full accrual basis. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City allocates indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity/net assets, revenues and expenditures/expenses. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
3. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

The City reports the following major governmental funds:

Major Governmental Funds

- General Fund – accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Library Agency – accounts for the primary operating activities of the Library to provide a full range of library services.
- HRA General Fund – accounts for the HRA's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- General Debt Service – accounts for resources accumulated and payments made for principal and interest on long-term obligations other than tax increment district or enterprise fund debt.
- HRA General Debt Service – accounts for HRA resources accumulated and payments made for principal and interest on long-term obligations other than enterprise fund debt.
- Capital Improvement Projects – accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects.

The City reports the following major enterprise funds:

Major Enterprise Funds

- Sewer Utility – accounts for all fees collected from the customers connected to the City sewer system and for all expenses of operating this system.
- HRA Loan Enterprise – accounts for loans issued under HRA housing and business programs.
- HRA Parking – accounts for parking revenues which are used for acquisition, construction, operation and maintenance of HRA-owned parking facilities.

The City reports the following non-major governmental and enterprise funds:

Non-Major Governmental Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Special Projects – General Government
- Cable Communications
- Charitable Gambling Enforcement
- Utilities Rate Investigation Administration
- Property Code Enforcement
- License and Permit
- Police Services – Pension Assets
- Crime Laboratory
- Parking Enforcement
- Special Projects Police
- Police Officers Clothing
- Fire Responsive Services
- Fire Fighting Equipment
- Fire Protection Clothing
- Right of Way Maintenance
- Parking Meter Collections
- Lighting Maintenance Assessment Districts
- Solid Waste and Recycling
- Special Projects – Division of Health
- Municipal Stadium
- Forestry Special
- Como Campus
- Special Recreation Activities
- Municipal Athletic Programming
- Charitable Gambling
- Debt – Capital Improvement
- Parks and Recreation Opportunity
- Parks and Recreation Grants and Aids
- Library Agency Revenues and Grants
- Rella Havens Memorial Fund
- Community Development Block Grant
- State Grant Programs
- HRA Federal and State Programs
- Section 108 Programs

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

- G.O. Special Assessment – Streets
- City Revenue Bonds and Other Long-Term Debt
- Library Debt
- Revenue Notes and Other Long-Term Debt

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

- Capital Improvement Bonds
- City Sales Tax
- Library Capital Projects
- City Downtown Capital Projects
- HRA Tax Increment

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs; that is, for the benefit of the government or its citizenry.

- Japanese Gardens
- Hoffman Memorial

Non-Major Enterprise Funds

Enterprise Funds are used to report any activity for which a fee is charged to external users of goods or services, and must be used for activities which meet certain debt or cost-recovery criteria.

- Special Services
- Rice and Arlington Sports Dome
- Watergate Marina
- Impounding Lot
- RiverPrint Saint Paul/Ramsey County

In addition, the City reports the following fund types:

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis, including attorney, purchasing, technology, equipment, engineering and administrative services.

Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. These funds include employee withholding; funds payable to the State of Minnesota for sales and use tax, building permit surcharge and unclaimed property; and others.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements

The Government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements – Governmental Funds

Governmental funds 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 and City sales tax are 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, franchise fees and capital improvement special assessments are imposed nonexchange transactions. Revenues from property taxes and capital improvement special assessments 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, franchise fees and capital improvement special assessments receivable which are not available are reported as deferred revenue, and will be recognized as revenue in the fiscal year that they become available. The City considers these revenues as available if they are collected within sixty days after year end.

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 City perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when the eligibility and time requirements are met, usually when the corresponding 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 grants, entitlements, appropriations 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. Gifts and contributions from individuals and miscellaneous revenues are also considered voluntary nonexchange transactions, and are generally recognized when received in cash because they are 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 City considers revenues from tax credits paid by the state as available if they are collected within sixty days after year end.

Exchange Transactions

Exchange transactions include revenues such as interest earned, service-type special assessments, fees, sales and services, licenses and permits. Sales and services, interest earned and service-type special assessments are reported as revenue when they become both measurable and available to finance expenditures of the fiscal period. The City considers these revenues as available if they are collected within sixty days after year end. Licenses, permits and fees 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 when the fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Fund Financial Statements – Proprietary Funds and Fiduciary Funds

Proprietary funds, consisting of enterprise and internal service funds, are reported using the economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Material unbilled accounts receivables are recorded at year end.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the Government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

The City's Fiduciary Funds consist solely of Agency Funds. Agency Funds do not have a measurement focus, but are reported on an accrual basis of accounting.

Fund Financial Statements – All Funds

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

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C. Restatement of Net Assets

1. Prior Period Adjustment of the Net Asset Balance in the Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds

The January 1, 2006 net asset balance in the Sewer Utility Enterprise Fund, as reported in the City's Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds, was increased by \$1,329,063. This adjustment came from Phalen Boulevard sewer construction costs that should have been capitalized as Public Improvements instead of being expensed in 2005.

| | Amount |
|---|----------------|
| Balance, January 1, 2006, as previously reported | \$ 264,904,495 |
| Prior Period Adjustment for Correction to Public Improvements | 1,329,063 |
| Balance, January 1, 2006, as restated | \$ 266,233,558 |

2. Prior Period Adjustment of the Net Asset Balance in the Business-Type Statement of Activities

The adjustment of the January 1, 2006 net asset balance in the Sewer Utility Enterprise Fund resulted in the corresponding adjustment of the January 1, 2006 net asset balance of the Business-Type Statement of Activities:

| | Amount |
|---|----------------|
| Balance, January 1, 2006, as previously reported | \$ 345,069,763 |
| Prior Period Adjustment for Correction to Public Improvements | 1,329,063 |
| Balance, January 1, 2006, as restated | \$ 346,398,826 |

D. Assets, Liabilities and Net Assets or Equity

1. Cash and Investments

The City maintains a general portfolio, which is a pool of investments covering pooled cash and cash equivalents. The City's Office of Financial Services, Treasury Section, also manages the deposit and investment function of the Regional Water Services and the majority of the RiverCentre Convention & Visitors Authority discretely presented component units. Each fund's portion of this pool is displayed on the financial statements within "Cash and Investments with Treasurer." Funds which have overdrawn their equity in the cash and investments pool report this overdraft as an interfund payable. The City's General Fund has reported the offsetting interfund receivable. At December 31, 2006, the following amounts were reported as "Cash and Investments with Treasurer" in the General Fund:

| | General Fund |
|--|---------------|
| Equity in Cash and Investments Pool | \$ 22,380,847 |
| Less Advance to Other Funds for Overdrafts | (6,077,452) |
| Cash and Investments with Treasurer | \$ 16,303,395 |

See Note VI. F. for a detail listing of funds reporting an interfund payable for pooled cash and investments overdrafts.

Cash equivalents are cash on hand, cash in bank and highly-liquid investments adjusted to fair value having original maturities (time span from purchase date to maturity date) of three months or less. Cash equivalents are identified only for the purpose of the Statement of Cash Flows. Included in the classification of cash equivalents are cash and investments with treasurer, cash and investments of imprest funds and restricted cash.

In addition, the City invests non-pooled cash within various funds. In accordance with Governmental Accounting Standards Board Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (Statement 31), the City's investments are reported at fair value with recognition of the corresponding changes in fair value of investments reported as revenue in the year in which the change occurred. Accordingly, investments are stated at fair value based upon quoted market prices at December 31, 2006. Investments in nonparticipating interest-earning contracts, such as savings accounts and nonnegotiable certificates of deposit are reported at cost. Money market investments and participating interest-earning investment contracts (negotiable certificates of deposit) are reported at amortized cost, since these investments had a remaining maturity of one year or less at the time of purchase. Money market investments are short-term, highly-liquid debt instruments including commercial paper, bankers' acceptances and U.S. Treasury and agency obligations.

Since it is the City's practice to ensure that investments can be held to maturity if necessary, a portion of fund equity in the governmental funds is designated for net unrealized gains if applicable. The amounts of unrealized gains or losses are included in investment income as an increase (decrease) in fair value of investments. In 2006, the City recorded a "decrease in fair value of investments" as investment income of \$(80,319) for governmental and proprietary funds. The calculation of realized gains and losses 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 were included as part of the change in the fair value of investments reported in the current year.

In accordance with legal provisions, investment earnings from pooled deposits and investments are recorded in the following funds:

General Fund

Special Revenue Funds:

- HRA General Fund
- Special Projects – General Government
- Police Services – Pension Assets
- Special Projects Police
- Debt – Capital Improvements
- Parks and Recreation Opportunity
- Rella Havens Memorial Fund
- State Grant Programs
- Section 108 Programs

Debt Service Funds:

- General Debt Service
- HRA General Debt Service
- G.O. Special Assessment – Streets
- City Revenue Bonds and Other Long-Term Debt
- Library Debt
- Revenue Notes and Other Long-Term Debt

Capital Projects Funds:

- Capital Improvement Projects
- Capital Improvement Bonds
- City Sales Tax
- Library Capital Projects
- HRA Tax Increment

Permanent Funds:

- Japanese Gardens
- Hoffman Memorial

Enterprise Funds:

- Sewer Utility
- HRA Loan Enterprise
- HRA Parking
- Special Services

Investment earnings are allocated based on average monthly cash balances.

See Note VI. A. for further information.

2. Receivables

Property Taxes

Property tax levies are set by the City Council in October each year, and are 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 assessable property. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Revenues are accrued and recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. Personal property taxes on leased government-owned property may be paid in two equal installments on May 15 and October 15; property taxes on other personal property are to be paid in full on May 15.

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable, and are fully offset by deferred revenue, because they are not known to be available to finance current expenditures. No allowance for uncollectible taxes has been provided, because such amounts are not expected to be material.

Accounts Receivable

Accounts receivable have been shown net of an allowance for uncollectible accounts of \$1,713,725.

Interfund Receivables Payables

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances."

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Notes and Loans Receivable

Notes and loans (hereafter referred to as "loans") have been issued to financially assist private developers in various Saint Paul development projects or to provide housing or commercial rehabilitation financing for Saint Paul property owners. All loans are secured by first or second property mortgages, with the exception of the STAR Program loans, which are not always secured.

Loans receivable in governmental funds are reported as an asset in the amount of loan proceeds disbursed less collections on principal. In order to satisfy federal grant reporting requirements, deferred revenue of an equal amount to the asset is also reported on the respective governmental fund balance sheet and revenues are reported when principal payments are received from the loan recipient. An allowance for uncollectible loans, which offsets the total gross loans receivables, is recognized for the amount of loans receivable for which collection is doubtful or questionable.

Deferred revenue is also reduced by the amount of the allowance for uncollectible loans. At the time of the disbursement of the loan, expenditures and loans receivable are debited in the amount of the loan issued, with the loans receivable being offset by a credit to deferred revenue. In the HRA Federal and State Programs Special Revenue Fund, in order to satisfy federal grant reporting requirements, deferred revenue of an equal amount to the asset is also reported in the balance sheet and revenues are reported when principal payments are received from the loan recipient.

For enterprise funds, 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.

The allowance for uncollectible loans is based upon an analysis of credit risk and payment delinquency.

3. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Proprietary fund inventories are generally used for construction, for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, operation and maintenance expense when used.

Certain payments to vendors which reflect costs applicable to future accounting periods are recorded as prepaid items in both Government-wide and fund financial statements.

4. Land Held for Resale

Land is acquired by the HRA for subsequent resale for redevelopment purposes and not as an investment program. 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.

5. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt.

6. Capital Assets

Government-wide Financial Statements

Capital assets, which include land, buildings and structures, improvements, equipment and infrastructure (e.g., streets, bridges and sewers), are defined by the City as assets with an initial cost of more than \$5,000 for general capital assets and \$100,000 for infrastructure assets, and an estimated useful life of at least three years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value on the date received. Certain assets for which actual costs are not available have been valued on the basis of a professional valuation that determined their approximate historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. The cost of renewals and betterments relating to retirement units is added to related capital asset accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from capital asset accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statements of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is spread over the assets' estimated useful lives using the straight line method of depreciation. The range of estimated useful lives and method of depreciation by type of asset is as follows:

| <u>Asset</u> | <u>Method</u> | <u>Years</u> |
|--------------------------|---------------|--------------|
| Buildings and Structures | Straight-line | 15-75 |
| Public Improvements | Straight-line | 15-30 |
| Equipment | Straight-line | 3-20 |
| Infrastructure | Straight-line | 20-100 |

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the Government-wide statements.

7. Issuance Costs and Discounts

In governmental funds, debt issuance costs and bond discounts are recognized as expenditures in the current period. For the Government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized on a straight-line basis over the term of the debt issue.

8. Compensated Absences

The compensated absences liability includes earned but unpaid vacation and compensatory time, vested sick leave, an estimate of current vesting sick leave that will eventually vest, and salary-related payments (fringe benefits) associated with the payment of vacation and sick leave balances.

Employees earn vacation based on years of service and their bargaining unit. Vacation must be used in the year it is earned, except for 15 days, which may be carried over to the following year. Employees are paid 100% of their accumulated vacation pay when they terminate their employment. Some bargaining units have amounts paid to a Post Employment Health Plan (PEHP).

Sick leave is earned based on bargaining unit up to a maximum of 15 days per year and may be accumulated indefinitely. Terminated employees receive severance pay based upon unused sick leave. All severance pay is paid to a PEHP in the year following termination. Eligibility requirements and maximum allowable amounts vary, depending upon an employee's bargaining unit.

All vested vacation is accrued when incurred in the Government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

9. Arbitrage Rebate

Expenditures/expenses for arbitrage rebate are recognized annually in the appropriate funds at the time of the interest payment closest to the date of the bonds. For the fiscal year ended December 31, 2006, the City reported \$280,000 of expenditures relating to arbitrage rebate. These amounts are set aside in the Arbitrage Rebate Agency Fund for subsequent payment to the federal government.

10. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the Government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of the debt (plus any premiums) is reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the Government-wide statements.

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.

Conduit bonds issued subsequent to January 1, 1996 have an outstanding principal balance of \$1.200 billion at December 31, 2006. 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 99 conduit bonds issued subsequent to January 1, 1996.

11. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the Government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

12. Equity Classifications

Government-wide Financial Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including infrastructure, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance amounts are not available for appropriation or are legally restricted by outside parties for a specific purpose. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated." The balance of unreserved fund balance is labeled "undesignated," which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the Government-wide statements.

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Note IV. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Statement of Net Assets

Exhibit 4 is a reconciliation between fund balance – total governmental funds as reported in governmental funds and net assets – governmental activities as reported in the Government-wide statement of net assets. Details of most of the elements of that reconciliation are as follows:

One element of the reconciliation states that “Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.” These assets, which include land, buildings, improvement other than buildings, equipment, infrastructure and construction in progress are reported in the statement of net assets as shown below.

| | |
|---|-------------------------|
| Historical Cost of Capital Assets | \$ 1,535,131,730 |
| Accumulated Depreciation | <u>(436,571,394)</u> |
| Net Adjustment to Increase Fund Balance - Total Governmental Funds to Arrive at Net Assets of Governmental Activities | <u>\$ 1,098,560,336</u> |

Another element of the reconciliation states that “Some receivables that are not currently available are reported as deferred revenue in the fund financial statements, but are recognized as revenue when earned in the Government-wide statements.” Below are details of that difference.

| | |
|---|----------------------|
| Deferred Revenue | |
| Property Taxes | \$ 2,529,973 |
| Gross Earnings Franchise Fee | 7,164,967 |
| General Government Revenues | 841,051 |
| Public Safety Revenues | 635,576 |
| Highways and Streets Revenues | 36,474,707 |
| Sanitation Revenues | 2,378,123 |
| Culture and Recreation Revenues | 825,788 |
| Housing and Economic Development Revenues | 12,966,494 |
| Interest Earned on Investments | <u>923,070</u> |
| Net Adjustment to Increase Fund Balance - Total Governmental Funds to Arrive at Net Assets of Governmental Activities | <u>\$ 64,739,749</u> |

Another element of the reconciliation states that “Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.” They are, however, reported in the Government-wide statements. Long-term liabilities at the end of the year include the following:

| | |
|--|-------------------------|
| Bonds Payable | \$ (331,110,923) |
| Discount and Premium | (1,497,906) |
| Revenue Notes Payable | (55,770,626) |
| Capital Lease Payable | (19,377,024) |
| Compensated Absences Payable | (17,190,697) |
| Claims and Judgments Payable | (26,157,978) |
| Accrued Interest | (5,250,759) |
| Deferred Charge - Unamortized Issuance Costs | <u>1,949,685</u> |
| Net Adjustment to Decrease Fund Balance - Total Governmental Funds to Arrive at Net Assets of Governmental Activities | <u>\$ (454,406,228)</u> |

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

Exhibit 6 is 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. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Net Assets, the cost of those assets is capitalized and depreciated over their estimated useful lives with depreciation expense reported in the Statement of Activities.” The details of this \$18,112,899 difference are as follows:

| | |
|---|----------------------|
| Capital outlay is reported as an expenditure in the fund financial statements | \$ 49,142,396 |
| Add: Some items reported as functional expenditures were capitalized | 763,531 |
| Depreciation is reported in the government-wide statements | <u>(31,793,028)</u> |
| Net Excess of Capital Outlay Over Depreciation | <u>\$ 18,112,899</u> |

Another element of that reconciliation states that “Debt and lease proceeds provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the Statement of Net Assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.” Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premium, discount and similar items, when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities. The details of this \$8,912,889 difference are as follows:

| | | |
|---|-----------------|-----------------|
| Debt Issued or Incurred: | | |
| General Obligations Bonds | \$ (23,500,000) | |
| Revenue Bonds | - | |
| Refunding Bonds | - | |
| Notes Issued | (4,820,000) | |
| Capital Lease | | |
| Total Debt Issued | | \$ (28,320,000) |
| Principal Payments | | |
| General Obligations Bonds | \$ 22,040,000 | |
| Revenue Bonds | 11,318,857 | |
| Refunded Bonds | - | |
| Notes | 2,392,649 | |
| Capital Lease | 1,400,299 | |
| Total Principal Payments | | 37,151,805 |
| Deletion of Notes and its Recognition as a Contribution | | 81,084 |
| Net Adjustment to Decrease Net Changes in Fund Balances - | | |
| Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities | | \$ 8,912,889 |

Another element of that reconciliation states that “Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.” The details of this \$1,947,711 difference are as follows:

| | |
|---|----------------|
| Compensated Absences | \$ (216,846) |
| Claims and Judgments | (1,605,534) |
| Interest on Debt | (141,845) |
| Amortization of Bond Issuance Costs, Discount and Premium | 16,514 |
| Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities | \$ (1,947,711) |

Note V. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

Budget Control

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 within the following major object levels of expenditure: salaries, fringes, debt service, other spending and transfers out. Proprietary funds with annually-adopted budgets are controlled administratively at the fund level within the same major object levels of expenditure as in governmental funds. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund, which is at the department/office level.

1. General Budget Procedure – City Funds

The City Council followed these procedures in establishing the 2006 budgets:

- a. On August 11, 2005, the Mayor presented his budget to the City Council for the following calendar year. The budget included proposed expenditures and advances and the means of financing them.
- b. The City Council held a public hearing on December 13, 2005, to obtain taxpayer comments.
- c. The budget was legally adopted through passage of council resolution #05-1163 during the City Council meeting on December 14, 2005.

City budget amendments that authorize an increase in total fund spending require the approval of the City Council. In addition, City Council approval is required for budget amendments transferring appropriations between departments within the General Fund.

2. General Budget Procedure – HRA Funds

The Housing and Redevelopment Authority (HRA) followed these procedures in establishing the 2006 budgets:

- a. On August 15, 2005, the Executive Director presented her proposed budget to the HRA Board of Commissioners for the fiscal year commencing the following January 1. This budget included proposed expenditures and other uses and the means of financing them.
- b. Upon approval by the HRA Board, the Executive Director submitted the HRA budget to the Mayor of the City of Saint Paul, who submitted this budget to the City Council for consideration, approval and certification.
- c. The budget was approved through passage of council resolution #05-1164.

HRA budget amendments that authorize an increase in total fund spending require the approval of the HRA Board of Commissioners.

3. General Budget Procedure – Library Agency Funds

The Library Agency followed these procedures in establishing the 2006 budgets:

- a. On August 22, 2005, the Mayor presented his proposed budget for the Saint Paul Public Library Agency to the Library Board of Commissioners for the fiscal year commencing the following January 1. The budget included proposed expenditures and other uses and the means of financing them.
- b. The Library Board held a public hearing on November 2, 2005, to obtain taxpayer comments.
- c. The budget was legally adopted through passage of Saint Paul Library Agency resolution #05-005 during the Library Board meeting on November 23, 2005.

Library Agency budget amendments that authorize an increase in total fund spending require the approval of the Library Board.

4. Annual and Multi-year Governmental Fund Budgets

Annual governmental fund budgets are reported in the following fund types and are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP):

General Fund

Special Revenue Funds (except: Community Development Block Grant, State Grant Programs, HRA Federal and State Programs and Section 108 Programs, which have multi-year budgets).

Debt Service Funds

Permanent Funds

In addition, multi-year governmental fund budgets are utilized in the capital projects funds.

The following provides a summary reconciliation of the actual results for annually budgeted special revenue funds and multi-year budgeted special revenue funds.

| | Revenues | Expenditures | Net Other Financing Sources (Uses) | Fund Balances 12/31/06 |
|------------------------------------|-----------------------|----------------------|--|---------------------------|
| SPECIAL REVENUE FUNDS | | | | |
| Library Agency | \$ 14,692,945 | \$ 14,253,941 | \$ (1,446,316) | \$ 261,917 |
| HRA General Fund | 2,962,784 | 2,975,609 | (97,808) | 8,010,930 |
| Annually Budgeted Nonmajor Funds | 70,588,526 | 61,351,954 | (15,700,065) | 36,314,217 |
| Multi-year Budgeted Nonmajor Funds | | | | |
| Community Development Block Grant | 10,533,433 | 10,331,197 | (202,236) | - |
| State Grant Programs | 2,620,802 | 2,593,269 | - | 553,600 |
| HRA Federal and State Programs | 1,925,135 | 2,007,478 | 82,343 | - |
| Section 108 Programs | 430,540 | 419,110 | (11,430) | - |
| | <u>15,509,910</u> | <u>15,351,054</u> | <u>(131,323)</u> | <u>553,600</u> |
| Total Special Revenue Funds | <u>\$ 103,754,165</u> | <u>\$ 93,932,558</u> | <u>\$ (17,375,512)</u> | <u>\$ 45,140,664</u> |

5. Appropriation Revisions

Budgeted amounts are as originally adopted or as amended by the City Council. During 2006, increases and decreases to annual expenditures, other financing uses and transfers out appropriations were as follows:

| | Original Budgeted Amounts | Net Amendments | Final Budgeted Amounts |
|-----------------------|---------------------------------|-------------------|---------------------------|
| General Fund | \$ 169,174,296 | \$ 9,456,874 | \$ 178,631,170 |
| Special Revenue Funds | 106,922,400 | 4,360,108 | 111,282,508 |
| Debt Service Funds | 66,086,895 | 9,055,705 | 75,142,600 |
| Permanent Funds | 2,000 | - | 2,000 |

6. Appropriation Year-end Balances

Unexpended appropriation balances lapse at the end of the fiscal year in the annual governmental fund budgets. However, upon City Council approval, the appropriations for the subsequent year are increased in the amount necessary to satisfy the outstanding encumbrances at the end of the fiscal year.

Unexpended appropriation balances do not lapse at the end of the fiscal year in the multi-year governmental fund budgets.

B. 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:

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

For 2006, the City of Saint Paul's audit was performed in accordance with Circular A-133. The auditor's report on consideration of the City's internal control over financial reporting and tests of the City's compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters will be issued separately.

C. Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit fund or net assets balances at year end.

The following funds had deficit unreserved fund balances or net assets at December 31, 2006:

| | Unreserved Fund Balance/ Net Assets | Total Fund Equity |
|--------------------------------|---|----------------------|
| Special Revenue Funds: | | |
| Forestry Special | \$ (57,674) | \$ (57,674) |
| Municipal Athletic Programming | (81,745) | (81,595) |
| Capital Projects Fund: | | |
| Capital Improvement Projects | (17,788,051) | (3,043,605) |
| Enterprise Funds: | | |
| Special Services | (1,823,792) | (3,387,615) |
| Watergate Marina | (290,225) | (224,561) |
| Internal Service Fund: | | |
| Information Systems | (106,276) | (106,276) |

The Forestry Special Fund provides services to maintain trees and other vegetation growing both on public and private property. Services provided on private property are financed through assessments levied for the cost of the services. The assessments covering the costs for a portion of the work done in 2006 were not ratified until early in 2007; therefore, the revenue was not recognized. The timely ratification of these assessments will improve the fund balance in the future.

The Municipal Athletic Programming Fund has not been generating enough user fees to cover all the operating expenses over the last few years. These losses were caused by the continuing decline of participants in the adult sports programs. Utility cost increases realized in 2006 reversed the prior years' trend (2003-2005) of reducing this deficit. Operational changes made in 2007 should re-establish the positive trend towards the elimination of this deficit.

The deficit fund balance reported in the Capital Improvement Projects Fund is the result of deferring revenue from the grants relating to the construction projects. The revenue is recognized when it becomes available once the projects are completed and have been inspected.

Special Services Fund is reporting the debt previously reported in the Rice and Arlington Sports Dome Fund but not the associated capital asset in the amount of \$2,394,580, which is part of the general capital assets. This fund is not financially stable, and the City will continue to promote its golf courses. Operational changes made during the 2007 golf season, coupled with changes being considered during the development of the 2008 budget, are intended to lead to the structural balance of this fund's operations in the near future. This will allow the fund to continue to make the debt payment on the Recreational Facilities bonds.

The City contracted with an outside business manager to manage and operate the Watergate Marina. This was done in part to ensure that the Marina operated at no net cost or financial risk to the City. The proceeds from this agreement are being used to improve the fund equity position.

The 1997 expenses relating to the Human Resource Management System Project were recorded in the Information Systems Internal Service Fund. These development costs are being reimbursed from all City departments over a ten-year period, which will eliminate the deficit in the Information Systems Fund. This financing plan was adopted by City Council Resolution 97-895. This resolution also authorized the General Fund to provide a working capital advance to the Information Systems Fund to cover the 1997 development costs.

D. Excess of Expenditures over Appropriations in Individual Funds

Total expenditures exceeded total appropriations in the following funds:

| | Final Budgeted Amounts | Actual | Variance with Final Budgets |
|---|---------------------------|------------|--------------------------------|
| Special Revenue Funds: | | | |
| Fire Protection Services | \$ 232,283 | \$ 270,092 | \$ (37,809) |
| Lighting Maintenance Assessment Districts | 139,095 | 150,599 | (11,504) |
| Municipal Stadium | 421,552 | 447,044 | (25,492) |
| Como Campus | 2,975,139 | 3,010,316 | (35,177) |
| Municipal Athletic Programming | 452,159 | 492,673 | (40,514) |

The fund managers have been directed that in the future, funds must have an appropriation budget to cover all obligations incurred.

The General Fund did not exceed total appropriations at the fund level; however, total expenditures exceeded appropriations in the following departments/offices:

| | Final Budgeted Amounts | Actual | Variance with Final Budgets |
|------------------------|---------------------------|------------|--------------------------------|
| General Fund: | | | |
| Human Rights | \$ 528,883 | \$ 534,732 | \$ (5,849) |
| City Attorney | 5,594,146 | 5,616,443 | (22,297) |
| Culture and Recreation | 23,762,421 | 23,866,883 | (104,462) |

Note VI. Detailed Notes on All Funds

A. Deposits, Investments and Securities Lending

Deposits

In accordance with Minn. Stat. §118A.02 and 118A.04, the City maintains deposits at financial institutions authorized by the City Council.

Minn. Stat. §118A.03 further requires that all City deposits be protected by insurance, surety bond, collateral or an irrevocable letter of credit issued by Federal Home Loan Banks. The market value of collateral pledged must equal 110% of the deposits 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.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a financial institution failure, the City's deposits may not be returned to it. The City's policy for custodial credit risk for deposits is to maintain compliance with Minnesota Statutes that require the City's deposits be protected by insurance, surety bond or pledged collateral.

As of December 31, 2006, the City's bank balance of checking and interest-bearing accounts and certificates of deposit totaled \$28,354,347. As of December 31, 2006, the City's deposits were not exposed to custodial credit risk. The carrying amount of these balances was \$20,466,659.

Imprest Funds on Hand

At December 31, 2006, the total imprest funds were \$107,865. Of this amount, the City had \$74,825 on hand. The remaining \$33,040 were in various bank accounts and are included with the collateralized deposits.

Investments

General

The City's Investment Policy Statement governs the investment portfolio of the City of Saint Paul. The goals of the City for the Portfolio are to preserve financial assets for future operating expenses, maintain reserves to fund unplanned shortfalls and generate income to support the activities of the City. The portfolio is managed in three components as follows:

1. **Daily Portfolio:** The daily component represents current operating funds on which draws are made frequently, requiring daily liquidity and preservation of principal. The time horizon on the Daily Portfolio is within a 12-month period.

2. **Short Term Portfolio:** A short-term component serves as a cushion to provide liquidity for possible shortfalls in the Daily Portfolio. Draws against the short-term portfolio are expected to be infrequent. The time horizon on the Short Term Portfolio is between one and three years.
3. **Intermediate Term Portfolio:** The balance of the Portfolio represents the intermediate term component, which serves as a reserve for unplanned shortfalls. In general, the Intermediate Term Portfolio is not expected to experience withdrawals and the time horizon on the Intermediate Portfolio is longer than three years. A portion of the Intermediate Term Portfolio is managed internally and the balance is managed by external managers.

Minnesota Statutes §§ 118A.04 and 118A.05 authorize the following types of investments for local governments:

- a. securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minnesota Statutes Section 118A.04, subd. 6;
- b. in shares of an investment company registered under the Federal Investment Company Act of 1940, provided the mutual fund receives certain ratings depending on its investments.
- c. general obligations of the State of Minnesota and its municipalities and in any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service.
- d. in bankers acceptances of United States Banks, or in 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.
- e. Repurchase agreements may be entered into with:
 1. a bank qualified as a depository;
 2. any national or state bank in the United States which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000;
 3. primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
 4. a securities broker-dealer, licensed pursuant to Chapter 80A, or an affiliate of it, regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt.
- f. Securities lending agreements, and Guaranteed investment contracts

Credit Risk

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 only in securities that meet the ratings requirements set by state statute.

The City's exposure to credit risk as of December 31, 2006, is as follows:

| <u>Rating Agency</u> | <u>Rating</u> | <u>Fair Value</u> |
|----------------------|---------------|-----------------------|
| Moody's | Aa3 | \$ 119,911 |
| Moody's | Aaa | 4,320,882 |
| Moody's | P-1 | 5,957,092 |
| S&P | AAA | 142,402,185 |
| S&P | A-1 | 17,899,834 |
| S&P | A-1+ | 17,902,798 |
| S&P | AA | 779,945 |
| S&P | AA- | 1,245,251 |
| S&P | AA+ | 1,018,679 |
| Not Rated | N/R | 6,737,112 |
| Not Applicable | N/A | <u>63,854,042</u> |
| Total | | <u>\$ 262,237,731</u> |

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. According to City policy, all securities purchased are held by a third-party safekeeping agent appointed as custodian (US Bank) who is also the lending agent/counterparty. The securities lending agreement in place between the City and its custodian is also consistent with this policy.

The City has no custodial credit risk for investments at December 31, 2006.

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 that U.S. Treasury securities, U.S. Agency Securities, and obligations backed by U.S. Treasury and/or U.S. Agency securities, may be held without limit.

At December 31, 2006, the City does not have investments in any one issuer that represent 5% or more of the City's total investments portfolio and therefore, also not subject to concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City's internal portfolio has a shorter overall weighted duration than the benchmarks established for each component portfolio. All else being equal, this would be expected to reduce the risk to adverse effects from rising interest rates.

The External Managers, as part of their mandate, have to satisfy the parameters for liquidity and risk tolerance, a maximum duration of 125% of the benchmark duration. The performance benchmark for External Managers is 80% Lehman Intermediate Government Index/20% 15-year MBS Index.

At December 31, 2006, the City had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 2 years</u> | <u>2 - 4 Years</u> | <u>5 - 10 Years</u> | <u>More Than 10 Years</u> |
|---|-----------------------|------------------------------|------------------------|-------------------------|-------------------------------|
| U.S. Agencies | \$ 88,162,129 | \$ 16,582,571 | \$ 44,054,930 | \$ 21,638,899 | \$ 5,885,729 |
| State & Local Govt Securities | 2,874,800 | - | 1,630,865 | 1,243,935 | - |
| Guaranteed Investment Contract | 8,831,677 | - | 8,831,677 | - | - |
| Discount Notes | 9,041,653 | 9,041,653 | - | - | - |
| Municipal Securities | 1,441,923 | - | - | 1,441,923 | - |
| Commercial Paper | 41,759,724 | 41,759,724 | - | - | - |
| Mutual Funds | 21,910,747 | 21,910,747 | - | - | - |
| Internal Investment Total | \$ 174,022,653 | \$ 89,294,695 | \$ 54,517,472 | \$ 24,324,757 | \$ 5,885,729 |
| U.S. Agencies - Advantus | \$ 14,460,068 | \$ - | \$ 3,841,698 | \$ 4,241,820 | \$ 6,376,550 |
| U.S. Agencies - US Bancorp | 15,767,266 | - | 4,924,204 | 6,907,788 | 3,935,274 |
| U.S. Agencies - Galliard | 9,161,705 | - | 1,023,890 | 1,429,451 | 6,708,364 |
| U.S. Agencies - NorthShore | 5,025,189 | 448,252 | 975,877 | 813,672 | 2,787,388 |
| U.S. Agencies - Voyageur | 11,485,486 | 575,178 | 3,311,002 | 1,575,858 | 6,023,448 |
| Corporate Obligations - US Bancorp | 344,910 | - | - | 344,910 | - |
| Corporate Obligations - Galliard | 1,033,375 | - | 136,457 | 896,918 | - |
| Corporate Obligations - Voyageur | 2,031,879 | - | - | 925,984 | 1,105,895 |
| Municipal Securities - US Bancorp | 225,320 | - | - | 225,320 | - |
| Municipal Securities - Galliard | 6,694,681 | 666,185 | 3,531,931 | 2,242,902 | 253,663 |
| Municipal Securities - NorthShore | 383,330 | - | 383,330 | - | - |
| Municipal Securities - Voyageur | 3,875,860 | 317,877 | 1,584,538 | 1,879,412 | 94,033 |
| US Deptment of Agriculture - Voyageur | 892,087 | - | - | - | 892,087 |
| US Housing and Urban Development - Galliard | 853,144 | - | 350,329 | 502,815 | - |
| US Housing and Urban Development - Voyageur | 847,771 | - | 847,771 | - | - |
| US Treasuries - Advantus | 5,684,035 | 1,090,404 | 3,682,381 | 911,250 | - |
| US Treasuries - US Bancorp | 3,835,621 | - | 304,048 | 3,339,062 | 192,511 |
| US Treasuries - Galliard | 3,091,845 | - | - | 3,091,845 | - |
| US Treasuries - NorthShore | 601,171 | - | 140,292 | 460,879 | - |
| US Treasuries - Voyageur | 1,117,630 | - | - | 1,117,630 | - |
| Investment Pool/Mutual Funds - Advantus | 426,617 | 426,617 | - | - | - |
| Investment Pool/Mutual Funds - US Bancorp | 120,569 | 120,569 | - | - | - |
| Investment Pool/Mutual Funds - Galliard | 130,856 | 130,856 | - | - | - |
| Investment Pool/Mutual Funds - NorthShore | 28,935 | 28,935 | - | - | - |
| Investment Pool/Mutual Funds - Voyageur | 95,728 | 95,728 | - | - | - |
| External Managers Investment Total | \$ 88,215,078 | \$ 3,900,601 | \$ 25,037,748 | \$ 30,907,516 | \$ 28,369,213 |
| Total Investments | \$ 262,237,731 | \$ 93,195,296 | \$ 79,555,220 | \$ 55,232,273 | \$ 34,254,942 |

Included in the total investment pool of \$262,237,731 is an equity investment of the RiverCentre Convention & Visitors Authority, a component unit of the City, in the amount of \$1,262,350. The remaining amount of \$260,975,381 belongs to the City.

Duration

Duration is a measure of a fixed income investment's cash flows using present values, weighted for cash flows as a percentage of the investment's full price. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows arising from such investments as callable bonds, prepayments, and variable-rate debt.

As of December 31, 2006, the City had the following investments in its external investment pools.

| | <u>Fair Value</u> | <u>Effective Duration</u> |
|---|----------------------|---------------------------|
| Advantus Capital Management | \$ 20,570,720 | 2.94 |
| US Bancorp Asset Management | 20,293,686 | 3.30 |
| Galliard Capital Management | 20,965,606 | 3.26 |
| NorthShore Advisors | 6,038,625 | 3.12 |
| Voyageur Asset Management | 20,346,441 | 3.30 |
| | <u>\$ 88,215,078</u> | |
| Benchmark (80% Lehman Intern Gov't/20% 15 Year MBS) | | 3.26 |

Securities Lending Transactions

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 Governmental Accounting Standards Board (GASB) Statement No. 28 *Accounting and Financial Reporting for Securities Lending Transactions*. The City Council approved by resolution a "Policy Statement," which provides that the General Fund will record the revenue and expenditures relating to securities lending transactions and the "securities lending collateral" asset and "obligations under securities lending" liability. In addition, if monthly net losses should occur during the year from the investment of cash collateral, either principal losses or losses resulting from negative "spreads" between the yield on the investments of cash collateral and the rebate rates paid to borrowers, the losses will be charged to the General Fund.

In accordance with State Statutes and pursuant to the securities lending agreement with the City, US Bank has established a securities lending program that allows the City to enter into securities lending transactions – loans of government and agency securities to broker dealers for collateral with a simultaneous agreement to return the collateral for the same securities in the future. US Bank, the custodian and agent in lending the City's securities, manages a securities lending and collateral investments pool. There were no significant violations either of State Statutes or contractual provisions with US Bank in 2006.

US Bank receives collateral from borrowers to secure loans on behalf of the program participants in cash and securities of 102 percent of the market value of the lent securities which meet the qualifications established in Minnesota Statutes 118A.05 Subd. 3, including any amendments to the sections adopted after the date of the borrower's default. The cash and security collateral are adjusted daily to maintain at least 100 percent of the market value of the loaned securities plus accrued interest. No loss indemnification is provided by US Bank's securities lending program.

All securities loans may be terminated on demand by either the pool participants or the borrower. There are no restrictions as to the total amount of securities that may be loaned at one time. All term loans are matched in maturity to term investments. Cash collateral received for open loans is invested as of year end as follows: 86% of total collateral investments is invested on an overnight/open basis and 14% is invested with maturities greater than overnight.

The weighted average maturity for all investments in the pool in which the City of Saint Paul participates as of year end is 4.859 days. The relationship between the maturities of the investment pool and the City of Saint Paul's loans will be affected by the maturities of the securities loans made by other participants in the pool.

As of December 31, 2006, the securities on loan, the related cash collateral and the pooled investment from such collateral are presented as unclassified in the schedule of investments by custodial credit risk category. The securities on loan at December 31, 2006, had a carrying amount of \$132,477,149, which was also its fair value.

There was no borrower or lending agent default losses and no recoveries of prior-period losses during the year. At December 31, 2006, the securities lending pool participants had no credit risk exposure because all collateral was equal to at least 100% of the market value of the loaned securities plus any accrued interest.

| Securities Lent | Underlying Securities | Cash Collateral Investment Value |
|------------------------------------|--------------------------|--|
| U.S. Agencies | \$ 95,423,954 | \$ 97,527,538 |
| Discount Notes | 5,939,000 | 6,020,000 |
| Internal Investment Total | \$ 101,362,954 | \$ 103,547,538 |
| U.S. Agencies | | |
| Advantus Capital Management | \$ 5,860,270 | \$ 6,008,125 |
| US Bancorp Asset Management | 4,194,807 | 4,291,331 |
| NorthShore Advisors | 349,346 | 356,125 |
| Voyageur Asset Management | 3,725,585 | 3,807,606 |
| External Managers Subtotal | \$ 14,130,008 | \$ 14,463,187 |
| U.S. Treasuries | | |
| Advantus Capital Management | \$ 5,684,035 | \$ 5,867,125 |
| US Bancorp Asset Management | 3,835,621 | 3,966,113 |
| Galliard Capital Management | 2,743,801 | 2,853,756 |
| NorthShore Advisors | 601,171 | 624,956 |
| Voyageur Asset Management | 1,117,630 | 1,154,474 |
| External Managers Subtotal | \$ 13,982,258 | \$ 14,466,424 |
| External Managers Investment Total | \$ 28,112,266 | \$ 28,929,611 |
| Total Securities Lent | \$ 129,475,220 | \$ 132,477,149 |

Recap

Deposits and investments as described above appear in the City's financial statements consistent with the following analysis:

| | | | |
|----------------------------------|---------------------------|-------------------------------------|--------------------------|
| Cash Deposits | \$ 20,466,659 | Cash and Investments with Treasurer | \$219,933,018 |
| Imprest Funds on Hand | 74,825 | Cash and Investments with Trustees | 18,124,028 |
| Cash Collateral Investment Value | 132,477,149 | Investments | 453,818 |
| Investments | <u>260,293,367</u> | Imprest Funds | 107,865 |
| | | Securities Lending Collateral | 132,477,149 |
| | | Restricted Cash | 41,549,372 |
| | | Restricted Investments | <u>666,750</u> |
| Total | \$ <u>413,312,000</u> | Total | <u>\$413,312,000</u> |

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B. Receivables

Summary of Receivables

Receivables as of year end for the City's individual major governmental and enterprise funds, nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| Governmental Activities | General | Library Agency | HRA General Fund | General Debt Service | General Debt Service | Capital Improvement Projects | Nonmajor and Other Funds | Total |
|--|---------------|----------------|------------------|----------------------|----------------------|------------------------------|--------------------------|---------------|
| Receivables: | | | | | | | | |
| Taxes | \$ 1,884,931 | \$ 424,237 | \$ 49,272 | \$ 211,721 | \$ 419,298 | \$ - | \$ 178,969 | \$ 3,168,428 |
| Accounts | 9,218,685 | - | 228,183 | 133,000 | 9,608 | 564,444 | 3,138,111 | 13,292,031 |
| Special Assessments | - | - | - | - | - | 13,241,523 | 26,074,024 | 39,315,547 |
| Interest | 1,346,682 | - | 102,912 | 194,560 | 135,268 | 1,849 | 1,567,800 | 3,349,071 |
| Xcel Energy | 936,083 | - | - | - | - | - | - | 936,083 |
| Intergovernmental | 328,650 | 9,997 | - | - | - | 14,018,677 | 7,326,343 | 21,683,667 |
| Gross Receivables | 13,715,031 | 434,234 | 380,367 | 539,281 | 564,174 | 27,826,493 | 38,285,247 | 81,744,827 |
| Less: Allowance for Uncollectibles | (446,739) | - | (37,315) | - | - | - | (619,240) | (1,103,294) |
| Net Total Receivables | \$ 13,268,292 | \$ 434,234 | \$ 343,052 | \$ 539,281 | \$ 564,174 | \$ 27,826,493 | \$ 37,666,007 | \$ 80,641,533 |
| Amounts not expected to be collected within one year | \$ 7,164,967 | \$ - | \$ - | \$ - | \$ - | \$ 10,006,163 | \$ 11,134,582 | \$ 28,305,712 |

| Business-type Activities | Sewer | Utility | HRA Loan Enterprise | HRA | Parking | Other Enterprise Funds | Total |
|--|--------------|------------|---------------------|------------|---------|------------------------|--------------|
| Receivables: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 25,723 | \$ - | \$ - | \$ 25,723 |
| Accounts | 550,329 | 6,780 | 350,774 | 189,659 | - | - | 1,097,542 |
| Special Assessments | 5,383,946 | 806 | - | - | - | - | 5,384,752 |
| Interest | 101,969 | 344,392 | 121,495 | 9,811 | - | - | 577,667 |
| Intergovernmental | 55,260 | 241 | 1,497,133 | 112,761 | - | - | 1,665,395 |
| Gross Receivables | 6,091,504 | 352,219 | 1,995,125 | 312,231 | - | - | 8,751,079 |
| Less: Allowance for Uncollectibles | (530,036) | - | - | (80,395) | - | - | (610,431) |
| Net Total Receivables | \$ 5,561,468 | \$ 352,219 | \$ 1,995,125 | \$ 231,836 | \$ - | \$ - | \$ 8,140,648 |
| Amounts not expected to be collected within one year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Property Taxes

For property tax collectible in 2006, Saint Paul's taxable net tax capacity (including Tax Increment Districts) was \$225,186,571; the estimated market value was \$21,316,696,700; the net tax capacity was 1.06% of the estimated market value. Estimated market values are converted to tax capacities based on a statutory rate for each class of property.

Current property tax collections for the year ended December 31, 2006 were as follows:

| | <u>City</u> | <u>HRA</u> |
|------------------------|---------------|------------|
| Dollar Amount | \$ 62,829,480 | \$ 956,373 |
| Percent of Levy Spread | 97.36% | 97.60% |

Notes and Loans Receivable

Notes and Loans Receivable are reported as assets in the following funds at December 31, 2006:

| | |
|-----------------------------------|-----------------------------|
| Special Revenue Funds: | |
| Solid Waste and Recycling | \$ 709,934 |
| Community Development Block Grant | 4,639,275 |
| State Grant Programs | 156,196 |
| HRA Federal and State Programs | <u>7,183,068</u> |
| Total Special Revenue Funds | <u>12,688,473</u> |
| Capital Projects Fund: | |
| City Sales Tax | 6,931,460 |
| City Downtown Capital Projects | 315,000 |
| HRA Tax Increment | <u>291,786</u> |
| Total Capital Projects Funds | <u>7,538,246</u> |
| Total | <u><u>\$ 20,226,719</u></u> |

In addition to the above amounts reported as "Notes and Loans Receivable" on Exhibit 3, other long-term loans receivable are included in "Other Long-Term Receivables" in the following funds:

| | |
|------------------------|-----------------------------|
| Enterprise Funds: | |
| HRA Loan Enterprise | <u>\$ 12,189,935</u> |
| Internal Service Fund: | |
| Internal Borrowing | <u>11,692,027</u> |
| Total | <u><u>\$ 23,881,962</u></u> |

The amount reported for loans receivable is net of allowances for uncollectible loans. Allowances for uncollectible loans have been established for loans for which collection is doubtful or questionable. At December 31, 2006, the allowance for uncollectible loans recorded was \$91,475,487.

Contract Receivable – Metropolitan Council Environmental Services

The Metropolitan Council Environmental Services (MCES), formerly known as the Metropolitan Waste Control Commission (MWCC) was established as an agency of the Metropolitan Council pursuant to Minnesota Statutes Section 473.503. MCES was created for the purpose of providing the efficient and economic collection, treatment and disposal for sewage. MCES bills actual quarterly sewer treatment charges at a two quarter lag, with first quarter charges billed in the third quarter and all other quarterly charges billed in a similar manner.

In 1971, the Metropolitan Council Environmental Services assumed ownership of all the City's interceptors and treatment works. The takeover by the MCES provided that the City would receive payment for the facilities based on the value of the facilities in 1971. This long-term contract receivable from the MCES at December 31, 2006, as reported in the Sewer Utility Enterprise Fund, was \$94,285.

C. Land Held for Resale

At December 31, 2006, Land Held for Resale was reported as an asset in the following funds:

| | |
|-----------------------------------|-----------------------------|
| Special Revenue Funds | |
| Community Development Block Grant | \$ 2,097,377 |
| State Grant Programs | 650,000 |
| HRA General Fund | <u>1,440,918</u> |
| Total Special Revenue Funds | <u>4,188,295</u> |
| Capital Projects Fund | |
| HRA Tax Increment | 1,057,947 |
| Enterprise Fund | |
| HRA Loan Enterprise | <u>14,976,644</u> |
| Total | <u><u>\$ 20,222,886</u></u> |

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D. Restricted Assets

As of December 31, 2006, the following restricted assets were reported in the following enterprise funds:

| | Sewer Utility | HRA Loan Enterprise | HRA Parking | Special Services |
|---|---------------------|------------------------|----------------------|---------------------|
| Cash for General Obligation Bond Current Debt Service | \$ 31,231 | \$ - | \$ 4,003,167 | \$ - |
| Cash for Revenue Bond Current Debt Service | 1,180,643 | 7,398,355 | 4,495,986 | - |
| Cash for Revenue Bond Operations and Maintenance | 2,499,509 | - | 596,679 | - |
| Cash for Revenue Bond Construction | 1,791,093 | 6,924,420 | 8,809,694 | - |
| Cash for Budget and Rate Stabilization | 3,818,595 | - | - | - |
| Investment for Revenue Bond Debt Service Reserve | - | - | - | 666,750 |
| Total | <u>\$ 9,321,071</u> | <u>\$ 14,322,775</u> | <u>\$ 17,905,526</u> | <u>\$ 666,750</u> |

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E. Capital Assets

Capital asset activity for the year ended December 31, 2006 was as follows:

| Governmental Activities | Balance 01/01/06 | Additions | Deductions | Balance 12/31/06 |
|---|-------------------------|----------------------|------------------------|-------------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 138,804,210 | \$ 2,804,524 | \$ (170,226) | \$ 141,438,508 |
| Construction in Progress | 22,325,679 | 28,703,518 | (13,357,568) | 37,671,629 |
| Total Capital Assets Not Being Depreciated | <u>161,129,889</u> | <u>31,508,042</u> | <u>(13,527,794)</u> | <u>179,110,137</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 534,803,500 | 14,149,743 | (8,322,537) | 540,630,706 |
| Improvements Other than Buildings | 81,882,190 | 4,918,325 | - | 86,800,515 |
| Equipment | 76,750,566 | 7,842,149 | (2,454,354) | 82,138,361 |
| Infrastructure | 677,943,084 | 5,034,919 | (1,627,306) | 681,350,697 |
| Total Capital Assets Being Depreciated | <u>1,371,379,340</u> | <u>31,945,136</u> | <u>(12,404,197)</u> | <u>1,390,920,279</u> |
| Less: Accumulated Depreciation for: | | | | |
| Buildings | (158,566,353) | (13,442,725) | 5,576,239 | (166,432,839) |
| Improvements Other than Buildings | (20,805,347) | (2,613,531) | - | (23,418,878) |
| Equipment | (52,575,297) | (5,103,605) | 2,328,785 | (55,350,117) |
| Infrastructure | (203,944,593) | (12,541,680) | 897,359 | (215,588,914) |
| Total Accumulated Depreciation | <u>(435,891,590)</u> | <u>(33,701,541)</u> | <u>8,802,383</u> | <u>(460,790,748)</u> |
| Total Capital Assets Being Depreciated, Net | <u>935,487,750</u> | <u>(1,756,405)</u> | <u>(3,601,814)</u> | <u>930,129,531</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 1,096,617,639</u> | <u>\$ 29,751,637</u> | <u>\$ (17,129,608)</u> | <u>\$ 1,109,239,668</u> |

Depreciation expense was charged to the following governmental functions:

| | |
|--|----------------------|
| General Government | \$ 910,922 |
| Public Safety | 2,521,701 |
| Highways and Streets | 14,798,597 |
| Culture and Recreation | 15,037,206 |
| Housing and Economic Development | 433,115 |
| Total Governmental Activities Depreciation Expense | <u>\$ 33,701,541</u> |

| Business-Type Activities | Balance 01/01/06 Restated | Additions | Deductions | Balance 12/31/06 |
|--|---------------------------------|---------------------|-----------------------|-----------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 23,061,231 | \$ - | \$ - | \$ 23,061,231 |
| Construction in Progress | 2,250,713 | 8,765,342 | (917,710) | 10,098,345 |
| Total Capital Assets Not Being Depreciated | <u>25,311,944</u> | <u>8,765,342</u> | <u>(917,710)</u> | <u>33,159,576</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Structures | 94,528,823 | - | (85,209) | 94,443,614 |
| Public Improvements | 352,249,921 | 1,525,248 | - | 353,775,169 |
| Equipment | 5,234,663 | 131,158 | (49,814) | 5,316,007 |
| Total Capital Assets Being Depreciated | <u>452,013,407</u> | <u>1,656,406</u> | <u>(135,023)</u> | <u>453,534,790</u> |
| Less: Accumulated Depreciation for: | | | | |
| Buildings and Structures | (26,497,054) | (2,393,870) | - | (28,890,924) |
| Public Improvements | (94,771,465) | (4,277,869) | - | (99,049,334) |
| Equipment | (2,932,483) | (468,374) | 49,813 | (3,351,044) |
| Total Accumulated Depreciation | <u>(124,201,002)</u> | <u>(7,140,113)</u> | <u>49,813</u> | <u>(131,291,302)</u> |
| Total Capital Assets Being Depreciated, Net | <u>327,812,405</u> | <u>(5,483,707)</u> | <u>(85,210)</u> | <u>322,243,488</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 353,124,349</u> | <u>\$ 3,281,635</u> | <u>\$ (1,002,920)</u> | <u>\$ 355,403,064</u> |

Depreciation expense was charged to the following business-type functions:

| | |
|--|---------------------|
| Sewer | \$ 4,405,772 |
| Parking | 2,315,180 |
| Parks, Recreation and Athletics | 297,078 |
| Impound Lot | 4,940 |
| Printing | 53,472 |
| Total Business-Type Activities Depreciation Expense | <u>\$ 7,076,442</u> |
| Addition to Accumulated Depreciation Due to Assets Transferred to Enterprise Funds | <u>63,671</u> |
| Total Additions to Accumulated Depreciation - Business-Type Activities | <u>\$ 7,140,113</u> |

The Special Services Enterprise Fund received capital asset contributions of equipment from the General Capital Assets with a historical cost totaling \$66,042 and an accumulated depreciation of \$62,125. The RiverPrint Saint Paul/Ramsey County Enterprise Fund received Capital asset contributions of equipment from the Purchasing's Value Added Services Internal Service Fund with a historical cost totaling \$5,566 and an accumulated depreciation of \$1,546.

F. Interfund Receivables/Payables/Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts as of December 31, 2006:

Pooled Cash and Investment Overdrafts

| Receivable Fund | Payable Fund | | | | Total All Funds |
|-----------------|------------------------------|--------------------------|------------------|------------------------|-----------------|
| | Capital Improvement Projects | Other Governmental Funds | Enterprise Funds | Internal Service Funds | |
| General | \$ 1,618,264 | \$ 1,833,979 | \$ 2,414,677 | \$ 210,532 | \$ 6,077,452 |

Due to/from Other Funds

| Receivable Fund | Payable Fund | | | | | |
|------------------------------|--------------|----------------|------------------|----------------------|------------------------------|--------------------------|
| | General | Library Agency | HRA General Fund | General Debt Service | Capital Improvement Projects | Other Governmental Funds |
| General | \$ - | \$ 75,242 | \$ - | \$ 940 | \$ 1,065 | \$ 2,928,496 |
| HRA General Debt Service | - | - | - | - | - | 63,839 |
| Capital Improvement Projects | 119,194 | - | - | - | - | 2,960,811 |
| Other Governmental Funds | 403,529 | 1,052,439 | 172,961 | - | - | 738,150 |
| Sewer Utility | 25,628 | - | - | - | 425,727 | 150,000 |
| HRA Loan Enterprise | - | - | - | - | - | - |
| HRA Parking | - | - | - | - | - | - |
| Other Enterprise Funds | 17,861 | - | - | - | 2,614 | 14,753 |
| Internal Service Funds | 642,384 | 4,119 | 523,538 | - | 409,915 | 2,346,350 |
| Fiduciary-Agency Funds | 2,024 | - | - | - | - | 1,051 |
| Total All Funds | \$ 1,210,620 | \$ 1,131,800 | \$ 696,499 | \$ 940 | \$ 839,321 | \$ 9,203,450 |

table continued below

| Receivable Fund | Payable Fund | | | | | |
|------------------------------|---------------|---------------------|-------------|------------------------|------------------------|-----------------|
| | Sewer Utility | HRA Loan Enterprise | HRA Parking | Other Enterprise Funds | Internal Service Funds | Total All Funds |
| General | \$ 25,601 | \$ 2,160,000 | \$ - | \$ 27,158 | \$ 11,345,870 | \$ 16,564,372 |
| HRA General Debt Service | - | - | - | - | - | 63,839 |
| Capital Improvement Projects | 350,330 | - | - | - | - | 3,430,335 |
| Other Governmental Funds | 23,522 | - | 41,861 | - | 51,674 | 2,484,136 |
| Sewer Utility | - | - | - | - | 330,045 | 931,400 |
| HRA Loan Enterprise | - | - | - | - | 7,362 | 7,362 |
| HRA Parking | - | - | - | - | 2,558 | 2,558 |
| Other Enterprise Funds | 108 | - | - | - | 6,224 | 41,560 |
| Internal Service Funds | 191,455 | 129,729 | 92,836 | 19,800 | 190,162 | 4,550,288 |
| Fiduciary-Agency Funds | 20 | - | - | 2 | 751 | 3,848 |
| Total All Funds | \$ 591,036 | \$ 2,289,729 | \$ 134,697 | \$ 46,960 | \$ 11,934,646 | \$ 28,079,698 |

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances to/from Other Funds

The following is a schedule of interfund advances as of December 31, 2006:

| Receivable Fund | Payable Fund | | | | Total All Funds |
|--------------------------|-------------------|------------------------------|--------------------------|------------------------|---------------------|
| | General | Capital Improvement Projects | Other Governmental Funds | Internal Service Funds | |
| General | \$ - | \$ - | \$ - | \$ 46,400 | \$ 46,400 |
| HRA General Fund | - | - | 516,588 | - | 516,588 |
| Other Governmental Funds | - | 375,000 | 8,886 | 266,914 | 650,800 |
| Sewer Utility | - | - | 300,000 | 584,955 | 884,955 |
| HRA Loan Enterprise | - | - | 5,523,484 | 100,000 | 5,623,484 |
| Internal Service Funds | 100,000 | - | 2,147,343 | - | 2,247,343 |
| Total All Funds | <u>\$ 100,000</u> | <u>\$ 375,000</u> | <u>\$ 8,496,301</u> | <u>\$ 998,269</u> | <u>\$ 9,969,570</u> |

The advances shown above are long-term amounts not due within one year. Short-term advances that are due within one year are reported as a due to/from other fund.

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Transfers

The following is a schedule of interfund transfers as of December 31, 2006:

| Transfers In | Transfers Out | | | | | | |
|------------------------------|---------------------|---------------------|------------------|----------------------|--------------------------|------------------------------|--------------------------|
| | General | Library Agency | HRA General Fund | General Debt Service | HRA General Debt Service | Capital Improvement Projects | Other Governmental Funds |
| General | \$ - | \$ 393,876 | \$ 97,808 | \$ 2,250 | \$ - | \$ 1,284,362 | \$ 14,194,197 |
| General Debt Service | - | - | - | - | - | - | 6,462,046 |
| HRA General Debt Service | - | - | - | - | - | - | 18,192,008 |
| Capital Improvement Projects | 60,000 | - | - | - | - | - | 14,014,079 |
| Other Governmental Funds | 1,878,761 | 1,052,440 | - | - | 13,379,777 | 854,615 | 4,890,228 |
| Sewer Utility | - | - | - | - | - | - | - |
| HRA Loan Enterprise | - | - | - | 236,443 | - | - | - |
| HRA Parking | - | - | - | - | - | - | - |
| Other Enterprise Funds | 225,000 | - | - | - | - | - | 71,000 |
| Internal Service Funds | 682,718 | - | - | - | - | 102,780 | 3,630,973 |
| Total Transfers Out | \$ 2,846,479 | \$ 1,446,316 | \$ 97,808 | \$ 238,693 | \$ 13,379,777 | \$ 2,241,757 | \$ 61,454,531 |

table continued below

| Transfers In | Transfers Out | | | | | |
|--|----------------------|---------------------|-------------------|------------------------|------------------------|-----------------------|
| | Sewer Utility | HRA Loan Enterprise | HRA Parking | Other Enterprise Funds | Internal Service Funds | Total Transfers In |
| General | \$ 468,590 | \$ 360,000 | \$ - | \$ 433,748 | \$ 2,457,441 | \$ 19,692,272 |
| General Debt Service | 3,667,350 | - | - | - | - | 10,129,396 |
| HRA General Debt Service | - | 2,026,344 | - | - | - | 20,218,352 |
| Capital Improvement Projects | 10,605,609 | 722,500 | - | - | - | 25,402,188 |
| Other Governmental Funds | - | 2,482,343 | 41,861 | 35,209 | 20,000 | 24,635,234 |
| Sewer Utility | - | - | - | - | 10,000 | 10,000 |
| HRA Loan Enterprise | - | - | 598,400 | - | - | 834,843 |
| HRA Parking | - | 454,684 | - | - | - | 454,684 |
| Other Enterprise Funds | - | - | - | - | - | 296,000 |
| Internal Service Funds | 153,560 | - | - | - | 25,069 | 4,595,100 |
| Total Transfers Out | \$ 14,895,109 | \$ 6,045,871 | \$ 640,261 | \$ 468,957 | \$ 2,512,510 | \$ 106,268,069 |
| Capital Assets Used in the Operation of Governmental Funds | | | 33,263 | | 116,591 | |
| | | | \$ 673,524 | | \$ 2,629,101 | |

(see note on next page)

The total governmental and proprietary funds transfers in is \$106,268,069. The total governmental and proprietary transfers out is \$106,417,923. The variance of \$149,854 is comprised of the following:

- Capital asset transfer of \$33,263 from the HRA Parking Enterprise Fund to the General Capital Assets.
- Capital asset transfer of \$116,591 from Parks and Recreation Supply and Maintenance Internal Service Fund to the General Capital Assets.

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 a debt service fund, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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G. Long-Term Obligations

1. Changes in Long-Term Obligations

Long-term obligations activity in the year ended December 31, 2006 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|---|-----------------------|----------------------|----------------------|-----------------------|-----------------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Bonds Payable: | | | | | |
| General Obligation Bonds | | | | | |
| Property Tax Supported | \$ 119,200,000 | \$ 11,000,000 | \$ 18,480,000 | \$ 111,720,000 | \$ 18,185,000 |
| Special Assessment Debt with Governmental Commitment | 23,320,000 | 12,500,000 | 2,285,000 | 33,535,000 | 3,615,000 |
| HRA Tax Increment | 16,765,000 | - | 1,275,000 | 15,490,000 | 5,275,000 |
| Total General Obligation Bonds | <u>159,285,000</u> | <u>23,500,000</u> | <u>22,040,000</u> | <u>160,745,000</u> | <u>27,075,000</u> |
| Revenue Bonds | | | | | |
| Sales Tax Revenue Bonds | 67,750,000 | - | 1,470,000 | 66,280,000 | 1,560,000 |
| HRA Tax Increment Revenue Bonds | 62,169,780 | - | 8,238,857 | 53,930,923 | 3,444,183 |
| HRA Sales Tax Revenue Bonds | 44,895,000 | - | 1,310,000 | 43,585,000 | 1,400,000 |
| HRA Lease Revenue Bonds | 6,870,000 | - | 300,000 | 6,570,000 | 425,000 |
| Total Revenue Bonds | <u>181,684,780</u> | <u>-</u> | <u>11,318,857</u> | <u>170,365,923</u> | <u>6,829,183</u> |
| Add/(Subtract) Deferred Amounts for: (Discounts)/Premiums Refundings - Gains/(Losses) | | | | | |
| | <u>1,459,248</u> | <u>215,093</u> | <u>176,435</u> | <u>1,497,906</u> | <u>151,695</u> |
| Total Bonds | <u>342,429,028</u> | <u>23,715,093</u> | <u>33,535,292</u> | <u>332,608,829</u> | <u>34,055,878</u> |
| Revenue Notes Payable | | | | | |
| Revenue Notes Payable | 44,844,359 | - | 1,893,733 | 42,950,626 | 1,659,228 |
| HRA Revenue Notes Payable | 8,580,000 | 4,820,000 | 580,000 | 12,820,000 | 300,000 |
| Total Revenue Notes | <u>53,424,359</u> | <u>4,820,000</u> | <u>2,473,733</u> | <u>55,770,626</u> | <u>1,959,228</u> |
| Other Liabilities: | | | | | |
| Compensated Absences | 19,164,540 | 382,204 | 86,297 | 19,460,447 | 745,029 |
| Claims and Judgments Payable | 24,552,444 | 9,160,373 | 7,554,839 | 26,157,978 | 8,392,002 |
| Capital Leases | 23,077,102 | - | 1,523,736 | 21,553,366 | 1,373,040 |
| Total Other Liabilities | <u>66,794,086</u> | <u>9,542,577</u> | <u>9,164,872</u> | <u>67,171,791</u> | <u>10,510,071</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 462,647,473</u> | <u>\$ 38,077,670</u> | <u>\$ 45,173,897</u> | <u>\$ 455,551,246</u> | <u>\$ 46,525,177</u> |

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|---|------------------------------|-----------------------------|-----------------------------|------------------------------|-----------------------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| Bonds Payable: | | | | | |
| General Obligation Bonds | | | | | |
| General Obligation Debt | \$ 3,480,000 | \$ - | \$ 205,000 | \$ 3,275,000 | \$ 215,000 |
| HRA General Obligation Debt | 36,005,000 | - | 1,300,000 | 34,705,000 | 1,445,000 |
| Total General Obligation Bonds | <u>39,485,000</u> | <u>-</u> | <u>1,505,000</u> | <u>37,980,000</u> | <u>1,660,000</u> |
| Revenue Bonds | | | | | |
| Revenue Bonds | 27,690,000 | 7,040,000 | 6,900,000 | 27,830,000 | 5,950,000 |
| HRA Parking Facilities Revenue Bonds | 55,420,000 | - | 1,625,000 | 53,795,000 | 1,815,000 |
| HRA Loan Enterprise Revenue Bonds | 21,830,000 | - | 9,375,000 | 12,455,000 | 3,294,000 |
| Total Revenue Bonds | <u>104,940,000</u> | <u>7,040,000</u> | <u>17,900,000</u> | <u>94,080,000</u> | <u>11,059,000</u> |
| Add/(Subtract) Deferred Amounts for: (Discounts)/Premiums Refundings - Gains/(Losses) | | | | | |
| | <u>593,042</u> | <u>40,157</u> | <u>133,838</u> | <u>499,361</u> | <u>-</u> |
| Total Bonds | <u>145,018,042</u> | <u>7,080,157</u> | <u>19,538,838</u> | <u>132,559,361</u> | <u>12,719,000</u> |
| Revenue Notes Payable | | | | | |
| Revenue Notes Payable | 15,824,589 | - | 913,280 | 14,911,309 | 943,879 |
| HRA Revenue Notes Payable | 3,090,000 | 195,190 | 2,060,000 | 1,225,190 | 265,190 |
| Total Revenue Notes Payable | <u>18,914,589</u> | <u>195,190</u> | <u>2,973,280</u> | <u>16,136,499</u> | <u>1,209,069</u> |
| Other Liabilities: | | | | | |
| Compensated Absences | 942,668 | 23,442 | 89,313 | 876,797 | 32,586 |
| Capital Leases | 621,697 | - | 271,263 | 350,434 | 279,318 |
| Total Other Liabilities | <u>1,564,365</u> | <u>23,442</u> | <u>360,576</u> | <u>1,227,231</u> | <u>311,904</u> |
| Total Business-Type Activities Long-Term Liabilities | <u>\$ 165,496,996</u> | <u>\$ 7,298,789</u> | <u>\$ 22,872,694</u> | <u>\$ 149,923,091</u> | <u>\$ 14,239,973</u> |
| TOTAL LONG-TERM OBLIGATION | <u><u>\$ 628,144,469</u></u> | <u><u>\$ 45,376,459</u></u> | <u><u>\$ 68,046,591</u></u> | <u><u>\$ 605,474,337</u></u> | <u><u>\$ 60,765,150</u></u> |

Internal Service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities are included as part of the totals reported for governmental funds. At year end, \$2,269,750 for compensated absences and \$2,176,342 of capital leases were included in the amounts reported for the governmental funds.

The Government-wide statement of net assets includes \$3,464,453 of the long-term liabilities due within one year for business-type activities in "liabilities payable from restricted assets." The remaining amount of \$10,775,520 was displayed as "noncurrent liabilities due within one year" on the same statement.

2. Annual Requirements – Principal and Interest on Long-Term Obligations

Annual debt service requirements to maturity for general obligation bonds are as follows:

| Year Ended December 31 | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|----------------------|-----------------------|----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2007 | \$ 27,075,000 | \$ 6,063,530 | \$ 1,660,000 | \$ 1,963,841 | \$ 28,735,000 | \$ 8,027,371 |
| 2008 | 21,045,000 | 5,128,719 | 1,790,000 | 1,862,570 | 22,835,000 | 6,991,289 |
| 2009 | 19,785,000 | 4,297,111 | 1,930,000 | 1,751,975 | 21,715,000 | 6,049,086 |
| 2010 | 18,335,000 | 3,513,088 | 2,125,000 | 1,629,674 | 20,460,000 | 5,142,762 |
| 2011 | 16,665,000 | 2,799,657 | 2,290,000 | 1,496,128 | 18,955,000 | 4,295,785 |
| 2012-2016 | 42,350,000 | 6,860,032 | 14,415,000 | 5,227,865 | 56,765,000 | 12,087,897 |
| 2017-2021 | 9,715,000 | 2,273,166 | 7,270,000 | 2,407,119 | 16,985,000 | 4,680,285 |
| 2022-2026 | 5,775,000 | 534,178 | 6,500,000 | 635,313 | 12,275,000 | 1,169,491 |
| Total General Obligation Bonds Debt | <u>\$ 160,745,000</u> | <u>\$ 31,469,481</u> | <u>\$ 37,980,000</u> | <u>\$ 16,974,485</u> | <u>\$ 198,725,000</u> | <u>\$ 48,443,966</u> |

Revenue bond debt service requirements to maturity are as follows:

| Year Ended December 31 | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2007 | \$ 6,829,183 | \$ 11,508,507 | \$ 11,059,000 | \$ 4,299,548 | \$ 17,888,183 | \$ 15,808,055 |
| 2008 | 7,531,180 | 11,064,473 | 9,319,000 | 3,888,449 | 16,850,180 | 14,952,922 |
| 2009 | 6,844,891 | 10,573,509 | 7,195,000 | 3,481,179 | 14,039,891 | 14,054,688 |
| 2010 | 5,989,364 | 10,172,743 | 3,395,000 | 3,143,684 | 9,384,364 | 13,316,427 |
| 2011 | 6,489,648 | 9,775,968 | 3,555,000 | 2,993,681 | 10,044,648 | 12,769,649 |
| 2012-2016 | 36,496,657 | 41,966,642 | 32,405,000 | 9,772,010 | 68,901,657 | 51,738,652 |
| 2017-2021 | 42,578,000 | 29,056,859 | 12,015,000 | 5,519,127 | 54,593,000 | 34,575,986 |
| 2022-2026 | 47,537,000 | 12,234,375 | 11,102,000 | 2,720,950 | 58,639,000 | 14,955,325 |
| 2027-2029 | 10,070,000 | 1,109,074 | 4,035,000 | 439,235 | 14,105,000 | 1,548,309 |
| Total Revenue Bonds Debt | <u>\$ 170,365,923</u> | <u>\$ 137,462,150</u> | <u>\$ 94,080,000</u> | <u>\$ 36,257,863</u> | <u>\$ 264,445,923</u> | <u>\$ 173,720,013</u> |

Revenue notes debt service requirements to maturity are as follows:

| Year Ended December 31 | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2007 | \$ 1,959,228 | \$ 667,778 | \$ 1,209,069 | \$ 579,258 | \$ 3,168,297 | \$ 1,247,036 |
| 2008 | 1,835,221 | 636,808 | 1,050,834 | 540,696 | 2,886,055 | 1,177,504 |
| 2009 | 1,802,816 | 621,808 | 1,093,157 | 502,519 | 2,895,973 | 1,124,327 |
| 2010 | 1,802,816 | 606,808 | 1,126,861 | 463,203 | 2,929,677 | 1,070,011 |
| 2011 | 2,550,545 | 591,808 | 1,171,958 | 422,397 | 3,722,503 | 1,014,205 |
| 2012-2016 | 18,500,000 | 2,558,390 | 6,338,570 | 1,444,641 | 24,838,570 | 4,003,031 |
| 2017-2021 | 22,000,000 | 1,833,790 | 4,146,050 | 333,510 | 26,146,050 | 2,167,300 |
| 2022-2026 | 500,000 | 1,253,610 | - | - | 500,000 | 1,253,610 |
| 2027-2031 | - | 1,226,690 | - | - | - | 1,226,690 |
| 2032 | 4,820,000 | 122,669 | - | - | 4,820,000 | 122,669 |
| Total Revenue Notes Debt | <u>\$ 55,770,626</u> | <u>\$ 10,120,159</u> | <u>\$ 16,136,499</u> | <u>\$ 4,286,224</u> | <u>\$ 71,907,125</u> | <u>\$ 14,406,383</u> |

3. Sources for Long-Term Obligations Repayment

Governmental Activity Long-Term Obligations

General Obligation Bonds

In 2006, the City issued General Obligation Capital Improvement Bonds, Series 2006A in the amount of \$11,000,000 and General Obligation Special Assessment Debit with Governmental Commitment, Series 2006B in the amount of \$12,500,000 for a total of \$23,500,000.

\$160,745,000 of General Obligation Bonds is payable from the Debt Service Funds. The related interest requirement on this debt was \$31,469,481. These bonds are backed by the full faith and credit of the City.

General Obligation Bonds – Property Tax Supported

Of the \$160,745,000 of General Obligation Bonds, \$111,720,000 is property tax supported debt to be paid primarily from property taxes levied and collected. The related interest requirement on this debt was \$19,355,962.

General Obligation Special Assessment Debt with Governmental Commitment

Of the \$160,745,000 of General Obligation Bonds, \$33,535,000 are payable from special assessments to be levied and collected for local improvements and are backed by the full faith and credit of the City. The general credit of the City is obligated only to the extent that liens foreclosed against properties involved in special assessments districts are insufficient to retire outstanding bonds. These bonds (and related interest of \$9,614,153) are being serviced by the G.O. Special Assessment – Streets Debt Service Fund.

General Obligation HRA Tax Increment Bonds

During March 2005, the City issued General Obligation Snelling-University Tax Increment Refunding Bonds, Series 2005C 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 by \$1,307,315. The current refunding resulted in an economic gain (difference between the present value of the debt services payments of the refunded and the refunding bonds) of \$977,430. HRA tax increment revenues from the Snelling-University Tax Increment District are to be used to retire the Series 2005C Bonds. The 2005C Bonds had a balance of \$4,780,000 as of December 31, 2006.

During March 2004, the City issued General Obligation Temporary Bonds, Series 2004C in the amount of \$3,950,000 to finance the cost of public infrastructure improvements incurred by the Housing and Redevelopment Authority of the City of Saint Paul within its Koch/Mobil Tax Increment Financing District. The bonds have a City general obligation pledge and will be retired using tax increment revenues or proceeds from a future HRA tax increment bond issue. Prior to the March 1, 2007 final maturity date, the Series 2004C Bonds are expected to be refinanced with a second three-year temporary bond issue. The 2004C Bonds had a balance of \$3,950,000 outstanding as of December 31, 2006.

During November 2000, the City issued General Obligation Riverfront Tax Increment Bonds, Series 2000D in the amount of \$8,335,000 to currently refund the Riverfront Tax Increment Bonds, Series 1993C in order that debt service requirements for the Riverfront Tax Increment Financing District could be reduced through a lower interest rate. The Series 2000D Bonds had a balance of \$5,205,000 as of December 31, 2006.

The Riverfront Tax Increment General Obligation Refunding Bonds, Series 2002C were issued in March 2002 in the amount of \$2,335,000 to currently refund the Riverfront Tax Increment Bonds, Series 1993D to take advantage of lower interest rates and reduce debt service payments. The Series 2002C Bonds had a balance of \$1,555,000 outstanding as of December 31, 2006.

The total General Obligation HRA Tax Increment Bonds as of December 31, 2006 was \$15,490,000. The related interest requirement on this debt was \$2,499,366.

Revenue Bonds

Sales Tax Revenue Bonds

In 1999, the City issued \$72,570,000 of Sales Tax Revenue Bonds to finance a portion of the costs of demolishing an existing arena facility located in the downtown area of the City and constructing a new multipurpose sports and entertainment arena adjacent and connected to the Saint Paul RiverCentre complex. The debt on these Sales Tax Revenue Bonds is being serviced by the City Revenue Bonds and Other Long-Term Debt – Debt Service Fund. The 1999A Bonds had a balance of \$66,280,000 outstanding as of December 31, 2006. The related interest requirement on this debt was \$59,982,432.

HRA Tax Increment Revenue Bonds

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 2005 Bonds had a balance of \$6,725,000 as of December 31, 2006.

In January 1998, the HRA issued \$24,295,000 in Downtown Tax Increment Refunding Bonds, Series 1998 to advance refunding to the Downtown and Seventh Place Tax Increment Bonds, Series 1993. At December 31, 2006, \$6,230,000 of the 1998 HRA Downtown Tax Increment Refunding Bonds was outstanding.

The Spruce Tree Tax Increment Refunding Bonds, Series 2003 were issued in March 2003 in the amount of \$1,890,000, and along with existing funds of the HRA, currently refunded the Spruce Tree Tax Increment Bonds, Series 1988. HRA tax increment revenues from the Spruce Tree/Metz District are to be used to retire the Series 2003 Bonds. The 2003 Bonds had a balance of \$1,441,923 outstanding as of December 31, 2006.

The North Quadrant Tax Increment Refunding Bonds, Series 2002 were issued in April 2002 in the amount of \$1,089,000 to currently refund the North Quadrant Tax Increment Bonds, Series 2000 issued in November 2000 in the amount of \$1,283,000. HRA tax increment revenues from the North Quadrant District are to be used to retire the Series 2002 Bonds. The 2002 Bonds had a balance of \$1,032,000 outstanding as of December 31, 2006.

The North Quadrant Phase II Tax Increment Bonds, Series 2002 were issued in June 2002 in the amount of \$1,140,000 to provide financing for development in the North Quadrant Tax Increment District. The bonds are to be retired using tax increment revenue from the North Quadrant District. The 2002 Bonds had a balance of \$1,125,000 as of December 31, 2006.

The US Bank Tax Increment Bonds, Series 2001, were issued in August 2001 in the amount of \$12,000,000 to provide a portion of the financing for the construction of a US Bank Operations Center in the HRA Riverfront Renaissance Tax Increment Financing District. The bonds are to be retired using tax increment revenue from the Riverfront Renaissance District. At December 31, 2006, \$11,540,000 of Series 2001 Bonds was outstanding.

The Upper Landing Tax Increment Bonds, Series 2002A, Series 2002B-1 and Series 2002B-2 were issued in October 2002 in the amount of \$19,130,000 to provide financing for development of the Upper Landing area in the HRA Riverfront Renaissance Tax Increment District. The bonds are to be retired using tax increment revenue from the Riverfront Renaissance District. At December 31, 2006, \$19,130,000 of the bonds was outstanding.

The Drake Marble Tax Increment Bonds, Series 2002 were issued in November 2002 in the amount of \$1,800,000 to provide financing for renovation of the Drake Marble building in the Riverfront Renaissance Tax Increment District. The bonds are to be retired using tax increment revenue from the Riverfront Renaissance District. At December 31, 2006, \$1,712,000 of Series 2002 was outstanding.

The Gateway Tax Increment Bonds, Series 2003C and Series 2003D were issued in the amount of \$4,820,000 to provide financing for the Gateway Apartments project. The Bonds were issued at a variable rate of one percent plus prime. The Shepard Davern Rental Housing Tax Increment Note, Series 2006 was issued in March 2006 in the amount of \$4,820,000 to currently refund the Gateway Tax Increment Bonds, Series 2003. The current refunding was done to lock in the interest rate and reduce debt service payments. Because the refunded debt had a variable interest rate, it was not possible to determine either the difference in debt service payments between the refunded debt and the refunding debt, or the economic gain or loss resulting from the transaction. The reacquisition price and the net carrying of the refunded bonds were both \$4,820,000. Tax increments from the Shepard Davern Tax Increment Financing District will be used to retire the 2006 Note.

The 9th Street Lofts Tax Increment Bonds, Series 2004, were issued in April 2004 in the amount of \$1,335,000 to provide financing for a rental housing development in the North Quadrant Tax Increment District. The bonds are to be retired using tax increment revenues from the North Quadrant District. At December 31, 2006, \$1,335,000 of the Series 2005 Bonds was outstanding.

The J.J. Hill Tax Increment Bonds, Series 2004, were issued in November 2004 in the amount of \$3,660,000 to provide financing for an owner-occupied housing development in the J.J. Hill Tax Increment District. The bonds are to be retired using tax increment revenues from the J.J. Hill Tax Increment District. At December 31, 2006, \$3,660,000 of Series 2004 Bonds was outstanding.

The HRA Tax Increment Revenue Bonds do not constitute a general obligation of the City and are not backed by the City's full faith and credit. At December 31, 2006, \$53,930,923 of HRA Tax Increment Revenue Bonds was outstanding. The related interest requirement on this debt was \$42,817,942.

HRA Sales Tax Revenue Bonds

In April 1996, the HRA issued \$55,865,000 in Sales Tax Revenue Advance Refunding Bonds, Series 1996 to advance refund the Sales Tax Revenue Bonds, Series 1993. At December 31, 2006, \$43,585,000 of HRA Sales Tax Revenue Advance Refunding Bonds was outstanding. The related interest requirement on this debt was \$32,835,370.

HRA Lease Revenue Bonds

The RiverCentre Parking Facility Lease Revenue Bonds, Series 2000 were issued in May 2000 in the amount of \$7,240,000 to finance improvements to the RiverCentre Parking Ramp, which is owned by the City of Saint Paul. The bonds are payable from payments made by the City to the HRA for leasing the improvements. The outstanding balance was \$6,570,000 as of December 31, 2006. The related interest requirement on this debt was \$1,826,406.

The total Revenue Bonds as of December 31, 2006 was \$170,365,923. The related interest requirement on this debt was \$137,462,150.

Revenue Notes Payable

In 1994, the City implemented the Saint Paul Energy Conservation Project, which is designed to evaluate energy usage in City-owned buildings and make improvements to achieve energy savings. The City has entered into note agreements with Xcel Energy to provide the City interest-free loans to finance the project. The notes are to be paid within ten (10) years. At December 31, 2006, \$103,585 of notes was outstanding.

During 1998, the City began construction of the new multi-purpose RiverCentre Arena, which presently houses a National Hockey League team (completed in 2000). The City received an interest-free loan from the State of Minnesota in the amount of \$65,000,000 for the construction of this arena. Payments on this loan, which will be \$48,000,000 due to the forgiveness of \$17,000,000 by the State, began in 2003 and will be paid through the year 2020. A portion of the payments by the hockey team will be used to repay the loan. The City recorded the proceeds and liability of the loan as it was expended by the State. As of December 31, 2006, the outstanding balance of the RiverCentre Arena Note was \$42,750,000.

In 1997, the City entered into a note agreement with the Saint Paul Foundation to provide the City a \$3,000,000 loan to acquire real property from West Publishing Corporation for the Science Museum Project. The loan is to be repaid with interest of one percent (1%) per annum in ten equal annual installments commencing on January 1, 1998. The loan will be repaid from the repayment of District Energy West Franchise Fees, Ryan Block parking revenues and cultural sales tax. At December 31, 2006, \$97,041 of this Science Museum Revenue Note was outstanding.

\$12,820,000 of Saint Paul's governmental activity long-term obligations consists of the following HRA Revenue Notes payable.

The HUD Section 108 Notes, Series 2003-A and Series 2003-B were issued in the amounts of \$3,300,000 and \$4,700,000 to provide financing for the Westminster Junction and Railroad Island development projects. Under the terms of the contracts with the U.S. Department of Housing and Urban Development (HUD), the proceeds of the notes were received by the City and consequently the total 2003 note proceeds of \$8,000,000 are reported in the Section 108 Programs Special Revenue Fund. Land sale proceeds, payments from the Port Authority of the City of Saint Paul, and initiative grant funds from HUD will be used to retire the notes.

The Shepard Davern Housing Tax Increment Note, Series 2006 was issued in March 2006 in the amount of \$4,820,000 to currently refund the Gateway Tax Increment Bonds, Series 2003. The current refunding was done to lock in the interest rate and reduce debt service payments. Tax increments from the Shepard Davern Tax Increment Financing District will be used to retire the 2006 Note.

Compensated Absences

Included in the City's governmental long-term obligations is \$19,460,447 of accrued compensated absences relating to employees not accounted for in proprietary funds. Governmental funds that report salaries in their statement of revenues, expenditures and changes in fund balance are charged on a proportionate basis for the actual payments made by the General Fund of the severance pay portion of the compensated absences liability. Actual payments of the vacation and compensatory time portion of the compensated absences liability are made directly from the same governmental funds that incurred the salary expenditures.

Claims and Judgments Payable

Claim and judgment 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 liabilities include an estimate of claims that have been incurred but not reported (IBNR). Claim expenditures relating to tort liabilities are paid from the General Fund. Workers' Compensation claim expenditures are recorded in the General Fund and are allocated to other City funds based upon a fringe benefit rate applied to each fund's actual salaries. The liability for claims and judgments is reported in the Government-wide financial statements. At December 31, 2006, the claims and judgments liability was \$26,157,978.

Capital Leases

On July 1, 2004 the City entered into an agreement with Banc of America Leasing & Capital, LLC to provide tax-exempt lease financing for 50 police cars for a three-year period ending June 1, 2007. The related equipment capital asset of \$1,008,250 is reported in the City's Government-wide Statement of Net Assets and the Capital Assets Used in the Operation of Governmental Funds. A capital lease payable of \$173,329 was outstanding at December 31, 2006. Annual liquidation of this capital lease liability is reported in the City's General Fund.

On July 6, 2005 the City amended the master equipment lease agreement with Banc of America Leasing & Capital, LLC to provide an additional \$1,000,000 tax exempt lease financing for public safety vehicles for a three-year period ending June 1, 2008. The related equipment capital asset of \$1,000,000 is reported in the City's Government-wide Statement of Net Assets and the Capital Assets Used in the Operation of Governmental Funds. A capital lease payable of \$509,919 was outstanding at December 31, 2006.

On July 1, 2003 the City entered into an agreement with Professional Parking Systems to provide services and leased equipment for a police electronic citation issuance system for a three-year period beginning September 15, 2005. The related equipment capital asset of \$216,100 is reported in the City's Government-wide Statement of Net Assets and Capital Assets Used in the Operation of Governmental Funds. A capital lease payable of \$51,776 was outstanding at December 31, 2006. Annual liquidation of this capital lease liability is reported in the Parking Enforcement Special Revenue Fund.

A 20-year lease agreement in the amount of \$3,000,000, dated October 14, 1998, was entered into to finance the acquisition and renovation of expanded heating, ventilation and air conditioning systems, electrical and fire suppression systems and workstations for the City Hall Annex. The related equipment of \$315,998 and building of \$2,684,002 are included as capital assets. A capital lease payable of \$2,176,342 was outstanding at December 31, 2006, and reported in the Public Works Administration Internal Service Fund.

A 30-year RiverCentre Pedestrian Link Cooperative Agreement dated May 23, 2002 was entered into with Ramsey County to finance the designing and construction of a pedestrian connection between the RiverCentre Complex and the existing skyway system in Landmark Tower. The related improvement other than building capital asset of \$6,872,000 is reported in the City's Government-wide Statement of Net Assets and Capital Assets Used in Operation of Governmental Funds. A capital lease payable of \$6,242,000 was outstanding at December 31, 2006. Annual liquidation of this capital lease liability is reported in the Revenue Notes and Other Long-Term Debt Service Fund.

A 20-year lease agreement in the amount of \$13,845,000 was entered into with Ramsey County on December 16, 2002 to finance the repair, renovation and remodeling of the Saint Paul Police Headquarters Facility through the use of proceeds of the sale of revenue bonds in the year 2003. The City agreed to reimburse the County for the expense incurred for issuance and repayment of the bonds through rent payments beginning in 2005. The related building capital asset of \$13,845,000 is reported in the City's Government-wide Statement of Net Assets and Capital Assets Used in the Operation of Governmental Funds. A capital lease payable of \$12,400,000 was outstanding as of December 31, 2006. Annual liquidation of this capital lease liability is reported in the City's General Fund.

The following is a schedule by years of future minimum lease payments under this capital lease, together with the present value of the net minimum lease payments of December 31, 2006.

Capital Leases – Governmental Activity

| Year Ended December 31 | City Hall Annex Improvements | RiverCentre Pedestrian Link | Saint Paul Police Headquarters Facility Lease | 2004 Saint Paul Police Vehicle Lease | 2005 Saint Paul Police Vehicle Lease | Parking Enforcement Citation Issuance System Lease |
|---|---------------------------------|--------------------------------|--|--|--|--|
| 2007 | \$ 253,017 | \$ 394,088 | \$ 1,046,217 | \$ 175,134 | \$ 349,106 | \$ 53,066 |
| 2008 | 253,017 | 392,985 | 1,048,367 | - | 174,553 | - |
| 2009 | 253,017 | 396,702 | 1,049,817 | - | - | - |
| 2010 | 253,017 | 395,061 | 1,055,568 | - | - | - |
| 2011 | 253,017 | 393,240 | 1,032,568 | - | - | - |
| Thereafter | 1,771,118 | 7,433,540 | 12,805,903 | - | - | - |
| Total Minimum Lease Payments | 3,036,203 | 9,405,616 | 18,038,440 | 175,134 | 523,659 | 53,066 |
| Less Amount Representing Interest | (859,861) | (3,163,616) | (5,638,440) | (1,805) | (13,740) | (1,290) |
| Present Value of Future Capital Lease Payments | \$ 2,176,342 | \$ 6,242,000 | \$ 12,400,000 | \$ 173,329 | \$ 509,919 | \$ 51,776 |

Business-Type Activity Long-Term Obligations

General Obligation Bonds

Included in the City's business-type activity long-term obligations are Sewer Utility General Obligation Bonds issued in 1998. The proceeds of these bonds are being used for sewer rehabilitation construction. At December 31, 2006, \$3,275,000 of outstanding bonds was recorded as a liability in the Sewer Utility Enterprise Fund. The related interest requirement on this debt was \$1,139,960.

General Obligation HRA Tax Increment Bonds

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 are being 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 Block 39 Lawson/Arena District and revenues from the parking facility. The total amount of these bonds outstanding at December 31, 2006 was \$21,255,000 and \$13,450,000 and recognized as a liability in the HRA Parking Enterprise Fund. The related interest requirements on this debt was \$12,424,262 and \$3,410,263, respectively.

Revenue Bonds

In April 2006, the City issued Sewer Revenue Bonds, Series 2006C in the amount of \$7,040,000 to finance rehabilitation projects to the City's sewer system, including improvements to numerous pumping and lift stations, the relining of existing sewer lines and the selective replacement of existing pipe. At December 31, 2006 \$6,595,000 of outstanding bonds was recorded as a liability in the Sewer Utility Enterprise Fund.

In March 2004, the City issued Sewer Revenue Bonds, Series 2004E in the amount of \$6,300,000 to finance improvements to the City's sewer system, payable from revenues of the Sewer Utility Enterprise Fund. At December 31, 2006 \$5,505,000 of outstanding bonds was recorded as a liability in the Sewer Utility Enterprise Fund.

The Sewer Utility issued \$26,280,000 of Revenue Refunding Bonds in March 2003, payable from revenues of the Sewer Utility Enterprise Fund. The proceeds of this issue, combined with funds in the 1993 Debt Service Account and the 1993 Debt Service Reserve were used to current refund the 2004-2008 maturities, whose amount totaled \$28,435,000, of the Utility's Sewer Revenue Refunding Bonds, Series 1993 on June 1, 2003. At December 31, 2006, \$8,630,000 of Sewer Revenue Refunding Bonds, Series 2003D was outstanding.

The total amount of bonds outstanding recognized in the Sewer Utility Enterprise Fund as of December 31, 2006 was \$20,730,000. The related interest requirement on this debt was \$4,756,415.

The Special Services Enterprise Fund is reporting \$7,100,000 of revenue bonds outstanding at December 31, 2006. The Recreational Facilities Gross Revenue Bonds (Highland National Project), Series 2005 were issued on October 27, 2005 in the amount of \$7,310,000. Bond proceeds in the amount of \$2,955,000, together with other funds on hand, were used to refund the Recreational Facilities Gross Revenue Bonds (Sports Dome Project) on December 1, 2005, while the balance of \$4,355,000 was used to pay for the reconstruction of the Highland National Golf Course. A bond reserve in the amount of \$666,750 has also been established. The sale resulted in the Net Present Value Benefit (NPV) of \$246,971 from the retirement of the Sports Dome Bonds. The related interest requirement on this debt was \$4,044,762.

HRA Loan Enterprise Revenue Bonds

Housing 5000 Land Assembly Bonds, Series 2004, were issued in January 2004 in the amount of \$25,000,000 to provide financing for the acquisition and improvement of land to be used in connection with the HRA Housing 5000 Initiative. It is intended that the bonds will be retired through the sale of the acquired land to developers as part of the initiative. The bonds are secured by a letter of credit in the original amount of \$25,369,863 issued by U.S. Bank to the bond trustee for the account of the HRA. The HRA is also required to set aside cash and cash equivalents in the amount of 10% of the principal outstanding on the bonds. In accordance with this requirement, the HRA has restricted cash for the Housing 5000 Land Assembly Bond debt service in the amount of \$1,245,500 in the HRA Parking Enterprise Fund. The outstanding balance of The Series 2004 Bonds as of December 31, 2006 was \$12,455,000. The related interest requirement on this debt was \$3,369,900.

HRA Parking System Revenue 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 outstanding balance of December 31, 2006 was \$6,300,000.

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. The outstanding balance as of December 31, 2006 was \$15,980,000.

The Parking Revenue Bonds include the Parking Revenue Refunding Bonds, Series 2001A, which were issued in March 2001 in the amount of \$6,755,000 to currently refund the Variable Rate Demand Parking Revenue Bonds, Series 1995B. At December 31, 2006, \$4,825,000 of the Series 2001A Refunding Bonds was outstanding.

In addition, \$8,145,000 of HRA World Trade Center Ramp Bonds, Series 1997A was outstanding at December 31, 2006.

The Parking Revenue Bonds, Series 2002A and Series 2002B were issued in May 2002 in the total amount of \$18,545,000 to provide financing for the construction of a 1,044-space parking ramp located on Block 19 in the downtown area. The bond proceeds were deposited into the HRA Parking Enterprise Fund and the bonds will be retired using parking revenues in the same enterprise fund. The outstanding balance as of December 31, 2006 was \$18,545,000.

The total amount of HRA Parking System Revenue Bonds outstanding as of December 31, 2006 was \$53,795,000, and is recognized in the HRA Parking Enterprise Fund. The related interest requirement on this debt was \$24,086,786.

Revenue Notes

From 1993 through 2002, the Department of Public Works entered into loan agreements with the State of Minnesota, Department of Trade and Economic Development, Public Facilities Authority, for long-term notes. The total principal amount of the long-term portion of the loans at December 31, 2006 was \$14,911,309. The proceeds of these loans were used to construct sewer facilities which reduce the amount of groundwater "inflow and infiltration" entering the City's sanitary sewer system, thereby decreasing the cost of sewage treatment. The notes are payable from the Sewer Utility Enterprise Fund.

The RiverCentre Exhibit Hall Parking Ramp Notes were issued in 1995 in the amount of \$1,500,000. The outstanding balance as of December 31, 2006 was \$1,030,000. City parking revenues are used to retire the notes, which are recognized as a liability in the HRA Parking Enterprise Fund.

The Block 39 Municipal Parking Ramp Notes were issued in 1999 in the amount of \$2,000,000 and recognized as a liability in the HRA Parking Enterprise Fund. During 2006 the Block 39 Parking Ramp Notes were retired in the original principal amount of \$2,000,000 using Block 39 Parking revenues.

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. During 2006, an advance was made by the Foundation to the HRA in the amount of \$195,190 to partially finance a housing development project for the Dorothy Day Center Project. The amount of \$195,190 is recognized in the HRA Loan Enterprise Fund as notes payable at December 31, 2006.

Compensated Absences

Proprietary fund accrued liabilities for compensated absences are also included in the City's long-term obligations of \$876,797. Liabilities have been reported in the appropriate fund's financial statements.

Capital Lease

On March 1, 2005 the City amended the master equipment lease agreement with Banc of America Leasing & Capital, LLC to provide \$820,000 tax exempt lease financing for equipment for the Highland National Golf Course for a three-year period ending March 1, 2008. The related equipment capital asset of \$820,000 is reported in the Special Services Enterprise Fund. A capital lease payable of \$350,434 was outstanding at December 31, 2006.

The following is a schedule by years of future minimum lease payments under this capital lease, together with the present value of the net minimum lease payments of December 31, 2006:

| | Highland National Golf Course Equipment Lease |
|--|---|
| Year Ended December 31 | |
| 2007 | \$ 286,551 |
| 2008 | <u>71,638</u> |
| Total Minimum Lease Payments | 358,189 |
| Less Amount Representing Interest | <u>(7,755)</u> |
| Present Value of Future Capital Lease Payments | <u><u>\$ 350,434</u></u> |

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4. Changes in Bonds Payable

| | | |
|--|--------------------|-----------------------|
| Bonds Payable at January 1, 2006 | | \$ 485,394,780 |
| New Debt: | | |
| G.O. Bonds - | | |
| Capital Improvement Bonds | \$ 11,000,000 | |
| Special Assessment Debt with Governmental Commitment | 12,500,000 | |
| Total G.O. Bonds | <u>23,500,000</u> | \$ 23,500,000 |
| Revenue Bonds - | | |
| Sewer Utility Revenue Bonds | 7,040,000 | |
| Total Revenue Bonds | <u>7,040,000</u> | 7,040,000 |
| Total New Debt | | 30,540,000 |
| Debt Retired: | | |
| G.O. Bonds - | | |
| Property Tax Supported G.O. Bonds | (18,480,000) | |
| Special Assessment Debt with Governmental Commitment G.O. Bonds | (2,285,000) | |
| Sewer Utility G.O. Bonds | (205,000) | |
| HRA Tax Increment G.O. Bonds | (1,275,000) | |
| HRA Parking Facilities G.O. Bonds | <u>(1,300,000)</u> | |
| Total G.O. Bonds | | (23,545,000) |
| Revenue Bonds - | | |
| Sales Tax Revenue Bonds | (1,470,000) | |
| Sewer Utility Revenue Bonds | (6,690,000) | |
| Recreation Facility Revenue Bonds | (210,000) | |
| HRA Tax Increment Revenue Bonds | (8,238,857) | |
| HRA Sales Tax Revenue Bonds | (1,310,000) | |
| HRA Lease Revenue Bonds | (300,000) | |
| HRA Loan Enterprise Revenue Bonds | (9,375,000) | |
| HRA Parking Facilities Bonds | <u>(1,625,000)</u> | |
| Total Revenue Bonds | | <u>(29,218,857)</u> |
| Total Debt Retired | | <u>(52,763,857)</u> |
| Bonds Payable at December 31, 2006 | | <u>\$ 463,170,923</u> |

5. Bonds Payable Summary

| | | | |
|--|----|-------------------|-----------------------|
| G.O. Bonds - Property Tax Supported | \$ | 111,720,000 | |
| G.O. Special Assessment Debt with Governmental Commitment | | 33,535,000 | |
| Sales Tax Revenue Bonds | | 66,280,000 | |
| HRA G.O. Tax Increment | | 15,490,000 | |
| HRA Tax Increment Revenue Bonds | | 53,930,923 | |
| HRA Sales Tax Revenue Bonds | | 43,585,000 | |
| HRA Lease Revenue Bonds | | <u>6,570,000</u> | \$ 331,110,923 |
| Sewer Utility Enterprise Fund Debt: | | | |
| General Obligation Bonds | | | |
| Current | | 215,000 | |
| Noncurrent | | 3,060,000 | |
| Revenue Bonds | | | |
| Current | | 5,745,000 | |
| Noncurrent | | <u>14,985,000</u> | 24,005,000 |
| Special Services Enterprise Fund Debt: | | | |
| Revenue Bonds | | | |
| Current | | 205,000 | |
| Noncurrent | | <u>6,895,000</u> | 7,100,000 |
| HRA Loan Enterprise Fund Debt: | | | |
| Revenue Bonds | | | |
| Current | | 3,294,000 | |
| Noncurrent | | <u>9,161,000</u> | 12,455,000 |
| HRA Parking Facilities Enterprise Fund Debt: | | | |
| General Obligation Bonds | | | |
| Current | | 1,445,000 | |
| Noncurrent | | 33,260,000 | |
| Revenue Bonds | | | |
| Current | | 1,815,000 | |
| Noncurrent | | <u>51,980,000</u> | <u>88,500,000</u> |
| Bonds Payable at December 31, 2006 | | | <u>\$ 463,170,923</u> |

6. Bonds Payable - by Issue

Bonds payable at December 31, 2006 are composed of the following individual issues:

| | Interest Rates | Interest Dates | Issue Date | Final Maturity Date | Authorized and Issued | Outstanding as of 12/31/2006 |
|---|----------------|----------------|------------|---------------------|-----------------------|------------------------------|
| GENERAL OBLIGATION BONDS | | | | | | |
| <u>Property Tax Supported</u> | | | | | | |
| Capital Improvement | 3.85 to 5.00% | (3/1; 9/1) | 4/1/97 | 3/1/07 | \$ 17,500,000 | \$ 2,125,000 |
| | 4.25 to 4.50% | (4/1; 10/1) | 4/1/98 | 4/1/08 | 15,000,000 | 3,475,000 |
| | 4.00% | (4/1; 10/1) | 4/1/99 | 4/1/09 | 16,375,000 | 5,550,000 |
| | 5.125% | (3/1; 9/1) | 3/1/00 | 3/1/10 | 19,000,000 | 8,750,000 |
| | 4.00 to 5.00% | (3/1; 9/1) | 3/1/01 | 3/1/11 | 19,000,000 | 10,350,000 |
| | 1.45 to 4.125% | (3/1; 9/1) | 3/1/02 | 3/1/12 | 19,000,000 | 12,170,000 |
| | 2.00 to 3.625% | (3/1; 9/1) | 3/1/03 | 3/1/13 | 22,235,000 | 13,750,000 |
| | 2.00 to 3.25% | (3/1; 9/1) | 3/1/04 | 9/1/13 | 19,000,000 | 15,050,000 |
| | 4.00% | (3/1; 9/1) | 3/15/05 | 3/1/15 | 19,000,000 | 17,220,000 |
| | 4.00% | (4/1; 10/1) | 4/1/06 | 4/1/16 | 11,000,000 | 11,000,000 |
| | | | | | <u>177,110,000</u> | <u>99,440,000</u> |
| Saint Paul Public Library Series 2004 | 2.00 to 4.75% | (3/1; 9/1) | 4/1/04 | 3/1/24 | 12,280,000 | 12,280,000 |
| Total General Obligation Bonds - Property Tax Supported | | | | | <u>\$ 189,390,000</u> | <u>\$ 111,720,000</u> |
| <u>Special Assessment Debt with Governmental Commitment</u> | | | | | | |
| Assessed Reconstruction Work | 4.20 to 5.30% | (3/1; 9/1) | 3/1/95 | 3/1/07 | \$ 3,110,000 | \$ 1,070,000 |
| | 3.70 to 5.20% | (3/1; 9/1) | 4/1/96 | 3/1/08 | 2,220,000 | 1,045,000 |
| | 4.30 to 5.20% | (3/1; 9/1) | 4/1/97 | 3/1/09 | 2,450,000 | 1,275,000 |
| | 3.70 to 4.75% | (4/1; 10/1) | 4/1/98 | 4/1/10 | 2,800,000 | 1,565,000 |
| | 4.00 to 4.50% | (4/1; 10/1) | 4/1/99 | 4/1/11 | 3,730,000 | 2,265,000 |
| | 4.75 to 5.30% | (3/1; 9/1) | 3/1/00 | 3/1/12 | 2,950,000 | 1,925,000 |
| | 4.00 to 5.00% | (3/1; 9/1) | 4/1/01 | 3/1/13 | 3,630,000 | 2,400,000 |
| | 1.45 to 4.375% | (3/1; 9/1) | 3/1/02 | 3/1/14 | 2,915,000 | 1,800,000 |
| | 2.00 to 3.75% | (3/1; 9/1) | 3/1/03 | 3/1/15 | 3,340,000 | 2,440,000 |
| | 2.00 to 3.75% | (3/1; 9/1) | 3/1/04 | 3/1/16 | 2,500,000 | 1,925,000 |
| | 3.00 to 4.00% | (3/1; 9/1) | 3/15/05 | 3/1/17 | 2,400,000 | 1,975,000 |
| | 4.00 to 4.375% | (4/1; 10/1) | 4/1/06 | 4/1/26 | 12,500,000 | 12,500,000 |
| Assessed Reconstruction Work Refunding Series 1996C | 3.60 to 5.25% | (3/1; 9/1) | 4/1/96 | 3/1/11 | 6,710,000 | 1,350,000 |
| Total General Obligation Bonds - Special Assessment Debt with Governmental Commitment | | | | | <u>\$ 51,255,000</u> | <u>\$ 33,535,000</u> |

| | <u>Interest Rates</u> | <u>Interest Dates</u> | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Authorized and Issued</u> | <u>Outstanding as of 12/31/2006</u> |
|---|-----------------------|-----------------------|-------------------|----------------------------|------------------------------|-------------------------------------|
| <u>HRA Tax Increment Fund</u> | | | | | | |
| Riverfront Tax Increment - Refunding | | | | | | |
| Series 2000D | 4.50 to 5.00% | (2/1; 8/1) | 11/15/00 | 2/1/12 | \$ 8,335,000 | \$ 5,205,000 |
| Series 2002C | 2.90 to 5.65% | (2/1; 8/1) | 3/1/02 | 2/1/12 | 2,335,000 | 1,555,000 |
| University-Snelling Tax Increment - Refunding | | | | | | |
| Series 2005A | 3.60 to 5.125% | (3/1; 9/1) | 3/15/05 | 3/1/17 | 5,130,000 | 4,780,000 |
| Koch Mobil Tax Increment | | | | | | |
| Series 2004C | 2.25% | (3/1; 9/1) | 3/1/04 | 3/1/07 | <u>3,950,000</u> | <u>3,950,000</u> |
| Total General Obligation Bonds - HRA Tax Increment Bonds | | | | | <u>19,750,000</u> | <u>15,490,000</u> |
| <u>HRA Parking Facilities Enterprise Fund</u> | | | | | | |
| Block 39 Tax Increment | | | | | | |
| Series 1998A | 4.60 to 4.75% | (2/1; 8/1) | 1/1/98 | 2/1/25 | 21,255,000 | 21,255,000 |
| Series 1998B | 5.68 to 6.45% | (2/1; 8/1) | 1/1/98 | 2/1/13 | <u>18,745,000</u> | <u>13,450,000</u> |
| Total General Obligation Bonds - HRA Parking Facilities Enterprise Fund Bonds | | | | | <u>40,000,000</u> | <u>34,705,000</u> |
| <u>Sewer Utility Enterprise Fund</u> | | | | | | |
| Series 1998E | 3.70 to 5.00% | (6/1; 12/1) | 4/1/98 | 12/1/18 | <u>4,700,000</u> | <u>3,275,000</u> |
| TOTAL GENERAL OBLIGATION BONDS | | | | | <u>\$ 305,095,000</u> | <u>\$ 198,725,000</u> |

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| | <u>Interest Rates</u> | <u>Interest Dates</u> | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Authorized and Issued</u> | <u>Outstanding as of 12/31/2006</u> |
|--|-----------------------|-----------------------|-------------------|----------------------------|------------------------------|-------------------------------------|
| REVENUE BONDS | | | | | | |
| <u>Sewer Utility Enterprise Fund</u> | | | | | | |
| Sewer Revenue Refunding Bonds - | | | | | | |
| Series 2003D | 2.00 to 4.00% | (6/1; 12/1) | 4/1/03 | 12/1/08 | \$ 26,280,000 | \$ 8,630,000 |
| Sewer Revenue Bonds - Series 2004E | 2.25 to 4.25% | (6/1; 12/1) | 4/1/04 | 12/1/23 | 6,300,000 | 5,505,000 |
| Sewer Revenue Bonds - Series 2006C | 4.00 to 4.50% | (6/1; 12/1) | 4/1/06 | 12/1/20 | 7,040,000 | 6,595,000 |
| | | | | | <u>39,620,000</u> | <u>20,730,000</u> |
| <u>Special Services Enterprise Fund</u> | | | | | | |
| Recreational Facilities Revenue Bonds - Series 2005 | 3.50 to 5.00% | (4/1; 10/1) | 10/27/05 | 10/1/25 | 7,310,000 | 7,100,000 |
| <u>City Revenue Bonds and Other Long-Term Debt – Debt Service Fund</u> | | | | | | |
| Sales Tax Revenue Bonds - Series 1999A | 5.69 to 7.09% | (5/1; 11/1) | 3/2/99 | 11/1/25 | \$ 72,570,000 | \$ 66,280,000 |

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| | Interest Rates | Interest Dates | Issue Date | Final Maturity Date | Authorized and Issued | Outstanding as of 12/31/2006 |
|---------------------------------------|----------------|----------------|------------|---------------------|-----------------------|------------------------------|
| <u>HRA General Debt Service Fund</u> | | | | | | |
| HRA Tax Increment Revenue | | | | | | |
| Bonds - | | | | | | |
| Downtown Tax Increment District | | | | | | |
| Refunding Bonds | | | | | | |
| Series 1998 | 5.00 to 6.50% | (2/1; 8/1) | 1/27/98 | 2/1/09 | \$ 24,295,000 | \$ 6,230,000 |
| Spruce Tree Center | | | | | | |
| Refunding Bonds | | | | | | |
| Series 2003 | 6.50% | (3/1) | 3/1/03 | 3/1/13 | 1,890,000 | 1,441,923 |
| North Quadrant Tax Increment | | | | | | |
| Refunding Bonds | | | | | | |
| Series 2002 | 7.50% | (2/15; 8/15) | 5/1/02 | 2/15/28 | 1,089,000 | 1,032,000 |
| Phase II Bonds | | | | | | |
| Series 2002 | 7.00% | (2/15; 8/15) | 6/13/02 | 2/15/28 | 1,140,000 | 1,125,000 |
| U.S. Bank Tax Increment | | | | | | |
| Bonds - Series 2001 | 5.00 to 6.75% | (2/1; 8/1) | 8/9/01 | 2/1/28 | 12,000,000 | 11,540,000 |
| Upper Landing Tax Increment | | | | | | |
| Bonds - Series 2002A | 6.80% | (3/1; 9/1) | 11/1/02 | 3/1/29 | 5,000,000 | 5,000,000 |
| Bonds - Series 2002B-1 | 6.40 to 7.00% | (3/1; 9/1) | 11/1/02 | 3/1/29 | 12,130,000 | 12,130,000 |
| Bonds - Series 2002B-2 | 6.90% | (3/1; 9/1) | 11/1/02 | 3/1/29 | 2,000,000 | 2,000,000 |
| Drake Marble Tax Increment | | | | | | |
| Bonds -Series 2002A | 6.75% | (3/1; 9/1) | 11/15/02 | 3/1/28 | 1,800,000 | 1,712,000 |
| Gateway Tax Increment | | | | | | |
| 9th St Lofts Tax Increment | | | | | | |
| Bonds, Series 2004 | 6.375% | (2/15; 8/15) | 4/14/04 | 2/15/28 | 1,335,000 | 1,335,000 |
| JJ Hill Tax Increment Bonds | | | | | | |
| Series 2004 | 6.25% | (3/1; 9/1) | 11/30/04 | 3/1/29 | 3,660,000 | 3,660,000 |
| Neighborhood Scattered Site | | | | | | |
| TIF Bonds - Series 2005 | 4.24 to 5.45% | (3/1; 9/1) | 4/28/05 | 3/1/17 | 7,515,000 | 6,725,000 |
| Total HRA Tax Increment Revenue Bonds | | | | | <u>\$ 73,854,000</u> | <u>\$ 53,930,923</u> |

| | <u>Interest Rates</u> | <u>Interest Dates</u> | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Authorized and Issued</u> | <u>Outstanding as of 12/31/2006</u> |
|---|-----------------------|-----------------------|-------------------|----------------------------|------------------------------|-------------------------------------|
| HRA Sales Tax Revenue Refunding Bonds (RiverCentre Project) Series 1996 | 7.10% | (5/1; 11/1) | 4/1/96 | 11/1/23 | \$ 55,865,000 | \$ 43,585,000 |
| HRA Lease Revenue Bonds RiverCentre Parking Facility Series 2000 | 4.87 to 6.00% | (5/1; 11/1) | 5/1/00 | 5/1/14 | 7,240,000 | 6,570,000 |
| Total HRA General Debt Service Fund | | | | | <u>136,959,000</u> | <u>104,085,923</u> |
| <u>HRA Parking System Revenue Bonds</u> | | | | | | |
| Refunding Bonds Series 2001A | 4.00 to 5.00% | (2/1; 8/1) | 3/1/01 | 8/1/17 | 6,755,000 | 4,825,000 |
| Series 2005A | 2.50 to 3.375% | (2/1; 8/1) | 2/8/05 | 8/1/13 | 7,790,000 | 6,300,000 |
| World Trade Center Ramp Bonds Series 1997A | 6.75% | (6/1; 12/1) | 11/13/97 | 12/1/17 | 11,305,000 | 8,145,000 |
| Block 19 Bonds Series 2002A | 4.85 to 5.35% | (2/1; 8/1) | 5/16/02 | 8/1/29 | 14,295,000 | 14,295,000 |
| Series 2002AB | 5.10 to 6.50% | (2/1; 8/1) | 5/16/02 | 8/1/16 | 4,250,000 | 4,250,000 |
| Smith Ave Transit Center Ramp Bonds - Series 2005A | 3.865 to 3.896% | (6/1; 12/1) | 5/24/05 | 6/1/12 | 15,980,000 | 15,980,000 |
| Total HRA Parking System Revenue Bonds | | | | | <u>60,375,000</u> | <u>53,795,000</u> |
| <u>HRA Loan Enterprise Revenue Bonds</u> | | | | | | |
| Housing 5000 Land Assembly Bonds Series 1995A | Variable | 1st of each month | 1/28/04 | 1/29/07 | 25,000,000 | 12,455,000 |
| TOTAL REVENUE BONDS | | | | | <u>341,834,000</u> | <u>264,445,923</u> |
| TOTAL BONDS PAYABLE | | | | | <u>\$ 646,929,000</u> | <u>\$ 463,170,923</u> |

7. Prior Year Defeasance of Debt

In prior years, the City and HRA defeased certain general obligation bonds and self-supporting revenue bonds by placing the proceeds of the advance refunding bonds in special escrow accounts and investing in securities of the U.S. Government and its Agencies. The maturities of these investments coincide with the principal and interest payment dates of the refunded bonds and have been certified to be sufficient to pay all principal and interest on the bonds when due as required by applicable laws. Accordingly, the original refunded bonds have been eliminated and the new advance refunding bonds added to the appropriate financial statements. The City and HRA remain contingently liable to pay the refunded bonds. At December 31, 2006 the City had no balance of refunded debt outstanding. The HRA had \$72,347,629 of refunded debt outstanding at December 31, 2006.

| | | | HRA | | |
|---|---------------|---------------------|---|-----------------|----------------------|
| Advance Refunding Bonds | | | Refunded Bonds | | |
| Issue | Issue Amount | Balance Outstanding | Issue | Refunded Amount | Balance Outstanding |
| HRA Downtown Tax Increment Revenue Bonds, Series 1998 | \$ 24,295,000 | - | HRA Downtown and Seventh Place Tax Increment Revenue Bonds, Series 1993 | \$ 27,073,568 | \$ 10,380,000 |
| HRA Downtown and Seventh Place Tax Increment Revenue Bonds, Series 1993 | 23,950,000 | - | HRA Downtown and Seventh Place Tax Increment Revenue Bonds, Series 1989 | 27,531,034 | 12,682,629 |
| HRA New Housing and Blighted Lands Tax Increment Bonds, Series 1995 | 4,720,000 | - | HRA New Housing and Blighted Lands Tax Increment Revenue Bonds, Series 1986 | 4,770,000 | 540,000 |
| HRA Sales Tax Revenue Bonds, Series 1996 | 55,865,000 | - | HRA Sales Tax Revenue Bonds, Series 1993 | 63,930,000 | 48,745,000 |
| | | | | | <u>\$ 72,347,629</u> |

8. Debt Limit

The City of Saint Paul's debt limit under State of Minnesota Laws has been calculated as follows:

| | |
|--|-----------------------|
| Estimated Market Values (Levy 2005 - Payable 2006) | |
| Real Property Value | \$ 18,239,666,600 |
| Personal Property Value | 310,928,500 |
| | <u>18,550,595,100</u> |
| Estimated Market Value for Debt Limit Computation | 18,550,595,100 |
| % Allowed for Statutory Bonded Debt Limit - Minnesota Statutes | |
| Section 475.53, Subd. 3 and City Charter Section 10.14 | x 3 1/3% |
| | <u>618,353,170</u> |
| DEBT LIMIT - Statutory Bonded Debt | <u>\$ 618,353,170</u> |

\$94,492,500 of Saint Paul's \$463,170,923 bonded debt is subject to the Statutory Bonded Debt Limit. The amount of this debt subject to State Law Limitations and the resulting Legal Debt Margin is calculated as follows:

| | |
|--|-----------------------|
| DEBT Limit - Statutory Bonded Debt | \$ 618,353,170 |
| GROSS DEBT (Bonded) | \$ 463,170,923 |
| DEDUCTIONS (Allowable under Minnesota Statutes) | |
| Section 475.51, Subd. 4): | |
| General Obligation Bonds | |
| Reserve for 2005 Maturities within Debt Limit | (14,322,500) |
| Outside Statutory Debt Limit | (62,475,000) |
| Outside Statutory Debt Limit - Revenue Supported | (27,435,000) |
| Revenue Bonds | <u>(264,445,923)</u> |
| TOTAL NET DEBT (BONDED) APPLICABLE TO DEBT LIMIT | <u>94,492,500</u> |
| LEGAL DEBT MARGIN | <u>\$ 523,860,670</u> |

9. Direct, Overlapping and Underlying Debt

The City of Saint Paul's proportionate share of bonded debt affecting properties in Saint Paul is summarized as follows:

| Governmental Unit | Gross Bonded Debt Less Sinking Funds | % Applied to City of Saint Paul | City of Saint Paul's Share |
|----------------------------------|--|------------------------------------|-------------------------------|
| City of Saint Paul | \$ 91,966,227 | 100.00% | \$ 91,966,227 |
| Independent School District #625 | 339,654,151 | 100.00% | 339,654,151 |
| County of Ramsey | 112,233,399 | 47.17% | 52,940,494 |
| Metropolitan Council | 139,367,526 | 7.52% | 10,480,438 |
| Port Authority of Saint Paul | 4,955,904 | 100.00% | 4,955,904 |
| Total | \$ 688,177,207 | | \$ 499,997,214 |

Based on the City of Saint Paul's 2005 estimated population of 287,385, this resulted in a per capita City Debt of \$320.01 and a per capita total debt of \$1,739.82.

H. Operating Lease

From 1998 through 2006, the City entered into noncancelable operating leases for personal computers, servers and other technology equipment with Winthrop Resources and US Bancorp. Total payments made for the leases during 2006 were \$825,292. The following schedule presents the future minimum rental payments for these operating leases:

| Year Ending December 31 | Amount |
|---------------------------------|--------------|
| 2007 | \$ 710,258 |
| 2008 | 401,529 |
| 2009 | 84,719 |
| 2010 | 16,506 |
| Total Minimum Payments Required | \$ 1,213,012 |

I. Segment Information

In October 2005 the City issued revenue bonds to refund the Recreational Facilities Gross Revenue bonds (Sports Dome Project) and to finance the reconstruction of the Highland National Golf Course. The 2005 bonds are accounted for in the Special Services Fund which is a nonmajor enterprise fund. Summary financial information is presented below.

Condensed Statement of Net Assets

| | <u>Special Services</u> |
|---|------------------------------|
| ASSETS | |
| Current Assets | \$ 205,761 |
| Restricted Assets | 666,750 |
| Capital Assets | 6,097,916 |
| Deferred Charges | <u>107,046</u> |
| Total Assets | <u>7,077,473</u> |
| LIABILITIES | |
| Current Liabilities | 2,834,677 |
| Noncurrent Liabilities | <u>7,630,411</u> |
| Total Liabilities | <u>10,465,088</u> |
| NET ASSETS | |
| Invested in Capital Assets, Net of Related Debt | (1,563,823) |
| Unrestricted | <u>(1,823,792)</u> |
| TOTAL NET ASSETS | <u><u>\$ (3,387,615)</u></u> |

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Condensed Statement of Revenues, Expenses and Changes in Net Assets

| | <u>Special Services</u> |
|--|-------------------------|
| Fees, Sales, Services and Rental Charges | \$ 4,218,451 |
| Depreciation Expense | (287,958) |
| Other Operating Expenses | <u>(4,149,423)</u> |
| Operating Income (Loss) | <u>(218,930)</u> |
| Nonoperating Revenues (Expenses) | |
| Gain on Sale of Assets | 70,000 |
| Interest Earned on Investments | 58,632 |
| Interest Expense | (348,522) |
| Amortization of Bond Issuance Cost | (5,684) |
| Capital Contributions | 3,917 |
| Transfers In (Out) | <u>227,983</u> |
| Total Other Nonoperating Revenues (Expenses) | 6,326 |
| Changes in Net Assets | (212,604) |
| Beginning Net Assets | <u>(3,175,011)</u> |
| ENDING NET ASSETS | <u>\$ (3,387,615)</u> |

Condensed Statement of Cash Flows

| | <u>Special Services</u> |
|--|-------------------------|
| Net Cash Provided (Used) by | |
| Operating Activities | \$ (107,900) |
| Noncapital Financing Activities | 795,181 |
| Capital and Related Financing Activities | (754,247) |
| Investing Activities | <u>66,966</u> |
| Net Increase (Decrease) | - |
| Beginning Cash and Cash Equivalents | <u>5,500</u> |
| ENDING CASH AND CASH EQUIVALENTS | <u>\$ 5,500</u> |

J. Unreserved - Designated Fund Balances

Unreserved fund balances were designated to show the portion segregated from unreserved spendable (undesignated) resources as follows:

| | General | HRA General Fund | General Debt Service | HRA General Debt Service | Other Governmental Funds |
|---|----------------------|---------------------|-------------------------|-----------------------------|--------------------------------|
| Unreserved, Designated for: Next Year's | | | | | |
| Appropriation | \$ - | \$ 908,063 | \$ 16,507,059 | \$ - | \$ 5,345,447 |
| Cash Flow | 18,583,256 | 500,000 | - | - | - |
| Revenue Variability | 7,400,000 | - | - | - | - |
| Tort and Other | | | | | |
| Legal Liabilities | 1,000,000 | - | - | - | - |
| Debt Service | - | 500,000 | 1,617,898 | 20,460,082 | 17,836,090 |
| Specific Capital Projects | - | - | - | - | 35,887,193 |
| Total | <u>\$ 26,983,256</u> | <u>\$ 1,908,063</u> | <u>\$ 18,124,957</u> | <u>\$ 20,460,082</u> | <u>\$ 59,068,730</u> |

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Note VII. Discretely Presented Component Units

A. Basis of Presentation and Basis of Accounting

The RiverCentre Convention & Visitors Authority (RCVA), Saint Paul Regional Water Services (Regional Water Services) and the Port Authority of the City of Saint Paul (Port Authority) are accounted for as proprietary fund types. Proprietary fund types are reported on the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred.

The Regional Water Services and Port Authority have adopted Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. Both entities have elected to implement all applicable GASB pronouncements, as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The RCVA applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations.

Financial information is presented as a discrete column in the statement of net assets and statement of activities.

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B. Deposits and Investments

RiverCentre Convention & Visitors Authority:

Certain balances of the RiverCentre Convention & Visitors Authority's deposits are managed by the City's Office of Financial Services, Treasury Section. City policies are applied to this portfolio of deposits and investments. Deposits are maintained in accordance with Minnesota §118A.02 and 118A.04. Investments are governed by the City's Investment Policy. (See Note VI.A. Deposits, Investments and Securities Lending).

Deposits

The RCVA places its cash with several financial institutions. As of December 31, 2006, the RiverCentre Convention & Visitors Authority's deposits in checking and interest bearing accounts total \$909,121. None of this amount is managed by the City and therefore is not covered with pledged collateral at 110% of deposits. The amount on deposit may at times exceed the insured limit of the institutions. At December 31, 2006, two accounts exceeded the insurance of \$100,000 by the Federal Deposit Insurance Corporation by \$727,551. However, the RCVA has not experienced any losses as a result of this exposure to uncovered insurance or nonpledged collateral. The RCVA's policy in managing the custodial credit risk is by depositing their cash in large, stable banking institutions.

Investments

The RCVA reports investments at fair value, based on quoted market prices. Investment income and realized and unrealized gains and losses are reflected on the statement of activities as investment income. Certain balances are invested in the cash and investments pool managed and maintained by the City. Earnings from this pool are allocated to the RCVA based on averaged monthly cash balances. The City invests available cash in various securities in accordance with the requirements set forth in Minnesota Statutes.

At December 31, 2006, RCVA's investments include the following:

| | Cost | Fair Value |
|---|---------------------|---------------------|
| Certificates of Deposit | \$ 146,000 | \$ 144,235 |
| Mutual Fund Equities | 50,795 | 72,217 |
| Investments with the City's Cash and Investments Pool | 1,290,107 | 1,262,350 |
| Total | <u>\$ 1,486,902</u> | <u>\$ 1,478,802</u> |

Recap

| | | | |
|-------------|---------------------|--------------------------------|---------------------|
| Deposits | \$ 909,121 | Cash and Investments | \$ 1,942,359 |
| Investments | 2,160,816 | Investments | 216,452 |
| | | Restricted Cash for Operations | 911,126 |
| Total | <u>\$ 3,069,937</u> | Total | <u>\$ 3,069,937</u> |

Regional Water Services:

Regional Water Services deposit and investment functions are managed by the City's Office of Financial Services, Treasury Section. City policies are applied to the Regional Water Services portfolio of deposits and investments. Deposits are maintained in accordance with Minnesota §118A.02 and 118A.04. Investments are governed by the City's Investment Policy. (See Note VI.A. Deposits, Investments and Securities Lending).

Deposits

As of December 31, 2006, the Regional Water Services deposits in checking and interest bearing accounts and certificates of deposits total \$4,202,718. The deposits are covered with insurance or pledged collateral at 110% of deposits that is held in the City's name at a third-party institutions, and therefore are not exposed to custodial credit risk.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a financial institution failure, the Regional Water Services deposits may not be returned to it. As of December 31, 2006, the Regional Water Services deposits were not exposed to custodial credit risk. All pledged collateral is held in the City's name at third party institutions, pledged at 110% of deposits not covered by insurance or bonds.

Investments

Credit Risk

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 only in securities that meet the ratings requirements set by state statute.

The Regional Water Services exposure to credit risk as of December 31, 2006 is as follows:

| <u>Rating Agency</u> | <u>Rating</u> | <u>Fair Value</u> |
|----------------------|---------------|-----------------------------|
| S&P | AAA | <u>\$ 16,780,093</u> |
| Total | | <u><u>\$ 16,780,093</u></u> |

Custodial Credit Risk

The custodial risk for investments 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 investment or collateral securities that are in the possession of an outside party. At December 31, 2006, all investment securities were in the City's name and were held in the custody of US Bank under the City's name and, therefore, are not subject to custodial credit risk.

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 that U.S. Treasury Securities, U.S. Agency Securities and obligations backed by U.S. Treasury and/or U.S. Agency Securities, may be held without limit.

At December 31, 2006, the City does not have investments in any one issuer that represent 5% or more of the City's total investments portfolio and, therefore, also not subject to concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City's internal portfolio has a shorter overall weighted duration than the benchmarks established for each component portfolio. All else being equal, this would be expected to reduce the risk to adverse effects from rising interest rates.

At December 31, 2006, Regional Water Services had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 2 years</u> | <u>2-4 Years</u> | <u>5-10 Years</u> |
|------------------------|----------------------|------------------------------|----------------------|-----------------------|
| U.S. Government Agency | \$ 16,780,093 | \$ - | \$ 11,249,767 | \$ 5,530,326 |
| Total Investments | <u>\$ 16,780,093</u> | <u>\$ -</u> | <u>\$ 11,249,767</u> | <u>\$ 5,530,326</u> |

Recap

| | | | |
|-----------------------|----------------------|---|----------------------|
| Deposits | \$ 4,202,719 | Cash and Investments | \$ 4,202,718 |
| Imprest Funds on Hand | 7,000 | Investments | 8,326,029 |
| Departmental Cash | 988,031 | Departmental Cash | 988,031 |
| Investments | 16,780,093 | Imprest Funds | 7,000 |
| | | Restricted Cash | 12,624 |
| | | Restricted Investments for Debt Service | <u>8,441,441</u> |
| Total | <u>\$ 21,977,843</u> | | <u>\$ 21,977,843</u> |

Port Authority:

Deposits

Capital City Properties (CCP), a component unit of the Port Authority accounts were maintained at depositories held and managed by the Port Authority and consisted of checking, savings and money market accounts. With respect to deposit accounts maintained by the Port Authority, Minnesota Statutes require that all deposits with financial institutions be collateralized in an amount equal to 110% of deposits in excess of FDIC insurance. At December 31, 2006 the carrying amount of CCP's deposits were \$457,370.

Custodial Credit Risk

Minnesota statutes require that all deposits with financial institutions be collateralized in an amount equal to 110% of deposits in excess of FDIC insurance (140% if collateralized with notes secured by first mortgages). The Port Authority's accounts were maintained at depositories and consisted of checking, savings, certificates of deposit and money market accounts.

Investments

Statutes authorize the Port Authority to invest in certain securities which are direct obligations, guaranteed, or insured issues of the United States, its agencies, its instrumentalities or organizations created by acts of Congress. Also authorized are investments in certain state and local securities, commercial paper with maturities of less than 270 days, guaranteed investment contracts, bankers' acceptances, time deposits, repurchase agreements, securities lending agreements and authorized mutual funds with final maturities no longer than 13 months. The investments for Capital City Properties (CCP), the Port Authority's component unit, are managed by the Port Authority. The Port Authority's investment policy is limited to those investments authorized by statute.

Credit Risk

As a means of managing its exposure that an issuer of a debt security will not fulfill its obligation, it is the Port Authority's practice to follow state law, which limits investments in authorized securities to certain credit risk ratings and maturities. Excluding U.S. government-backed securities, the Port Authority's investments at December 31, 2006, carried the following ratings:

| <u>Rating Agency</u> | <u>Rating</u> | <u>Fair Value</u> |
|----------------------|---------------|----------------------|
| Moody's | Aaa | \$ 3,433,437 |
| S&P | AAA | 18,269,949 |
| S&P | A-1 | 8,956,801 |
| Not Rated | N/R | <u>2,202,711</u> |
| Total | | <u>\$ 32,862,898</u> |

Custodial Credit Risk

For an investment, the custodial credit risk is that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Port Authority will not be able to recover the value of its investments that are in the possession of another party. The Port Authority requires all securities purchased to be made in such a manner so that the securities are at all times insured, registered in the Port Authority's name or are in the possession of the Port Authority.

Concentration of Credit Risk

It is the Port Authority's general practice to limit the amount the Port Authority may invest in any one issuer at the time of purchase to no more than 10% of the total investments managed by the Port Authority.

At December 31, 2006, more than 5% of the Port Authority's and Capital City Properties (CCP)'s investments are in the following issuers:

| Issuer | Percent of Investments |
|--|---------------------------|
| US Treasury Notes | 28% |
| Federal Home Loan Bank | 14% |
| Federal Home Loan Mortgage Corporation | 8% |
| Guaranteed Investment Contract | 7% |

Interest Rate Risk

As a means of managing its exposure to fair value losses arising from increasing interest rates, it is the Port Authority's practice to match maturities to its liquidity needs, which allows the Port Authority to hold all investments to maturity.

The schedule of the average maturities by investment type as of December 31, 2006, is as follows:

| Investment Type | Fair Value | Less Than 1 year | 1-5 Years | 5-10 Years | Over 10 Years |
|--------------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| U.S. Agency | \$ 8,941,227 | \$ 8,296,397 | \$ 609,186 | \$ 17,484 | \$ 18,160 |
| U.S. Government | 9,328,722 | 718,634 | 6,060,293 | 2,467,606 | 82,189 |
| Commercial Paper | 8,956,801 | 8,956,801 | - | - | - |
| Guaranteed Investment Contract | 2,202,711 | - | - | 14,810 | 2,187,901 |
| Money Market | 3,433,437 | 3,433,437 | - | - | - |
| Total Investments | <u>\$ 32,862,898</u> | <u>\$ 21,405,269</u> | <u>\$ 6,669,479</u> | <u>\$ 2,499,900</u> | <u>\$ 2,288,250</u> |

Recap

| | | | |
|-------------|----------------------|------------------------|----------------------|
| Deposits | \$ 457,370 | Cash and Investments | \$ 662,232 |
| Investments | 32,862,898 | Investments | 11,983,848 |
| | | Restricted Cash | 5,182,751 |
| | | Restricted Investments | <u>15,491,437</u> |
| Total | <u>\$ 33,320,268</u> | Total | <u>\$ 33,320,268</u> |

C. Capital Assets

Summary of Changes in Capital Assets of RiverCentre Convention & Visitors Authority:

| | Balance 01/01/06 | Additions | Deductions | Balance 12/31/06 |
|---|---------------------|--------------|------------|---------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ - | \$ - | \$ - | \$ - |
| Construction in Progress | - | - | - | - |
| Total Capital Assets Not Being Depreciated | - | - | - | - |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Structures | 1,162,402 | 59,354 | - | 1,221,756 |
| Public Improvements | - | - | - | - |
| Equipment | 4,276,451 | 19,414 | - | 4,295,865 |
| Total Capital Assets Being Depreciated | 5,438,853 | 78,768 | - | 5,517,621 |
| Less: Accumulated Depreciation for: | | | | |
| Buildings and Structures | (791,659) | (60,488) | - | (852,147) |
| Public Improvements | - | - | - | - |
| Equipment | (3,317,882) | (291,031) | - | (3,608,913) |
| Total Accumulated Depreciation | (4,109,541) | (351,519) | - | (4,461,060) |
| Total Capital Assets Being Depreciated, Net | 1,329,312 | (272,751) | - | 1,056,561 |
| Capital Assets, Net | \$ 1,329,312 | \$ (272,751) | \$ - | \$ 1,056,561 |

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Summary of Changes in Capital Assets of Regional Water Services:

| | Balance 01/01/06 | Additions | Deductions | Balance 12/31/06 |
|--|-----------------------|----------------------|------------------------|-----------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 1,322,083 | \$ - | \$ (14,196) | \$ 1,307,887 |
| Construction in Progress | 15,676,036 | 18,902,752 | (15,566,747) | 19,012,041 |
| Total Capital Assets Not Being Depreciated | 16,998,119 | 18,902,752 | (15,580,943) | 20,319,928 |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Structures | 53,572,306 | 2,276,247 | (61,433) | 55,787,120 |
| Public Improvements | 190,425,675 | 12,462,645 | (547,920) | 202,340,400 |
| Equipment | 35,776,784 | 1,348,088 | (2,418,741) | 34,706,131 |
| Total Capital Assets Being Depreciated | 279,774,765 | 16,086,980 | (3,028,094) | 292,833,651 |
| Less: Accumulated Depreciation for: | | | | |
| Buildings and Structures | (9,985,272) | (1,376,454) | 29,983 | (11,331,743) |
| Public Improvements | (58,247,788) | (3,771,114) | 500,463 | (61,518,439) |
| Equipment | (17,155,395) | (2,122,908) | 1,524,334 | (17,753,969) |
| Total Accumulated Depreciation | (85,388,455) | (7,270,476) | 2,054,780 | (90,604,151) |
| Total Capital Assets Being Depreciated, Net | 194,386,310 | 8,816,504 | (973,314) | 202,229,500 |
| Capital Assets, Net | \$ 211,384,429 | \$ 27,719,256 | \$ (16,554,257) | \$ 222,549,428 |

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Summary of Changes in Capital Assets of Port Authority:

| | Balance 01/01/06 | Additions | Deductions | Balance 12/31/06 |
|--|----------------------|-----------------------|------------------------|----------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 8,171,568 | \$ - | \$ (1,993,806) | \$ 6,177,762 |
| Construction in Progress | 101,352 | - | (101,352) | - |
| Total Capital Assets Not Being Depreciated | 8,272,920 | - | (2,095,158) | 6,177,762 |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 56,690,025 | 158,484 | (28,227,171) | 28,621,338 |
| Equipment | 19,017,865 | 196,169 | (18,263,058) | 950,976 |
| Total Capital Assets Being Depreciated | 75,707,890 | 354,653 | (46,490,229) | 29,572,314 |
| Less: Accumulated Depreciation for: | | | | |
| Buildings | (21,997,378) | (1,370,771) | 15,655,313 | (7,712,836) |
| Equipment | (16,719,180) | (62,386) | 16,187,027 | (594,539) |
| Total Accumulated Depreciation | (38,716,558) | (1,433,157) | 31,842,340 | (8,307,375) |
| Total Capital Assets Being Depreciated, Net | 36,991,332 | (1,078,504) | (14,647,889) | 21,264,939 |
| Capital Assets, Net | \$ 45,264,252 | \$ (1,078,504) | \$ (16,743,047) | \$ 27,442,701 |

D. Long-Term Obligations

At December 31, 2006, long-term obligations of the RiverCentre Convention & Visitors Authority consisted of:

| | Unpaid Balances December 31, 2006 | Principal | |
|---------------|--------------------------------------|----------------------------|-------------------------|
| | | Less Current Maturities | Long Term Maturities |
| Capital Lease | \$ 1,328,924 | \$ 160,282 | \$ 1,168,642 |

At December 31, 2006 long-term obligations of Regional Water Services consisted of:

| | Unpaid Balances December 31, 2006 | Principal | |
|----------------------|--------------------------------------|----------------------------|-------------------------|
| | | Less Current Maturities | Long Term Maturities |
| Revenue Bonds | \$ 29,110,000 | \$ 1,705,000 | \$ 27,405,000 |
| Revenue Notes | 12,737,652 | 1,175,618 | 11,562,034 |
| Compensated Absences | 1,723,721 | 60,894 | 1,662,827 |
| Claims and Judgments | 2,259,849 | 516,035 | 1,743,814 |
| Total | \$ 45,831,222 | \$ 3,457,547 | \$ 42,373,675 |

At December 31, 2006 long-term obligations of Port Authority consisted of:

| | Unpaid Balances December 31, 2006 | Principal | |
|--------------------------|--------------------------------------|----------------------------|-------------------------|
| | | Less Current Maturities | Long Term Maturities |
| General Obligation Bonds | \$ 22,585,000 | \$ 685,000 | \$ 21,900,000 |
| Revenue Bonds | 29,416,691 | 3,025,474 | 26,391,217 |
| Revenue Notes | 7,833,309 | 12,083 | 7,821,226 |
| Total | <u>\$ 59,835,000</u> | <u>\$ 3,722,557</u> | <u>\$ 56,112,443</u> |

E. Principal and Interest Requirements on Long-Term Obligations - Bonds and Notes

Regional Water Services:

Total principal and interest requirements relating to outstanding revenue bonds and notes at December 31, 2006 were as follows:

| | Principal | Interest | Total |
|---------------|----------------------|----------------------|----------------------|
| Revenue Bonds | \$ 29,110,000 | \$ 11,447,750 | \$ 40,557,750 |
| Revenue Notes | 12,737,652 | 2,635,202 | 15,372,854 |
| Total | <u>\$ 41,847,652</u> | <u>\$ 14,082,952</u> | <u>\$ 55,930,604</u> |

Port Authority:

Total principal and interest requirements relating to outstanding revenue bonds and notes at December 31, 2006 were as follows:

| | Principal | Interest | Total |
|--------------------------|----------------------|----------------------|-----------------------|
| General Obligation Bonds | \$ 22,585,000 | \$ 12,479,291 | \$ 35,064,291 |
| Revenue Bonds and Notes | 37,250,000 | 33,077,332 | 70,327,332 |
| Total | <u>\$ 59,835,000</u> | <u>\$ 45,556,623</u> | <u>\$ 105,391,623</u> |

The Port Authority has issued debt obligations to finance numerous development projects. The debt is secured by the related amounts to be received under leases, loan agreements and ad valorem property taxes. These obligations are not secured by the credit of the Authority, and the Authority is not obligated in any manner for repayment of the debt. Accordingly, this no-commitment debt is not reported as a liability in the Port Authority's financial statements. At December 31, 2006, outstanding no-commitment debt totaled \$513 million.

F. Net Assets – Restricted

As of December 31, 2006, net assets were restricted for the following purposes:

| | RiverCentre Convention and Visitors Authority | Regional Water Services | Port Authority | Total |
|-------------------------------|---|----------------------------|----------------------|----------------------|
| For Economic Development | \$ - | \$ - | \$ 18,238,992 | \$ 18,238,992 |
| For Revenue Bond Debt Service | - | 8,338,464 | - | 8,338,464 |
| For Bond Indentures | - | - | 5,479,975 | 5,479,975 |
| Total | <u>\$ -</u> | <u>\$ 8,338,464</u> | <u>\$ 23,718,967</u> | <u>\$ 32,057,431</u> |

G. Condensed Financial Information

The following provides component unit condensed financial information for the year ended December 31, 2006:

Condensed Statement of Net Assets

| | RiverCentre Convention and Visitors Authority | Regional Water Services | Port Authority | Total |
|---|---|----------------------------|----------------------|-----------------------|
| ASSETS | | | | |
| Current Assets | \$ 3,513,558 | \$ 26,471,506 | \$ 25,027,631 | \$ 55,012,695 |
| Restricted Assets | 911,126 | 5,500,713 | 20,674,188 | 27,086,027 |
| Capital Assets, Net | 1,056,561 | 222,549,428 | 27,442,701 | 251,048,690 |
| Other Assets | - | 350,780 | 25,511,251 | 25,862,031 |
| Total Assets | <u>5,481,245</u> | <u>254,872,427</u> | <u>98,655,771</u> | <u>359,009,443</u> |
| LIABILITIES | | | | |
| Current Liabilities | 1,500,782 | 11,322,513 | 14,555,026 | 27,378,321 |
| Noncurrent Liabilities | 2,924,768 | 42,039,607 | 55,906,540 | 100,870,915 |
| Total Liabilities | <u>4,425,550</u> | <u>53,362,120</u> | <u>70,461,566</u> | <u>128,249,236</u> |
| NET ASSETS | | | | |
| Invested in Capital Assets, Net of Related Debt | (272,363) | 181,464,703 | (4,155,205) | 177,037,135 |
| Restricted | - | 8,338,464 | 23,718,967 | 32,057,431 |
| Unrestricted | 1,328,058 | 11,707,140 | 8,630,443 | 21,665,641 |
| TOTAL NET ASSETS | <u>\$ 1,055,695</u> | <u>\$ 201,510,307</u> | <u>\$ 28,194,205</u> | <u>\$ 230,760,207</u> |

Condensed Statement of Revenues, Expenses and Changes in Net Assets

| | RiverCentre Convention and Visitors Authority | Regional Water Services | Port Authority | Total |
|--|---|----------------------------|----------------|----------------|
| Operating Revenues | \$ 9,626,904 | \$ 35,290,110 | \$ 9,558,372 | \$ 54,475,386 |
| Operating Expenses | 8,811,116 | 25,570,293 | 6,182,471 | 40,563,880 |
| Depreciation | 351,519 | 6,552,539 | 1,064,002 | 7,968,060 |
| Operating Income (Loss) | 464,269 | 3,167,278 | 2,311,899 | 5,943,446 |
| Total Nonoperating Revenues (Expenses) | (1,341,027) | (183,375) | 20,873,714 | 19,349,312 |
| Capital Contributions | 1,011,361 | 1,454,309 | - | 2,465,670 |
| Changes in Net Assets | 134,603 | 4,438,212 | 23,185,613 | 27,758,428 |
| Net Assets, January 1 | 921,092 | 197,072,095 | 5,008,592 | 203,001,779 |
| Net Assets, December 31 | \$ 1,055,695 | \$ 201,510,307 | \$ 28,194,205 | \$ 230,760,207 |

H. Pension Plans

RiverCentre Convention & Visitors Authority:

The RiverCentre Convention & Visitors Authority (RCVA) has a defined contribution 401(k) retirement plan that covers substantially all employees meeting certain eligibility requirements. The RCVA has the option to contribute discretionary amounts to the plan. The RCVA makes matching contributions of up to 4% of compensation. During 2004, an additional discretionary contribution of 2% of each participant's salary was approved by the Board. In 2005, and 2006 discretionary contributions were not made. Retirement expense was \$22,185 for 2006.

Regional Water Services:

Regional Water Services employees are employees of the City of Saint Paul and are covered by the Public Employees Retirement Association (PERA) pension plan. PERA does not make separate measurements of assets and pension benefit obligation for individual employers. Total contributions in 2006 were \$756,377. See Note VIII. A. for disclosures relating to the PERA pension plan.

Port Authority:

Prior to July 1, 2003, all full-time employees who met length-of-service requirements were required to participate in a Port Authority sponsored Section 414(d) employee benefit plan. Effective July 1, 2003, all employees hired after June 30, 2003, and employees 45 years of age or younger as of December 31, 2002, as well as any other employee making a permanent election, became participants in the Public Employees Retirement Fund (PERF), which is a cost-sharing, multiple-employer retirement plan. The following is a description of these plans:

Port Authority 414(d) Plan: The Port Authority sponsors a Section 414(d) employee benefit plan covering all full-time employees who were hired prior to June 30, 2003, and did not elect to participate in the PERF. Employee participation in the plan is mandatory, and employees are required to contribute 5.5% of their salary. The Port Authority provides a matching contribution of five percent. In addition, the Port Authority makes an additional annual contribution of 6% to employees employed as of December 31, 2006. Total contributions were approximately \$39,000 in 2006.

Public Employees Retirement Fund (PERF): All full-time and certain part-time employees of the Port Authority who were hired after June 30, 2003, and those employees hired prior to June 30, 2003, who were required to or elected to participate in PERF are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the PERF, which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

PERF members belong to the Coordinated Plan. All participating employees of the Port Authority are Coordinated Plan members and are covered by Social Security.

I. Subsequent Event

During February 2007, Saint Paul Regional Water Services issued \$8,985,000 Water Revenue Refunding Bonds, Series 2007A. The bonds mature annually on December 1, commencing December 1, 2007 with installment amounts ranging from \$480,000 to \$1,015,000. Proceeds of the bonds will be used to refund the Water Revenue Refunding Bonds, Series 1997C and Water Revenue Bonds, Series 2000C.

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Note VIII. Other Information

A. Pension Plans

1. Defined Benefit Plans: Public Employees Retirement Association

a. Plan Descriptions

All full-time and certain part-time employees of the City of Saint Paul who are not participants of the Housing and Redevelopment Authority Pension Plan are covered by retirement plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and the Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age and years of credit at termination of service.

Two methods are used to compute benefits for Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent of average salary for each year of service.

For all PEPFF members and for PERF members hired prior to July 1, 1989, whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single annuity is a lifetime annuity that ceases upon the death of the retiree; no survivor annuity is payable. Also available are various types of joint and survivor annuity options that will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

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

PERA issues a publicly-available financial report that includes financial statements and required supplementary information for PERF and PEPFF. That report may be obtained on the web at mnpera.org, or by writing to PERA, 60 Empire Drive #200, Saint Paul, Minnesota, 55103-2088 or by calling 651-296-7460 or 1-800-652-9026.

b. Funding Policy

Pension benefits are funded from member and employee contributions and income from investment of fund assets. Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These Statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. The following table lists the required contribution rates for employees and employers under the various plans administered by PERA. Rates are applied to annual covered salary.

| Retirement Plan | 2006 | | 2007 | |
|---|----------|----------|----------|----------|
| | Employee | Employer | Employee | Employer |
| Public Employees Retirement Fund (PERF) | | | | |
| Basic | 9.10% | 11.78% | 9.10% | 11.78% |
| Coordinated | 5.50% | 6.00% | 5.75% | 6.25% |
| Public Employees Police and Fire Fund (PEPFF) | 7.00% | 10.50% | 7.80% | 11.70% |

The City's contributions to the cost-sharing retirement plans for the years ending December 31, 2006, 2005 and 2004 were the following:

| | 2006 | 2005 | 2004 |
|---|----------------------|----------------------|----------------------|
| Public Employees Retirement Fund (PERF) | | | |
| Basic | \$ 16,796 | \$ 15,834 | \$ 37,783 |
| Coordinated | 5,715,877 | 5,079,965 | 5,056,320 |
| | 5,732,673 | 5,095,799 | 5,094,103 |
| Public Employees Police and Fire Fund (PEPFF) | 7,501,134 | 5,930,663 | 5,699,554 |
| | <u>\$ 13,233,807</u> | <u>\$ 11,026,462</u> | <u>\$ 10,793,657</u> |

In 1999, upon the merger of the Police and Fire Consolidation Fund (PFCF) with the PEPFF, relief associations that were underfunded as of July 1, 1999 were required to make a predetermined annual amortization payment to the PEPFF until the year 2010. The City's fire relief association that belonged to the PFCF was underfunded and was required to make annual payments of \$40,967. The annual payment of \$40,967 is included in the City's contribution to PEPFF shown above.

2. Defined Contribution Plan: Housing and Redevelopment Authority Pension Plan

a. Plan Description

Employees of the City of Saint Paul who were formerly employed by Housing and Redevelopment Authority (HRA) before the latter merged with the City of Saint Paul and who elected to continue to participate in this pension plan upon becoming employees of the City of Saint Paul are covered by the Housing and Redevelopment Authority Pension Plan, a defined contribution plan. The merger was authorized under the provision of Minnesota Laws of 1976, Chapter 234, as amended in 1977 Session Laws, Chapter 165. The law also provided that employees who elected to continue with the HRA pension plan shall be responsible for the difference in cost between the HRA pension plan and the City of Saint Paul pension plan. The HRA Pension Plan Trustees, in conjunction with Principal Financial Group, administers the HRA Pension Plan.

Participants in the HRA Pension Plan will be vested in their own Trust Fund Share attributable to their individual contributions, supplementary contributions and any rollover contributions. Vesting is based on applying a percentage based on the number of years of service with each full year of service to be vested at 20%. If termination of service or death occurs, each participant or participant's beneficiary is entitled to receive interest in the Trust Fund, and it will be paid in accordance with the rules of the pension plan.

b. Funding Policy

Each active employee who participates in the HRA Pension Plan contributes 6% of the employee's salary. The City of Saint Paul contributes 6% of each active employee's salary who belongs in the pension plan. The City and the covered employees contributed \$52,603 and \$53,918, respectively, for the year ending December 31, 2006. The City also contributed \$47,436 for 2005 and \$50,563 for 2004. For each year, the City contribution equals the required contribution for each respective year.

B. Post-Employment Benefits Other than Pension Benefits

In addition to the pension benefits described in Note VIII. A., the City provides other post-employment life and health insurance benefits in accordance with the City's collective bargaining agreements with employees' unions. Since the City has 29 bargaining agreements, there is substantial variance in eligibility requirements and contribution levels. The typical eligibility requirements are 20 years of service and currently receiving a public employee pension. The average monthly premium contributions for 2006 were as follows:

| | Age | Average Monthly City Contribution | Average Monthly Retiree Contribution |
|------------------|--------------|---|--|
| Health Insurance | Less than 65 | \$ 366 | \$ 278 |
| | 65 and older | \$ 283 | \$ 6 |
| Life Insurance | Less than 65 | \$ 2 | None |
| | 65 and older | Not applicable | Not applicable |

These plans are fully insured.

Expenditures for these post-employment benefits are recognized as premiums and are paid to the insurers. In 2006, these expenditures totaled \$7,136,396 for approximately 1,920 retirees.

C. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City accounts for and finances its risk management activities in the Risk Management Retention Internal Service Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Claim expenditures relating to tort liabilities are paid from the General Fund and other funds responsible for losses as determined by the tort claim manager. Workers' compensation claim expenditures are directly charged to department funds responsible for the employee at time of injury. The following discloses the change in the balance of the claims liability during fiscal years 2005 and 2006.

| | Year Ended December 31, 2006 | Year Ended December 31, 2005 |
|--|---------------------------------|---------------------------------|
| Beginning of Fiscal Year Liability | \$ 24,552,444 | \$ 20,449,971 |
| Current Year Claims and Changes in Estimates | 9,160,373 | 10,031,525 |
| Claim Payments | <u>(7,554,839)</u> | <u>(5,929,052)</u> |
| End of Fiscal Year Liability | <u>\$ 26,157,978</u> | <u>\$ 24,552,444</u> |

Minnesota Statutes Section 466.04 limits the City's tort financial exposure. The limits are \$300,000 per individual and \$750,000 per accident for any number of claims arising out of a single occurrence for claims arising on or after January 1, 1998, and before January 1, 2000. For claims arising on or after January 1, 2000, the limit per accident for any number of claims arising out of a single occurrence is \$1,000,000 and \$300,000 per individual. The City has also established a designation of fund balance in the General Fund of \$1,000,000 for tort liability.

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 risk retention 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 not covered by insurance. The City department is responsible for the first \$10,000 of each loss. Losses that exceed \$10,000 are reimbursed by the risk retention pool. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years. The City does not carry commercial liability and collision insurance for City-owned vehicles.

The City purchases coverage for employee health and life insurance benefits. These benefit plans are fully insured. The contributions required by employees to the health and life insurance programs are dependent upon an employee's bargaining unit. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

The City self-insures its liability for unemployment compensation benefits and City funds are directly charged for the actual costs incurred.

The City's Risk Management Division provides direction, management, coordination and planning services for risk, insurance and employee benefit programs. The Division conducts an audit and actuarial analysis to ensure proper premium, retention and administrative charges. Tort liability, workers' compensation and unemployment compensation programs are administered internally with professional claim managers and attorneys.

D. Construction and other Significant Commitments

At December 31, 2006, the City had commitments for the following major construction projects:

| Project Title | Remaining Construction Committed |
|--|--|
| Residential Street Vitality Program | \$ 11,205,100 |
| Smith Avenue Transit Center | 9,681,568 |
| Sewer System Rehabilitation | 6,334,000 |
| Jimmy Lee Recreation Center | 5,850,396 |
| St. Peter/Rondo Storm Sewer Tunnel Rehabilitation | 3,800,000 |
| Ayd Mill Road Off-Road Bike Trail | 1,975,000 |
| Major Sewer Repairs | 1,903,000 |
| McMurray Soccer Fields | 1,589,183 |
| Maryland Avenue Intersection Improvements | 1,200,000 |
| 35E/Shepard Road/West 7th Environmental Impact Study | 1,200,000 |
| Sidewalk Reconstruction | 1,100,932 |
| Davern Street - West 7th to Shepard Road | 990,000 |
| United Family Practice Project Development Loan | 900,000 |
| Maryland Avenue Bridge over Burlington Northern Railroad Bridges | 830,000 |
| Snelling Avenue at I94 Traffic Signal | 816,000 |
| Rice Street Streetscape Improvements | 550,000 |
| Lowertown Trails | 532,273 |
| St. Paul Avenue at Cleveland Avenue Intersection Improvements | 513,000 |
| Salvation Army Booth Brown House Development Loan | 508,000 |
| | |
| Total | \$ 51,478,452 |

E. Interest Rate Swap Agreement

On July 13, 2005, the City entered into interest rate swap agreement with Bank of Montreal relating to the 1999 Taxable Sales Tax Revenue Bonds in the notional amount of \$66,300,000. This interest rate swap agreement will take effect on May 1, 2009 and will end on November 1, 2025. In 2009, the 1999 Taxable Sales Tax Revenue Bonds will be refunded through the issuance of taxable variable rate bonds. The objective of this agreement is to be able to refund the bonds at a lower estimated total synthetic interest rate of 5.163% compared to the present interest rates of 6.440% through 7.090% on the original bonds payable from 2009 through 2025. This agreement entails the following risks: a) basis risk, the risk of paying an unknown spread to LIBOR on the variable rate debt; b) termination risks – the risk that the agreement will be terminated beyond the control of the City and thereby incurring additional costs; and c) default risk - the risk that the counterparty will not meet its obligations. The mid-market value of this derivative is \$1,320,847 and was calculated by DerivActiv, an independent market-to-market valuation service, based upon the market close rate data provided by Bloomberg Financial on December 29, 2006.

F. Contingent Liabilities

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

G. Subsequent Events

1. Issuance of General Obligation Bonds

In 2007, the City issued the following bonds:

| | <u>Amount</u> | <u>Final Maturity</u> |
|---|----------------------|-----------------------|
| General Obligation Bonds | | |
| Property Tax Supported | | |
| Capital Improvement Bonds | \$ 6,250,000 | 04/2017 |
| Special Assessment Bonded Debt | | |
| Street Improvement Bonds with Governmental Commitment | 12,500,000 | 04/2027 |
| HRA Tax Increment | | |
| Koch-Mobil | <u>3,895,000</u> | 03/2010 |
| Total Issued | <u>\$ 22,645,000</u> | |

The General Obligation Bonds issued in 2007 were reaffirmed at Aa2 and AAA by Moody's Investors Service and Standard and Poor's Corporation, respectively. The HRA Tax Increment Koch-Mobil bonds were not rated.

2. Termination of Interest Rate Swap Agreement

On June 8, 2007, the Interest Rate Swap Agreement (See Note VIII.E.) between the City and Bank of Montreal was terminated. The City obtained a Pricing Verification Report and Fairness Opinion from an independent advisor. In the opinion of the advisor, the City received fair value in its termination of the interest rate swap agreement. The net swap termination amount to the City from the Bank of Montreal was \$3,754,100.

City of Saint Paul, Minnesota
**SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 GENERAL FUND**
 For the Fiscal Year Ended December 31, 2006

Schedule 1

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | | | | |
| Property Taxes | 45,077,494 | 45,760,212 | 46,014,519 | 254,307 |
| Gross Earnings Franchise Fees | 18,179,867 | 18,179,867 | 18,524,266 | 344,399 |
| Hotel-Motel Tax | 762,760 | 762,760 | 794,072 | 31,312 |
| Other Taxes | 121,000 | 121,000 | 50,912 | (70,088) |
| Total Taxes | 64,141,121 | 64,823,839 | 65,383,769 | 559,930 |
| Licenses and Permits | 993,443 | 993,443 | 925,299 | (68,144) |
| Intergovernmental Revenue | 64,170,300 | 64,063,800 | 63,746,052 | (317,748) |
| Fees, Sales and Services | 16,311,360 | 15,063,865 | 14,903,307 | (160,558) |
| Investment Income | | | | |
| Interest Earned On Investments | 2,923,500 | 2,923,500 | 3,381,982 | 458,482 |
| Increase in Fair Value of Investments | - | - | 17,905 | 17,905 |
| Interest Earned On Securities Lending | - | 6,821,378 | 6,821,378 | - |
| Miscellaneous Revenue - Other | 184,557 | 522,914 | 1,056,559 | 533,645 |
| Total Revenues | 148,724,281 | 155,212,739 | 156,236,251 | 1,023,512 |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | | | | |
| City Council | 2,325,493 | 2,326,011 | 2,265,730 | 60,281 |
| Mayor | 1,421,239 | 1,422,239 | 1,290,850 | 131,389 |
| Citizen Service | 636,146 | 659,130 | 534,010 | 125,120 |
| City Attorney | 5,461,035 | 5,594,146 | 5,616,443 | (22,297) |
| Financial Services | 2,210,088 | 2,210,088 | 1,924,504 | 285,584 |
| Human Resources | 3,107,301 | 3,107,301 | 2,979,306 | 127,995 |
| Human Rights | 528,883 | 528,883 | 534,732 | (5,849) |
| Technology | 7,694,074 | 7,719,074 | 7,133,635 | 585,439 |
| Total General Government | 23,384,259 | 23,566,872 | 22,279,210 | 1,287,662 |
| Public Safety | | | | |
| Police | 64,801,175 | 64,198,797 | 62,215,930 | 1,982,867 |
| Fire and Safety Services | 44,794,899 | 44,997,731 | 44,487,499 | 510,232 |
| License, Inspection and Environmental Protection | 758,027 | 759,616 | 745,480 | 14,136 |
| Neighborhood, Housing and Property Improvement | 2,813,901 | 3,496,083 | 3,439,819 | 56,264 |
| Total Public Safety | 113,168,002 | 113,452,227 | 110,888,728 | 2,563,499 |
| Highways and Streets | 1,646,053 | 1,646,053 | 1,530,528 | 115,525 |
| Culture and Recreation | 22,999,193 | 23,762,421 | 23,866,883 | (104,462) |
| Miscellaneous - Other | 5,472,524 | 5,532,564 | 5,144,659 | 387,905 |
| Debt Service | | | | |
| Other Debt Principal | 1,055,618 | 1,055,618 | 495,000 | 560,618 |
| Interest - Securities Lending | - | 6,718,934 | 6,718,934 | - |
| Interest - Other Debt | - | - | 553,542 | (553,542) |
| Total Expenditures | 167,725,649 | 175,734,689 | 171,477,484 | 4,257,205 |
| Deficiency of Revenues Under Expenditures | (19,001,368) | (20,521,950) | (15,241,233) | 5,280,717 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 18,045,174 | 19,677,066 | 19,692,272 | 15,206 |
| Transfers Out | (1,448,647) | (2,896,481) | (2,846,479) | 50,002 |
| Sale of Capital Assets | 55,000 | 1,455,000 | 1,413,257 | (41,743) |
| Total Other Financing Sources (Uses) | 16,651,527 | 18,235,585 | 18,259,050 | 23,465 |
| Net Change in Fund Balance | (2,349,841) | (2,286,365) | 3,017,817 | 5,304,182 |
| FUND BALANCE, January 1 | 27,254,757 | 27,254,757 | 27,254,757 | - |
| FUND BALANCE, December 31 | 24,904,916 | 24,968,392 | 30,272,574 | 5,304,182 |

The notes to the required supplementary information are an integral part of this statement.

City of Saint Paul, Minnesota
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES
 BUDGET AND ACTUAL - ANNUALLY BUDGETED
 MAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2006

Schedule 2

| | Saint Paul Library Agency | | | | HRA General Fund | | | |
|---|---------------------------|-------------------|--------------------|----------------------------|------------------|------------------|------------------|----------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Property Taxes | | | | | | | | |
| Current Taxpayer | 7,848,439 | 7,848,439 | 7,845,300 | (3,139) | 832,722 | 912,044 | 907,243 | (4,801) |
| Delinquent Taxpayer | - | - | 137,424 | 137,424 | - | - | 12,963 | 12,963 |
| Total Property Taxes | 7,848,439 | 7,848,439 | 7,982,724 | 134,285 | 832,722 | 912,044 | 920,206 | 8,162 |
| Intergovernmental Revenue | 5,597,255 | 5,609,652 | 5,638,619 | 28,967 | 48,637 | 48,637 | 49,130 | 493 |
| Fees, Sales and Services | 47,850 | 47,850 | 59,910 | 12,060 | 1,139,706 | 1,139,706 | 1,617,345 | 477,639 |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | 150,000 | 150,000 | 373,608 | 223,608 |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | 2,495 | 2,495 |
| Miscellaneous - Other | 758,313 | 866,613 | 1,011,692 | 145,079 | - | - | - | - |
| Total Revenues | 14,251,857 | 14,372,554 | 14,692,945 | 320,391 | 2,171,065 | 2,250,387 | 2,962,784 | 712,397 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| Culture and Recreation | 14,590,529 | 14,453,757 | 14,174,158 | 279,599 | - | - | - | - |
| Housing and Economic Development | - | - | - | - | 3,048,806 | 3,048,806 | 2,975,609 | 73,197 |
| Capital Outlay | 96,119 | 109,788 | 79,783 | 30,005 | - | - | - | - |
| Total Expenditures | 14,686,648 | 14,563,545 | 14,253,941 | 309,604 | 3,048,806 | 3,048,806 | 2,975,609 | 73,197 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (434,791) | (190,991) | 439,004 | 629,995 | (877,741) | (798,419) | (12,825) | 785,594 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers Out | (2,250) | (393,876) | (1,446,316) | (1,052,440) | (18,486) | (97,808) | (97,808) | - |
| Total Other Financing Sources (Uses) | (2,250) | (393,876) | (1,446,316) | (1,052,440) | (18,486) | (97,808) | (97,808) | - |
| Net Change in Fund Balances | (437,041) | (584,867) | (1,007,312) | (422,445) | (896,227) | (896,227) | (110,633) | 785,594 |
| FUND BALANCES, January 1 | 1,269,229 | 1,269,229 | 1,269,229 | - | 8,121,563 | 8,121,563 | 8,121,563 | - |
| FUND BALANCES, December 31 | 832,188 | 684,362 | 261,917 | (422,445) | 7,225,336 | 7,225,336 | 8,010,930 | 785,594 |

continued

The notes to the required supplementary information are an integral part of this statement.

City of Saint Paul, Minnesota
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES
 BUDGET AND ACTUAL - ANNUALLY BUDGETED
 MAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Total | | | |
|--|--------------------|--------------------|--------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | | | | |
| Property Taxes | | | | |
| Current Taxpayer | 8,681,161 | 8,760,483 | 8,752,543 | (7,940) |
| Delinquent Taxpayer | - | - | 150,387 | 150,387 |
| Total Property Taxes | 8,681,161 | 8,760,483 | 8,902,930 | 142,447 |
| Intergovernmental Revenue | 5,645,892 | 5,658,289 | 5,687,749 | 29,460 |
| Fees, Sales and Services | 1,187,556 | 1,187,556 | 1,677,255 | 489,699 |
| Investment Income | | | | |
| Interest Earned on Investments | 150,000 | 150,000 | 373,608 | 223,608 |
| Increase (Decrease) in Fair Value of Investments | - | - | 2,495 | 2,495 |
| Miscellaneous - Other | 758,313 | 866,613 | 1,011,692 | 145,079 |
| Total Revenues | 16,422,922 | 16,622,941 | 17,655,729 | 1,032,788 |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and Recreation | 14,590,529 | 14,453,757 | 14,174,158 | 279,599 |
| Housing and Economic Development | 3,048,806 | 3,048,806 | 2,975,609 | 73,197 |
| Capital Outlay | 96,119 | 109,788 | 79,783 | 30,005 |
| Total Expenditures | 17,735,454 | 17,612,351 | 17,229,550 | 382,801 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,312,532) | (989,410) | 426,179 | 1,415,589 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (20,736) | (491,684) | (1,544,124) | (1,052,440) |
| Total Other Financing Sources (Uses) | (20,736) | (491,684) | (1,544,124) | (1,052,440) |
| Net Change in Fund Balances | (1,333,268) | (1,481,094) | (1,117,945) | 363,149 |
| FUND BALANCES, January 1 | 9,390,792 | 9,390,792 | 9,390,792 | - |
| FUND BALANCES, December 31 | 8,057,524 | 7,909,698 | 8,272,847 | 363,149 |

The notes to the required supplementary information are an integral part of this statement.

Budgetary Information

A budgetary comparison for the City's General Fund and the annually budgeted Library Agency and HRA General Fund are required supplementary information.

All annually budgeted funds including the General Fund, Library Agency and HRA General Fund are adopted on a basis consistent with generally accepted accounting principals. The legal level of budgetary control for the General Fund is at the department/office level and at the fund level for the Library Agency and HRA General Fund. For additional information, see Note V. A. on pages 72-74.

Neither the Library Agency nor HRA General Fund exceeded the legal level of budgetary control for fiscal year ended December 31, 2006.

The General Fund did not exceed total appropriations at the fund level, however total expenditures exceeded appropriations in the following departments/offices:

| | Final Budgeted Amounts | Actual | Variance with Final Budgets |
|------------------------|---------------------------|------------|--------------------------------|
| General Fund: | | | |
| Human Rights | \$ 528,883 | \$ 534,732 | \$ (5,849) |
| City Attorney | 5,594,146 | 5,616,443 | (22,297) |
| Culture and Recreation | 23,762,421 | 23,866,883 | (104,462) |

(Remainder of this page left blank intentionally)

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Special Projects - General Government - to account for monies received from hotel-motel taxes, interest earnings, the city-wide indirect cost recovery plan and other sources, and expended on various general government activities.

Cable Communications - to account for cable television franchise fees utilized to monitor and evaluate the cable television franchise and provide city video programming.

Charitable Gambling Enforcement - to account for 2 ½ percent tax on charitable gambling net receipts to process, monitor and review all lawful gambling activities and to ensure the integrity of operations as required by state law.

Utilities Rate Investigation Administration - to account for proceeds from District Energy and Energy Park to be used for city rate investigation expenses.

Property Code Enforcement - to finance the activities of the Truth-In-Sale of Housing, Nuisance Housing Abatement, Code Enforcement Grants, and Rental Registration programs.

License and Permit - to account for revenue received from business and trade licenses, building permits, plan examination, certificate of competency and other fees related to ensuring public safety by monitoring construction activity and businesses.

Police Services - Pension Assets - to account for the over funded portion of police pension assets returned to the city from the Public Employees Retirement Association (PERA) following the merging of the city's police pension funds. The returned monies are to be spent solely on police expenditures.

Crime Laboratory - to account for the revenue received from the General Fund and outside agencies billed for services provided that is used to support the crime laboratory.

Parking Enforcement - to account for utilization of parking enforcement officers' response to citizen complaints for parking violations and to issue parking citations.

Special Projects Police - to account for monies received from various grants, contributions, and other sources to perform various miscellaneous police functions.

Police Officers Clothing - to account for the clothing allowance for police officers, communications center personnel and radio shop personnel in the Police Department.

continued

Fire Responsive Services - to account for monies received by the Department of Fire and Safety Services to perform various fire functions.

Fire Fighting Equipment - to account for monies received from other governmental units, private corporations and individuals for fire protection outside the city and to account for the purchase of fire equipment.

Fire Protection Clothing - to account for the clothing allowance for each uniformed firefighter.

Right of Way Maintenance - to account for revenues received from right-of-way assessments, municipal state aid, county aid, and trunk highway funds for summer street repair and maintenance, winter street activities, boulevard tree maintenance and trimming, sidewalk maintenance, and streetlight maintenance.

Parking Meter Collections - to account for city parking meter and parking fine revenue which support maintenance and enforcement.

Lighting Maintenance Assessment Districts - to account for levied assessments used to operate above standard (ornamental) street lighting systems in various areas of the city, installed at the request of adjacent property owners.

Solid Waste and Recycling - to account for monies received for the city's recycling programs. The recycling programs include the coordinated efforts of the City of Saint Paul, Ramsey County, State of Minnesota, Neighborhood Energy Consortium, Macalester/Groveland District Council and the citizens of Saint Paul.

Special Projects - Division of Health - to account for monies received from federal and state agencies to operate specified public health programs.

Municipal Stadium - to account for the use of revenue from facility rental and other sources to be used for the operation of the Municipal Stadium.

Forestry Special - to account for the services provided to maintain and upkeep the trees and other vegetation growing in the public right-of-way and on private property when requested, which helps maintain a safe traffic corridor for pedestrians and vehicles.

Como Campus - to account for proceeds from education programs, commissions and donations from outside parties, to be appropriated for volunteer recruitment and training, purchase of animals, maintenance of zoo and conservatory and other related costs.

Special Recreation Activities - to account for user fees used to provide city-wide recreational programs such as concerts, day-camp, field trips, tennis tournaments, special events and in-services.

continued

Municipal Athletic Programming - to account for user fees used to coordinate the operation of a city-wide municipal athletic program.

Charitable Gambling - to account for the administration of charitable gambling receipts in conformance with City Council action for the support of youth athletics or otherwise as legally determined.

Debt - Capital Improvement - to account for proceeds of the sale of city property for which there is no outstanding debt and use remaining proceeds to finance projects in the capital improvement budget.

Parks and Recreation Opportunity - to account for donations and contributions given to the Department of Parks and Recreation for services, supplies, and/or facilities.

Parks and Recreation Grants and Aids - to account for intergovernmental grants and aids received from various federal, state, county and other agencies, and other revenues received to operate specified Parks and Recreation projects.

Library Agency Revenues and Grants - to account for revenue received from various federal and state agencies as well as monies received from the Friends of the Saint Paul Public Library and the Minnesota Foundation (Perrie Jones Library Fund) for special projects such as collection development, staff training and development community outreach opportunities.

Rella Havens Memorial Fund - to account for the portion of an estate left to the city's public library system by a former library employee, to be administered at the discretion of the library administrator.

Community Development Block Grant - to account for monies received from the U.S. Department of Housing and Urban Development under the Community Development Block Grant Program, and other miscellaneous revenues derived from projects operated under this program. These monies are to be expended for the development of a viable urban community, by providing decent housing and a suitable living environment and expanded economic opportunities, principally for persons of low and moderate income.

State Grant Programs - to account for various grants received from the State of Minnesota to be used for urban development.

HRA Federal and State Programs - to account for intergovernmental revenues provided to the HRA from the federal, state and local governments.

Section 108 Programs - to account for monies received under the U.S. Department of Housing and Urban Development Section 108 Loan Guaranty Program.

continued

Debt Service Funds

Debt service funds account for financial resources used for the payment of general long-term debt principal, interest and related costs.

G.O. Special Assessment - Streets - to account for monies received from property assessments, to be used for the repayment of the principal and interest on special assessment debt with governmental commitment.

City Revenue Bonds and Other Long-Term Debt - to account for monies received from various sources for the payment of principal and interest on city issued revenue bonds and other long-term debt.

Library Debt - to account for the monies received from property taxes and other various sources for the repayment of principal and interest on city issued general obligation bonds for Library Agency capital projects.

Revenue Notes and Other Long-Term Debt - to account for monies received from various sources for the payment of principal and interest on city issued revenue notes and other long-term debt.

Capital Projects Funds

Capital projects funds account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Improvement Bonds - to account for monies received from the sale of general obligation bonds, which are subsequently transferred to the Capital Improvement Projects Fund which accounts for the expenditure of the construction projects.

City Sales Tax - to account for the monies received from the one-half percent city sales tax which are used for major RiverCentre capital expenditures, other capital expenditures as determined by the City Council, and the transfer to the HRA General Debt Service Fund for financing the debt service on the HRA Sales Tax Revenue Bonds.

Library Capital Projects - to account for monies received from the sale of general obligation bonds for the construction of Library projects.

City Downtown Capital Projects - to account for development and capital expenditures primarily in Saint Paul's downtown area. The main source of financing for these expenditures is transfers from the HRA General Debt Service Fund under the Downtown and Seventh Place Redevelopment Project Subordinated Tax Increment Revenue Note.

continued

HRA Tax Increment - to account for development and capital expenditures primarily in Saint Paul's Tax Increment Districts using financing from bond proceeds, tax increment revenues, and other sources.

Permanent Funds

Permanent funds account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support specific programs.

Japanese Gardens - to account for donations from the Ordway Family for the construction of the Japanese Garden in Como Park.

Hoffman Memorial - to account for the principal of a trust fund and disbursement of interest derived from donation for perpetual maintenance of a memorial located at Como Park Conservatory.

City of Saint Paul, Minnesota
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2006

Schedule 3

| | Special Revenue | Debt Service | Capital Projects | Permanent | Total Nonmajor Governmental Funds |
|---|--------------------|-------------------|---------------------|---------------|--|
| ASSETS | | | | | |
| Cash and Investments with Treasurer | 28,745,438 | 13,104,635 | 45,919,424 | 64,346 | 87,833,843 |
| Cash and Investments with Trustees | 146,709 | 4,655,908 | 1,769,401 | - | 6,572,018 |
| Imprest Funds | 40,700 | - | - | - | 40,700 |
| Receivables | | | | | |
| Property Taxes - Due from Ramsey County | - | - | 164,675 | - | 164,675 |
| Property Taxes - Delinquent | - | - | 14,294 | - | 14,294 |
| Accounts (net of allowance for estimated uncollectible) | 1,958,483 | - | - | - | 1,958,483 |
| Assessments | 12,985,598 | 13,088,426 | - | - | 26,074,024 |
| Notes and Loans | 12,688,473 | - | 7,538,246 | - | 20,226,719 |
| Accrued Interest | 446,325 | 232,240 | 775,519 | 758 | 1,454,842 |
| Due from Other Funds | 2,241,464 | 27,850 | 214,822 | - | 2,484,136 |
| Due from Component Units | 60,342 | - | - | - | 60,342 |
| Due from Other Governmental Units | 5,629,531 | 40,739 | 1,326,538 | - | 6,996,808 |
| Advance to Other Funds | 650,800 | - | - | - | 650,800 |
| Advance to Component Units | - | - | 231,126 | - | 231,126 |
| Land Held for Resale | 2,747,377 | - | 1,057,947 | - | 3,805,324 |
| TOTAL ASSETS | 68,341,240 | 31,149,798 | 59,011,992 | 65,104 | 158,568,134 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Interfund Payable for Pooled | | | | | |
| Cash and Investments Overdrafts | 1,829,461 | 4,518 | - | - | 1,833,979 |
| Accrued Salaries Payable | 1,268,282 | - | - | - | 1,268,282 |
| Accounts Payable | 2,122,070 | - | 362,499 | - | 2,484,569 |
| Contracts/Retention Payable | 76,000 | - | 182,331 | - | 258,331 |
| Due to Other Funds | 4,997,561 | 21,197 | 4,184,692 | - | 9,203,450 |
| Due to Component Unit | - | 72,200 | - | - | 72,200 |
| Due to Other Governmental Units | 140,854 | - | - | - | 140,854 |
| Advance from Other Funds | 308,886 | - | 8,187,415 | - | 8,496,301 |
| Deferred Revenue | 4,442,838 | 13,179,465 | 9,191,322 | 316 | 26,813,941 |
| Unearned Revenue | 16,287,471 | - | - | - | 16,287,471 |
| Total Liabilities | 31,473,423 | 13,277,380 | 22,108,259 | 316 | 66,859,378 |
| Fund Balances | | | | | |
| Reserved for Encumbrances | 771,932 | - | 246,064 | - | 1,017,996 |
| Reserved for Imprest Funds | 40,700 | - | - | - | 40,700 |
| Reserved for Advance to Other Funds | 650,800 | - | - | - | 650,800 |
| Reserved for Advance to Component Units | - | - | 231,126 | - | 231,126 |
| Reserved for Long-Term Receivable | 259,935 | - | - | - | 259,935 |
| Reserved for Mandatory 5% Retirement of Debt | - | 36,328 | - | - | 36,328 |
| Reserved for Permanent Fund Activities | - | - | - | 35,000 | 35,000 |
| Unreserved | | | | | |
| Designated for Next Year's Appropriation | 4,806,097 | - | 539,350 | - | 5,345,447 |
| Designated for Debt Service | - | 17,836,090 | - | - | 17,836,090 |
| Designated for Specific Capital Projects | - | - | 35,887,193 | - | 35,887,193 |
| Undesignated | 30,338,353 | - | - | 29,788 | 30,368,141 |
| Total Fund Balances | 36,867,817 | 17,872,418 | 36,903,733 | 64,788 | 91,708,756 |
| TOTAL LIABILITIES AND FUND BALANCES | 68,341,240 | 31,149,798 | 59,011,992 | 65,104 | 158,568,134 |

City of Saint Paul, Minnesota
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN
 FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended December 31, 2006

Schedule 4

| | Special Revenue | Debt Service | Capital Projects | Permanent | Total Nonmajor Governmental Funds |
|--|---------------------|-------------------|---------------------|---------------|--|
| REVENUES | | | | | |
| Taxes | | | | | |
| Property Taxes | | | | | |
| Current Taxpayer | - | 1,963,782 | - | - | 1,963,782 |
| Current Tax Increment | - | - | 3,271,969 | - | 3,271,969 |
| City Sales Tax | - | - | 14,788,775 | - | 14,788,775 |
| Gross Earnings Franchise Fees | 1,938,046 | - | - | - | 1,938,046 |
| Hotel-Motel Tax | 1,912,529 | - | - | - | 1,912,529 |
| Total Taxes | 3,850,575 | 1,963,782 | 18,060,744 | - | 23,875,101 |
| Licenses and Permits | 8,901,196 | - | - | - | 8,901,196 |
| Intergovernmental Revenue | 26,388,315 | 120,230 | 39,278 | - | 26,547,823 |
| Fees, Sales and Services | 20,642,185 | 3,500,000 | 126,039 | - | 24,268,224 |
| Assessments | 19,458,313 | 3,192,721 | - | - | 22,651,034 |
| Investment Income | | | | | |
| Interest Earned on Investments | 833,383 | 999,550 | 2,535,476 | 2,788 | 4,371,197 |
| Increase (Decrease) in Fair Value of Investment: | 921 | (50,255) | (92,692) | 18 | (142,008) |
| Interest Earned - Other | 58,463 | - | 345,292 | - | 403,755 |
| Miscellaneous Revenue | | | | | |
| Program Income | 3,183,060 | - | - | - | 3,183,060 |
| Other | 2,782,025 | 3,547,417 | 886,446 | - | 7,215,888 |
| Total Revenues | 86,098,436 | 13,273,445 | 21,900,583 | 2,806 | 121,275,270 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | 3,624,109 | - | - | - | 3,624,109 |
| Public Safety | 18,403,143 | - | - | - | 18,403,143 |
| Highways and Streets | 18,037,203 | - | - | - | 18,037,203 |
| Sanitation | 2,597,389 | - | - | - | 2,597,389 |
| Health | 3,707,070 | - | - | - | 3,707,070 |
| Culture and Recreation | 9,102,644 | - | 1,261,215 | 617 | 10,364,476 |
| Housing and Economic Development | 15,351,054 | - | 18,864,066 | - | 34,215,120 |
| Capital Outlay | 5,800,798 | - | 5,530,699 | - | 11,331,497 |
| Debt Service | | | | | |
| Bond Principal | - | 3,755,000 | - | - | 3,755,000 |
| Other Debt Principal | 73,525 | 2,644,423 | - | - | 2,717,948 |
| Interest - Bonds | - | 6,459,404 | - | - | 6,459,404 |
| Interest - Other Debt | 6,073 | 266,708 | 3,381,218 | - | 3,653,999 |
| Bond Issuance Costs | - | - | 56,022 | - | 56,022 |
| Total Expenditures | 76,703,008 | 13,125,535 | 29,093,220 | 617 | 118,922,380 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 9,395,428 | 147,910 | (7,192,637) | 2,189 | 2,352,890 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 8,178,973 | 3,866,270 | 12,589,991 | - | 24,635,234 |
| Transfers Out | (24,073,714) | (4,212,235) | (33,168,582) | - | (61,454,531) |
| Bonds Issued | - | - | 11,000,000 | - | 11,000,000 |
| Premium on Bond Issued | - | - | 150,049 | - | 150,049 |
| Sale of Capital Assets | 63,353 | - | - | - | 63,353 |
| Total Other Financing Sources (Uses) | (15,831,388) | (345,965) | (9,428,542) | - | (25,605,895) |
| Net Change in Fund Balances | (6,435,960) | (198,055) | (16,621,179) | 2,189 | (23,253,005) |
| FUND BALANCES, January 1 | 43,303,777 | 18,070,473 | 53,524,912 | 62,599 | 114,961,761 |
| FUND BALANCES, December 31 | 36,867,817 | 17,872,418 | 36,903,733 | 64,788 | 91,708,756 |

City of Saint Paul, Minnesota
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR SPECIAL REVENUE, ALL DEBT SERVICE
 AND NONMAJOR PERMANENT FUNDS
 For the Fiscal Year Ended December 31, 2006

Schedule 5

| | Special Revenue | | | | Debt Service | | | |
|---|------------------|--------------|---------------|----------------------------|------------------|--------------|---------------|----------------------------|
| | Budgeted Amounts | | Actual Amount | Variance With Final Budget | Budgeted Amounts | | Actual Amount | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Property Taxes | | | | | | | | |
| Current Taxpayer | - | - | - | - | 8,110,292 | 8,110,292 | 8,110,974 | 682 |
| Current Tax Increment | - | - | - | - | 11,333,665 | 11,501,400 | 10,487,021 | (1,014,379) |
| Delinquent Taxpayer | - | - | - | - | 100,000 | 100,000 | 135,058 | 35,058 |
| Total Property Taxes | - | - | - | - | 19,543,957 | 19,711,692 | 18,733,053 | (978,639) |
| Gross Earnings Franchise Fees | 1,760,000 | 1,835,000 | 1,938,046 | 103,046 | 880,000 | 880,000 | 1,256,760 | 376,760 |
| Hotel-Motel Tax | 1,662,380 | 1,662,380 | 1,912,529 | 250,149 | 220,000 | 220,000 | 220,000 | - |
| Total Taxes | 3,422,380 | 3,497,380 | 3,850,575 | 353,195 | 20,643,957 | 20,811,692 | 20,209,813 | (601,879) |
| Licenses and Permits | 9,156,718 | 9,156,718 | 8,901,196 | (255,522) | - | - | - | - |
| Intergovernmental Revenue | 15,484,227 | 18,136,744 | 14,147,208 | (3,989,536) | 721,286 | 721,286 | 584,210 | (137,076) |
| Fees, Sales and Services | 20,665,119 | 21,221,569 | 20,615,131 | (606,438) | 4,477,928 | 4,477,928 | 4,793,472 | 315,544 |
| Assessments | 20,071,562 | 20,071,562 | 19,458,313 | (613,249) | 3,264,488 | 3,264,488 | 3,192,721 | (71,767) |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | 617,811 | 617,811 | 788,318 | 170,507 | 1,313,484 | 1,313,484 | 2,557,958 | 1,244,474 |
| Increase (Decrease) in Fair Value of Investments | - | - | 709 | 709 | - | - | (44,545) | (44,545) |
| Interest Earned - Other | - | - | 45,051 | 45,051 | - | 167,640 | 419,110 | 251,470 |
| Miscellaneous Revenue - Other | 2,626,530 | 3,019,426 | 2,782,025 | (237,401) | 3,698,664 | 3,698,664 | 3,555,427 | (143,237) |
| Total Revenues | 72,044,347 | 75,721,210 | 70,588,526 | (5,132,684) | 34,119,807 | 34,455,182 | 35,268,166 | 812,984 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | 4,269,375 | 4,284,068 | 3,624,109 | 659,959 | 592,166 | 592,166 | 450,023 | 142,143 |
| Public Safety | 20,280,412 | 21,945,224 | 18,403,143 | 3,542,081 | - | - | - | - |
| Highways and Streets | 17,904,643 | 17,924,643 | 18,037,203 | (112,560) | - | - | - | - |
| Sanitation | 2,931,430 | 2,931,430 | 2,597,389 | 334,041 | - | - | - | - |
| Health | 4,095,050 | 4,095,050 | 3,707,070 | 387,980 | - | - | - | - |
| Culture and Recreation | 9,172,930 | 9,689,455 | 9,102,644 | 586,811 | - | - | - | - |
| Housing and Economic Development | - | - | - | - | - | 3,663,887 | 3,663,887 | - |
| Capital Outlay | 6,938,619 | 8,170,179 | 5,800,798 | 2,369,381 | - | - | - | - |
| Debt Service | | | | | | | | |
| Bond Principal | - | - | - | - | 28,919,857 | 29,030,857 | 28,538,857 | 492,000 |
| Other Debt Principal | 75,570 | 75,570 | 73,525 | 2,045 | 3,222,280 | 3,222,280 | 3,224,423 | (2,143) |
| Interest - Bonds | - | - | - | - | 19,307,181 | 19,363,916 | 18,634,419 | 729,497 |
| Interest - Other Debt | 4,029 | 4,029 | 6,073 | (2,044) | 557,793 | 725,433 | 799,353 | (73,920) |
| Bond Issuance Costs | - | - | - | - | 5,000 | 5,000 | - | 5,000 |
| Total Expenditures | 65,672,058 | 69,119,648 | 61,351,954 | 7,767,694 | 52,604,277 | 56,603,539 | 55,310,962 | 1,292,577 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 6,372,289 | 6,601,562 | 9,236,572 | 2,635,010 | (18,484,470) | (22,148,357) | (20,042,796) | 2,105,561 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 5,756,324 | 5,824,324 | 7,566,645 | 1,742,321 | 25,742,084 | 25,742,084 | 34,214,018 | 8,471,934 |
| Transfers Out | (23,494,152) | (24,058,825) | (23,330,063) | 728,762 | (13,482,618) | (13,719,061) | (17,830,705) | (4,111,644) |
| Notes Issued | - | - | - | - | - | 4,820,000 | 4,820,000 | - |
| Refunded Bonds | - | - | - | - | - | (4,820,000) | (4,820,000) | - |
| Sale of Capital Assets | 8,000 | 8,000 | 63,353 | 55,353 | - | - | - | - |
| Total Other Financing Sources (Uses) | (17,729,828) | (18,226,501) | (15,700,065) | 2,526,436 | 12,259,466 | 12,023,023 | 16,383,313 | 4,360,290 |
| Net Change in Fund Balances | (11,357,539) | (11,624,939) | (6,463,493) | 5,161,446 | (6,225,004) | (10,125,334) | (3,659,483) | 6,465,851 |
| FUND BALANCES, January 1 | 42,777,710 | 42,777,710 | 42,777,710 | - | 61,745,756 | 61,745,756 | 61,745,756 | - |
| FUND BALANCES, December 31 | 31,420,171 | 31,152,771 | 36,314,217 | 5,161,446 | 55,520,752 | 51,620,422 | 58,086,273 | 6,465,851 |

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continued

City of Saint Paul, Minnesota
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR SPECIAL REVENUE, ALL DEBT SERVICE
 AND NONMAJOR PERMANENT FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Permanent | | | | Total | | | |
|---|------------------|--------|---------------|----------------------------|------------------|--------------|---------------|----------------------------|
| | Budgeted Amounts | | Actual Amount | Variance With Final Budget | Budgeted Amounts | | Actual Amount | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Property Taxes | | | | | | | | |
| Current Taxpayer | - | - | - | - | 8,110,292 | 8,110,292 | 8,110,974 | 682 |
| Current Tax Increment | - | - | - | - | 11,333,665 | 11,501,400 | 10,487,021 | (1,014,379) |
| Delinquent Taxpayer | - | - | - | - | 100,000 | 100,000 | 135,058 | 35,058 |
| Total Property Taxes | - | - | - | - | 19,543,957 | 19,711,692 | 18,733,053 | (978,639) |
| Gross Earnings Franchise Fees | - | - | - | - | 2,640,000 | 2,715,000 | 3,194,806 | 479,806 |
| Hotel-Motel Tax | - | - | - | - | 1,882,380 | 1,882,380 | 2,132,529 | 250,149 |
| Total Taxes | - | - | - | - | 24,066,337 | 24,309,072 | 24,060,388 | (248,684) |
| Licenses and Permits | - | - | - | - | 9,156,718 | 9,156,718 | 8,901,196 | (255,522) |
| Intergovernmental Revenue | - | - | - | - | 16,205,513 | 18,858,030 | 14,731,418 | (4,126,612) |
| Fees, Sales and Services | - | - | - | - | 25,143,047 | 25,699,497 | 25,408,603 | (290,894) |
| Assessments | - | - | - | - | 23,336,050 | 23,336,050 | 22,651,034 | (685,016) |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | 2,000 | 2,000 | 2,788 | 788 | 1,933,295 | 1,933,295 | 3,349,064 | 1,415,769 |
| Increase (Decrease) in Fair Value of Investments | - | - | 18 | 18 | - | - | (43,818) | (43,818) |
| Interest Earned - Other | - | - | - | - | - | 167,640 | 464,161 | 296,521 |
| Miscellaneous Revenue - Other | - | - | - | - | 6,325,194 | 6,718,090 | 6,337,452 | (380,638) |
| Total Revenues | 2,000 | 2,000 | 2,806 | 806 | 106,166,154 | 110,178,392 | 105,859,498 | (4,318,894) |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | 4,861,541 | 4,876,234 | 4,074,132 | 802,102 |
| Public Safety | - | - | - | - | 20,280,412 | 21,945,224 | 18,403,143 | 3,542,081 |
| Highways and Streets | - | - | - | - | 17,904,643 | 17,924,643 | 18,037,203 | (112,560) |
| Sanitation | - | - | - | - | 2,931,430 | 2,931,430 | 2,597,389 | 334,041 |
| Health | - | - | - | - | 4,095,050 | 4,095,050 | 3,707,070 | 387,980 |
| Culture and Recreation | 2,000 | 2,000 | 617 | 1,383 | 9,174,930 | 9,691,455 | 9,103,261 | 588,194 |
| Housing and Economic Development | - | - | - | - | - | 3,663,887 | 3,663,887 | - |
| Capital Outlay | - | - | - | - | 6,938,619 | 8,170,179 | 5,800,798 | 2,369,381 |
| Debt Service | | | | | | | | |
| Bond Principal | - | - | - | - | 28,919,857 | 29,030,857 | 28,538,857 | 492,000 |
| Other Debt Principal | - | - | - | - | 3,297,850 | 3,297,850 | 3,297,948 | (98) |
| Interest - Bonds | - | - | - | - | 19,307,181 | 19,363,916 | 18,634,419 | 729,497 |
| Interest - Other Debt | - | - | - | - | 561,822 | 729,462 | 805,426 | (75,964) |
| Bond Issuance Costs | - | - | - | - | 5,000 | 5,000 | - | 5,000 |
| Total Expenditures | 2,000 | 2,000 | 617 | 1,383 | 118,278,335 | 125,725,187 | 116,663,533 | 9,061,654 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 2,189 | 2,189 | (12,112,181) | (15,546,795) | (10,804,035) | 4,742,760 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | 31,498,408 | 31,566,408 | 41,780,663 | 10,214,255 |
| Transfers Out | - | - | - | - | (36,976,770) | (37,777,886) | (41,160,768) | (3,382,882) |
| Notes Issued | - | - | - | - | - | 4,820,000 | 4,820,000 | - |
| Refunded Bonds | - | - | - | - | - | (4,820,000) | (4,820,000) | - |
| Sale of Capital Assets | - | - | - | - | 8,000 | 8,000 | 63,353 | 55,353 |
| Total Other Financing Sources (Uses) | - | - | - | - | (5,470,362) | (6,203,478) | 683,248 | 6,886,726 |
| Net Change in Fund Balances | - | - | 2,189 | 2,189 | (17,582,543) | (21,750,273) | (10,120,787) | 11,629,486 |
| FUND BALANCES, January 1 | 62,599 | 62,599 | 62,599 | - | 104,586,065 | 104,586,065 | 104,586,065 | - |
| FUND BALANCES, December 31 | 62,599 | 62,599 | 64,788 | 2,189 | 87,003,522 | 82,835,792 | 94,465,278 | 11,629,486 |

City of Saint Paul, Minnesota
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2006

Schedule 6

| | Special Projects - General Government | Cable Communications | Charitable Gambling Enforcement | Utilities Rate Investigation Administration | Property Code Enforcement | License and Permit | Police Services - Pension Assets | Crime Laboratory | Parking Enforcement |
|--|--|-------------------------|---------------------------------------|--|---------------------------------|-----------------------|---|---------------------|------------------------|
| ASSETS | | | | | | | | | |
| Cash and Investments with Treasurer | 1,353,892 | 865,250 | 14,351 | 28,105 | 380,279 | 4,036,950 | 659,615 | 113,504 | - |
| Cash and Investments with Trustees | - | - | - | - | - | - | - | - | - |
| Imprest Funds | - | 100 | 1,000 | - | - | 3,300 | - | - | - |
| Receivables | | | | | | | | | |
| Accounts (net of allowance for estimated uncollectible) | 195 | 504,962 | - | - | - | 26,343 | - | - | - |
| Assessments | - | - | - | - | - | - | - | - | - |
| Notes and Loans | - | - | - | - | - | - | - | - | - |
| Accrued Interest | - | - | - | - | - | - | 51,941 | - | - |
| Due from Other Funds | 106,257 | 646 | - | - | 152,858 | 13,291 | - | - | 427,101 |
| Due from Component Units | 58,096 | - | - | - | - | - | - | - | - |
| Due from Other Governmental Units | 366,751 | 10,411 | - | - | - | - | - | 39,080 | - |
| Advance to Other Funds | - | - | - | - | - | - | - | - | - |
| Land Held for Resale | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | 1,885,191 | 1,381,369 | 15,351 | 28,105 | 533,137 | 4,079,884 | 711,556 | 152,584 | 427,101 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Interfund Payable for Pooled | | | | | | | | | |
| Cash and Investments Overdrafts | - | - | - | - | - | - | - | - | 354,156 |
| Accrued Salaries Payable | 35,855 | 21,077 | 7,085 | 1,640 | 12,795 | 348,292 | 7,220 | 2,517 | 43,775 |
| Accounts Payable | 304,788 | 23,810 | 450 | - | 65,490 | 99,399 | - | - | 14,009 |
| Contracts Payable | - | - | - | - | - | 76,000 | - | - | - |
| Due to Other Funds | 5,599 | 78,677 | 1,238 | 286 | 2,229 | 218,784 | 1,291 | 438 | 15,161 |
| Due to Other Governmental Units | - | - | - | - | - | - | - | - | - |
| Advance from Other Funds | - | - | - | - | - | - | - | - | - |
| Deferred Revenue | - | - | - | - | - | - | 21,662 | 28,645 | - |
| Unearned Revenue | - | - | - | - | - | - | - | - | - |
| Total Liabilities | 346,242 | 123,564 | 8,773 | 1,926 | 80,514 | 742,475 | 30,173 | 31,600 | 427,101 |
| Fund Balances | | | | | | | | | |
| Reserved for Encumbrances | - | 58,304 | 1,953 | - | 19,323 | 120,825 | - | - | - |
| Reserved for Imprest Funds | - | 100 | 1,000 | - | - | 3,300 | - | - | - |
| Reserved for Advance to Other Funds | - | - | - | - | - | - | - | - | - |
| Reserved for Long-Term Receivable | - | - | - | - | - | - | - | - | - |
| Unreserved | | | | | | | | | |
| Designated for Next Year's Appropriation | 267,411 | 563,245 | - | 1,070 | 128,912 | 479,108 | 91,302 | 522 | - |
| Undesignated | 1,271,538 | 636,156 | 3,625 | 25,109 | 304,388 | 2,734,176 | 590,081 | 120,462 | - |
| Total Fund Balances | 1,538,949 | 1,257,805 | 6,578 | 26,179 | 452,623 | 3,337,409 | 681,383 | 120,984 | - |
| TOTAL LIABILITIES AND FUND BALANCES | 1,885,191 | 1,381,369 | 15,351 | 28,105 | 533,137 | 4,079,884 | 711,556 | 152,584 | 427,101 |

continued

City of Saint Paul, Minnesota
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2006

Schedule 6

| | Special Projects Police | Police Officers Clothing | Fire Responsive Services | Fire Fighting Equipment | Fire Protection Clothing | Right of Way Maintenance | Parking Meter Collections | Lighting Maintenance Assessment Districts | Solid Waste and Recycling |
|--|-------------------------------|--------------------------------|--------------------------------|-------------------------------|--------------------------------|--------------------------------|------------------------------|--|---------------------------------|
| ASSETS | | | | | | | | | |
| Cash and Investments with Treasurer | 2,657,671 | 400,131 | - | 761,968 | - | 9,716,540 | 1,875,554 | 176,393 | 1,524,329 |
| Cash and Investments with Trustees | - | - | - | - | - | - | - | - | - |
| Imprest Funds | 36,000 | - | - | - | - | - | - | - | - |
| Receivables | | | | | | | | | |
| Accounts (net of allowance for estimated uncollectible) | 176,453 | - | 5,680 | 125,122 | 176 | 198,340 | 330,756 | - | - |
| Assessments | - | - | - | - | - | 10,507,488 | - | 99,987 | 2,378,123 |
| Notes and Loans | - | - | - | - | - | - | - | - | 709,934 |
| Accrued Interest | 16,022 | - | - | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | 237,161 | 110,499 | 583 | - | - |
| Due from Component Units | - | - | - | - | - | 2,246 | - | - | - |
| Due from Other Governmental Units | 1,172,565 | - | 998,654 | 100,420 | - | 691,585 | 2,966 | 1,848 | 40,362 |
| Advance to Other Funds | - | - | - | - | - | 650,800 | - | - | - |
| Land Held for Resale | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | 4,058,711 | 400,131 | 1,004,334 | 987,510 | 237,337 | 21,877,498 | 2,209,859 | 278,228 | 4,652,748 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Interfund Payable for Pooled | | | | | | | | | |
| Cash and Investments Overdrafts | - | - | 648,130 | - | 29,444 | - | - | - | - |
| Accrued Salaries Payable | 113,221 | - | - | - | - | 278,969 | 10,188 | - | 2,666 |
| Accounts Payable | 162,354 | 46,358 | 96,403 | - | 24,018 | 157,362 | 9,940 | - | 21,234 |
| Contracts Payable | - | - | - | - | - | - | - | - | - |
| Due to Other Funds | 64,642 | - | 19 | - | - | 1,642,505 | 2,180,606 | 754 | 150,465 |
| Due to Other Governmental Units | 24,335 | - | - | - | - | 335 | - | - | - |
| Advance from Other Funds | - | - | - | - | - | - | 8,886 | - | 300,000 |
| Deferred Revenue | 6,682 | - | - | 33,388 | - | 1,316,784 | 239 | - | 2,378,123 |
| Unearned Revenue | 623,261 | - | - | - | - | - | - | - | - |
| Total Liabilities | 994,495 | 46,358 | 744,552 | 33,388 | 53,462 | 3,395,955 | 2,209,859 | 754 | 2,852,488 |
| Fund Balances | | | | | | | | | |
| Reserved for Encumbrances | 60,951 | - | - | - | - | 431,217 | - | - | - |
| Reserved for Imprest Funds | 36,000 | - | - | - | - | - | - | - | - |
| Reserved for Advance to Other Funds | - | - | - | - | - | 650,800 | - | - | - |
| Reserved for Long-Term Receivable | - | - | - | - | - | - | - | - | 259,935 |
| Unreserved | | | | | | | | | |
| Designated for Next Year's Appropriation | 584,756 | - | - | 87,204 | - | 2,195,034 | - | 9,511 | 171,743 |
| Undesignated | 2,382,509 | 353,773 | 259,782 | 866,918 | 183,875 | 15,204,492 | - | 267,963 | 1,368,582 |
| Total Fund Balances | 3,064,216 | 353,773 | 259,782 | 954,122 | 183,875 | 18,481,543 | - | 277,474 | 1,800,260 |
| TOTAL LIABILITIES AND FUND BALANCES | 4,058,711 | 400,131 | 1,004,334 | 987,510 | 237,337 | 21,877,498 | 2,209,859 | 278,228 | 4,652,748 |

continued

City of Saint Paul, Minnesota
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2006

Schedule 6

| | Special Projects - Division of Health | Municipal Stadium | Forestry Special | Como Campus | Special Recreation Activities | Municipal Athletic Programming | Charitable Gambling | Debt - Capital Improvement | Parks and Recreation Opportunity |
|--|--|----------------------|---------------------|----------------|-------------------------------------|--------------------------------------|------------------------|----------------------------------|--|
| ASSETS | | | | | | | | | |
| Cash and Investments with Treasurer | - | 219,927 | - | 8,151 | 246,594 | - | 98,789 | 215,041 | 88,118 |
| Cash and Investments with Trustees | - | - | - | - | - | - | - | - | - |
| Imprest Funds | - | - | - | 150 | - | 150 | - | - | - |
| Receivables | | | | | | | | | |
| Accounts (net of allowance for estimated uncollectible) | - | - | - | 548,112 | 37,470 | - | - | - | 1,000 |
| Assessments | - | - | - | - | - | - | - | - | - |
| Notes and Loans | - | - | - | - | - | - | - | - | - |
| Accrued Interest | - | - | - | - | - | - | 1,107 | 2,572 | 350 |
| Due from Other Funds | - | - | 140,628 | - | - | - | - | - | - |
| Due from Component Units | - | - | - | - | - | - | - | - | - |
| Due from Other Governmental Units | 482,610 | - | - | 33,750 | - | - | - | - | - |
| Advance to Other Funds | - | - | - | - | - | - | - | - | - |
| Land Held for Resale | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | 482,610 | 219,927 | 140,628 | 590,163 | 284,064 | 150 | 99,896 | 217,613 | 89,468 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Interfund Payable for Pooled | | | | | | | | | |
| Cash and Investments Overdrafts | 237,465 | - | 95,415 | - | - | 70,468 | - | - | - |
| Accrued Salaries Payable | 163,311 | 8,154 | 69,490 | 92,446 | 25,894 | 6,834 | - | - | - |
| Accounts Payable | - | 1,065 | 15,222 | 45,523 | 46,053 | 3,349 | - | - | 7,587 |
| Contracts Payable | - | - | - | - | - | - | - | - | - |
| Due to Other Funds | 28,337 | 7,893 | 18,175 | 30,753 | 3,376 | 1,094 | - | - | - |
| Due to Other Governmental Units | - | - | - | 5,960 | 5,224 | - | - | - | - |
| Advance from Other Funds | - | - | - | - | - | - | - | - | - |
| Deferred Revenue | - | - | - | - | - | - | 461 | 1,073 | 146 |
| Unearned Revenue | - | - | - | - | - | - | - | - | - |
| Total Liabilities | 429,113 | 17,112 | 198,302 | 174,682 | 80,547 | 81,745 | 461 | 1,073 | 7,733 |
| Fund Balances | | | | | | | | | |
| Reserved for Encumbrances | - | - | - | 100 | 5,480 | - | - | - | - |
| Reserved for Imprest Funds | - | - | - | 150 | - | 150 | - | - | - |
| Reserved for Advance to Other Funds | - | - | - | - | - | - | - | - | - |
| Reserved for Long-Term Receivable | - | - | - | - | - | - | - | - | - |
| Unreserved | | | | | | | | | |
| Designated for Next Year's Appropriation | - | 18,291 | - | 19,523 | - | - | - | - | - |
| Undesignated | 53,497 | 184,524 | (57,674) | 395,708 | 198,037 | (81,745) | 99,435 | 216,540 | 81,735 |
| Total Fund Balances | 53,497 | 202,815 | (57,674) | 415,481 | 203,517 | (81,595) | 99,435 | 216,540 | 81,735 |
| TOTAL LIABILITIES AND FUND BALANCES | 482,610 | 219,927 | 140,628 | 590,163 | 284,064 | 150 | 99,896 | 217,613 | 89,468 |

continued

City of Saint Paul, Minnesota
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2006

| | Parks and Recreation Grants and Aids | Library Agency Revenues and Grants | Rella Havens Memorial Fund | Community Development Block Grant | State Grant Programs | HRA Federal and State Programs | Section 108 Programs | Total Nonmajor Special Revenue Funds |
|--|---|--|----------------------------------|---|----------------------------|---|-------------------------|---|
| ASSETS | | | | | | | | |
| Cash and Investments with Treasurer | 879,379 | - | 408,248 | - | 712,236 | 1,304,423 | - | 28,745,438 |
| Cash and Investments with Trustees | - | - | - | - | - | - | 146,709 | 146,709 |
| Imprest Funds | - | - | - | - | - | - | - | 40,700 |
| Receivables | | | | | | | | |
| Accounts (net of allowance for estimated uncollectible) | 3,874 | - | - | - | - | - | - | 1,958,483 |
| Assessments | - | - | - | - | - | - | - | 12,985,598 |
| Notes and Loans | - | - | - | 4,639,275 | 156,196 | 7,183,068 | - | 12,688,473 |
| Accrued Interest | - | - | 4,790 | 137,804 | 13,075 | 218,093 | 571 | 446,325 |
| Due from Other Funds | - | 1,052,440 | - | - | - | - | - | 2,241,464 |
| Due from Component Units | - | - | - | - | - | - | - | 60,342 |
| Due from Other Governmental Units | 68,816 | - | - | 1,476,371 | 63,444 | 79,898 | - | 5,629,531 |
| Advance to Other Funds | - | - | - | - | - | - | - | 650,800 |
| Land Held for Resale | - | - | - | 2,097,377 | 650,000 | - | - | 2,747,377 |
| TOTAL ASSETS | 952,069 | 1,052,440 | 413,038 | 8,350,827 | 1,594,951 | 8,785,482 | 147,280 | 68,341,240 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Interfund Payable for Pooled | | | | | | | | |
| Cash and Investments Overdrafts | - | - | - | 258,533 | - | - | 135,850 | 1,829,461 |
| Accrued Salaries Payable | 16,853 | - | - | - | - | - | - | 1,268,282 |
| Accounts Payable | 754 | - | - | 719,570 | 227,164 | 30,168 | - | 2,122,070 |
| Contracts Payable | - | - | - | - | - | - | - | 76,000 |
| Due to Other Funds | 14,431 | - | - | 498,268 | - | 21,110 | 11,430 | 4,997,561 |
| Due to Other Governmental Units | - | - | - | - | - | 105,000 | - | 140,854 |
| Advance from Other Funds | - | - | - | - | - | - | - | 308,886 |
| Deferred Revenue | - | - | 1,998 | - | 653,637 | - | - | 4,442,838 |
| Unearned Revenue | - | - | - | 6,874,456 | 160,550 | 8,629,204 | - | 16,287,471 |
| Total Liabilities | 32,038 | - | 1,998 | 8,350,827 | 1,041,351 | 8,785,482 | 147,280 | 31,473,423 |
| Fund Balances | | | | | | | | |
| Reserved for Encumbrances | 70,092 | - | - | - | 3,687 | - | - | 771,932 |
| Reserved for Imprest Funds | - | - | - | - | - | - | - | 40,700 |
| Reserved for Advance to Other Funds | - | - | - | - | - | - | - | 650,800 |
| Reserved for Long-Term Receivable | - | - | - | - | - | - | - | 259,935 |
| Unreserved | | | | | | | | |
| Designated for Next Year's Appropriation | 25,138 | 152,000 | 11,327 | - | - | - | - | 4,806,097 |
| Undesignated | 824,801 | 900,440 | 399,713 | - | 549,913 | - | - | 30,338,353 |
| Total Fund Balances | 920,031 | 1,052,440 | 411,040 | - | 553,600 | - | - | 36,867,817 |
| TOTAL LIABILITIES AND FUND BALANCES | 952,069 | 1,052,440 | 413,038 | 8,350,827 | 1,594,951 | 8,785,482 | 147,280 | 68,341,240 |

City of Saint Paul, Minnesota
**COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN
 FUND BALANCES**
NONMAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Special Projects - General Government | Cable Communications | Charitable Gambling Enforcement | Utilities Rate Investigation Administration | Property Code Enforcement | License and Permit | Police Services - Pension Assets | Crime Laboratory | Parking Enforcement |
|--|--|-------------------------|---------------------------------------|--|---------------------------------|-----------------------|---|---------------------|------------------------|
| REVENUES | | | | | | | | | |
| Taxes | | | | | | | | | |
| Gross Earnings Franchise Fees | - | 1,938,046 | - | - | - | - | - | - | - |
| Hotel-Motel Tax | 1,912,529 | - | - | - | - | - | - | - | - |
| Total Taxes | 1,912,529 | 1,938,046 | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | 171,308 | - | 4,400 | 8,527,054 | - | - | - |
| Intergovernmental Revenue | 249,731 | - | - | - | - | - | - | - | - |
| Fees, Sales and Services | 4,820,540 | 105,710 | - | 84,107 | 248,498 | 1,789,671 | - | 67,840 | - |
| Assessments | - | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | | |
| Interest Earned on Investments | 506,934 | - | - | - | - | - | 192,550 | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | 1,259 | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - | - |
| Miscellaneous Revenue | | | | | | | | | |
| Program Income | - | - | - | - | - | - | - | - | - |
| Other | 162,432 | 209,519 | - | - | - | 47,181 | - | 37,234 | - |
| Total Revenues | 7,652,166 | 2,253,275 | 171,308 | 84,107 | 252,898 | 10,363,906 | 193,809 | 105,074 | - |
| EXPENDITURES | | | | | | | | | |
| Current | | | | | | | | | |
| General Government | 2,654,208 | 694,368 | 238,686 | 36,847 | - | - | - | - | - |
| Public Safety | - | - | - | - | 723,253 | 9,528,272 | 366,440 | 73,108 | 1,293,655 |
| Highways and Streets | - | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - | - |
| Housing and Economic Development | - | - | - | - | - | - | - | - | - |
| Capital Outlay | - | 36,906 | - | - | - | 21,675 | - | 33,321 | - |
| Debt Service | | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - | 73,525 |
| Interest - Other Debt | - | - | - | - | - | - | - | - | 6,073 |
| Total Expenditures | 2,654,208 | 731,274 | 238,686 | 36,847 | 723,253 | 9,549,947 | 366,440 | 106,429 | 1,373,253 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,997,958 | 1,522,001 | (67,378) | 47,260 | (470,355) | 813,959 | (172,631) | (1,355) | (1,373,253) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | 106,257 | - | - | - | 445,989 | 79,292 | - | 31,000 | 1,377,933 |
| Transfers Out | (4,902,592) | (1,952,585) | (10,000) | (42,962) | - | (1,340,078) | (2,246) | - | (4,680) |
| Sale of Capital Assets | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (4,796,335) | (1,952,585) | (10,000) | (42,962) | 445,989 | (1,260,786) | (2,246) | 31,000 | 1,373,253 |
| Net Change in Fund Balances | 201,623 | (430,584) | (77,378) | 4,298 | (24,366) | (446,827) | (174,877) | 29,645 | - |
| FUND BALANCES, January 1 | 1,337,326 | 1,688,389 | 83,956 | 21,881 | 476,989 | 3,784,236 | 856,260 | 91,339 | - |
| FUND BALANCES, December 31 | 1,538,949 | 1,257,805 | 6,578 | 26,179 | 452,623 | 3,337,409 | 681,383 | 120,984 | - |

continued

City of Saint Paul, Minnesota
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN
 FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Special Projects Police | Police Officers Clothing | Fire Responsive Services | Fire Fighting Equipment | Fire Protection Clothing | Right of Way Maintenance | Parking Meter Collections | Lighting Maintenance Assessment Districts | Solid Waste and Recycling |
|--|-------------------------------|--------------------------------|--------------------------------|-------------------------------|--------------------------------|--------------------------------|------------------------------|--|---------------------------------|
| REVENUES | | | | | | | | | |
| Taxes | | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - | - |
| Licenses and Permits | 198,434 | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | 2,643,395 | - | 2,894,477 | - | - | 2,739,750 | 3,651,985 | - | 540,052 |
| Fees, Sales and Services | 2,127,480 | - | 11,882 | 524,187 | - | 1,638,913 | 1,899,669 | - | - |
| Assessments | - | - | - | - | - | 17,012,658 | - | 161,055 | 2,284,600 |
| Investment Income | | | | | | | | | |
| Interest Earned on Investments | 56,948 | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | (763) | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - | 45,051 |
| Miscellaneous Revenue | | | | | | | | | |
| Program Income | - | - | - | - | - | - | - | - | - |
| Other | 424,942 | - | 23,780 | 6,174 | - | 116,735 | - | - | - |
| Total Revenues | 5,450,436 | - | 2,930,139 | 530,361 | - | 21,508,056 | 5,551,654 | 161,055 | 2,869,703 |
| EXPENDITURES | | | | | | | | | |
| Current | | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - | - |
| Public Safety | 5,447,485 | 562,216 | 137,301 | 1,321 | 270,092 | - | - | - | - |
| Highways and Streets | - | - | - | - | - | 17,459,949 | 426,655 | 150,599 | - |
| Sanitation | - | - | - | - | - | - | - | - | 2,597,389 |
| Health | - | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - | - |
| Housing and Economic Development | - | - | - | - | - | - | - | - | - |
| Capital Outlay | 124,228 | - | 2,743,808 | 1,769,538 | - | 880,725 | - | - | - |
| Debt Service | | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - | - |
| Total Expenditures | 5,571,713 | 562,216 | 2,881,109 | 1,770,859 | 270,092 | 18,340,674 | 426,655 | 150,599 | 2,597,389 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (121,277) | (562,216) | 49,030 | (1,240,498) | (270,092) | 3,167,382 | 5,124,999 | 10,456 | 272,314 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | 199,482 | 564,219 | - | - | 237,161 | 25,251 | - | - | 7,191 |
| Transfers Out | (703,280) | - | - | (162,072) | - | (7,878,464) | (5,124,999) | - | (200,000) |
| Sale of Capital Assets | - | - | - | 63,353 | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (503,798) | 564,219 | - | (98,719) | 237,161 | (7,853,213) | (5,124,999) | - | (192,809) |
| Net Change in Fund Balances | (625,075) | 2,003 | 49,030 | (1,339,217) | (32,931) | (4,685,831) | - | 10,456 | 79,505 |
| FUND BALANCES, January 1 | 3,689,291 | 351,770 | 210,752 | 2,293,339 | 216,806 | 23,167,374 | - | 267,018 | 1,720,755 |
| FUND BALANCES, December 31 | 3,064,216 | 353,773 | 259,782 | 954,122 | 183,875 | 18,481,543 | - | 277,474 | 1,800,260 |

continued

City of Saint Paul, Minnesota
**COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN
 FUND BALANCES**
NONMAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Special Projects - Division of Health | Municipal Stadium | Forestry Special | Como Campus | Special Recreation Activities | Municipal Athletic Programming | Charitable Gambling | Debt - Capital Improvement | Parks and Recreation Opportunity |
|--|--|----------------------|---------------------|------------------|-------------------------------------|--------------------------------------|------------------------|----------------------------------|--|
| REVENUES | | | | | | | | | |
| Taxes | | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | 135,000 | - | - | - | - | - |
| Fees, Sales and Services | 3,707,070 | 370,971 | - | 1,003,688 | 1,714,272 | 434,351 | 18,650 | 2,980 | 2,576 |
| Assessments | - | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | - | - | 3,590 | 9,663 | 1,269 |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | 27 | 62 | 8 |
| Interest Earned - Other | - | - | - | - | - | - | - | - | - |
| Miscellaneous Revenue | | | | | | | | | |
| Program Income | - | - | - | - | - | - | - | - | - |
| Other | - | 49 | 2,090 | 1,513,099 | 56,961 | 1,030 | - | - | 47,526 |
| Total Revenues | 3,707,070 | 371,020 | 2,090 | 2,651,787 | 1,771,233 | 435,381 | 22,267 | 12,705 | 51,379 |
| EXPENDITURES | | | | | | | | | |
| Current | | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - | - |
| Highways and Streets | - | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - | - |
| Health | 3,707,070 | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | 447,044 | 2,260,915 | 2,913,262 | 1,720,215 | 492,673 | - | - | 53,170 |
| Housing and Economic Development | - | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | 20,270 | 97,054 | 6,930 | - | - | 31,696 | - |
| Debt Service | | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - | - |
| Total Expenditures | 3,707,070 | 447,044 | 2,281,185 | 3,010,316 | 1,727,145 | 492,673 | - | 31,696 | 53,170 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (76,024) | (2,279,095) | (358,529) | 44,088 | (57,292) | 22,267 | (18,991) | (1,791) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers In | - | 73,261 | 2,487,715 | 407,489 | - | - | - | - | 10,500 |
| Transfers Out | - | - | (4,204) | (106,832) | (79,095) | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | 73,261 | 2,483,511 | 300,657 | (79,095) | - | - | - | 10,500 |
| Net Change in Fund Balances | - | (2,763) | 204,416 | (57,872) | (35,007) | (57,292) | 22,267 | (18,991) | 8,709 |
| FUND BALANCES, January 1 | 53,497 | 205,578 | (262,090) | 473,353 | 238,524 | (24,303) | 77,168 | 235,531 | 73,026 |
| FUND BALANCES, December 31 | 53,497 | 202,815 | (57,674) | 415,481 | 203,517 | (81,595) | 99,435 | 216,540 | 81,735 |

continued

City of Saint Paul, Minnesota
**COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN
 FUND BALANCES**
NONMAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Parks and Recreation Grants and Aids | Library Agency Revenues and Grants | Rella Havens Memorial Fund | Community Development Block Grant | State Grant Programs | HRA Federal and State Programs | Section 108 Programs | Total Nonmajor Special Revenue Funds |
|--|---|--|----------------------------------|---|----------------------------|---|-------------------------|---|
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | 1,938,046 |
| Hotel-Motel Tax | - | - | - | - | - | - | - | 1,912,529 |
| Total Taxes | - | - | - | - | - | - | - | 3,850,575 |
| Licenses and Permits | - | - | - | - | - | - | - | 8,901,196 |
| Intergovernmental Revenue | 1,292,818 | - | - | 7,474,877 | 2,586,955 | 1,760,165 | 419,110 | 26,388,315 |
| Fees, Sales and Services | 42,076 | - | - | - | - | 27,054 | - | 20,642,185 |
| Assessments | - | - | - | - | - | - | - | 19,458,313 |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | 17,364 | - | 33,635 | - | 11,430 | 833,383 |
| Increase (Decrease) in Fair Value of Investments | - | - | 116 | - | 212 | - | - | 921 |
| Interest Earned - Other | - | - | - | - | - | 13,412 | - | 58,463 |
| Miscellaneous Revenue | - | - | - | - | - | - | - | - |
| Program Income | - | - | - | 3,058,556 | - | 124,504 | - | 3,183,060 |
| Other | 133,273 | - | - | - | - | - | - | 2,782,025 |
| Total Revenues | 1,468,167 | - | 17,480 | 10,533,433 | 2,620,802 | 1,925,135 | 430,540 | 86,098,436 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | 3,624,109 |
| Public Safety | - | - | - | - | - | - | - | 18,403,143 |
| Highways and Streets | - | - | - | - | - | - | - | 18,037,203 |
| Sanitation | - | - | - | - | - | - | - | 2,597,389 |
| Health | - | - | - | - | - | - | - | 3,707,070 |
| Culture and Recreation | 1,215,349 | - | 16 | - | - | - | - | 9,102,644 |
| Housing and Economic Development | - | - | - | 10,331,197 | 2,593,269 | 2,007,478 | 419,110 | 15,351,054 |
| Capital Outlay | 34,647 | - | - | - | - | - | - | 5,800,798 |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | 73,525 |
| Interest - Other Debt | - | - | - | - | - | - | - | 6,073 |
| Total Expenditures | 1,249,996 | - | 16 | 10,331,197 | 2,593,269 | 2,007,478 | 419,110 | 76,703,008 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 218,171 | - | 17,464 | 202,236 | 27,533 | (82,343) | 11,430 | 9,395,428 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 461,465 | 1,052,440 | - | 529,985 | - | 82,343 | - | 8,178,973 |
| Transfers Out | (815,974) | - | - | (732,221) | - | - | (11,430) | (24,073,714) |
| Sale of Capital Assets | - | - | - | - | - | - | - | 63,353 |
| Total Other Financing Sources (Uses) | (354,509) | 1,052,440 | - | (202,236) | - | 82,343 | (11,430) | (15,831,388) |
| Net Change in Fund Balances | (136,338) | 1,052,440 | 17,464 | - | 27,533 | - | - | (6,435,960) |
| FUND BALANCES, January 1 | 1,056,369 | - | 393,576 | - | 526,067 | - | - | 43,303,777 |
| FUND BALANCES, December 31 | 920,031 | 1,052,440 | 411,040 | - | 553,600 | - | - | 36,867,817 |

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
NONMAJOR SPECIAL REVENUE FUNDS**
For the Fiscal Year Ended December 31, 2006

| | Special Projects - General Government | | | | Cable Communications | | | |
|--|---------------------------------------|--------------------|--------------------|-------------------------------|----------------------|--------------------|--------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | 1,760,000 | 1,835,000 | 1,938,046 | 103,046 |
| Hotel-Motel Tax | 1,662,380 | 1,662,380 | 1,912,529 | 250,149 | - | - | - | - |
| Total Taxes | 1,662,380 | 1,662,380 | 1,912,529 | 250,149 | 1,760,000 | 1,835,000 | 1,938,046 | 103,046 |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | 432,106 | 432,106 | 249,731 | (182,375) | - | - | - | - |
| Fees, Sales and Services | 4,808,091 | 4,808,091 | 4,820,540 | 12,449 | 112,428 | 112,428 | 105,710 | (6,718) |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | 480,000 | 480,000 | 506,934 | 26,934 | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | 279,427 | 354,427 | 162,432 | (191,995) | 186,670 | 186,670 | 209,519 | 22,849 |
| Total Revenues | 7,662,004 | 7,737,004 | 7,652,166 | (84,838) | 2,059,098 | 2,134,098 | 2,253,275 | 119,177 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | 2,889,344 | 2,991,832 | 2,654,208 | 337,624 | 1,030,583 | 942,788 | 694,368 | 248,420 |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | 80,906 | 80,906 | 36,906 | 44,000 |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 2,889,344 | 2,991,832 | 2,654,208 | 337,624 | 1,111,489 | 1,023,694 | 731,274 | 292,420 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,772,660 | 4,745,172 | 4,997,958 | 252,786 | 947,609 | 1,110,404 | 1,522,001 | 411,597 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 16,616 | 16,616 | 106,257 | 89,641 | - | - | - | - |
| Transfers Out | (4,930,080) | (4,902,592) | (4,902,592) | - | (1,790,442) | (1,953,237) | (1,952,585) | 652 |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (4,913,464) | (4,885,976) | (4,796,335) | 89,641 | (1,790,442) | (1,953,237) | (1,952,585) | 652 |
| Net Change in Fund Balances | (140,804) | (140,804) | 201,623 | 342,427 | (842,833) | (842,833) | (430,584) | 412,249 |
| FUND BALANCES, January 1 | 1,337,326 | 1,337,326 | 1,337,326 | - | 1,688,389 | 1,688,389 | 1,688,389 | - |
| FUND BALANCES, December 31 | 1,196,522 | 1,196,522 | 1,538,949 | 342,427 | 845,556 | 845,556 | 1,257,805 | 412,249 |

continued

City of Saint Paul, Minnesota
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES
 BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Charitable Gambling Enforcement | | | | Utilities Rate Investigation Administration | | | |
|---|---------------------------------|-----------------|-----------------|----------------------------|---|-----------------|-----------------|----------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | 230,000 | 230,000 | 171,308 | (58,692) | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | - | - | - | - |
| Fees, Sales and Services | - | - | - | - | 74,945 | 74,945 | 84,107 | 9,162 |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | - | - | - | - | - | - | - | - |
| Total Revenues | 230,000 | 230,000 | 171,308 | (58,692) | 74,945 | 74,945 | 84,107 | 9,162 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | 297,911 | 297,911 | 238,686 | 59,225 | 51,537 | 51,537 | 36,847 | 14,690 |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 297,911 | 297,911 | 238,686 | 59,225 | 51,537 | 51,537 | 36,847 | 14,690 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (67,911) | (67,911) | (67,378) | 533 | 23,408 | 23,408 | 47,260 | 23,852 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - |
| Transfers Out | (10,000) | (10,000) | (10,000) | - | (42,962) | (42,962) | (42,962) | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (10,000) | (10,000) | (10,000) | - | (42,962) | (42,962) | (42,962) | - |
| Net Change in Fund Balances | (77,911) | (77,911) | (77,378) | 533 | (19,554) | (19,554) | 4,298 | 23,852 |
| FUND BALANCES, January 1 | 83,956 | 83,956 | 83,956 | - | 21,881 | 21,881 | 21,881 | - |
| FUND BALANCES, December 31 | 6,045 | 6,045 | 6,578 | 533 | 2,327 | 2,327 | 26,179 | 23,852 |

continued

City of Saint Paul, Minnesota
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES
 BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Property Code Enforcement | | | | License and Permit | | | |
|---|---------------------------|-----------------|-----------------|----------------------------|--------------------|--------------------|--------------------|----------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | 4,300 | 4,300 | 4,400 | 100 | 8,643,146 | 8,643,146 | 8,527,054 | (116,092) |
| Intergovernmental Revenue | - | - | - | - | - | - | - | - |
| Fees, Sales and Services | 349,804 | 349,804 | 248,498 | (101,306) | 1,652,000 | 1,652,000 | 1,789,671 | 137,671 |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | 200,000 | 200,000 | - | (200,000) | 26,000 | 26,625 | 47,181 | 20,556 |
| Total Revenues | 554,104 | 554,104 | 252,898 | (301,206) | 10,321,146 | 10,321,771 | 10,363,906 | 42,135 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | 825,853 | 873,853 | 723,253 | 150,600 | 10,401,889 | 10,178,248 | 9,528,272 | 649,976 |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | 10,353 | 21,753 | 21,675 | 78 |
| Debt Service | - | - | - | - | - | - | - | - |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 825,853 | 873,853 | 723,253 | 150,600 | 10,412,242 | 10,200,001 | 9,549,947 | 650,054 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (271,749) | (319,749) | (470,355) | (150,606) | (91,096) | 121,770 | 813,959 | 692,189 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 200,000 | 248,000 | 445,989 | 197,989 | 103,825 | 103,825 | 79,292 | (24,533) |
| Transfers Out | (3,010) | (3,010) | - | 3,010 | (1,150,697) | (1,363,563) | (1,340,078) | 23,485 |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 196,990 | 244,990 | 445,989 | 200,999 | (1,046,872) | (1,259,738) | (1,260,786) | (1,048) |
| Net Change in Fund Balances | (74,759) | (74,759) | (24,366) | 50,393 | (1,137,968) | (1,137,968) | (446,827) | 691,141 |
| FUND BALANCES, January 1 | 476,989 | 476,989 | 476,989 | - | 3,784,236 | 3,784,236 | 3,784,236 | - |
| FUND BALANCES, December 31 | 402,230 | 402,230 | 452,623 | 50,393 | 2,646,268 | 2,646,268 | 3,337,409 | 691,141 |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR SPECIAL REVENUE FUNDS**
 For the Fiscal Year Ended December 31, 2006

| | Police Services - Pension Assets | | | | Crime Laboratory | | | |
|--|----------------------------------|------------------|-------------------|-------------------------------|------------------|-----------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | - | - | - | - |
| Fees, Sales and Services | - | - | - | - | 25,000 | 39,000 | 67,840 | 28,840 |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | 80,000 | 80,000 | 192,550 | 112,550 | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | 1,259 | 1,259 | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | - | - | - | - | - | - | 37,234 | 37,234 |
| Total Revenues | 80,000 | 80,000 | 193,809 | 113,809 | 25,000 | 39,000 | 105,074 | 66,074 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | 372,925 | 372,925 | 366,440 | 6,485 | 55,436 | 69,436 | 73,108 | (3,672) |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | 50,000 | 33,321 | 16,679 |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 372,925 | 372,925 | 366,440 | 6,485 | 55,436 | 119,436 | 106,429 | 13,007 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (292,925) | (292,925) | (172,631) | 120,294 | (30,436) | (80,436) | (1,355) | 79,081 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | 31,000 | 31,000 | 31,000 | - |
| Transfers Out | (2,246) | (2,246) | (2,246) | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (2,246) | (2,246) | (2,246) | - | 31,000 | 31,000 | 31,000 | - |
| Net Change in Fund Balances | (295,171) | (295,171) | (174,877) | 120,294 | 564 | (49,436) | 29,645 | 79,081 |
| FUND BALANCES, January 1 | 856,260 | 856,260 | 856,260 | - | 91,339 | 91,339 | 91,339 | - |
| FUND BALANCES, December 31 | 561,089 | 561,089 | 681,383 | 120,294 | 91,903 | 41,903 | 120,984 | 79,081 |

continued

City of Saint Paul, Minnesota
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES
 BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Parking Enforcement | | | | Special Projects Police | | | |
|---|---------------------|-------------|----------------|----------------------------|-------------------------|-------------|----------------|----------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | 279,272 | 279,272 | 198,434 | (80,838) |
| Intergovernmental Revenue | - | - | - | - | 3,346,657 | 4,168,018 | 2,643,395 | (1,524,623) |
| Fees, Sales and Services | - | - | - | - | 2,304,756 | 2,461,356 | 2,127,480 | (333,876) |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | 30,000 | 30,000 | 56,948 | 26,948 |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | (763) | (763) |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | - | - | - | - | 241,978 | 478,670 | 424,942 | (53,728) |
| Total Revenues | - | - | - | - | 6,202,663 | 7,417,316 | 5,450,436 | (1,966,880) |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | 1,343,359 | 1,343,359 | 1,293,655 | 49,704 | 6,440,024 | 7,566,477 | 5,447,485 | 2,118,992 |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - |
| Capital Outlay | 31,708 | 31,708 | - | 31,708 | 408,310 | 418,310 | 124,228 | 294,082 |
| Debt Service | | | | | | | | |
| Other Debt Principal | 75,570 | 75,570 | 73,525 | 2,045 | - | - | - | - |
| Interest - Other Debt | 4,029 | 4,029 | 6,073 | (2,044) | - | - | - | - |
| Total Expenditures | 1,454,666 | 1,454,666 | 1,373,253 | 81,413 | 6,848,334 | 7,984,787 | 5,571,713 | 2,413,074 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,454,666) | (1,454,666) | (1,373,253) | 81,413 | (645,671) | (567,471) | (121,277) | 446,194 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 1,459,346 | 1,459,346 | 1,377,933 | (81,413) | 199,481 | 199,481 | 199,482 | 1 |
| Transfers Out | (4,680) | (4,680) | (4,680) | - | (747,055) | (853,555) | (703,280) | 150,275 |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 1,454,666 | 1,454,666 | 1,373,253 | (81,413) | (547,574) | (654,074) | (503,798) | 150,276 |
| Net Change in Fund Balances | - | - | - | - | (1,193,245) | (1,221,545) | (625,075) | 596,470 |
| FUND BALANCES, January 1 | - | - | - | - | 3,689,291 | 3,689,291 | 3,689,291 | - |
| FUND BALANCES, December 31 | - | - | - | - | 2,496,046 | 2,467,746 | 3,064,216 | 596,470 |

continued

City of Saint Paul, Minnesota
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES
 BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Police Officers Clothing | | | | Fire Responsive Services | | | |
|---|--------------------------|-----------|----------------|----------------------------|--------------------------|-----------|----------------|----------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | 3,122,690 | 4,865,690 | 2,894,477 | (1,971,213) |
| Fees, Sales and Services | - | - | - | - | 1,500 | 1,500 | 11,882 | 10,382 |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | - | - | - | - | 43,200 | 43,200 | 23,780 | (19,420) |
| Total Revenues | - | - | - | - | 3,167,390 | 4,910,390 | 2,930,139 | (1,980,251) |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | 562,622 | 562,622 | 562,216 | 406 | 44,700 | 744,700 | 137,301 | 607,399 |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | 3,122,690 | 4,165,690 | 2,743,808 | 1,421,882 |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 562,622 | 562,622 | 562,216 | 406 | 3,167,390 | 4,910,390 | 2,881,109 | 2,029,281 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (562,622) | (562,622) | (562,216) | 406 | - | - | 49,030 | 49,030 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 562,622 | 562,622 | 564,219 | 1,597 | - | - | - | - |
| Transfers Out | - | - | - | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 562,622 | 562,622 | 564,219 | 1,597 | - | - | - | - |
| Net Change in Fund Balances | - | - | 2,003 | 2,003 | - | - | 49,030 | 49,030 |
| FUND BALANCES, January 1 | 351,770 | 351,770 | 351,770 | - | 210,752 | 210,752 | 210,752 | - |
| FUND BALANCES, December 31 | 351,770 | 351,770 | 353,773 | 2,003 | 210,752 | 210,752 | 259,782 | 49,030 |

continued

City of Saint Paul, Minnesota
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES
 BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Fire Fighting Equipment | | | | Fire Protection Clothing | | | |
|---|-------------------------|--------------------|--------------------|----------------------------|--------------------------|----------------|-----------------|----------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | - | - | - | - |
| Fees, Sales and Services | 501,841 | 501,841 | 524,187 | 22,346 | - | - | - | - |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | - | - | 6,174 | 6,174 | - | - | - | - |
| Total Revenues | 501,841 | 501,841 | 530,361 | 28,520 | - | - | - | - |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | 1,321 | 1,321 | 1,321 | - | 232,283 | 232,283 | 270,092 | (37,809) |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - |
| Capital Outlay | 1,877,555 | 1,877,555 | 1,769,538 | 108,017 | - | - | - | - |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 1,878,876 | 1,878,876 | 1,770,859 | 108,017 | 232,283 | 232,283 | 270,092 | (37,809) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,377,035) | (1,377,035) | (1,240,498) | 136,537 | (232,283) | (232,283) | (270,092) | (37,809) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | 232,283 | 232,283 | 237,161 | 4,878 |
| Transfers Out | (162,072) | (162,072) | (162,072) | - | - | - | - | - |
| Sale of Capital Assets | 8,000 | 8,000 | 63,353 | 55,353 | - | - | - | - |
| Total Other Financing Sources (Uses) | (154,072) | (154,072) | (98,719) | 55,353 | 232,283 | 232,283 | 237,161 | 4,878 |
| Net Change in Fund Balances | (1,531,107) | (1,531,107) | (1,339,217) | 191,890 | - | - | (32,931) | (32,931) |
| FUND BALANCES, January 1 | 2,293,339 | 2,293,339 | 2,293,339 | - | 216,806 | 216,806 | 216,806 | - |
| FUND BALANCES, December 31 | 762,232 | 762,232 | 954,122 | 191,890 | 216,806 | 216,806 | 183,875 | (32,931) |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR SPECIAL REVENUE FUNDS**
 For the Fiscal Year Ended December 31, 2006

| | Right of Way Maintenance | | | | Parking Meter Collections | | | |
|--|--------------------------|--------------------|--------------------|-------------------------------|---------------------------|--------------------|--------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | 2,403,870 | 2,403,870 | 2,739,750 | 335,880 | 4,000,000 | 4,000,000 | 3,651,985 | (348,015) |
| Fees, Sales and Services | 1,096,000 | 1,096,000 | 1,638,913 | 542,913 | 2,307,700 | 2,307,700 | 1,899,669 | (408,031) |
| Assessments | 17,016,878 | 17,016,878 | 17,012,658 | (4,220) | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | - | - | 116,735 | 116,735 | - | - | - | - |
| Total Revenues | 20,516,748 | 20,516,748 | 21,508,056 | 991,308 | 6,307,700 | 6,307,700 | 5,551,654 | (756,046) |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | 17,286,345 | 17,306,345 | 17,459,949 | (153,604) | 479,203 | 479,203 | 426,655 | 52,548 |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - |
| Capital Outlay | 1,119,410 | 1,119,410 | 880,725 | 238,685 | 40,800 | 40,800 | - | 40,800 |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 18,405,755 | 18,425,755 | 18,340,674 | 85,081 | 520,003 | 520,003 | 426,655 | 93,348 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,110,993 | 2,090,993 | 3,167,382 | 1,076,389 | 5,787,697 | 5,787,697 | 5,124,999 | (662,698) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | 20,000 | 25,251 | 5,251 | - | - | - | - |
| Transfers Out | (7,772,580) | (7,772,580) | (7,878,464) | (105,884) | (5,786,427) | (5,786,427) | (5,124,999) | 661,428 |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (7,772,580) | (7,752,580) | (7,853,213) | (100,633) | (5,786,427) | (5,786,427) | (5,124,999) | 661,428 |
| Net Change in Fund Balances | (5,661,587) | (5,661,587) | (4,685,831) | 975,756 | 1,270 | 1,270 | - | (1,270) |
| FUND BALANCES, January 1 | 23,167,374 | 23,167,374 | 23,167,374 | - | - | - | - | - |
| FUND BALANCES, December 31 | 17,505,787 | 17,505,787 | 18,481,543 | 975,756 | 1,270 | 1,270 | - | (1,270) |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
NONMAJOR SPECIAL REVENUE FUNDS**
For the Fiscal Year Ended December 31, 2006

| | Lighting Maintenance Assessment Districts | | | | Solid Waste and Recycling | | | |
|--|---|----------------|-------------------|-------------------------------|---------------------------|------------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | 539,549 | 539,549 | 540,052 | 503 |
| Fees, Sales and Services | - | - | - | - | - | - | - | - |
| Assessments | 129,584 | 129,584 | 161,055 | 31,471 | 2,525,100 | 2,525,100 | 2,284,600 | (240,500) |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | 45,051 | 45,051 |
| Miscellaneous - Other | - | - | - | - | - | - | - | - |
| Total Revenues | 129,584 | 129,584 | 161,055 | 31,471 | 3,064,649 | 3,064,649 | 2,869,703 | (194,946) |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | 139,095 | 139,095 | 150,599 | (11,504) | - | - | - | - |
| Sanitation | - | - | - | - | 2,931,430 | 2,931,430 | 2,597,389 | 334,041 |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - | - | - |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 139,095 | 139,095 | 150,599 | (11,504) | 2,931,430 | 2,931,430 | 2,597,389 | 334,041 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (9,511) | (9,511) | 10,456 | 19,967 | 133,219 | 133,219 | 272,314 | 139,095 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | 7,191 | 7,191 | 7,191 | - |
| Transfers Out | - | - | - | - | (200,000) | (200,000) | (200,000) | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | (192,809) | (192,809) | (192,809) | - |
| Net Change in Fund Balances | (9,511) | (9,511) | 10,456 | 19,967 | (59,590) | (59,590) | 79,505 | 139,095 |
| FUND BALANCES, January 1 | 267,018 | 267,018 | 267,018 | - | 1,720,755 | 1,720,755 | 1,720,755 | - |
| FUND BALANCES, December 31 | 257,507 | 257,507 | 277,474 | 19,967 | 1,661,165 | 1,661,165 | 1,800,260 | 139,095 |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
NONMAJOR SPECIAL REVENUE FUNDS**
For the Fiscal Year Ended December 31, 2006

| | Special Projects - Division of Health | | | | Municipal Stadium | | | |
|--|---------------------------------------|------------------|-------------------|-------------------------------|-------------------|----------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | - | - | - | - |
| Fees, Sales and Services | 4,095,050 | 4,095,050 | 3,707,070 | (387,980) | 360,000 | 360,000 | 370,971 | 10,971 |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | - | - | - | - | - | - | 49 | 49 |
| Total Revenues | 4,095,050 | 4,095,050 | 3,707,070 | (387,980) | 360,000 | 360,000 | 371,020 | 11,020 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | 4,095,050 | 4,095,050 | 3,707,070 | 387,980 | - | - | - | - |
| Culture and Recreation | - | - | - | - | 399,303 | 399,303 | 447,044 | (47,741) |
| Capital Outlay | - | - | - | - | 22,249 | 22,249 | - | 22,249 |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 4,095,050 | 4,095,050 | 3,707,070 | 387,980 | 421,552 | 421,552 | 447,044 | (25,492) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | (61,552) | (61,552) | (76,024) | (14,472) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | 73,261 | 73,261 | 73,261 | - |
| Transfers Out | - | - | - | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | 73,261 | 73,261 | 73,261 | - |
| Net Change in Fund Balances | - | - | - | - | 11,709 | 11,709 | (2,763) | (14,472) |
| FUND BALANCES, January 1 | 53,497 | 53,497 | 53,497 | - | 205,578 | 205,578 | 205,578 | - |
| FUND BALANCES, December 31 | 53,497 | 53,497 | 53,497 | - | 217,287 | 217,287 | 202,815 | (14,472) |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
NONMAJOR SPECIAL REVENUE FUNDS**
For the Fiscal Year Ended December 31, 2006

| | Forestry Special | | | | Como Campus | | | |
|--|------------------|------------------|-------------------|-------------------------------|------------------|------------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | 315,000 | 315,000 | 135,000 | (180,000) |
| Fees, Sales and Services | - | - | - | - | 761,503 | 761,503 | 1,003,688 | 242,185 |
| Assessments | 400,000 | 400,000 | - | (400,000) | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | - | - | 2,090 | 2,090 | 1,487,255 | 1,487,255 | 1,513,099 | 25,844 |
| Total Revenues | 400,000 | 400,000 | 2,090 | (397,910) | 2,563,758 | 2,563,758 | 2,651,787 | 88,029 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | 2,619,482 | 2,619,482 | 2,260,915 | 358,567 | 2,850,753 | 2,860,753 | 2,913,262 | (52,509) |
| Capital Outlay | 20,270 | 20,270 | 20,270 | - | 49,386 | 114,386 | 97,054 | 17,332 |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 2,639,752 | 2,639,752 | 2,281,185 | 358,567 | 2,900,139 | 2,975,139 | 3,010,316 | (35,177) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,239,752) | (2,239,752) | (2,279,095) | (39,343) | (336,381) | (411,381) | (358,529) | 52,852 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 2,024,595 | 2,024,595 | 2,487,715 | 463,120 | 407,489 | 407,489 | 407,489 | - |
| Transfers Out | - | - | (4,204) | (4,204) | (106,832) | (106,832) | (106,832) | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 2,024,595 | 2,024,595 | 2,483,511 | 458,916 | 300,657 | 300,657 | 300,657 | - |
| Net Change in Fund Balances | (215,157) | (215,157) | 204,416 | 419,573 | (35,724) | (110,724) | (57,872) | 52,852 |
| FUND BALANCES, January 1 | (262,090) | (262,090) | (262,090) | - | 473,353 | 473,353 | 473,353 | - |
| FUND BALANCES, December 31 | (477,247) | (477,247) | (57,674) | 419,573 | 437,629 | 362,629 | 415,481 | 52,852 |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
NONMAJOR SPECIAL REVENUE FUNDS**
For the Fiscal Year Ended December 31, 2006

| | Special Recreation Activities | | | | Municipal Athletic Programming | | | |
|--|-------------------------------|------------------|-------------------|-------------------------------|--------------------------------|-----------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | - | - | - | - |
| Fees, Sales and Services | 1,734,749 | 2,097,749 | 1,714,272 | (383,477) | 453,500 | 453,500 | 434,351 | (19,149) |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | 6,000 | 14,000 | 56,961 | 42,961 | - | - | 1,030 | 1,030 |
| Total Revenues | 1,740,749 | 2,111,749 | 1,771,233 | (340,516) | 453,500 | 453,500 | 435,381 | (18,119) |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | 1,618,278 | 2,016,378 | 1,720,215 | 296,163 | 452,159 | 452,159 | 492,673 | (40,514) |
| Capital Outlay | - | - | 6,930 | (6,930) | - | - | - | - |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 1,618,278 | 2,016,378 | 1,727,145 | 289,233 | 452,159 | 452,159 | 492,673 | (40,514) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 122,471 | 95,371 | 44,088 | (51,283) | 1,341 | 1,341 | (57,292) | (58,633) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - |
| Transfers Out | (79,095) | (79,095) | (79,095) | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (79,095) | (79,095) | (79,095) | - | - | - | - | - |
| Net Change in Fund Balances | 43,376 | 16,276 | (35,007) | (51,283) | 1,341 | 1,341 | (57,292) | (58,633) |
| FUND BALANCES, January 1 | 238,524 | 238,524 | 238,524 | - | (24,303) | (24,303) | (24,303) | - |
| FUND BALANCES, December 31 | 281,900 | 254,800 | 203,517 | (51,283) | (22,962) | (22,962) | (81,595) | (58,633) |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
NONMAJOR SPECIAL REVENUE FUNDS**
For the Fiscal Year Ended December 31, 2006

| | Charitable Gambling | | | | Debt - Capital Improvement | | | |
|--|---------------------|---------------|-------------------|-------------------------------|----------------------------|-----------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | - | - | - | - |
| Fees, Sales and Services | 15,000 | 15,000 | 18,650 | 3,650 | - | - | 2,980 | 2,980 |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | 3,590 | 3,590 | - | - | 9,663 | 9,663 |
| Increase (Decrease) in Fair Value of Investments | - | - | 27 | 27 | - | - | 62 | 62 |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | - | - | - | - | - | - | - | - |
| Total Revenues | 15,000 | 15,000 | 22,267 | 7,267 | - | - | 12,705 | 12,705 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | 15,000 | 15,000 | - | 15,000 | - | - | - | - |
| Capital Outlay | - | - | - | - | - | 32,000 | 31,696 | 304 |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 15,000 | 15,000 | - | 15,000 | - | 32,000 | 31,696 | 304 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 22,267 | 22,267 | - | (32,000) | (18,991) | 13,009 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | - | - | - | - |
| Net Change in Fund Balances | - | - | 22,267 | 22,267 | - | (32,000) | (18,991) | 13,009 |
| FUND BALANCES, January 1 | 77,168 | 77,168 | 77,168 | - | 235,531 | 235,531 | 235,531 | - |
| FUND BALANCES, December 31 | 77,168 | 77,168 | 99,435 | 22,267 | 235,531 | 203,531 | 216,540 | 13,009 |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
NONMAJOR SPECIAL REVENUE FUNDS**
For the Fiscal Year Ended December 31, 2006

| | Parks and Recreation Opportunity | | | | Parks and Recreation Grant and Aids | | | |
|--|----------------------------------|---------------|-------------------|-------------------------------|-------------------------------------|------------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | 1,324,355 | 1,412,511 | 1,292,818 | (119,693) |
| Fees, Sales and Services | 5,000 | 5,000 | 2,576 | (2,424) | 6,252 | 29,102 | 42,076 | 12,974 |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | 1,269 | 1,269 | - | - | - | - |
| Increase (Decrease) in Fair Value of Investments | - | - | 8 | 8 | - | - | - | - |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | 60,000 | 60,000 | 47,526 | (12,474) | 96,000 | 168,579 | 133,273 | (35,306) |
| Total Revenues | 65,000 | 65,000 | 51,379 | (13,621) | 1,426,607 | 1,610,192 | 1,468,167 | (142,025) |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | 54,909 | 54,909 | 53,170 | 1,739 | 1,135,474 | 1,243,899 | 1,215,349 | 28,550 |
| Capital Outlay | 10,000 | 10,000 | - | 10,000 | 144,982 | 165,142 | 34,647 | 130,495 |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | 64,909 | 64,909 | 53,170 | 11,739 | 1,280,456 | 1,409,041 | 1,249,996 | 159,045 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 91 | 91 | (1,791) | (1,882) | 146,151 | 201,151 | 218,171 | 17,020 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | 10,500 | 10,500 | 438,615 | 438,615 | 461,465 | 22,850 |
| Transfers Out | - | - | - | - | (705,974) | (815,974) | (815,974) | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | 10,500 | 10,500 | (267,359) | (377,359) | (354,509) | 22,850 |
| Net Change in Fund Balances | 91 | 91 | 8,709 | 8,618 | (121,208) | (176,208) | (136,338) | 39,870 |
| FUND BALANCES, January 1 | 73,026 | 73,026 | 73,026 | - | 1,056,369 | 1,056,369 | 1,056,369 | - |
| FUND BALANCES, December 31 | 73,117 | 73,117 | 81,735 | 8,618 | 935,161 | 880,161 | 920,031 | 39,870 |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
NONMAJOR SPECIAL REVENUE FUNDS**
For the Fiscal Year Ended December 31, 2006

| | Library Agency Revenues and Grants | | | | Rella Havens Memorial Fund | | | |
|--|------------------------------------|-------|-------------------|-------------------------------|----------------------------|---------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Licenses and Permits | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | - | - | - | - |
| Fees, Sales and Services | - | - | - | - | - | - | - | - |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | - | - | - | - | 27,811 | 27,811 | 17,364 | (10,447) |
| Increase (Decrease) in Fair Value of Investments | - | - | - | - | - | - | 116 | 116 |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous - Other | - | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | 27,811 | 27,811 | 17,480 | (10,331) |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - | - | - |
| Highways and Streets | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | 27,572 | 27,572 | 16 | 27,556 |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Debt Service | | | | | | | | |
| Other Debt Principal | - | - | - | - | - | - | - | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | 27,572 | 27,572 | 16 | 27,556 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | 239 | 239 | 17,464 | 17,225 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | 1,052,440 | 1,052,440 | - | - | - | - |
| Transfers Out | - | - | - | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | 1,052,440 | 1,052,440 | - | - | - | - |
| Net Change in Fund Balances | - | - | 1,052,440 | 1,052,440 | 239 | 239 | 17,464 | 17,225 |
| FUND BALANCES, January 1 | - | - | - | - | 393,576 | 393,576 | 393,576 | - |
| FUND BALANCES, December 31 | - | - | 1,052,440 | 1,052,440 | 393,815 | 393,815 | 411,040 | 17,225 |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR SPECIAL REVENUE FUNDS**
 For the Fiscal Year Ended December 31, 2006

| | Total | | | |
|--|---------------------|--|---------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | | | | |
| Gross Earnings Franchise Fees | 1,760,000 | 1,835,000 | 1,938,046 | 103,046 |
| Hotel-Motel Tax | 1,662,380 | 1,662,380 | 1,912,529 | 250,149 |
| Total Taxes | 3,422,380 | 3,497,380 | 3,850,575 | 353,195 |
| Licenses and Permits | 9,156,718 | 9,156,718 | 8,901,196 | (255,522) |
| Intergovernmental Revenue | 15,484,227 | 18,136,744 | 14,147,208 | (3,989,536) |
| Fees, Sales and Services | 20,665,119 | 21,221,569 | 20,615,131 | (606,438) |
| Assessments | 20,071,562 | 20,071,562 | 19,458,313 | (613,249) |
| Investment Income | | | | |
| Interest Earned on Investments | 617,811 | 617,811 | 788,318 | 170,507 |
| Increase (Decrease) in Fair Value of Investments | - | - | 709 | 709 |
| Interest Earned - Other | - | - | 45,051 | 45,051 |
| Miscellaneous - Other | 2,626,530 | 3,019,426 | 2,782,025 | (237,401) |
| Total Revenues | 72,044,347 | 75,721,210 | 70,588,526 | (5,132,684) |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 4,269,375 | 4,284,068 | 3,624,109 | 659,959 |
| Public Safety | 20,280,412 | 21,945,224 | 18,403,143 | 3,542,081 |
| Highways and Streets | 17,904,643 | 17,924,643 | 18,037,203 | (112,560) |
| Sanitation | 2,931,430 | 2,931,430 | 2,597,389 | 334,041 |
| Health | 4,095,050 | 4,095,050 | 3,707,070 | 387,980 |
| Culture and Recreation | 9,172,930 | 9,689,455 | 9,102,644 | 586,811 |
| Capital Outlay | 6,938,619 | 8,170,179 | 5,800,798 | 2,369,381 |
| Debt Service | | | | |
| Other Debt Principal | 75,570 | 75,570 | 73,525 | 2,045 |
| Interest - Other Debt | 4,029 | 4,029 | 6,073 | (2,044) |
| Total Expenditures | 65,672,058 | 69,119,648 | 61,351,954 | 7,767,694 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 6,372,289 | 6,601,562 | 9,236,572 | 2,635,010 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 5,756,324 | 5,824,324 | 7,566,645 | 1,742,321 |
| Transfers Out | (23,494,152) | (24,058,825) | (23,330,063) | 728,762 |
| Sale of Capital Assets | 8,000 | 8,000 | 63,353 | 55,353 |
| Total Other Financing Sources (Uses) | (17,729,828) | (18,226,501) | (15,700,065) | 2,526,436 |
| Net Change in Fund Balances | (11,357,539) | (11,624,939) | (6,463,493) | 5,161,446 |
| FUND BALANCES, January 1 | 42,777,710 | 42,777,710 | 42,777,710 | - |
| FUND BALANCES, December 31 | 31,420,171 | 31,152,771 | 36,314,217 | 5,161,446 |
| | | FUND BALANCES, Multi-Year Funds | 553,600 | |
| | | FUND BALANCES, December 31 | 36,867,817 | |

City of Saint Paul, Minnesota
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2006

Schedule 9

| | G.O. Special Assessment - Streets | City Revenue Bonds and Other Long-Term Debt | Library Debt | Revenue Notes and Other Long-Term Debt | Total Nonmajor Debt Service Funds |
|--|---|--|-----------------|---|--|
| ASSETS | | | | | |
| Cash and Investments with Treasurer | 11,831,777 | - | 643,875 | 628,983 | 13,104,635 |
| Cash and Investments with Trustees | - | 4,655,908 | - | - | 4,655,908 |
| Receivables | | | | | |
| Assessments | 13,088,426 | - | - | - | 13,088,426 |
| Accrued Interest | 192,964 | 18,442 | 17,098 | 3,736 | 232,240 |
| Due from Other Funds | 27,850 | - | - | - | 27,850 |
| Due from Other Governmental Units | 40,739 | - | - | - | 40,739 |
| TOTAL ASSETS | 25,181,756 | 4,674,350 | 660,973 | 632,719 | 31,149,798 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Interfund Payable for Pooled | | | | | |
| Cash and Investments Overdrafts | - | 4,518 | - | - | 4,518 |
| Due to Other Funds | 21,197 | - | - | - | 21,197 |
| Due to Component Unit | 72,200 | - | - | - | 72,200 |
| Deferred Revenue | 13,168,903 | 1,873 | 7,131 | 1,558 | 13,179,465 |
| Total Liabilities | 13,262,300 | 6,391 | 7,131 | 1,558 | 13,277,380 |
| Fund Balances | | | | | |
| Reserved for | | | | | |
| Mandatory 5% for Retirement of Debt | - | - | 36,328 | - | 36,328 |
| Unreserved | | | | | |
| Designated for Debt Service | 11,919,456 | 4,667,959 | 617,514 | 631,161 | 17,836,090 |
| Total Fund Balances | 11,919,456 | 4,667,959 | 653,842 | 631,161 | 17,872,418 |
| TOTAL LIABILITIES AND FUND BALANCES | 25,181,756 | 4,674,350 | 660,973 | 632,719 | 31,149,798 |

City of Saint Paul, Minnesota
**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES**
NONMAJOR DEBT SERVICE FUNDS
For the Fiscal Year Ended December 31, 2006

Schedule 10

| | G.O. Special Assessment - Streets | City Revenue Bonds and Other Long-Term Debt | Library Debt | Revenue Notes and Other Long-Term Debt | Total Nonmajor Debt Service Funds |
|--|---|--|--------------------|---|--|
| REVENUES | | | | | |
| Taxes | | | | | |
| Property Taxes | | | | | |
| Current Taxpayer | - | - | 1,963,782 | - | 1,963,782 |
| Total Taxes | - | - | 1,963,782 | - | 1,963,782 |
| Intergovernmental Revenue | | | | | |
| Fees, Sales and Services | - | - | 120,230 | - | 120,230 |
| Assessments | 3,192,721 | - | - | - | 3,192,721 |
| Investment Income | | | | | |
| Interest Earned on Investments | 734,728 | 202,053 | 48,322 | 14,447 | 999,550 |
| Increase (Decrease) in Fair Value of Investments | (50,837) | 76 | 415 | 91 | (50,255) |
| Miscellaneous Revenue - Other | - | 3,303,652 | - | 243,765 | 3,547,417 |
| Total Revenues | 3,876,612 | 7,005,781 | 2,132,749 | 258,303 | 13,273,445 |
| EXPENDITURES | | | | | |
| Debt Service | | | | | |
| Bond Principal | 2,285,000 | 1,470,000 | - | - | 3,755,000 |
| Other Debt Principal | - | 1,500,000 | - | 1,144,423 | 2,644,423 |
| Interest - Bonds | 1,229,041 | 4,701,813 | 528,550 | - | 6,459,404 |
| Interest - Other Debt | - | - | - | 266,708 | 266,708 |
| Total Expenditures | 3,514,041 | 7,671,813 | 528,550 | 1,411,131 | 13,125,535 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 362,571 | (666,032) | 1,604,199 | (1,152,828) | 147,910 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 101,481 | 2,821,647 | - | 943,142 | 3,866,270 |
| Transfers Out | - | (2,162,072) | (2,050,163) | - | (4,212,235) |
| Total Other Financing Sources (Uses) | 101,481 | 659,575 | (2,050,163) | 943,142 | (345,965) |
| Net Change in Fund Balances | 464,052 | (6,457) | (445,964) | (209,686) | (198,055) |
| FUND BALANCES, January 1 | 11,455,404 | 4,674,416 | 1,099,806 | 840,847 | 18,070,473 |
| FUND BALANCES, December 31 | 11,919,456 | 4,667,959 | 653,842 | 631,161 | 17,872,418 |

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
 DEBT SERVICE FUNDS**
 For the Fiscal Year Ended December 31, 2006

Schedule 11

| | General Debt Service | | | | HRA General Debt Service | | | |
|--|----------------------|--------------|-------------------|-------------------------------|--------------------------|--------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Property Taxes | | | | | | | | |
| Current Taxpayer | 6,146,510 | 6,146,510 | 6,147,192 | 682 | - | - | - | - |
| Current Tax Increment | - | - | - | - | 11,333,665 | 11,501,400 | 10,487,021 | (1,014,379) |
| Delinquent Taxpayer | 100,000 | 100,000 | 97,893 | (2,107) | - | - | 37,165 | 37,165 |
| Total Property Taxes | 6,246,510 | 6,246,510 | 6,245,085 | (1,425) | 11,333,665 | 11,501,400 | 10,524,186 | (977,214) |
| Gross Earnings Franchise Fees | 880,000 | 880,000 | 1,256,760 | 376,760 | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | 220,000 | 220,000 | 220,000 | - |
| Total Taxes | 7,126,510 | 7,126,510 | 7,501,845 | 375,335 | 11,553,665 | 11,721,400 | 10,744,186 | (977,214) |
| Intergovernmental Revenue | 376,311 | 376,311 | 331,181 | (45,130) | 224,745 | 224,745 | 132,799 | (91,946) |
| Fees, Sales and Services | - | - | 37,500 | 37,500 | 977,928 | 977,928 | 1,255,972 | 278,044 |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | 500,000 | 500,000 | 800,898 | 300,898 | 483,484 | 483,484 | 757,510 | 274,026 |
| Increase (Decrease) in Fair Value of Investments | - | - | 18,866 | 18,866 | - | - | (13,156) | (13,156) |
| Interest Earned - Other | - | - | - | - | - | 167,640 | 419,110 | 251,470 |
| Miscellaneous Revenue - Other | - | - | 8,010 | 8,010 | - | - | - | - |
| Total Revenues | 8,002,821 | 8,002,821 | 8,698,300 | 695,479 | 13,239,822 | 13,575,197 | 13,296,421 | (278,776) |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | 592,166 | 592,166 | 450,023 | 142,143 | - | - | - | - |
| Housing and Economic Development | - | - | - | - | - | 3,663,887 | 3,663,887 | - |
| Debt Service | | | | | | | | |
| Bond Principal | 18,480,000 | 18,480,000 | 18,480,000 | - | 6,684,857 | 6,795,857 | 6,303,857 | 492,000 |
| Other Debt Principal | - | - | - | - | 580,000 | 580,000 | 580,000 | - |
| Interest - Bonds | 4,089,066 | 4,089,066 | 4,055,453 | 33,613 | 8,200,236 | 8,256,971 | 8,119,562 | 137,409 |
| Interest - Other Debt | - | - | - | - | 288,938 | 456,578 | 532,645 | (76,067) |
| Bond Issuance Costs | 5,000 | 5,000 | - | 5,000 | - | - | - | - |
| Total Expenditures | 23,166,232 | 23,166,232 | 22,985,476 | 180,756 | 15,754,031 | 19,753,293 | 19,199,951 | 553,342 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (15,163,411) | (15,163,411) | (14,287,176) | 876,235 | (2,514,209) | (6,178,096) | (5,903,530) | 274,566 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | 10,217,513 | 10,217,513 | 10,129,396 | (88,117) | 14,508,448 | 14,508,448 | 20,218,352 | 5,709,904 |
| Transfers Out | - | (236,443) | (238,693) | (2,250) | (10,932,455) | (10,932,455) | (13,379,777) | (2,447,322) |
| Notes Issued | - | - | - | - | - | 4,820,000 | 4,820,000 | - |
| Refunded Bonds | - | - | - | - | - | (4,820,000) | (4,820,000) | - |
| Total Other Financing Sources (Uses) | 10,217,513 | 9,981,070 | 9,890,703 | (90,367) | 3,575,993 | 3,575,993 | 6,838,575 | 3,262,582 |
| Net Change in Fund Balances | (4,945,898) | (5,182,341) | (4,396,473) | 785,868 | 1,061,784 | (2,602,103) | 935,045 | 3,537,148 |
| FUND BALANCES, January 1 | 24,150,246 | 24,150,246 | 24,150,246 | - | 19,525,037 | 19,525,037 | 19,525,037 | - |
| FUND BALANCES, December 31 | 19,204,348 | 18,967,905 | 19,753,773 | 785,868 | 20,586,821 | 16,922,934 | 20,460,082 | 3,537,148 |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
 DEBT SERVICE FUNDS**
 For the Fiscal Year Ended December 31, 2006

Schedule 11

| | G.O. Special Assessment - Streets | | | | City Revenue Bonds and Other Long-Term Debt | | | |
|--|-----------------------------------|-------------------|-------------------|-------------------------------|---|--------------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Property Taxes | | | | | | | | |
| Current Taxpayer | - | - | - | - | - | - | - | - |
| Current Tax Increment | - | - | - | - | - | - | - | - |
| Delinquent Taxpayer | - | - | - | - | - | - | - | - |
| Total Property Taxes | - | - | - | - | - | - | - | - |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | - | - | - | - | - | - | - | - |
| Intergovernmental Revenue | - | - | - | - | - | - | - | - |
| Fees, Sales and Services | - | - | - | - | 3,500,000 | 3,500,000 | 3,500,000 | - |
| Assessments | 3,264,488 | 3,264,488 | 3,192,721 | (71,767) | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | 300,000 | 300,000 | 734,728 | 434,728 | - | - | 202,053 | 202,053 |
| Increase (Decrease) in Fair Value of Investments | - | - | (50,837) | (50,837) | - | - | 76 | 76 |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous Revenue - Other | - | - | - | - | 3,303,652 | 3,303,652 | 3,303,652 | - |
| Total Revenues | <u>3,564,488</u> | <u>3,564,488</u> | <u>3,876,612</u> | <u>312,124</u> | <u>6,803,652</u> | <u>6,803,652</u> | <u>7,005,781</u> | <u>202,129</u> |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Housing and Economic Development | - | - | - | - | - | - | - | - |
| Debt Service | | | | | | | | |
| Bond Principal | 2,285,000 | 2,285,000 | 2,285,000 | - | 1,470,000 | 1,470,000 | 1,470,000 | - |
| Other Debt Principal | - | - | - | - | 1,500,000 | 1,500,000 | 1,500,000 | - |
| Interest - Bonds | 1,323,241 | 1,323,241 | 1,229,041 | 94,200 | 4,701,813 | 4,701,813 | 4,701,813 | - |
| Interest - Other Debt | - | - | - | - | - | - | - | - |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>3,608,241</u> | <u>3,608,241</u> | <u>3,514,041</u> | <u>94,200</u> | <u>7,671,813</u> | <u>7,671,813</u> | <u>7,671,813</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(43,753)</u> | <u>(43,753)</u> | <u>362,571</u> | <u>406,324</u> | <u>(868,161)</u> | <u>(868,161)</u> | <u>(666,032)</u> | <u>202,129</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | 101,481 | 101,481 | - | - | 2,821,647 | 2,821,647 |
| Transfers Out | - | - | - | - | (500,000) | (500,000) | (2,162,072) | (1,662,072) |
| Notes Issued | - | - | - | - | - | - | - | - |
| Refunded Bonds | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>101,481</u> | <u>101,481</u> | <u>(500,000)</u> | <u>(500,000)</u> | <u>659,575</u> | <u>1,159,575</u> |
| Net Change in Fund Balances | <u>(43,753)</u> | <u>(43,753)</u> | <u>464,052</u> | <u>507,805</u> | <u>(1,368,161)</u> | <u>(1,368,161)</u> | <u>(6,457)</u> | <u>1,361,704</u> |
| FUND BALANCES, January 1 | <u>11,455,404</u> | <u>11,455,404</u> | <u>11,455,404</u> | <u>-</u> | <u>4,674,416</u> | <u>4,674,416</u> | <u>4,674,416</u> | <u>-</u> |
| FUND BALANCES, December 31 | <u>11,411,651</u> | <u>11,411,651</u> | <u>11,919,456</u> | <u>507,805</u> | <u>3,306,255</u> | <u>3,306,255</u> | <u>4,667,959</u> | <u>1,361,704</u> |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
DEBT SERVICE FUNDS**
For the Fiscal Year Ended December 31, 2006

Schedule 11

| | Library Debt | | | | Revenue Notes and Other Long-Term Debt | | | |
|--|------------------|-------------|-------------------|-------------------------------|--|-------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Property Taxes | | | | | | | | |
| Current Taxpayer | 1,963,782 | 1,963,782 | 1,963,782 | - | - | - | - | - |
| Current Tax Increment | - | - | - | - | - | - | - | - |
| Delinquent Taxpayer | - | - | - | - | - | - | - | - |
| Total Property Taxes | 1,963,782 | 1,963,782 | 1,963,782 | - | - | - | - | - |
| Gross Earnings Franchise Fees | - | - | - | - | - | - | - | - |
| Hotel-Motel Tax | - | - | - | - | - | - | - | - |
| Total Taxes | 1,963,782 | 1,963,782 | 1,963,782 | - | - | - | - | - |
| Intergovernmental Revenue | 120,230 | 120,230 | 120,230 | - | - | - | - | - |
| Fees, Sales and Services | - | - | - | - | - | - | - | - |
| Assessments | - | - | - | - | - | - | - | - |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | 30,000 | 30,000 | 48,322 | 18,322 | - | - | 14,447 | 14,447 |
| Increase (Decrease) in Fair Value of Investments | - | - | 415 | 415 | - | - | 91 | 91 |
| Interest Earned - Other | - | - | - | - | - | - | - | - |
| Miscellaneous Revenue - Other | - | - | - | - | 395,012 | 395,012 | 243,765 | (151,247) |
| Total Revenues | 2,114,012 | 2,114,012 | 2,132,749 | 18,737 | 395,012 | 395,012 | 258,303 | (136,709) |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - |
| Housing and Economic Development | - | - | - | - | - | - | - | - |
| Debt Service | | | | | | | | |
| Bond Principal | - | - | - | - | - | - | - | - |
| Other Debt Principal | - | - | - | - | 1,142,280 | 1,142,280 | 1,144,423 | (2,143) |
| Interest - Bonds | 992,825 | 992,825 | 528,550 | 464,275 | - | - | - | - |
| Interest - Other Debt | - | - | - | - | 268,855 | 268,855 | 266,708 | 2,147 |
| Bond Issuance Costs | - | - | - | - | - | - | - | - |
| Total Expenditures | 992,825 | 992,825 | 528,550 | 464,275 | 1,411,135 | 1,411,135 | 1,411,131 | 4 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,121,187 | 1,121,187 | 1,604,199 | 483,012 | (1,016,123) | (1,016,123) | (1,152,828) | (136,705) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | 1,016,123 | 1,016,123 | 943,142 | (72,981) |
| Transfers Out | (2,050,163) | (2,050,163) | (2,050,163) | - | - | - | - | - |
| Notes Issued | - | - | - | - | - | - | - | - |
| Refunded Bonds | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (2,050,163) | (2,050,163) | (2,050,163) | - | 1,016,123 | 1,016,123 | 943,142 | (72,981) |
| Net Change in Fund Balances | (928,976) | (928,976) | (445,964) | 483,012 | - | - | (209,686) | (209,686) |
| FUND BALANCES, January 1 | 1,099,806 | 1,099,806 | 1,099,806 | - | 840,847 | 840,847 | 840,847 | - |
| FUND BALANCES, December 31 | 170,830 | 170,830 | 653,842 | 483,012 | 840,847 | 840,847 | 631,161 | (209,686) |

continued

City of Saint Paul, Minnesota
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES
 BUDGET AND ACTUAL - ANNUALLY BUDGETED
 DEBT SERVICE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Total | | | |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | | | | |
| Property Taxes | | | | |
| Current Taxpayer | 8,110,292 | 8,110,292 | 8,110,974 | 682 |
| Current Tax Increment | 11,333,665 | 11,501,400 | 10,487,021 | (1,014,379) |
| Delinquent Taxpayer | 100,000 | 100,000 | 135,058 | 35,058 |
| Total Property Taxes | 19,543,957 | 19,711,692 | 18,733,053 | (978,639) |
| Gross Earnings Franchise Fees | | | | |
| Hotel-Motel Tax | 880,000 | 880,000 | 1,256,760 | 376,760 |
| Total Taxes | 20,643,957 | 20,811,692 | 20,209,813 | (601,879) |
| Intergovernmental Revenue | | | | |
| Fees, Sales and Services | 721,286 | 721,286 | 584,210 | (137,076) |
| Assessments | 4,477,928 | 4,477,928 | 4,793,472 | 315,544 |
| Investment Income | 3,264,488 | 3,264,488 | 3,192,721 | (71,767) |
| Interest Earned on Investments | 1,313,484 | 1,313,484 | 2,557,958 | 1,244,474 |
| Increase (Decrease) in Fair Value of Investments | - | - | (44,545) | (44,545) |
| Interest Earned - Other | - | 167,640 | 419,110 | 251,470 |
| Miscellaneous Revenue - Other | 3,698,664 | 3,698,664 | 3,555,427 | (143,237) |
| Total Revenues | 34,119,807 | 34,455,182 | 35,268,166 | 812,984 |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | | | | |
| Housing and Economic Development | 592,166 | 592,166 | 450,023 | 142,143 |
| Debt Service | - | 3,663,887 | 3,663,887 | - |
| Bond Principal | | | | |
| Other Debt Principal | 28,919,857 | 29,030,857 | 28,538,857 | 492,000 |
| Interest - Bonds | 3,222,280 | 3,222,280 | 3,224,423 | (2,143) |
| Interest - Other Debt | 19,307,181 | 19,363,916 | 18,634,419 | 729,497 |
| Bond Issuance Costs | 557,793 | 725,433 | 799,353 | (73,920) |
| Total Expenditures | 52,604,277 | 56,603,539 | 55,310,962 | 1,292,577 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (18,484,470) | (22,148,357) | (20,042,796) | 2,105,561 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | | | | |
| Transfers Out | 25,742,084 | 25,742,084 | 34,214,018 | 8,471,934 |
| Notes Issued | (13,482,618) | (13,719,061) | (17,830,705) | (4,111,644) |
| Refunded Bonds | - | 4,820,000 | 4,820,000 | - |
| Total Other Financing Sources (Uses) | 12,259,466 | 12,023,023 | 16,383,313 | 4,360,290 |
| Net Change in Fund Balances | (6,225,004) | (10,125,334) | (3,659,483) | 6,465,851 |
| FUND BALANCES, January 1 | 61,745,756 | 61,745,756 | 61,745,756 | - |
| FUND BALANCES, December 31 | 55,520,752 | 51,620,422 | 58,086,273 | 6,465,851 |

City of Saint Paul, Minnesota
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2006

Schedule 12

| | Capital Improvement Bonds | City Sales Tax | Library Capital Projects | City Downtown Capital Projects | HRA Tax Increment | Total Nonmajor Capital Projects Funds |
|--|------------------------------|-------------------|-----------------------------|-----------------------------------|----------------------|--|
| ASSETS | | | | | | |
| Cash and Investments with Treasurer | 17,756,565 | 15,020,130 | 1,245,581 | 97,094 | 11,800,054 | 45,919,424 |
| Cash and Investments with Trustees | - | 505,819 | - | - | 1,263,582 | 1,769,401 |
| Receivables | | | | | | |
| Property Taxes - Due from Ramsey County | - | - | - | - | 164,675 | 164,675 |
| Property Taxes - Delinquent | - | - | - | - | 14,294 | 14,294 |
| Notes and Loans | - | 6,931,460 | - | 315,000 | 291,786 | 7,538,246 |
| Accrued Interest | 252,946 | 370,234 | 24,337 | - | 128,002 | 775,519 |
| Due from Other Funds | - | 41,861 | - | - | 172,961 | 214,822 |
| Due from Other Governmental Units | - | 1,326,538 | - | - | - | 1,326,538 |
| Advance to Component Units | - | 231,126 | - | - | - | 231,126 |
| Land Held for Resale | - | - | - | - | 1,057,947 | 1,057,947 |
| TOTAL ASSETS | 18,009,511 | 24,427,168 | 1,269,918 | 412,094 | 14,893,301 | 59,011,992 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | - | - | 313,699 | - | 48,800 | 362,499 |
| Contracts/Retention Payable | - | - | 182,331 | - | - | 182,331 |
| Due to Other Funds | 2,928,445 | 815,601 | - | - | 440,646 | 4,184,692 |
| Advance from Other Funds | - | - | - | - | 8,187,415 | 8,187,415 |
| Deferred Revenue | 105,493 | 7,195,901 | 10,150 | 315,000 | 1,564,778 | 9,191,322 |
| Total Liabilities | 3,033,938 | 8,011,502 | 506,180 | 315,000 | 10,241,639 | 22,108,259 |
| Fund Balances | | | | | | |
| Reserved for Encumbrances | - | - | 57,433 | - | 188,631 | 246,064 |
| Reserved for Advance to Component Units | - | 231,126 | - | - | - | 231,126 |
| Unreserved | | | | | | |
| Designated for Next Year's Appropriation | - | - | 539,350 | - | - | 539,350 |
| Designated for Specific Capital Projects | 14,975,573 | 16,184,540 | 166,955 | 97,094 | 4,463,031 | 35,887,193 |
| Total Fund Balances | 14,975,573 | 16,415,666 | 763,738 | 97,094 | 4,651,662 | 36,903,733 |
| TOTAL LIABILITIES AND FUND BALANCES | 18,009,511 | 24,427,168 | 1,269,918 | 412,094 | 14,893,301 | 59,011,992 |

City of Saint Paul, Minnesota
**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES**
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended December 31, 2006

Schedule 13

| | Capital Improvement Bonds | City Sales Tax | Library Capital Projects | City Downtown Capital Projects | HRA Tax Increment | Total Nonmajor Capital Projects Funds |
|--|------------------------------|----------------|-----------------------------|-----------------------------------|----------------------|--|
| REVENUES | | | | | | |
| Taxes | | | | | | |
| Property Taxes | | | | | | |
| Current Tax Increment | - | - | - | - | 3,271,969 | 3,271,969 |
| Total Property Taxes | - | - | - | - | 3,271,969 | 3,271,969 |
| City Sales Tax | - | 14,788,775 | - | - | - | 14,788,775 |
| Total Taxes | - | 14,788,775 | - | - | 3,271,969 | 18,060,744 |
| Intergovernmental Revenue | - | - | - | - | 39,278 | 39,278 |
| Fees, Sales and Services | - | 5,077 | - | - | 120,962 | 126,039 |
| Investment Income | | | | | | |
| Interest Earned on Investments | 1,070,861 | 726,686 | 190,787 | - | 547,142 | 2,535,476 |
| Increase (Decrease) in Fair Value of Investments | (92,471) | 12,913 | 590 | - | (13,724) | (92,692) |
| Interest Earned - Other | - | 342,351 | - | - | 2,941 | 345,292 |
| Miscellaneous Revenue - Other | - | 725,773 | 150,000 | - | 10,673 | 886,446 |
| Total Revenues | 978,390 | 16,601,575 | 341,377 | - | 3,979,241 | 21,900,583 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Culture and Recreation | - | 1,011,361 | 249,854 | - | - | 1,261,215 |
| Housing and Economic Development | - | 2,754,809 | - | 910,191 | 15,199,066 | 18,864,066 |
| Capital Outlay | - | 690,000 | 4,192,362 | - | 648,337 | 5,530,699 |
| Debt Service | | | | | | |
| Interest - Other Debt | - | - | - | - | 3,381,218 | 3,381,218 |
| Bond Issuance Costs | 56,022 | - | - | - | - | 56,022 |
| Total Expenditures | 56,022 | 4,456,170 | 4,442,216 | 910,191 | 19,228,621 | 29,093,220 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 922,368 | 12,145,405 | (4,100,839) | (910,191) | (15,249,380) | (7,192,637) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | | | | | | |
| Transfers In | - | 9,174,405 | - | 1,007,285 | 2,408,301 | 12,589,991 |
| Transfers Out | | | | | | |
| Transfers Out | (13,083,708) | (18,864,525) | - | - | (1,220,349) | (33,168,582) |
| Bonds Issued | | | | | | |
| Bonds Issued | 11,000,000 | - | - | - | - | 11,000,000 |
| Premium on Bond Issued | | | | | | |
| Premium on Bond Issued | 150,049 | - | - | - | - | 150,049 |
| Total Other Financing Sources (Uses) | (1,933,659) | (9,690,120) | - | 1,007,285 | 1,187,952 | (9,428,542) |
| Net Change in Fund Balances | (1,011,291) | 2,455,285 | (4,100,839) | 97,094 | (14,061,428) | (16,621,179) |
| FUND BALANCES, January 1 | 15,986,864 | 13,960,381 | 4,864,577 | - | 18,713,090 | 53,524,912 |
| FUND BALANCES, December 31 | 14,975,573 | 16,415,666 | 763,738 | 97,094 | 4,651,662 | 36,903,733 |

City of Saint Paul, Minnesota
COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
 December 31, 2006

Schedule 14

| | Japanese Gardens | Hoffman Memorial | Total Nonmajor Permanent Funds |
|--|---------------------|---------------------|---|
| ASSETS | | | |
| Cash and Investments with Treasurer | 54,248 | 10,098 | 64,346 |
| Receivables | | | |
| Accrued Interest | 640 | 118 | 758 |
| TOTAL ASSETS | 54,888 | 10,216 | 65,104 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Deferred Revenue | 267 | 49 | 316 |
| Total Liabilities | 267 | 49 | 316 |
| Fund Balances | | | |
| Reserved for Permanent Fund Activities | 30,000 | 5,000 | 35,000 |
| Unreserved | | | |
| Undesignated | 24,621 | 5,167 | 29,788 |
| Total Fund Balances | 54,621 | 10,167 | 64,788 |
| TOTAL LIABILITIES AND FUND BALANCES | 54,888 | 10,216 | 65,104 |

City of Saint Paul, Minnesota
**COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN
 FUND BALANCES**
NONMAJOR PERMANENT FUNDS
 For the Fiscal Year Ended December 31, 2006

| | <u>Japanese Gardens</u> | <u>Hoffman Memorial</u> | <u>Total Nonmajor Permanent Funds</u> |
|--|-----------------------------|-----------------------------|---|
| REVENUES | | | |
| Investment Income | | | |
| Interest Earned on Investments | 2,357 | 431 | 2,788 |
| Increase in Fair Value of Investments | 15 | 3 | 18 |
| Total Revenues | <u>2,372</u> | <u>434</u> | <u>2,806</u> |
| EXPENDITURES | | | |
| Current | | | |
| Culture and Recreation | 617 | - | 617 |
| Total Expenditures | <u>617</u> | <u>-</u> | <u>617</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,755</u> | <u>434</u> | <u>2,189</u> |
| Net Change in Fund Balances | <u>1,755</u> | <u>434</u> | <u>2,189</u> |
| FUND BALANCES, January 1 | <u>52,866</u> | <u>9,733</u> | <u>62,599</u> |
| FUND BALANCES, December 31 | <u>54,621</u> | <u>10,167</u> | <u>64,788</u> |

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
NONMAJOR PERMANENT FUNDS**
For the Fiscal Year Ended December 31, 2006

Schedule 16

| | Japanese Gardens | | | | Hoffman Memorial | | | |
|--|------------------|---------------|-------------------|-------------------------------|------------------|--------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | | Original | Final | | |
| REVENUES | | | | | | | | |
| Investment Income | | | | | | | | |
| Interest Earned on Investments | 1,700 | 1,700 | 2,357 | 657 | 300 | 300 | 431 | 131 |
| Increase in Fair Value of Investments | - | - | 15 | 15 | - | - | 3 | 3 |
| Total Revenues | 1,700 | 1,700 | 2,372 | 672 | 300 | 300 | 434 | 134 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| Culture and Recreation | 1,700 | 1,700 | 617 | 1,083 | 300 | 300 | - | 300 |
| Total Expenditures | 1,700 | 1,700 | 617 | 1,083 | 300 | 300 | - | 300 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 1,755 | 1,755 | - | - | 434 | 434 |
| Net Change in Fund Balances | - | - | 1,755 | 1,755 | - | - | 434 | 434 |
| FUND BALANCES, January 1 | 52,866 | 52,866 | 52,866 | - | 9,733 | 9,733 | 9,733 | - |
| FUND BALANCES, December 31 | 52,866 | 52,866 | 54,621 | 1,755 | 9,733 | 9,733 | 10,167 | 434 |

continued

City of Saint Paul, Minnesota
**COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES**
**BUDGET AND ACTUAL - ANNUALLY BUDGETED
 NONMAJOR PERMANENT FUNDS**
 For the Fiscal Year Ended December 31, 2006

| | Total | | | |
|--|-------------------------|---------------|---------------------------|---------------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
| | Original | Final | | |
| REVENUES | | | | |
| Investment Income | | | | |
| Interest Earned on Investments | 2,000 | 2,000 | 2,788 | 788 |
| Increase in Fair Value of Investments | - | - | 18 | 18 |
| Total Revenues | 2,000 | 2,000 | 2,806 | 806 |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and Recreation | 2,000 | 2,000 | 617 | 1,383 |
| Total Expenditures | 2,000 | 2,000 | 617 | 1,383 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 2,189 | 2,189 |
| Net Change in Fund Balances | - | - | 2,189 | 2,189 |
| FUND BALANCES, January 1 | 62,599 | 62,599 | 62,599 | - |
| FUND BALANCES, December 31 | 62,599 | 62,599 | 64,788 | 2,189 |

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Nonmajor Enterprise Funds

Enterprise Funds

Enterprise funds account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate.

Special Services - to account for the operations of park pavilions, refreshment stands, golf courses, canoe and boat rentals, swimming pools and beaches, tennis instructions, ski instructions, and ski facilities.

Rice and Arlington Sports Dome - to account for the operation and maintenance of the Rice and Arlington Sports Dome.

Watergate Marina - to account for the operation and maintenance of the Marina.

Impounding Lot - to account for the city's vehicle impounding operations. Charges are made for the towing and storage of impounded vehicles and are collected when vehicles are claimed. Unclaimed vehicles are sold at public auction and proceeds retained. Funds are also received from the salvage of vehicles junked.

River Print Saint Paul/Ramsey County - to account for printing services rendered to city departments, offices, and other governmental units.

City of Saint Paul, Minnesota
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
December 31, 2006

Schedule 17

| | <u>Special Services</u> | <u>Rice and Arlington Sports Dome</u> | <u>Watergate Marina</u> | <u>Impounding Lot</u> | <u>RiverPrint Saint Paul/ Ramsey County</u> | <u>Total</u> |
|---|-----------------------------|---|-----------------------------|-----------------------|---|------------------|
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and Investments with Treasurer | - | - | - | 1,008,324 | 619,176 | 1,627,500 |
| Imprest Funds | 5,500 | - | - | 1,000 | - | 6,500 |
| Receivables | | | | | | |
| Accounts (net of allowance for estimated uncollectibles) | 98,167 | - | 5,000 | 4,497 | 1,600 | 109,264 |
| Accrued Interest | 9,811 | - | - | - | - | 9,811 |
| Due from Other Funds | 10,534 | - | - | 4,983 | 26,043 | 41,560 |
| Due from Component Units | - | - | - | - | 17,012 | 17,012 |
| Due from Other Governmental Units | 591 | - | - | - | 112,170 | 112,761 |
| Inventories | | | | | | |
| Materials and Supplies | 81,158 | - | - | - | 142,049 | 223,207 |
| Impounded Cars | - | - | - | 113,599 | - | 113,599 |
| Total Current Assets | 205,761 | - | 5,000 | 1,132,403 | 918,050 | 2,261,214 |
| Noncurrent Assets | | | | | | |
| Restricted Assets | | | | | | |
| Investment for Revenue Bond Debt Service Reserve | 666,750 | - | - | - | - | 666,750 |
| Total Restricted Assets | 666,750 | - | - | - | - | 666,750 |
| Other Assets | | | | | | |
| Deferred Charges | 107,046 | - | - | - | - | 107,046 |
| Total Other Assets | 107,046 | - | - | - | - | 107,046 |
| Capital Assets | | | | | | |
| Land | 3,464,055 | - | - | - | - | 3,464,055 |
| Buildings and Structures | 2,396,984 | - | 332,293 | 13,394 | - | 2,742,671 |
| Less: Accumulated Depreciation | (641,775) | - | (266,629) | (13,394) | - | (921,798) |
| Equipment | 2,457,810 | - | 68,126 | 74,097 | 710,684 | 3,310,717 |
| Less: Accumulated Depreciation | (1,579,158) | - | (68,126) | (32,109) | (603,906) | (2,283,299) |
| Total Capital Assets | 6,097,916 | - | 65,664 | 41,988 | 106,778 | 6,312,346 |
| Total Noncurrent Assets | 6,871,712 | - | 65,664 | 41,988 | 106,778 | 7,086,142 |
| TOTAL ASSETS | 7,077,473 | - | 70,664 | 1,174,391 | 1,024,828 | 9,347,356 |

continued

City of Saint Paul, Minnesota
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
December 31, 2006

Schedule 17

| | <u>Special Services</u> | <u>Rice and Arlington Sports Dome</u> | <u>Watergate Marina</u> | <u>Impounding Lot</u> | <u>RiverPrint Saint Paul/ Ramsey County</u> | <u>Total</u> |
|--|-----------------------------|---|-----------------------------|-----------------------|---|--------------------|
| LIABILITIES | | | | | | |
| Current Liabilities (Payable from Current Assets) | | | | | | |
| Interfund Payable for Pooled | | | | | | |
| Cash and Investments Overdrafts | 2,119,612 | - | 295,065 | - | - | 2,414,677 |
| Accrued Salaries Payable | 91,148 | - | - | 50,270 | 17,573 | 158,991 |
| Accounts Payable | 16,940 | - | - | 62,177 | 23,436 | 102,553 |
| Due to Other Funds | 24,088 | - | - | 10,246 | 12,626 | 46,960 |
| Due to Other Governmental Units | 7,541 | - | 160 | 12,864 | 127 | 20,692 |
| Compensated Absences Payable | 8,220 | - | - | 3,956 | 1,985 | 14,161 |
| Revenue Bonds Payable | 205,000 | - | - | - | - | 205,000 |
| Capital Leases Payable | 279,318 | - | - | - | - | 279,318 |
| Accrued Interest Payable | | | | | | |
| Revenue Bonds | 81,953 | - | - | - | - | 81,953 |
| Capital Lease | 857 | - | - | - | - | 857 |
| Total Current Liabilities (Payable from Current Assets) | <u>2,834,677</u> | <u>-</u> | <u>295,225</u> | <u>139,513</u> | <u>55,747</u> | <u>3,325,162</u> |
| Noncurrent Liabilities | | | | | | |
| Revenue Bonds Payable | 6,895,000 | - | - | - | - | 6,895,000 |
| Add: Unamortized Premium | 211,306 | - | - | - | - | 211,306 |
| Capital Lease Payable | 71,116 | - | - | - | - | 71,116 |
| Compensated Absences Payable | 452,989 | - | - | 117,897 | 45,770 | 616,656 |
| Total Noncurrent Liabilities | <u>7,630,411</u> | <u>-</u> | <u>-</u> | <u>117,897</u> | <u>45,770</u> | <u>7,794,078</u> |
| TOTAL LIABILITIES | <u>10,465,088</u> | <u>-</u> | <u>295,225</u> | <u>257,410</u> | <u>101,517</u> | <u>11,119,240</u> |
| NET ASSETS | | | | | | |
| Invested in Capital Assets, Net of Related Debt | (1,563,823) | - | 65,664 | 41,988 | 106,778 | (1,349,393) |
| Unrestricted | (1,823,792) | - | (290,225) | 874,993 | 816,533 | (422,491) |
| TOTAL NET ASSETS | <u>(3,387,615)</u> | <u>-</u> | <u>(224,561)</u> | <u>916,981</u> | <u>923,311</u> | <u>(1,771,884)</u> |

City of Saint Paul, Minnesota
**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS**
For the Fiscal Year Ended December 31, 2006

Schedule 18

| | Special Services | Rice and Arlington Sports Dome | Watergate Marina | Impounding Lot | RiverPrint Saint Paul/ Ramsey County | Total |
|---|--------------------|--------------------------------------|------------------|------------------|--|--------------------|
| OPERATING REVENUES | | | | | | |
| Fees, Sales and Services | 3,640,627 | - | 5,000 | 2,913,522 | 1,141,936 | 7,701,085 |
| Rents and Leases | 548,084 | - | 29,850 | - | - | 577,934 |
| Miscellaneous | 29,740 | - | - | - | 293 | 30,033 |
| Total Operating Revenues | 4,218,451 | - | 34,850 | 2,913,522 | 1,142,229 | 8,309,052 |
| OPERATING EXPENSES | | | | | | |
| Cost of Merchandise Sold | 279,706 | - | - | - | - | 279,706 |
| Salaries | 2,280,925 | - | - | 927,245 | 330,175 | 3,538,345 |
| Employee Fringe Benefits | 518,356 | - | - | 268,651 | 96,471 | 883,478 |
| Services | 492,011 | - | 1,223 | 1,145,272 | 317,118 | 1,955,624 |
| Materials and Supplies | 563,438 | - | 15 | 56,213 | 482,215 | 1,101,881 |
| Depreciation | 287,958 | - | 9,120 | 4,940 | 53,472 | 355,490 |
| Bad Debts | 14,987 | - | - | - | - | 14,987 |
| Total Operating Expenses | 4,437,381 | - | 10,358 | 2,402,321 | 1,279,451 | 8,129,511 |
| OPERATING INCOME (LOSS) | (218,930) | - | 24,492 | 511,201 | (137,222) | 179,541 |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | |
| Gain on Sale of Assets | 70,000 | - | - | - | 535 | 70,535 |
| Investment Income | | | | | | |
| Interest Earned on Investments | 58,567 | - | - | - | - | 58,567 |
| Increase (Decrease) in Fair Value of Investments | 65 | (7,575) | - | - | - | (7,510) |
| Interest Expense | | | | | | |
| Revenue Bonds | (333,898) | - | - | - | - | (333,898) |
| Capital Lease | (14,624) | - | - | - | - | (14,624) |
| Amortization of Bond Issuance Costs | (5,684) | - | - | - | - | (5,684) |
| Total Non-Operating Revenues (Expenses) | (225,574) | (7,575) | - | - | 535 | (232,614) |
| Income (Loss) Before Capital Contributions and Transfers | (444,504) | (7,575) | 24,492 | 511,201 | (136,687) | (53,073) |
| Capital Contributions | 3,917 | - | - | - | 4,020 | 7,937 |
| Transfers In | 296,000 | - | - | - | - | 296,000 |
| Transfers Out | (68,017) | - | - | (400,940) | - | (468,957) |
| Change in Net Assets | (212,604) | (7,575) | 24,492 | 110,261 | (132,667) | (218,093) |
| TOTAL NET ASSETS, January 1 | (3,175,011) | 7,575 | (249,053) | 806,720 | 1,055,978 | (1,553,791) |
| TOTAL NET ASSETS, December 31 | (3,387,615) | - | (224,561) | 916,981 | 923,311 | (1,771,884) |

City of Saint Paul, Minnesota
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Fiscal Year Ended December 31, 2006

Schedule 19

| | Special Services | Rice and Arlington Sports Dome | Watergate Marina | Impounding Lot | River Print Saint Paul/ Ramsey County | Total |
|---|---------------------|--------------------------------------|---------------------|------------------|---|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from Customers | 4,130,724 | - | 34,850 | 2,864,974 | 832,474 | 7,863,022 |
| Receipts from Other Funds for Services Provided | 134,306 | 163,236 | - | 45,944 | 336,037 | 679,523 |
| Payment to Suppliers | (1,215,646) | - | (822) | (1,243,995) | (849,934) | (3,310,397) |
| Payment to Employees | (2,938,697) | - | - | (1,226,126) | (435,828) | (4,600,651) |
| Payment to Other Funds for Services Used | <u>(218,587)</u> | <u>(250,000)</u> | <u>(532)</u> | <u>(8,274)</u> | <u>(32,979)</u> | <u>(510,372)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>(107,900)</u> | <u>(86,764)</u> | <u>33,496</u> | <u>432,523</u> | <u>(150,230)</u> | <u>121,125</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Transfers In from Other Funds | 296,000 | - | - | - | - | 296,000 |
| Transfers Out to Other Funds | (68,017) | - | - | (400,940) | - | (468,957) |
| Advance Received for Pooled Cash and Investments Overdraft | 567,198 | - | - | - | - | 567,198 |
| Repayment of Advance Received for Pooled Cash and Investments Overdrafts | - | - | (33,496) | - | - | (33,496) |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>795,181</u> | <u>-</u> | <u>(33,496)</u> | <u>(400,940)</u> | <u>-</u> | <u>360,745</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Proceeds from Sale of Capital Assets | | | | | | |
| Equipment | 70,000 | - | - | - | 535 | 70,535 |
| Principal Paid on Revenue Bonds | (210,000) | - | - | - | - | (210,000) |
| Capital Lease | (271,264) | - | - | - | - | (271,264) |
| Payments for Acquisition and Construction of Capital Assets | | | | | | |
| Land | (1,192) | - | - | - | - | (1,192) |
| Equipment | (15,547) | - | - | - | - | (15,547) |
| Interest Paid On Revenue Bonds | (310,957) | - | - | - | - | (310,957) |
| Capital Lease | <u>(15,287)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(15,287)</u> |
| NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(754,247)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>535</u> | <u>(753,712)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest and Dividends Received | 41,847 | - | - | - | - | 41,847 |
| Increase (Decrease) in Fair Value of Investments | 25,119 | (7,575) | - | - | - | 17,544 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>66,966</u> | <u>(7,575)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>59,391</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | <u>-</u> | <u>(94,339)</u> | <u>-</u> | <u>31,583</u> | <u>(149,695)</u> | <u>(212,451)</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>5,500</u> | <u>94,339</u> | <u>-</u> | <u>977,741</u> | <u>768,871</u> | <u>1,846,451</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>5,500</u> | <u>-</u> | <u>-</u> | <u>1,009,324</u> | <u>619,176</u> | <u>1,634,000</u> |

continued

City of Saint Paul, Minnesota
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Fiscal Year Ended December 31, 2006

Schedule 19

| | Special Services | Rice and Arlington Sports Dome | Watergate Marina | Impounding Lot | River Print Saint Paul/ Ramsey County | Total |
|--|---------------------|--------------------------------------|---------------------|------------------|---|------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | | |
| Operating Income (Loss) | <u>(218,930)</u> | <u>-</u> | <u>24,492</u> | <u>511,201</u> | <u>(137,222)</u> | <u>179,541</u> |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | | | | | |
| Depreciation | 287,958 | - | 9,120 | 4,940 | 53,472 | 355,490 |
| Increase (Decrease) in Allowance for Uncollectible Accounts/Loans | (13,119) | - | (25,343) | - | - | (38,462) |
| Changes in Assets and Liabilities | | | | | | |
| (Increase) Decrease in | | | | | | |
| Accounts Receivable | 69,312 | - | 25,343 | (4,497) | 406 | 90,564 |
| Due from Other Funds | 5,372 | 163,236 | - | 1,894 | (9,446) | 161,056 |
| Due from Component Units | - | - | - | - | 4,138 | 4,138 |
| Due from Other Governmental Units | - | - | - | - | 31,185 | 31,185 |
| Inventories | (10,240) | - | - | 140,561 | 1,980 | 132,301 |
| Increase (Decrease) in | | | | | | |
| Accrued Salaries Payable | (37,796) | - | - | (24,648) | 492 | (61,952) |
| Compensated Absences Payable | (81,317) | - | - | 1,233 | (7,995) | (88,079) |
| Accounts Payable | (92,102) | - | (116) | (200,982) | (95,065) | (388,265) |
| Due to Other Funds | (22,208) | (250,000) | - | (5,474) | 7,951 | (269,731) |
| Due to Other Governmental Units | 5,170 | - | - | 8,295 | (126) | 13,339 |
| Total Adjustments | <u>111,030</u> | <u>(86,764)</u> | <u>9,004</u> | <u>(78,678)</u> | <u>(13,008)</u> | <u>(58,416)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>(107,900)</u> | <u>(86,764)</u> | <u>33,496</u> | <u>432,523</u> | <u>(150,230)</u> | <u>121,125</u> |
| DETAILS OF CASH AND CASH EQUIVALENTS | | | | | | |
| Cash and Investments with Treasurer | - | - | - | 1,008,324 | 619,176 | 1,627,500 |
| Imprest Funds | 5,500 | - | - | 1,000 | - | 6,500 |
| TOTAL CASH AND CASH EQUIVALENTS | <u>5,500</u> | <u>-</u> | <u>-</u> | <u>1,009,324</u> | <u>619,176</u> | <u>1,634,000</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | |
| Contribution of Capital Assets from General Capital Assets | 3,917 | - | - | - | - | 3,917 |
| Contribution of Capital Assets from Proprietary Capital Assets | - | - | - | - | 4,020 | 4,020 |

Internal Service Funds

Internal Service funds account for the financing of goods or services provided by one department to other departments or to other governmental units.

City Attorney - Outside Services - to account for recoverable legal services rendered to non-city agencies.

Risk Management Retention - to account for the management of the city's workers' compensation, property insurance and tort liability claims.

Internal Borrowing - to account for internal borrowing from the city's cash pool and assets secured to support repayment of loan principal with interest to the pool.

Purchasing's Value Added Services - to account for the service provided by the purchasing division to users such as Ramsey County, the City of Saint Paul, and various smaller agencies.

Information Systems - to account for the costs associated with the design and implementation of new information systems.

City-Wide Data Processing - to account for information services provided to License, Inspection and Environmental Protection, Planning and Economic Development, and Public Works financed through special funds.

Equipment Services Fire-Police - to account for the operations of the Public Safety repair shop.

Public Works Engineering - to account for recoverable engineering and professional services rendered by the Department of Public Works.

Public Works Traffic, Signal and Lighting Maintenance - to account for costs incurred by city forces to maintain or upgrade traffic sign, street marking, traffic signal, and street lighting infrastructure.

Asphalt Plant - to account for the manufacturing of asphalt products.

Public Works Equipment - to account for the purchase and repair of most vehicles used by the Department of Public Works.

Public Works Administration - to account for the costs of administrative services provided for the divisions of the Department of Public Works.

Parks and Recreation Special Projects - to account for materials purchased and design services performed by the Division of Parks and Recreation for other departments' capital funds, and outside parties.

Parks and Recreation Supply and Maintenance - to account for all supplies, materials, repair parts, and equipment purchased for use in park and playground maintenance and repair and the recovery of the costs thereof.

Planning and Economic Development Administration - to account for administrative operations within the Department of Planning and Economic Development.

| | City Attorney- Outside Services | Risk Management Retention | Internal Borrowing | Purchasing's Value Added Services | Information Systems | City-Wide Data Processing | Equipment Services Fire-Police | Public Works Engineering |
|--|------------------------------------|------------------------------|-----------------------|---|------------------------|---------------------------------|--------------------------------------|-----------------------------|
| ASSETS | | | | | | | | |
| Current Assets | | | | | | | | |
| Cash and Investments with Treasury | - | 211,920 | - | 833,987 | 63,724 | - | 441,778 | 4,576,647 |
| Imprest Funds | - | - | - | 150 | - | - | 100 | 150 |
| Receivables | | | | | | | | |
| Accounts (net of allowance for estimated uncollectibles) | - | 93,623 | 20,833 | 2,879 | - | - | 56 | 1,479 |
| Unbilled Accounts | - | - | - | - | - | - | - | 126,636 |
| Accrued Interest | - | - | 112,958 | - | - | - | - | - |
| Due from Other Funds | 167,692 | 238,472 | 357,867 | 8,758 | - | 43,133 | 245,664 | 92 |
| Due from Component Units | - | - | - | - | - | - | - | - |
| Due from Other Governmental Units | 110,214 | - | - | 17,843 | - | - | 3,471 | - |
| Inventories - Materials and Supplies | - | - | - | - | - | - | 226,481 | - |
| Prepaid Items | - | 279,356 | - | - | - | - | - | 3,000,376 |
| Total Current Assets | 277,906 | 823,371 | 491,658 | 863,617 | 63,724 | 43,133 | 917,550 | 7,705,380 |
| Non-Current Assets | | | | | | | | |
| Other Assets | | | | | | | | |
| Advance to Other Funds | - | - | 2,147,343 | - | - | - | - | - |
| Other Long-Term Loans Receivable | - | - | 11,692,027 | - | - | - | - | - |
| Total Other Assets | - | - | 13,839,370 | - | - | - | - | - |
| Capital Assets | | | | | | | | |
| Land | - | - | - | - | - | - | - | 32,000 |
| Buildings and Structures | - | - | - | - | - | - | 1,152,341 | - |
| Less: Accumulated Depreciation | - | - | - | - | - | - | (697,799) | - |
| Equipment | 17,624 | - | - | 25,666 | - | - | 303,251 | 1,436,645 |
| Less: Accumulated Depreciation | (17,624) | - | - | (23,811) | - | - | (216,148) | (1,195,411) |
| Total Capital Assets | - | - | - | 1,855 | - | - | 541,645 | 273,234 |
| Total Noncurrent Assets | - | - | 13,839,370 | 1,855 | - | - | 541,645 | 273,234 |
| TOTAL ASSETS | 277,906 | 823,371 | 14,331,028 | 865,472 | 63,724 | 43,133 | 1,459,195 | 7,978,614 |
| LIABILITIES | | | | | | | | |
| Current Liabilities (Payable from Current Assets) | | | | | | | | |
| Interfund Payable for Pooled | | | | | | | | |
| Cash and Investments Overdrafts | 57,884 | - | - | - | - | 34,645 | - | - |
| Accrued Salaries Payable | 35,248 | - | - | 34,226 | - | 7,232 | 43,091 | 194,518 |
| Accounts Payable | 612 | 18,237 | - | 61,854 | - | - | 147,480 | 60,346 |
| Due to Other Funds | 86,149 | 12,923 | 10,114,873 | 5,971 | 170,000 | 1,256 | 14,843 | 87,393 |
| Due to Component Units | - | - | - | - | - | - | - | 11,505 |
| Due to Other Governmental Units | - | - | - | - | - | - | - | 41 |
| Unearned Revenue | - | - | 1,342,807 | 453,508 | - | - | - | 3,064,025 |
| Compensated Absences Payable | 3,460 | - | - | 3,547 | - | - | 4,151 | 19,302 |
| Capital Lease Payable | - | - | - | - | - | - | - | - |
| Accrued Interest Payable | - | - | - | - | - | - | - | - |
| Capital Lease | - | - | - | - | - | - | - | - |
| Total Current Liabilities (Payable from Current Assets) | 183,353 | 31,160 | 11,457,680 | 559,106 | 170,000 | 43,133 | 209,565 | 3,437,130 |
| Noncurrent Liabilities | | | | | | | | |
| Capital Lease Payable | - | - | - | - | - | - | - | - |
| Advance from Other Funds | - | - | 100,000 | - | - | - | - | - |
| Compensated Absences Payable | 64,599 | - | - | 98,588 | - | - | 74,938 | 409,498 |
| Total Noncurrent Liabilities | 64,599 | - | 100,000 | 98,588 | - | - | 74,938 | 409,498 |
| TOTAL LIABILITIES | 247,952 | 31,160 | 11,557,680 | 657,694 | 170,000 | 43,133 | 284,503 | 3,846,628 |
| NET ASSETS | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | - | - | - | 1,855 | - | - | 541,645 | 273,234 |
| Unrestricted | 29,954 | 792,211 | 2,773,348 | 205,923 | (106,276) | - | 633,047 | 3,858,752 |
| TOTAL NET ASSETS | 29,954 | 792,211 | 2,773,348 | 207,778 | (106,276) | - | 1,174,692 | 4,131,986 |

City of Saint Paul, Minnesota
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
 December 31, 2006

Schedule 20

| | Public Works Traffic, Signal and Lighting Maintenance | Asphalt Plant | Public Works Equipment | Public Works Administration | Parks and Recreation Special Projects | Parks and Recreation Supply and Maintenance | Planning and Economic Development Administration | Total |
|--|--|------------------|---------------------------|--------------------------------|---|--|---|-------------------|
| ASSETS | | | | | | | | |
| Current Assets | | | | | | | | |
| Cash and Investments with Treasury | - | 448,286 | 436,466 | 1,748,089 | - | 955,634 | 897,973 | 10,614,504 |
| Imprest Funds | 225 | 50 | - | 100 | - | - | 200 | 975 |
| Receivables | | | | | | | | |
| Accounts (net of allowance for estimated uncollectibles) | 160,731 | 143,781 | 212 | 651 | - | 9,507 | - | 433,752 |
| Unbilled Accounts | - | - | - | - | - | - | - | 126,636 |
| Accrued Interest | - | - | - | - | - | - | - | 112,958 |
| Due from Other Funds | 215,566 | 113,158 | 1,375,687 | 226,920 | 382,786 | 249,821 | 924,672 | 4,550,288 |
| Due from Component Units | 12,773 | 5,468 | 35,391 | 27,791 | - | - | - | 81,423 |
| Due from Other Governmental Units | 107,861 | 32,482 | 31,650 | 24,793 | - | 4,454 | 37,506 | 370,274 |
| Inventories - Materials and Supplies | 999,496 | 241,894 | 568,462 | - | - | 179,131 | - | 2,215,464 |
| Prepaid Items | - | - | 11,858 | - | - | - | - | 3,291,590 |
| Total Current Assets | 1,496,652 | 985,119 | 2,459,726 | 2,028,344 | 382,786 | 1,398,547 | 1,860,351 | 21,797,864 |
| Non-Current Assets | | | | | | | | |
| Other Assets | | | | | | | | |
| Advance to Other Funds | - | - | - | 100,000 | - | - | - | 2,247,343 |
| Other Long-Term Loans Receivable | - | - | - | - | - | - | - | 11,692,027 |
| Total Other Assets | - | - | - | 100,000 | - | - | - | 13,939,370 |
| Capital Assets | | | | | | | | |
| Land | - | 23,664 | 25,243 | - | - | - | - | 80,907 |
| Buildings and Structures | 59,649 | 697,930 | 1,678,617 | 6,026,950 | - | 15,608 | - | 9,631,095 |
| Less: Accumulated Depreciation | (28,370) | (669,943) | (1,240,592) | (2,566,269) | - | (2,254) | - | (5,205,227) |
| Equipment | 1,063,874 | 353,057 | 20,304,623 | 800,392 | 37,499 | 696,403 | 147,650 | 25,186,684 |
| Less: Accumulated Depreciation | (727,068) | (238,969) | (15,489,208) | (596,178) | (32,185) | (338,759) | (138,766) | (19,014,127) |
| Total Capital Assets | 368,085 | 165,739 | 5,278,683 | 3,664,895 | 5,314 | 370,998 | 8,884 | 10,679,332 |
| Total Noncurrent Assets | 368,085 | 165,739 | 5,278,683 | 3,764,895 | 5,314 | 370,998 | 8,884 | 24,618,702 |
| TOTAL ASSETS | 1,864,737 | 1,150,858 | 7,738,409 | 5,793,239 | 388,100 | 1,769,545 | 1,869,235 | 46,416,566 |
| LIABILITIES | | | | | | | | |
| Current Liabilities (Payable from Current Assets) | | | | | | | | |
| Interfund Payable for Pooled | | | | | | | | |
| Cash and Investments Overdrafts | 82,785 | - | - | - | 35,218 | - | - | 210,532 |
| Accrued Salaries Payable | 213,978 | 12,060 | 64,705 | 115,034 | 48,849 | 32,167 | 292,644 | 1,093,752 |
| Accounts Payable | 176,900 | 45,164 | 219,595 | 386,462 | 888 | 20,621 | 8,416 | 1,146,575 |
| Due to Other Funds | 237,113 | 4,226 | 29,974 | 1,090,763 | 8,522 | 5,830 | 64,810 | 11,934,646 |
| Due to Component Units | - | - | - | 7,229 | - | - | - | 18,734 |
| Due to Other Governmental Units | - | 146 | - | - | - | 1,410 | 578 | 2,175 |
| Unearned Revenue | - | - | - | 3,952 | - | - | - | 4,864,292 |
| Compensated Absences Payable | 12,117 | 1,079 | 6,379 | 11,764 | 5,333 | 3,223 | 26,841 | 97,196 |
| Capital Lease Payable | - | - | - | 130,586 | - | - | - | 130,586 |
| Accrued Interest Payable | - | - | - | - | - | - | - | - |
| Capital Lease | - | - | - | 31,067 | - | - | - | 31,067 |
| Total Current Liabilities (Payable from Current Assets) | 722,893 | 62,675 | 320,653 | 1,776,857 | 98,810 | 63,251 | 393,289 | 19,529,555 |
| Noncurrent Liabilities | | | | | | | | |
| Capital Lease Payable | - | - | - | 2,045,756 | - | - | - | 2,045,756 |
| Advance from Other Funds | 266,914 | - | - | 631,355 | - | - | - | 998,269 |
| Compensated Absences Payable | 242,803 | 19,841 | 115,695 | 291,844 | 137,047 | 59,197 | 658,504 | 2,172,554 |
| Total Noncurrent Liabilities | 509,717 | 19,841 | 115,695 | 2,968,955 | 137,047 | 59,197 | 658,504 | 5,216,579 |
| TOTAL LIABILITIES | 1,232,610 | 82,516 | 436,348 | 4,745,812 | 235,857 | 122,448 | 1,051,793 | 24,746,134 |
| NET ASSETS | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt Unrestricted | 368,085 | 165,739 | 5,278,683 | 826,131 | 5,314 | 370,998 | 8,884 | 7,840,568 |
| | 264,042 | 902,603 | 2,023,378 | 221,296 | 146,929 | 1,276,099 | 808,558 | 13,829,864 |
| TOTAL NET ASSETS | 632,127 | 1,068,342 | 7,302,061 | 1,047,427 | 152,243 | 1,647,097 | 817,442 | 21,670,432 |

City of Saint Paul, Minnesota
**COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN FUND NET ASSETS**
INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended December 31, 2006

Schedule 21

| | City Attorney- Outside Services | Risk Management Retention | Internal Borrowing | Purchasing's Value Added Services | Information Systems | City-Wide Data Processing | Equipment Services Fire-Police | Public Works Engineering |
|---|------------------------------------|------------------------------|-----------------------|---|------------------------|---------------------------------|--------------------------------------|-----------------------------|
| OPERATING REVENUES | | | | | | | | |
| Fees, Sales and Services | 883,920 | 1,087,115 | - | 892,563 | - | 148,406 | 2,503,030 | 5,453,926 |
| Rents and Leases | 73,947 | - | - | - | - | - | - | - |
| Interest Earned on Loans | - | - | 712,442 | - | - | - | - | - |
| Miscellaneous | - | 707,874 | - | - | 161,584 | - | - | - |
| Total Operating Revenues | 957,867 | 1,794,989 | 712,442 | 892,563 | 161,584 | 148,406 | 2,503,030 | 5,453,926 |
| OPERATING EXPENSES | | | | | | | | |
| Cost of Merchandise Sold | - | - | - | - | - | - | - | - |
| Salaries | 685,470 | - | - | 629,142 | - | 107,373 | 685,112 | 3,186,237 |
| Employee Fringe Benefits | 215,695 | 1,208,619 | - | 191,079 | - | 32,364 | 214,454 | 983,281 |
| Services | 34,797 | 476,280 | - | 119,354 | - | 8,669 | 108,432 | 1,425,883 |
| Materials and Supplies | 20,862 | - | - | 12,187 | - | - | 1,576,440 | 197,299 |
| Depreciation | - | - | - | 3,364 | - | - | 36,255 | 148,453 |
| Bad Debts | - | - | - | - | - | - | - | - |
| Miscellaneous | - | 12,923 | 422,297 | - | - | - | - | 601 |
| Total Operating Expenses | 956,824 | 1,697,822 | 422,297 | 955,126 | - | 148,406 | 2,620,693 | 5,941,754 |
| OPERATING INCOME (LOSS) | 1,043 | 97,167 | 290,145 | (62,563) | 161,584 | - | (117,663) | (487,828) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | | | |
| Intergovernmental Revenue | - | - | - | - | - | - | - | - |
| Gain on Sale of Assets | - | - | - | - | - | - | - | - |
| Miscellaneous Other Revenue | - | - | - | - | - | - | - | - |
| Loss on Retirement of Assets | - | - | - | - | - | - | - | - |
| Interest Expense on Capital Lease | - | - | - | - | - | - | - | - |
| Interest Expense on Advance from Other Fund | - | - | - | - | - | - | - | - |
| Total Non-Operating Revenues (Expenses) | - | - | - | - | - | - | - | - |
| Income (Loss) Before Capital Contributions and Transfers | 1,043 | 97,167 | 290,145 | (62,563) | 161,584 | - | (117,663) | (487,828) |
| Transfers In | 20,000 | - | 682,718 | - | - | - | - | 5,070 |
| Transfers Out | (80,686) | (100,000) | (25,000) | (5,726) | - | - | (200,000) | (533,588) |
| Change in Net Assets | (59,643) | (2,833) | 947,863 | (68,289) | 161,584 | - | (317,663) | (1,016,346) |
| TOTAL NET ASSETS, January 1 | 89,597 | 795,044 | 1,825,485 | 276,067 | (267,860) | - | 1,492,355 | 5,148,332 |
| TOTAL NET ASSETS, December 31 | 29,954 | 792,211 | 2,773,348 | 207,778 | (106,276) | - | 1,174,692 | 4,131,986 |

continued

City of Saint Paul, Minnesota
**COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN FUND NET ASSETS**
INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended December 31, 2006

| | Public Works Traffic, Signal and Lighting Maintenance | Asphalt Plant | Public Works Equipment | Public Works Administration | Parks and Recreation Special Projects | Parks and Recreation Supply and Maintenance | Planning and Economic Development Administration | Total |
|---|--|------------------|---------------------------|--------------------------------|---|--|---|--------------------|
| OPERATING REVENUES | | | | | | | | |
| Fees, Sales and Services | 3,473,957 | 2,385,134 | 5,191,565 | 3,367,708 | 1,119,979 | 2,126,563 | 8,021,244 | 36,655,110 |
| Rents and Leases | - | - | 8,000 | 1,531,365 | - | - | - | 1,613,312 |
| Interest Earned on Loans | - | - | - | - | - | - | - | 712,442 |
| Miscellaneous | 295,933 | 2,314 | 10,068 | 5,010 | 11,330 | 8,578 | 244 | 1,202,935 |
| Total Operating Revenues | 3,769,890 | 2,387,448 | 5,209,633 | 4,904,083 | 1,131,309 | 2,135,141 | 8,021,488 | 40,183,799 |
| OPERATING EXPENSES | | | | | | | | |
| Cost of Merchandise Sold | - | - | 2,099,490 | - | - | 539,063 | - | 2,638,553 |
| Salaries | 3,757,024 | 197,755 | 1,092,420 | 1,906,277 | 815,213 | 538,679 | 4,927,878 | 18,528,580 |
| Employee Fringe Benefits | 1,739,948 | 59,062 | 392,836 | 588,376 | 238,028 | 172,899 | 1,553,302 | 7,589,943 |
| Services | 1,721,354 | 98,672 | 659,007 | 875,239 | 131,249 | 206,483 | 1,264,783 | 7,130,202 |
| Materials and Supplies | 2,771,656 | 1,885,904 | 191,720 | 492,083 | 4,333 | 83,373 | 54,281 | 7,290,138 |
| Depreciation | 91,906 | 15,040 | 1,103,405 | 439,625 | 1,617 | 59,130 | 9,719 | 1,908,514 |
| Bad Debts | 42,406 | 35,840 | - | 40 | - | - | - | 78,286 |
| Miscellaneous | 23,268 | - | - | 10,155 | - | - | 1,998 | 471,242 |
| Total Operating Expenses | 10,147,562 | 2,292,273 | 5,538,878 | 4,311,795 | 1,190,440 | 1,599,627 | 7,811,961 | 45,635,458 |
| OPERATING INCOME (LOSS) | (6,377,672) | 95,175 | (329,245) | 592,288 | (59,131) | 535,514 | 209,527 | (5,451,659) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | | | |
| Intergovernmental Revenue | 2,458,315 | - | - | - | - | - | - | 2,458,315 |
| Gain on Sale of Assets | - | - | 9,987 | - | - | - | - | 9,987 |
| Miscellaneous Other Revenue | - | - | - | - | - | - | 250,000 | 250,000 |
| Loss on Retirement of Assets | - | - | (1,037) | - | - | - | - | (1,037) |
| Interest Expense on Capital Lease | - | - | - | (127,818) | - | - | - | (127,818) |
| Interest Expense on Advance from Other Fund | - | - | - | (15,551) | - | - | - | (15,551) |
| Total Non-Operating Revenues (Expenses) | 2,458,315 | - | 8,950 | (143,369) | - | - | 250,000 | 2,573,896 |
| Income (Loss) Before Capital Contributions and Transfers | (3,919,357) | 95,175 | (320,295) | 448,919 | (59,131) | 535,514 | 459,527 | (2,877,763) |
| Transfers In | 3,536,307 | - | 10,000 | 341,005 | - | - | - | 4,595,100 |
| Transfers Out | - | - | - | (1,282,787) | - | (125,417) | (275,897) | (2,629,101) |
| Change in Net Assets | (383,050) | 95,175 | (310,295) | (492,863) | (59,131) | 410,097 | 183,630 | (911,764) |
| TOTAL NET ASSETS, January 1 | 1,015,177 | 973,167 | 7,612,356 | 1,540,290 | 211,374 | 1,237,000 | 633,812 | 22,582,196 |
| TOTAL NET ASSETS, December 31 | 632,127 | 1,068,342 | 7,302,061 | 1,047,427 | 152,243 | 1,647,097 | 817,442 | 21,670,432 |

City of Saint Paul, Minnesota
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended December 31, 2006

| | City Attorney- Outside Services | Risk Management Retention | Internal Borrowing | Purchasing's Value Added Services | Information Systems | City-Wide Data Processing | Equipment Services Fire-Police | Public Works Engineering |
|---|------------------------------------|------------------------------|-----------------------|---|------------------------|---------------------------------|--------------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Receipts from Loan Recipients and Other Customers | 462,814 | 151,476 | 1,861,909 | 447,229 | 14,242 | - | 140,288 | 33,311 |
| Receipts from Other Funds for Services Provided | 380,986 | 1,318,050 | - | 421,531 | 147,342 | 574,204 | 2,313,736 | 5,305,492 |
| Other Operating Receipts | - | 207,599 | - | - | - | - | 2,587 | - |
| Payment to Suppliers | (54,772) | (695,758) | - | (65,904) | - | - | (1,722,899) | (956,095) |
| Payment to Employees | (909,792) | (1,208,618) | - | (816,565) | - | (217,059) | (896,286) | (4,137,458) |
| Payment to Other Funds for Services Used | (1,438) | - | (422,297) | (4,894) | - | (8,669) | (20,498) | (972,367) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | (122,202) | (227,251) | 1,439,612 | (18,603) | 161,584 | 348,476 | (183,072) | (727,117) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | | |
| Transfers In from Other Funds | 31,461 | - | 682,718 | - | - | - | - | 5,070 |
| Transfers Out to Other Funds | (686) | (100,000) | (25,000) | (5,726) | - | - | (200,000) | (533,588) |
| Operating Grants Received | - | - | - | - | - | - | - | - |
| Noncapital Contributions Received from Outside Sources | - | - | - | - | - | - | - | - |
| Advance Received for Pooled Cash and Investments Overdraft | 57,883 | - | - | - | - | - | - | - |
| Advance Received from Other Funds | - | - | 10,214,873 | - | - | - | - | - |
| Repayment of Advance Made to Other Funds | - | - | - | - | - | - | - | - |
| Purchase of Loan | - | - | (2,400,000) | - | - | - | - | - |
| Repayment of Advance Received for Pooled Cash and Investments Overdraft | - | - | - | - | - | (348,476) | - | - |
| Repayment of Advance Received from Other Funds | - | - | (9,912,203) | - | (170,000) | - | - | - |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | 88,658 | (100,000) | (1,439,612) | (5,726) | (170,000) | (348,476) | (200,000) | (528,518) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | | |
| Proceeds from Sale of Capital Assets | | | | | | | | |
| Equipment | - | - | - | - | - | - | - | - |
| Principal Paid on | | | | | | | | |
| Capital Lease | - | - | - | - | - | - | - | - |
| Advance from Other Funds | - | - | - | - | - | - | - | - |
| Payments for Acquisition and Construction of Capital Assets | | | | | | | | |
| Buildings and Structures | - | - | - | - | - | - | - | - |
| Equipment | - | - | - | - | - | - | (58,223) | (204,667) |
| Interest Paid On | | | | | | | | |
| Capital Lease | - | - | - | - | - | - | - | - |
| Advance from Other Funds | - | - | - | - | - | - | - | - |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | - | - | - | - | - | - | (58,223) | (204,667) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (33,544) | (327,251) | - | (24,329) | (8,416) | - | (441,295) | (1,460,302) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 33,544 | 539,171 | - | 858,466 | 72,140 | - | 883,173 | 6,037,099 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | - | 211,920 | - | 834,137 | 63,724 | - | 441,878 | 4,576,797 |

continued

City of Saint Paul, Minnesota
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended December 31, 2006

| | City Attorney- Outside Services | Risk Management Retention | Internal Borrowing | Purchasing's Value Added Services | Information Systems | City-Wide Data Processing | Equipment Services Fire-Police | Public Works Engineering |
|--|------------------------------------|------------------------------|-----------------------|---|------------------------|---------------------------------|--------------------------------------|-----------------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | | | | |
| Operating Income (Loss) | 1,043 | 97,167 | 290,145 | (62,563) | 161,584 | - | (117,663) | (487,828) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | | | | | | | |
| Depreciation | - | - | - | 3,364 | - | - | 36,255 | 148,453 |
| Increase (Decrease) in Allowance for Uncollectible Accounts | - | - | 129,849 | - | - | - | - | - |
| Changes in Assets and Liabilities | | | | | | | | |
| (Increase) Decrease in | | | | | | | | |
| Accounts Receivable | - | (93,623) | (20,833) | 5,758 | - | - | (1,044) | 315 |
| Unbilled Accounts Receivable | - | - | - | - | - | - | - | (95,612) |
| Notes and Loans Receivable | - | - | (224,170) | - | - | - | - | - |
| Accrued Interest Receivable | - | - | 14,380 | - | - | - | - | - |
| Due from Other Funds | (94,110) | (24,240) | (92,566) | (8,758) | - | 425,798 | (44,175) | 9,254 |
| Due from Component Units | - | - | - | - | - | - | - | - |
| Due from Other Governmental Units | (19,957) | - | - | (11,431) | - | - | (1,200) | - |
| Inventories | - | - | - | - | - | - | (24,944) | - |
| Prepaid Items | - | (39,814) | - | - | - | - | - | (256,722) |
| Increase (Decrease) in | | | | | | | | |
| Accrued Salaries Payable | (1,437) | - | - | 1,233 | - | (59,440) | 5,841 | 28,062 |
| Compensated Absences Payable | (2,794) | - | - | 5,639 | - | - | 638 | 17,088 |
| Accounts Payable | 459 | 6,386 | - | 60,742 | - | - | 4,238 | 1,378 |
| Due to Other Funds | (4,396) | 12,923 | - | (3,215) | - | (17,882) | (41,018) | 38,192 |
| Due to Component Units | - | - | - | - | - | - | - | 11,505 |
| Due to Other Governmental Units | (1,010) | (186,050) | - | - | - | - | - | (34) |
| Unearned Revenue | - | - | 1,342,807 | (9,372) | - | - | - | (141,168) |
| Total Adjustments | (123,245) | (324,418) | 1,149,467 | 43,960 | - | 348,476 | (65,409) | (239,289) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | (122,202) | (227,251) | 1,439,612 | (18,603) | 161,584 | 348,476 | (183,072) | (727,117) |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS | | | | | | | | |
| Cash and Investments with Treasurer | - | 211,920 | - | 833,987 | 63,724 | - | 441,778 | 4,576,647 |
| Imprest Funds | - | - | - | 150 | - | - | 100 | 150 |
| TOTAL CASH AND CASH EQUIVALENTS | - | 211,920 | - | 834,137 | 63,724 | - | 441,878 | 4,576,797 |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | | | |
| Capital Assets Purchased on Account | | | | | | | | |
| Equipment | - | - | - | - | - | - | - | - |
| Net Book Value of Traded Capital Assets | - | - | - | - | - | - | - | - |
| Loss Incurred on Acquisition of Asset Through Trade In | - | - | - | - | - | - | - | - |
| Loss on Retirement of Assets | - | - | - | - | - | - | - | - |

continued

City of Saint Paul, Minnesota
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended December 31, 2006

| | Public Works Traffic, Signal and Lighting Maintenance | Asphalt Plant | Public Works Equipment | Public Works Administration | Parks and Recreation Special Projects | Parks and Recreation Supply and Maintenance | Planning and Economic Development Administration | Total |
|---|--|-----------------|---------------------------|--------------------------------|---|--|---|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Receipts from Loan Recipients and Other Customers | 1,908,938 | 827,738 | 192,325 | 385,305 | 6,503 | 1,737 | 280,357 | 6,714,172 |
| Receipts from Other Funds for Services Provided | 1,808,599 | 1,346,665 | 4,404,976 | 4,656,765 | 1,019,748 | 2,103,784 | 7,558,076 | 33,359,954 |
| Other Operating Receipts | - | - | 12,264 | - | - | - | - | 222,450 |
| Payment to Suppliers | (3,112,528) | (1,916,981) | (2,417,639) | (936,732) | (79,122) | (765,583) | (817,424) | (13,541,437) |
| Payment to Employees | (5,458,282) | (256,734) | (1,487,201) | (2,502,604) | (1,052,524) | (708,085) | (6,466,416) | (26,117,624) |
| Payment to Other Funds for Services Used | (1,321,521) | (50,286) | (461,849) | (416,114) | (56,160) | (88,465) | (606,891) | (4,431,449) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | (6,174,794) | (49,598) | 242,876 | 1,186,620 | (161,555) | 543,388 | (52,298) | (3,793,934) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | | |
| Transfers In from Other Funds | 3,698,801 | - | 10,000 | 438,604 | - | - | - | 4,866,654 |
| Transfers Out to Other Funds | - | - | - | (614,433) | - | (125,416) | (275,897) | (1,880,746) |
| Operating Grants Received | 2,458,315 | - | - | - | - | - | - | 2,458,315 |
| Noncapital Contributions Received from Outside Sources | - | - | - | - | - | - | 250,000 | 250,000 |
| Advance Received for Pooled Cash and Investments Overdraft | 82,785 | - | - | - | 35,218 | - | - | 175,886 |
| Advance Received from Other Funds | - | - | - | 715,000 | - | - | - | 10,929,873 |
| Repayment of Advance Made to Other Funds | - | - | - | 25,000 | - | - | - | 25,000 |
| Purchase of Loan | - | - | - | - | - | - | - | (2,400,000) |
| Repayment of Advance Received for Pooled Cash and Investments Overdraft | - | - | - | - | - | - | - | (348,476) |
| Repayment of Advance Received from Other Funds | (38,130) | - | - | - | - | - | - | (10,120,333) |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | 6,201,771 | - | 10,000 | 564,171 | 35,218 | (125,416) | (25,897) | 3,956,173 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | | |
| Proceeds from Sale of Capital Assets | | | | | | | | |
| Equipment | - | - | 9,987 | - | - | - | - | 9,987 |
| Principal Paid on | | | | | | | | |
| Capital Lease | - | - | - | (123,437) | - | - | - | (123,437) |
| Advance from Other Funds | - | - | - | (211,600) | - | - | - | (211,600) |
| Payments for Acquisition and Construction of Capital Assets | | | | | | | | |
| Buildings and Structures | - | - | - | (735,784) | - | - | - | (735,784) |
| Equipment | (214,922) | - | (558,602) | (108,103) | (6,930) | (167,428) | - | (1,318,875) |
| Interest Paid On | | | | | | | | |
| Capital Lease | - | - | - | (129,580) | - | - | - | (129,580) |
| Advance from Other Funds | - | - | - | (15,551) | - | - | - | (15,551) |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | (214,922) | - | (548,615) | (1,324,055) | (6,930) | (167,428) | - | (2,524,840) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (187,945) | (49,598) | (295,739) | 426,736 | (133,267) | 250,544 | (78,195) | (2,362,601) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 188,170 | 497,934 | 732,205 | 1,321,453 | 133,267 | 705,090 | 976,368 | 12,978,080 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 225 | 448,336 | 436,466 | 1,748,189 | - | 955,634 | 898,173 | 10,615,479 |

continued

City of Saint Paul, Minnesota
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended December 31, 2006

| | Public Works Traffic, Signal and Lighting Maintenance | Asphalt Plant | Public Works Equipment | Public Works Administration | Parks and Recreation Special Projects | Parks and Recreation Supply and Maintenance | Planning and Economic Development Administration | Total |
|--|--|------------------|---------------------------|--------------------------------|---|--|---|--------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | | | | |
| Operating Income (Loss) | (6,377,672) | 95,175 | (329,245) | 592,288 | (59,131) | 535,514 | 209,527 | (5,451,659) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | | | | | | | |
| Depreciation | 91,906 | 15,040 | 1,103,405 | 439,625 | 1,617 | 59,130 | 9,719 | 1,908,514 |
| Increase (Decrease) in Allowance for Uncollectible Accounts | 42,405 | (9,599) | - | 40 | - | - | - | 162,695 |
| Changes in Assets and Liabilities | | | | | | | | |
| (Increase) Decrease in | | | | | | | | |
| Accounts Receivable | (77,101) | (61,794) | 3,572 | 52,980 | - | (8,962) | - | (200,732) |
| Unbilled Accounts Receivable | - | - | - | - | - | - | - | (95,612) |
| Notes and Loans Receivable | - | - | - | - | - | - | - | (224,170) |
| Accrued Interest Receivable | - | - | - | - | - | - | - | 14,380 |
| Due from Other Funds | 1,219 | (78,383) | (578,364) | 103,526 | (105,059) | (21,312) | (161,704) | (668,874) |
| Due from Component Units | 4,241 | (3,362) | (35,391) | (20,276) | - | - | - | (54,788) |
| Due from Other Governmental Units | 19,288 | (24,068) | (9,872) | (2,195) | - | 653 | (21,351) | (70,133) |
| Inventories | (20,339) | (1,401) | (10,061) | - | - | (13,029) | - | (69,774) |
| Prepaid Items | - | - | (594) | - | - | - | - | (297,130) |
| Increase (Decrease) in | | | | | | | | |
| Accrued Salaries Payable | 12,425 | 1,971 | 1,336 | 2,318 | 5,186 | (4,340) | 9,101 | 2,256 |
| Compensated Absences Payable | 37,684 | (1,093) | 3,406 | 1,165 | (440) | 12,106 | 5,662 | 79,061 |
| Accounts Payable | 5,604 | 16,940 | 98,535 | 217,234 | 301 | (10,824) | (12,796) | 388,197 |
| Due to Other Funds | 85,546 | 969 | (3,851) | (209,963) | (4,029) | (6,670) | (90,368) | (243,762) |
| Due to Component Units | - | - | - | 5,926 | - | - | - | 17,431 |
| Due to Other Governmental Units | - | 7 | - | - | - | 1,122 | (88) | (186,053) |
| Unearned Revenue | - | - | - | 3,952 | - | - | - | 1,196,219 |
| Total Adjustments | 202,878 | (144,773) | 572,121 | 594,332 | (102,424) | 7,874 | (261,825) | 1,657,725 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | (6,174,794) | (49,598) | 242,876 | 1,186,620 | (161,555) | 543,388 | (52,298) | (3,793,934) |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS | | | | | | | | |
| Cash and Investments with Treasurer | - | 448,286 | 436,466 | 1,748,089 | - | 955,634 | 897,973 | 10,614,504 |
| Imprest Funds | 225 | 50 | - | 100 | - | - | 200 | 975 |
| TOTAL CASH AND CASH EQUIVALENTS | 225 | 448,336 | 436,466 | 1,748,189 | - | 955,634 | 898,173 | 10,615,479 |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | | | |
| Capital Assets Purchased on Account | | | | | | | | |
| Equipment | - | - | 1,463 | 29,835 | - | - | - | 31,298 |
| Net Book Value of Traded Capital Assets | - | - | - | 5,088 | - | - | - | 5,088 |
| Loss Incurred on Acquisition of Asset Through Trade In | - | - | - | (3,851) | - | - | - | (3,851) |
| Loss on Retirement of Assets | - | - | (1,037) | - | - | - | - | (1,037) |

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Fiduciary Funds

Agency Funds

Agency funds account for assets held in a custodial capacity for others and/or other funds.

Employee Withholding - to account for monies withheld from employees' salaries and remitted to governmental and outside agencies.

Miscellaneous - to account for proceeds from Comcast for distribution relating to the city's Cable Access Program and to account for taxes levied and collected by Ramsey County and remitted to the Port Authority of the City of Saint Paul.

Unclaimed Property - to account for outstanding checks, which have been written off and are being held under the Minnesota Uniform Disposition of Unclaimed Property Act.

Suspense - to account for receipts and disbursements for which proper accounting cannot be made at time of transaction.

Minnesota Selective Excise Tax Collection - to account for receipts and disbursements of sales tax as required by the Tax Reform and Relief Act.

Building Permits - State Surcharge - to account for city collection of building permit surcharge.

Confiscated and Unclaimed Monies - to account for cash received by the Police Department that is lost, unclaimed, or contraband collected during the course of Police business.

Arbitrage Rebate - to account for the arbitrage rebate due to the Federal Government on the city's bond issues.

City of Saint Paul, Minnesota
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
ALL AGENCY FUNDS
 December 31, 2006

Schedule 23

| | <u>Employee Withholding</u> | <u>Miscellaneous</u> | <u>Unclaimed Property</u> | <u>Suspense</u> | <u>Minnesota Selective Excise Tax Collection</u> | <u>Building Permits State Surcharge</u> | <u>Confiscated and Unclaimed Monies</u> | <u>Arbitrage Rebate</u> | <u>Total</u> |
|--|---------------------------------|----------------------|-------------------------------|-----------------|--|---|---|-----------------------------|------------------|
| ASSETS | | | | | | | | | |
| Cash and Investments with Treasurer | 751,998 | - | 20,660 | 525,000 | 31,870 | 19,564 | 1,425,499 | 1,114,270 | 3,888,861 |
| Receivables | | | | | | | | | |
| Property Taxes - Due from Ramsey County Accounts (net of allowance for estimated uncollectibles) | - | 16,220 | - | - | - | - | - | - | 16,220 |
| Accrued Interest | - | - | - | - | 6,677 | - | - | - | 6,677 |
| Due from Other Funds | - | - | - | - | 3,848 | - | - | 10,784 | 10,784 |
| Due from Other Governmental Units | - | - | - | - | 777 | - | - | - | 777 |
| TOTAL ASSETS | <u>751,998</u> | <u>16,220</u> | <u>20,660</u> | <u>525,000</u> | <u>43,172</u> | <u>19,564</u> | <u>1,425,499</u> | <u>1,125,054</u> | <u>3,927,167</u> |
| LIABILITIES | | | | | | | | | |
| Accounts Payable | 374,161 | 16,220 | - | 525,000 | - | - | 1,425,499 | - | 2,340,880 |
| Due to Other Governmental Units | 377,837 | - | 20,660 | - | 43,172 | 19,564 | - | 1,125,054 | 1,586,287 |
| TOTAL LIABILITIES | <u>751,998</u> | <u>16,220</u> | <u>20,660</u> | <u>525,000</u> | <u>43,172</u> | <u>19,564</u> | <u>1,425,499</u> | <u>1,125,054</u> | <u>3,927,167</u> |

City of Saint Paul, Minnesota
**STATEMENT OF CHANGES IN ASSETS
 AND LIABILITIES - ALL AGENCY FUNDS**
 For the Fiscal Year Ended December 31, 2006

| | Employee Withholding | | | | Miscellaneous | | | | Unclaimed Property | | | |
|---|----------------------|-------------------|-------------------|----------------|---------------|------------------|------------------|---------------|--------------------|------------|--------------|---------------|
| | 01/01/06 | Additions | Deductions | 12/31/06 | 01/01/06 | Additions | Deductions | 12/31/06 | 01/01/06 | Additions | Deductions | 12/31/06 |
| ASSETS | | | | | | | | | | | | |
| Cash and Investments with Treasurer | 612,703 | 43,249,382 | 43,110,087 | 751,998 | - | 1,226,400 | 1,226,400 | - | 24,301 | 891 | 4,532 | 20,660 |
| Receivables | | | | | | | | | | | | |
| Property Taxes - Due from Ramsey County | - | - | - | - | 14,745 | 16,220 | 14,745 | 16,220 | - | - | - | - |
| Accounts (net of allowance for estimated uncollectibles) | - | - | - | - | - | - | - | - | - | - | - | - |
| Accrued Interest | - | - | - | - | - | - | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | - | - | - | - | - | - | - | - |
| Due from Other Governmental Units | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | 612,703 | 43,249,382 | 43,110,087 | 751,998 | 14,745 | 1,242,620 | 1,241,145 | 16,220 | 24,301 | 891 | 4,532 | 20,660 |
| LIABILITIES | | | | | | | | | | | | |
| Accounts Payable | 275,818 | 6,106,560 | 6,008,217 | 374,161 | 14,745 | 1,242,620 | 1,241,145 | 16,220 | - | - | - | - |
| Due to Other Funds | - | - | - | - | - | - | - | - | - | - | - | - |
| Due to Other Governmental Units | 336,885 | 37,142,822 | 37,101,870 | 377,837 | - | - | - | - | 24,301 | 891 | 4,532 | 20,660 |
| TOTAL LIABILITIES | 612,703 | 43,249,382 | 43,110,087 | 751,998 | 14,745 | 1,242,620 | 1,241,145 | 16,220 | 24,301 | 891 | 4,532 | 20,660 |

continued

STATEMENT OF CHANGES IN ASSETS

AND LIABILITIES - ALL AGENCY FUNDS

For the Fiscal Year Ended December 31, 2006

| | Suspense | | | | Minnesota Selective Excise Tax Collection | | | | Building Permits State Surcharge | | | |
|--|----------|----------------|---------------|----------------|---|----------------|----------------|---------------|----------------------------------|----------------|----------------|---------------|
| | 01/01/06 | Additions | Deductions | 12/31/06 | 01/01/06 | Additions | Deductions | 12/31/06 | 01/01/06 | Additions | Deductions | 12/31/06 |
| ASSETS | | | | | | | | | | | | |
| Cash and Investments with Treasurer | - | 617,482 | 92,482 | 525,000 | 43,328 | 626,312 | 637,770 | 31,870 | 19,632 | 215,444 | 215,512 | 19,564 |
| Receivables | | | | | | | | | | | | |
| Property Taxes - Due from Ramsey County | - | - | - | - | - | - | - | - | - | - | - | - |
| Accounts (net of allowance for estimated uncollectibles) | - | - | - | - | 12,975 | 59,555 | 65,853 | 6,677 | - | - | - | - |
| Accrued Interest | - | - | - | - | - | - | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | 4,759 | 3,847 | 4,758 | 3,848 | - | - | - | - |
| Due from Other Governmental Units | - | - | - | - | 1,430 | 777 | 1,430 | 777 | - | - | - | - |
| TOTAL ASSETS | - | 617,482 | 92,482 | 525,000 | 62,492 | 690,491 | 709,811 | 43,172 | 19,632 | 215,444 | 215,512 | 19,564 |
| LIABILITIES | | | | | | | | | | | | |
| Accounts Payable | - | 549,165 | 24,165 | 525,000 | - | - | - | - | - | 937 | 937 | - |
| Due to Other Funds | - | 62,817 | 62,817 | - | - | - | - | - | - | - | - | - |
| Due to Other Governmental Units | - | 5,500 | 5,500 | - | 62,492 | 642,294 | 661,614 | 43,172 | 19,632 | 215,444 | 215,512 | 19,564 |
| TOTAL LIABILITIES | - | 617,482 | 92,482 | 525,000 | 62,492 | 642,294 | 661,614 | 43,172 | 19,632 | 216,381 | 216,449 | 19,564 |

continued

STATEMENT OF CHANGES IN ASSETS

AND LIABILITIES - ALL AGENCY FUNDS

For the Fiscal Year Ended December 31, 2006

| | Confiscated and Unclaimed Monies | | | | Arbitrage Rebate | | | | Total | | | |
|--|----------------------------------|----------------|---------------|------------------|------------------|----------------|----------------|------------------|------------------|-------------------|-------------------|------------------|
| | 01/01/06 | Additions | Deductions | 12/31/06 | 01/01/06 | Additions | Deductions | 12/31/06 | 01/01/06 | Additions | Deductions | 12/31/06 |
| ASSETS | | | | | | | | | | | | |
| Cash and Investments with Treasurer | 1,010,657 | 446,726 | 31,884 | 1,425,499 | 953,410 | 313,552 | 152,692 | 1,114,270 | 2,664,031 | 46,696,189 | 45,471,359 | 3,888,861 |
| Receivables | | | | | | | - | | | | | |
| Property Taxes - Due from Ramsey County | - | - | - | - | - | - | - | - | 14,745 | 16,220 | 14,745 | 16,220 |
| Accounts (net of allowance for estimated uncollectibles) | - | - | - | - | - | - | - | - | 12,975 | 59,555 | 65,853 | 6,677 |
| Accrued Interest | - | - | - | - | 7,152 | 10,784 | 7,152 | 10,784 | 7,152 | 10,784 | 7,152 | 10,784 |
| Due from Other Funds | - | - | - | - | - | - | - | - | 4,759 | 3,847 | 4,758 | 3,848 |
| Due from Other Governmental Units | - | - | - | - | - | - | - | - | 1,430 | 777 | 1,430 | 777 |
| TOTAL ASSETS | <u>1,010,657</u> | <u>446,726</u> | <u>31,884</u> | <u>1,425,499</u> | <u>960,562</u> | <u>324,336</u> | <u>159,844</u> | <u>1,125,054</u> | <u>2,705,092</u> | <u>46,787,372</u> | <u>45,565,297</u> | <u>3,927,167</u> |
| LIABILITIES | | | | | | | | | | | | |
| Accounts Payable | 1,010,657 | 446,726 | 31,884 | 1,425,499 | - | - | - | - | 1,301,220 | 8,346,008 | 7,306,348 | 2,340,880 |
| Due to Other Funds | - | - | - | - | - | - | - | - | - | 62,817 | 62,817 | - |
| Due to Other Governmental Units | - | - | - | - | 960,562 | 324,336 | 159,844 | 1,125,054 | 1,403,872 | 38,331,287 | 38,148,872 | 1,586,287 |
| TOTAL LIABILITIES | <u>1,010,657</u> | <u>446,726</u> | <u>31,884</u> | <u>1,425,499</u> | <u>960,562</u> | <u>324,336</u> | <u>159,844</u> | <u>1,125,054</u> | <u>2,705,092</u> | <u>46,740,112</u> | <u>45,518,037</u> | <u>3,927,167</u> |

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**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
December 31, 2006 and December 31, 2005**

| | <u>2006</u> | <u>2005</u> |
|---|-----------------------------|-----------------------------|
| Governmental Funds Capital Assets: | | |
| Land | 141,357,601 | 138,723,302 |
| Buildings and Structures | 530,999,611 | 525,908,189 |
| Improvements Other than Buildings | 86,800,515 | 81,882,190 |
| Equipment | 56,951,677 | 52,704,795 |
| Infrastructure | 681,350,697 | 677,943,084 |
| Construction in Progress | <u>37,671,629</u> | <u>22,325,679</u> |
| Total Governmental Funds Capital Assets | <u><u>1,535,131,730</u></u> | <u><u>1,499,487,239</u></u> |
| | | |
| Investment in Governmental Funds Capital Assets by Source: | | |
| Investment in Property Acquired Prior to January 1, 1976 | | |
| - Source Unidentified | 37,803,630 | 38,755,339 |
| Investment in Infrastructure Prior to January 1, 2002 | 619,614,485 | 621,241,792 |
| General Obligation Bonds | 186,210,828 | 177,491,661 |
| Federal Grants | 78,094,071 | 74,743,537 |
| State Grants | 102,469,403 | 95,237,934 |
| County | 31,980,747 | 32,315,019 |
| Metro Grants | 48,599,384 | 48,580,807 |
| Expenditures from General Fund | 45,759,176 | 46,657,989 |
| Expenditures from Special Revenue Funds | 16,083,008 | 15,495,283 |
| Expenditures from Capital Projects Funds | 270,888,851 | 254,752,071 |
| Expenditures from Trust Funds | 6,209,081 | 4,534,700 |
| Other | <u>91,419,066</u> | <u>89,681,107</u> |
| Total Governmental Funds Capital Assets | <u><u>1,535,131,730</u></u> | <u><u>1,499,487,239</u></u> |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Saint Paul, Minnesota
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
 December 31, 2006

Schedule 26

| Function and Activity | Total | Land | Buildings and Structures | Improvements Other than Buildings | Equipment | Infrastructure | Construction in Progress |
|--|----------------------|--------------------|--------------------------|-----------------------------------|-------------------|--------------------|--------------------------|
| General Government | | | | | | | |
| Control | | | | | | | |
| Legislative | 34,164 | - | - | - | 34,164 | - | - |
| Executive | 313,366 | - | - | - | 313,366 | - | - |
| Total Control | 347,530 | - | - | - | 347,530 | - | - |
| Staff Agencies | | | | | | | |
| City Clerk | 695,752 | - | - | - | 695,752 | - | - |
| Technology and Management Services | 1,517,382 | - | - | - | 1,453,829 | - | 63,553 |
| City Attorney | 284,003 | - | - | - | 284,003 | - | - |
| General Government Buildings | 37,874,525 | 483,516 | 37,355,256 | 35,753 | - | - | - |
| Total Staff Agencies | 40,371,662 | 483,516 | 37,355,256 | 35,753 | 2,433,584 | - | 63,553 |
| Total General Government | 40,719,192 | 483,516 | 37,355,256 | 35,753 | 2,781,114 | - | 63,553 |
| Public Safety | | | | | | | |
| Police Protection | 34,107,677 | 3,037,826 | 18,290,460 | - | 12,779,391 | - | - |
| Fire Protection | 29,343,204 | 563,058 | 10,348,625 | - | 18,374,938 | - | 56,583 |
| Code Enforcement | 13,874 | - | - | - | 13,874 | - | - |
| License, Inspection and Environmental Protection | 999,186 | - | 413,701 | - | 585,485 | - | - |
| Total Public Safety | 64,463,941 | 3,600,884 | 29,052,786 | - | 31,753,688 | - | 56,583 |
| Highways and Streets | 753,050,694 | 32,771,322 | 6,495,369 | - | 4,099,079 | 681,350,697 | 28,334,227 |
| Culture and Recreation | | | | | | | |
| Office of Financial Services | 9,148,195 | 9,148,195 | - | - | - | - | - |
| Parks and Recreation | 308,606,095 | 90,943,282 | 144,345,450 | 59,871,370 | 4,266,822 | - | 9,179,171 |
| Library | 49,822,418 | 1,325,284 | 43,243,561 | - | 5,253,573 | - | - |
| RiverCentre | 280,207,382 | 1,748,508 | 269,661,473 | - | 8,797,401 | - | - |
| Total Culture and Recreation | 647,784,090 | 103,165,269 | 457,250,484 | 59,871,370 | 18,317,796 | - | 9,179,171 |
| Economic Development | 29,113,813 | 1,336,610 | 845,716 | 26,893,392 | - | - | 38,095 |
| Total Governmental Funds Capital Assets | 1,535,131,730 | 141,357,601 | 530,999,611 | 86,800,515 | 56,951,677 | 681,350,697 | 37,671,629 |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Saint Paul, Minnesota
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended December 31, 2006

Schedule 27

| <u>Function and Activity</u> | <u>Balance 01/01/06</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance 12/31/06</u> |
|--|-----------------------------|-------------------|-------------------|-----------------------------|
| General Government Control | | | | |
| Legislative | 40,179 | 7,759 | 13,774 | 34,164 |
| Executive | 326,422 | 7,455 | 20,511 | 313,366 |
| Total Control | 366,601 | 15,214 | 34,285 | 347,530 |
| Staff Agencies | | | | |
| City Clerk | 707,946 | - | 12,194 | 695,752 |
| Technology and Management Services | 1,401,340 | 177,964 | 61,922 | 1,517,382 |
| City Attorney | 284,003 | - | - | 284,003 |
| General Government Buildings | 37,870,485 | 4,040 | - | 37,874,525 |
| Total Staff Agencies | 40,263,774 | 182,004 | 74,116 | 40,371,662 |
| Total General Government | 40,630,375 | 197,218 | 108,401 | 40,719,192 |
| Public Safety | | | | |
| Police Protection | 42,351,558 | 701,462 | 8,945,343 | 34,107,677 |
| Fire Protection | 23,716,006 | 6,798,223 | 1,171,025 | 29,343,204 |
| Code Enforcement | 24,162 | 5,286 | 15,574 | 13,874 |
| License, Inspection and Environmental Protection | 967,497 | 46,601 | 14,912 | 999,186 |
| Total Public Safety | 67,059,223 | 7,551,572 | 10,146,854 | 64,463,941 |
| Highways and Streets | 727,823,209 | 26,892,794 | 1,665,309 | 753,050,694 |
| Culture and Recreation | | | | |
| Office of Financial Services | 9,148,195 | - | - | 9,148,195 |
| Parks and Recreation | 298,078,227 | 11,000,848 | 172,980 | 308,906,095 |
| Library | 45,558,419 | 4,272,145 | 8,146 | 49,822,418 |
| RiverCentre | 280,207,382 | - | - | 280,207,382 |
| Total Culture and Recreation | 632,992,223 | 15,272,993 | 181,126 | 648,084,090 |
| Economic Development | 30,982,209 | 648,337 | 2,516,733 | 29,113,813 |
| Total Governmental Funds Capital Assets | 1,499,487,239 | 50,562,914 | 14,618,423 | 1,535,431,730 |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Saint Paul, Minnesota
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 ALL FUNDS
 December 31, 2006

Schedule 28

| | FUNDS | | | | | | | |
|--|------------------|------------------|----------------|------------------|----------------------|--------------------------|-------------------|---------------|
| | Total | SPECIAL REVENUE | | | DEBT SERVICE | | CAPITAL PROJECTS | ENTERPRISE |
| | | General | Library Agency | HRA General Fund | General Debt Service | HRA General Debt Service | HRA Tax Increment | HRA Parking |
| Delinquent Taxes Receivable by Year | | | | | | | | |
| Delinquent Taxes | | | | | | | | |
| 2006 | 1,315,743 | 829,259 | 212,094 | 17,769 | 119,700 | 108,723 | 14,294 | 13,904 |
| 2005 | 277,168 | 188,145 | 42,550 | 3,719 | 27,441 | 3,494 | - | 11,819 |
| 2004 | 118,819 | 79,160 | 18,339 | 1,563 | 19,095 | 662 | - | - |
| 2003 and Prior | 133,050 | 151,006 | - | 12,197 | (80,367) | 50,214 | - | - |
| Total Delinquent Taxes Receivable | 1,844,780 | 1,247,570 | 272,983 | 35,248 | 85,869 | 163,093 | 14,294 | 25,723 |

City of Saint Paul, Minnesota
SCHEDULE OF CHANGES IN BONDS PAYABLE
For the Fiscal Year Ended December 31, 2006

Schedule 29

| | Balance 01/01/06 | Issued | Retired/ Defeased | Balance 12/31/06 |
|---|---------------------|-------------------|----------------------|---------------------|
| General Long-Term Debt | | | | |
| General Obligation Bonds | | | | |
| Property Tax Supported | 119,200,000 | 11,000,000 | 18,480,000 | 111,720,000 |
| Special Assessment Debt with Governmental Commitment | 23,320,000 | 12,500,000 | 2,285,000 | 33,535,000 |
| HRA Tax Increment | 16,765,000 | - | 1,275,000 | 15,490,000 |
| Total General Obligation Bonds | 159,285,000 | 23,500,000 | 22,040,000 | 160,745,000 |
| Revenue Bonds | | | | |
| Sales Tax Revenue Bonds | 67,750,000 | - | 1,470,000 | 66,280,000 |
| HRA Tax Increment Revenue Bonds | 62,169,780 | - | 8,238,857 | 53,930,923 |
| HRA Sales Tax Revenue Bonds | 44,895,000 | - | 1,310,000 | 43,585,000 |
| HRA Lease Revenue Bonds | 6,870,000 | - | 300,000 | 6,570,000 |
| Total Revenue Bonds | 181,684,780 | - | 11,318,857 | 170,365,923 |
| Total Bonds | 340,969,780 | 23,500,000 | 33,358,857 | 331,110,923 |
| Sewer Utility Enterprise Fund | | | | |
| General Obligation Bonds - Self Supporting | | | | |
| Revenue Bonds | 3,480,000 | - | 205,000 | 3,275,000 |
| | 20,380,000 | 7,040,000 | 6,690,000 | 20,730,000 |
| | 23,860,000 | 7,040,000 | 6,895,000 | 24,005,000 |
| Special Services Enterprise Fund | | | | |
| Revenue Bonds | | | | |
| | 7,310,000 | - | 210,000 | 7,100,000 |
| HRA Loan Enterprise Fund | | | | |
| Revenue Bonds | | | | |
| | 21,830,000 | - | 9,375,000 | 12,455,000 |
| HRA Parking Enterprise Fund | | | | |
| General Obligation Bonds - Self Supporting | | | | |
| Revenue Bonds | 36,005,000 | - | 1,300,000 | 34,705,000 |
| | 55,420,000 | - | 1,625,000 | 53,795,000 |
| | 91,425,000 | - | 2,925,000 | 88,500,000 |
| Total | 485,394,780 | 30,540,000 | 52,763,857 | 463,170,923 |

City of Saint Paul, Minnesota
DEBT SERVICE REQUIREMENTS TO MATURITY - GENERAL OBLIGATION BONDS
December 31, 2006

Schedule 30

| Fiscal Year | GENERAL OBLIGATION BONDS - PROPERTY TAX SUPPORTED (Governmental Activity) | | | GENERAL OBLIGATION SPECIAL ASSESSMENT DEBT WITH GOVERNMENTAL COMMITMENT (Governmental Activity) | | | GENERAL OBLIGATION BONDS - HRA TAX INCREMENT (Governmental Activity) | | |
|----------------|---|----------------------|-----------------------|--|---------------------|-----------------------|--|---------------------|-----------------------|
| | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements |
| | 2007 | 18,185,000 | 4,118,466.90 | 22,303,466.90 | 3,615,000 | 1,371,948.79 | 4,986,948.79 | 5,275,000 | 573,114.00 |
| 2008 | 16,635,000 | 3,438,960.64 | 20,073,960.64 | 3,005,000 | 1,223,951.29 | 4,228,951.29 | 1,405,000 | 465,807.50 | 1,870,807.50 |
| 2009 | 15,385,000 | 2,808,275.01 | 18,193,275.01 | 2,925,000 | 1,090,783.79 | 4,015,783.79 | 1,475,000 | 398,052.00 | 1,873,052.00 |
| 2010 | 13,910,000 | 2,225,675.01 | 16,135,675.01 | 2,880,000 | 961,591.29 | 3,841,591.29 | 1,545,000 | 325,821.50 | 1,870,821.50 |
| 2011 | 11,955,000 | 1,719,231.26 | 13,674,231.26 | 3,095,000 | 831,533.79 | 3,926,533.79 | 1,615,000 | 248,892.00 | 1,863,892.00 |
| 2012 | 10,250,000 | 1,299,068.76 | 11,549,068.76 | 2,565,000 | 704,807.54 | 3,269,807.54 | 1,715,000 | 165,933.75 | 1,880,933.75 |
| 2013 | 8,565,000 | 958,521.88 | 9,523,521.88 | 2,575,000 | 586,446.91 | 3,161,446.91 | 450,000 | 111,897.50 | 561,897.50 |
| 2014 | 4,505,000 | 675,050.00 | 5,180,050.00 | 1,270,000 | 502,378.78 | 1,772,378.78 | 470,000 | 89,582.50 | 559,582.50 |
| 2015 | 3,470,000 | 491,050.00 | 3,961,050.00 | 2,145,000 | 436,153.78 | 2,581,153.78 | 490,000 | 65,940.00 | 555,940.00 |
| 2016 | 1,680,000 | 369,650.00 | 2,049,650.00 | 1,685,000 | 362,935.03 | 2,047,935.03 | 515,000 | 40,615.63 | 555,615.63 |
| 2017 | 1,000,000 | 311,050.00 | 1,311,050.00 | 1,580,000 | 299,066.28 | 1,879,066.28 | 535,000 | 13,709.38 | 548,709.38 |
| 2018 | 1,000,000 | 266,050.00 | 1,266,050.00 | 645,000 | 254,766.28 | 899,766.28 | - | - | - |
| 2019 | 1,000,000 | 221,050.00 | 1,221,050.00 | 665,000 | 228,560.03 | 893,560.03 | - | - | - |
| 2020 | 975,000 | 175,393.75 | 1,150,393.75 | 685,000 | 200,922.52 | 885,922.52 | - | - | - |
| 2021 | 925,000 | 130,268.75 | 1,055,268.75 | 705,000 | 172,328.76 | 877,328.76 | - | - | - |
| 2022 | 900,000 | 86,925.00 | 986,925.00 | 730,000 | 142,312.51 | 872,312.51 | - | - | - |
| 2023 | 780,000 | 47,025.00 | 827,025.00 | 755,000 | 111,075.01 | 866,075.01 | - | - | - |
| 2024 | 600,000 | 14,250.00 | 614,250.00 | 785,000 | 78,668.76 | 863,668.76 | - | - | - |
| 2025 | - | - | - | 810,000 | 44,843.76 | 854,843.76 | - | - | - |
| 2026 | - | - | - | 415,000 | 9,078.13 | 424,078.13 | - | - | - |
| | <u>111,720,000</u> | <u>19,355,961.96</u> | <u>131,075,961.96</u> | <u>33,535,000</u> | <u>9,614,153.03</u> | <u>43,149,153.03</u> | <u>15,490,000</u> | <u>2,499,365.76</u> | <u>17,989,365.76</u> |

continued

City of Saint Paul, Minnesota
 DEBT SERVICE REQUIREMENTS TO MATURITY - GENERAL OBLIGATION BONDS
 December 31, 2006

| Fiscal Year | TOTAL GOVERNMENTAL ACTIVITIES | | | GENERAL OBLIGATION BONDS - SELF-SUPPORTING SEWER UTILITY ENTERPRISE FUND (Business-Type Activity) | | | GENERAL OBLIGATION BONDS - SELF-SUPPORTING HRA PARKING ENTERPRISE FUND (Business-Type Activity) | | |
|-------------|-------------------------------|----------------------|-----------------------|---|---------------------|---------------------|---|----------------------|----------------------|
| | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements |
| | 2007 | 27,075,000 | 6,063,529.69 | 33,138,529.69 | 215,000 | 159,772.50 | 374,772.50 | 1,445,000 | 1,804,068.75 |
| 2008 | 21,045,000 | 5,128,719.43 | 26,173,719.43 | 220,000 | 150,097.50 | 370,097.50 | 1,570,000 | 1,712,472.50 | 3,282,472.50 |
| 2009 | 19,785,000 | 4,297,110.80 | 24,082,110.80 | 230,000 | 140,087.50 | 370,087.50 | 1,700,000 | 1,611,887.50 | 3,311,887.50 |
| 2010 | 18,335,000 | 3,513,087.80 | 21,848,087.80 | 240,000 | 129,392.50 | 369,392.50 | 1,885,000 | 1,500,281.25 | 3,385,281.25 |
| 2011 | 16,665,000 | 2,799,657.05 | 19,464,657.05 | 250,000 | 117,992.50 | 367,992.50 | 2,040,000 | 1,378,135.00 | 3,418,135.00 |
| 2012 | 14,530,000 | 2,169,810.05 | 16,699,810.05 | 265,000 | 105,867.50 | 370,867.50 | 2,210,000 | 1,243,622.50 | 3,453,622.50 |
| 2013 | 11,590,000 | 1,656,866.29 | 13,246,866.29 | 275,000 | 92,750.00 | 367,750.00 | 2,430,000 | 1,104,388.75 | 3,534,388.75 |
| 2014 | 6,245,000 | 1,267,011.28 | 7,512,011.28 | 290,000 | 79,000.00 | 369,000.00 | 2,610,000 | 967,128.75 | 3,577,128.75 |
| 2015 | 6,105,000 | 993,143.78 | 7,098,143.78 | 300,000 | 64,500.00 | 364,500.00 | 2,790,000 | 829,508.75 | 3,619,508.75 |
| 2016 | 3,880,000 | 773,200.66 | 4,653,200.66 | 315,000 | 49,500.00 | 364,500.00 | 2,930,000 | 691,600.00 | 3,621,600.00 |
| 2017 | 3,115,000 | 623,825.66 | 3,738,825.66 | 330,000 | 33,750.00 | 363,750.00 | 1,200,000 | 593,512.50 | 1,793,512.50 |
| 2018 | 1,645,000 | 520,816.28 | 2,165,816.28 | 345,000 | 17,250.00 | 362,250.00 | 1,255,000 | 535,206.25 | 1,790,206.25 |
| 2019 | 1,665,000 | 449,610.03 | 2,114,610.03 | - | - | - | 1,315,000 | 474,168.75 | 1,789,168.75 |
| 2020 | 1,660,000 | 376,316.27 | 2,036,316.27 | - | - | - | 1,380,000 | 410,162.50 | 1,790,162.50 |
| 2021 | 1,630,000 | 302,597.51 | 1,932,597.51 | - | - | - | 1,445,000 | 343,068.75 | 1,788,068.75 |
| 2022 | 1,630,000 | 229,237.51 | 1,859,237.51 | - | - | - | 1,515,000 | 272,768.75 | 1,787,768.75 |
| 2023 | 1,535,000 | 158,100.01 | 1,693,100.01 | - | - | - | 1,585,000 | 199,143.75 | 1,784,143.75 |
| 2024 | 1,385,000 | 92,918.76 | 1,477,918.76 | - | - | - | 1,660,000 | 122,075.00 | 1,782,075.00 |
| 2025 | 810,000 | 44,843.76 | 854,843.76 | - | - | - | 1,740,000 | 41,325.00 | 1,781,325.00 |
| 2026 | 415,000 | 9,078.13 | 424,078.13 | - | - | - | - | - | - |
| | <u>160,745,000</u> | <u>31,469,480.75</u> | <u>192,214,480.75</u> | <u>3,275,000</u> | <u>1,139,960.00</u> | <u>4,414,960.00</u> | <u>34,705,000</u> | <u>15,834,525.00</u> | <u>50,539,525.00</u> |

continued

City of Saint Paul, Minnesota
 DEBT SERVICE REQUIREMENTS TO MATURITY - GENERAL OBLIGATION BONDS
 December 31, 2006

218

| Fiscal Year | TOTAL BUSINESS-TYPE ACTIVITIES | | | TOTAL ALL ACTIVITIES | | |
|-------------|--------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements |
| 2007 | 1,660,000 | 1,963,841.25 | 3,623,841.25 | 28,735,000 | 8,027,370.94 | 36,762,370.94 |
| 2008 | 1,790,000 | 1,862,570.00 | 3,652,570.00 | 22,835,000 | 6,991,289.43 | 29,826,289.43 |
| 2009 | 1,930,000 | 1,751,975.00 | 3,681,975.00 | 21,715,000 | 6,049,085.80 | 27,764,085.80 |
| 2010 | 2,125,000 | 1,629,673.75 | 3,754,673.75 | 20,460,000 | 5,142,761.55 | 25,602,761.55 |
| 2011 | 2,290,000 | 1,496,127.50 | 3,786,127.50 | 18,955,000 | 4,295,784.55 | 23,250,784.55 |
| 2012 | 2,475,000 | 1,349,490.00 | 3,824,490.00 | 17,005,000 | 3,519,300.05 | 20,524,300.05 |
| 2013 | 2,705,000 | 1,197,138.75 | 3,902,138.75 | 14,295,000 | 2,854,005.04 | 17,149,005.04 |
| 2014 | 2,900,000 | 1,046,128.75 | 3,946,128.75 | 9,145,000 | 2,313,140.03 | 11,458,140.03 |
| 2015 | 3,090,000 | 894,008.75 | 3,984,008.75 | 9,195,000 | 1,887,152.53 | 11,082,152.53 |
| 2016 | 3,245,000 | 741,100.00 | 3,986,100.00 | 7,125,000 | 1,514,300.66 | 8,639,300.66 |
| 2017 | 1,530,000 | 627,262.50 | 2,157,262.50 | 4,645,000 | 1,251,088.16 | 5,896,088.16 |
| 2018 | 1,600,000 | 552,456.25 | 2,152,456.25 | 3,245,000 | 1,073,272.53 | 4,318,272.53 |
| 2019 | 1,315,000 | 474,168.75 | 1,789,168.75 | 2,980,000 | 923,778.78 | 3,903,778.78 |
| 2020 | 1,380,000 | 410,162.50 | 1,790,162.50 | 3,040,000 | 786,478.77 | 3,826,478.77 |
| 2021 | 1,445,000 | 343,068.75 | 1,788,068.75 | 3,075,000 | 645,666.26 | 3,720,666.26 |
| 2022 | 1,515,000 | 272,768.75 | 1,787,768.75 | 3,145,000 | 502,006.26 | 3,647,006.26 |
| 2023 | 1,585,000 | 199,143.75 | 1,784,143.75 | 3,120,000 | 357,243.76 | 3,477,243.76 |
| 2024 | 1,660,000 | 122,075.00 | 1,782,075.00 | 3,045,000 | 214,993.76 | 3,259,993.76 |
| 2025 | 1,740,000 | 41,325.00 | 1,781,325.00 | 2,550,000 | 86,168.76 | 2,636,168.76 |
| 2026 | - | - | - | 415,000 | 9,078.13 | 424,078.13 |
| | <u>37,980,000</u> | <u>16,974,485.00</u> | <u>54,954,485.00</u> | <u>198,725,000</u> | <u>48,443,965.75</u> | <u>247,168,965.75</u> |

City of Saint Paul, Minnesota
 DEBT SERVICE REQUIREMENTS TO MATURITY - REVENUE BONDS
 December 31, 2006

| Fiscal Year | SALES TAX REVENUE BONDS (Governmental Activity) | | | HRA TAX INCREMENT REVENUE BONDS (Governmental Activity) | | | HRA SALES TAX REVENUE BONDS (Governmental Activity) | | |
|-------------|--|----------------------|-----------------------|---|----------------------|----------------------|---|----------------------|----------------------|
| | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements |
| 2007 | 1,560,000 | 4,609,790.50 | 6,169,790.50 | 3,444,183 | 3,428,225.78 | 6,872,408.78 | 1,400,000 | 3,094,535.00 | 4,494,535.00 |
| 2008 | 1,660,000 | 4,510,730.50 | 6,170,730.50 | 3,846,180 | 3,209,619.39 | 7,055,799.39 | 1,500,000 | 2,995,135.00 | 4,495,135.00 |
| 2009 | 1,765,000 | 4,404,656.50 | 6,169,656.50 | 2,824,891 | 2,964,880.21 | 5,789,771.21 | 1,605,000 | 2,888,635.00 | 4,493,635.00 |
| 2010 | 1,880,000 | 4,290,990.50 | 6,170,990.50 | 1,614,364 | 2,832,897.77 | 4,447,261.77 | 1,720,000 | 2,774,680.00 | 4,494,680.00 |
| 2011 | 2,010,000 | 4,163,338.50 | 6,173,338.50 | 1,714,648 | 2,736,119.09 | 4,450,767.09 | 1,840,000 | 2,652,560.00 | 4,492,560.00 |
| 2012 | 2,145,000 | 4,026,859.50 | 6,171,859.50 | 1,828,795 | 2,632,592.47 | 4,461,387.47 | 1,975,000 | 2,521,920.00 | 4,496,920.00 |
| 2013 | 2,290,000 | 3,881,214.00 | 6,171,214.00 | 1,941,862 | 2,520,074.03 | 4,461,936.03 | 2,115,000 | 2,381,695.00 | 4,496,695.00 |
| 2014 | 2,445,000 | 3,725,723.00 | 6,170,723.00 | 1,809,000 | 2,398,968.00 | 4,207,968.00 | 2,265,000 | 2,231,530.00 | 4,496,530.00 |
| 2015 | 2,615,000 | 3,559,707.50 | 6,174,707.50 | 1,936,000 | 2,285,861.88 | 4,221,861.88 | 2,425,000 | 2,070,715.00 | 4,495,715.00 |
| 2016 | 2,795,000 | 3,378,226.50 | 6,173,226.50 | 2,046,000 | 2,165,015.38 | 4,211,015.38 | 2,595,000 | 1,898,540.00 | 4,493,540.00 |
| 2017 | 2,990,000 | 3,184,253.50 | 6,174,253.50 | 2,559,000 | 2,015,649.00 | 4,574,649.00 | 2,780,000 | 1,714,295.00 | 4,494,295.00 |
| 2018 | 3,195,000 | 2,976,747.50 | 6,171,747.50 | 1,538,000 | 1,888,011.13 | 3,426,011.13 | 2,980,000 | 1,516,915.00 | 4,496,915.00 |
| 2019 | 3,415,000 | 2,755,014.50 | 6,170,014.50 | 1,646,000 | 1,784,071.38 | 3,430,071.38 | 3,190,000 | 1,305,335.00 | 4,495,335.00 |
| 2020 | 3,655,000 | 2,518,013.50 | 6,173,013.50 | 1,758,000 | 1,673,418.50 | 3,431,418.50 | 3,420,000 | 1,078,845.00 | 4,498,845.00 |
| 2021 | 3,915,000 | 2,258,874.00 | 6,173,874.00 | 1,877,000 | 1,551,390.50 | 3,428,390.50 | 3,660,000 | 836,025.00 | 4,496,025.00 |
| 2022 | 4,190,000 | 1,981,300.50 | 6,171,300.50 | 2,002,000 | 1,422,206.50 | 3,424,206.50 | 3,920,000 | 576,165.00 | 4,496,165.00 |
| 2023 | 4,485,000 | 1,684,229.50 | 6,169,229.50 | 2,139,000 | 1,284,004.50 | 3,423,004.50 | 4,195,000 | 297,845.00 | 4,492,845.00 |
| 2024 | 9,305,000 | 1,366,243.00 | 10,671,243.00 | 2,282,000 | 1,134,788.25 | 3,416,788.25 | - | - | - |
| 2025 | 9,965,000 | 706,518.50 | 10,671,518.50 | 2,441,000 | 975,703.00 | 3,416,703.00 | - | - | - |
| 2026 | - | - | - | 2,613,000 | 805,371.50 | 3,418,371.50 | - | - | - |
| 2027 | - | - | - | 2,787,000 | 623,323.75 | 3,410,323.75 | - | - | - |
| 2028 | - | - | - | 3,959,000 | 370,999.00 | 4,329,999.00 | - | - | - |
| 2029 | - | - | - | 3,324,000 | 114,751.00 | 3,438,751.00 | - | - | - |
| | <u>66,280,000</u> | <u>59,982,431.50</u> | <u>126,262,431.50</u> | <u>53,930,923</u> | <u>42,817,942.01</u> | <u>96,748,865.01</u> | <u>43,585,000</u> | <u>32,835,370.00</u> | <u>76,420,370.00</u> |

continued

City of Saint Paul, Minnesota
DEBT SERVICE REQUIREMENTS TO MATURITY - REVENUE BONDS
December 31, 2006

| Fiscal Year | HRA LEASE REVENUE BONDS (Governmental Activity) | | | TOTAL GOVERNMENTAL ACTIVITIES | | | SEWER UTILITY ENTERPRISE FUND REVENUE BONDS (Business-Type Activity) | | |
|-------------|---|---------------------|---------------------|-------------------------------|-----------------------|-----------------------|--|---------------------|----------------------|
| | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements |
| 2007 | 425,000 | 375,956.00 | 800,956.00 | 6,829,183 | 11,508,507.28 | 18,337,690.28 | 5,745,000 | 746,616.26 | 6,491,616.26 |
| 2008 | 525,000 | 348,988.00 | 873,988.00 | 7,531,180 | 11,064,472.89 | 18,595,652.89 | 4,135,000 | 587,793.76 | 4,722,793.76 |
| 2009 | 650,000 | 315,337.00 | 965,337.00 | 6,844,891 | 10,573,508.71 | 17,418,399.71 | 655,000 | 426,218.76 | 1,081,218.76 |
| 2010 | 775,000 | 274,175.00 | 1,049,175.00 | 5,989,364 | 10,172,743.27 | 16,162,107.27 | 670,000 | 403,918.76 | 1,073,918.76 |
| 2011 | 925,000 | 223,950.00 | 1,148,950.00 | 6,489,648 | 9,775,967.59 | 16,265,615.59 | 695,000 | 379,768.76 | 1,074,768.76 |
| 2012 | 1,075,000 | 163,950.00 | 1,238,950.00 | 7,023,795 | 9,345,321.97 | 16,369,116.97 | 725,000 | 354,718.76 | 1,079,718.76 |
| 2013 | 1,225,000 | 94,950.00 | 1,319,950.00 | 7,571,862 | 8,877,933.03 | 16,449,795.03 | 745,000 | 328,212.50 | 1,073,212.50 |
| 2014 | 970,000 | 29,100.00 | 999,100.00 | 7,489,000 | 8,385,321.00 | 15,874,321.00 | 770,000 | 300,442.50 | 1,070,442.50 |
| 2015 | - | - | - | 6,976,000 | 7,916,284.38 | 14,892,284.38 | 805,000 | 271,142.50 | 1,076,142.50 |
| 2016 | - | - | - | 7,436,000 | 7,441,781.88 | 14,877,781.88 | 835,000 | 239,730.00 | 1,074,730.00 |
| 2017 | - | - | - | 8,329,000 | 6,914,197.50 | 15,243,197.50 | 870,000 | 207,142.50 | 1,077,142.50 |
| 2018 | - | - | - | 7,713,000 | 6,381,673.63 | 14,094,673.63 | 905,000 | 172,342.50 | 1,077,342.50 |
| 2019 | - | - | - | 8,251,000 | 5,844,420.88 | 14,095,420.88 | 940,000 | 136,142.50 | 1,076,142.50 |
| 2020 | - | - | - | 8,833,000 | 5,270,277.00 | 14,103,277.00 | 985,000 | 95,302.50 | 1,080,302.50 |
| 2021 | - | - | - | 9,452,000 | 4,646,289.50 | 14,098,289.50 | 400,000 | 52,517.50 | 452,517.50 |
| 2022 | - | - | - | 10,112,000 | 3,979,672.00 | 14,091,672.00 | 415,000 | 35,917.50 | 450,917.50 |
| 2023 | - | - | - | 10,819,000 | 3,266,079.00 | 14,085,079.00 | 435,000 | 18,487.50 | 453,487.50 |
| 2024 | - | - | - | 11,587,000 | 2,501,031.25 | 14,088,031.25 | - | - | - |
| 2025 | - | - | - | 12,406,000 | 1,682,221.50 | 14,088,221.50 | - | - | - |
| 2026 | - | - | - | 2,613,000 | 805,371.50 | 3,418,371.50 | - | - | - |
| 2027 | - | - | - | 2,787,000 | 623,323.75 | 3,410,323.75 | - | - | - |
| 2028 | - | - | - | 3,959,000 | 370,999.00 | 4,329,999.00 | - | - | - |
| 2029 | - | - | - | 3,324,000 | 114,751.00 | 3,438,751.00 | - | - | - |
| | <u>6,570,000</u> | <u>1,826,406.00</u> | <u>8,396,406.00</u> | <u>170,365,923</u> | <u>137,462,149.51</u> | <u>307,828,072.51</u> | <u>20,730,000</u> | <u>4,756,415.06</u> | <u>25,486,415.06</u> |

continued

City of Saint Paul, Minnesota
DEBT SERVICE REQUIREMENTS TO MATURITY - REVENUE BONDS
December 31, 2006

| Fiscal Year | SPECIAL SERVICES ENTERPRISE FUND RECREATION FACILITY REVENUE BONDS (Business-Type Activity) | | | HRA PARKING ENTERPRISE FUND REVENUE BONDS (Business-Type Activity) | | | HRA LOAN ENTERPRISE FUND REVENUE BONDS (Business-Type Activity) | | |
|-------------|---|---------------------|----------------------|--|----------------------|----------------------|---|---------------------|----------------------|
| | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements |
| 2007 | 205,000 | 327,812.50 | 532,812.50 | 1,815,000 | 2,598,869.50 | 4,413,869.50 | 3,294,000 | 626,250.00 | 3,920,250.00 |
| 2008 | 220,000 | 320,637.50 | 540,637.50 | 2,270,000 | 2,518,467.50 | 4,788,467.50 | 2,694,000 | 461,550.00 | 3,155,550.00 |
| 2009 | 235,000 | 312,937.50 | 547,937.50 | 2,375,000 | 2,415,172.50 | 4,790,172.50 | 3,930,000 | 326,850.00 | 4,256,850.00 |
| 2010 | 250,000 | 304,125.00 | 554,125.00 | 2,475,000 | 2,305,290.50 | 4,780,290.50 | - | 130,350.00 | 130,350.00 |
| 2011 | 265,000 | 294,750.00 | 559,750.00 | 2,595,000 | 2,188,812.50 | 4,783,812.50 | - | 130,350.00 | 130,350.00 |
| 2012 | 280,000 | 284,150.00 | 564,150.00 | 18,060,000 | 1,764,950.50 | 19,824,950.50 | - | 130,350.00 | 130,350.00 |
| 2013 | 295,000 | 272,950.00 | 567,950.00 | 2,710,000 | 1,336,408.00 | 4,046,408.00 | - | 130,350.00 | 130,350.00 |
| 2014 | 310,000 | 261,150.00 | 571,150.00 | 1,945,000 | 1,197,135.00 | 3,142,135.00 | - | 130,350.00 | 130,350.00 |
| 2015 | 325,000 | 248,750.00 | 573,750.00 | 2,060,000 | 1,076,722.00 | 3,136,722.00 | - | 130,350.00 | 130,350.00 |
| 2016 | 350,000 | 235,750.00 | 585,750.00 | 2,190,000 | 948,048.00 | 3,138,048.00 | - | 130,350.00 | 130,350.00 |
| 2017 | 375,000 | 218,250.00 | 593,250.00 | 2,315,000 | 820,139.50 | 3,135,139.50 | - | 130,350.00 | 130,350.00 |
| 2018 | 400,000 | 199,500.00 | 599,500.00 | 805,000 | 687,185.00 | 1,492,185.00 | - | 130,350.00 | 130,350.00 |
| 2019 | 425,000 | 179,500.00 | 604,500.00 | 845,000 | 646,935.00 | 1,491,935.00 | - | 130,350.00 | 130,350.00 |
| 2020 | 450,000 | 158,250.00 | 608,250.00 | 890,000 | 602,572.50 | 1,492,572.50 | - | 130,350.00 | 130,350.00 |
| 2021 | 475,000 | 135,750.00 | 610,750.00 | 935,000 | 555,847.50 | 1,490,847.50 | - | 130,350.00 | 130,350.00 |
| 2022 | 505,000 | 112,000.00 | 617,000.00 | 985,000 | 506,760.00 | 1,491,760.00 | - | 130,350.00 | 130,350.00 |
| 2023 | 535,000 | 86,750.00 | 621,750.00 | 1,040,000 | 455,047.50 | 1,495,047.50 | - | 130,350.00 | 130,350.00 |
| 2024 | 565,000 | 60,000.00 | 625,000.00 | 1,090,000 | 400,447.50 | 1,490,447.50 | 2,537,000 | 130,350.00 | 2,667,350.00 |
| 2025 | 635,000 | 31,750.00 | 666,750.00 | 1,150,000 | 342,132.50 | 1,492,132.50 | - | - | - |
| 2026 | - | - | - | 1,210,000 | 280,607.50 | 1,490,607.50 | - | - | - |
| 2027 | - | - | - | 1,275,000 | 215,872.50 | 1,490,872.50 | - | - | - |
| 2028 | - | - | - | 1,345,000 | 147,660.00 | 1,492,660.00 | - | - | - |
| 2029 | - | - | - | 1,415,000 | 75,702.50 | 1,490,702.50 | - | - | - |
| | <u>7,100,000</u> | <u>4,044,762.50</u> | <u>11,144,762.50</u> | <u>53,795,000</u> | <u>24,086,785.50</u> | <u>77,881,785.50</u> | <u>12,455,000</u> | <u>3,369,900.00</u> | <u>15,824,900.00</u> |

continued

City of Saint Paul, Minnesota
DEBT SERVICE REQUIREMENTS TO MATURITY - REVENUE BONDS
December 31, 2006

| Fiscal Year | TOTAL BUSINESS-TYPE ACTIVITIES | | | TOTAL ALL ACTIVITIES | | |
|-------------|--------------------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| | Principal | Interest | Total Requirements | Principal | Interest | Total Requirements |
| 2007 | 11,059,000 | 4,299,548.26 | 15,358,548.26 | 17,888,183 | 15,808,055.54 | 33,696,238.54 |
| 2008 | 9,319,000 | 3,888,448.76 | 13,207,448.76 | 16,850,180 | 14,952,921.65 | 31,803,101.65 |
| 2009 | 7,195,000 | 3,481,178.76 | 10,676,178.76 | 14,039,891 | 14,054,687.47 | 28,094,578.47 |
| 2010 | 3,395,000 | 3,143,684.26 | 6,538,684.26 | 9,384,364 | 13,316,427.53 | 22,700,791.53 |
| 2011 | 3,555,000 | 2,993,681.26 | 6,548,681.26 | 10,044,648 | 12,769,648.85 | 22,814,296.85 |
| 2012 | 19,065,000 | 2,534,169.26 | 21,599,169.26 | 26,088,795 | 11,879,491.23 | 37,968,286.23 |
| 2013 | 3,750,000 | 2,067,920.50 | 5,817,920.50 | 11,321,862 | 10,945,853.53 | 22,267,715.53 |
| 2014 | 3,025,000 | 1,889,077.50 | 4,914,077.50 | 10,514,000 | 10,274,398.50 | 20,788,398.50 |
| 2015 | 3,190,000 | 1,726,964.50 | 4,916,964.50 | 10,166,000 | 9,643,248.88 | 19,809,248.88 |
| 2016 | 3,375,000 | 1,553,878.00 | 4,928,878.00 | 10,811,000 | 8,995,659.88 | 19,806,659.88 |
| 2017 | 3,560,000 | 1,375,882.00 | 4,935,882.00 | 11,889,000 | 8,290,079.50 | 20,179,079.50 |
| 2018 | 2,110,000 | 1,189,377.50 | 3,299,377.50 | 9,823,000 | 7,571,051.13 | 17,394,051.13 |
| 2019 | 2,210,000 | 1,092,927.50 | 3,302,927.50 | 10,461,000 | 6,937,348.38 | 17,398,348.38 |
| 2020 | 2,325,000 | 986,475.00 | 3,311,475.00 | 11,158,000 | 6,256,752.00 | 17,414,752.00 |
| 2021 | 1,810,000 | 874,465.00 | 2,684,465.00 | 11,262,000 | 5,520,754.50 | 16,782,754.50 |
| 2022 | 1,905,000 | 785,027.50 | 2,690,027.50 | 12,017,000 | 4,764,699.50 | 16,781,699.50 |
| 2023 | 2,010,000 | 690,635.00 | 2,700,635.00 | 12,829,000 | 3,956,714.00 | 16,785,714.00 |
| 2024 | 4,192,000 | 590,797.50 | 4,782,797.50 | 15,779,000 | 3,091,828.75 | 18,870,828.75 |
| 2025 | 1,785,000 | 373,882.50 | 2,158,882.50 | 14,191,000 | 2,056,104.00 | 16,247,104.00 |
| 2026 | 1,210,000 | 280,607.50 | 1,490,607.50 | 3,823,000 | 1,085,979.00 | 4,908,979.00 |
| 2027 | 1,275,000 | 215,872.50 | 1,490,872.50 | 4,062,000 | 839,196.25 | 4,901,196.25 |
| 2028 | 1,345,000 | 147,660.00 | 1,492,660.00 | 5,304,000 | 518,659.00 | 5,822,659.00 |
| 2029 | 1,415,000 | 75,702.50 | 1,490,702.50 | 4,739,000 | 190,453.50 | 4,929,453.50 |
| | <u>94,080,000</u> | <u>36,257,863.06</u> | <u>130,337,863.06</u> | <u>264,445,923</u> | <u>173,720,012.57</u> | <u>438,165,935.57</u> |

City of Saint Paul, Minnesota
SUMMARY OF BONDED DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2006

Schedule 32

| Fiscal Year | ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS | | |
|----------------|---|------------------------------|-----------------------|
| | General Obligation Bond Requirements | Revenue Bond Requirements | Total Requirements |
| 2007 | 36,762,370.94 | 33,696,238.54 | 70,458,609.48 |
| 2008 | 29,826,289.43 | 31,803,101.65 | 61,629,391.08 |
| 2009 | 27,764,085.80 | 28,094,578.47 | 55,858,664.27 |
| 2010 | 25,602,761.55 | 22,700,791.53 | 48,303,553.08 |
| 2011 | 23,250,784.55 | 22,814,296.85 | 46,065,081.40 |
| 2012 | 20,524,300.05 | 37,968,286.23 | 58,492,586.28 |
| 2013 | 17,149,005.04 | 22,267,715.53 | 39,416,720.57 |
| 2014 | 11,458,140.03 | 20,788,398.50 | 32,246,538.53 |
| 2015 | 11,082,152.53 | 19,809,248.88 | 30,891,401.41 |
| 2016 | 8,639,300.66 | 19,806,659.88 | 28,445,960.54 |
| 2017 | 5,896,088.16 | 20,179,079.50 | 26,075,167.66 |
| 2018 | 4,318,272.53 | 17,394,051.13 | 21,712,323.66 |
| 2019 | 3,903,778.78 | 17,398,348.38 | 21,302,127.16 |
| 2020 | 3,826,478.77 | 17,414,752.00 | 21,241,230.77 |
| 2021 | 3,720,666.26 | 16,782,754.50 | 20,503,420.76 |
| 2022 | 3,647,006.26 | 16,781,699.50 | 20,428,705.76 |
| 2023 | 3,477,243.76 | 16,785,714.00 | 20,262,957.76 |
| 2024 | 3,259,993.76 | 18,870,828.75 | 22,130,822.51 |
| 2025 | 2,636,168.76 | 16,247,104.00 | 18,883,272.76 |
| 2026 | 424,078.13 | 4,908,979.00 | 5,333,057.13 |
| 2027 | - | 4,901,196.25 | 4,901,196.25 |
| 2028 | - | 5,822,659.00 | 5,822,659.00 |
| 2029 | - | 4,929,453.50 | 4,929,453.50 |
| | <u>247,168,965.75</u> | <u>438,165,935.57</u> | <u>685,334,901.32</u> |

**SCHEDULE OF GENERAL OBLIGATION BOND ANNUAL CHARGES FOR
BOND AND INTEREST - PROPERTY TAX SUPPORTED BONDS**

December 31, 2006

| | Capital Improvement | | Library Agency | | Total | |
|------|---------------------|----------------------|-------------------|---------------------|--------------------|----------------------|
| | Bonds | Interest | Bonds | Interest | Bonds | Interest |
| 2007 | 17,985,000 | 3,591,916.90 | 200,000 | 526,550.00 | 18,185,000 | 4,118,466.90 |
| 2008 | 16,435,000 | 2,916,910.64 | 200,000 | 522,050.00 | 16,635,000 | 3,438,960.64 |
| 2009 | 15,185,000 | 2,291,475.01 | 200,000 | 516,800.00 | 15,385,000 | 2,808,275.01 |
| 2010 | 13,710,000 | 1,714,625.01 | 200,000 | 511,050.00 | 13,910,000 | 2,225,675.01 |
| 2011 | 11,755,000 | 1,214,181.26 | 200,000 | 505,050.00 | 11,955,000 | 1,719,231.26 |
| 2012 | 9,850,000 | 804,018.76 | 400,000 | 495,050.00 | 10,250,000 | 1,299,068.76 |
| 2013 | 7,865,000 | 482,721.88 | 700,000 | 475,800.00 | 8,565,000 | 958,521.88 |
| 2014 | 3,505,000 | 231,500.00 | 1,000,000 | 443,550.00 | 4,505,000 | 675,050.00 |
| 2015 | 2,470,000 | 90,000.00 | 1,000,000 | 401,050.00 | 3,470,000 | 491,050.00 |
| 2016 | 680,000 | 13,600.00 | 1,000,000 | 356,050.00 | 1,680,000 | 369,650.00 |
| 2017 | - | - | 1,000,000 | 311,050.00 | 1,000,000 | 311,050.00 |
| 2018 | - | - | 1,000,000 | 266,050.00 | 1,000,000 | 266,050.00 |
| 2019 | - | - | 1,000,000 | 221,050.00 | 1,000,000 | 221,050.00 |
| 2020 | - | - | 975,000 | 175,393.75 | 975,000 | 175,393.75 |
| 2021 | - | - | 925,000 | 130,268.75 | 925,000 | 130,268.75 |
| 2022 | - | - | 900,000 | 86,925.00 | 900,000 | 86,925.00 |
| 2023 | - | - | 780,000 | 47,025.00 | 780,000 | 47,025.00 |
| 2024 | - | - | 600,000 | 14,250.00 | 600,000 | 14,250.00 |
| | <u>99,440,000</u> | <u>13,350,949.46</u> | <u>12,280,000</u> | <u>6,005,012.50</u> | <u>111,720,000</u> | <u>19,355,961.96</u> |

City of Saint Paul, Minnesota
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 ALL FUNDS
 For the Fiscal Year Ended December 31, 2006

Schedule 34

| | Federal | State | County | Other | Total |
|---|------------------|-------------------|----------------|----------------|-------------------|
| GOVERNMENTAL FUNDS | | | | | |
| Major Governmental Funds | | | | | |
| General Fund | | | | | |
| State Homeland Security Grant - State Administered | 37,216 | - | - | - | 37,216 |
| City Share of State Department of Transportation Fines | - | 14,306 | - | - | 14,306 |
| Fire Pension Amortization and Insurance Premium Aid | - | 2,328,650 | - | - | 2,328,650 |
| Local Government Aid | - | 54,577,706 | - | - | 54,577,706 |
| Market Value Homestead Credit | - | 2,350,818 | - | - | 2,350,818 |
| Police/Fire Disability Benefit Act | - | 333,792 | - | - | 333,792 |
| Police Pension Amortization Aid | - | 3,424,461 | - | - | 3,424,461 |
| Public Employees Retirement Association Pension Aid | - | 517,512 | - | - | 517,512 |
| Workers' Compensation Supplemental Benefits | - | 150,000 | - | - | 150,000 |
| City Share of State Highway Rent | - | - | 1,350 | - | 1,350 |
| Emergency Management Performance Grant | - | - | 10,241 | - | 10,241 |
| | <u>37,216</u> | <u>63,697,245</u> | <u>11,591</u> | <u>-</u> | <u>63,746,052</u> |
| Library Agency | | | | | |
| Institute of Museum and Library - State Administered | 10,000 | - | - | - | 10,000 |
| Preservation Materials - State Administered | 2,406 | - | - | - | 2,406 |
| Senior Grant - State Administered | 5,107 | - | - | - | 5,107 |
| Teaching - Learning Library - College of St. Catherine Administered | 57,653 | - | - | - | 57,653 |
| Local Government Aid | - | 4,966,914 | - | - | 4,966,914 |
| Market Value Homestead Credit | - | 408,142 | - | - | 408,142 |
| Metropolitan Library Service Agency (MELSA) | - | 188,104 | - | - | 188,104 |
| City Share of State Highway Rent | - | - | 293 | - | 293 |
| | <u>75,166</u> | <u>5,563,160</u> | <u>293</u> | <u>-</u> | <u>5,638,619</u> |
| HRA General Fund | | | | | |
| Market Value Homestead Credit | - | 49,130 | - | - | 49,130 |
| General Debt Service | | | | | |
| Market Value Homestead Credit | - | 330,992 | - | - | 330,992 |
| City Share of State Highway Rent | - | - | 189 | - | 189 |
| | <u>-</u> | <u>330,992</u> | <u>189</u> | <u>-</u> | <u>331,181</u> |
| HRA General Debt Service | | | | | |
| Market Value Homestead Credit | - | 132,799 | - | - | 132,799 |
| Capital Improvement Projects | | | | | |
| Bruce Vento Lowertown Trail Grant - State Administered | 163,000 | - | - | - | 163,000 |
| Federal Highway Administration - State Administered | 2,280,310 | - | - | - | 2,280,310 |
| Minnesota Department of Economic Development | - | 2,629,512 | - | - | 2,629,512 |
| Minnesota Department of Education | - | 20,000 | - | - | 20,000 |
| Minnesota Department of Natural Resources | - | 470,793 | - | - | 470,793 |
| Minnesota Department of Natural Resources - Metropolitan Council Administered | - | 2,598,090 | - | - | 2,598,090 |
| Minnesota Department of Transportation Agency Agreement | - | 50,000 | - | - | 50,000 |
| Municipal State Aid - Construction | - | 5,985,010 | - | - | 5,985,010 |
| Ramsey County Aid | - | - | 279,428 | - | 279,428 |
| Metropolitan Council | - | - | - | 250,100 | 250,100 |
| | <u>2,443,310</u> | <u>11,753,405</u> | <u>279,428</u> | <u>250,100</u> | <u>14,726,243</u> |
| Total Major Governmental Funds | <u>2,555,692</u> | <u>81,526,731</u> | <u>291,501</u> | <u>250,100</u> | <u>84,624,024</u> |

continued

City of Saint Paul, Minnesota
SCHEDULE OF INTERGOVERNMENTAL REVENUE
ALL FUNDS
For the Fiscal Year Ended December 31, 2006

Schedule 34

| | Federal | State | County | Other | Total |
|---|------------------|------------------|----------------|----------|------------------|
| Non Major Governmental Funds | | | | | |
| Special Revenue Funds | | | | | |
| Special Projects - General Government | | | | | |
| AmeriCorps - Corporation for National and Community Service | 194,531 | - | - | - | 194,531 |
| Equal Employment Opportunity - EEOC | 55,200 | - | - | - | 55,200 |
| | <u>249,731</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>249,731</u> |
| Special Projects Police | | | | | |
| African American Immigrant and Muslim Healing Initiative - State Administered | 18,028 | - | - | - | 18,028 |
| Bullet Proof Vest Partnership - Justice | 8,895 | - | - | - | 8,895 |
| Cops More 2002 - Justice | 56,360 | - | - | - | 56,360 |
| First Light Accountability Response and Enforcement - Justice | 136,542 | - | - | - | 136,542 |
| Homeland Security Part II Critical Infrastructure - State Administered | 37,639 | - | - | - | 37,639 |
| Homeland Security Part II Equipment - State Administered | 6,046 | - | - | - | 6,046 |
| Human Trafficking - Justice | 122,699 | - | - | - | 122,699 |
| Internet Crimes Against Children - Justice | 277,627 | - | - | - | 277,627 |
| Justice Assistance Grant - Justice | 155,264 | - | - | - | 155,264 |
| Juvenile Accountability Block Grant - State Administered | 77,163 | - | - | - | 77,163 |
| Juvenile Delinquency Prevention - State Administered | 60,000 | - | - | - | 60,000 |
| Law Enforcement Terrorism Prevention Program - State Administered | 148,953 | - | - | - | 148,953 |
| Local Law Enforcement Block Grant Program IX - Justice | 45,214 | - | - | - | 45,214 |
| Narcotics Control Program - Surveillance - Justice - Ramsey County Administered | 74,047 | - | - | - | 74,047 |
| Night Cap Grant - State Administered | 22,516 | - | - | - | 22,516 |
| Recruitment of Community Policing Officers - Justice | 35,344 | - | - | - | 35,344 |
| Safe & Sober Grant - State Administered | 65,511 | - | - | - | 65,511 |
| Secure Our Schools - Justice | 8,000 | - | - | - | 8,000 |
| Speed Limit Enforcement Grant - State Administered | 28,157 | - | - | - | 28,157 |
| Underage Liquor Compliance Check Grant - State Administered | 2,700 | - | - | - | 2,700 |
| Urban Areas Strategic Initiative - State Administered | 123,036 | - | - | - | 123,036 |
| Value Based Initiative Grant - Justice | 27,512 | - | - | - | 27,512 |
| Minnesota Auto Theft Prevention Program | - | 68,249 | - | - | 68,249 |
| Minnesota Financial Crimes Task Force | - | 104,425 | - | - | 104,425 |
| Peace Officers Standards Board | - | 197,878 | - | - | 197,878 |
| State of Minnesota - 911 Service Fee | - | 436,792 | - | - | 436,792 |
| Strike Force Grant | - | 298,798 | - | - | 298,798 |
| | <u>1,537,253</u> | <u>1,106,142</u> | <u>-</u> | <u>-</u> | <u>2,643,395</u> |
| Fire Responsive Services | | | | | |
| 2003 Homeland Security Grant - State Administered | 9,590 | - | - | - | 9,590 |
| 2004 Assistance to Firefighters Grant - Homeland Security | 114,710 | - | - | - | 114,710 |
| 2004 Homeland Security Grant - State Administered | 26,464 | - | - | - | 26,464 |
| 2004 UASI Grant - State Administered | 2,724,658 | - | - | - | 2,724,658 |
| 2005 Homeland Security Grant-Haz Mat - State Administered | 5,000 | - | - | - | 5,000 |
| 2005 UASI Supplemental Grant - State Administered | 14,055 | - | - | - | 14,055 |
| | <u>2,894,477</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,894,477</u> |
| Right of Way Maintenance | | | | | |
| Municipal State Aid - Maintenance | - | 1,928,016 | - | - | 1,928,016 |
| State Trunk Highway | - | 302,264 | - | - | 302,264 |
| Ramsey County Aid | - | - | 509,470 | - | 509,470 |
| | <u>-</u> | <u>2,230,280</u> | <u>509,470</u> | <u>-</u> | <u>2,739,750</u> |

continued

City of Saint Paul, Minnesota
SCHEDULE OF INTERGOVERNMENTAL REVENUE
ALL FUNDS
For the Fiscal Year Ended December 31, 2006

Schedule 34

| | Federal | State | County | Other | Total |
|--|-------------------|-------------------|------------------|------------------|--------------------|
| Parking Meter Collections | | | | | |
| City Share of District Court - Fines & Forfeits | - | 3,651,985 | - | - | 3,651,985 |
| Solid Waste and Recycling | | | | | |
| Ramsey County Recycling Program | - | - | 540,052 | - | 540,052 |
| Como Campus | | | | | |
| Minnesota Department of Natural Resources Como Zoo Grant | - | 135,000 | - | - | 135,000 |
| Parks and Recreation Grants and Aids | | | | | |
| National Fish and Wildlife Foundation - Office of Water, EPA | 10,000 | - | - | - | 10,000 |
| Night Moves Program - State Administered | 68,250 | - | - | - | 68,250 |
| Minnesota Department of Natural Resources | | | | | |
| Fish and Wildlife - Como Lakeside Restoration | - | 28,722 | - | - | 28,722 |
| Regional Parks Maintenance | - | 1,185,846 | - | - | 1,185,846 |
| | 78,250 | 1,214,568 | - | - | 1,292,818 |
| Community Development Block Grant | | | | | |
| Community Development Block Grant - HUD | 7,004,258 | - | - | - | 7,004,258 |
| Emergency Shelter Grant - HUD | 470,619 | - | - | - | 470,619 |
| | 7,474,877 | - | - | - | 7,474,877 |
| State Grant Programs | | | | | |
| State of Minnesota - Special Projects | - | 1,092,661 | - | - | 1,092,661 |
| Ramsey County - Special Projects | - | - | 22,360 | - | 22,360 |
| Metropolitan Council Grant - Special Projects | - | - | - | 1,471,934 | 1,471,934 |
| | - | 1,092,661 | 22,360 | 1,471,934 | 2,586,955 |
| HRA Federal and State Programs | | | | | |
| American Dream Down Payment Initiative - HUD | 108,400 | - | - | - | 108,400 |
| Home Investment Partnerships Program - HUD | 1,205,663 | - | - | - | 1,205,663 |
| Lead Hazard Control - HUD - Ramsey County Administered | 26,750 | - | - | - | 26,750 |
| Minnesota Housing Finance Agency (MHFA) | | | | | |
| Loan and Grant Program | - | 419,352 | - | - | 419,352 |
| | 1,340,813 | 419,352 | - | - | 1,760,165 |
| Section 108 Programs | | | | | |
| Economic Development Initiative Grant - HUD | 419,110 | - | - | - | 419,110 |
| Total Special Revenue Funds | 13,994,511 | 9,849,988 | 1,071,882 | 1,471,934 | 26,388,315 |
| Debt Service Fund | | | | | |
| Library Debt | | | | | |
| Market Value Homestead Credit | - | 120,230 | - | - | 120,230 |
| Capital Projects Fund | | | | | |
| HRA Tax Increment | | | | | |
| Market Value Homestead Credit | - | 39,278 | - | - | 39,278 |
| Total Nonmajor Governmental Funds | 13,994,511 | 10,009,496 | 1,071,882 | 1,471,934 | 26,547,823 |
| Total Governmental Funds | 16,550,203 | 91,536,227 | 1,363,383 | 1,722,034 | 111,171,847 |

continued

City of Saint Paul, Minnesota
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 ALL FUNDS
 For the Fiscal Year Ended December 31, 2006

Schedule 34

| | Federal | State | County | Other | Total |
|---|-------------------|-------------------|------------------|------------------|--------------------|
| PROPRIETARY FUNDS | | | | | |
| Major Enterprise Funds | | | | | |
| Sewer Utility | | | | | |
| Ramsey County Aid | - | - | 72,711 | - | 72,711 |
| HRA Loan Enterprise | | | | | |
| Housing Counseling Grant - HUD | 100,777 | - | - | - | 100,777 |
| Minnesota Housing Finance Agency (MHFA) | | | | | |
| Collaborative Housing Program | - | 75,000 | - | - | 75,000 |
| Mortgage Foreclosure Prevention Assistance Program | - | 107,500 | - | - | 107,500 |
| Family Housing Fund | - | - | - | 50,000 | 50,000 |
| Metropolitan Council | - | - | - | 96,516 | 96,516 |
| | 100,777 | 182,500 | - | 146,516 | 429,793 |
| Total Major Enterprise Funds | 100,777 | 182,500 | 72,711 | 146,516 | 502,504 |
| Internal Service Fund | | | | | |
| Public Works Traffic, Signal and Lighting Maintenance | | | | | |
| Municipal State Aid | - | 1,476,717 | - | - | 1,476,717 |
| Ramsey County Aid | - | - | 981,598 | - | 981,598 |
| Total Internal Service Fund | - | 1,476,717 | 981,598 | - | 2,458,315 |
| Total Proprietary Funds | 100,777 | 1,659,217 | 1,054,309 | 146,516 | 2,960,819 |
| TOTAL ALL FUNDS | 16,650,980 | 93,195,444 | 2,417,692 | 1,868,550 | 114,132,666 |

City of Saint Paul, Minnesota
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended December 31, 2006

Schedule 35

| Federal Grantor Pass-Through Agency Grant Program Title | Federal CFDA Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------------|---------------------|------------------------------------|
| U.S. Department of Housing and Urban Development | | | |
| Direct Grants | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | \$ 7,004,258 | \$ 3,954,915 |
| Emergency Shelter Grants Program | 14.231 | 470,619 | 444,805 |
| Community Development Block Grants/Brownfields Economic Development Initiative (BEDI; Section 108) | 14.246 | <u>419,110</u> | <u>419,110</u> |
| Total U. S. Department of Housing and Urban Development | | <u>\$ 7,893,987</u> | <u>\$ 4,818,830</u> |
| U.S. Department of Justice | | | |
| Direct Grants | | | |
| Services for Trafficking Victims | 16.320 | \$ 122,699 | \$ - |
| Missing Children's Assistance-Internet Crimes Against Children | 16.543 | 277,627 | - |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders-First Light, Accountability, Response, and Enforcement (FLARE) | 16.590 | 136,542 | - |
| Local Law Enforcement Block Grant Program Local Law Enforcement Block Grant Program IX | 16.592 | 45,214 | 4,989 |
| Bulletproof Vest Partnership Program | 16.607 | 8,895 | - |
| Public Safety Partnership and Community Policing Grants Cops More 2002 | 16.710 | 56,360 | - |
| Recruitment, Hiring, and Retention of Community Police Officers | 16.710 | 35,344 | - |
| Value Based Initiative Grant | 16.710 | 27,512 | - |
| Secure Our Schools | 16.710 | 8,000 | - |
| Edward Byrne Memorial Justice Assistance Grant Program Justice Assistance | 16.738 | 155,264 | - |
| Passed Through Minnesota Department of Public Safety Juvenile Accountability Incentive Block Grants | 16.523 | 77,163 | - |
| Title V- Delinquency Prevention Program | 16.548 | 60,000 | - |
| Edward Byrne Memorial Formula Grant Program African American Immigrant and Muslim Healing Initiative | 16.579 | 18,028 | - |
| Enforcing Underage Drinking Laws Program Underage Liquor Compliance Check Grant | 16.727 | 2,700 | - |
| Passed Through Ramsey County, Minnesota Edward Byrne Memorial Justice Assistance Grant Program Narcotics Control Program - Surveillance | 16.738 | <u>74,047</u> | <u>-</u> |
| Total U. S. Department of Justice | | <u>\$ 1,105,395</u> | <u>\$ 4,989</u> |
| U.S. Department of Transportation | | | |
| Passed Through Minnesota Department of Transportation Highway Planning and Construction Federal Highway Administration | 20.205 | \$ 2,280,310 | \$ - |
| Passed Through Minnesota Department of Natural Resources Recreational Trails Program Bruce Vento Lowertown Trail Grant | 20.219 | 163,000 | - |
| Passed Through Minnesota Department of Public Safety State and Community Highway Safety Safe and Sober | 20.600 | 44,643 | - |
| Speed Limit Enforcement Grant | 20.600 | 28,157 | - |
| Night Cap Grant | 20.600 | 22,516 | - |
| Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants - Safe and Sober | 20.601 | <u>20,868</u> | <u>-</u> |
| Total U.S. Department of Transportation | | <u>\$ 2,559,494</u> | <u>\$ -</u> |

continued

City of Saint Paul, Minnesota
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended December 31, 2006

Schedule 35

| Federal Grantor Pass-Through Agency Grant Program Title | Federal CFDA Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------------|----------------------|------------------------------------|
| U.S. Equal Employment Opportunity Commission | | | |
| Direct Grant | | | |
| Employment Discrimination - State and Local Fair Employment Practices Agency Contracts | | | |
| Equal Employment Opportunity - EEOC | 30.002 | \$ 55,200 | \$ - |
| Office of Library Services, Institute of Museum and Library Services, National Foundation on the Arts and the Humanities | | | |
| Passed Through Minnesota Department of Education and the Friends of the Library | | | |
| Grants to States | | | |
| Institute of Museum and Library Senior Grant | 45.310 | \$ 10,000 | \$ - |
| Senior Grant | 45.310 | 5,107 | - |
| Preservation Materials | 45.310 | 2,406 | - |
| Passed Through College of St. Catherine | | | |
| Laura Bush 21st Century Librarian Program | | | |
| Teaching - Learning Library | 45.313 | 57,653 | - |
| Total Office of Library Services, Institute of Museum and Library Services | | | |
| | | \$ 75,166 | \$ - |
| Office of Water, Environmental Protection Agency | | | |
| Direct Grant | | | |
| Regional Wetland Program Development Grants | | | |
| National Fish and Wildlife Foundation - St. Paul Youth Watershed Restoration Corps | 66.461 | \$ 10,000 | \$ - |
| U.S. Department of Health and Human Services | | | |
| Passed Through Minnesota Department of Human Services | | | |
| Block Grants for Prevention and Treatment of Substance Abuse - Night Moves Program | | | |
| | 93.959 | \$ 68,250 | \$ - |
| Corporation for National and Community Service | | | |
| Direct Grant | | | |
| Volunteers in Service to America (VISTA) | | | |
| Americorps | 94.013 | \$ 194,531 | \$ - |
| U.S. Department of Homeland Security | | | |
| Direct Grant | | | |
| Assistance to Firefighters Grant | | | |
| | 97.044 | \$ 114,710 | \$ - |
| Passed Through Minnesota Department of Public Safety | | | |
| State Domestic Preparedness Equipment Support Program | | | |
| 2003 State Homeland Security Part II Critical Infrastructure Protection | 97.004 | 37,639 | - |
| 2003 State Homeland Security Grant Program | 97.004 | 9,590 | - |
| 2004 State Homeland Security Grant Program | 97.004 | 63,680 | - |
| 2005 State Homeland Security Grant Program | 97.004 | 5,000 | - |
| Law Enforcement Terrorism Prevention Program | 97.004 | 20,024 | - |
| Urban Areas Security Initiative | | | |
| Urban Areas Security Initiative | 97.008 | 2,823,302 | - |
| Homeland Security Grant Program | | | |
| Law Enforcement Terrorism Prevention Program | 97.067 | 128,929 | - |
| Urban Areas Security Initiative | 97.067 | 38,447 | - |
| Buffer Zone Protection Plan | | | |
| Homeland Security Part II Equipment | 97.078 | 6,046 | - |
| Total U.S. Department of Homeland Security | | | |
| | | \$ 3,247,367 | \$ - |
| Total Federal Awards | | \$ 15,209,390 | \$ 4,823,819 |

Notes to Schedule of Expenditures of Federal Awards

- The Schedule of Expenditures of Federal Awards presents the activity of federal award programs expended by the City of Saint Paul. It does not include \$7,676,964 (See Note 4. below) and \$954,052 in federal awards expended by the HRA and Port Authority component units of the City, respectively, which had separate single audits. The City's reporting entity is defined in Note II to the basic financial statements.
- The expenditures on this schedule are on the basis of accounting used by the individual funds of the City of Saint Paul. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis.
- Pass-through grant numbers were not assigned by the pass-through agencies.
- The Schedule of Intergovernmental Revenue All Funds (Schedule 34) indicates \$16,650,980 of federal revenue. The federal awards on this schedule is \$15,209,390, a difference of \$1,441,590. The HRA Federal and State Programs Fund had \$1,340,813 of federal intergovernmental revenue and the HRA Loan Enterprise Fund had \$100,777 of federal intergovernmental revenue. In addition, the HRA Parking Enterprise Fund is reporting a capital contribution of \$6,235,374 for the construction of the West End Multi-Model Hub (Smith Avenue Transit Ramp).

STATISTICAL SECTION

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

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| Financial Trends | 232-237 |
| These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | |
| Revenue Capacity | 238-243 |
| These tables contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes. | |
| Debt Capacity | 244-255 |
| These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | |
| Demographic and Economic Information | 256-257 |
| These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. | |
| Operating Information | 258-260 |
| These tables contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. | |

Sources: Unless otherwise noted, the information in these tables is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented Statement 34 in 2002; tables presenting government-wide information include information beginning in that year.

City of Saint Paul, Minnesota
NET ASSETS BY COMPONENT
Last Five Fiscal Years
(accrual basis of accounting)

Table 1

| | Fiscal Year | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 |
| Governmental Activities | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 724,622,777 | \$ 795,317,632 | \$ 828,644,882 | \$ 844,290,032 | \$ 873,832,717 |
| Restricted | 25,820,024 | 13,558,684 | 15,834,269 | 16,618,146 | 13,395,398 |
| Unrestricted | 156,225,516 | 110,149,300 | 76,428,755 | 40,137,785 | 10,774,044 |
| Total Governmental Activities Net Assets | <u>906,668,317</u> | <u>919,025,616</u> | <u>920,907,906</u> | <u>901,045,963</u> | <u>898,002,159</u> |
| Business-Type Activities | | | | | |
| Invested in Capital Assets, Net of Related Debt | 235,294,207 | 245,187,836 | 238,808,414 | 239,912,873 | 242,732,729 |
| Restricted | 9,052,464 | 10,195,968 | 16,105,185 | 22,966,596 | 17,621,141 |
| Unrestricted | 77,181,656 | 66,940,134 | 81,087,008 | 82,190,294 | 85,135,530 |
| Total Business-Type Activities Net Assets | <u>321,528,327</u> | <u>322,323,938</u> | <u>336,000,607</u> | <u>345,069,763</u> | <u>345,489,400</u> |
| Primary Government | | | | | |
| Invested in Capital Assets, Net of Related Debt | 959,916,984 | 1,040,505,468 | 1,067,453,296 | 1,084,202,905 | 1,116,565,446 |
| Restricted | 34,872,488 | 23,754,652 | 31,939,454 | 39,584,742 | 31,016,539 |
| Unrestricted | 233,407,172 | 177,089,434 | 157,515,763 | 122,328,079 | 95,909,574 |
| Total Primary Government Net Assets | <u>\$ 1,228,196,644</u> | <u>\$ 1,241,349,554</u> | <u>\$ 1,256,908,513</u> | <u>\$ 1,246,115,726</u> | <u>\$ 1,243,491,559</u> |

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

unaudited

City of Saint Paul, Minnesota
CHANGES IN NET ASSETS
Last Five Fiscal Years
(accrual basis of accounting)

Table 2

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 |
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 47,673,043 | \$ 39,528,689 | \$ 33,153,322 | \$ 32,568,766 | \$ 32,449,114 |
| Public Safety | 112,556,715 | 114,228,654 | 119,288,009 | 126,072,685 | 132,378,948 |
| Highways and Streets | 41,654,557 | 45,361,789 | 50,951,082 | 52,527,297 | 50,495,027 |
| Sanitation | 7,190,960 | 2,485,794 | 8,482,242 | 12,443,954 | 11,583,096 |
| Health | 4,088,663 | 4,114,359 | 3,673,383 | 3,892,004 | 3,635,124 |
| Culture and Recreation | 55,810,624 | 53,672,185 | 56,895,873 | 66,028,202 | 65,013,514 |
| Housing and Economic Development | 32,623,977 | 41,281,037 | 33,804,802 | 44,280,480 | 42,549,059 |
| Interest and Fiscal Charges | 22,344,872 | 22,275,378 | 23,052,309 | 26,160,599 | 30,244,973 |
| Total Governmental Activities Expenses | <u>323,943,411</u> | <u>322,947,885</u> | <u>329,301,022</u> | <u>363,973,987</u> | <u>368,348,855</u> |
| Business-Type Activities: | | | | | |
| Convention Facility ^a | 7,530,420 | 7,259,234 | 7,548,429 | - | - |
| Sewer | 30,640,702 | 29,404,536 | 27,103,522 | 25,292,391 | 26,354,648 |
| Development Loan Programs | 4,429,546 | 5,853,893 | 11,244,451 | 7,116,666 | 17,395,885 |
| Parking | 9,430,127 | 8,430,255 | 10,724,858 | 10,507,965 | 11,494,853 |
| Parks, Recreation and Athletics | 5,996,636 | 6,027,950 | 4,996,435 | 5,996,403 | 4,771,876 |
| Impound Lot | 2,079,124 | 2,153,642 | 1,972,880 | 2,479,721 | 2,402,149 |
| Printing | 1,475,209 | 1,288,297 | 1,242,616 | 1,230,610 | 1,279,068 |
| Total Business-Type Activities Expenses | <u>61,581,764</u> | <u>60,417,807</u> | <u>64,833,191</u> | <u>52,623,756</u> | <u>63,698,479</u> |
| Total Primary Government Expenses | <u>\$ 385,525,175</u> | <u>\$ 383,365,692</u> | <u>\$ 394,134,213</u> | <u>\$ 416,597,743</u> | <u>\$ 432,047,334</u> |
| Program Revenues (See Table 3) | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services | | | | | |
| General Government | \$ 9,191,967 | \$ 4,699,573 | \$ 9,380,491 | \$ 8,798,527 | \$ 9,134,829 |
| Public Safety | 22,121,306 | 26,432,687 | 26,665,718 | 27,769,334 | 26,692,642 |
| Highways and Streets | 20,301,628 | 26,529,885 | 26,438,639 | 32,967,651 | 34,352,127 |
| Sanitation | 2,111,722 | 2,242,363 | 2,297,414 | 2,449,595 | 2,324,880 |
| Health | 4,114,552 | 4,019,763 | 3,831,618 | 3,840,090 | 3,707,070 |
| Culture and Recreation | 3,884,827 | 2,896,007 | 4,219,813 | 4,222,197 | 5,512,146 |
| Housing and Economic Development | 19,641,805 | 2,467,053 | 5,557,466 | 8,076,376 | 8,196,016 |
| Operating Grants and Contributions | 32,629,611 | 24,023,893 | 33,840,616 | 32,975,895 | 29,671,811 |
| Capital Grants and Contributions | 18,505,643 | 36,811,025 | 31,801,235 | 26,385,391 | 16,943,630 |
| Total Governmental Activities Program Revenues | <u>132,503,061</u> | <u>130,122,249</u> | <u>144,033,010</u> | <u>147,485,056</u> | <u>136,535,151</u> |
| Business-Type Activities: | | | | | |
| Charges for Services | | | | | |
| Convention Facility ^a | 7,382,132 | 6,832,435 | 7,469,223 | - | - |
| Sewer | 38,850,245 | 40,760,760 | 41,582,550 | 41,108,850 | 40,480,344 |
| Development Loan Programs | 1,619,812 | 2,652,971 | 2,524,308 | 5,477,876 | 7,046,559 |
| Parking | 8,377,128 | 8,646,251 | 9,855,748 | 10,266,046 | 10,799,884 |
| Parks, Recreation and Athletics | 5,374,658 | 4,763,140 | 3,987,924 | 5,007,471 | 4,253,281 |
| Impound Lot | 2,094,383 | 2,093,756 | 2,160,387 | 2,837,692 | 2,913,522 |
| Printing | 1,428,629 | 1,238,072 | 1,385,361 | 1,336,638 | 1,142,229 |
| Operating Grants and Contributions | 557,645 | 903,216 | 1,519,836 | 487,960 | 1,316,288 |
| Capital Grants and Contributions | 3,499,747 | 615,884 | 1,444,700 | 900,000 | 6,239,395 |
| Total Business-Type Activities Program Revenues | <u>69,184,379</u> | <u>68,506,485</u> | <u>71,930,037</u> | <u>67,422,533</u> | <u>74,191,502</u> |
| Total Primary Government Program Revenues | <u>\$ 201,687,440</u> | <u>\$ 198,628,734</u> | <u>\$ 215,963,047</u> | <u>\$ 214,907,589</u> | <u>\$ 210,726,653</u> |

continued

unaudited

City of Saint Paul, Minnesota
CHANGES IN NET ASSETS
Last Five Fiscal Years
(accrual basis of accounting)

Table 2

| | Fiscal Year | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 |
| Net (Expense)/Revenue | | | | | |
| Governmental Activities | \$ (191,440,350) | \$ (192,825,636) | \$ (185,268,012) | \$ (216,488,931) | \$ (231,813,704) |
| Business-Type Activities | 7,602,615 | 8,088,678 | 7,096,846 | 14,798,777 | 10,493,023 |
| Total Primary Government Net Expense | <u>\$ (183,837,735)</u> | <u>\$ (184,736,958)</u> | <u>\$ (178,171,166)</u> | <u>\$ (201,690,154)</u> | <u>\$ (221,320,681)</u> |
| General Revenues and Other Changes in Net Assets | | | | | |
| Governmental Activities: | | | | | |
| Taxes | | | | | |
| Property Taxes, Levied for General Purposes | \$ 43,391,803 | \$ 53,127,175 | \$ 53,208,363 | \$ 64,039,066 | \$ 66,522,052 |
| Property Taxes, Levied for Debt Service | 25,355,830 | 17,639,710 | 16,314,143 | 7,820,482 | 11,026,264 |
| City Sales Tax | 13,344,192 | 13,312,004 | 13,753,085 | 14,219,562 | 14,788,775 |
| Gross Earnings Franchise Fee | 20,461,718 | 20,363,250 | 20,734,092 | 21,453,093 | 23,631,601 |
| Other Taxes | 3,010,662 | 2,685,387 | 3,051,574 | 2,973,717 | 1,064,984 |
| Revenues Not Restricted to Specific Programs | | | | | |
| Local Government Aid | 73,554,056 | 63,083,699 | 56,713,060 | 53,206,165 | 59,544,620 |
| Grants and Contributions | 7,400,023 | 19,868,660 | 14,253,707 | 10,569,389 | 10,038,235 |
| Investment Income | | | | | |
| Interest Earned on Investments | 9,028,333 | 7,702,266 | 8,030,739 | 9,192,966 | 9,421,782 |
| Increase (Decrease) in Fair Value of Investments | - | (2,132,076) | (1,911,771) | (2,690,817) | (116,483) |
| Other Investment Income | 4,891,080 | 1,355,348 | 2,068,978 | 4,159,922 | 6,828,069 |
| Gain on Sale of Capital Assets | - | 62,396 | 55,201 | 86,887 | 1,774,601 |
| Miscellaneous | 4,344,264 | 6,090,628 | 5,040,447 | 5,464,179 | 4,405,124 |
| Transfers | 11,766,916 | 8,913,826 | (4,161,316) | 9,126,692 | 19,840,276 |
| Total Governmental Activities | <u>216,548,877</u> | <u>212,072,273</u> | <u>187,150,302</u> | <u>199,621,303</u> | <u>228,769,900</u> |
| Business-Type Activities: | | | | | |
| Taxes | | | | | |
| Property Taxes, Levied for General Purposes | 1,195,454 | 1,203,262 | 1,219,706 | 1,372,349 | 1,397,216 |
| Other Taxes | 70,495 | - | - | - | - |
| Revenues Not Restricted to Specific Programs | | | | | |
| Grants and Contributions | 69,265 | 93,483 | - | - | - |
| Investment Income | | | | | |
| Interest Earned on Investments | 1,889,488 | 712,394 | 1,539,142 | 2,511,389 | 2,921,360 |
| Increase (Decrease) in Fair Value of Investments | - | (399,839) | (494,038) | (663,833) | 35,534 |
| Other Investment Income | 454,174 | 15,547 | 28,395 | - | - |
| Gain on Sale of Capital Assets | - | - | 1,108 | 1,055 | 70,535 |
| Miscellaneous | 347,306 | 240,820 | 124,194 | 625,120 | 4,013,182 |
| Transfers | (11,766,916) | (8,913,826) | 4,161,316 | (9,126,692) | (19,840,276) |
| Total Business-Type Activities | <u>(7,740,734)</u> | <u>(7,048,159)</u> | <u>6,579,823</u> | <u>(5,280,612)</u> | <u>(11,402,449)</u> |
| Total Primary Government | <u>\$ 208,808,143</u> | <u>\$ 205,024,114</u> | <u>\$ 193,730,125</u> | <u>\$ 194,340,691</u> | <u>\$ 217,367,451</u> |
| Change in Net Assets | | | | | |
| Governmental Activities | \$ 25,108,527 | \$ 19,246,637 | \$ 1,882,290 | \$ (16,867,628) | \$ (3,043,804) |
| Business-Type Activities | (138,119) | 1,040,519 | 13,676,669 | 9,518,165 | (909,426) |
| Total Primary Government | <u>\$ 24,970,408</u> | <u>\$ 20,287,156</u> | <u>\$ 15,558,959</u> | <u>\$ (7,349,463)</u> | <u>\$ (3,953,230)</u> |

Notes: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

^a In 2005, the RiverCentre Operating Enterprise Fund, previously part of the City's Business-Type Activities and functionalized as a Convention Facility, was reclassified to a Discretely Presented Component Unit.

^b In 2002, Increase in Fair Value of Investments in the Governmental Activities was \$3,411,767. This amount was included as part of the Other Investment Income total.

^c In 2002, Increase in Fair Value of Investments in the Business-Type Activities was \$454,174. This amount was included as part of the Other Investment Income total.

City of Saint Paul, Minnesota
PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Five Fiscal Years
(accrual basis of accounting)

Table 3

| Function/Program | Fiscal Year | | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 |
| Governmental Activities: | | | | | |
| General Government | \$ 15,950,864 | \$ 5,223,463 | \$ 10,464,401 | \$ 10,218,531 | \$ 9,823,498 |
| Public Safety | 26,452,334 | 29,962,350 | 30,781,259 | 31,898,748 | 32,780,568 |
| Highways and Streets | 28,456,425 | 46,461,748 | 54,114,650 | 53,792,724 | 48,747,880 |
| Sanitation | 4,227,008 | 2,933,760 | 2,863,670 | 3,126,471 | 2,864,932 |
| Health | 4,114,552 | 4,019,763 | 3,831,618 | 3,840,090 | 3,707,070 |
| Culture and Recreation | 10,694,788 | 20,794,153 | 21,080,303 | 17,638,863 | 17,326,036 |
| Housing and Economic Development | 42,607,090 | 20,727,012 | 20,897,109 | 26,969,629 | 21,285,167 |
| Total Governmental Activities | 132,503,061 | 130,122,249 | 144,033,010 | 147,485,056 | 136,535,151 |
| Business-Type Activities: | | | | | |
| Convention Facility ^a | 7,531,146 | 6,832,435 | 8,883,571 | - | - |
| Sewer | 38,850,245 | 40,760,760 | 41,660,786 | 41,181,561 | 40,553,055 |
| Development Loan Programs | 2,105,153 | 3,541,261 | 3,951,786 | 5,878,284 | 8,290,136 |
| Parking | 11,727,861 | 9,262,135 | 9,855,748 | 11,166,046 | 17,035,259 |
| Parks, Recreation and Athletics | 5,446,962 | 4,778,066 | 4,032,398 | 5,022,312 | 4,253,281 |
| Impound Lot | 2,094,383 | 2,093,756 | 2,160,387 | 2,837,692 | 2,913,522 |
| Printing | 1,428,629 | 1,238,072 | 1,385,361 | 1,336,638 | 1,146,249 |
| Total Business-Type Activities | 69,184,379 | 68,506,485 | 71,930,037 | 67,422,533 | 74,191,502 |
| Total Primary Government | \$ 201,687,440 | \$ 198,628,734 | \$ 215,963,047 | \$ 214,907,589 | \$ 210,726,653 |

Notes: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

^a In 2005, the RiverCentre Operating Enterprise Fund, previously part of the City's Business-Type Activities and functionalized as a Convention Facility, was reclassified to a Discretely Presented Component Unit.

unaudited

City of Saint Paul, Minnesota

Table 4

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 11,859,081 | \$ 6,887,512 | \$ 6,387,976 | \$ 5,535,984 | \$ 5,533,669 | \$ 5,613,140 | \$ 5,334,613 | \$ 4,340,814 | \$ 4,187,181 | \$ 3,267,812 |
| Unreserved | 36,118,669 | 42,505,842 | 36,837,301 | 40,062,050 | 38,189,657 | 35,993,191 | 32,510,286 | 29,499,571 | 23,067,576 | 27,004,762 |
| Total General Fund | <u>\$ 47,977,750</u> | <u>\$ 49,393,354</u> | <u>\$ 43,225,277</u> | <u>\$ 45,598,034</u> | <u>\$ 43,723,326</u> | <u>\$ 41,606,331</u> | <u>\$ 37,844,899</u> | <u>\$ 33,840,385</u> | <u>\$ 27,254,757</u> | <u>\$ 30,272,574</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 13,952,167 | \$ 20,896,614 | \$ 20,409,711 | \$ 20,108,806 | \$ 21,508,479 | \$ 36,919,324 | \$ 20,701,025 | \$ 10,453,614 | \$ 25,695,148 | \$ 19,312,928 |
| Unreserved, reported in: | | | | | | | | | | |
| Special Revenue Funds | 32,331,762 | 38,082,202 | 40,743,057 | 47,457,241 | 51,257,548 | 53,214,523 | 54,295,471 | 52,158,335 | 48,776,930 | 42,749,516 |
| Debt Service Funds | 69,746,976 | 57,923,757 | 55,381,996 | 62,600,163 | 68,837,886 | 66,631,417 | 68,740,713 | 67,187,680 | 59,553,764 | 56,421,129 |
| Capital Projects Funds | 92,028,469 | 67,077,677 | 73,266,992 | 64,436,685 | 44,748,721 | 33,625,724 | 45,076,818 | 53,663,461 | 28,851,862 | 18,638,492 |
| Permanent Funds | - | - | - | - | - | 27,236 | 27,790 | 27,481 | 27,599 | 29,788 |
| Total All Other Governmental Funds | <u>\$208,059,374</u> | <u>\$183,980,250</u> | <u>\$189,801,756</u> | <u>\$194,602,895</u> | <u>\$186,352,634</u> | <u>\$190,418,224</u> | <u>\$188,841,817</u> | <u>\$183,490,571</u> | <u>\$162,905,303</u> | <u>\$137,151,853</u> |

Note: 1997 through 2001 data does not include permanent funds which were reclassified in 2002 from nonexpendable trust funds to permanent funds.

unaudited

City of Saint Paul, Minnesota
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Table 5

| | Fiscal Year | | | | | | | | | |
|--|----------------------|------------------------|----------------------|---------------------|------------------------|----------------------|-----------------------|-----------------------|------------------------|------------------------|
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 103,435,973 | \$ 104,198,269 | \$ 106,878,131 | \$ 113,414,530 | \$ 117,411,554 | \$ 105,083,556 | \$ 106,242,298 | \$ 109,252,185 | \$ 110,585,975 | \$ 116,407,831 |
| Licenses and Permits | 6,921,815 | 8,216,430 | 8,864,748 | 8,749,454 | 8,499,506 | 9,338,920 | 9,946,553 | 11,837,738 | 9,754,084 | 9,826,495 |
| Intergovernmental Revenue | 127,912,294 | 130,735,178 | 131,590,772 | 135,025,265 | 128,312,680 | 135,870,545 | 136,172,418 | 124,516,106 | 118,926,464 | 111,171,847 |
| Fees, Sales and Services | 25,416,110 | 28,018,440 | 30,003,769 | 32,771,565 | 36,038,556 | 36,218,180 | 36,952,168 | 38,604,545 | 49,352,098 | 43,117,742 |
| Assessments | 17,112,097 | 17,075,476 | 17,102,665 | 17,289,214 | 16,448,973 | 17,547,027 | 21,242,537 | 23,155,819 | 25,810,255 | 26,077,643 |
| Investment Income | 13,299,278 | 21,595,882 | 13,620,099 | 30,545,608 | 18,417,647 | 14,839,915 | 6,687,036 | 7,915,522 | 10,918,511 | 16,397,951 |
| Interest Earned - Other | 290,723 | 460,298 | 437,597 | 347,603 | 305,706 | 319,904 | 341,037 | 731,305 | 849,744 | 822,865 |
| Miscellaneous Revenue | 8,812,722 | 9,179,223 | 12,344,112 | 62,556,987 | 22,432,277 | 19,625,739 | 14,439,188 | 13,475,703 | 12,615,017 | 16,111,608 |
| Total Revenues | 303,201,012 | 319,479,196 | 320,841,893 | 400,700,226 | 347,866,899 | 338,843,786 | 332,023,235 | 329,488,923 | 338,812,148 | 339,933,982 |
| Expenditures | | | | | | | | | | |
| General Government | 25,371,064 | 31,648,726 | 33,011,789 | 35,034,554 | 38,971,274 | 35,288,827 | 33,427,028 | 28,210,068 | 26,996,262 | 26,841,779 |
| Public Safety | 88,850,074 | 95,769,267 | 94,410,919 | 98,246,208 | 103,227,952 | 111,207,963 | 112,628,159 | 117,249,240 | 123,704,393 | 129,577,904 |
| Highways and Streets | 22,410,127 | 22,580,421 | 23,604,098 | 24,343,375 | 25,038,865 | 24,059,026 | 22,477,765 | 31,848,667 | 27,768,336 | 27,237,822 |
| Sanitation | - | - | - | 7,475,891 | - | - | 2,486,019 | 8,482,290 | 12,444,218 | 11,583,533 |
| Health | 9,227,008 | 5,467,833 | 4,445,005 | 4,597,617 | 4,141,380 | 4,114,552 | 4,019,763 | 3,831,618 | 3,840,090 | 3,707,070 |
| Culture and Recreation | 36,956,143 | 38,855,554 | 37,227,096 | 36,255,598 | 38,531,070 | 42,035,136 | 39,780,189 | 43,238,513 | 51,276,198 | 49,343,421 |
| Housing and Economic Development | 40,359,628 | 32,838,943 | 38,563,111 | 38,847,917 | 43,788,974 | 42,175,500 | 41,997,411 | 31,061,250 | 42,224,229 | 41,021,924 |
| Miscellaneous | 5,623,524 | 4,970,649 | 5,028,773 | 5,408,793 | 6,134,183 | 5,523,784 | 5,339,604 | 6,025,438 | 5,734,053 | 5,144,659 |
| Capital Outlay | 82,167,530 | 110,882,037 | 174,571,918 | 145,486,793 | 73,367,100 | 68,743,229 | 82,829,109 | 53,549,908 | 40,853,473 | 49,142,396 |
| Debt Service | | | | | | | | | | |
| Principal | 27,090,317 | 45,293,110 | 27,333,411 | 27,227,678 | 50,416,181 | 38,029,215 | 32,439,693 | 29,759,302 | 37,472,711 | 32,331,805 |
| Interest | 17,115,693 | 21,401,179 | 30,303,034 | 31,844,320 | 24,324,492 | 22,084,347 | 21,974,828 | 22,952,306 | 26,282,901 | 30,093,539 |
| Bond Issuance Costs | 1,505,515 | 1,305,198 | 1,689,882 | 508,076 | 727,739 | 972,605 | 315,173 | 545,135 | 434,356 | 207,549 |
| Advance Refunding Escrow | - | 2,028,144 | - | - | - | - | - | - | - | - |
| Total Expenditures | 356,676,623 | 413,041,061 | 470,189,036 | 455,276,820 | 408,669,210 | 394,234,184 | 399,714,741 | 376,753,735 | 399,031,220 | 406,233,401 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (53,475,611) | (93,561,865) | (149,347,143) | (54,576,594) | (60,802,311) | (55,390,398) | (67,691,506) | (47,264,812) | (60,219,072) | (66,299,419) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers In | 92,809,104 | 71,408,781 | 121,928,577 | 131,980,366 | 116,204,848 | 86,457,723 | 95,464,836 | 92,989,648 | 97,525,767 | 100,077,442 |
| Transfers Out | (69,055,021) | (63,639,288) | (110,989,441) | (122,004,517) | (109,585,296) | (75,178,120) | (87,690,918) | (97,941,380) | (95,073,290) | (81,705,358) |
| Bonds Issued | 31,084,906 | 81,248,750 | 91,869,008 | 50,560,340 | 42,203,972 | 47,409,000 | 32,285,000 | 45,995,000 | 34,045,000 | 23,500,000 |
| Refunded Bonds | - | - | - | - | - | - | (5,040,000) | (5,340,000) | (5,005,000) | (4,820,000) |
| Premium on Bonds Issued | - | - | - | - | - | 43,882 | 301,350 | 937,112 | 474,104 | 215,092 |
| Discount on Bonds Issued | - | - | - | - | - | (2,226) | - | - | (4,601) | - |
| Notes Issued | 49,967,087 | 4,509,275 | 46,418,069 | 23,855 | 1,912,864 | 17,689 | 13,750,000 | - | - | 4,820,000 |
| Payment to Escrow Agent | - | (23,765,925) | - | - | - | - | - | - | - | - |
| Notes Retired | - | - | - | (52,015,958) | - | - | - | - | - | - |
| Prepayment Penalty on Note Retirement | - | - | - | (1,505,625) | - | - | - | - | - | - |
| Capital Lease | - | - | - | - | - | 6,872,000 | 13,845,000 | 1,224,350 | 1,000,000 | - |
| Sale of Capital Assets | - | - | - | 54,654,583 | - | - | 55,263 | 44,322 | 86,196 | 1,476,610 |
| Total Other Financing Sources (Uses) | 104,806,076 | 69,761,593 | 149,226,213 | 61,693,044 | 50,736,388 | 65,619,948 | 62,970,531 | 37,909,052 | 33,048,176 | 43,563,786 |
| Residual Equity Transfers and Adjustments | (26,702) | 206,282 | (225,641) | 57,446 | (59,046) | - | - | - | - | - |
| Net Change in Fund Balance | \$ 51,303,763 | \$ (23,593,990) | \$ (346,571) | \$ 7,173,896 | \$ (10,124,969) | \$ 10,229,550 | \$ (4,720,975) | \$ (9,355,760) | \$ (27,170,896) | \$ (22,735,633) |
| Debt Service as a percentage of noncapital expenditures: | 16.7% | 23.2% | 20.1% | 19.2% | 22.5% | 18.8% | 17.3% | 16.5% | 17.9% | 17.5% |

Notes: 1997 through 2001 data does not include permanent funds which were reclassified in 2002 from nonexpendable trust funds to permanent funds.

Investment income includes interest on investments, increase (decrease) in fair value of investments and interest earned on securities lending.

Housing and Economic Development expenditures were classified as Urban Redevelopment, Economic Development and Economic Opportunity in 1997 through 2001.

unaudited

City of Saint Paul, Minnesota
GOVERNMENTAL FUNDS TAX REVENUES BY SOURCE
 Last Ten Fiscal Years

Table 6

| <u>Fiscal Year</u> | <u>General Property Taxes (1)</u> | <u>Tax Increment Districts</u> | <u>Gross Earnings Franchise Fee</u> | <u>City Sales Tax</u> | <u>Hotel-Motel Tax</u> | <u>Other Taxes (2)</u> | <u>Total Taxes</u> |
|--------------------|-----------------------------------|--------------------------------|-------------------------------------|-----------------------|------------------------|------------------------|--------------------|
| 1997 | \$ 63,095,623 | \$ 9,645,459 | \$ 18,490,981 | \$ 9,797,300 | \$ 2,247,879 | \$ 4,505 | \$ 103,281,747 |
| 1998 | 63,123,987 | 10,577,803 | 17,266,438 | 10,542,813 | 2,549,326 | 1,405 | 104,061,772 |
| 1999 | 63,121,981 | 12,347,861 | 17,725,621 | 10,829,384 | 2,473,549 | 83,280 | 106,581,676 |
| 2000 | 62,794,192 | 15,548,260 | 18,854,325 | 13,007,632 | 2,740,548 | 108,087 | 113,053,044 |
| 2001 | 62,626,729 | 18,862,952 | 19,414,538 | 13,432,179 | 2,712,042 | 135,241 | 117,183,681 |
| 2002 | 58,209,650 | 10,057,334 | 20,461,718 | 13,344,192 | 2,717,163 | 90,390 | 104,880,447 |
| 2003 | 58,074,438 | 11,807,219 | 20,363,250 | 13,312,004 | 2,454,219 | 98,026 | 106,109,156 |
| 2004 | 58,537,588 | 13,175,489 | 20,734,091 | 13,753,085 | 2,885,847 | 111,535 | 109,197,635 |
| 2005 | 58,233,792 | 13,854,210 | 21,453,093 | 14,219,562 | 2,728,764 | 58,831 | 110,548,252 |
| 2006 | 61,162,534 | 15,759,937 | 21,719,072 | 14,788,775 | 2,926,601 | 50,912 | 116,407,831 |

(1) General Property Taxes excludes Homestead Credit.
 General Property Taxes includes Current and Prior Year Collections.

(2) Other Taxes include penalties & interest on property taxes, Contamination Tax, and Drug Store & Mortuary Tax.

unaudited

City of Saint Paul, Minnesota
ESTIMATED MARKET VALUE, TAXABLE MARKET VALUE, AND NET TAX CAPACITY OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Table 7

| Levy Year/Payable Year | 1996/97 | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Estimated Market Value | | | | | | | | | | |
| Residential | \$4,955,364,283 | \$5,379,930,576 | \$5,680,605,039 | \$6,072,330,066 | \$7,472,958,986 | \$8,986,030,100 | \$10,920,229,300 | \$12,132,142,180 | \$13,647,894,000 | \$14,894,768,200 |
| Multiple Dwelling | 975,619,717 | 832,483,174 | 885,228,927 | 943,888,134 | 1,095,543,033 | 1,379,390,800 | 1,634,126,500 | 2,254,972,520 | 2,699,138,000 | 2,904,292,000 |
| Commercial & Industrial | 1,354,944,400 | 1,447,880,800 | 1,631,781,834 | 1,849,481,201 | 2,218,927,752 | 2,394,329,800 | 2,690,017,500 | 2,878,728,300 | 2,969,533,500 | 3,204,930,500 |
| Agricultural | 707,200 | 707,200 | 623,400 | 658,600 | 560,929 | 999,100 | 1,716,100 | 1,503,500 | 1,732,000 | 1,777,500 |
| Personal Property | 286,910,400 | 293,084,700 | 290,346,300 | 303,045,300 | 277,175,200 | 286,133,500 | 286,055,300 | 295,189,400 | 310,928,500 | 310,928,500 |
| Total Estimated Market Value | \$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 | \$21,316,696,700 |
| Taxable Market Value | | | | | | | | | | |
| Residential | | | | | | \$7,189,775,000 | \$8,033,480,700 | \$9,101,481,400 | \$10,660,325,500 | \$12,374,904,400 |
| Multiple Dwelling | | | | | | 1,360,873,200 | 1,633,896,300 | 1,938,483,100 | 2,468,144,900 | 2,676,404,300 |
| Commercial & Industrial | | | | | | 2,388,888,800 | 2,690,017,500 | 2,878,728,300 | 2,963,339,300 | 3,187,251,500 |
| Agricultural | | | | | | 728,300 | 766,000 | 826,700 | 964,900 | 1,106,400 |
| Personal Property | not available | not available | not available | not available | not available | 286,133,500 | 286,055,300 | 295,189,400 | 310,928,500 | 310,928,500 |
| Total Taxable Market Value | \$7,567,754,900 | \$7,954,086,450 | \$8,480,678,600 | \$9,157,393,201 | \$10,164,670,200 | \$11,226,398,800 | \$12,644,215,800 | \$14,214,708,900 | \$16,403,703,100 | \$18,550,595,100 |
| Net Tax Capacity | | | | | | | | | | |
| Residential | \$60,030,470 | \$64,983,332 | \$66,680,692 | \$71,407,676 | \$79,120,976 | \$71,877,316 | \$79,853,978 | \$91,129,291 | \$106,889,252 | \$124,407,717 |
| Multiple Dwelling | 28,366,275 | 21,919,412 | 18,621,642 | 18,904,684 | 21,375,459 | 21,210,353 | 22,135,132 | 24,229,733 | 30,817,187 | 32,370,855 |
| Commercial & Industrial | 59,160,918 | 53,711,335 | 53,518,980 | 59,200,840 | 71,303,051 | 45,974,891 | 52,889,557 | 55,538,460 | 57,166,280 | 61,752,920 |
| Agricultural | 12,031 | 10,791 | 7,797 | 7,907 | 6,226 | 6,983 | 7,012 | 7,860 | 9,154 | 10,496 |
| Personal Property | 13,016,098 | 11,454,861 | 9,961,695 | 10,134,824 | 9,306,200 | 5,669,437 | 5,640,507 | 5,855,423 | 6,177,516 | 5,838,295 |
| | 160,585,792 | 152,079,731 | 148,790,806 | 159,655,931 | 181,111,912 | 144,738,980 | 160,526,186 | 176,760,767 | 201,059,389 | 224,380,283 |
| Less: Tax Increment District Captured Net Tax Capacity | (10,052,719) | (11,003,251) | (11,928,010) | (14,363,837) | (18,732,577) | (13,291,072) | (14,655,305) | (16,458,189) | (17,770,800) | (18,233,377) |
| Fiscal Disparity Contribution from Saint Paul Distribution to Saint Paul | (12,761,484) 41,941,569 | (12,062,762) 40,248,863 | (12,043,718) 37,734,195 | (13,246,125) 40,517,488 | (15,745,914) 42,896,691 | (13,175,636) 32,136,403 | (11,774,572) 33,783,356 | (15,711,939) 35,522,965 | (16,383,446) 35,670,395 | (17,074,983) 36,114,648 |
| Total Net Tax Capacity | \$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 | \$225,186,571 |
| Direct Tax Rate | | | | | | | | | | |
| General Revenue | 23.290% | 24.106% | 25.606% | 24.000% | 21.630% | 26.486% | 25.816% | 23.173% | 22.019% | 20.767% |
| Bonded Debt | 11.084% | 11.897% | 11.911% | 11.395% | 10.485% | 11.406% | 11.166% | 5.605% | 3.210% | 2.924% |
| Library Revenue | | | | | | | | 5.383% | 4.978% | 4.667% |
| Total Direct Tax Rate | 34.374% | 36.003% | 37.517% | 35.395% | 32.115% | 37.892% | 36.982% | 34.161% | 30.207% | 28.358% |
| Total Net Tax Capacity as a Percentage of Total Estimated Market Value | | | | | | | | | | |
| | 2.37% | 2.13% | 1.91% | 1.88% | 1.71% | 1.15% | 1.08% | 1.03% | 1.03% | 1.06% |

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Source: Ramsey County Department of Property Records and Revenue

Notes: Net tax capacity is the amount to which the local tax rate is applied. Tax Capacity is calculated by applying a statutory formula to the taxable market value of the property.

unaudited

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) | | | | | | | |
| 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 |
| 2006 | 28.358 | 29.368 (2) | 0.434 | 1.016 | 43.414 | 6.140 | 108.730 |
| TAX LEVIES (1) | | | | | | | |
| 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 |
| 2006 | 64,532,906 | 66,044,888 (2) | 979,895 | 2,316,175 | 217,455,420 | 19,030,040 | 370,359,324 |

- (1) 1997 - 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. The 2006 rate and levy were 0.09859% and \$20,618,213.

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 |
| 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 | 135.883 | 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 |
| 2006 | 2.182 | 933,981 | 108.730 | 110.554 | 19,733,859 |

unaudited

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

Table 9

| Taxpayer | 2006 | | | 1997 | | |
|---|---|------|---|---|------|---|
| | 2005 Net Tax Capacity for Taxes Payable in 2006 | Rank | Percentage of 2005 Total Net Tax Capacity for Taxes Payable in 2006 | 1996 Net Tax Capacity for Taxes Payable in 1997 | Rank | Percentage of 1996 Total Net Tax Capacity for Taxes Payable in 1997 |
| Xcel Energy (Northern States Power Company) | \$4,470,544 | 1 | 1.99% | \$ 7,979,965 | 1 | 4.44% |
| Minnesota Mutual Life Insurance Company | 1,731,034 | 2 | 0.77% | 588,925 | 9 | 0.33% |
| U.S. Bank Corp. Property & U.S. Bancorp | 1,442,149 | 3 | 0.64% | | | |
| 3M | 1,031,326 | 4 | 0.46% | 921,497 | 6 | 0.51% |
| St. Paul Fire & Marine Insurance Company | 1,028,832 | 5 | 0.46% | | | |
| Behringer Harvard LC LLC (Lawson Software) | 830,500 | 6 | 0.37% | | | |
| Zeller World Trade, LLC | 773,250 | 7 | 0.34% | | | |
| Ford Motor Company | 683,304 | 8 | 0.30% | 1,300,260 | 3 | 0.72% |
| Meritex Enterprises | 644,228 | 9 | 0.29% | | | |
| DDR MDT Midway Marketplace LLC | 640,944 | 10 | 0.28% | | | |
| St. Paul Companies | | | | 2,252,401 | 2 | 1.25% |
| Principal Mutual Life Insurance Co. | | | | 1,133,078 | 4 | 0.63% |
| Minnesota Street Associates | | | | 1,100,965 | 5 | 0.61% |
| Dayton Hudson Corp | | | | 716,335 | 7 | 0.40% |
| Ryan St. Paul LTD Partnership | | | | 619,400 | 8 | 0.34% |
| Revenue Building Ltd. Partnership | | | | 580,254 | 10 | 0.32% |
| | <u>\$13,276,111</u> | | <u>5.90%</u> | <u>\$17,193,080</u> | | <u>9.55%</u> |

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Data Source
 Ramsey County Department of Property Records and Revenue

unaudited

City of Saint Paul, Minnesota
PROPERTY TAX LEVIES AND COLLECTIONS
CITY AND LIBRARY AGENCY
Last Ten Fiscal Years

Table 10

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 (2) | 2003 | 2004 | 2005 | 2006 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Taxes Levied for Current Fiscal Year (1) | \$82,759,228 | \$82,416,035 | \$82,406,322 | \$83,204,103 | \$83,206,301 | \$62,393,392 | \$62,392,844 | \$62,545,233 | \$62,615,791 | \$64,532,799 |
| Collection of Current Year Tax Levy | | | | | | | | | | |
| From Taxpayers | 46,025,658 | 45,372,180 | 45,794,327 | 45,569,082 | 46,027,850 | 38,924,829 | 43,372,547 | 44,156,237 | 45,114,136 | 48,823,276 |
| Fiscal Disparity Aid | 15,325,294 | 15,920,842 | 15,548,499 | 15,640,215 | 15,178,470 | 17,426,218 | 12,663,429 | 12,616,556 | 11,972,624 | 10,796,022 |
| State Credits and Aids | 20,022,247 | 20,015,054 | 20,012,573 | 20,809,726 | 20,814,829 | 4,578,654 | 4,415,706 | 4,112,735 | 3,729,946 | 3,210,181 |
| Total Collection of Current Levy | 81,373,199 | 81,308,076 | 81,355,399 | 82,019,023 | 82,021,150 | 60,929,700 | 60,451,682 | 60,885,527 | 60,816,706 | 62,829,480 |
| Percentage of Current Year Levy Collected in the Fiscal Year of Levy | 98.33 | 98.66 | 98.72 | 98.58 | 98.58 | 97.65 | 96.89 | 97.35 | 97.13 | 97.36 |
| Delinquent Taxes Collected in subsequent years | | | | | | | | | | |
| 1st Year Delinquent | 326,609 | 568,582 | 505,319 | 487,776 | 813,807 | 1,051,603 | 949,514 | 304,568 | 861,772 | - |
| 2nd Year Delinquent | 95,519 | 108,692 | 5,715 | 74,733 | 75,735 | (52,814) | (74,806) | (31,064) | - | - |
| 3rd Year Delinquent | 49,586 | 27,992 | 79,990 | 76,355 | 49,319 | 11,386 | (13,761) | - | - | - |
| 4th Year Delinquent | 2,616 | 33,786 | 30,620 | 25,297 | 43,110 | 17,353 | - | - | - | - |
| 5th Year Delinquent | 12,295 | 9,744 | 19,696 | 10,719 | 9,691 | - | - | - | - | - |
| 6th Year & Prior Delinquent | 34,276 | 44,352 | 27,075 | 25,213 | - | - | - | - | - | - |
| Total Delinquent Collections | 520,901 | 793,148 | 668,415 | 700,093 | 991,662 | 1,027,528 | 860,947 | 273,504 | 861,772 | - |
| Total Tax Collections as of 12/31/06 | \$81,894,100 | \$82,101,224 | \$82,023,814 | \$82,719,116 | \$83,012,812 | \$61,957,228 | \$61,312,629 | \$61,159,031 | \$61,678,478 | \$62,829,480 |
| Percentage of Levy Collected as of 12/31/06 | 98.95 | 99.62 | 99.54 | 99.42 | 99.77 | 99.30 | 98.27 | 97.78 | 98.50 | 97.36 |

(1) The total tax levied is different than the tax levy certified (as presented in Table 8) due to the property tax rate rounding factor.

(2) Beginning year 2002, the State of Minnesota eliminated HACA Aid which was considered part of the Property Tax Levy. The Market Value Homestead Credit was established which reduces the property tax paid by the qualified homeowners with the State of Minnesota paying the difference directly to the taxing district.

Notes: Collections do not include Tax Increment Districts.

Above data does not include Housing and Redevelopment (HRA), Table 11 presents separately the HRA (Component Unit) data.

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City of Saint Paul, Minnesota
PROPERTY TAX LEVIES AND COLLECTIONS
HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL
(Component Unit)
Last Ten Fiscal Years

Table 11

| | <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> | <u>2006</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total Taxes Levied for Current Fiscal Year | \$ 1,064,309 | \$ 1,109,074 | \$ 1,109,074 | \$ 1,109,074 | \$ 1,109,074 | \$ 840,174 | \$ 840,174 | \$ 840,174 | \$ 898,986 | \$ 979,895 |
| Collection of Current Year Tax Levy | | | | | | | | | | |
| From Taxpayers | 584,530 | 621,269 | 625,070 | 614,420 | 622,097 | 526,934 | 584,041 | 594,122 | 661,061 | 750,062 |
| Fiscal Disparity Aid | 204,891 | 213,832 | 214,768 | 210,574 | 202,879 | 234,526 | 170,273 | 171,938 | 160,358 | 157,181 |
| State Credits and Aids | 258,081 | 258,112 | 258,237 | 268,900 | 268,900 | 61,625 | 46,766 | 38,346 | 54,331 | 49,130 |
| Total Collection of Current Levy | <u>1,047,502</u> | <u>1,093,213</u> | <u>1,098,075</u> | <u>1,093,894</u> | <u>1,093,876</u> | <u>823,085</u> | <u>801,080</u> | <u>804,406</u> | <u>875,750</u> | <u>956,373</u> |
| Percentage of Current Year Levy Collected in the Fiscal Year of Levy | 98.42 | 98.57 | 99.01 | 98.63 | 98.63 | 97.97 | 95.35 | 95.74 | 97.42 | 97.60 |
| Delinquent Taxes Collected in subsequent years | | | | | | | | | | |
| 1st Year Delinquent (1) | <u>14,461</u> | <u>10,231</u> | <u>9,923</u> | <u>8,184</u> | <u>13,691</u> | <u>5,816</u> | <u>11,901</u> | <u>3,559</u> | <u>12,963</u> | <u>-</u> |
| Total Tax Collections as of 12/31/06 | <u>\$ 1,061,963</u> | <u>\$ 1,103,444</u> | <u>\$ 1,107,998</u> | <u>\$ 1,102,078</u> | <u>\$ 1,107,567</u> | <u>\$ 828,901</u> | <u>\$ 812,981</u> | <u>\$ 807,965</u> | <u>\$ 888,713</u> | <u>\$ 956,373</u> |
| Percentage of Levy Collected as of 12/31/06 | 99.78 | 99.49 | 99.90 | 99.37 | 99.86 | 98.66 | 96.76 | 96.17 | 98.86 | 97.60 |

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(1) Entire amount of delinquent collections for each individual fiscal year is reported as 1st year delinquent for previous year's levy as breakdown by levy year is not available.

Note: Collections do not include Tax Increment Districts.

unaudited

City of Saint Paul, Minnesota
RATIOS OF OUTSTANDING DEBT BY TYPE PER CAPITA
 Last Ten Fiscal Years

Table 12

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | | | | | | | |
| General Obligation Bonds | \$ 147,725,000 | \$ 183,060,000 | \$ 181,425,000 | \$ 190,350,000 | \$ 184,065,000 | \$ 142,100,000 | \$ 143,140,000 | \$ 159,390,000 | \$ 159,285,000 | \$ 160,745,000 |
| Revenue Bonds | 136,775,000 | 112,225,000 | 180,680,000 | 196,643,000 | 198,673,000 | 186,834,000 | 182,999,000 | 180,960,942 | 181,684,780 | 170,365,923 |
| Revenue Notes | 51,968,277 | 61,036,482 | 111,227,410 | 58,850,071 | 59,307,544 | 53,117,329 | 64,399,753 | 61,422,179 | 53,424,359 | 55,770,626 |
| Capital Leases | - | 2,910,754 | 2,822,702 | 2,729,550 | 2,631,004 | 9,503,004 | 23,093,750 | 23,395,777 | 23,077,102 | 21,553,366 |
| Total - Governmental Activities | <u>336,468,277</u> | <u>359,232,236</u> | <u>476,155,112</u> | <u>448,572,621</u> | <u>444,676,548</u> | <u>391,554,333</u> | <u>413,632,503</u> | <u>425,168,898</u> | <u>417,471,241</u> | <u>408,434,915</u> |
| Business-Type Activities | | | | | | | | | | |
| General Obligation Bonds | - | 4,545,000 | 4,385,000 | 4,220,000 | 4,045,000 | 43,190,000 | 42,060,000 | 40,815,000 | 39,485,000 | 37,980,000 |
| Revenue Bonds | 56,745,000 | 52,215,000 | 47,480,000 | 42,510,000 | 37,285,000 | 80,700,000 | 71,770,000 | 95,475,000 | 104,940,000 | 94,080,000 |
| Revenue Notes | 3,095,514 | 6,364,197 | 9,318,557 | 15,917,371 | 21,811,221 | 24,611,222 | 20,773,718 | 21,792,994 | 18,914,589 | 16,136,499 |
| Capital Leases | - | 2,236,668 | 2,127,185 | 2,011,575 | 1,889,494 | 1,889,495 | 1,760,582 | 1,624,457 | 621,697 | 350,434 |
| Total - Business-Type Activities | <u>59,840,514</u> | <u>65,360,865</u> | <u>63,310,742</u> | <u>64,658,946</u> | <u>65,030,715</u> | <u>150,390,717</u> | <u>136,364,300</u> | <u>159,707,451</u> | <u>163,961,286</u> | <u>148,546,933</u> |
| Total Primary Government | <u>\$ 396,308,791</u> | <u>\$ 424,593,101</u> | <u>\$ 539,465,854</u> | <u>\$ 513,231,567</u> | <u>\$ 509,707,263</u> | <u>\$ 541,945,050</u> | <u>\$ 549,996,803</u> | <u>\$ 584,876,349</u> | <u>\$ 581,432,527</u> | <u>\$ 556,981,848</u> |
| Per Capita (1) | \$ 1,469.79 | \$ 1,580.37 | \$ 2,021.02 | \$ 1,787.32 | \$ 1,774.38 | \$ 1,881.75 | \$ 1,912.34 | \$ 2,034.99 | \$ 2,023.18 | \$ 1,938.10 |

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

(1) See Table 17 for population data. The 2006 ratio is calculated using population for the prior calendar year.

unaudited

City of Saint Paul, Minnesota
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

Table 13

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Population (1) | 269,636 | 268,667 | 266,927 | 287,151 | 287,260 | 288,000 | 287,604 | 287,410 | 287,385 | 287,385 |
| Taxable Assessed Value/ Net Tax Capacity (2) | \$ 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 | \$ 225,186,571 |
| General Obligation Bonds - Property Tax Supported | 109,950,000 | 105,845,000 | 102,780,000 | 103,040,000 | 104,135,000 | 104,885,000 | 105,370,000 | 118,475,000 | 119,200,000 | 111,720,000 |
| Less General Debt Service Fund | 20,693,442 | 21,269,151 | 19,760,708 | 20,196,726 | 22,046,641 | 23,091,689 | 27,769,116 | 25,528,653 | 24,150,246 | 19,753,773 |
| Net General Bonded Debt | \$ 89,256,558 | \$ 84,575,849 | \$ 83,019,292 | \$ 82,843,274 | \$ 82,088,359 | \$ 81,793,311 | \$ 77,600,884 | \$ 92,946,347 | \$ 95,049,754 | \$ 91,966,227 |
| Percentage of Net General Bonded Debt to Taxable Assessed Value/Net Tax Capacity | 49.67% | 49.97% | 51.07% | 48.01% | 43.31% | 54.38% | 46.23% | 51.60% | 46.92% | 40.84% |
| Net General Bonded Debt per Capita | \$ 331.03 | \$ 314.80 | \$ 311.02 | \$ 288.50 | \$ 285.76 | \$ 284.00 | \$ 269.82 | \$ 323.39 | \$ 330.74 | \$ 320.01 |

(1) 1997-1999, 2001-04 data based on Metropolitan Council estimates. 2005 interpolated from Metropolitan Council data. 2000 data provided by U.S. Bureau of Census. 2006 estimate not yet available from Metropolitan Council. The 2006 ratio is calculated using population for the prior year

(2) Taxable Assessed Value/Net Tax Capacity is net of tax increment reductions. The decline in taxable net tax capacity in 2002 is due to statutory changes in property classification rates.

unaudited

**City of Saint Paul, Minnesota
 DIRECT, OVERLAPPING AND UNDERLYING GOVERNMENTAL ACTIVITIES DEBT
 December 31, 2006**

| | <u>Gross General Bonded Debt</u> | <u>Net General Bonded Debt</u> | <u>Payable 2006 Net Tax Capacity</u> | <u>Percentage Applicable to City of Saint Paul</u> | <u>City of Saint Paul's Share of Debt</u> |
|--|--------------------------------------|------------------------------------|--|--|---|
| Direct Debt | | | | | |
| City of Saint Paul | \$ 111,720,000 | \$ 91,966,227 (1) | \$ 225,640,637 | 100.00% | \$ 91,966,227 |
| Overlapping Debt | | | | | |
| County of Ramsey | 129,680,000 | 112,233,399 | 478,383,799 | 47.17% | 52,940,494 |
| Metropolitan Council | <u>185,560,000</u> | <u>139,367,526</u> | 3,001,556,502 | 7.52% | <u>10,480,438</u> |
| | <u>315,240,000</u> | <u>251,600,925</u> | | | <u>63,420,932</u> |
| Underlying Debt | | | | | |
| Port Authority of Saint Paul | 13,470,000 | 4,955,904 | 225,640,637 | 100.00% | 4,955,904 |
| Independent School District #625 | <u>343,847,151</u> | <u>339,654,151</u> | 225,187,189 | 100.00% | <u>339,654,151</u> |
| | <u>357,317,151</u> | <u>344,610,055</u> | | | <u>344,610,055</u> |
| Total Direct, Overlapping and Underlying Debt | <u>\$ 784,277,151</u> | <u>\$ 688,177,207</u> | | | <u>\$ 499,997,214</u> |

(1) **Net General Bonded Debt**
 Total General Obligation Bonds - Property Tax Supported \$ 111,720,000
 Less: Amount Available in General Debt Service Fund (19,753,773)
Net General Bonded Debt \$ 91,966,227

unaudited

City of Saint Paul, Minnesota
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years

Table 15

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Estimated Market Values | | | | | | | | | | |
| Real Property Value | \$ 7,661,001,750 | \$ 8,198,239,200 | \$ 8,866,358,001 | \$ 10,787,990,700 | \$ 12,760,749,800 | \$ 15,246,089,400 | \$ 17,267,346,500 | \$ 19,318,297,500 | \$ 21,005,768,200 | \$ - |
| Personal Property Value | 293,084,700 | 290,346,300 | 303,045,300 | 277,175,200 | 286,133,500 | 286,055,300 | 295,189,400 | 310,928,500 | 310,928,500 | - |
| Estimated Market Values for Debt Limit Computation | 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 | 21,316,696,700 | - |
| Debt limit (3 1/3% of assessed value) | 265,135,950 | 282,952,567 | 305,646,471 | 368,838,494 | 434,895,675 | 517,737,639 | 585,417,278 | 654,306,879 | 710,555,846 | - |
| Taxable Market Values | | | | | | | | | | |
| Real Property Value | - | - | - | - | - | - | - | - | - | 18,239,666,600 |
| Personal Property Value | - | - | - | - | - | - | - | - | - | 310,928,500 |
| Taxable Market Values for Debt Limit Computation | - | - | - | - | - | - | - | - | - | 18,550,595,100 |
| Debt limit (3 1/3% of assessed value) | - | - | - | - | - | - | - | - | - | 618,353,170 |
| Debt applicable to limit | | | | | | | | | | |
| General Obligation Bonds | 147,725,000 | 187,760,000 | 185,970,000 | 194,735,000 | 188,285,000 | 185,290,000 | 185,200,000 | 200,205,000 | 198,770,000 | 198,725,000 |
| Revenue Bonds | 250,445,000 | 168,970,000 | 232,895,000 | 244,123,000 | 241,183,000 | 267,534,000 | 254,769,000 | 276,435,942 | 286,624,780 | 264,445,923 |
| Less: Amount allowable under MSA 475.53 Subd. 3 and City Charter Section 10.14 | (326,135,000) | (283,430,000) | (343,785,000) | (359,878,000) | (346,741,500) | (367,489,000) | (352,509,000) | (387,254,435) | (392,024,780) | (368,678,423) |
| Total net debt applicable to limit | 72,035,000 | 73,300,000 | 75,080,000 | 78,980,000 | 82,726,500 | 85,335,000 | 87,460,000 | 89,386,507 | 93,370,000 | 94,492,500 |
| Legal debt margin | \$ 193,100,950 | \$ 209,652,567 | \$ 230,566,471 | \$ 289,858,494 | \$ 352,169,175 | \$ 432,402,639 | \$ 497,957,278 | \$ 564,920,372 | \$ 617,185,846 | \$ (94,492,500) |
| Total net debt applicable to the limit as a percentage of debt limit | 27.17% | 25.91% | 24.56% | 21.41% | 19.02% | 16.48% | 14.94% | 13.66% | 13.14% | 15.28% |

Note: The total net debt of the city shall not exceed three and one-third percent (3 1/3) of the market value of the taxable real and personal property comprising the taxable value of the city as determined by the county auditor, in accordance with law. The legal debt margin was calculated based on the estimated market values for years 1997 thru 2005 and based on the taxable market values for year 2006.

unaudited

City of Saint Paul, Minnesota
PLEDGED-REVENUE BOND COVERAGE
 Last Ten Fiscal Years

Table 16

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | Totals |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| SALES TAX REVENUE BONDS, SERIES 1999A | | | | | | | | | | | |
| Fund Servicing Debt - City Revenue Bonds & Other Long-Term Debt Service Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Sales Tax Proceeds | \$ - | \$ - | \$ 10,829,384 | \$ 13,007,632 | \$ 13,432,179 | \$ 13,344,192 | \$ 13,312,004 | \$ 13,753,085 | \$ 14,219,562 | \$ 14,788,775 | \$ 106,686,813 |
| Investment Earnings | - | - | 388,274 | 3,589,739 | 412,698 | 44,642 | 37,028 | 33,895 | 106,928 | 202,128 | 4,815,332 |
| Rents | - | - | - | 1,750,000 | 5,127,125 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 24,377,125 |
| Payments in Lieu of Taxes | - | - | - | 1,250,000 | 875,000 | 2,514,356 | 2,535,074 | 2,556,828 | 2,929,669 | 3,303,652 | 15,964,579 |
| Total Revenues Available for Debt Service | \$ - | \$ - | \$ 11,217,658 | \$ 19,597,371 | \$ 19,847,002 | \$ 19,403,190 | \$ 19,384,106 | \$ 19,843,808 | \$ 20,756,159 | \$ 21,794,555 | \$ 151,843,849 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ 965,000 | \$ 1,020,000 | \$ 745,000 | \$ 940,000 | \$ 1,150,000 | \$ 1,470,000 | \$ 6,290,000 |
| Interest | - | - | 3,312,565 | 4,989,637 | 4,989,637 | 4,934,729 | 4,874,753 | 4,830,202 | 4,772,768 | 4,701,812 | 37,406,103 |
| State Loan Repayment | - | - | - | - | - | - | 1,250,000 | 1,250,000 | 1,250,000 | 1,500,000 | 5,250,000 |
| Total Debt Service Requirements | \$ - | \$ - | \$ 3,312,565 | \$ 4,989,637 | \$ 5,954,637 | \$ 5,954,729 | \$ 6,869,753 | \$ 7,020,202 | \$ 7,172,768 | \$ 7,671,812 | \$ 48,946,103 |
| Coverage (Revenues/Debt Service) | NA | NA | 3.39 | 3.93 | 3.33 | 3.26 | 2.82 | 2.83 | 2.89 | 2.84 | 3.10 |
| SEWER REVENUE BONDS, SERIES 1993, 2003D, 2004E and 2006C | | | | | | | | | | | |
| Fund Servicing Debt - Sewer Utility Enterprise Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Operating Revenues | | | | | | | | | | | |
| Sanitary Sewer System Charge | \$ 30,063,653 | \$ 30,055,477 | \$ 30,126,078 | \$ 29,710,058 | \$ 29,930,370 | \$ 28,202,848 | \$ 27,930,278 | \$ 28,333,196 | \$ 29,433,398 | \$ 28,906,224 | \$ 292,691,580 |
| Storm Sewer System Charge | 8,532,341 | 8,689,399 | 8,740,314 | 8,678,209 | 8,589,993 | 8,702,727 | 9,188,072 | 9,402,138 | 9,559,027 | 9,593,830 | 89,676,050 |
| Other Operating Revenues | 752,202 | 1,010,157 | 896,536 | 692,813 | 1,332,017 | 1,089,234 | 3,403,990 | 3,847,216 | 2,099,127 | 5,964,819 | 21,088,111 |
| Total Operating Revenues | 39,348,196 | 39,755,033 | 39,762,928 | 39,081,080 | 39,852,380 | 37,994,809 | 40,522,340 | 41,582,550 | 41,091,552 | 44,464,873 | 403,455,741 |
| Operating Expenses (a) | (17,522,442) | (18,021,052) | (19,301,643) | (19,435,331) | (19,347,327) | (20,599,725) | (20,579,249) | (19,797,621) | (17,887,444) | (18,936,475) | (191,428,309) |
| Non-Operating Revenues (Expenses) | (2,976,518) | (3,449,276) | (3,344,136) | 233,146 | (1,066,314) | (1,482,143) | (2,166,243) | (1,167,969) | (1,277,473) | (1,168,900) | (17,865,826) |
| Transfers (b) | (41,977) | (175,057) | (216,588) | (405,450) | (215,487) | (410,604) | (654,598) | (589,943) | (555,695) | (612,150) | (3,877,549) |
| Total Revenues Available for Debt Service | \$ 18,807,259 | \$ 18,109,648 | \$ 16,900,561 | \$ 19,473,445 | \$ 19,223,252 | \$ 15,502,337 | \$ 17,122,250 | \$ 20,027,017 | \$ 21,370,940 | \$ 23,747,348 | \$ 190,284,057 |
| (a) operating expenses do not include depreciation or bond interest expenses | | | | | | | | | | | |
| (b) transfers do not include capital expenditures and debt service on the outstanding general obligations bond: | | | | | | | | | | | |
| Debt Service Requirements | | | | | | | | | | | |
| Sewer Revenue Refunding Bonds, Series 1993 | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ 4,415,000 | \$ 4,615,000 | \$ 4,845,000 | \$ 5,090,000 | \$ 33,755,000 | \$ - | \$ - | \$ - | \$ 52,720,000 |
| Interest | 2,805,990 | 2,805,990 | 2,805,990 | 2,594,070 | 2,363,320 | 2,116,225 | 1,066,753 | - | - | - | 16,558,338 |
| Total | 2,805,990 | 2,805,990 | 7,220,990 | 7,209,070 | 7,208,320 | 7,206,225 | 34,821,753 | - | - | - | 69,278,338 |
| Sewer Revenue Refunding Bonds, Series 2003D | | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | 5,750,000 | 5,900,000 | 6,000,000 | 17,650,000 |
| Interest | - | - | - | - | - | - | 437,007 | 655,510 | 540,510 | 422,510 | 2,055,537 |
| Total | - | - | - | - | - | - | 437,007 | 6,405,510 | 6,440,510 | 6,422,510 | 19,705,537 |
| Sewer Revenue Bonds, Series 2004E | | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | 310,000 | 240,000 | 245,000 | 795,000 |
| Interest | - | - | - | - | - | - | - | 144,213 | 209,344 | 203,944 | 557,501 |
| Total | - | - | - | - | - | - | - | 454,213 | 449,344 | 448,944 | 1,352,501 |
| Sewer Revenue Bonds, Series 2006C | | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | 445,000 | 445,000 |
| Interest | - | - | - | - | - | - | - | - | - | 191,650 | 191,650 |
| Total | - | - | - | - | - | - | - | - | - | 636,650 | 636,650 |
| Total Debt Service Requirements | \$ 2,805,990 | \$ 2,805,990 | \$ 7,220,990 | \$ 7,209,070 | \$ 7,208,320 | \$ 7,206,225 | \$ 35,258,760 | \$ 6,859,723 | \$ 6,889,854 | \$ 7,508,104 | \$ 90,973,026 |
| Coverage (Revenues/Debt Service) | 6.70 | 6.45 | 2.34 | 2.70 | 2.67 | 2.15 | 0.49 | 2.92 | 3.10 | 3.16 | 2.09 |

continued

City of Saint Paul, Minnesota
PLEDGED-REVENUE BOND COVERAGE
 Last Ten Fiscal Years

Table 16

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | Totals |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| RECREATIONAL FACILITIES REVENUE BONDS, SERIES 1996D and 2005 | | | | | | | | | | | |
| Funds Servicing Debt - Rice and Arlington Sports Dome Enterprise Fund and Special Services Enterprise Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Operating Revenues | | | | | | | | | | | |
| Fees, Sales and Services | \$ 5,638,072 | \$ 6,347,665 | \$ 6,652,195 | \$ 6,903,914 | \$ 6,597,068 | \$ 6,035,267 | \$ 5,717,043 | \$ 6,228,222 | \$ 7,629,080 | \$ 6,365,428 | \$ 64,113,954 |
| Rents and Leases | 900,980 | 994,456 | 1,090,257 | 950,062 | 828,626 | 787,069 | 679,210 | 514,913 | 687,252 | 548,084 | 7,980,909 |
| Miscellaneous | 281,113 | 169,954 | 285,809 | 408,245 | 297,451 | 37,339 | 18,329 | 84,829 | 94,649 | 1,592,960 | 3,270,678 |
| Total Operating Revenues | 6,820,165 | 7,512,075 | 8,028,261 | 8,262,221 | 7,723,145 | 6,859,675 | 6,414,582 | 6,827,964 | 8,410,981 | 8,506,472 | 75,365,541 |
| Intergovernmental Revenue | 630,897 | 624,233 | 945,075 | 1,285,770 | 1,598,695 | 1,430,512 | 1,297,791 | 1,250,298 | 1,331,235 | - | 10,394,506 |
| Interest Earned on Investments | 109,041 | - | 25,982 | 1,430 | 13,610 | 41,557 | 107,450 | (2,430) | 21,872 | - | 318,512 |
| Miscellaneous Other Revenue | - | 16,060 | 14,597 | 9,460 | 2,123 | 7,864 | 153,296 | 2,135 | 2,684 | - | 208,219 |
| Bond Proceeds | - | - | - | - | - | - | - | - | 3,240,000 | - | 3,240,000 |
| Total Revenues Available for Debt Service | \$ 7,560,103 | \$ 8,152,368 | \$ 9,013,915 | \$ 9,558,881 | \$ 9,337,573 | \$ 8,339,608 | \$ 7,973,119 | \$ 8,077,967 | \$ 13,006,772 | \$ 8,506,472 | \$ 89,526,778 |
| Debt Service Requirements | | | | | | | | | | | |
| Recreational Facilities Revenue Bonds, Series 1996D | | | | | | | | | | | |
| Principal | \$ - | \$ 110,000 | \$ 115,000 | \$ 120,000 | \$ 125,000 | \$ 135,000 | \$ 140,000 | \$ 150,000 | \$ 3,240,000 | \$ - | \$ 4,135,000 |
| Interest | 228,745 | 226,380 | 221,428 | 216,020 | 210,200 | 203,893 | 197,085 | 189,760 | 181,905 | - | 1,875,416 |
| Total | 228,745 | 336,380 | 336,428 | 336,020 | 335,200 | 338,893 | 337,085 | 339,760 | 3,421,905 | - | 6,010,416 |
| Recreational Facilities Revenue Bonds, Series 2005 | | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | 210,000 | 210,000 |
| Interest | - | - | - | - | - | - | - | - | - | 310,956 | 310,956 |
| Total | - | - | - | - | - | - | - | - | - | 520,956 | 520,956 |
| Total Debt Service Requirements | \$ 228,745 | \$ 336,380 | \$ 336,428 | \$ 336,020 | \$ 335,200 | \$ 338,893 | \$ 337,085 | \$ 339,760 | \$ 3,421,905 | \$ 520,956 | \$ 6,531,372 |
| Coverage (Revenues/Debt Service) | 33.05 | 24.24 | 26.79 | 28.45 | 27.86 | 24.61 | 23.65 | 23.78 | 3.80 | 16.33 | 13.71 |
| SPRUCE TREE CENTRE TAX INCREMENT BONDS, SERIES 1988A AND 2003 | | | | | | | | | | | |
| Fund Servicing Debt - HRA Debt Service Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Tax Increments | \$ 545,509 | \$ 446,577 | \$ 470,037 | \$ 506,661 | \$ 530,406 | \$ 332,493 | \$ 335,790 | \$ 325,416 | \$ 296,044 | \$ 283,041 | \$ 4,071,974 |
| Developer Shortfall Payments | - | - | - | - | - | - | 124,908 | 115,300 | 115,300 | 112,400 | 467,908 |
| Investment Earnings | 30,669 | 36,697 | 24,875 | 47,896 | 22,246 | 7,912 | 18,383 | 28,038 | 24,322 | 52,669 | 293,707 |
| Total Revenues Available for Debt Service | \$ 576,178 | \$ 483,274 | \$ 494,912 | \$ 554,557 | \$ 552,652 | \$ 340,405 | \$ 479,081 | \$ 468,754 | \$ 435,666 | \$ 448,110 | \$ 4,833,589 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ 100,000 | \$ 100,000 | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 150,000 | \$ 175,000 | \$ 140,058 | \$ 149,162 | \$ 158,857 | \$ 1,348,077 |
| Interest | 335,156 | 325,781 | 315,234 | 303,516 | 291,797 | 278,906 | 135,938 | 122,850 | 113,746 | 104,051 | 2,326,975 |
| Total Debt Service Requirements | \$ 435,156 | \$ 425,781 | \$ 440,234 | \$ 428,516 | \$ 416,797 | \$ 428,906 | \$ 310,938 | \$ 262,908 | \$ 262,908 | \$ 262,908 | \$ 3,675,052 |
| Coverage (Revenues / Debt Service) | 1.32 | 1.14 | 1.12 | 1.29 | 1.33 | 0.79 | 1.54 | 1.78 | 1.66 | 1.70 | 1.32 |

continued

City of Saint Paul, Minnesota
PLEDGED-REVENUE BOND COVERAGE
 Last Ten Fiscal Years

Table 16

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | Totals |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| 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 | \$ 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 | \$ 1,835,383 | \$ 14,677,867 |
| Developer Shortfall Payments | 712,536 | - | - | - | - | - | - | - | - | - | 712,536 |
| Investment Earnings | - | 39,766 | 6,070 | 204,936 | 194,935 | 341,690 | 200,156 | 207,669 | 178,567 | 87,266 | 1,461,055 |
| Bond Proceeds - Capitalized Interest | 110,388 | - | - | - | - | - | - | - | - | - | 110,388 |
| Total Revenues Available for Debt Service | \$ 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 | \$ 1,922,649 | \$ 16,961,846 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ 415,000 | \$ 470,000 | \$ 150,000 | \$ 160,000 | \$ 175,000 | \$ 190,000 | \$ 200,000 | \$ 220,000 | \$ 235,000 | \$ 350,000 | \$ 2,565,000 |
| Interest | 573,351 | 540,800 | 517,593 | 505,733 | 492,791 | 478,553 | 463,095 | 446,240 | 392,424 | 232,142 | 4,642,722 |
| Total Debt Service Requirements | \$ 988,351 | \$ 1,010,800 | \$ 667,593 | \$ 665,733 | \$ 667,791 | \$ 668,553 | \$ 663,095 | \$ 666,240 | \$ 627,424 | \$ 582,142 | \$ 7,207,722 |
| Coverage (Revenues / Debt Service) | 2.07 | 1.52 | 2.40 | 2.97 | 3.40 | 2.07 | 2.29 | 2.15 | 2.03 | 3.30 | 2.35 |
| SALES TAX REVENUE BONDS, SERIES 1993 AND 1996 | | | | | | | | | | | |
| Fund Servicing Debt - HRA Debt Service Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| City Sales Tax Revenues | \$ 9,797,300 | \$ 10,542,813 | \$ 10,829,384 | \$ 13,007,632 | \$ 13,432,179 | \$ 13,344,192 | \$ 13,312,004 | \$ 13,753,085 | \$ 14,154,920 | \$ 14,798,156 | \$ 126,971,665 |
| RiverCentre Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Investment Earnings | 101,841 | 118,764 | 104,493 | 158,621 | 85,348 | 33,685 | 18,495 | 22,509 | 61,737 | 109,608 | 815,101 |
| Total Revenues Available for Debt Service | \$ 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 | \$ 14,907,764 | \$ 127,786,766 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ 705,000 | \$ 755,000 | \$ 810,000 | \$ 865,000 | \$ 925,000 | \$ 995,000 | \$ 1,065,000 | \$ 1,140,000 | \$ 1,220,000 | \$ 1,310,000 | \$ 9,790,000 |
| Interest | 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 | 3,187,545 | 35,159,555 |
| Total Debt Service Requirements | \$ 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 | \$ 4,497,545 | \$ 44,949,555 |
| Coverage (Revenues / Debt Service) | 2.20 | 2.37 | 2.43 | 2.93 | 3.01 | 2.98 | 2.97 | 3.06 | 3.16 | 3.31 | 2.84 |
| DOWNTOWN TAX INCREMENT BONDS, SERIES 1993 AND 1998 | | | | | | | | | | | |
| Fund Servicing Debt - HRA Debt Service Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Tax Increments | \$ 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 | \$ 4,276,947 | \$ 62,643,963 |
| Hotel-Motel Taxes | 220,000 | 220,000 | 220,000 | 220,000 | 225,898 | 220,000 | 220,000 | 220,000 | 220,000 | 220,000 | 2,205,898 |
| RiverCentre Revenues | 660,000 | 660,000 | 660,000 | 660,000 | - | 125,000 | 100,000 | 100,000 | 100,000 | 100,000 | 3,165,000 |
| Loan Repayments | 273,601 | - | - | - | - | - | - | - | 273,047 | 2,026,344 | 2,572,992 |
| Investment Earnings | 710,176 | 245,130 | 100,592 | 151,020 | 181,171 | 291,471 | 74,065 | 82,602 | 60,326 | 105,094 | 2,001,647 |
| Total Revenues Available for Debt Service | \$ 7,121,594 | \$ 7,307,684 | \$ 9,023,748 | \$ 10,056,618 | \$ 10,546,964 | \$ 5,684,698 | \$ 5,717,568 | \$ 5,941,710 | \$ 4,460,531 | \$ 6,728,385 | \$ 72,589,500 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ 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 | \$ 2,355,000 | \$ 21,210,000 |
| Interest | 2,463,673 | 747,377 | 1,394,470 | 1,294,498 | 1,184,996 | 1,064,791 | 933,871 | 797,635 | 657,314 | 512,803 | 11,051,428 |
| Total Debt Service Requirements | \$ 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 | \$ 2,867,803 | \$ 32,261,428 |
| Coverage (Revenues / Debt Service) | 1.27 | 4.49 | 2.78 | 3.10 | 3.25 | 1.75 | 1.80 | 1.93 | 1.52 | 2.35 | 2.25 |

continued

City of Saint Paul, Minnesota
PLEDGED-REVENUE BOND COVERAGE
 Last Ten Fiscal Years

Table 16

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | Totals |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| RIVERCENTRE PARKING FACILITY LEASE REVENUE BONDS, SERIES 2000 | | | | | | | | | | | |
| Fund Servicing Debt - HRA Debt Service Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Lease Payments from the City | \$ - | \$ - | \$ - | \$ 200,000 | \$ 400,000 | \$ 400,000 | \$ 415,000 | \$ 415,000 | \$ 415,000 | \$ 657,928 | \$ 2,902,928 |
| Investment Earnings | - | - | - | 92,538 | 128,124 | 36,339 | 43,200 | 43,229 | 40,630 | 36,129 | 420,189 |
| Total Revenues Available for Debt Service | \$ - | \$ - | \$ - | \$ 292,538 | \$ 528,124 | \$ 436,339 | \$ 458,200 | \$ 458,229 | \$ 455,630 | \$ 694,057 | \$ 3,323,117 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ 170,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 300,000 | \$ 670,000 |
| Interest | - | - | - | 211,925 | 419,706 | 414,250 | 411,600 | 408,900 | 406,150 | 396,363 | 2,668,894 |
| Total Debt Service Requirements | \$ - | \$ - | \$ - | \$ 211,925 | \$ 589,706 | \$ 464,250 | \$ 461,600 | \$ 458,900 | \$ 456,150 | \$ 696,363 | \$ 3,338,894 |
| Coverage (Revenues / Debt Service) | NA | NA | NA | 1.38 | 0.90 | 0.94 | 0.99 | 1.00 | 1.00 | 1.00 | 1.00 |
| RIVERFRONT TAX INCREMENT BONDS, SERIES 1993C, 1993D, 2000D, AND 2002C | | | | | | | | | | | |
| Fund Servicing Debt - HRA Debt Service Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Tax Increments | \$ 695,833 | \$ 641,099 | \$ 641,698 | \$ 848,048 | \$ 1,079,136 | \$ 516,215 | \$ 823,386 | \$ 718,705 | \$ 768,344 | \$ 775,838 | \$ 7,508,302 |
| Tax Increment Pooling from Other Districts | - | - | - | 201,843 | 304,808 | 396,916 | 364,000 | 610,335 | 571,150 | 576,714 | 3,025,766 |
| Loan Repayments and Sales Proceeds | 454,524 | - | 201,976 | - | - | - | - | - | - | - | 656,500 |
| Transfer from Capital Projects Fund | - | - | - | - | - | - | - | 309,845 | 2,798 | 1,399 | 314,042 |
| Investment Earnings | 62,219 | 25,221 | (455) | 114,825 | (23,104) | (21,324) | (22,326) | (4,281) | 161 | 7,096 | 138,032 |
| Total Revenues Available for Debt Service | \$ 1,212,576 | \$ 666,320 | \$ 843,219 | \$ 1,164,716 | \$ 1,360,840 | \$ 891,807 | \$ 1,165,060 | \$ 1,634,604 | \$ 1,342,453 | \$ 1,361,047 | \$ 11,642,642 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ 525,000 | \$ 550,000 | \$ 575,000 | \$ 625,000 | \$ 650,000 | \$ 635,000 | \$ 790,000 | \$ 845,000 | \$ 865,000 | \$ 925,000 | \$ 6,985,000 |
| Interest | 788,013 | 763,187 | 735,888 | 705,300 | 732,392 | 544,930 | 467,266 | 432,982 | 395,347 | 354,335 | 5,919,640 |
| Total Debt Service Requirements | \$ 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 | \$ 1,279,335 | \$ 12,904,640 |
| Coverage (Revenues / Debt Service) | 0.92 | 0.51 | 0.64 | 0.88 | 0.98 | 0.76 | 0.93 | 1.28 | 1.07 | 1.06 | 0.90 |
| 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 | \$ 1,034,905 | \$ 2,261,979 |
| Investment Earnings | - | - | - | - | 47,154 | 133,570 | 145,265 | 67,457 | 16,281 | 44,179 | 453,906 |
| 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 | \$ 1,079,084 | \$ 5,357,491 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 125,000 | \$ 335,000 | \$ 460,000 |
| Interest | - | - | - | - | - | 726,935 | 754,169 | 754,169 | 754,169 | 742,877 | 3,732,319 |
| Total Debt Service Requirements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 726,935 | \$ 754,169 | \$ 754,169 | \$ 879,169 | \$ 1,077,877 | \$ 4,192,319 |
| Coverage (Revenues / Debt Service) | NA | NA | NA | NA | NA | 0.18 | 0.19 | 0.55 | 1.02 | 1.00 | 1.28 |

continued

City of Saint Paul, Minnesota
PLEDGED-REVENUE BOND COVERAGE
 Last Ten Fiscal Years

Table 16

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | Totals |
|--|-------------|-------------|-------------|-------------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| NORTH QUADRANT TAX INCREMENT BONDS, SERIES 2000 AND 2002, AND 9TH STREET LOFTS TAX INCREMENT BONDS, SERIES 2004 | | | | | | | | | | | |
| Fund Servicing Debt - HRA Debt Service Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Tax Increments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10,929 | \$ 217,049 | \$ 92,007 | \$ 213,655 | \$ 430,148 | \$ 963,788 |
| Bond Proceeds - Capitalized Interest | - | - | - | - | - | - | 125,000 | 156,300 | - | - | 281,300 |
| Investment Earnings | - | - | - | - | 60,219 | 68,320 | 5,889 | 13 | 742 | 1,047 | 136,230 |
| Total Revenues Available for Debt Service | \$ - | \$ - | \$ - | \$ - | \$ 60,219 | \$ 79,249 | \$ 347,938 | \$ 248,320 | \$ 214,397 | \$ 431,195 | \$ 1,381,318 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,000 | \$ 8,000 | \$ 17,000 | \$ 42,000 | \$ 72,000 |
| Interest | - | - | - | - | 60,219 | 79,249 | 172,337 | 149,505 | 234,478 | 294,779 | 990,567 |
| Total Debt Service Requirements | \$ - | \$ - | \$ - | \$ - | \$ 60,219 | \$ 79,249 | \$ 177,337 | \$ 157,505 | \$ 251,478 | \$ 336,779 | \$ 1,062,567 |
| Coverage (Revenues / Debt Service) | NA | NA | NA | NA | 1.00 | 1.00 | 1.96 | 1.58 | 0.85 | 1.28 | 1.30 |
| 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 | \$ 600,473 | \$ 801,784 |
| Bond Proceeds - Capitalized Interest | - | - | - | - | - | 4,537,870 | - | - | - | - | 4,537,870 |
| Developer Shortfall Payments | - | - | - | - | - | - | - | - | - | 498,044 | 498,044 |
| Investment Earnings | - | - | - | - | - | 322 | 298,905 | 341,621 | 126,908 | 200,503 | 968,259 |
| Total Revenues Available for Debt Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,538,192 | \$ 298,905 | \$ 341,621 | \$ 328,219 | \$ 1,299,020 | \$ 6,805,957 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | - | - | - | - | 1,130,274 | 1,321,100 | 1,321,100 | 1,321,100 | 5,093,574 |
| Total Debt Service Requirements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,130,274 | \$ 1,321,100 | \$ 1,321,100 | \$ 1,321,100 | \$ 5,093,574 |
| Coverage (Revenues / Debt Service) | NA | NA | NA | NA | NA | NA | 0.26 | 0.26 | 0.25 | 0.98 | 1.34 |
| DRAKE MARBLE TAX INCREMENT BONDS, SERIES 2002 | | | | | | | | | | | |
| Fund Servicing Debt - HRA Debt Service Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Tax Increments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 66,750 | \$ 137,494 | \$ 152,908 | \$ 171,187 | \$ 528,339 |
| Investment Earnings | - | - | - | - | - | 36,461 | 65,712 | 172 | 721 | 937 | 104,003 |
| Total Revenues Available for Debt Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 36,461 | \$ 132,462 | \$ 137,666 | \$ 153,629 | \$ 172,124 | \$ 632,342 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 55,000 | \$ 33,000 | \$ 88,000 |
| Interest | - | - | - | - | - | - | 95,175 | 121,500 | 121,500 | 117,788 | 455,963 |
| Total Debt Service Requirements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 95,175 | \$ 121,500 | \$ 176,500 | \$ 150,788 | \$ 543,963 |
| Coverage (Revenues / Debt Service) | NA | NA | NA | NA | NA | NA | 1.39 | 1.13 | 0.87 | 1.14 | 1.16 |

continued

City of Saint Paul, Minnesota
PLEDGED-REVENUE BOND COVERAGE
 Last Ten Fiscal Years

Table 16

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | Totals |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------|---------------------|---------------------|---------------------|
| KOCH/MOBIL TAX INCREMENT BONDS, SERIES 2004C | | | | | | | | | | | |
| Fund Servicing Debt - HRA Debt Service Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Tax Increments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 19,822 | \$ 19,822 |
| Bond Proceeds - Capitalized Interest | - | - | - | - | - | - | - | 266,625 | - | - | 266,625 |
| Investment Earnings | - | - | - | - | - | - | - | - | 1,601 | 4,485 | 6,086 |
| Total Revenues Available for Debt Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 266,625 | \$ 1,601 | \$ 24,307 | \$ 292,533 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | - | - | - | - | - | 44,437 | 88,875 | 88,875 | 222,187 |
| Total Debt Service Requirements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 44,437 | \$ 88,875 | \$ 88,875 | \$ 222,187 |
| Coverage (Revenues / Debt Service) | NA | NA | NA | NA | NA | NA | NA | 6.00 | 0.02 | 0.27 | 1.32 |
| JJ HILL TAX INCREMENT BONDS, SERIES 2004 | | | | | | | | | | | |
| Fund Servicing Debt - HRA Debt Service Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Tax Increments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 259,004 | \$ 261,006 | \$ 520,010 |
| Bond Proceeds - Capitalized Interest | - | - | - | - | - | - | - | 403,765 | - | - | 403,765 |
| Investment Earnings | - | - | - | - | - | - | - | 444 | 1,278 | 5,375 | 7,097 |
| Total Revenues Available for Debt Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 404,209 | \$ 260,282 | \$ 266,381 | \$ 930,872 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | - | - | - | - | - | - | 172,198 | 228,750 | 400,948 |
| Total Debt Service Requirements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 172,198 | \$ 228,750 | \$ 400,948 |
| Coverage (Revenues / Debt Service) | NA | NA | NA | NA | NA | NA | NA | NA | 1.51 | 1.16 | 2.32 |
| NEIGHBORHOOD SCATTERED SITE TAX INCREMENT BONDS, SERIES 2005 | | | | | | | | | | | |
| Fund Servicing Debt - HRA Debt Service Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Tax Increments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,061,105 | \$ 1,554,684 | \$ 2,615,789 |
| Bond Proceeds - Capitalized Interest | - | - | - | - | - | - | - | - | 751,500 | - | 751,500 |
| Investment Earnings | - | - | - | - | - | - | - | - | 19,750 | 33,180 | 52,930 |
| Total Revenues Available for Debt Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,832,355 | \$ 1,587,864 | \$ 3,420,219 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 295,000 | \$ 495,000 | \$ 790,000 |
| Interest | - | - | - | - | - | - | - | - | 128,259 | 357,478 | 485,737 |
| Total Debt Service Requirements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 423,259 | \$ 852,478 | \$ 1,275,737 |
| Coverage (Revenues / Debt Service) | NA | NA | NA | NA | NA | NA | NA | NA | 4.33 | 1.86 | 2.68 |

continued

City of Saint Paul, Minnesota
PLEDGED-REVENUE BOND COVERAGE
 Last Ten Fiscal Years

Table 16

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | Totals |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| HOUSING 5000 LAND ASSEMBLY BONDS, SERIES 2004 | | | | | | | | | | | |
| Fund Servicing Debt - HRA Loan Enterprise Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Land Sales | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,779,663 | \$ 2,308,000 | \$ 6,087,663 |
| Bond Proceeds - Capitalized Interest | - | - | - | - | - | - | - | 2,387,200 | - | - | 2,387,200 |
| Investment Earnings | - | - | - | - | - | - | - | 120,529 | 641,722 | 874,360 | 1,636,611 |
| Use of Bond Reserve Account | - | - | - | - | - | - | - | - | - | 3,555,284 | 3,555,284 |
| Total Revenues Available for Debt Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,507,729 | \$ 4,421,385 | \$ 6,737,644 | \$ 13,666,758 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,170,000 | \$ 9,375,000 | \$ 12,545,000 |
| Interest | - | - | - | - | - | - | - | 357,759 | 764,656 | 777,522 | 1,899,937 |
| Total Debt Service Requirements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 357,759 | \$ 3,934,656 | \$ 10,152,522 | \$ 14,444,937 |
| Coverage (Revenues / Debt Service) | NA | NA | NA | NA | NA | NA | NA | 7.01 | 1.12 | 0.66 | 0.95 |
| 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 | \$ 2,372,788 | \$ 3,061,028 | \$ 3,448,732 | \$ 3,473,247 | \$ 3,462,193 | \$ 3,168,812 | \$ 2,293,082 | \$ 2,807,196 | \$ 2,931,998 | \$ 3,022,153 | \$ 30,041,229 |
| Parking Meter & Parking Fine Revenues | 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 | 2,000,000 | 19,437,400 |
| Bond Proceeds - Capitalized Interest | - | - | - | - | - | 210,579 | 1,010,780 | 124,361 | 67,517 | - | 1,413,237 |
| Total Revenues Available for Debt Service | \$ 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 | \$ 5,022,153 | \$ 50,891,866 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ 410,000 | \$ 635,000 | \$ 670,000 | \$ 710,000 | \$ 925,000 | \$ 875,000 | \$ 910,000 | \$ 955,000 | \$ 1,015,000 | \$ 1,135,000 | \$ 8,240,000 |
| Interest | 908,950 | 885,184 | 832,494 | 866,879 | 766,316 | 1,014,904 | 1,774,840 | 1,732,700 | 1,496,125 | 1,467,282 | 11,745,674 |
| Total Debt Service Requirements | \$ 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 | \$ 2,602,282 | \$ 19,985,674 |
| Coverage (Revenues / Debt Service) | 3.18 | 3.21 | 3.50 | 3.46 | 3.23 | 2.85 | 1.98 | 1.83 | 1.99 | 1.93 | 2.55 |
| PARKING REVENUE BONDS, SERIES 1997A | | | | | | | | | | | |
| Fund Servicing Debt - HRA Parking Enterprise Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Ramp Lease Revenues | \$ - | \$ 465,020 | \$ 1,056,653 | \$ 930,501 | \$ 1,062,688 | \$ 1,074,736 | \$ 1,196,900 | \$ 1,075,336 | \$ 1,080,048 | \$ 1,058,040 | \$ 8,999,922 |
| Investment Earnings | - | 12,371 | 11,405 | 18,348 | 7,718 | 592 | 8,768 | (3,235) | 6,474 | 16,412 | 78,853 |
| 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 | \$ 1,074,452 | \$ 9,615,673 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ 310,000 | \$ 330,000 | \$ 355,000 | \$ 380,000 | \$ 405,000 | \$ 430,000 | \$ 460,000 | \$ 490,000 | \$ 3,160,000 |
| Interest | - | 801,237 | 763,093 | 742,163 | 719,887 | 695,925 | 670,275 | 642,938 | 606,629 | 582,863 | 6,225,010 |
| Total Debt Service Requirements | \$ - | \$ 801,237 | \$ 1,073,093 | \$ 1,072,163 | \$ 1,074,887 | \$ 1,075,925 | \$ 1,075,275 | \$ 1,072,938 | \$ 1,066,629 | \$ 1,072,863 | \$ 9,385,010 |
| Coverage (Revenues / Debt Service) | NA | 1.10 | 1.00 | 1.01 | 1.00 | 1.00 | 1.12 | 1.00 | 1.02 | 1.00 | 1.02 |

continued

City of Saint Paul, Minnesota
PLEDGED-REVENUE BOND COVERAGE
 Last Ten Fiscal Years

Table 16

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | Totals |
|---|-------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| BLOCK 39 TAX INCREMENT BONDS, SERIES 1998A AND 1998B | | | | | | | | | | | |
| Fund Servicing Debt - HRA Parking Enterprise Fund | | | | | | | | | | | |
| Revenues Available for Debt Service | | | | | | | | | | | |
| Tax Increments | \$ - | \$ - | \$ - | \$ - | \$ 1,753,832 | \$ 1,195,454 | \$ 1,203,263 | \$ 982,602 | \$ 687,327 | \$ 689,844 | \$ 6,512,322 |
| Developer Shortfall Payments | - | - | - | 1,368,859 | - | - | 100,640 | 237,104 | 681,886 | 707,372 | 3,095,861 |
| Net Parking Revenues | - | - | 156,796 | 1,373,474 | 1,907,913 | 1,910,988 | 1,865,629 | 1,940,275 | 1,957,191 | 2,387,011 | 13,499,277 |
| Investment Earnings | - | 96,642 | 34,453 | 134,468 | 106,898 | 207,513 | 74,901 | 199,881 | 112,108 | 97,039 | 1,063,903 |
| Bond Proceeds - Capitalized Interest | - | 4,771,453 | - | - | - | - | - | - | - | - | 4,771,453 |
| Total Revenues Available for Debt Service | \$ - | \$ 4,868,095 | \$ 191,249 | \$ 2,876,801 | \$ 3,768,643 | \$ 3,313,955 | \$ 3,244,433 | \$ 3,359,862 | \$ 3,438,512 | \$ 3,881,266 | \$ 28,942,816 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 855,000 | \$ 950,000 | \$ 1,055,000 | \$ 1,135,000 | \$ 1,300,000 | \$ 5,295,000 |
| Interest | - | 1,258,653 | 2,157,692 | 2,157,692 | 2,157,692 | 2,133,410 | 2,081,815 | 2,023,908 | 1,931,407 | 1,886,780 | 17,789,049 |
| Total Debt Service Requirements | \$ - | \$ 1,258,653 | \$ 2,157,692 | \$ 2,157,692 | \$ 2,157,692 | \$ 2,988,410 | \$ 3,031,815 | \$ 3,078,908 | \$ 3,066,407 | \$ 3,186,780 | \$ 23,084,049 |
| Coverage (Revenues / Debt Service) | NA | 3.87 | 0.09 | 1.33 | 1.75 | 1.11 | 1.07 | 1.09 | 1.12 | 1.22 | 1.25 |
| 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 | 85,455 | 316,044 |
| Bond Proceeds - Capitalized Interest | - | - | - | - | - | - | - | - | 2,425,100 | - | 2,425,100 |
| Total Revenues Available for Debt Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,655,689 | \$ 85,455 | \$ 2,741,144 |
| Debt Service Requirements | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | - | - | - | - | - | - | 349,160 | 619,200 | 968,360 |
| Total Debt Service Requirements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 349,160 | \$ 619,200 | \$ 968,360 |
| Coverage (Revenues / Debt Service) | NA | NA | NA | NA | NA | NA | NA | NA | 7.61 | 0.14 | 2.83 |

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

Table 17

| <u>Year</u> | <u>Population (1)</u> | <u>Per Capita Income</u> | <u>Aggregate Income</u> | <u>Labor Force (3)</u> | <u>Unemployment Rate (3)</u> |
|-------------|-----------------------|--------------------------|-------------------------|------------------------|------------------------------|
| 1997 | 269,636 | N/A | N/A | 143,425 | 3.3% |
| 1998 | 268,667 | N/A | N/A | 139,486 | 2.5% |
| 1999 | 266,927 | N/A | N/A | 138,498 | 2.9% |
| 2000 | 287,151 | \$20,216 | \$5,805,016,300 | 140,788 | 3.5% |
| 2001 | 287,260 | 22,949 | 6,232,998,475 | 144,764 | 4.1% |
| 2002 | 288,000 | 21,488 | 5,974,694,440 | 150,079 | 5.1% |
| 2003 | 287,604 | 21,893 | 5,878,881,200 | 163,039 | 5.5% |
| 2004 | 287,410 | 22,533 | 5,822,971,800 | 152,123 | 5.4% |
| 2005 | 287,385 | 23,541 | 6,157,265,700 | 149,832 | 4.4% |
| 2006 | N/A | N/A | N/A | 146,616 | 4.1% |

- (1) 1997-1999 and 2001-2005 data based on Metropolitan Council estimates
 2000 data provided by U.S. Census Bureau.
 2006 estimate not yet available from Metropolitan Council
- (2) Data is not available for 1997, 1998, and 1999.
 2000-2005 data provided by U.S. Census Bureau's Annual American Community Survey
 2006 data is not yet available.
- (3) Annual average - not seasonally adjusted.
 Data provided by Minnesota Department of Employment and Economic Development (DEED)

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City of Saint Paul, Minnesota
PRINCIPAL EMPLOYERS
 Current Year

Table 18

| <u>Employers</u> | 2006 | | |
|--|----------------------------|-------------|--|
| | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| State of Minnesota | 13,671 | 1 | 7.54% |
| St Paul Public Schools | 6,567 | 2 | 3.62% |
| Health East Care System / St Joseph's Hospital | 5,080 | 3 | 2.80% |
| US Bancorp | 4,700 | 4 | 2.59% |
| Marsden Building Maintenance | 4,000 | 5 | 2.21% |
| Regions Hospital | 4,000 | 6 | 2.21% |
| Ramsey County | 3,770 | 7 | 2.08% |
| City of Saint Paul | 3,400 | 8 | 1.88% |
| Allina Health System / United Hospital | 3,300 | 9 | 1.82% |
| US Post Office | 3,200 | 10 | 1.77% |
| Total | 51,688 | | 28.52% |

Data from nine years ago is not available.

Source: MN Department of Employment and Economic Development

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City of Saint Paul, Minnesota
FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Five Fiscal Years

Table 19

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| GENERAL GOVERNMENT | | | | | |
| Citizen Services (1) | 41.0 | 38.8 | 7.6 | 7.0 | 2.0 |
| City Attorney | 63.9 | 64.4 | 63.3 | 66.4 | 64.8 |
| City Council | 29.5 | 25.4 | 25.0 | 26.7 | 25.4 |
| Financial Services | 27.0 | 26.0 | 44.3 | 44.7 | 44.3 |
| Human Resources | 34.6 | 25.7 | 31.8 | 33.1 | 32.2 |
| Human Rights | 11.9 | 7.5 | 6.9 | 7.5 | 6.9 |
| Mayor's Administration | 15.5 | 17.8 | 15.2 | 18.6 | 19.8 |
| Office of Technology | 114.1 | 105.2 | 72.2 | 73.7 | 75.6 |
| PUBLIC SAFETY | | | | | |
| Fire | | | | | |
| Firefighters and Officers | 397.0 | 398.0 | 390.0 | 412.0 | 396.0 |
| Civilians | 60.3 | 55.4 | 54.7 | 57.4 | 56.4 |
| Police | | | | | |
| Officers | 569.0 | 542.2 | 538.6 | 557.7 | 552.5 |
| Civilians | 192.6 | 174.2 | 172.1 | 187.9 | 172.7 |
| License, Inspection and Environmental Protection | 112.5 | 104.3 | 103.8 | 105.7 | 105.8 |
| Neighborhood Housing & Property Improvement | - | - | 32.1 | 32.7 | 32.3 |
| Health | 66.0 | 56.2 | 59.2 | 55.0 | 53.6 |
| HIGHWAYS AND STREETS | | | | | |
| Public Works | 342.2 | 327.5 | 379.9 | 357.8 | 343.5 |
| CULTURE AND RECREATION | | | | | |
| Libraries | 165.8 | 171.3 | 168.2 | 174.5 | 174.0 |
| Parks | 422.7 | 412.4 | 470.1 | 502.8 | 432.0 |
| HOUSING AND ECONOMIC DEVELOPMENT | | | | | |
| | 103.0 | 92.0 | 82.4 | 81.6 | 79.8 |
| RIVERCENTRE (2) | | | | | |
| | 2.0 | 2.0 | 2.0 | - | - |
| TOTAL | <u>2,770.6</u> | <u>2,646.4</u> | <u>2,719.2</u> | <u>2,802.9</u> | <u>2,667.7</u> |

(1) Citizen Services included Property Code Enforcement employees in 2002 and 2003. Property Code Enforcement employees were moved to the new office of Neighborhood Housing & Property Improvement in 2004. Citizen Services' Information & Complaint employees were moved to Neighborhood Housing & Property Improvement in 2006.

(2) RiverCentre was merged with the Convention and Visitor's Bureau and became a discretely presented component unit in 2005.

City of Saint Paul, Minnesota
OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Five Fiscal Years

Table 20

| <u>Function/Program</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|---|---------------|---------------|---------------|---------------|---------------|
| Police | | | | | |
| Number of Calls for Service | 318,648 | 314,884 | 314,629 | 318,447 | 262,976 |
| Fire | | | | | |
| Number of Structure Fires | 634 | 695 | 782 | 708 | 716 |
| Number of EMS Incidents | 25,574 | 25,475 | 26,332 | 28,159 | 24,457 |
| License, Inspection and Environmental Protection | | | | | |
| Number of Building Permits Issued | 11,557 | 10,577 | 9,835 | 8,905 | 8,818 |
| Valuation of Building Permits Issued | \$498,371,219 | \$432,220,911 | \$673,664,737 | \$479,840,220 | \$555,104,063 |
| Public Works | | | | | |
| Miles of Streets Reconstructed | 10.6 | 13.0 | 10.2 | 8.1 | 15.2 |
| Number of Snow Emergencies | 2 | 3 | 4 | 4 | 2 |
| Parks and Recreation | | | | | |
| Picnic Permits Issued | 1,632 | 1,450 | 1,700 | 1,612 | 1,656 |
| Number of Golf Rounds Played | 134,305 | 109,000 | 107,100 | 142,381 | 132,400 |
| Libraries | | | | | |
| Circulation | 2,689,400 | 3,045,344 | 3,218,381 | 3,319,113 | 3,394,664 |
| Number of Titles in Collection | 442,355 | 398,929 | 496,177 | 435,395 | 450,137 |
| Economic Development | | | | | |
| New and Substantially Rehabilitated Housing Units | 1,632 | 1,278 | 1,331 | 1,130 | 428 |

Source: Various city departments.

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City of Saint Paul, Minnesota
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Table 21

| Function/Program | Fiscal Year | | | | | | | | | |
|---------------------------------|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| Police | | | | | | | | | | |
| Number of Stations | 12 | 12 | 12 | 12 | 12 | 12 | 13 | 13 | 14 | 14 |
| Number of Vehicles | 344 | 362 | 360 | 458 | 480 | 374 | 362 | 360 | 365 | 481 |
| Fire | | | | | | | | | | |
| Number of Stations | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Number of Vehicles | 110 | 110 | 117 | 116 | 119 | 121 | 110 | 109 | 105 | 110 |
| Public Works | | | | | | | | | | |
| Miles of Sanitary Sewers | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 806 | 806 |
| Miles of Sidewalks | 1,005 | 1,005 | 1,005 | 1,006 | 1,007 | 1,007 | 1,007 | 1,007 | 1,007 | 1,007 |
| Miles of Storm Sewers | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 |
| Miles of Streets | 847 | 847 | 850 | 848 | 827 | 827 | 847 | 847 | 847 | 863 |
| Number of Alleys | 2,311 | 2,323 | 2,341 | 2,319 | 2,315 | 2,315 | 2,311 | 2,311 | 2,311 | 2,311 |
| Number of Bridges | 48 | 48 | 48 | 49 | 51 | 52 | 55 | 60 | 60 | 60 |
| Number of Street Lights | 30,299 | 31,971 | 27,804 | 28,398 | 28,502 | 32,575 | 32,575 | 32,619 | 32,619 | 31,444 |
| Parks and Recreation | | | | | | | | | | |
| Acreage | 4,181 | 4,181 | 4,194 | 4,203 | 4,269 | 4,271 | 4,271 | 4,274 | 4,274 | 4,285 |
| Number of Golf Courses | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Number of Municipal Stadiums | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Parks | 161 | 161 | 162 | 163 | 165 | 167 | 167 | 168 | 168 | 169 |
| Number of Recreation Centers | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 |
| Number of Tennis Courts | 102 | 102 | 101 | 101 | 101 | 101 | 101 | 92 | 92 | 92 |
| Number of Zoos & Conservatories | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Libraries | | | | | | | | | | |
| Number of Libraries | 13 | 13 | 13 | 13 | 13 | 12 | 12 | 13 | 13 | 13 |
| Economic Development | | | | | | | | | | |
| Number of Parking Facilities | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 20 | 20 | 20 |
| Number of Skyways | 36 | 36 | 36 | 36 | 37 | 37 | 37 | 37 | 37 | 37 |

Source: Various city departments.

Note: No capital asset indicators are available for the general government function.

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