

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

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2009

A Component Unit of the City of Saint Paul, Minnesota



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

A Component Unit of the City of Saint Paul

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2009**

**David Thune, Chairperson
Chris Coleman, Mayor of the City of Saint Paul
Cecile Bedor, Executive Director**

HRA Board of Commissioners:

**Daniel Bostrom
Melvin Carter, III
Patrick Harris
Lee Helgen
Kathy Lantry
Russell Stark
David Thune**

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

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2009

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CITY OF SAINT PAUL
Christopher B. Coleman, Mayor

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Saint Paul, MN 55102

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June 21, 2010

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

The Comprehensive Annual Financial Report of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA) for the fiscal year ended December 31, 2009 is hereby presented to the Board of Commissioners and the citizens of Saint Paul. This report has been prepared pursuant to, and demonstrates compliance with Minnesota Statutes Section 469.013; and recognizes the HRA's past and current practices of financial disclosure.

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

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

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

INTERNAL CONTROL

To provide a reasonable basis for making these representations, the Saint Paul Housing and Redevelopment Authority (which is a component unit of the City of Saint Paul and is, therefore, included in the City's Comprehensive Annual Financial Report) adheres to the internal control framework as established by the City of Saint Paul. 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.

PROFILE OF THE GOVERNMENT

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

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

This report includes all of the funds, capital assets, and long-term debt of the HRA as described in the Management's Discussion and Analysis, which can be found immediately following the auditor's opinion. In addition, it has been determined that, for financial reporting purposes, the HRA is a component unit of the City of Saint Paul and is, therefore, included in the City's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009.

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

HRA UNIFIED CREDIT PROCESS

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

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

CASH MANAGEMENT POLICIES AND PRACTICES

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

ECONOMIC OUTLOOK

Saint Paul is an important part of the overall strong Twin Cities metro area economy. The area lost 24,800 jobs between November 2000 and November 2009.¹ The Minneapolis-Saint Paul area is expected to gain 519,737 jobs by 2030, a 32.0% increase from 2000.²

Saint Paul compares favorably when ranked among the 20 largest northeast and midwest cities on certain economic and social factors.³ Among these peer cities:

- Saint Paul had the 4th lowest annual unemployment rate in 2009 (8.1%).⁴
- Saint Paul ranks 5th highest in median household income (\$45,831), 2nd highest in median family income (\$61,353) and 5th highest in per capita income (\$27,120).⁵
- Saint Paul is 5th highest in percent of housing that is owner occupied (57.2%).⁶
- The median value of owner-occupied houses in Saint Paul is 6th highest compared to peer cities (\$211,200).⁷
- Saint Paul ranked 3rd highest in percent of population over 25 years with a bachelor's degree (37.4%).⁸

Over the years, Saint Paul has consistently registered an unemployment rate equal to or lower than that of the U.S. as a whole. The City's unemployment rate for 2009 was on par with the Minnesota rate and below the U.S. rate of 9.3%.⁹ Employment in Saint Paul is not overly reliant on slowing and cyclical sectors, like manufacturing, but rather is based on stable and growing industries such as education, health services and public administration. Saint Paul's largest employment sector is Education and Health Services (53,354 jobs in 2009; 30.7% of total). Other large super sectors include Public Administration (21,884 jobs; 12.6% of total), and Trade, Transportation and Utilities (19,061 jobs; 11.0% of total).¹⁰

¹ Metropolitan Council, *2010 Regional Economic Indicators*, available at: <http://www.metrocouncil.org/metroarea/regIndicators2010.pdf>

² Metropolitan Council, *2030 Regional Development Framework*, updated December, 2009, available at: <http://www.metrocouncil.org/planning/framework/Framework.pdf>

³ 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.

⁴ Bureau of Labor Statistics, Local Area Unemployment Statistics. Available at: <http://www.bls.gov/lau/home.htm#data>

⁵ 2008 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

⁶ 2008 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

⁷ 2008 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

⁸ 2008 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

⁹ Minnesota Department of Employment and Economic Development, available at: <http://www.deed.state.mn.us>

¹⁰ Minnesota Department of Employment and Economic Development's Quarterly Census Employment and Wages (QCEW) tool, available at <http://www.deed.state.mn.us/lmi/tools/qcew.htm>

Similarly, tax base growth has been strong and sustained: From Pay 2003 to estimates for Pay 2009, Saint Paul's taxable market values have increased over 80% (from \$12,644 billion to \$22,802 billion). This strong growth rate is due to the combination of a number of factors, including:

- Strong residential and apartment markets in 2003-2006.
- A state law that is gradually phasing out preferential treatment that limited year-to-year growth in homestead taxable values (known as "limited market value"). Recently, the taxable market value growth rate has slowed slightly as the phase out of limited market value nears completion.

Saint Paul began collecting a half-cent sales tax at the end of 1993, and added a use tax in 2000. Annual net sales and use tax revenues have increased from \$8.4 million in 1994 to \$15.3 million in 2009. In 2010, revenues were estimated to decrease slightly.

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.

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 4 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 eliminate the achievement gap by ensuring that learning opportunities are accessible for all and are quality-driven. We will achieve this goal by expanding early childhood learning opportunities and setting children on a course for success in school: extending learning opportunities outside of the classroom and connecting formal and informal opportunities throughout the community; and open doorways to higher education by better informing and preparing students for post-secondary educational opportunities.

Safe Streets and Safe Homes: Families will feel secure on our sidewalks and in our homes as a result of our strong sense of community and confidence in our world-class public safety system. We will do this by engaging youth with quality recreational, educational, and youth organizing activities; address areas of disinvestment with revitalization; create strong community partnerships; build a world-class Police Department; invest in a 21st Century Fire Department; and elevate emergency management to leverage resources and knowledge that will prepare City to respond to multi-faceted crises.

Expanding Economic Opportunity: We will build our economic future on the foundation of the City's strengths – a well-educated and creative workforce, sound infrastructure, and local businesses rich with growth potential. Strategies include creating the East Metro's first light rail line and leverage \$1 billion in development; restoring the Union Depot to be a vital regional transportation hub supporting

high-speed rail to Chicago; through Invest Saint Paul, stimulating growth by making strategic investments in neighborhoods of greatest disinvestment while coordinating and enhancing other services to these communities; aggressively pursuing the first major developments in downtown in a decade; and leveraging resources and markets for sustainable, environmentally friendly products to build a new manufacturing economy with living-wage jobs.

Quality Way of Life: Saint Paul will set high standards for healthy urban living through civic leadership, quality assets, sound environmental stewardship, and a welcoming, diverse population. We will improve, expand, and maintain our parks, libraries, and facilities that benefit the neighborhoods they serve; implement a public art policy to integrate into our public and private infrastructure; focus development on a more natural, urban, and connected city through an expanded system of parks, green spaces, bikeways, and trails; and make downtown a music, culture, and creative arts capital that amplifies the City's creative and ethnic voices that bring identity to Saint Paul.

MAJOR DEVELOPMENTS

Central Corridor

Central Corridor: Construction on what many call the largest public works project in the state's history is under way — and will get somewhat busier this summer. The \$957 million, 11-mile light-rail line will link the downtowns of Saint Paul and Minneapolis, mainly via University Avenue. Everything along the route will feel disruption at some point between now and when trains start rolling in 2014 — assuming the Federal Transit Administration (FTA) signs off on the project. Lawsuits and other complaints remain with Minnesota Public Radio, the University of Minnesota, historic churches, business associations and community groups, but the FTA has shown interest in the project.

The biggest construction work will be west of Hamline Avenue in 2011, where University will be ripped up to lay down tracks and build new curbs, gutters and stations. East of Hamline will be 2012. Around the Capitol, expect a brief flurry of activity this summer around Robert, 12th and Cedar streets.

Downtown District

The Penfield: This is a \$50 million development featuring 11 stories of a 216-unit market-rate apartment building with an upscale Lunds grocery store on street level.

Pedro Park: Located across 10th Street from the Penfield site, a new city park is planned, thanks to land donated by the Pedro family, owners of the former Pedro Luggage outlet that occupies the site.

United Hospital: United's six-story, \$34 million emergency room facility is under construction, with completion targeted for 2011. The first two floors of the ER facility will be United's; Children's Hospitals and Clinics of Minnesota will use the top four.

Children's Hospital: In addition to building patient rooms in the United tower, Children's Hospitals and Clinics is also building operating rooms, expanding its emergency room, and moving and enhancing its Saint Paul pediatric epilepsy unit. The work is part of \$300 million in expansions at its Saint Paul and Minneapolis campuses. The cost of the expansion and joint occupation of the United tower is \$80 million. Work should be completed in 2011.

St. Joseph's Hospital: Begun in 2006, the hospital is in the final stage of a massive revitalization effort expansion that expanded its emergency room operations. The \$20 million, 20,000-square-foot expansion features 20 new patient rooms, including six resuscitation rooms, and is scheduled to be completed in August.

Gillette Children's Hospital: Gillette Children's Specialty Healthcare is in the middle of a \$42 million expansion after outgrowing its current facility. It is constructing a 52,000-square-foot building across the street from the hospital at 205 E. University Avenue. The new building will offer rehabilitation services and the Center for Gait and Motion. Analysis will feature expanded waiting areas and clinical spaces for both departments.

Ordway Center: A partnership of the Ordway's four performing arts entities — the Ordway, Minnesota Opera, Saint Paul Chamber Orchestra and Schubert Club — plans to replace the 315-seat McKnight Theatre with a 1,100-seat music venue in a \$35 million project. The Ordway Center for the Performing Arts also has a 1,900-seat multipurpose main hall within its complex. Construction on the venue is scheduled to start in 2012. The Legislature has approved a \$16 million contribution to the Ordway.

Church Of Scientology: In 2007, when the Church of Scientology purchased the old west building of the Minnesota Science Museum, church officials expected to invest \$7 million in its renovation. The plans now call for this 82,000-square-foot building to undergo work estimated at \$2.5 million. The building renovations include new finishes, walls, doors, ceilings, updated bathrooms and repairs to the exterior and roof.

Minnesota Building: Construction is under way to convert the 13-story historic commercial building into affordable housing by winter 2011. Built in 1929, the Minnesota Building was designed as an office building. Developer Sand Cos. purchased the building and will turn all but the first floor and part of the second into 137 units of affordable rental housing.

Commerce Building: The 12-story office building is being converted into affordable rental housing. In 2007, owner Rutzick and Associates partnered with CommonBond Communities and converted the top six floors into 55 units of one- and two-bedroom apartments. Phase II, costing \$8.3 million, starts soon and will include the renovation of floors two through six into an additional 45 units of rentals. The street level will remain retail. Main financing sources are low-income housing tax credits and historic tax credits. The City, Metropolitan Council and Minnesota Housing Finance Agency also contributed.

Renaissance Box: Built in 1915, this warehouse was originally a shoe factory. Various commercial and retail tenants have occupied it since then. Nonprofit developer Aeon bought the now-vacant building

and plans to convert it into 70 units of affordable rental units. Construction is expected to start this summer and be completed by summer 2011.

255 E. 6th Street Parking Ramp: Downtown building owner Dave Brooks recently bought the structure and plans a \$4 million renovation. Plans are to remove some of the parking spaces and add a 5,000-square-foot restaurant at the corner of Sixth and Wall streets. Renovation of the parking facility as well as the 60,000 square feet of office space on top is also planned. Dave Brooks, who also owns the buildings that house Barrio and Bulldog nearby, hopes to add a rooftop bar/nightclub to this facility.

Neighborhoods

Beacon Bluff (3M/Phalen Corridor): This is the former home of Minnesota Mining and Manufacturing. On the west, construction is well under way for HealthEast Medical Transportation's new \$5 million, 46,000-square-foot hub. Farther east, ground has been broken for a \$30 million, 144,000-square-foot baking plant for Baldinger Bakery on the 9.5-acre former Griffin Wheelworks site. East of that, construction is almost complete for a new Hmong market. A priority list has been set for which 3M buildings to preserve (the Building 99 complex is being demolished) and the federal government has committed a total of \$4.6 million in cleanup grants.

Payne-Phalen Partnership: Plans for a \$34 million integrated community. Development calls for a new recreation center, public library, space for worship managed by Arlington Hills Lutheran Church and a Bradshaw Celebration of Life Center. Designs are still being drawn up, and full construction would likely take place in 2011.

Comforts of Home Assisted-Living Center: Construction is expected to begin in 2010 on an \$11.5 million assisted-living center by TOTI Development. The vacant Travelodge was demolished with \$1.2 million in local government funds. The remainder is privately financed.

Southport Terminal: Between \$5 million and \$6 million is being spent on a new home for harbor operator Upper River Services. The Saint Paul Port Authority is finishing off a \$3 million dockwall, which will allow construction of a new office building and maintenance facility for Upper River Services, which currently operates near the Lafayette Bridge. The goal is to modernize and improve the shipping industry's presence in the local economy. Rain gardens and wetland restoration are also part of the development.

Frogtown Square: Twenty years of determination by a quartet of neighborhood development corporations has paid off, and the \$14 million mixed-use plan is poised to be among the first Central Corridor-friendly changes to the University Avenue landscape. With construction under way, some 11,000-square feet of neighborhood retail space already is leased. Above that, 46 low-income senior rental units are planned, with underground parking beneath.

Midway Shopping Center/Walgreens: Beginning in July 2010, crews are expected to start demolishing the building along Snelling Avenue that housed Big Top Liquor and formerly housed Hollywood Video.

In their place, two new, much less-suburban-style buildings are planned to house Big Top and a two-story Walgreens, with commercial space leased above. The space at Walgreens' current location will likely be improved when a new tenant is found. When financially viable, the development will continue to change shape to reflect the changes in zoning associated with the Central Corridor.

The Lyric At Carleton Place: Boosters like to note the Johnson Brothers and Cornerstone Group's project, which is days away from completion, has been entirely privately financed. The 171 apartments now being marketed toward the arts crowd complements Carleton Place Lofts, completed more than a year ago, and shows what some see as the future of University Avenue heading toward Minneapolis: higher-density dwellings with an emphasis on proximity to the coming light-rail line.

2700 The Avenue: Located steps from the proposed Westgate Station on the Central Corridor line, Wellington Management is promoting its planned mixed-use project — class A office space above a grocery store or other retail. The developer has secured a \$280,000 government grant, but financing is still being assembled before construction begins.

Ford Motor Co. Site: Officially, Ford is still planning to close its assembly plant in 2011 when Ranger pickup truck production ceases. The future of the 136-acre site lies on one of two separate paths. The first is to keep building vehicles there. This year, state officials approved \$90 million in incentives to modernize the plant for continued production of vehicles. Meanwhile, the second path envisions how to redevelop the site, which Ford says could happen two years after shutdown. City studies and neighborhood discussions continue — a new Ford Open Space Workgroup is being formed now — as to how to balance residential, industrial, commercial and open space on the site.

University Of St. Thomas: Work is scheduled to be finished this summer on the \$52 million Anderson Athletic and Recreation Complex, in time to open ahead of schedule for the fall semester. Expect work to be under way this month on the \$66 million Anderson Student Center with completion targeted for around the end of the year.

Hamline University: The University's envisioned new gateway to campus is a \$36 million, 75,000-square-foot, three-story University Center with solar panels, a green roof and plenty of space for student activities. Designs are being finalized this year, and fundraising continues with a groundbreaking goal of next spring. It's one part of a five-year vision that includes student housing and the extension of the campus border a block south to Minnehaha Avenue.

New Harmony Assisted Living: The \$6 million plan calls for a new 48-unit assisted-living center connected to an existing nursing home.

JJ Distributing Urban Farm: A two-phase, \$5.5 million plan amounts to a major green-energy retrofit and an expansion of the produce supplier's space. The energy retrofit will cost nearly \$1.4 million, funded by the Saint Paul Port Authority's Trillion BTUs program, along with City financing and Xcel Energy rebates. It aims to replace 44 rooftop chillers with six ground units this year, freeing up space for a rooftop greenhouse that will use excess heat from the new chillers to help grow fresh produce. The greenhouse will go on top of a 20,000-square-foot cold-storage addition. The expansion is projected to

add 100 workers to the 200-plus already there. And the ripples have already started; a developer is interested in building a \$3 million locally grown grocery store nearby on Rice Street, though no site has been selected.

Carondelet Village: Construction is expected to begin next month on a \$55 million endeavor by the Sisters of St. Joseph of Carondelet and Presbyterian Homes to build 259 senior rental housing units, 187 of which have been leased. The 440,000-square-foot building will consist of 149 independent apartments, 46 assisted-living units, 19 memory-care units, a 45-bed nursing home and a semi-public “Integrated Services Center.” The developers have requested tax increment financing and other City funding tools, but no direct payments. The next step is to demolish the Bethany Convent retirement facility now on the site. The project is a change in the Sisters’ model by opening their residences to neighbors in Highland Park.

Highland Park Walgreens: Plans call to build the Walgreens and two smaller commercial buildings on the space currently occupied by Snyder Drugs and an adjacent parcel.

Project For Pride In Living: The nearly 40-year-old Twin Cities nonprofit plans a three-story, 48-unit apartment building, with 10 units reserved for people experiencing long-term homelessness, and office space for the agency’s Self-Sufficiency Program. The total cost is about \$11.2 million. In March, the City’s Housing and Redevelopment Authority approved \$1.5 million to buy and demolish existing buildings before turning title over to PPL, which is applying for state and local tax credits as it establishes a construction finance plan. Demolition will begin later this summer, with construction starting next year.

Victoria Park: A Mississippi Market grocery store and a dozen town homes have been developed. The grocer is now open and the City has received 36 acres from ExxonMobil that will allow this adjacent brownfield to be cleaned enough for a city park. The neighboring land owned by Brighton Development is up for sale.

Hamernick Hills: In a major expansion of a 50-year-old North End fixture, Hamernick’s Decorating is planning a \$1.4 million office, showroom and warehouse across the street from its current operations, which will stay open, creating the “Hamernick Hill” campus. The project is being aided by a \$150,000 City grant and a \$150,000 City loan. Work is scheduled to begin July 2010.

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 Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. This was the twenty-fourth consecutive year that the Saint Paul

HRA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

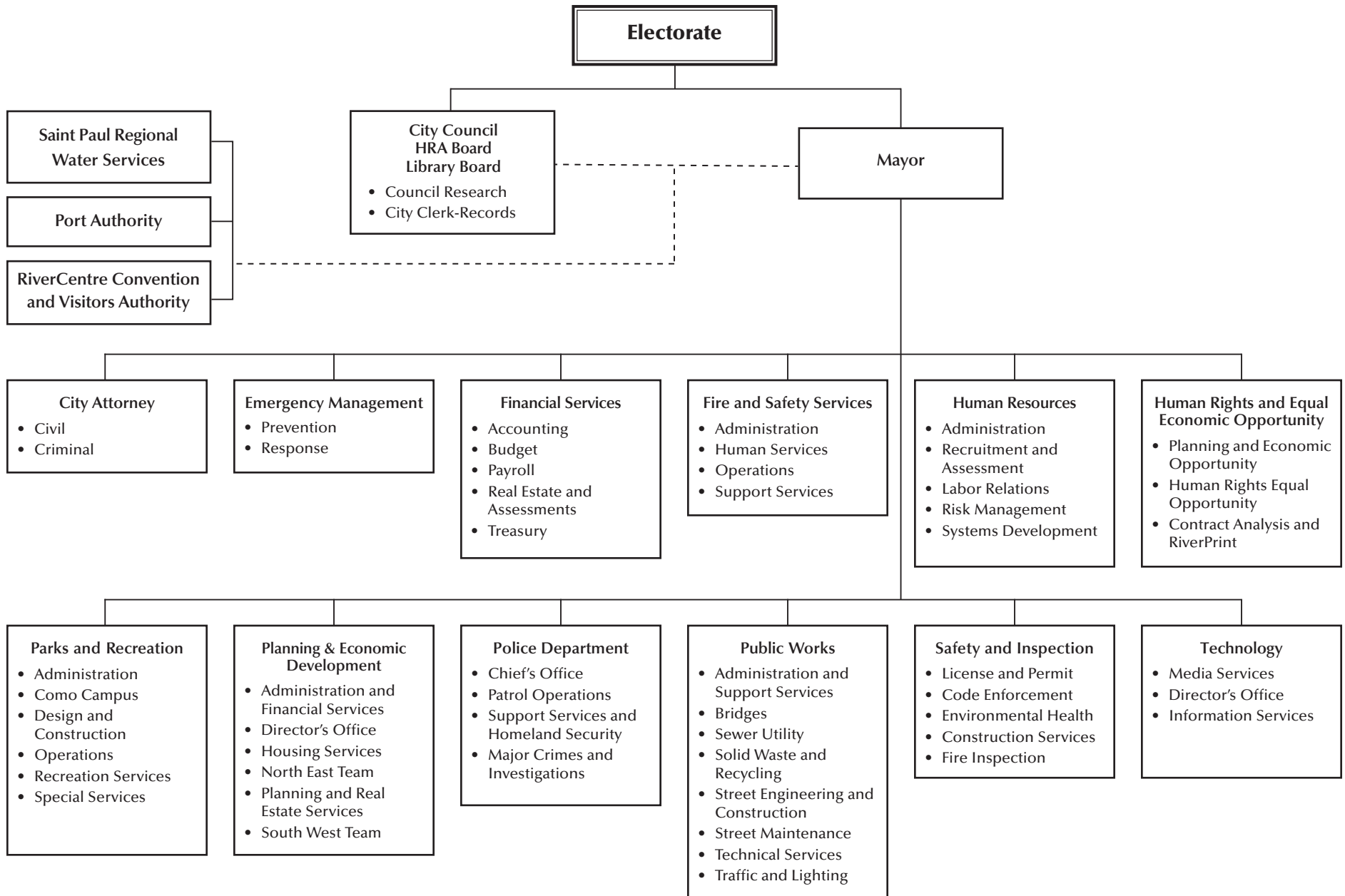
The preparation of this report was accomplished through the efficient and dedicated services of the City Department of Planning and Economic Development Accounting staff. The cooperation and assistance provided by the State Auditor's staff was very helpful and is greatly appreciated.

Cecile Bedor
Executive Director

Jerome P. Falksen
Accountant

City of Saint Paul, Minnesota

(Form of Government: "Strong" Mayor, with Seven Councilmembers Elected by Ward)



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

PRINCIPAL OFFICIALS

Term of Office

<u>From</u>	<u>To</u>
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Commissioners

Daniel Bostrom	January 1, 1996	December 31, 2011
Melvin Carter III	January 8, 2008	December 31, 2011
Patrick Harris	January 1, 2000	December 31, 2011
Lee Helgen	November 12, 2003	December 31, 2011
Kathy Lantry	January 1, 1998	December 31, 2011
Russ Stark	January 8, 2008	December 31, 2011
David Thune	January 14, 2004	December 31, 2011

Officers

Chairperson

David Thune	January 8, 2008	December 31, 2011
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Vice-Chairperson

Dan Bostrom	January 8, 2008	December 31, 2011
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Secretary

Kathy Lantry	January 8, 2008	December 31, 2011
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Treasurer

Lee Helgen	January 8, 2008	December 31, 2011
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Executive Director

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

Presented to

Housing and Redevelopment
Authority of the City of Saint Paul
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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President

Executive Director



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Housing and Redevelopment Authority (HRA) of the City of Saint Paul, Minnesota, a component unit of the City of Saint Paul, as of and for the year ended December 31, 2009, which collectively comprise the HRA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the HRA's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the HRA of the City of Saint Paul as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the HRA of the City of Saint Paul's basic financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2010, on our consideration of the HRA of the City of Saint Paul's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 21, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009

As management of the Housing and Redevelopment Authority of the City of Saint Paul (HRA), we provide readers of these financial statements this overview and analysis of the financial activities of the HRA for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with the financial statements which are found on pages 37-96.

Financial Highlights

- Total assets of the HRA exceeded total liabilities at the end of 2009 by \$35.9 million. Net assets increased by \$5.7 million during 2009. This net increase included an increase in business-type activity net assets by \$0.7 million and an increase in governmental activity net assets by \$5.0 million. The business-type activities are the HRA Loan Enterprise Fund and the HRA Parking Enterprise Fund.
- The government-wide statement of net assets was presented for the first time as of December 31, 2002, as required by GASB 34. This statement reflects a deficit of \$12.2 million in unrestricted net assets at year-end 2009. The source of this deficit is reflected in governmental activity balances and is attributable to the issuance of debt for which no capital assets have been directly acquired by the HRA. This debt, primarily tax increment and sales tax bonds, is used to finance various housing and economic development projects. This debt is serviced by property tax increments and the City's half-cent sales tax proceeds, which are highly reliable sources of repayment.
- Despite the deficit in the governmental activities in the government-wide statements, the HRA's governmental funds reported combined fund balances of \$64.2 million. The unreserved, undesignated balance is \$23.4 million, which is in the HRA Tax Increment Capital Projects Fund and the HRA Development Capital Projects Fund. The remainder of the fund balances is either reserved or designated for specific use. An amount of \$24.2 million is reserved for future debt service on existing long-term debt.
- The total principal amount of long-term debt decreased during 2009 by \$11.0 million to a total of \$213.8 million, a 4.9% decrease from 2008. An amount of \$3.9 million was retired on the Housing 5000 Land Assembly Bonds in 2009. The only new debts issued in 2009 were the RiverCentre Parking Lease Revenue Bonds of \$6,790,000 and the Block 39 Tax Increment Refunding Bonds of \$29,350,000. Total interest expense on long-term debt in 2009 was \$14.3 million, a decrease of \$1.3 million from 2008.
- The assets of loans receivable and accrued interest on loans increased by \$8.3 million to a total of \$77.9 million at December 31, 2009. There was an overall increase in the net loans receivable after subtracting the allowance for uncollectible loans and loan interest. The allowance for uncollectible loans and interest, based on an analysis of credit risk and

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended December 31, 2009

payment delinquency, is \$64.0 million at December 31, 2009, a increase of \$7.8 million over December 31, 2008.

- One HRA administered tax increment financing district was created in 2009 in the Minnesota Events District area. Total tax increment revenue for HRA Districts was \$22.3 million in 2009, a increase of \$6.9 million from 2008. The captured tax capacity of all Saint Paul tax increment financing districts is 8.52% of Saint Paul's total tax capacity. This represents a decrease of 0.7 % from 2008.
- The major housing development initiative continued in 2009 with 100 new or substantially rehabilitated housing units completed in Saint Paul.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad view of the HRA's finances, in a manner similar to a private-sector business. These are found on pages 37-39 of this report.

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

The HRA's governmental activities include:

- Development in the tax increment financing districts and other redevelopment areas
- Federal, state and local grant programs
- Debt service on tax supported debt
- General operations financed through the HRA General Fund
- Multi-year development projects that are locally funded

The HRA's business-type activities are:

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009

- Development loan programs
- Parking operations

The *statement of net assets* presents information on all of the HRA's assets and liabilities at December 31, 2009, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the HRA's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the HRA's net assets changed during 2009. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The HRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the HRA can be divided into two categories: governmental funds and proprietary funds. The governmental fund and proprietary fund financial statements are found on pages 41-45 and pages 47-51 of this report.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009

revenues, expenditures, and changes in fund balances for each of these five funds.

The HRA adopts an annual appropriated budget for its general fund and its debt service fund. Multi-year budgets are adopted for the special revenue fund and the capital projects funds. A budgetary comparison statement has been provided in the basic financial statements for the HRA General Fund. Budgetary comparison schedules have been provided in the supplementary schedules for the other four governmental funds. The HRA's governmental funds reflected almost exclusively positive variances compared to the final 2009 and multi-year budgets.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 52-96 of this report.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009

Financial Analysis of the HRA as a Whole

Net Assets. The following chart shows components of the HRA's assets, liabilities, and net assets and compares 2009 with 2008 at December 31.

Saint Paul HRA's Assets, Liabilities and Net Assets
At December 31, 2009 and 2008

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	12/31/2009	12/31/2008 Restated	12/31/2009	12/31/2008	12/31/2009	12/31/2008 Restated	2009-2008
Assets							
Cash and Investments	\$75,531,433	\$72,314,428	\$24,252,720	\$29,315,032	\$99,784,153	\$101,629,460	-1.8%
Other Current Assets	(1,930,907)	(3,861,154)	6,490,293	6,718,899	4,559,386	2,857,745	59.5%
Land Held For Resale	2,696,674	2,008,513	13,633,752	12,838,752	16,330,426	14,847,265	10.0%
Loans Receivable	8,154,326	7,187,368	5,767,007	6,175,338	13,921,333	13,362,706	4.2%
Leases Receivable	14,210,000	13,230,000	--	--	14,210,000	13,230,000	7.4%
Capital Assets	21,140,438	21,180,741	101,960,282	103,685,355	123,100,720	124,866,096	-1.4%
Other Non-Current Assets	1,724,897	1,745,716	1,724,339	1,368,295	3,449,236	3,114,011	10.8%
Total Assets	121,526,861	113,805,612	153,828,393	160,101,671	275,355,254	273,907,283	0.5%
Liabilities							
Current Liabilities	15,103,376	12,628,338	8,272,671	6,163,277	23,376,047	18,791,615	24.4%
Long-Term Debt	136,120,830	135,881,620	79,946,436	88,985,363	216,067,266	224,866,983	-3.9%
Total Liabilities	151,224,206	148,509,958	88,219,107	95,148,640	239,443,313	243,658,598	-1.7%
Net Assets							
Invested in Capital Assets, Net of Related Debt	10,540,586	10,580,889	23,496,206	21,467,557	34,036,792	32,048,446	6.2%
Restricted for Debt Service	5,266,362	5,187,806	8,135,651	6,148,877	13,402,013	11,336,683	18.2%
Restricted for Bond Operations and Maintenance	--	--	628,337	573,827	628,337	573,827	9.5%
Unrestricted	(45,504,293)	(50,473,041)	33,349,092	36,762,770	(12,155,201)	(13,710,271)	11.3%
Total Net Assets	(\$29,697,345)	(\$34,704,346)	\$65,609,286	\$64,953,031	\$35,911,941	\$30,248,685	18.7%

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009

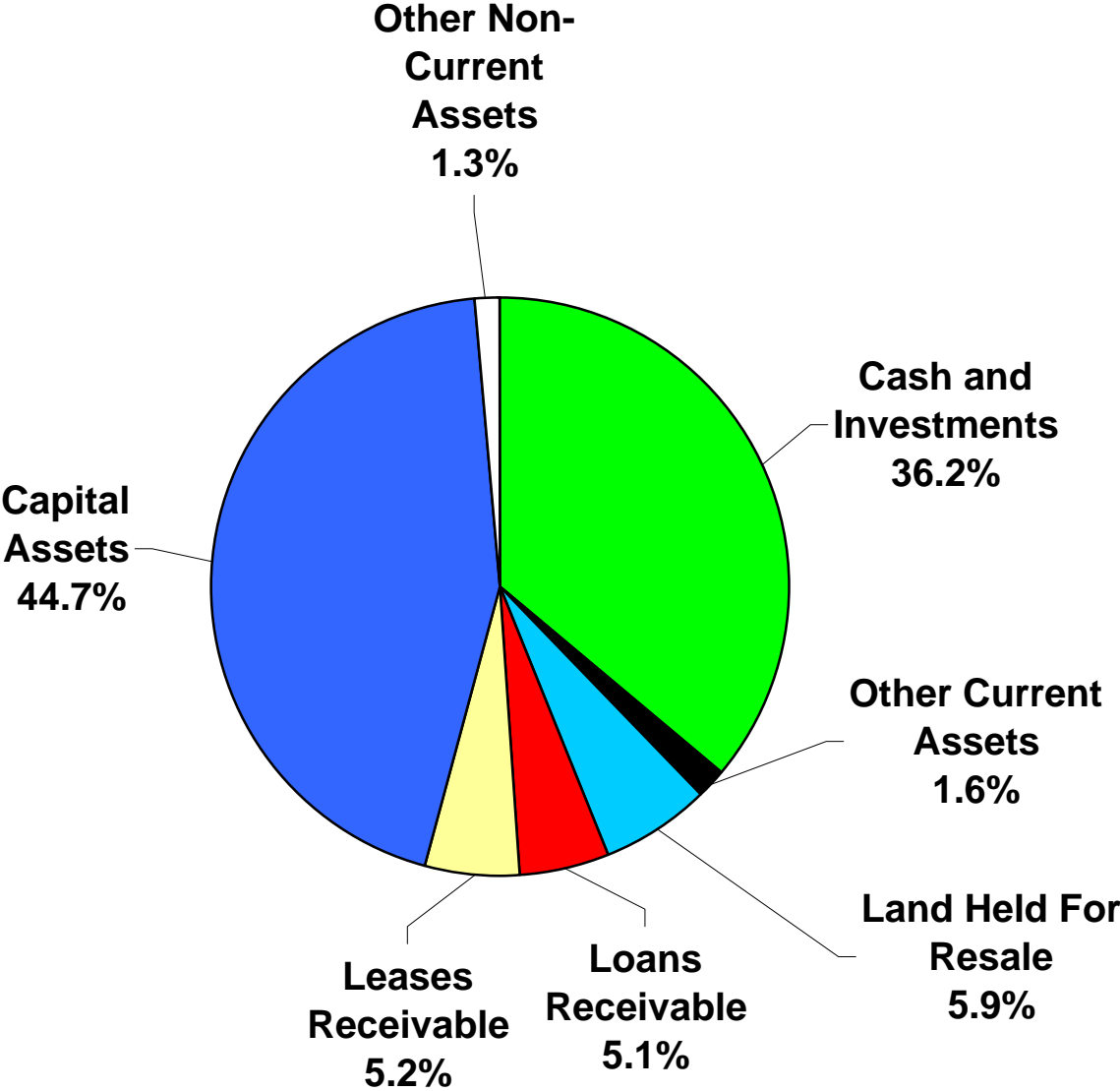
Total assets of the HRA exceeded total liabilities resulting in an overall surplus of \$35.9 million at December 31, 2009. Net assets of the business-type activities are \$65.6 million at December 31, 2009. However, governmental activity net assets are in a deficit position of \$29.7 million. In governmental activities, the HRA issues long-term debt for housing and economic development purposes and, in many cases, does not acquire or construct HRA-owned capital assets with the debt proceeds. This is common for housing and redevelopment authorities. For the Saint Paul HRA, this has been the case with the tax increment bonds and the sales tax bonds. The debt is to be retired with future revenues, namely property tax increments and city sales taxes. In past years financing has been sufficient for all governmental activity long-term debt service payments and other debt service requirements. Likewise, it is projected that future revenues will adequately finance all existing debt service requirements. Unrestricted net assets in business-type activities are \$33.3 million at December 31, 2009. However, a large portion of the unrestricted net assets is represented by loans receivable, which often have repayment terms in excess of twenty years.

Total assets of the HRA increased by 0.5%, to a total of \$275.4 million at year-end. Cash and investment balances decreased by 1.8% in 2009. Land held for resale increased with the acquisition of some land in 2009. The net asset for loans less their allowance increased in 2009 by 4.2 %. Capital assets decreased during 2009 by 1.4%.

The HRA's long-term debt, at \$216.1 million is 90.2 % of its total liabilities. The outstanding balance of long-term debt decreased by 3.9% during 2009. Governmental activity long-term debt includes tax-supported debt – the tax increment bonds and the sales tax bonds, along with the lease revenue bonds and various development notes. Business-type activity debt includes the parking revenue bonds and notes, that were issued to finance the construction of HRA owned parking ramps, and the 2004 issued Housing 5000 Land Assembly Bonds.

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2009 Assets



MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009

Changes in Net Assets. The following chart shows the changes in net assets during 2009 and compares this with 2008.

Saint Paul HRA's Changes in Net Assets
For the Fiscal Years Ended December 31, 2009 and 2008

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2009	2008 Restated	2009	2008	2009	2008 Restated	2009-2008
Revenues							
Program Revenues:							
Charges for Services	\$1,715,578	\$2,811,075	\$12,953,132	\$12,944,361	\$14,668,710	\$15,755,436	-6.9 %
Operating Grants and Contributions	20,874,019	21,744,714	1,352,810	3,765,808	22,226,829	25,510,522	-12.9 %
Capital Grants and Contributions	271,305	1,861,975	--	--	271,305	1,861,975	-85.4 %
General Revenues:							
Property Taxes	23,326,600	15,301,532	1,178,925	1,193,871	24,505,525	16,495,403	48.6 %
Other Taxes and Unrestricted Grants	305,835	246,796	--	--	305,835	246,796	23.9 %
Investment Income	1,340,151	1,881,031	99,135	794,694	1,439,286	2,675,725	-46.2 %
Gain on Sale of Capital Assets	--	--	--	1,336,484	--	1,336,484	-100.0%
Total Revenues	47,833,488	43,847,123	15,584,002	20,035,218	63,417,490	63,882,341	-0.7 %
Expenses							
Housing and Economic Development	30,430,746	22,366,268	--	--	30,430,746	22,366,268	36.1 %
Interest on Govt Activity Long-Term Debt	10,264,402	10,945,951	--	--	10,264,402	10,945,951	-6.2 %
Development Loan Programs	--	--	5,194,227	6,444,810	5,194,227	6,444,810	-19.4 %
Parking Operations	--	--	11,864,859	12,628,706	11,864,859	12,628,706	-6.0 %
Total Expenses	40,695,148	33,312,219	17,059,086	19,073,516	57,754,234	52,385,735	10.2 %
Excess (Deficiency) before Transfers	7,138,340	10,534,904	(1,475,084)	961,702	5,663,256	11,496,606	
Transfers	(2,131,339)	(495,865)	2,131,339	495,865	--	--	
Change in Net Assets	5,007,001	10,039,039	656,255	1,457,567	5,663,256	11,496,606	
Net Assets, January 1	(34,704,346)	(44,743,385)	64,953,031	63,495,464	30,248,685	18,752,079	
Net Assets, December 31	<u>(\$29,697,345)</u>	<u>(\$34,704,346)</u>	<u>\$65,609,286</u>	<u>\$64,953,031</u>	<u>\$35,911,941</u>	<u>\$30,248,685</u>	

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009

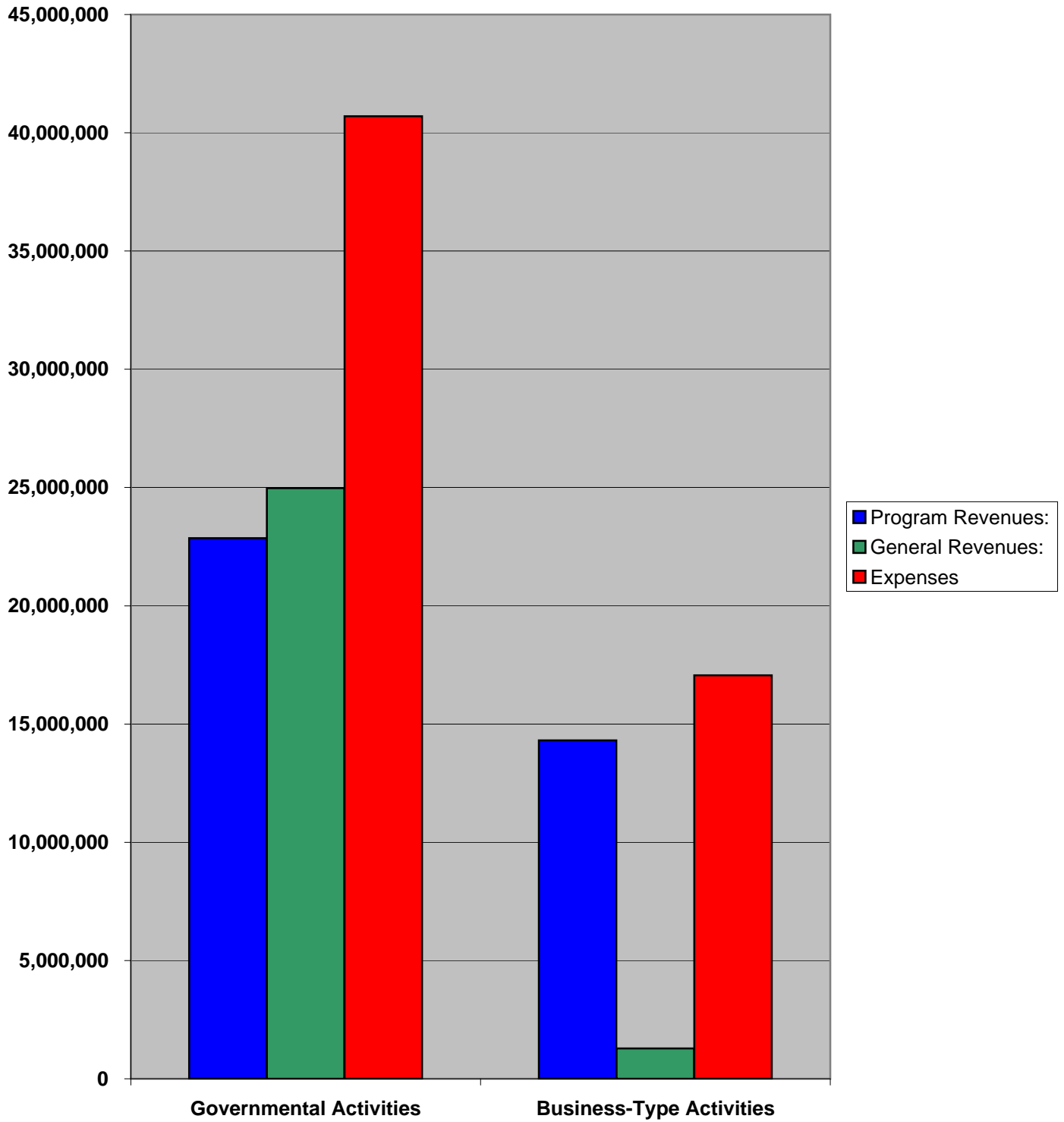
Total revenues of the HRA decreased by 0.7% in 2009, while total expenses increased by 10.2%, resulting in an increase in net assets in 2009 of \$5.7 million.

As shown in the table on the previous page, governmental activities are financed heavily with tax revenue and operating grants. Property tax revenue in governmental activities increased by 52.4% with most of the increase being in tax increment revenue. Operating grants and contributions decreased by 4.0 % in 2009. Housing and Economic Development expenses increased in 2009 from 2008 by \$8.1 million, or 36.1%. The largest increase in these expenses was for the expenditure of funds from the Development Capital Projects Fund. Interest on governmental activity long-term debt decreased in 2009 by 6.2% from 2008, primarily due to decreased outstanding debt.

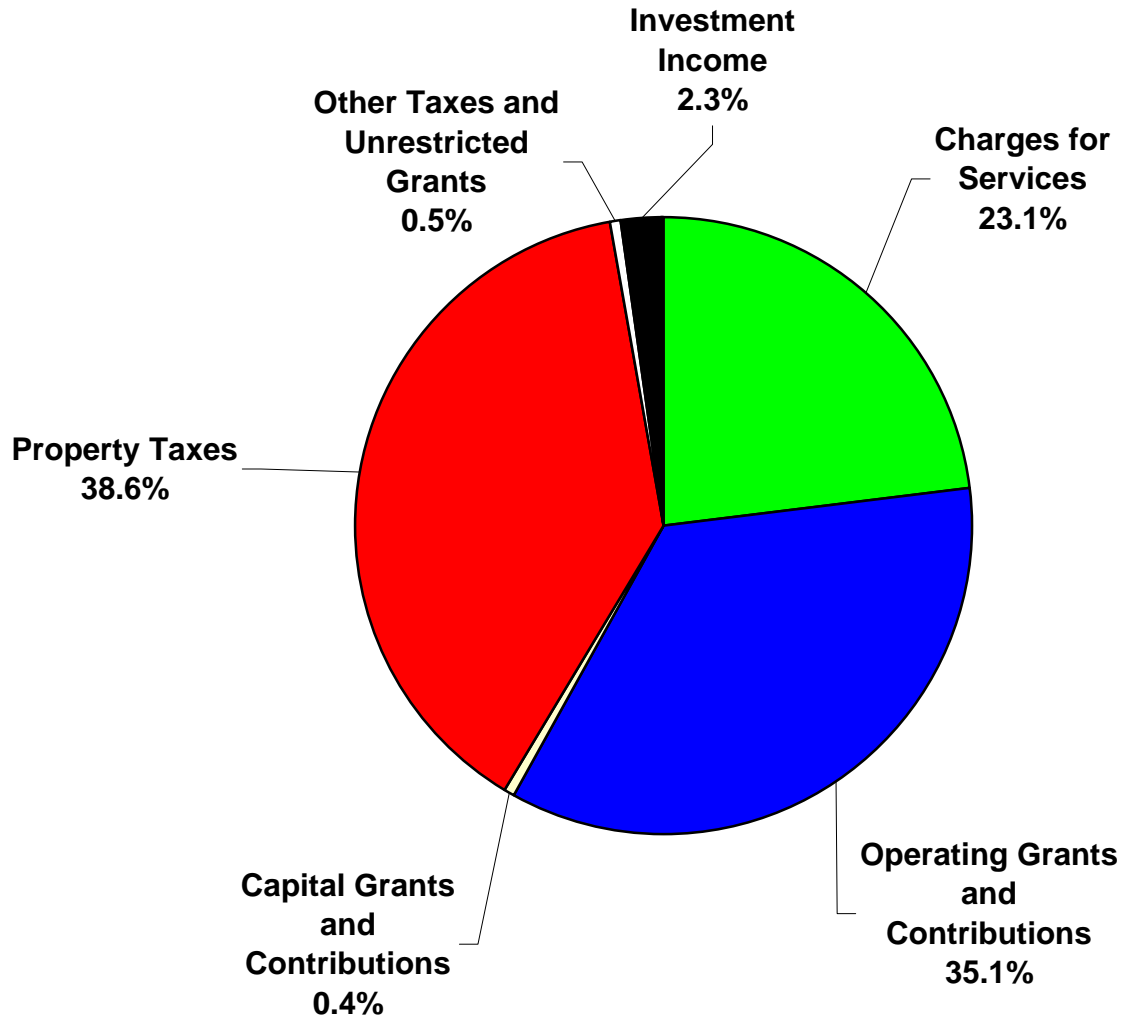
Charges for service revenue did not change significantly in business-type activities in 2009. Operating grants and contributions decreased by \$2.4 million. Total business-type activities expenses decreased in 2009 - \$2.0 million or 10.6%. The major reason for this decrease in expenses was the reduction in issuance of large development loans from 2008 with credit risk ratings of "loss" and "forgivable" which resulted in large loss allowance expenses in 2008. Parking operation expenses decreased by 6.0% in 2009.

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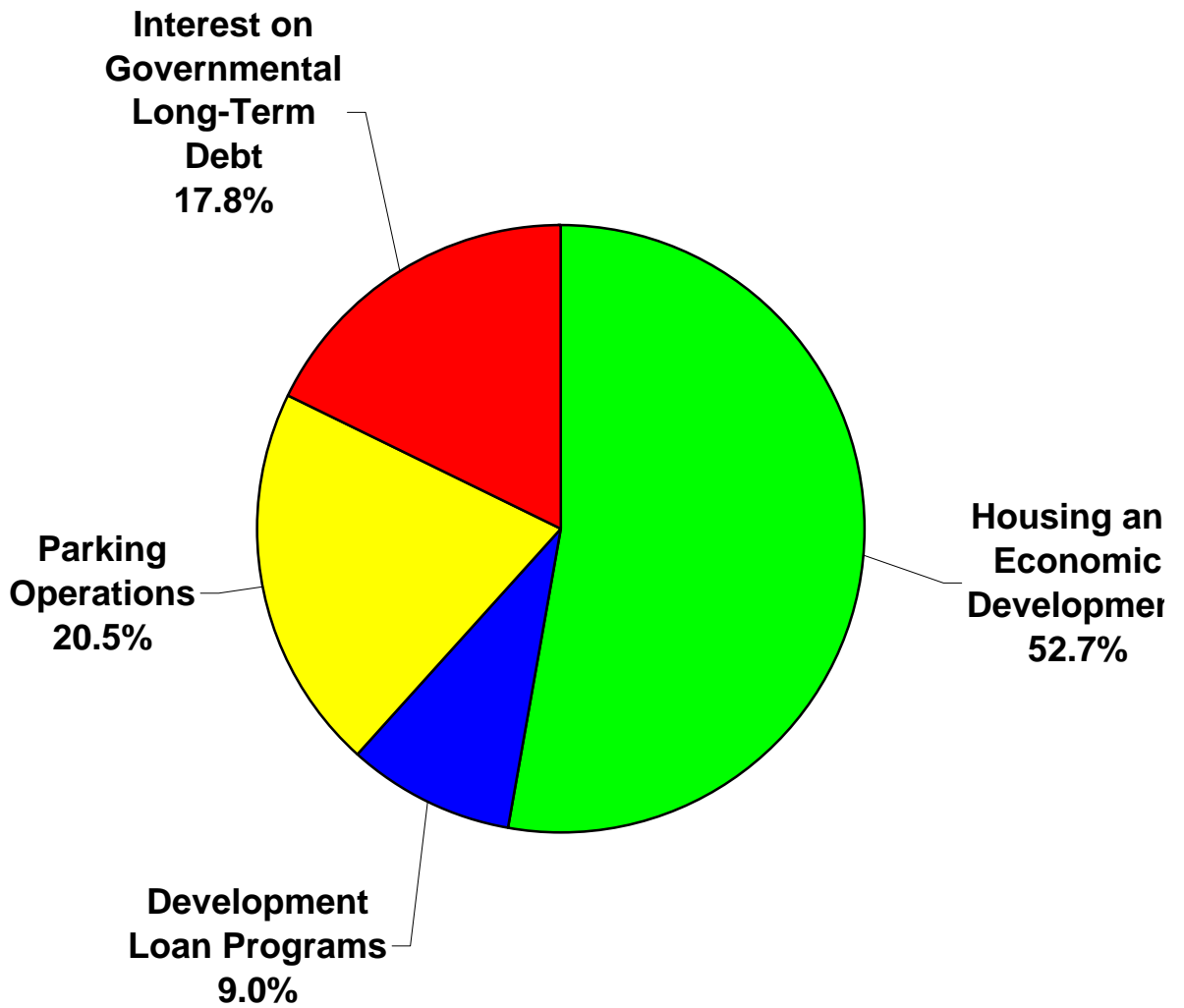
2009 Revenue and Expenses



2009 Revenues by Source



2009 Expenses by Function



**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009**

Financial Analysis of the HRA's Funds

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

Governmental Funds

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

At December 31, 2009, the HRA's governmental funds reported total fund balances of \$64.2 million. Approximately 40.7% of this is reserved to indicate that it is not available for new spending. Almost all of the reserved portion is for future debt service on existing bonds and notes (\$24.2 million). Unreserved balances total \$38.1 million. Of the total unreserved fund balances, \$4.7 million has been designated in the HRA Tax Increment Capital Projects Fund for unspent balances of previously budgeted projects, primarily in the HRA administered tax increment financing districts, and \$19.8 million to be allocated for projects in the HRA Development Capital Projects Fund.

The HRA General Fund is the chief operating fund of the HRA. Revenues include the HRA property tax levy, fees from conduit revenue bond issues, property rentals, land sale proceeds, investment earnings, and excess tax increments receipts. 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 2009 by \$1.3 million to a total of \$10.4 million at December 31, 2009 due to spending of excess tax increments from a tax increment district which closed in 2008.

The HRA Federal & State Programs Special Revenue Fund accounts for intergovernmental revenues provided primarily by the Federal and State governments for housing grant programs and projects. Grant revenues are recognized as eligible grant expenditures are incurred, resulting in little or no fund balance. During 2009, the Special Revenue Fund received \$3.1 million in revenues, of which \$3.0 million were grant revenues from other governments.

The HRA Debt Service Fund accumulates resources and pays debt service for the HRA's debt that is not financed by the two enterprise funds. Debt service on the bonds is financed by property tax increments, City sales taxes, lease payments from the City, and investment earnings.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009

At December 31, 2009, the fund balance is \$24.5 million, which is entirely reserved for future debt service. Total debt spending during 2009 was \$13.1 million.

The HRA Tax Increment Capital Projects Fund accounts for HRA major development projects and capital projects in Saint Paul tax increment districts and other redevelopment areas. \$4.9 million of the total fund balance at December 31, 2009, is designated for unspent balances of previously approved projects. Total 2009 spending from this Fund was \$10.6 million. Projects with the largest 2009 spending include the new Minnesota Events District and for the payment of interest on debt. All of these projects are financed with tax increment bond proceeds.

The HRA Development Capital Projects Fund was established during 2007 to account for HRA multi-year development projects. These projects are locally funded through transfers from other funds and bonds sold for development purposes. During 2007, the HRA implemented the Invest Saint Paul Initiative program which is financed in part with Sales Tax Revenue Bonds. The fund balance at year-end was \$20.9 million.

Proprietary Funds

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

The HRA Loan Enterprise Fund accounts for loans issued and related servicing for various housing and economic development programs and projects. The Fund has unrestricted net assets totaling \$21.6 million at December 31, 2009. The assets of the Fund include loans receivable and accrued interest on these loans which are reported at \$5.8 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 \$4.8 million at December 31, 2009. The Fund had an overall increase in net assets of \$184 thousand for 2009.

The HRA Parking Enterprise Fund accounts for the operation of HRA owned parking facilities in Saint Paul. The Fund has unrestricted net assets of \$11.7 million at December 31, 2009. Assets in the Fund include capital assets for parking facilities reported at the depreciated amount of \$102.0 million. Long-term debt used for financing the construction of the parking facilities is \$77.5 million in principal outstanding at December 31, 2009. The Fund had operating income of \$3.4 million during 2009.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009

HRA General Fund Budgetary Highlights

The final amended budget for the HRA General Fund includes the original adopted budget plus any previously appropriated funds set aside for the purpose of honoring legally incurred obligations (prior year encumbrances), plus any additional supplemental appropriations that were legislated by the Board of Commissioners during the year. Actual 2009 spending was 20.8% higher than the final spending budget. Actual revenues were 12.1% higher than the final financing budget. The major positive revenue variance was in conduit revenue bond fees.

Long-Term Debt

At December 31, 2009 the HRA had total long-term debt outstanding of \$213.8 million as shown in the following chart.

Saint Paul HRA's Long-Term Debt
At December 31, 2009 and 2008

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2009	2008 Restated	2009	2008	2009	2008 Restated	2009-2008
Tax Increment Bonds	\$54,904,669	\$57,961,560	\$ --	\$ --	\$54,904,669	\$57,961,560	-5.3%
Sales Tax Revenue Bonds	39,080,000	40,685,000	--	--	39,080,000	40,685,000	-3.9%
Lease Revenue Bonds	14,210,000	13,230,000	--	--	14,210,000	13,230,000	7.4%
Parking Revenue Bonds	--	--	31,600,000	33,850,000	31,600,000	33,850,000	-6.6%
Tax Increment – Parking Bonds	--	--	29,350,000	31,690,000	29,350,000	31,690,000	-7.4%
Parking Bonds (Smith Avenue Transit Center)	--	--	15,735,000	15,860,000	15,735,000	15,860,000	-0.8%
Housing 5000 Land Assembly Bonds	--	--	2,510,000	6,440,000	2,510,000	6,440,000	-61.0%
Parking Revenue Notes	--	--	810,000	890,000	810,000	890,000	-9.0%
Development Notes	23,818,370	23,987,626	1,775,190	195,190	25,593,560	24,182,816	5.8%
Totals	\$132,013,039	\$135,864,186	\$81,780,190	\$88,925,190	\$213,793,229	\$224,789,376	-4.9%

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009

All of the debt has specified revenue sources that are pledged for its retirement. In addition, the City of Saint Paul has issued a general obligation pledge on certain tax increment bonds that have a total of \$40.6 million outstanding at year-end 2009. The City's G.O. pledge provides a secondary source of repayment if tax increments are not sufficient to service the related bonds. For the Sales Tax Revenue Bonds, there is a gross pledge of the half-cent sales tax to pay debt service. For the RiverCentre Facility Lease Revenue Bonds, the City has pledged City sources and RiverCentre revenues to make lease payments to the HRA. Non-payment of the lease by the City may create credit rating implications to the City, which is currently rated AAA by Standard & Poor's. For the Parking Revenue Bonds, in addition to net parking ramp revenues, the City has pledged the first \$2 million collected annually in parking meter and parking fine revenues.

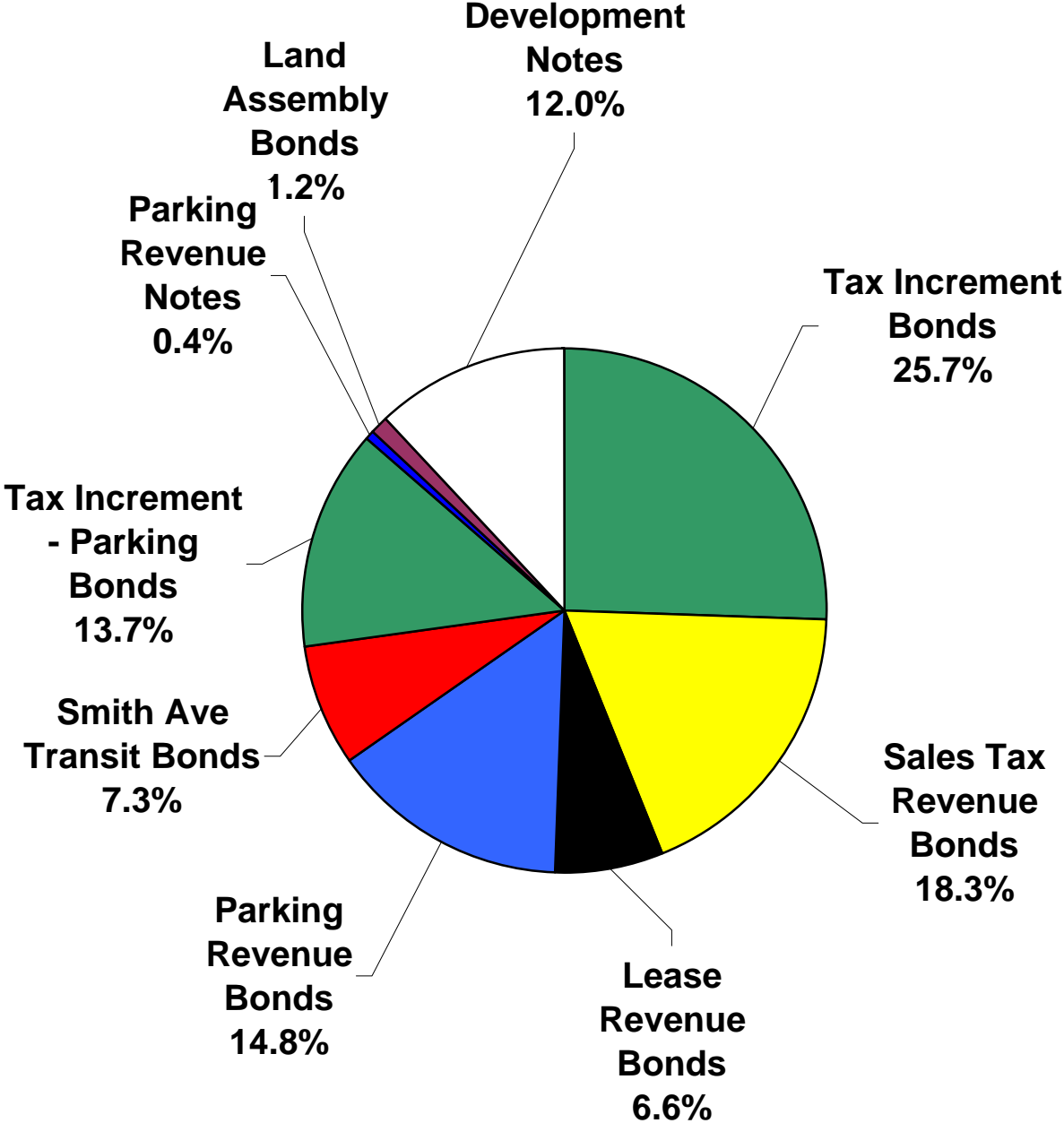
During 2009, the HRA issued \$37.7 million in long-term debt. The RiverCentre Parking Facility Lease Revenue Bonds, Series 2009, was issued in the amount of \$6,790,000 to refund the Series 2000 Bonds and provide additional capital for parking facility improvements. The Block 39 General Obligation Tax Increment Refunding Bonds, Series 2009G and 2009H were issued in the amounts of \$20,695,000 and \$8,655,000, to refund the Block 39 General Obligation Tax Increment Bonds, Series 1998A and 1998B. Loans totaling \$1,580,000 were taken out from LAAND Initiative Funds from the Metropolitan Council and Minnesota Family Housing Fund to purchase land parcels along the Central Corridor.

All 2009 scheduled principal and interest payments were made in accordance with the terms of the bonds and notes.

Additional information on the HRA's long-term debt can be found in Note 5.F. on pages 80-87 of this report. The schedule of revenue bond coverage in the Statistical Section of this report shows the history and reliability of debt service financing sources.

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2009 Long-Term Debt



**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009**

Capital Assets

The HRA's investment in capital assets for its governmental and business-type activities as of December 31, 2009 is \$123.1 million (net of accumulated depreciation) as shown in the following chart.

**Saint Paul HRA's Capital Assets
(Net of Depreciation)
At December 31, 2009 and 2008**

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2009	2008 Restated	2009	2008	2009	2008 Restated	2009-2008
Land	\$3,042,169	\$3,042,168	\$28,921,408	\$28,921,408	\$31,963,577	\$31,963,576	0.0%
Buildings	12,979,243	10,397,400	1,693,827	1,746,536	14,673,070	12,143,936	20.8%
Equipment	--	--	929,043	286,444	929,043	286,444	224.3%
Parking Ramps	--	--	70,416,004	72,730,967	70,416,004	72,730,967	-3.2%
Pedestrian Skyway Bridges	5,119,026	5,443,069	--	--	5,119,026	5,443,069	-6.0%
Construction In Progress	--	2,298,104	--	--	--	2,298,104	N/A
Totals	\$21,140,438	\$21,180,741	\$101,960,282	\$103,685,355	\$123,100,720	\$124,866,096	-1.4%

Construction was started in 2008 on the City Head and Sack House and was completed in 2009.

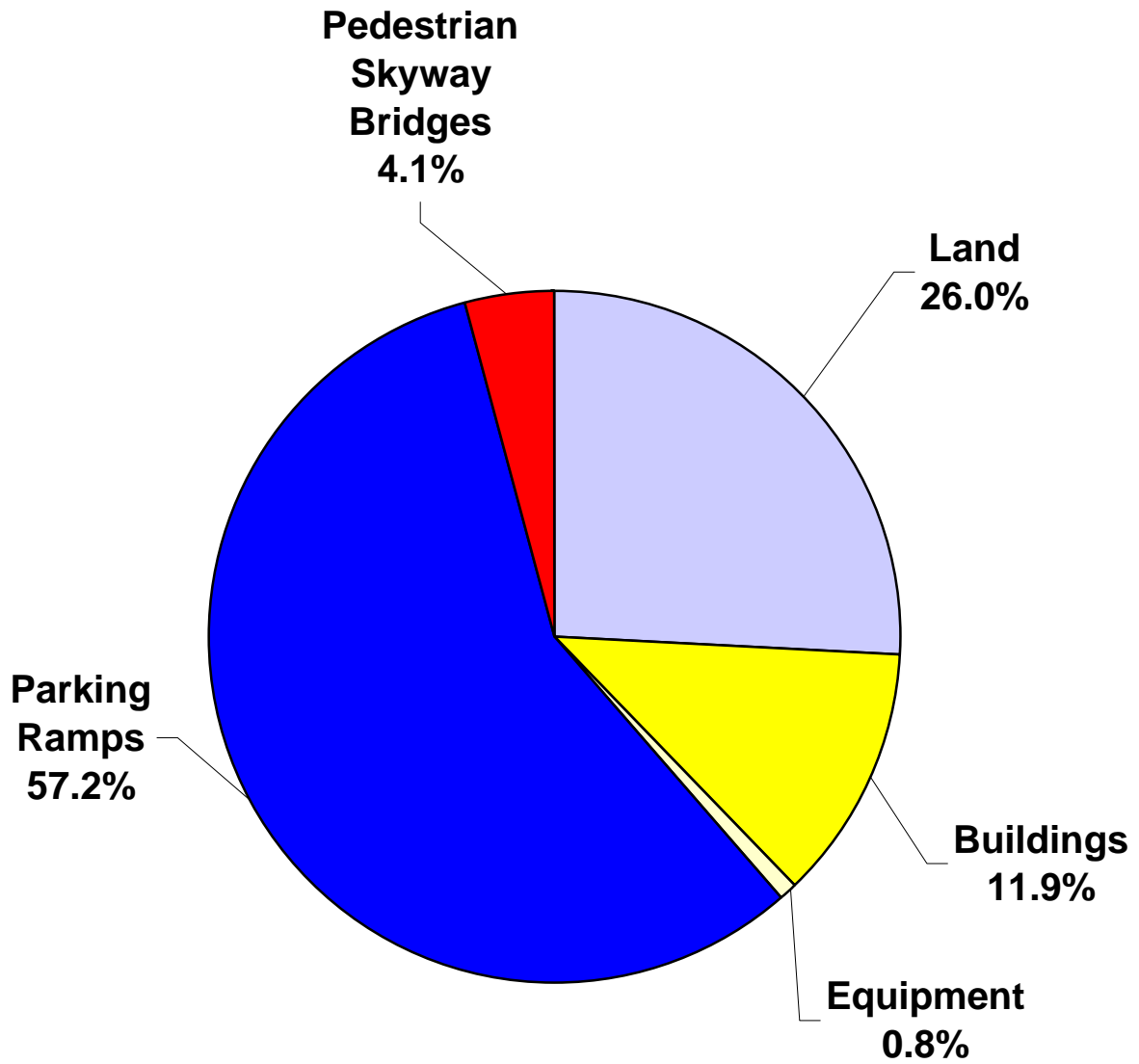
Total depreciation expense for governmental and business type activities during 2009 was \$3.4 million.

Additional information on the HRA's capital assets can be found in Note 5.E. on pages 79-80 of this report.

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(Continued)

2009 Capital Assets



MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2009

Requests for Information

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

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STATEMENT OF NET ASSETS

At December 31, 2009

(Amounts in dollars)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments with Treasurer	59,618,470	13,730,258	73,348,728
Cash with Fiscal Agent	-	607,355	607,355
Cash and Investments with Trustees	15,912,963	738,962	16,651,925
Accounts Receivable (Net of Allowance)	247,153	507,787	754,940
Property Taxes Receivable - Due from Ramsey County	105,176	-	105,176
Delinquent Property Taxes Receivable (Net of Allowance)	434,041	74,773	508,814
Delinquent Assessments Receivable (Net of Allowance)	-	933	933
Accrued Interest Receivable on Investments	349,396	66,737	416,133
Internal Balances	(5,840,063)	5,840,063	-
Due from Other Governmental Units	2,773,390	-	2,773,390
Land Held for Resale	2,696,674	13,633,752	16,330,426
Restricted Assets:			
Cash for Revenue Bond Debt Service	-	5,915,907	5,915,907
Cash for Revenue Bond Reserve	-	1,005,000	1,005,000
Cash for Revenue Bond Operations and Maintenance	-	628,338	628,338
Investment for Revenue Bond Future Debt Service	-	1,626,900	1,626,900
Direct Financing Leases Receivable	14,210,000	-	14,210,000
Loans Receivable(Net of Allowance)	7,879,339	4,876,246	12,755,585
Accrued Interest Receivable on Loans(Net of Allowance)	274,987	890,761	1,165,748
Advance to City of Saint Paul	612,191	670,000	1,282,191
Deferred Charges	1,112,706	1,054,339	2,167,045
Capital Assets, Net of Related Depreciation:			
Land (Not Depreciated)	3,042,169	28,921,408	31,963,577
Buildings	12,979,243	1,693,827	14,673,070
Equipment	-	929,043	929,043
Parking Ramps	-	70,416,004	70,416,004
Pedestrian Skyway Bridges	5,119,026	-	5,119,026
TOTAL ASSETS	121,526,861	153,828,393	275,355,254

Continued

STATEMENT OF NET ASSETS

At December 31, 2009

(Amounts in dollars)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>LIABILITIES</u>			
Accounts Payable	1,031,324	829,654	1,860,978
Contracts Payable	598,595	838,017	1,436,612
Due to Other Governmental Units	2,259,843	2,944,424	5,204,267
Accrued Interest Payable on Long-Term Debt	1,909,112	445,590	2,354,702
Unearned Revenue	9,304,502	-	9,304,502
Liabilities Payable from Restricted Assets:			
Accrued Interest on Bonds Payable	-	412,156	412,156
Revenue Bonds Payable	-	2,802,830	2,802,830
Long-Term Liabilities:			
Revenue Bonds Payable - Due within One Year	9,329,364	3,770,000	13,099,364
Revenue Notes Payable - Due within One Year	139,965	275,190	415,155
Revenue Bonds Payable - Due in more than One Year	99,073,096	73,591,246	172,664,342
Notes Payable - Due in more than One Year	23,678,405	2,310,000	25,988,405
Pollution Remediation Obligation	<u>3,900,000</u>	<u>-</u>	<u>3,900,000</u>
TOTAL LIABILITIES	<u>151,224,206</u>	<u>88,219,107</u>	<u>239,443,313</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	10,540,586	23,496,206	34,036,792
Restricted for Debt Service	5,266,362	8,135,651	13,402,013
Restricted for Operations and Maintenance	-	628,337	628,337
Unrestricted (Deficit)	<u>(45,504,293)</u>	<u>33,349,092</u>	<u>(12,155,201)</u>
TOTAL NET ASSETS (DEFICIT)	<u>(29,697,345)</u>	<u>65,609,286</u>	<u>35,911,941</u>

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended December 31, 2009

(Amounts in Dollars)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services/ Loan Programs	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Housing and Economic Development	30,430,746	1,715,578	20,874,019	271,305	(7,569,844)	-	(7,569,844)
Interest on Governmental Long-Term Debt	10,264,402	-	-	-	(10,264,402)	-	(10,264,402)
Total - Governmental Activities	40,695,148	1,715,578	20,874,019	271,305	(17,834,246)	-	(17,834,246)
Business-type Activities:							
Development Loan Programs	5,194,227	1,748,389	1,352,810	-	-	(2,093,028)	(2,093,028)
Parking Operations	11,864,859	11,204,743	-	-	-	(660,116)	(660,116)
Total Business-type Activities	17,059,086	12,953,132	1,352,810	-	-	(2,753,144)	(2,753,144)
Total - All Functions/Programs	57,754,234	14,668,710	22,226,829	271,305	(17,834,246)	(2,753,144)	(20,587,390)
General Revenues:							
HRA Property Tax					2,172,763	-	2,172,763
Property Tax Increments					21,153,837	1,178,925	22,332,762
State Market Value Homestead Credit					305,835	-	305,835
Investment Income					1,340,151	99,135	1,439,286
Transfers					(2,131,339)	2,131,339	-
Total General Revenues and Transfers					22,841,247	3,409,399	26,250,646
Change in Net Assets					5,007,001	656,255	5,663,256
Net Assets, January 1, 2009, Restated					(34,704,346)	64,953,031	30,248,685
Net Assets, December 31, 2009					(29,697,345)	65,609,286	35,911,941

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BALANCE SHEET
GOVERNMENTAL FUNDS

At December 31, 2009

(Amounts in dollars)

	HRA General	HRA Federal & State Programs Special Revenue	HRA Debt Service	HRA Tax Increment Capital Projects	HRA Development Capital Projects	Total Governmental Funds
ASSETS						
Cash and Investments with Treasurer	11,945,651	472,463	15,103,908	14,271,387	17,825,061	59,618,470
Cash and Investments with Trustee	-	-	9,006,139	1,087,797	5,819,027	15,912,963
Property Taxes Receivable:						
Due from County	13,304	-	79,733	12,138	-	105,175
Delinquent Taxpayer	78,358	-	253,687	378,280	-	710,325
Accounts Receivable (Net of Allowance)	8,964	999	237,190	-	-	247,153
Accrued Interest Receivable on Investments	106,242	-	130,656	112,498	-	349,396
Loans Receivable (Net of Allowance)	-	6,917,378	-	584,861	377,100	7,879,339
Accrued Interest Receivable on Loans (Net of Allow.)	-	269,874	-	5,113	-	274,987
Due from Other Funds	192,311	-	-	-	-	192,311
Due from Other Governmental Units	22,098	210,125	-	-	2,541,167	2,773,390
Advances to Other Funds	717,599	-	-	-	250,000	967,599
Advances to Other Governmental Units	-	-	-	-	612,191	612,191
Land Held for Resale	498,013	-	-	808,500	1,390,161	2,696,674
Direct Financing Leases Receivable	-	-	14,210,000	-	-	14,210,000
TOTAL ASSETS	13,582,540	7,870,839	39,021,313	17,260,574	28,814,707	106,549,973
LIABILITIES AND FUND BALANCES						
<u>Liabilities</u>						
Accounts Payable	10,960	75,920	-	11,885	932,559	1,031,324
Contracts Payable	598,595	-	-	-	-	598,595
Due to Other Funds	-	-	-	-	192,311	192,311
Due to Other Governmental Units	1,981,438	131,492	-	129,280	17,633	2,259,843
Deferred Revenue	634,465	-	14,569,611	1,804,879	1,767,261	18,776,216
Unearned Revenue	-	7,663,427	-	-	5,000,000	12,663,427
Advance from Other Funds	-	-	-	6,807,662	-	6,807,662
Total Liabilities	3,225,458	7,870,839	14,569,611	8,753,706	7,909,764	42,329,378

Continued

BALANCE SHEET
GOVERNMENTAL FUNDS

At December 31, 2009

(Amounts in dollars)

	HRA General	HRA Federal & State Programs Special Revenue	HRA Debt Service	HRA Tax Increment Capital Projects	HRA Development Capital Projects	Total Governmental Funds
<u>Fund Balances</u>						
Reserved for:						
Encumbrances	25,048	-	-	-	258,955	284,003
Debt Service	-	-	24,245,708	-	-	24,245,708
Advances to Other Funds	717,599	-	-	-	250,000	967,599
Advances to Other Governmental Units	-	-	-	-	612,191	612,191
Unreserved, Designated for:						
Specific HRA Activities	6,045,679	-	-	4,663,573	-	10,709,252
Next Year's Appropriation	3,324,444	-	-	-	-	3,324,444
Cash Flow and Revenue Estimates	60,834	-	-	-	-	60,834
Net Unrealized Gains	183,478	-	205,994	194,281	-	583,753
Unreserved, Undesignated	-	-	-	3,649,014	19,783,797	23,432,811
Total Fund Balances	<u>10,357,082</u>	<u>-</u>	<u>24,451,702</u>	<u>8,506,868</u>	<u>20,904,943</u>	<u>64,220,595</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>13,582,540</u>	<u>7,870,839</u>	<u>39,021,313</u>	<u>17,260,574</u>	<u>28,814,707</u>	<u>106,549,973</u>

Amounts reported for governmental activities in the Statement of Net Assets (pages 37-38) are different because:

1. Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,140,438
2. Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	18,235,141
3. Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(133,017,236)
4. The pollution remediation obligation is long-term in nature and is not expected to be due and payable in the current period and, therefore, is not reported in the funds. The liability is offset by a reduction in unearned revenue.	
Pollution remediation obligation	(3,900,000)
Unearned revenue	3,900,000
5. Bad debt expense is not an outlay of financial resources and is, therefore, not reported in the funds.	(276,283)
Total Reconciling Items	<u>(93,917,940)</u>
Fund Balances per Balance Sheet - Governmental Funds, December 31, 2009	<u>64,220,595</u>
Net Assets (Deficit) per Statement of Net Assets - Governmental Activities column, December 31, 2009	<u>(29,697,345)</u>

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

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

For the Fiscal Year Ended December 31, 2009

(Amounts in dollars)

	HRA General	HRA Federal & State Programs Special Revenue	HRA Debt Service	HRA Tax Increment Capital Projects	HRA Development Capital Projects	Total Governmental Funds
REVENUES						
Taxes						
Current Property Taxes	1,874,829	-	-	-	-	1,874,829
Delinquent Property Taxes	31,348	-	-	-	-	31,348
Fiscal Disparities	223,759	-	-	-	-	223,759
Property Tax Increments	-	-	9,550,758	11,465,016	-	21,015,774
Intergovernmental	87,974	3,050,806	16,793,283	151,096	247,309	20,330,468
Fees, Sales and Services						
Revenue Bond Fees	1,268,028	-	-	-	-	1,268,028
Other Fees and Services	13,171	23,631	-	5,217	-	42,019
Sales of Land	1	-	-	-	1	2
Rentals of Property	-	-	1,098,963	-	-	1,098,963
Interest on Loans	-	10,054	193,324	3,281	-	206,659
Loan Repayments	-	46,631	-	14,100	-	60,731
Investment Income						
Interest Earned on Investments	414,893	-	420,572	417,208	-	1,252,673
Increase (Decrease) in the Fair Value of Investments	31,133	-	18,394	20,481	-	70,008
Miscellaneous						
Developer Contributions	-	-	543,551	-	-	543,551
Total Revenues	3,945,136	3,131,122	28,618,845	12,076,399	247,310	48,018,812
EXPENDITURES						
Current						
Housing and Economic Development	4,390,549	3,155,540	3,000	5,647,775	2,508,499	15,705,363
Intergovernmental - City	880,408	-	16,224,917	-	27,809	17,133,134
Debt Service						
Principal Payment on Bonds	-	-	5,501,891	-	-	5,501,891
Interest on Bonds	-	-	7,016,022	-	-	7,016,022
Principal Payment on Notes	-	-	102,194	67,062	-	169,256
Interest on Notes	-	-	369,593	2,968,297	-	3,337,890
Bond Issuance Costs	-	-	141,085	-	-	141,085
Total Expenditures	5,270,957	3,155,540	29,358,702	8,683,134	2,536,308	49,004,641
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,325,821)	(24,418)	(739,857)	3,393,265	(2,288,998)	(985,829)

Continued

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

For the Fiscal Year Ended December 31, 2009

(Amounts in dollars)

	HRA General	HRA Federal & State Programs Special Revenue	HRA Debt Service	HRA Tax Increment Capital Projects	HRA Development Capital Projects	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Transfers In	-	24,418	1,964,392	165,622	-	2,154,432
Transfers Out	-	-	(165,622)	(1,964,392)	(2,528,208)	(4,658,222)
Current Refunding Bonds Issued	-	-	6,790,000	-	-	6,790,000
Redemption of Refunded Bonds	-	-	(4,970,000)	-	-	(4,970,000)
Premium on Bonds Issued	-	-	213,608	-	-	213,608
Total Other Financing Sources (Uses)	<u>-</u>	<u>24,418</u>	<u>3,832,378</u>	<u>(1,798,770)</u>	<u>(2,528,208)</u>	<u>(470,182)</u>
Net Changes in Fund Balances	(1,325,821)	-	3,092,521	1,594,495	(4,817,206)	(1,456,011)
FUND BALANCES, January 1	<u>11,682,903</u>	<u>-</u>	<u>21,359,181</u>	<u>6,912,373</u>	<u>25,722,149</u>	<u>65,676,606</u>
FUND BALANCES, December 31	<u>10,357,082</u>	<u>-</u>	<u>24,451,702</u>	<u>8,506,868</u>	<u>20,904,943</u>	<u>64,220,595</u>

Amounts reported for governmental activities in the Statement of Activities (page 39) are different because:

Net change in fund balances - total governmental funds (above)	<u>(1,456,011)</u>
1. Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital asset expenditures	-
Current year depreciation	<u>(679,310)</u>
2. Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	62,112
3. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and discounts when debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,740,303
4. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(14,148)
5. The issuance of development loans and the acquisition of land for resale consume current financial resources in governmental funds. Likewise, principal payments received on development loans and the sale of land for resale provide current financial resources in governmental funds. These transactions, other than the gain or loss on the sale of land, have no effect to net assets in the Statement of Activities.	<u>1,354,055</u>
Total Reconciling Items	<u>6,463,012</u>
Change in Net Assets of Governmental Activities - Statement of Activities	<u>5,007,001</u>

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

For the Fiscal Year Ended December 31, 2009

(Amounts in dollars)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	2,232,585	2,232,585	2,129,936	(102,649)
Intergovernmental	49,130	49,130	87,974	38,844
Fees, Sales and Services	919,728	919,728	1,281,200	361,472
Investment Income	318,000	318,000	446,026	128,026
Total Revenues	<u>3,519,443</u>	<u>3,519,443</u>	<u>3,945,136</u>	<u>425,693</u>
EXPENDITURES				
Current				
Housing and Economic Development	3,289,537	3,289,537	4,390,549	(1,101,012)
Intergovernmental - City	1,073,464	1,073,464	880,408	193,056
Total Expenditures	<u>4,363,001</u>	<u>4,363,001</u>	<u>5,270,957</u>	<u>(907,956)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(843,558)	(843,558)	(1,325,821)	(482,263)
FUND BALANCE, January 1	<u>11,682,903</u>	<u>11,682,903</u>	<u>11,682,903</u>	<u>-</u>
FUND BALANCE, December 31	<u><u>10,839,345</u></u>	<u><u>10,839,345</u></u>	<u><u>10,357,082</u></u>	<u><u>(482,263)</u></u>

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**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

At December 31, 2009

(Amounts in dollars)

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>HRA Loan Enterprise</u>	<u>HRA Parking Enterprise</u>	<u>Total Proprietary Funds</u>
ASSETS			
Current Assets:			
Cash and Investments with Treasurer	2,961,542	10,768,716	13,730,258
Cash with Fiscal Agents	-	607,355	607,355
Cash and Investments with Trustee	738,962	-	738,962
Accounts Receivable (Net of Allowance)	-	507,787	507,787
Delinquent Property Taxes Receivable (Net of Allowance)	-	74,773	74,773
Delinquent Assessments Receivable (Net of Allowance)	933	-	933
Accrued Interest Receivable on Investments	55,180	11,557	66,737
Land Held for Resale	13,633,752	-	13,633,752
Restricted Cash for Revenue Bond Debt Service	69,204	5,846,703	5,915,907
Restricted Cash for Revenue Bond Reserve	1,005,000	-	1,005,000
Restricted Cash for Revenue Bond Operations and Maintenance	-	628,338	628,338
Total Current Assets	<u>18,464,573</u>	<u>18,445,229</u>	<u>36,909,802</u>
Noncurrent Assets:			
Restricted Investment for Revenue Bond Future Debt Service	-	1,626,900	1,626,900
Loans Receivable (Net of Allowance)	4,876,246	-	4,876,246
Accrued Interest Receivable on Loans (Net of Allowance)	890,761	-	890,761
Advances to Other Funds	6,090,063	-	6,090,063
Advances to Other Governmental Units	670,000	-	670,000
Deferred Charges	-	1,054,339	1,054,339
Capital Assets:			
Land (Not Depreciated)	-	28,921,408	28,921,408
Parking Ramps	-	105,377,845	105,377,845
Buildings	-	2,108,356	2,108,356
Equipment	-	1,013,009	1,013,009
Less: Accumulated Depreciation	-	(35,460,336)	(35,460,336)
Total Capital Assets (Net of Accumulated Depreciation)	<u>-</u>	<u>101,960,282</u>	<u>101,960,282</u>
Total Noncurrent Assets	<u>12,527,070</u>	<u>104,641,521</u>	<u>117,168,591</u>
TOTAL ASSETS	<u>30,991,643</u>	<u>123,086,750</u>	<u>154,078,393</u>

Continued

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

At December 31, 2009

(Amounts in dollars)

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>HRA Loan Enterprise</u>	<u>HRA Parking Enterprise</u>	<u>Total Proprietary Funds</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	152,129	677,525	829,654
Contracts Payable	838,017	-	838,017
Due to Other Governmental Units	2,746,707	197,717	2,944,424
Advance from Other Funds	250,000	-	250,000
Accrued Interest on Bonds Payable	-	401,040	401,040
Accrued Interest on Long-Term Notes	-	44,550	44,550
Accrued Interest on Bonds Payable from Restricted Assets	1,681	410,475	412,156
Revenue Bonds Payable from Restricted Assets	-	2,802,830	2,802,830
Total Current Liabilities	<u>3,988,534</u>	<u>4,534,137</u>	<u>8,522,671</u>
Noncurrent Liabilities:			
Revenue Bonds Payable	2,510,000	74,851,246	77,361,246
Revenue Notes Payable	<u>1,775,190</u>	<u>810,000</u>	<u>2,585,190</u>
Total Noncurrent Liabilities	<u>4,285,190</u>	<u>75,661,246</u>	<u>79,946,436</u>
TOTAL LIABILITIES	<u>8,273,724</u>	<u>80,195,383</u>	<u>88,469,107</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	-	23,496,206	23,496,206
Restricted for Debt Service	1,072,523	7,063,128	8,135,651
Restricted for Maintenance and Repair	-	628,337	628,337
Unrestricted	<u>21,645,396</u>	<u>11,703,696</u>	<u>33,349,092</u>
TOTAL NET ASSETS	<u>22,717,919</u>	<u>42,891,367</u>	<u>65,609,286</u>

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

For the Year Ended December 31, 2009

(Amounts in dollars)

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>HRA Loan Enterprise</u>	<u>HRA Parking Enterprise</u>	<u>Total Proprietary Funds</u>
OPERATING REVENUES			
Fees, Sales and Services	1,329,083	11,204,743	12,533,826
Interest Earned on Loans	419,306	-	419,306
Total Operating Revenues	<u>1,748,389</u>	<u>11,204,743</u>	<u>12,953,132</u>
OPERATING EXPENSES			
Development Loan Programs	2,970,167	-	2,970,167
Costs of Parking Facility Operation	-	5,043,784	5,043,784
Depreciation	-	2,766,036	2,766,036
Bad Debt Expense on Loans	187,588	-	187,588
Forgivable Loan Expense	1,708,022	-	1,708,022
Total Operating Expenses	<u>4,865,777</u>	<u>7,809,820</u>	<u>12,675,597</u>
OPERATING INCOME (LOSS)	(3,117,388)	3,394,923	277,535
NONOPERATING REVENUES (EXPENSES)			
Property Tax Increments	-	1,178,925	1,178,925
Operating Grants	427,828	-	427,828
Noncapital Contributions	924,982	-	924,982
Investment Income:			
Interest Earnings	168,367	32,592	200,959
Increase(Decrease) in Fair Value of Investments	(22,763)	(79,062)	(101,825)
Interest on Bonds	(37,772)	(3,812,532)	(3,850,304)
Interest on Notes	(9,897)	(49,275)	(59,172)
Intergovernmental Expenses	(280,779)	(76,465)	(357,244)
Amortization of Bond Issuance Costs	-	(116,768)	(116,768)
Total Nonoperating Revenues (Expenses)	<u>1,169,966</u>	<u>(2,922,585)</u>	<u>(1,752,619)</u>
Income Before Contributions and Transfers	(1,947,422)	472,338	(1,475,084)
Transfers In	2,528,208	-	2,528,208
Transfers Out	(396,869)	-	(396,869)
CHANGE IN NET ASSETS	<u>183,917</u>	<u>472,338</u>	<u>656,255</u>
TOTAL NET ASSETS, January 1	<u>22,534,002</u>	<u>42,419,029</u>	<u>64,953,031</u>
TOTAL NET ASSETS, December 31	<u><u>22,717,919</u></u>	<u><u>42,891,367</u></u>	<u><u>65,609,286</u></u>

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2009

(Amounts in dollars)

	Business Type Activities - Enterprise Funds		
	HRA Loan Enterprise	HRA Parking Enterprise	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers/Borrowers	1,921,302	11,170,885	13,092,187
Payments to Suppliers	<u>(3,295,440)</u>	<u>(4,916,233)</u>	<u>(8,211,673)</u>
Net Cash Provided (Used) for Operating Activities	<u>(1,374,138)</u>	<u>6,254,652</u>	<u>4,880,514</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants Received	427,828	-	427,828
Noncapital Contributions Received	60,953	-	60,953
Intergovernmental Expenses Paid	-	(29,731)	(29,731)
Interest Paid on Revenue Bonds for Noncapital Activities	(50,782)	-	(50,782)
Interest Paid on Notes for Noncapital Activities	(9,897)	-	(9,897)
Principal Paid on Bonds for Noncapital Activities	(3,930,000)	-	(3,930,000)
Advances Received from Other Funds	250,000	-	250,000
Advances Made to Other Funds	(190,000)	-	(190,000)
Transfers In from Other Funds	2,528,208	-	2,528,208
Transfers Out to Other Funds	<u>(305,197)</u>	<u>-</u>	<u>(305,197)</u>
Net Cash Provided (Used) for Noncapital Financing Activities	<u>(1,218,887)</u>	<u>(29,731)</u>	<u>(1,248,618)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Property Tax Increments Received for Capital Debt	-	1,159,081	1,159,081
Proceeds from Issuance of Refunding Bonds	-	30,294,256	30,294,256
Payments for Acquisition and Construction of Capital Assets:			
Building and Structures	-	(359,239)	(359,239)
Equipment	-	(685,303)	(685,303)
Construction In Progress	(372,451)	-	(372,451)
Principal Paid on Debt Maturities:			
General Obligation Bonds	-	(31,690,000)	(31,690,000)
Revenue Bonds	-	(2,375,000)	(2,375,000)
Notes	-	(80,000)	(80,000)
Interest Paid on Debt:			
Revenue Bonds	-	(4,369,215)	(4,369,215)
Notes	-	(53,400)	(53,400)
Payment of Bond Issuance Costs	-	(286,215)	(286,215)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(372,451)</u>	<u>(8,445,035)</u>	<u>(8,817,486)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received	175,931	49,170	225,101
Increase (Decrease) in the Fair Value of Investments	<u>(22,762)</u>	<u>(28,723)</u>	<u>(51,485)</u>
Net Cash Provided (Used) for Investing Activities	<u>153,169</u>	<u>20,447</u>	<u>173,616</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(2,812,307)</u>	<u>(2,199,667)</u>	<u>(5,011,974)</u>

STATEMENT OF CASH FLOWS**PROPRIETARY FUNDS**

For the Year Ended December 31, 2009

(Amounts in dollars)

	Business Type Activities - Enterprise Funds		
	HRA Loan Enterprise	HRA Parking Enterprise	Total Proprietary Funds
CASH AND CASH EQUIVALENTS, January 1	7,587,015	20,050,779	27,637,794
CASH AND CASH EQUIVALENTS, December 31	<u>4,774,708</u>	<u>17,851,112</u>	<u>22,625,820</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED			
(USED) FOR OPERATING ACTIVITIES			
Operating Income (Loss)	(3,117,388)	3,394,923	277,535
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) for Operating Activities:			
Increase (decrease) in allowance for uncollectible loans	253,436	-	253,436
Depreciation Expense	-	2,766,036	2,766,036
Miscellaneous Nonoperating Expenses Paid	-	(7,355)	(7,355)
(Increase) decrease in accounts receivable	11,164	(33,858)	(22,694)
(Increase) decrease in loans receivable	1,304,649	-	1,304,649
(Increase) decrease in accrued interest receivable on loans	(285,725)	-	(285,725)
(Increase) decrease in land held for resale	785,000	-	785,000
Increase (decrease) in accounts payable	(86,209)	53,465	(32,744)
Increase (decrease) in contracts payable	(486,546)	-	(486,546)
Increase (decrease) in due to other funds	248,861	81,394	330,255
Increase (decrease) in due to other governmental units	(1,380)	47	(1,333)
Total Adjustments	<u>1,743,250</u>	<u>2,859,729</u>	<u>4,602,979</u>
Net Cash Provided (Used) for Operating Activities	<u>(1,374,138)</u>	<u>6,254,652</u>	<u>4,880,514</u>
DETAILS OF CASH AND CASH EQUIVALENTS			
Cash and Investments with Treasurer	2,961,542	10,768,716	13,730,258
Cash with Fiscal Agent	-	607,355	607,355
Cash and Investments with Trustee	738,962	-	738,962
Restricted Cash for Revenue Bond Debt Service	69,204	5,846,703	5,915,907
Restricted Cash for Revenue Bond Reserve	1,005,000	-	1,005,000
Restricted Cash for Bond Operations and Maintenance	-	628,338	628,338
Total Cash and Cash Equivalents	<u>4,774,708</u>	<u>17,851,112</u>	<u>22,625,820</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Assumption of Loan for Purchase of Land Held for Resale	1,580,000	-	1,580,000
Prior Year Loans - from Outside Sources	864,029	-	864,029
Capital Asset Transfer to Governmental Activities Capital Assets	(372,451)	-	(372,451)
Capital Assets Purchased on Account - Equipment	-	7,344	7,344

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009**

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HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

1. Reporting Entity

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

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

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

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

Also, in applying the financial accountability criteria, it has been determined that the HRA is a component unit of the City of Saint Paul and is, therefore, included in the City's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009. The HRA's Board of Commissioners consists of the members of the City Council. The City also has the ability to impose its will on the HRA since City staff are responsible for the day-to-day management of the HRA. The City gives final substantive approval to HRA budgets and HRA tax levies. The financial data of the HRA is blended into the City's Comprehensive Annual Financial Report. Copies of the City's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009, can be obtained from the Financial Services Office, Accounting Section, 700 City Hall, Saint Paul, Minnesota 55102.

Joint Venture

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 1. (Continued)

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, 2009, were \$22,016,389. The 2009 operations resulted in an increase of \$5,876,629 to net assets.

During 2009, no distributions were made from the HRA and the City of Minneapolis to the Board.

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, 2009. There has been no investment made by the HRA in the joint venture. Thus, the financial statements do not reflect an equity interest in the joint venture. Complete financial statements of the Board can be obtained from the City of Minneapolis Community Planning and Economic Development Department at Suite 700, Crown Roller Mill, 105 Fifth Avenue South, Minneapolis, Minnesota 55401.

2. Summary of Significant Accounting Policies

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

A summary of the significant accounting policies follows:

A. Fund Accounting

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

Governmental Funds

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 2.A. (Continued)

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

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

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

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

Proprietary Funds

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 2. (Continued)

C. Restatement of Net Assets

(1) Prior Period Adjustment of the Capital Assets Used in the Operation of Governmental Activities

The January 1, 2009 balance of the Capital Assets used in the Operation of Governmental Activities increased by \$12,396,740. In the process of reconciling the HRA's property records, HRA staff identified a building owned by the HRA and financed by a deferred loan with the State of Minnesota which had not previously been included with the HRA's Capital Assets. The oversight occurred while staff turnover was happening. Another adjustment was made for an asset previously listed which had land held for resale with zero value, but was determined to be an HRA capital asset in 2009, and with fair market value.

	<u>Amount</u>
Balance, January 1, 2009, as previously reported	\$ 8,784,001
Prior Period Adjustment for Correction to Capital Assets	
Land	1,953,938
Construction In Progress	362,545
Building and Structure Cost	10,427,852
Accumulated Depreciation	<u>(347,595)</u>
Net Effect to Capital Assets	<u>12,396,740</u>
Balance, January 1, 2009, as restated	<u>\$ 21,180,741</u>

(2) Prior Period Adjustment of the Long-Term Debt of Governmental Activities

The adjustment of the January 1, 2009 Capital Assets Used in the Operation of Governmental Activities also required an adjustment in the balance of Long-Term Obligations of Governmental Activities as the increase in assets was financed with a deferred long-term loan.

	<u>Amount</u>
Balance, January 1, 2009, as previously reported	\$ 125,281,768
Prior Period Adjustment for Correction to Long-Term Liabilities	
Notes Payable	<u>10,599,852</u>
Balance, January 1, 2009, as restated	<u>\$ 135,881,620</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 2.C. (Continued)

(3) Prior Period Adjustment of the Net Assets Balance in the Statement of Activities

The adjustment of the January 1, 2009 Capital Assets Used in the Operation of Governmental Funds and Changes in Long-Term Debt of Governmental Funds resulted in an adjustment of the January 1, 2009 net assets balance of the Governmental Activities in the Statement of Activities.

	<u>Amount</u>
Balance, January 1, 2009, as previously reported	\$ (36,501,234)
Prior Period Adjustment for Correction to Capital Assets	
Land Cost	1,953,938
Construction in Progress	362,545
Building and Structure Cost	10,427,852
Accumulated Depreciation	(347,595)
Long Term Liabilities – Deferred Loan	<u>(10,599,852)</u>
Net Effect to Net Assets	<u>1,796,888</u>
Balance, January 1, 2009, as restated	<u>\$ (34,704,346)</u>

D. Measurement Focus and Basis of Accounting

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

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

Revenues

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 2.D. (Continued)

Nonexchange Transactions

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

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

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

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

Exchange Transactions

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 2.D. (Continued)

Expenditures

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

E. Proprietary Fund Financial Statement Presentation

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

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

F. Cash and Investments

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

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 2.F. (Continued)

applicable. The fair value of investments is determined using quoted market prices at December 31, 2009.

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

G. Property Taxes

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

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

H. Restricted Assets

Certain proceeds of HRA Parking Enterprise Fund revenue bonds and HRA Loan Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants. The *revenue bond debt service* account is used to segregate resources accumulated for debt service payments over the next 12 months. The *revenue bond reserve* account is used for a required reserve for the Housing 5000 Land Assembly Bonds. The *revenue bond operations and maintenance* account is used to segregate resources set aside to subsidize potential deficiencies from the parking operations that could adversely affect debt service payments. The *investment for revenue bond future debt service* account is used for a required reserve for the Smith Avenue Transit Center Bonds.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 2. (Continued)

I. Loans Receivable

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

J. 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 for all assets acquired before 2009 and at cost of purchase for all assets purchased after 2008 in the fund which acquired it. Deferred revenue of an equal amount is also reported on the respective governmental fund balance sheet. In governmental funds, in order to satisfy federal grant reporting requirements, land acquired is reported as an expenditure in the amount of the acquisition cost and as federal revenue for the same amount. When the land is subsequently sold, miscellaneous program income is recognized for the sale amount. Future draw downs from the federal government for reimbursement of expenditures incurred are adjusted by program income available at that date.

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

K. Leases Receivable

The HRA, as the lessor, entered into a lease agreement with the City of Saint Paul during the year ended December 31, 2009, through which the HRA is leasing certain improvements made to the RiverCentre Parking Ramp. The cost of the improvements was financed by the HRA through the issuance of the RiverCentre Parking Facility Lease Revenue Bonds, Series 2009. The lease is reported as a direct financing lease since the HRA has transferred substantially all of the risks and benefits of ownership of the improvements to the City, and

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 2. K. (Continued)

the HRA is financing an in-substance purchase of the improvements by the City. Under the lease, the City has an option to purchase the improvements at any time prior to the expiration of the lease for the amount of any remaining outstanding bonds plus \$1.

The HRA, as the lessor, entered into a lease agreement with the City of Saint Paul during the year ended December 31, 2008, through which the HRA will purchase the Jimmy Lee Recreational Facility from the City of Saint Paul, and then lease it back for 25 years. The cost of the purchase was financed by the HRA through the issuance of the Jimmy Lee Recreational Facility Lease Revenue Bonds, Series 2008. The lease is reported as a direct financing lease since the HRA has transferred substantially all of the risks and benefits of ownership of the facility to the City, and the HRA is financing an in-substance purchase of the facility by the City. The lease payments made by the City will be sufficient to service the Recreational Facility Lease Bonds principal and interest when due. Under the lease, the City may acquire the interest in the Jimmy Lee Recreational Facility for \$1 at the end of the term of the Lease.

The present value of the total lease payments to be received under the lease agreements are recognized as leases receivable in the HRA Debt Service Fund. Deferred revenue of an amount equal to the leases receivable is also reported in the HRA Debt Service Fund since none of the receivable is considered to be available to finance expenditures of the current period. In the government-wide financial statements, this deferred revenue is eliminated when converting the governmental funds balance sheet to the governmental activities column on the Statement of Net Assets.

L. Capital Assets

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

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 2. L. (Continued)

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

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

M. Deferred and Unearned Revenues

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

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

N. Long-Term Liabilities

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

O. Net Assets

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 2. O. (Continued)

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

P. Fund Balances - Governmental Fund Financial Statements

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

Q. Interfund Transactions

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

3. Reconciliation of Government-Wide and Fund Financial Statements

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

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

The third element of that reconciliation explains that "long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$133,017,235 difference are as follows:

Governmental activity premium on bonds payable	\$ 207,791
Governmental activity bonds payable	108,194,669
Governmental activity notes payable	23,818,370
Accrued interest payable	1,909,112
Deferred charge for issuance costs	<u>(1,112,706)</u>
Net Adjustment to Decrease Fund Balance - Total	
Governmental Funds to Arrive at Net Assets - Governmental Activities	<u>\$ 133,017,236</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 3. (Continued)

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

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

The third element of that reconciliation explains that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and discounts when debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.” The details of this \$5,740,303 difference are as follows:

Bonds issued in 2009	\$ (6,790,000)
2009 amortization of premium	23,251
2009 amortization of issuance costs	(134,095)
2009 principal payments on bonds	10,471,891
2009 principal payments on notes	169,256
2009 transfer of bond proceeds for City of St. Paul Capital Projects	<u>2,000,000</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 5,740,303</u>

4. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

The HRA followed these procedures in establishing the 2009 budget:

On August 27, 2008, the Executive Director presented a proposed budget to the HRA Board of Commissioners for the fiscal year commencing the following January 1. This budget includes proposed expenditures and other uses and the means of financing them. Upon approval by the HRA Board, the Executive Director submitted the budget to the Mayor of the City of Saint Paul who submitted this budget to the City Council for consideration, approval, and certification. All budget amendments that authorize an increase in total fund spending require approval by the HRA Board of Commissioners. Any amendments transferring budgeted amounts between activities within the same fund require administrative approval by the HRA Executive Director and the City Budget Director.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 4. A. (Continued)

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

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

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

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

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

Minn. Laws 1973, ch. 395, authorized the City of Saint Paul to issue \$43,400,000 in Urban Renewal Bonds. Bonds issued and sold as of December 31, 2009, total \$42,625,000. Bonds authorized and unissued at December 31, 2009, are equal to \$775,000. Proceeds from the sale of these bonds were used to finance specific urban renewal program costs and redevelopment project costs. The outstanding Urban Renewal Bonds are an obligation of the City and are retired by annual City appropriations.

During 2000, the City of Saint Paul issued Riverfront Tax Increment General Obligation

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 4. B. (Continued)

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

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

During 1998, the City of Saint Paul issued Block 39 Tax Increment General Obligation Bonds, Series 1998A and Series 1998B, in the amount of \$21,255,000 and \$18,745,000, respectively. Proceeds from the Series 1998A and Series 1998B were used to finance the acquisition of Block 39 properties in the downtown area and to construct a parking facility and retail space. During 2009, the City issued the Block 39 Tax Increment Refunding Bonds, Series 2009G and 2009H, in the amount of \$20,695,000 and \$8,655,000, respectively, which refunded the 1998 Bonds. The bonds have a City general obligation pledge but are to be retired using tax increments from the HRA's Block 39 Lawson/Arena District and revenues from the parking facility. The outstanding Series 2009G and 2009H bonds are reported as a liability in the Parking Enterprise Fund and in the business-type activities column of the HRA's Government-Wide Statement of Net Assets (Note 5.F.).

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 4. B. (Continued)

Wide Statement of Net Assets (Note 5.F.).

C. Tax Increment Financing Districts

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

District Number	District	Year Established	Duration of District	Outstanding Long-Term Debt (Including Advances)
12 & 173	New Housing & Blighted Land	1981	25 years	\$ -
82	Downtown & Seventh Place	1978	30 years	-
83	Spruce Tree Centre/Metz Bakery Area	1987	25 years	900,669
87	Riverfront	1987	25 years	3,660,000
100	Neighborhood Business Development - Scattered Sites	1988	25 years	5,275,000
135	Snelling-University	1990	25 years	3,675,000
193	Hubbard Site	1997	20 years	-
194	1919 University	1997	25 years	-
212	Block 4 Minnesota Mutual	1997	25 years	-
213	Block 39 Lawson/Arena	1997	25 years	29,350,000
215	Superior Street Cottages	1998	25 years	-
224	North Quadrant Phase 1 – Essex	2000	25 years	-
225	Riverfront Renaissance-Upper Landing	2001	25 years	19,155,795
228	Emerald Park-Emerald	2002	25 years	67,832
232	Straus Building	2002	25 years	-
233	North Quadrant Expansion 1 - Dakota	2003	25 years	1,086,000
234	Phalen Village	2001	25 years	365
236	J. J. Hill	2001	25 years	3,575,738
237	Osceola Park	2002	25 years	2,971
240	Bridgecreek Senior Place	2003	25 years	10,251
241	North Quadrant Phase 2	2004	25 years	1,229,772
243	Shepard - Davern Owner Occupied	2003	25 years	4,556,278
244	Shepard - Davern Rental Housing	2003	25 years	21,346
245	Shepard - Davern Senior Rental	2003	25 years	14,357
248	Koch Mobil	2004	25 years	3,895,000
257	Payne Phalen	2005	25 years	14,217
260	North Quadrant – Sibley	2006	25 years	968,839
261	Riverfront Renaissance - US Bank	2006	25 years	15,357,117
262	Riverfront Renaissance - Drake Marble	2006	25 years	1,564,000
263	Riverfront Renaissance - Uncommitted	2006	25 years	994,391
264	Riverfront Renaissance - Llewellyn	2006	25 years	30,692
265	Riverfront Renaissance - HRA	2006	25 years	-
266	Emerald Park - Metro	2006	25 years	26,765
267	Emerald Park - Berry	2006	25 years	50,668
268	North Quadrant Expansion 1 - Sibley	2006	25 years	2,593
269	Phalen - Rose Hill	2006	25 years	29,712
271	Carlton Lofts	2007	25 years	33,603
278	Highland Pointe Lofts	2007	25 years	17,851
New	2700 The Avenue	2008	25 years	12,002
New	Minnesota Events District	2009	25 years	-
Total Outstanding Long-Term Debt At December 31, 2009				\$ 95,578,824

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2009**

Note 4. C. (Continued)

Total tax capacity amounts and tax increment revenue for these districts in 2009 are as follows.

Current tax capacity (assessed in 2008, payable in 2009)	\$25,874,467
Captured tax capacity retained by the HRA	\$21,784,953
Tax increment revenue in 2009	\$22,194,699
Delinquent tax increment receivable at December 31, 2009	\$706,740

D. Federal Audit Requirements

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

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

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

For 2009, the HRA's audit was performed in accordance with Circular A-133. The auditor's report on their consideration of the HRA's internal control over financial reporting and their tests of the HRA's compliance with certain provisions of laws, regulations, contracts, and grants will be issued at a later date.

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

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 4. (Continued)

E. Conduit Debt Obligations

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

Conduit bonds issued subsequent to January 1, 1996, have an outstanding principal balance of \$1,300,000,000 at December 31, 2009. 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 118 conduit bonds issued subsequent to January 1, 1996.

F. Deficit - Net Assets of Governmental Activities

On the Government-Wide Statement of Net Assets, the HRA is reporting an overall deficit for the governmental activities of \$29,697,345. The individual governmental funds which form a part of the governmental activities all have positive fund balances. The deficit was created with the addition of long-term debt to the government-wide governmental activities. The HRA issues long-term debt for development purposes and, in many cases, does not acquire or construct HRA-owned capital assets with the debt proceeds. The debt is to be retired with future revenues, such as property tax increments or sales taxes. (See Notes 3.A. and 5.F.)

G. Excess of Expenditures over Appropriations in Individual Funds

The HRA General Fund reported a deficit of \$907,956 in excess spending over appropriations in 2009. This was a result of unappropriated holding costs of land purchases which had not been anticipated. Future appropriation of holding costs will anticipate these additional land purchases.

5. Detailed Notes on All Funds

A. Deposits and Investments

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. A. (Continued)

(1) Deposits

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

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the HRA's deposits may not be returned to it. The City is authorized to use only those financial institutions that have been approved by the City Council. The HRA's deposits at December 31, 2009 consist of the City cash and investment pool in an amount of \$79,461,377 and the parking ramp checking accounts in the amount of \$607,355. The City cash and investment pool is entirely insured or collateralized in the City's name at third party institutions. The parking ramp checking accounts are collateralized in the City's name at third-party institutions.

(2) Investments

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

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. §§ 118A.04, sub. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009**

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

- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by national bond rating service;
- (4) bankers' acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

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

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

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

Interest Rate Risk - Investments

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

Credit Risk - Investments

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

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

Custodial Credit Risk - Investments

The custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of an investment or collateral securities that are in possession of an outside party. The City uses only those financial institutions and broker/dealers approved by the City Council.

Concentration of Credit Risk

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

The following table represents the HRA's investment balances at December 31, 2009, and information relating to potential investment risks:

	Credit Risk		Concentration	Interest Rate	Carrying (Fair) Value
	Credit Rating	Rating Agency	Over 5% of Portfolio	Risk Maturity Date	
U.S. Treasury Securities					
U.S. Treasury Notes	N/A	N/R		09/12/12	\$ 1,684,721
U.S. Treasury Notes	N/A	N/R		08/01/11	577,185
Total U.S. Government Securities			11.47%		<u>\$ 2,261,906</u>
Federal Home Loan Bank					
Federal Home Loan Bank Bonds	AAA	S&P		11/17/17	\$ 562,578
Federal Home Loan Bank Bonds	AAA	S&P		06/29/10	1,626,900
Total Federal Home Loan Bank			11.11%		<u>\$ 2,189,478</u>
Certificate of Deposit – Highland Bank	N/A	N/R	< 5%	03/30/19	\$ 606,288
Mutual Funds					
First American Government Treas. Obligations Fund Class D	N/A	N/R	6.42%	N/A	\$ 1,265,816
First American Government Treas. Obligations Fund Class Y	N/A	N/R	33.94%	N/A	6,692,141
US Bank MMkt 4 - Ct	N/A	N/R	5.16%	N/A	1,018,070
Wells Fargo Advantage 100% Treasuries Fund	N/A	N/R	28.82%	N/A	<u>5,681,722</u>
Total Investments					<u>\$ 19,715,421</u>
Deposits:					
Parking Ramp Checking Accounts at Saint Paul Banks					\$ 607,355
City Cash and Investment Pool					<u>79,461,377</u>
Total Deposits					<u>80,068,732</u>
Total Deposits and Investments					<u>\$ 99,784,153</u>

N/A - Not applicable

N/R - Not rated

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

Deposits - City of Saint Paul Cash and Investment Pool - Additional disclosures required by GASB Statement No. 40, "Deposit and Investment Risk Disclosures," are disclosed on an entity-wide basis in the City of Saint Paul Comprehensive Annual Financial Report for the year ended December 31, 2009.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5.A. (Continued)

(3) Reconciliation

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

Cash and Investments with Treasurer	\$ 73,348,728
Cash with Fiscal Agents	607,355
Cash and Investments with Trustees	16,651,925
Restricted Cash for Revenue Bond Debt Service	5,915,907
Restricted Cash for Revenue Bond Reserve	1,005,000
Restricted Cash for Revenue Bond Operations and Maintenance	628,338
Restricted Investment for Revenue Bond Future Debt Service	<u>1,626,900</u>
 Total	 <u>\$ 99,784,153</u>

(4) Net Increase(Decrease) in the Fair Value of Investments

All investment income, including changes in the fair value of investments, is reported as revenue on the operating statements of both governmental and proprietary funds. The calculation of realized gains and losses from the sale of investments is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The decrease in the fair value of investments during 2009 was \$(31,817). This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at December 31, 2009, was \$686,587.

B. Loans Receivable

Loans receivable are reported as assets in the following funds at December 31, 2009 (net of allowances):

HRA Federal & State Programs Special Revenue Fund	\$ 6,917,378
HRA Tax Increment Capital Projects Fund	584,861
HRA Development Capital Projects Fund	377,100
HRA Loan Enterprise Fund	<u>4,876,246</u>
 Total All Funds	 <u>\$ 12,755,585</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. B. (Continued)

Allowances for uncollectible loans have been established for loans for which collection is doubtful or questionable in the total amount of \$57,543,896 at December 31, 2009. During 2009, loans determined to be uncollectible or forgiven were written off the books in the amount of \$3,425,297.

Changes in total gross loans receivable, allowances for uncollectible loans, and accrued interest receivable on loans for 2008 are shown below.

Total gross loans receivable - January 1, 2009	\$ 62,651,067
Single family mortgage loans issued	2,684,450
Single family mortgage loans sold	(2,311,100)
All other loans issued	11,515,602
Principal payments received	(815,241)
Loans written off	(107,600)
Loans forgiven	<u>(3,317,697)</u>
 Total Gross Loans Receivable - December 31, 2009	 <u>\$ 70,299,481</u>
 Less: allowance for uncollectible loans - January 1, 2009	 \$ 50,419,771
Increase for bad debts and forgiveness	9,160,875
Loans written off	(1,957,750)
Loans forgiven	<u>(79,000)</u>
 Total allowance for uncollectible loans - December 31, 2009	 <u>\$ 57,543,896</u>
 Net Loans Receivable - December 31, 2009	 <u>\$ 12,755,585</u>
 Accrued Interest Receivable on Loans - December 31, 2009 (Net of Allowance)	 <u>\$ 1,165,748</u>

During 2006, the HRA entered into an agreement with the City to sell a loan receivable from The Science Museum of Minnesota (SM). The SM loan was sold for \$2,400,000 and had a principal balance of \$4,000,000 at the time of sale which resulted in a loss on the sale of \$1,600,000. The \$2,400,000 in sale proceeds was used by the HRA to repay Ramsey County relating to the final closeout of the West Midway Tax Increment Financing District. Also, as part of the loan sale agreement, the HRA is obligated to advance to the City an amount of \$860,000 in installments from 2006 through 2010. In 2009, the HRA advanced \$190,000 to the City, and thus far has advanced \$670,000, of this total. The City is to repay this advance, together with 5% interest, in installments from 2011 through 2020.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. B. (Continued)

At December 31, 2009, future minimum principal and interest payments to be received under the loan agreements for the next ten years are as follows:

2010	\$	6,875,936
2011		4,010,534
2012		2,541,071
2013		2,298,210
2014		1,588,202
2015 - 2019		<u>7,785,567</u>
Total	\$	<u>25,099,520</u>

C. Land Held for Resale

Land held for resale is reported in the following funds as an asset at December 31, 2009.

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
HRA General Fund	\$ 498,013	\$ -	\$ -	\$ 498,013
HRA Tax Increment Capital Projects Fund	808,500	-	-	808,500
HRA Development Capital Project Fund	702,000	688,161	-	1,390,161
HRA Loan Enterprise Fund	<u>12,838,752</u>	<u>1,830,000</u>	<u>1,035,000</u>	<u>13,633,752</u>
Total All Funds	<u>\$ 14,847,265</u>	<u>\$ 2,518,161</u>	<u>\$ 1,035,000</u>	<u>\$ 16,330,426</u>

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. (Continued)

D. Leases Receivable

As described in Note 2.K., the HRA entered into direct financing leases with the City during the year ended December 31, 2008, and during the year ended December 31, 2009.

The City is obligated under the RiverCentre Parking Facility Improvement Lease to make lease payments through 2024, which are to be used by the HRA to finance debt service payments on its RiverCentre Parking Facility Lease Revenue Bonds, Series 2009. The City of Saint Paul has approved a debt capital management plan which includes the amounts needed to make the lease payments through 2024. The City is obligated under the Jimmy Lee Recreational Facility Lease to make lease payments through 2032, which are to be used by the HRA to finance debt service payments on its Recreational Facility Lease Revenue Bonds, Series 2008. The City has approved a debt capital management plan which includes the amounts needed to make the lease payments through 2032.

The following is a summary of the leases receivable for the year ended December 31, 2009.

	River Centre Parking Facility Improvement Lease	Jimmy Lee Recreational Facility Lease	Total City Leases
Balance of leases receivable - January 1, 2009	\$ 5,620,000	\$ 7,610,000	\$ 13,230,000
New 2009 lease receivable	2,000,000	-	2,000,000
Principal portion of lease payments received - 2009	(830,000)	(190,000)	(1,020,000)
Balance of Leases Receivable - December 31, 2009	<u>\$ 6,790,000</u>	<u>\$ 7,420,000</u>	<u>\$ 14,210,000</u>

The interest portion of the lease payments received in 2009 was \$617,523. On the Governmental Fund Balance Sheet, the HRA Debt Service Fund reports deferred revenue to offset the entire amount of the lease receivable, since the lease payments are not available to finance current period expenditures. Revenues for the principal amount of the lease payments will be reported in the HRA Debt Service Fund in future years when the payments are received. On the Government-Wide Statement of Net Assets, the leases receivable are not offset with the liability for deferred revenue.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. D. (Continued)

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

Year Ending December 31	Jimmy Lee Recreational Facility Lease	RiverCentre Parking Facility Improvement Lease	Total City Leases
2010	\$ 537,900	\$ 610,175	\$ 1,148,075
2011	541,075	609,096	1,150,171
2012	538,388	607,711	1,146,099
2013	539,987	608,522	1,148,509
2014	536,188	608,951	1,145,139
2015 - 2019	2,689,750	3,035,080	5,724,830
2020 - 2024	2,696,275	2,732,629	5,428,904
2025 - 2029	2,691,662	-	2,691,662
2030 - 2032	1,619,500	-	1,619,500
Total	<u>\$ 12,390,725</u>	<u>\$ 8,812,164</u>	<u>\$ 21,202,889</u>

E. Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

Governmental Activities	Balance January 1, 2009 Restated	Increase	Decrease	Balance December 31, 2009
Land (not depreciated)	\$ 3,042,168	\$ 1	\$ -	\$ 3,042,169
Construction in progress (not depreciated)	2,298,104	639,006	2,937,110	-
Buildings	11,273,568	2,937,110	-	14,210,678
Pedestrian skyway bridges	13,016,925	-	-	13,016,925
Totals at historical cost	<u>\$ 29,630,765</u>	<u>\$ 3,576,117</u>	<u>\$ 2,937,110</u>	<u>\$ 30,269,772</u>
Less: accumulated depreciation				
Buildings	\$ (876,168)	\$ (355,267)	\$ -	\$ (1,231,435)
Pedestrian skyway bridges	(7,573,856)	(324,043)	-	(7,897,899)
Total accumulated depreciation	<u>\$ (8,450,024)</u>	<u>\$ (679,310)</u>	<u>\$ -</u>	<u>\$ (9,129,334)</u>
Total Governmental Activities Capital Assets - Net	<u>\$ 21,180,741</u>	<u>\$ 2,896,807</u>	<u>\$ 2,937,110</u>	<u>\$ 21,140,438</u>

The construction in progress for governmental activities decrease of \$2,937,110 in 2009 was due to completion and occupancy of the City Head and Sack House Project. The increase to construction in progress was contributed by outside sources.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. E. (Continued)

Business-Type Activities	Balance January 1, 2009	Increase	Decrease	Balance December 31, 2009
Land (not depreciated)	\$ 28,921,408	\$ -	\$ -	\$ 28,921,408
Construction in progress (not depreciated)	-	372,451	372,451	-
Buildings	2,108,356	-	-	2,108,356
Parking ramps	105,029,528	348,317	-	105,377,845
Equipment	320,363	692,646	-	1,013,009
Totals at historical cost	\$ 136,379,655	\$ 1,413,414	\$ 372,451	\$ 137,420,618
Less: accumulated depreciation				
Buildings	\$ (361,820)	\$ (52,709)	\$ -	\$ (414,529)
Parking ramps	(32,298,561)	(2,663,280)	-	(34,961,841)
Equipment	(33,919)	(50,047)	-	(83,966)
Total accumulated depreciation	\$ (32,694,300)	\$ (2,766,036)	\$ -	\$ (35,460,336)
Total Business-Type Activities Capital Assets – Net	\$ 103,685,355	\$ (1,352,622)	\$ 372,451	\$ 101,960,282

Depreciation expense for 2009 was charged to functions/programs as follows:

Governmental Activities	
Housing and economic development	\$ 679,310
Business-Type Activities	
Parking operations	2,766,036

F. Long-Term Debt

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. F. (Continued)

(1) Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2009, was as follows:

Governmental Activities	Balance January 1, 2009 Restated	Increase	Decrease	Balance December 31, 2009	Due Within One Year
Bonds payable					
Tax increment bonds	\$ 57,961,560	\$ -	\$ 3,056,891	\$ 54,904,669	\$ 7,054,364
Sales tax revenue bonds	40,685,000	-	1,605,000	39,080,000	1,720,000
Lease revenue bonds	13,230,000	6,790,000	5,810,000	14,210,000	555,000
Add: unamortized premium on tax increment bonds	17,434	213,608	23,251	207,791	-
Totals bonds payable	\$ 111,893,994	\$ 7,003,608	\$ 10,495,142	\$ 108,402,460	\$ 9,329,364
Notes payable	23,987,626	-	169,256	23,818,370	139,965
Total Governmental Activities Long-Term Debt	\$ 135,881,620	\$ 7,003,608	\$ 10,664,398	\$ 132,220,830	\$ 9,469,329
Business-Type Activities	Balance January 1, 2009	Increase	Decrease	Balance December 31, 2009	Due Within One Year
Bonds payable					
Land assembly bonds	\$ 6,440,000	\$ -	\$ 3,930,000	\$ 2,510,000	\$ -
Parking revenue bonds	33,850,000	-	2,250,000	31,600,000	2,345,000
Tax increment – parking bonds	31,690,000	29,350,000	31,690,000	29,350,000	1,295,000
Parking revenue bonds (Smith Avenue Transit)	15,860,000	-	125,000	15,735,000	130,000
Add: unamortized premium on Tax increment bonds	-	944,256	12,573	931,683	-
Add: unamortized premium on parking revenue bonds	60,172	-	20,058	40,114	-
Add: unamortized discount on parking revenue bonds	-	-	2,721	(2,721)	-
Total bonds payable	\$ 87,900,172	\$ 30,294,256	\$ 38,030,352	\$ 80,164,076	\$ 3,770,000
Notes payable					
Parking revenue notes	\$ 890,000	\$ -	\$ 80,000	\$ 810,000	\$ 80,000
LAAND Initiative Loans	-	1,580,000	-	1,580,000	-
St. Paul Foundation Housing Loan	195,190	-	-	195,190	195,190
Total notes payable	\$ 1,085,190	\$ 1,580,000	\$ 80,000	\$ 2,585,190	\$ 275,190
Total Business-Type Activities Long-Term Debt	\$ 88,985,362	\$ 31,874,256	\$ 38,110,352	\$ 82,749,266	\$ 4,045,190

All 2009 scheduled principal and interest payments were made in accordance with the terms of the bonds and notes.

A description of the new 2009 issued long-term debt follows:

The Block 39 General Obligation Tax Increment Refunding Bonds, Series 2009G & 2009H were issued in the amounts of \$20,695,000 and \$8,655,000, respectively, to currently refund the Block 39 Tax Increment Bonds, Series 1998A & 1998B. This current refunding was done to take advantage of lower interest rates and restructure

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009**

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

debt service payments. Total debt service payments decreased by \$2,481,198. The current refunding resulted in an economic gain (difference between the present value of the debt payments of the refunded and the refunding bonds) of \$3,165,313. The economic gain is greater than the decrease in debt service payments due to the debt payment structure of the refunded bonds. The reacquisition price and the net carrying amount of the refunded bonds were both \$29,350,000. Tax Increments from the Block 39 Tax Increment District and net parking revenues from the Block 39 parking ramp are to be used to retire the Series 2009G & 2009H Bonds.

The RiverCentre Parking Facility Lease Revenue Bonds, Series 2009 was issued in the amount of \$6,790,000 to currently refund the Parking Facility Lease Bonds, Series 2000 and provide an additional \$2,000,000 for capital asset improvements. Due to the additional issue, it is not possible to calculate either the difference in debt service payments between the refunded debt and the refunding debt, or the economic gain or loss as a result of the refunding. Lease payments from the RiverCentre will be used to retire the 2009 bonds.

Long term loans in the amount of \$1,580,000 were obtained from the LAAND Initiative Fund of the Metropolitan Council and the Family Housing Fund to purchase two parcels of land along the Central Corridor route. This land is to be developed for affordable housing use. Sales of the land parcels will be used to retire the loans.

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

Governmental Activities

The governmental activity long-term debt, represented by the Tax Increment Bonds, the Sales Tax Revenue Bonds, the Lease Revenue Bonds, and the long-term notes are not general obligations of the HRA, are not backed by the full faith and credit of the HRA, and are to be retired through specific revenue sources. Under Minn. Stat. § 469.034, the HRA is not authorized to issue bonds which constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Tax increments, sales taxes, and lease payments are pledged under the respective bond covenants. Debt service payments have been made on the bonds and notes using the designated financing sources. The City has issued a general obligation pledge on the Riverfront Tax Increment Bonds, Series 2000D and Series 2002C; the Koch Mobil Tax Increment Refunding Bonds, Series 2007B; and the Snelling-University Tax Increment Bonds Series 2005C. The governmental activity bonds and notes are serviced by the HRA Debt Service Fund. A listing of the governmental activity bonds and notes at December 31, 2009, follows:

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. F. (2)(Continued)

Debt Issue	Sources for Retirement	Interest Rate (%)	Original Debt Issue Amount	Amount Payable December 31, 2009
Sales Tax Revenue Refunding Bonds, Series 1996	1/2 Percent City Sales Tax/RiverCentre Revenues	7.10	\$ 55,865,000	\$ 39,080,000
Riverfront Tax Increment Refunding Bonds, Series 2000D	Riverfront District Tax Increments	4.50 - 5.00	8,335,000	2,795,000
US Bank Tax Increment Bonds, Series 2001	Riverfront Renaissance District Tax Increments	5.00 - 6.75	12,000,000	10,645,000
Riverfront Tax Increment Refunding Bonds, Series 2002C	Riverfront District Tax Increments	2.90 - 5.65	2,335,000	865,000
North Quadrant Tax Increment Refunding Bonds, Series 2002	North Quadrant District Tax Increments	7.50	1,089,000	967,000
North Quadrant Phase II Tax Increment Bonds, Series 2002	North Quadrant District Tax Increments	7.00	1,140,000	1,086,000
Upper Landing Tax Increment Bonds, Series 2002A	Riverfront Renaissance District Tax Increments	6.80	5,000,000	4,896,000
Upper Landing Tax Increment Bonds, Series 2002B-1	Riverfront Renaissance District Tax Increments	6.40 - 7.00	12,130,000	11,656,000
Upper Landing Tax Increment Bonds, Series 2002B-2	Riverfront Renaissance District Tax Increments	6.90	2,000,000	1,922,000

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

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

Debt Issue	Sources for Retirement	Interest Rate (%)	Original Debt Issue Amount	Amount Payable December 31, 2009
Drake Marble Tax Increment Bonds, Series 2002	Riverfront Renaissance District Tax Increments	6.75	1,800,000	1,564,000
Spruce Tree Tax Increment Refunding Bonds, Series 2003	Spruce Tree/Metz District Tax Increments	6.50	1,890,000	900,669
9th Street Lofts Tax Increment Bonds, Series 2004	North Quadrant District Tax Increments	6.375	1,335,000	1,215,000
J.J. Hill Tax Increment Bonds, Series 2004	J.J. Hill District Tax Increments	6.25	3,660,000	3,548,000
Neighborhood Scattered Site Tax Increment Bonds, Series 2005	Neighborhood Scattered Site District Tax Increments	4.24 - 5.45	7,515,000	5,275,000
Snelling-University Tax Increment Refunding Bonds, Series 2005C	Snelling-University District Tax Increments	3.60-5.12	5,130,000	3,675,000
Koch Mobil Tax Increment Refunding Bonds, Series 2007B	Koch Mobil District Tax Increments	4.25	3,895,000	3,895,000
Jimmy Lee Recreational Facility Lease Revenue Bonds, Series 2008	City of Saint Paul	3.00 - 5.00	7,685,000	7,420,000
RiverCentre Parking Facility Lease Revenue Bonds, Series 2009	City of Saint Paul	3.00 - 4.50	6,790,000	6,790,000
HUD Section 108 Note, Series 2003-A	EDI Grants, Port Authority	5.20	3,300,000	3,300,000
HUD Section 108 Note, Series 2003-B	Land Sale Proceeds	Variable	4,700,000	3,450,000
Upper Landing Tax Increment Note, Series 2008	Upper Landing District Tax Increments	5.75	2,019,087	1,952,025
Shepard Davern Rental Housing Tax Increment Note, Series 2006	Shepard Davern District Tax Increments	5.09	4,820,000	4,516,493
Catholic Charities Midway Residence POPSHP Loan	Forgiven after 20 years of compliance	-	10,599,852	10,599,852
Total Governmental Activities Long-Term Debt			\$ 172,272,939	\$ 132,013,039

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

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

Business-Type Activities

The business-type activity long-term debt is reported in the HRA Parking Enterprise Fund and the HRA Loan Enterprise Fund where specific fund revenues are used to service the debt. The City has issued a general obligation pledge on the Block 39 Tax Increment Bonds, Series 2009G and Series 2009H. A listing of the business-type bonds and notes at December 31, 2009, follows:

Debt Issue	Sources for Retirement	Interest Rate (%)	Original Debt Issue Amount	Amount Payable December 31, 2009
Parking Revenue Bonds, Series 1997A	7th Street Ramp Parking Revenues	6.75	11,305,000	\$ 6,465,000
Parking Revenue Refunding Bonds, Series 2001A	Parking Facility Revenues, City Parking Meter and Fine Revenue	4.00 – 5.00	6,755,000	3,730,000
Parking Revenue Bonds, Series 2002A	Parking Facility Revenues, City Parking Meter and Fine Revenue	4.85 – 5.35	14,295,000	14,295,000
Parking Revenue Bonds, Series 2002B	Parking Facility Revenues, City Parking Meter and Fine Revenue	5.10 – 6.50	4,250,000	3,355,000
Parking Revenue Refunding Bonds, Series 2005A	Parking Facility Revenues, City Parking Meter and Fine Revenue	2.50 – 3.37	7,790,000	3,755,000
Parking Revenue Bonds (Smith Avenue Transit Center), Series 2005	Smith Avenue Transit and Parking Ramp Revenues	3.90	15,980,000	15,735,000
Housing 5000 Land Assembly Bonds, Series 2004	Land Sale Proceeds	Variable	25,000,000	2,510,000
Block 39 Tax Increment Refunding Bonds, Series 2009G	Block 39 District Tax Increments, Block 39 Parking Revenues	3.00 – 4.00	20,695,000	20,695,000
Block 39 Tax Increment Refunding Bonds, Series 2009H	Block 39 District Tax Increments, Block 39 Parking Revenues	3.10	8,655,000	8,655,000
RiverCentre Exhibit Hall Parking Ramp Notes	RiverCentre Exhibit Hall Ramp Parking Revenues	6.00	1,500,000	810,000
Saint Paul Foundation Housing Loan	Housing Project Revenues	1.00	195,190	195,190
LAAND Initiative Loan – Metropolitan Council	Land Sales Proceeds	-	1,000,000	1,000,000
LAAND Initiative Loan – Family Housing Fund	Land Sale Proceeds	-	580,000	580,000
Total Business-Type Activities Long-Term Debt			\$ 158,000,190	\$ 81,780,190

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. F. (Continued)

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

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

Year Ending December 31	Tax Increment Bonds		Sales Tax Revenue Bonds		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 7,054,364	\$ 3,227,918	\$ 1,720,000	\$ 2,774,680	\$ 555,000	\$ 583,700
2011	3,329,648	2,971,442	1,840,000	2,652,560	575,000	565,925
2012	3,543,795	2,784,957	1,975,000	2,521,920	590,000	546,988
2013	2,391,862	2,618,402	2,115,000	2,381,695	610,000	527,038
2014	2,279,000	2,474,982	2,265,000	2,231,530	630,000	506,313
2015 – 2019	11,165,000	10,191,025	13,970,000	8,505,800	3,490,000	2,178,082
2020 – 2024	10,058,000	7,027,567	15,195,000	2,788,880	4,275,000	1,390,280
2025 – 2029	15,083,000	2,864,093	-	-	2,015,000	676,662
2030 – 2034	-	-	-	-	1,470,000	149,500
Total	\$ 54,904,669	\$ 34,160,386	\$ 39,080,000	\$ 23,857,065	\$ 14,210,000	\$ 7,124,488

Year Ending December 31	Development Notes		Total Governmental Activity	
	Principal	Interest	Principal	Interest
2010	\$ 139,965	\$ 718,617	\$ 9,469,329	\$ 7,304,915
2011	648,129	705,453	6,392,777	6,895,380
2012	706,768	669,713	6,815,563	6,523,578
2013	715,911	630,920	5,832,773	6,158,055
2014	725,589	591,168	5,899,589	5,803,993
2015 – 2019	3,944,047	2,320,603	32,569,047	23,195,510
2020 – 2024	1,821,616	1,327,832	31,349,616	12,534,559
2025 – 2029	10,599,852	1,149,445	27,697,852	4,690,200
2030 – 2034	4,516,493	517,250	5,986,493	666,750
Total	\$ 23,818,370	\$ 8,631,001	\$ 132,013,039	\$ 73,772,940

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

Year Ending December 31	Parking Revenue Bonds HRA Parking Enterprise Fund		Tax Increment - Parking Bonds HRA Parking Enterprise Fund		Parking Ramp Notes HRA Parking Enterprise Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 2,475,000	\$ 2,305,291	\$ 1,295,000	\$ 763,015	\$ 80,000	\$ 48,600
2011	2,595,000	2,188,812	1,575,000	935,129	90,000	43,800
2012	18,060,000	1,764,951	1,605,000	885,838	90,000	38,700
2013	2,710,000	1,336,408	1,640,000	835,541	100,000	33,300
2014	1,945,000	1,197,135	1,710,000	783,616	100,000	27,300
2015 – 2019	8,215,000	4,179,029	8,880,000	2,961,845	350,000	42,900
2020 – 2024	4,940,000	2,520,676	10,310,000	1,322,236	-	-
2025 – 2029	6,395,000	1,061,974	2,335,000	40,863	-	-
2030 – 2034	-	-	-	-	-	-
Total	\$ 47,335,000	\$ 16,554,276	\$ 29,350,000	\$ 8,528,083	\$ 810,000	\$ 234,600

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

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

Year Ending December 31	Housing 5000 Land Assembly Bonds HRA Loan Enterprise Fund		Saint Paul Foundation Housing Loan LAAND Initiative Loans HRA Loan Enterprise Fund		Total Business-Type Activity	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	\$ -	\$ 150,600	\$ 195,190	\$ 1,952	\$ 4,045,190
2011	-	150,600	-	-	4,260,000	3,318,341
2012	-	150,600	-	-	19,755,000	2,840,089
2013	-	150,600	-	-	4,450,000	2,355,849
2014	-	150,600	1,580,000	-	5,335,000	2,158,651
2015 - 2019	-	753,000	-	-	17,445,000	7,936,774
2020 - 2024	2,510,000	606,113	-	-	17,760,000	4,449,025
2025 - 2029	-	-	-	-	8,730,000	1,102,837
2030 - 2034	-	-	-	-	-	-
Total	\$ 2,510,000	\$ 2,112,113	\$ 1,775,190	\$ 1,952	\$ 81,780,190	\$ 27,431,024

(4) Prior Year Defeasance of Debt

In prior years, the HRA defeased certain bonds by placing the proceeds of new advance refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the HRA's financial statements. On December 31, 2009, \$48,745,000 of the following outstanding bonds are considered defeased:

Sales Tax Revenue Bonds, Series 1993	Amount Outstanding December 31, 2009 <hr/> \$ 48,745,000
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G. Employee Benefits, Pension Plan Obligations

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

H. Line of Credit - Home Mortgage Loan Program

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. H. (Continued)

reduce the outstanding liability on the Bank line of credit. During the interim period when the loans are owned by the HRA, any difference between the Bank line of credit interest and the interest on the loans is the obligation of or inures to the HRA.

The HRA Loan Enterprise Fund accounts for the line of credit transactions. At December 31, 2009, loans receivable representing the principal mortgage loans originated in Saint Paul that had not yet been sold to a servicer, a bond trustee, or a secondary market entity are reported in the amount of \$815,500. Likewise, \$815,050 is owed under the line of credit at December 31, 2009, and is reported as contracts payable.

Changes in the balance due on the line of credit for the year ended December 31, 2009, are as follows:

Balance Due January 1, 2009	Increase 2009	Decrease 2009	Balance Due December 31, 2009
\$ 441,700	\$ 2,684,450	\$ 2,311,100	\$ 815,050

I. Revolving Loan Agreement - The Saint Paul Foundation

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

The HRA Loan Enterprise Fund accounts for the line of credit transactions. Changes in the balance due under the revolving line of credit under the loan agreement for the year ended December 31, 2009, are as follows:

Balance Due January 1, 2009	Increase 2009	Decrease 2009	Balance Due December 31, 2009
\$ 195,190	\$ -	\$ -	\$ 195,190

During 2007, an advance was made by the Foundation to the HRA in the amount of \$195,190 for the Dorothy Day Center Project. This amount of \$195,190 is reported as notes payable at December 31, 2009 (see Note 5.F.). Under the revolving loan agreement, there is \$2,304,810 available in loan funds from the Foundation at December 31, 2009.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. (Continued)

M. Risk Management

The HRA is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City of Saint Paul administers the HRA's risk management activities. The HRA's risk management activities are reported in the HRA General Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). The liability for claims and judgments is carried as a general long-term obligation when it is not expected to be liquidated with expendable available financial resources. The HRA had no January 1, 2008, liability for claims and judgments; nor were there any fiscal year 2008 or 2009 claims or claims payments, which resulted in any end of fiscal year 2008 or 2009 claims liabilities.

The HRA acquired in 2009 a site with existing pollution which will require remediation. To address its exposure to risk of loss related to pollution liability torts, the HRA has purchased a Premises Pollution Liability Insurance Policy. The limits of this liability coverage is \$20,000,000.

The City has purchased all risk property insurance coverage of \$1.3 billion for its real and personal property throughout the City. The deductible for each occurrence of damage or loss of property is \$250,000. Each City department participating in the insurance program is charged a yearly amount based upon pro rata shares of the property insurance coverage, and contributions are made to a risk retention pool to address potential losses due to the higher deductible. The HRA is responsible for the first \$10,000 of each loss. The risk retention pool reimburses losses that exceed \$10,000 that are not covered by insurance. The HRA General Fund pays the insurance premium for HRA-related property coverage. The HRA General Fund reimburses the City for deductible amounts paid each year based on its share of the property insurance coverage. There were no significant reductions in insurance for the previous year or settlements in excess of insurance coverage for any of the past three fiscal years. A complete audit and actuarial analysis is conducted by the City's Risk and Employee Benefit Management Division to insure proper premium, retention, and administrative charges. Tort liability is administered by the City with professional claim managers and attorneys. Because the HRA has no employees, there is no risk for workers' compensation and unemployment compensation (Note 5.G.).

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. (Continued)

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

The HRA has issued pay-as-you-go tax increment notes to finance development in the following tax increment financing districts as of December 31, 2009.

No.	Tax Increment Financing District – Project	Date Issued	Note Amount	Note Principal Balance 12/31/2008	Note Principal Balance 12/31/2009	Total Amount Expended (Principal & Interest) Under Notes for the Year Ended 12/31/2009
215	Superior Street Cottages	7/16/1998	\$ 311,341	\$ 261,520	\$ 256,816	\$ 19,326
194	1919 University	11/7/1997	1,357,000	1,357,000	1,357,000	138,484
193	Hubbard Site	7/31/1999	1,259,924	394,241	32,777	393,759
212	Block 4-TIR Note, Series 2004	5/6/2004	17,800,000	17,800,000	17,800,000	978,045
212	Block 4-Taxable TIR Note Series 2004	5/6/2004	2,975,838	2,264,921	1,819,514	568,096
260	North Quadrant Rental Phase I	2/1/2001	2,140,000	2,140,000	2,140,000	116,854
268	North Quadrant Rental Phase II	2/28/2002	1,500,000	1,500,000	1,500,000	105,535
268	North Quadrant Shortfall TIR Note II	6/20/2002	179,781	179,781	179,781	-
228	Emerald Park Owner Occupied Phase I	2/26/2003	3,067,000	2,880,386	2,776,386	273,538
267	Emerald Park Owner Occupied Phase II	4/12/2005	2,074,000	2,030,000	1,996,182	185,722
267	Emerald Park Rental	10/16/2002	3,110,000	3,110,000	3,110,000	270,690
266	Emerald Park Commercial/Metro Project	6/21/2005	1,225,000	1,211,000	1,181,000	108,228
237	Osceola Park Series 2002	11/4/2002	950,000	950,000	950,000	52,609
234	Phalen Village Ames Lake	8/1/2003	418,000	418,000	418,000	22,409
232	Straus Building	12/26/2002	600,000	596,964	596,964	37,105
240	Bridgescreek Senior Place Project	6/30/2004	2,398,952	2,398,952	2,398,952	113,888
241	Lyons Court Rental Project	4/14/2004	682,000	682,000	682,000	33,644
243	Shepard-Davern Ownership Housing	11/1/2006	3,257,067	3,155,991	3,054,051	305,537
264	Llewelyn-West Side Flats	10/24/2006	701,055	701,055	701,055	-
271	Carlton Lofts	10/1/2005	2,358,660	2,358,660	2,358,660	117,258
245	Shepard-Davern Gateway Senior	12/2/2003	1,353,286	1,353,286	1,353,286	79,583
257	Phalen Senior Lofts Project (Payne Phalen TIF)	2/10/2005	925,000	908,750	908,750	33,851
278	River Pointe Lofts Project	12/27/2007	1,829,000	1,829,000	1,829,000	-
	Total		\$ 52,472,904	\$ 50,481,507	\$ 49,400,174	\$ 3,954,161

The notes are payable only after the HRA has received tax increment revenue from the above districts and can only be paid using that tax increment as the financing source. No liability is recognized at December 31, 2009, since all scheduled note payments have been made from the available tax increment. All expenditures under the notes are reported in the HRA Tax Increment Capital Projects Fund.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. (Continued)

L. Loan Guaranty Commitments

The HRA has entered into agreements with lending institutions and various Saint Paul businesses to guaranty the repayment of a portion of loans issued by the lending institutions to the businesses. The primary repayment source of these loans is the business. The HRA would be required to repay a portion of the loans in the event of default by the business. The total amount of private loans issued where a HRA guaranty exists at December 31, 2009, is \$748,500. The portion of these loans that the HRA has guaranteed is \$99,350. No liability has been recorded by the HRA for these loans at December 31, 2009.

M. Construction and Other Significant Commitments

At December 31, 2009, the HRA had the following commitments:

Gander Mountain Strategic Investment Loan	\$ 431,000
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N. Interfund Transactions

(1) Interfund Receivables and Payables

During the course of its operations, the HRA has transactions between funds to finance operations and provide services. To the extent that certain transactions between funds had not been paid or received as of December 31, 2009, individual fund interfund receivable and payable balances were as follows:

Fund	Interfund Receivable	Interfund Payable
HRA General Fund	\$ 909,910	\$ -
HRA Tax Increment Capital Projects Fund	-	6,807,662
HRA Development Capital Projects Fund	250,000	192,311
HRA Loan Enterprise Fund	6,090,063	250,000
Total Interfund Receivables and Payables - All Funds	\$ 7,249,973	\$ 7,249,973

The interfund receivables in the HRA General Fund (includes \$717,599) and the HRA Loan Enterprise Fund (\$6,090,063) were advanced to the HRA Tax Increment Capital Projects Fund for the purpose of financing development expenditures in various tax increment financing districts prior to the receipt of tax increment revenues in these districts. The advances are to be repaid with interest when future available tax increment revenues are received in these districts. The interfund receivable in the HRA Development Capital Projects Fund (\$250,000) was advanced to the HRA Enterprise Fund for the purchase of land held for resale. The advance is to be repaid from future land sales.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. N. (Continued)

(2) Interfund Transfers

Individual fund interfund transfers during the fiscal year ended December 31, 2009, were as follows:

Transfers	Transfers In From Other Funds	Transfers Out To Other Funds
HRA Federal & State Programs Special Revenue Fund	\$ 24,418	\$ -
HRA Debt Service Fund	1,964,392	165,622
HRA Tax Increment Capital Projects Fund	165,622	1,964,392
HRA Development Capital Projects Fund	-	2,528,208
HRA Loan Enterprise Fund	2,528,208	396,869
Total Interfund Transfers -All Funds	\$ 4,682,640	\$ 5,055,091

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

The transfers in and out do not balance at the fund level (by \$372,451) due to a capital asset transfer from the HRA Loan Enterprise Fund to the General Capital Assets.

O. Net Assets/Fund Balances

(1) Net Assets - Governmental Activities

The amount reported as “Invested in Capital Assets, Net of Related Debt” on the government-wide Statement of Net Assets for the governmental activities as of December 31, 2009, is determined as follows:

Capital assets	\$ 30,269,772
Less: accumulated depreciation	(9,129,334)
Less: outstanding principal of related debt	(10,599,852)
Invested in Capital Assets - Net of Related Debt	\$ 10,540,586

The amount reported as “Restricted for Debt Service” on the government-wide Statement of Net Assets for the governmental activities is based on required balances per bond indentures. This amount is \$5,266,362 at December 31, 2009.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. O. (Continued)

(2) Net Assets - Business-Type Activities

The amount reported as “Invested in Capital Assets, Net of Related Debt” on the government-wide Statement of Net Assets for the business-type activities and on the Statement of Net Assets for the HRA Parking Enterprise Fund as of December 31, 2009, is determined as follows:

Capital assets	\$ 137,420,618
Less: accumulated depreciation	(35,460,336)
Less: outstanding principal of related debt	<u>(78,464,076)</u>
Invested in Capital Assets - Net of Related Debt	<u>\$ 23,496,206</u>

The amount reported as “Restricted for Debt Service” on the government-wide Statement of Net Assets for the business-type activities and on the Statement of Net Assets for Proprietary Funds as of December 31, 2009, as follows:

	<u>HRA Loan Enterprise Fund</u>	<u>HRA Parking Enterprise Fund</u>	<u>Total Proprietary Funds</u>
Restricted Assets			
Cash for revenue bond debt service	\$ 69,204	\$ 5,846,703	\$ 5,915,907
Cash for revenue bond reserve	1,005,000	-	1,005,000
Investment for revenue bond future debt service	-	1,626,900	1,626,900
Less: liabilities payable from restricted assets			
Accrued interest on bonds	<u>(1,681)</u>	<u>(410,475)</u>	<u>(412,156)</u>
Restricted for Debt Service	<u>\$ 1,072,523</u>	<u>\$ 7,063,128</u>	<u>\$ 8,135,651</u>

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

The amount reported as “Restricted for Operations and Maintenance” on the government-wide Statement of Net Assets for the business-type activities and on the Statement of Net Assets for the HRA Parking Enterprise Fund as of December 31, 2009, is determined as follows:

Restricted assets - cash for revenue bond operations and maintenance	\$ 628,337
Less: liabilities payable from restricted assets	<u>-</u>
Restricted for Operations and Maintenance	<u>\$ 628,337</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 5. O. (Continued)

(3) Fund Balances - Governmental Funds

In the fund financial statements, fund balances in governmental funds are reserved to report amounts that are not available for appropriation and/or are legally restricted to a specific use that is narrower than the purpose of the fund itself. At December 31, 2009, fund balance reservations were reported in the following governmental funds:

	HRA General Fund	HRA Debt Service Fund	HRA Development Capital Projects Fund	Total
Reserved for				
Encumbrances	\$ 25,048	\$ -	\$ 258,955	\$ 284,003
Debt service on bonds and notes	-	24,245,708	-	24,245,708
Advances to other Funds/ Governments	717,599	-	862,191	1,579,790
Total Reserved Fund Balances	<u>\$ 742,647</u>	<u>\$ 24,245,708</u>	<u>\$ 1,121,146</u>	<u>\$ 26,109,501</u>

In the fund financial statements, unreserved fund balances in governmental funds are designated to report amounts that represent tentative management plans for future use of financial resources. At December 31, 2009, fund balances designations were reported in the following governmental funds:

	HRA General Fund	HRA Debt Service Fund	HRA Tax Increment Capital Projects Fund	Total
Unreserved, designated for				
Specific HRA activities	\$ 6,045,679	\$ -	\$ 4,663,573	\$ 10,709,252
Next year's appropriation	3,324,444	-	-	3,324,444
Cash flow and revenue estimates	60,834	-	-	60,834
Net Unrealized Gains	183,478	205,994	194,281	583,753
Total Unreserved, Designated Fund Balance	<u>\$ 9,614,435</u>	<u>\$ 205,994</u>	<u>\$ 4,857,854</u>	<u>\$ 14,678,283</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

6. Contingent Liabilities

Litigation

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

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

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

As of December 31, 2008, the 1999 City Sales Tax Bonds of \$72,570,000 are on parity with the 1996 HRA Sales Tax Refunding Bonds of \$55,865,000. There is a gross sales tax pledge of currently over \$15,000,000 to pay annual debt service due on these two series of bonds semi-annually. A third series, the City Subordinate Sales Tax Revenue Bonds, Series 2007 has a subordinate pledge of sales tax after the debt service is paid each six months on the bonds of 1996 and 1999.

Regions Hospital Parking Ramp Contingent Lease

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

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2009

Note 6. (Continued)

Cleanup of Hazardous Materials

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

The following properties have been identified as possible sites of pollution or contamination:

1. Capp Road (Catholic Charities) - Possible pollution or contamination
2. Koch/Mobil - Remediation has already been completed
3. Seventh Street (Firestation) - Possible pollution or contamination
4. Rivoli Street Properties - Remediation has already been completed by the original polluter

In 2009, the Exxon-Mobil property site was purchased which is polluted and will require pollution remediation. This site was a former petroleum storage tank farm, built in the 1950's which had suffered some leakage of petroleum. The purchase agreement requires the HRA to remediate the pollution and restricts the future use of the land to specific uses. The land was purchased for \$1, and in addition, the seller donated \$5,000,000 to the HRA for pollution remediation and possible park features. This donation is identified as unearned revenue in the Governmental Balance Sheet, in the HRA Development Capital Projects Fund. Because the land has no fair market value before remediation, it is valued at its purchase price in the Governmental Activities Capital Assets. In recognition of the existing pollution, the probability-weighted average of minimum to maximum remediation cost of \$3,900,000 is identified in the Statement of Net Assets – Long Term Liabilities as a Pollution Remediation Obligation. This pollution remediation obligation is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

7. Subsequent Events

Issuance of General Obligation Bonds

In 2010, the HRA issued the following Bonds:

	<u>Amount</u>	<u>Final Maturity</u>
General Obligation Tax Increment Bonds	\$ 2,670,000	03/01/2031

In 2010, the HRA called the Housing 5000 Land Assembly Bonds, Series 2004, and paid off the entire remaining \$2,510,000 debt.

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

For the Fiscal Year Ended December 31, 2009

(Amounts in dollars)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	9,151,118	9,151,118	9,550,758	399,640
Intergovernmental	18,888,742	18,888,742	16,793,283	(2,095,459)
Fees, Sales and Services	1,447,159	1,447,159	1,292,287	(154,872)
Investment Income	461,500	461,500	438,966	(22,534)
Miscellaneous	-	-	543,551	543,551
Total Revenues	29,948,519	29,948,519	28,618,845	(1,329,674)
EXPENDITURES				
Housing and Economic Development	-	-	3,000	(3,000)
Intergovernmental - City	11,506,365	11,506,365	16,224,917	(4,718,552)
Debt Service				
Principal Payment on Bonds	5,239,891	5,239,891	5,501,891	(262,000)
Interest on Bonds	6,687,276	6,687,276	7,016,022	(328,746)
Principal Payment on Notes	-	-	102,194	(102,194)
Interest on Notes	913,409	913,409	369,593	543,816
Bond Issuance Costs	-	-	141,085	(141,085)
Total Expenditures	24,346,941	24,346,941	29,358,702	(5,011,761)
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,601,578	5,601,578	(739,857)	(6,341,435)
OTHER FINANCING SOURCES (USES)				
Transfers In	119,519	119,519	1,964,392	1,844,873
Transfers Out	(2,500,000)	(2,500,000)	(165,622)	2,334,378
Current Refunding Bonds Issued	-	-	6,790,000	6,790,000
Redemption of Refunded Bonds	-	-	(4,970,000)	(4,970,000)
Premium on Bond Sale	-	-	213,608	213,608
Total Other Financing Sources (Uses)	(2,380,481)	(2,380,481)	3,832,378	6,212,859
Net Changes in Fund Balances	3,221,097	3,221,097	3,092,521	(128,576)
FUND BALANCE, January 1	21,359,181	21,359,181	21,359,181	-
FUND BALANCE, December 31	24,580,278	24,580,278	24,451,702	(128,576)

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

Inception Through December 31, 2009

(Amounts in dollars)

Program Title	Activity Code	Multi-Year Budget	Actual Program Costs		Amount To Be Completed
			Inception Through 12/31/08	Fiscal Year Ended 12/31/09	
FEDERAL HOME PROGRAM					
Single Family Housing Rehabilitation	37001	25,464,226	20,958,246	2,339,841	2,166,139
New Rental Housing	37002	2,169,000	2,169,000	-	-
Community Housing Development	37003	7,039,525	5,445,588	247,746	1,346,191
Program Administration	37004	3,714,561	3,283,238	133,116	298,207
Single Family Housing Rehab - Program Income	37005	1,556,759	1,556,759	-	-
Total Federal HOME Program		<u>39,944,071</u>	<u>33,412,831</u>	<u>2,720,703</u>	<u>3,810,537</u>
FEDERAL ADDI HOUSING GRANT					
Single Family Housing	37006	513,639	264,400	-	249,239
FEDERAL SHELTER PLUS CARE GRANT					
Shelter Plus Care Program	37007	361,920	48,010	48,173	265,737
FEDERAL HOPE-3 PROGRAM					
Property Acquisition, Rehab & Mgmt	37101-37106	377,481	377,481	-	-
MINNESOTA HOUSING FINANCE AGENCY PROGRAMS					
Community Rehab Fund	38100	525,596	517,513	-	8,083
Single Family Home Improvement Loan Program	38101	6,445,000	5,427,742	377,350	639,908
Minnesota Urban & Rural Homestead Program	38102	62,158	61,358	-	800
Program Administration	38104	419,110	367,490	9,314	42,306
Deferred Loan Program	38105	2,756,041	1,413,450	-	1,342,591
NEDA Community Fix-Up Program	38110	104,443	104,443	-	-
Total Minnesota Housing Finance Agency Programs		<u>10,312,348</u>	<u>7,891,996</u>	<u>386,664</u>	<u>2,033,688</u>
RAMSEY COUNTY CDBG HOUSING REHABILITATION PROGRAMS					
Single Family & Rental Rehabilitation	38107-38108	2,320,134	1,948,864	-	371,270
METROPOLITAN COUNCIL LIVABLE COMMUNITY GRANTS					
Brewery Neighborhood Project	38200	750,000	750,000	-	-
Capital Heights City Homes	38113	300,000	300,000	-	-
Tax Based Revitalization Grants	38103	540,265	545,265	-	(5,000)
Total Metropolitan Council Livable Community Grants		<u>1,590,265</u>	<u>1,595,265</u>	<u>-</u>	<u>(5,000)</u>
STATE OF MINNESOTA GRANTS					
Railroad Island Project	38203	1,300,000	542,875	-	757,125
Capital Heights City Homes	38113	200,000	-	-	200,000
Federal Highway - State Administered - Head & Sack House	38206	1,186,100	1,186,100	-	-
Total State of Minnesota Grants		<u>2,686,100</u>	<u>1,728,975</u>	<u>-</u>	<u>957,125</u>
FEDERAL SECTION 108					
Section 108 Loan Repayment	38204	-	1,250,550	-	(1,250,550)
TOTAL HRA FEDERAL & STATE PROGRAMS FUND		<u>58,105,958</u> ⁹⁹	<u>48,518,372</u>	<u>3,155,540</u>	<u>6,432,046</u>

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

For the Fiscal Years Ended December 31, 1997 through 2009

(Amounts in dollars)

<u>Activity Title</u>	<u>Activity Code</u>	<u>Multi-Year Budget</u>	<u>Costs - Fiscal Years Ended 12/31/97-2008</u>	<u>Costs - Fiscal Year Ended 12/31/09</u>	<u>Amount To Be Completed</u>
New Housing & Blighted Lands - Direct Increment Financed	76200	5,581,242	5,581,242	-	-
New Housing & Blighted Lands - Bond Financed	76201	2,922,131	2,922,131	-	-
New Housing & Blighted Lands - Post 1982 Subdistrict	76202	1,174,318	1,183,590	-	(9,272)
North Quadrant - Phase I	76203	4,392,268	1,488,830	475	2,902,963
North Quadrant - Non TIF	76204	441,114	375,046	-	66,068
North Quadrant - Phase II	76205	4,347,273	1,101,129	475	3,245,669
Superior Street Cottages	76206	686,025	200,042	75,732	410,251
J.J. Hill	76207	12,959,912	4,037,619	543	8,921,750
Sibley Park - Phase I	76208	6,495,378	700,403	61,534	5,733,441
Sibley Park - Phase II	76209	3,037,617	523,976	106,078	2,407,563
Straus Park	76210	1,447,696	178,354	37,648	1,231,694
North Quadrant Public Improvements	76211	948,673	867,427	-	81,246
Bridgecreek Senior Place	76213	6,747,810	350,059	114,711	6,283,040
Phalen Village TIF District	76214	10,867,104	483,590	22,952	10,360,562
North Quadrant - Phase III	76215	6,149,000	1,791,644	105,143	4,252,213
Phalen Village TIF District Uncommitted	76216	-	10,579	746	(11,325)
Phalen Village Cub Store	76217	6,352,896	12,227	1,065	6,339,604
West Midway	76300	2,526,781	2,526,781	-	-
Spruce Tree Centre	76302	2,889,449	2,888,606	-	843
Neighborhood Business Development - Scattered Sites	76304	31,180,202	8,754,465	1,350,918	21,074,819
Twin City Testing	76305	318,450	318,450	-	-
Snelling-University	76306	8,361,600	322,375	-	8,039,225
Snelling-University - Hazardous Substance	76307	2,208,368	2,208,368	-	-
Energy Park FBS Data Center	76308	55,373	55,373	-	-
Midway Marketplace Bonds	76309	2,915,547	2,915,547	-	-
Hubbard Site	76310	5,271,106	3,792,792	393,759	1,084,555
1919 University	76311	2,855,076	1,223,628	139,026	1,492,422
Midway Marketplace Pay-As-You-Go TIF Note	76312	952,397	952,397	-	-
Scattered Site Business TIF Bonds, Series 2005	76314	7,515,000	6,447,058	-	1,067,942
Riverfront Tax-Exempt Bonds	76700	1,328,925	1,328,925	-	-
Riverfront Taxable Bonds	76701	1,086,637	1,086,637	-	-
Riverfront Renaissance - Drake Marble	76702	6,670,910	2,308,412	12,885	4,349,613
Riverfront Renaissance - US Bank	76703	68,914,628	20,352,237	12,451	48,549,940
Riverfront Renaissance - Upper Landing	76704	61,896,457	3,638,589	27,190	58,230,678
Upper Landing Interfund Loan	76705	-	591,009	144,783	(735,792)
Osceola Park	76706	2,899,714	211,854	53,152	2,634,708

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

For the Fiscal Years Ended December 31, 1997 through 2009

(Amounts in dollars)

<u>Activity Title</u>	<u>Activity Code</u>	<u>Multi-Year Budget</u>	<u>Costs - Fiscal Years Ended 12/31/97-2008</u>	<u>Costs - Fiscal Year Ended 12/31/09</u>	<u>Amount To Be Completed</u>
Block - Minnesota Mutual	76707	46,739,637	9,463,538	1,556,667	35,719,432
Emerald Park - Owner Occupied	76708	26,401,961	1,539,025	489,943	24,372,993
Emerald Park - Rental	76709	13,215,895	1,547,323	296,389	11,372,183
Emerald Park - Commercial	76710	2,180,100	189,463	122,599	1,868,038
Riverfront Renaissance - Llewellyn	76711	17,915,978	34,679	5,172	17,876,127
Riverfront Renaissance - West Side Flats	76712	4,565,408	1,921,001	9,753	2,634,654
Riverfront Renaissance - Upper Landing TIF Bonds, Series 2002A	76713	5,178,128	5,178,388	-	(260)
Riverfront Renaissance - Upper Landing TIF Bonds, Series 2002B	76714	14,443,600	14,442,700	-	900
Shepard Davern - Phase I	76715	9,683,191	552,740	314,953	8,815,498
Shepard Davern - Phase II	76716	15,529,676	4,850,585	-	10,679,091
Shepard Davern - Phase III	76717	3,024,432	166,576	80,126	2,777,730
Downtown & 7th Place Redevelopment - Series 1989 Bonds	76801	1,458,854	1,458,854	-	-
Block 39 - Acquisition, Demolition, Parking Ramp & Retail	76803	42,844,807	42,656,218	23,143	165,446
Block 39 - Construction of Lawson Office Building	76804	56,729,826	56,729,826	-	-
Downtown & 7th Place Redevelopment - Direct Increment Financed	76805	16,104,598	16,104,598	-	-
Parking Revenue Bonds, Series 1992A	76806	5,616	5,616	-	-
RiverCentre Exhibit Hall Parking Ramp	76809	2,125,368	2,125,368	-	-
World Trade Center Parking Ramp	76810	13,238,148	13,238,148	-	-
RiverCentre Parking Facility Lease Revenue Bonds	76811	7,350,295	7,350,295	-	-
Armstrong-Quinlan House	76813	2,900,000	2,900,000	-	-
Central Library Renovation Lease Revenue Bonds	76814	13,162,076	13,162,076	-	-
City Financed Capital Projects	76815	3,925,000	3,925,000	-	-
Smith Avenue Transit Hub	76818	202,422	197,793	(979)	5,608
Koch Mobil Infrastructure	76819	79,096,354	3,593,169	28,104	75,475,081
TIF District Administration - Advance Funding	76820	1,100,070	-	-	1,100,070
Payne / Phalen Senior Lofts TIF District	76822	2,847,354	73,550	35,156	2,738,648
Carleton Lofts TIF District	76823	9,257,028	91,742	148,060	9,017,226
Penfield TIF District	76824	47,536,340	-	-	47,536,340
Highland Pointe Lofts TIF District	76825	5,089,171	25,407	(4,525)	5,068,289
2700 University	76826	7,303,240	13,491	5,564	7,284,185
Minnesota Building TIF District	76827	-	2,171	-	(2,171)
Minnesota Event TIF District(2009-2023)	76829	116,645,421	-	4,876,135	111,769,286
TOTAL HRA TAX INCREMENT FUND		872,197,071	287,270,731	10,647,526	574,278,814

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

For the Fiscal Years Ended December 31, 2006 through 2009

(Amounts in dollars)

<u>Activity Title</u>	<u>Activity Code</u>	<u>Multi-Year Budget</u>	<u>Costs - Fiscal Years Ended 12/31/06-2008</u>	<u>Costs - Fiscal Year Ended 12/31/09</u>	<u>Amount To Be Completed</u>
Land Assembly Bonds	76903	15,000,000	7,799,322	2,378,981	4,821,697
Star Funds	76904	20,000,000	17,023,496	127,183	2,849,321
HRA Funded Projects	76905	6,150,000	2,702,462	930,563	2,516,975
Other/Private Sources	76906	750,000	750,000	-	-
Invest Saint Paul Series 2007B Star Taxable Bonds	76907	15,000,000	3,628,965	1,588,502	9,782,533
Invest Saint Paul Series 2007A Star Tax Exempt Bonds	76908	2,000,000	-	-	2,000,000
Invest Saint Paul Minnesota Housing Financing Grant Program	76909	1,545,000	147,568	39,288	1,358,144
Exxon Land Site	76910	5,000,000	-	-	5,000,000
Recreation Facility Lease Revenue Bonds, Series 2008	76915	7,604,999	7,683,596	(1)	(78,596)
TOTAL HRA DEVELOPMENT CAPITAL PROJECTS FUND		<u>73,049,999</u>	<u>39,735,409</u>	<u>5,064,516</u>	<u>28,250,074</u>

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

SCHEDULE OF DEPOSITS AND INVESTMENTS
ALL FUNDS

At December 31, 2009

(Amounts in dollars)

Investment Description	Maturity Date	Interest Rate	Reported Amount
Parking Ramp Checking Accounts at St Paul Banks			607,355
First American Government Obligations Fund Class D		0.00%	1,265,816
First American Government Obligations Fund Class Y		0.00%	6,692,141
US Bank MMkt 4- Ct		0.30%	1,018,070
Wells Fargo Advantage Government Money Market Fund		0.01%	5,681,722
Federal Home Loan Bank Bonds	11/17/2017	5.00%	562,578
United States Treasury Notes	9/12/2012	2.50%	1,684,721
Federal Home Loan Bank Bonds	6/29/2010	4.38%	1,626,900
United States Treasury Notes	11/18/2011	5.75%	577,185
Highland Bank Certificate of Deposit	3/30/2019	3.75%	606,288
City Cash and Investment Pool			79,461,377
TOTAL CASH AND INVESTMENTS			99,784,153

Summary by Statement of Net Assets Account

Cash and Investments with Treasurer	73,348,728
Cash with Fiscal Agents	607,355
Cash and Investments with Trustees	16,651,925
Restricted Cash for Revenue Bond Debt Service	5,915,907
Restricted Cash for Revenue Bond Reserve	1,005,000
Restricted Cash for Bond Operations and Maintenance	628,338
Restricted Investment for Revenue Bond Debt Service	1,626,900
Total Cash and Investments	99,784,153

SCHEDULE OF LOANS RECEIVABLE**ALL FUNDS**

At December 31, 2009

(Amounts in dollars)

<u>Fund - Program</u>	<u>Number of Loans Outstanding</u>	<u>Principal Balance 12/31/2009</u>	<u>Allowance for Uncollectible Loans 12/31/2009</u>	<u>Net Reported Assets 12/31/2009</u>
HRA FEDERAL & STATE PROGRAMS SPECIAL REVENUE FUND				
Federal HOME Program	124	20,421,245	18,424,692	1,996,553
Federal ADDI Program	25	244,400	183,300	61,100
HUD 108 Loan Guaranty Program	2	6,749,450	1,889,725	4,859,725
Total HRA Federal & State Programs Special Revenue Fund	151	27,415,095	20,497,717	6,917,378
HRA DEVELOPMENT CAPITAL PROJECTS FUND				
HRA Funded	1	6,300,000	5,985,000	315,000
ISP STAR	7	328,400	266,300	62,100
Total HRA Development Capital Projects Fund	8	6,628,400	6,251,300	377,100
HRA TAX INCREMENT CAPITAL PROJECTS FUND				
Scattered Site TIF Bonds	5	4,090,937	3,506,076	584,861
Total HRA Tax Increment Capital Projects Fund	5	4,090,937	3,506,076	584,861
HRA LOAN ENTERPRISE FUND				
Enterprise Leverage	10	1,618,222	1,482,445	135,777
Commercial Real Estate	9	2,580,918	2,314,670	266,248
Home Purchase and Rehab	60	572,509	459,543	112,966
Home Ownership Opportunities	114	1,803,658	1,713,475	90,183
Housing Real Estate	28	8,411,228	6,769,043	1,642,185
Mixed Income Housing	9	4,365,826	3,752,859	612,967
Strategic Investment Program	10	1,886,792	1,885,578	1,214
Business - UDAG	4	129,739	74,370	55,369
Housing - UDAG	6	1,462,692	1,358,228	104,464
Downtown Tax Increment	1	389,797	97,449	292,348
Neighborhood Development Tax Increment	9	951,182	582,323	368,859
New Housing & Blighted Lands Tax Increment	1	360,000	180,000	180,000
HUD Rental Rehab	14	2,388,287	2,180,408	207,879
Land Assembly	1	2,083,595	1,979,415	104,180
Mortgage Housing Loan Origination Program	145	2,604,067	2,308,201	295,866
Mortgage Housing - Phase I and Phase II	42	419,904	20,995	398,909
Affordable Housing	1	136,633	129,801	6,832
Total HRA Loan Enterprise Fund	464	32,165,049	27,288,803	4,876,246
TOTAL ALL FUNDS	628	70,299,481	57,543,896	12,755,585

SCHEDULE OF BONDS AND NOTES PAYABLE

At December 31, 2009

(Amounts in dollars)

<u>Bonds and Notes</u>	<u>Lender</u>	<u>Source for Retirement</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u>
<u>GOVERNMENTAL ACTIVITIES</u>								
BONDS:								
Sales Tax Revenue Refunding Bonds (RiverCentre Project), Series 1996	Public Sale	City 1/2% Sales Tax, RiverCentre Revenues	7.10%	1996	2023	55,865,000	16,785,000	39,080,000
RiverCentre Parking Facility Lease Revenue Bonds, Series 2000	Public Sale	Lease Payments from the City of Saint Paul	4.87% - 6.00%	2000	2014	7,240,000	7,240,000	-
Riverfront Tax Increment Refunding Bonds, Series 2000D *	Public Sale	Riverfront District TI's	4.50% - 5.00%	2000	2012	8,335,000	5,540,000	2,795,000
US Bank Tax Increment Bonds, Series 2001	Public Sale	Riverfront Renaissance District TI's	5.00% - 6.75%	2001	2028	12,000,000	1,355,000	10,645,000
Riverfront Tax Increment Refunding Bonds, Series 2002C *	Public Sale	Riverfront District TI's	2.90% - 5.65%	2002	2012	2,335,000	1,470,000	865,000
North Quadrant Tax Increment Refunding Bonds, Series 2002	Public Sale	North Quadrant District TI's	7.50%	2002	2028	1,089,000	122,000	967,000
North Quadrant Phase II Tax Increment Bonds, Series 2002	Public Sale	North Quadrant District TI's	7.00%	2002	2028	1,140,000	54,000	1,086,000
Upper Landing Tax Increment Bonds, Series 2002A	Public Sale	Riverfront Renaissance District TI's	6.80%	2002	2029	5,000,000	104,000	4,896,000
Upper Landing Tax Increment Bonds, Series 2002B-1	Public Sale	Riverfront Renaissance District TI's	6.40% - 7.00%	2002	2029	12,130,000	474,000	11,656,000
Upper Landing Tax Increment Bonds, Series 2002B-2	Public Sale	Riverfront Renaissance District TI's	6.90%	2002	2029	2,000,000	78,000	1,922,000
Drake Marble Tax Increment Bonds, Series 2002	Public Sale	Riverfront Renaissance District TI's	6.75%	2002	2028	1,800,000	236,000	1,564,000
Spruce Tree Tax Increment Refunding Bonds, Series 2003	Public Sale	Spruce Tree/Metz District TI's	6.50%	2003	2013	1,890,000	989,331	900,669
9th Street Lofts Tax Increment Bonds, Series 2004	Private Placement	9th Street Lofts District TI's	6.375%	2004	2028	1,335,000	120,000	1,215,000

Continued

SCHEDULE OF BONDS AND NOTES PAYABLE

At December 31, 2009

(Amounts in dollars)

<u>Bonds and Notes</u>	<u>Lender</u>	<u>Source for Retirement</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u>
BONDS (Continued):								
JJ Hill Tax Increment Bonds, Series 2004	Private Placement	JJ Hill District TI's	6.25%	2004	2029	3,660,000	112,000	3,548,000
Neighborhood Scattered Site Tax Increment Bonds, Series 2005	Public Sale	Neighborhood Scattered Site District TI's	4.24% - 5.45%	2005	2017	7,515,000	2,240,000	5,275,000
Snelling-University Tax Increment Bonds, Series 2005C *	Public Sale	Snelling-University Site District TI's	3.60% - 5.12%	2005	2017	5,130,000	1,455,000	3,675,000
Koch Mobil Tax Increment Refunding Bonds, Series 2007B *	Public Sale	Koch Mobil District TI's	4.25%	2007	2010	3,895,000	-	3,895,000
Jimmy Lee Recreational Facility Lease Revenue Bonds, Series 2008	Public Sale	City of St. Paul 25 -Year Lease	3.00% - 5.00%	2008	2032	7,685,000	265,000	7,420,000
RiverCentre Parking Facility Lease Revenue Bonds, Series 2009	Public Sale	Lease Payments from the City of Saint Paul	3.00% - 4.50%	2009	2024	6,790,000	-	6,790,000
TOTAL BONDS - GOVERNMENTAL ACTIVITIES						<u>146,834,000</u>	<u>38,639,331</u>	<u>108,194,669</u>
NOTES:								
Upper Landing Tax Increment Revenue Note, Series 2008	City of Saint Paul	Upper Landing District TI's	5.75%	2008	2020	2,019,087	67,062	1,952,025
HUD Section 108 Note, Series 2003-A	Public Sale	EDI Grant, Port Authority	5.20%	2003	2022	3,300,000	-	3,300,000
HUD Section 108 Note, Series 2003-B	Public Sale	Property Sale Proceeds	Variable	2003	2022	4,700,000	1,250,000	3,450,000
Catholic Charities Midway Residence POPSH Loan	Public Sale	Forgiven after 20 years of compliance	Zero Interest	2006	2026	10,599,852	-	10,599,852
Shepard Davern Rental Housing Tax Increment Note, Series 2006	Gateway Apts Ltd Partnership	Shepard Davern District TI's	5.09%	2006	2032	4,820,000	303,507	4,516,493
TOTAL NOTES - GOVERNMENTAL ACTIVITIES						<u>25,438,939</u>	<u>1,620,569</u>	<u>23,818,370</u>
TOTAL BONDS AND NOTES - GOVERNMENTAL ACTIVITIES						<u>172,272,939</u>	<u>40,259,900</u>	<u>132,013,039</u>

Continued

SCHEDULE OF BONDS AND NOTES PAYABLE

At December 31, 2009

(Amounts in dollars)

<u>Bonds and Notes</u>	<u>Lender</u>	<u>Source for Retirement</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u>
<u>BUSINESS-TYPE ACTIVITIES - HRA LOAN ENTERPRISE FUND</u>								
BONDS:								
Housing 5000 Land Assembly Bonds, Series 2004	Public Sale	Land Sale Proceeds, Bank Letter of Credit Land Sales	Variable	2004	2024	25,000,000	22,490,000	2,510,000
NOTES:								
Saint Paul Foundation Housing Loan	St Paul Foundation	Revenues from Housing Projects	1.00%	2006	2015	195,190	-	195,190
LAAND Initiative Loan	Met Council	Land Sales Proceeds	Zero Interest	2009	2014	1,000,000	-	1,000,000
LAAND Initiative Loan	FamilyHsingFnd	Land Sales Proceeds	Zero Interest	2009	2014	580,000	-	580,000
TOTAL BONDS AND NOTES - HRA LOAN ENTERPRISE FUND						26,775,190	22,490,000	4,285,190
<u>BUSINESS-TYPE ACTIVITIES - HRA PARKING ENTERPRISE FUND</u>								
BONDS:								
Parking Revenue Bonds, Series 1997A, (7th Street Ramp)	Public Sale	7th Street Ramp Parking Revenues	6.75%	1997	2017	11,305,000	4,840,000	6,465,000
Block 39 Tax Increment Bonds, Series 1998A *	Public Sale	Block 39 District TI's, Block 39 Parking Revenues	4.60% - 4.75%	1998	2025	21,255,000	21,255,000	-
Block 39 Tax Increment Bonds, Series 1998B *	Public Sale	Block 39 District TI's, Block 39 Parking Revenues	5.68% - 6.45%	1998	2015	18,745,000	18,745,000	-
Parking Revenue Refunding Bonds, Series 2001A	Public Sale	HRA Parking Revenues	4.00% - 5.00%	2001	2017	6,755,000	3,025,000	3,730,000
Parking Revenue Bonds, Series 2002A	Public Sale	HRA Parking Revenues	4.85% - 5.35%	2002	2029	14,295,000	-	14,295,000
Parking Revenue Bonds, Series 2002B	Public Sale	HRA Parking Revenues	5.10% - 6.50%	2002	2016	4,250,000	895,000	3,355,000
Parking Revenue Refunding Bonds, Series 2005A	Public Sale	HRA Parking Revenues	2.50% - 3.37%	2005	2013	7,790,000	4,035,000	3,755,000
Parking Revenue Bonds (Smith Avenue Transit Center), Series 2005	Public Sale	Smith Avenue Transit & Parking Ramp Revenues	3.90%	2005	2012	15,980,000	245,000	15,735,000
Block 39 Tax Increment Refunding Bonds, Series 2009G *	Public Sale	Block 39 District TI's, Block 39 Parking Revenues	3.00% - 4.00%	2009	2,025	20,695,000	-	20,695,000
Block 39 Tax Increment Refunding Bonds, Series 2009H *	Public Sale	Block 39 District TI's, Block 39 Parking Revenues	3.10%	2009	2,015	8,655,000	-	8,655,000
NOTES:								
RiverCentre Exhibit Hall Parking Ramp Notes	Downtown Businesses	HRA Parking Revenues	6.00%	1995	2017	1,500,000	690,000	810,000
TOTAL BONDS AND NOTES - HRA PARKING ENTERPRISE FUND						131,225,000	53,730,000	77,495,000
TOTAL BONDS AND NOTES - BUSINESS-TYPE ACTIVITIES						158,000,190	76,220,000	81,780,190

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

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2009

(Amounts in dollars)

Year	Sales Tax Revenue Refunding Bonds (RiverCentre Project), Series 1996		Jimmy Lee Recreational Facility Lease Revenue Bonds, Series 2008		RiverCentre Parking Facility Lease Revenue Bonds, Series 2009		Riverfront Tax Increment Refunding Bonds, Series 2000D		US Bank Tax Increment Bonds, Series 2001	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	1,720,000	2,774,680	195,000	342,900	360,000	240,800	880,000	115,494	325,000	678,004
2011	1,840,000	2,652,560	205,000	336,075	370,000	229,850	925,000	72,047	340,000	659,768
2012	1,975,000	2,521,920	210,000	328,388	380,000	218,600	990,000	24,750	360,000	640,501
2013	2,115,000	2,381,695	220,000	319,988	390,000	207,050			385,000	619,150
2014	2,265,000	2,231,530	225,000	311,188	405,000	195,125			405,000	595,263
2015	2,425,000	2,070,715	235,000	302,188	415,000	182,825			435,000	569,997
2016	2,595,000	1,898,540	245,000	292,787	425,000	169,694			460,000	543,047
2017	2,780,000	1,714,295	255,000	282,681	440,000	155,638			490,000	514,412
2018	2,980,000	1,516,915	265,000	271,844	455,000	139,387			515,000	483,941
2019	3,190,000	1,305,335	280,000	260,250	475,000	120,788			455,000	451,784
2020	3,420,000	1,078,845	290,000	247,650	495,000	101,387			590,000	422,913
2021	3,660,000	836,025	305,000	234,600	510,000	81,288			630,000	383,913
2022	3,920,000	576,165	320,000	220,112	535,000	60,387			670,000	342,313
2023	4,195,000	297,845	335,000	204,912	555,000	37,894			715,000	297,675
2024			350,000	189,000	580,000	13,050			760,000	248,569
2025			365,000	172,375					815,000	196,425
2026			385,000	155,037					875,000	140,400
2027			400,000	136,750					930,000	80,494
2028			420,000	116,750					490,000	16,537
2029			445,000	95,750						
2030			465,000	73,500						
2031			490,000	50,250						
2032			515,000	25,750						
Totals	<u>39,080,000</u>	<u>23,857,065</u>	<u>7,420,000</u>	<u>4,970,725</u>	<u>6,790,000</u>	<u>2,153,763</u>	<u>2,795,000</u>	<u>212,291</u>	<u>10,645,000</u>	<u>7,885,106</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2009

(Amounts in dollars)

Year	Riverfront Tax Increment Refunding Bonds, Series 2002C		North Quadrant Tax Increment Refunding Bonds, Series 2002		North Quadrant Phase II Tax Increment Bonds, Series 2002		Upper Landing Tax Increment Bonds, Series 2002A		Upper Landing Tax Increment Bonds, Series 2002B-1	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	270,000	40,405	26,000	72,038	29,000	75,530	111,000	329,154	261,000	801,961
2011	290,000	25,208	27,000	70,088	31,000	73,465	118,000	321,368	279,000	783,583
2012	305,000	8,616	30,000	67,988	33,000	71,260	126,000	313,072	298,000	763,943
2013			32,000	65,700	35,000	68,915	135,000	304,198	318,000	742,974
2014			34,000	63,263	38,000	66,395	144,000	294,712	340,000	720,574
2015			37,000	60,675	41,000	63,700	154,000	284,580	364,000	696,603
2016			39,000	57,863	43,000	60,795	165,000	273,734	388,000	670,994
2017			43,000	54,863	47,000	57,715	176,000	262,140	414,000	643,680
2018			46,000	51,563	49,000	54,390	188,000	249,764	443,000	614,075
2019			49,000	48,076	53,000	50,890	201,000	236,538	474,000	581,980
2020			53,000	44,325	57,000	47,110	214,000	222,428	507,000	547,645
2021			57,000	40,276	61,000	43,050	229,000	207,366	542,000	510,930
2022			61,000	35,925	65,000	38,710	244,000	191,284	580,000	471,660
2023			67,000	31,238	70,000	34,090	261,000	174,114	621,000	429,625
2024			71,000	26,138	75,000	29,085	279,000	155,754	665,000	384,615
2025			77,000	20,701	80,000	23,765	298,000	136,136	711,000	336,455
2026			83,000	14,813	86,000	18,060	318,000	115,192	761,000	284,935
2027			89,000	8,476	92,000	11,935	340,000	92,820	814,000	229,810
2028			46,000	1,725	101,000	3,535	363,000	68,918	871,000	170,835
2029							832,000	28,288	2,005,000	70,175
2030										
2031										
2032										
Totals	<u>865,000</u>	<u>74,229</u>	<u>967,000</u>	<u>835,734</u>	<u>1,086,000</u>	<u>892,395</u>	<u>4,896,000</u>	<u>4,261,560</u>	<u>11,656,000</u>	<u>10,457,052</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2009

(Amounts in dollars)

Year	Upper Landing Tax Increment Bonds, Series 2002B-2		Drake Marble Tax Increment Bonds, Series 2002		Spruce Tree Tax Increment Refunding Bonds, Series 2003		9th Street Lofts Tax Increment Bonds, Series 2004		JJ Hill Tax Increment Bonds, Series 2004	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	43,000	131,134	-	105,570	204,364	58,544	36,000	76,882	69,000	220,750
2011	47,000	128,030	-	105,570	217,648	45,260	39,000	74,556	81,000	216,250
2012	50,000	124,683	-	105,570	231,795	31,113	41,000	72,038	94,000	211,001
2013	53,000	121,129	-	105,570	246,862	16,046	44,000	69,360	108,000	204,906
2014	57,000	117,335	-	105,570			47,000	66,523	124,000	197,906
2015	60,000	113,298	-	105,570			49,000	63,495	136,000	189,906
2016	64,000	109,020	-	105,570			53,000	60,307	144,000	181,281
2017	69,000	104,431	-	105,570			57,000	56,865	153,000	172,156
2018	73,000	99,533	-	105,570			61,000	53,168	163,000	162,438
2019	78,000	94,323	-	105,570			63,000	49,247	173,000	152,094
2020	84,000	88,734	-	105,570			69,000	45,135	184,000	141,094
2021	90,000	82,731	-	105,570			73,000	40,673	195,000	129,438
2022	96,000	76,314	-	105,570			77,000	35,955	209,000	117,031
2023	102,000	69,483	-	105,570			82,000	30,983	221,000	103,782
2024	109,000	62,203	-	105,570			87,000	25,659	236,000	89,751
2025	117,000	54,407	-	105,570			93,000	20,018	250,000	74,782
2026	125,000	46,057	-	105,570			99,000	13,994	266,000	58,906
2027	133,000	37,157	-	105,570			106,000	7,586	283,000	42,032
2028	143,000	27,635	1,564,000	52,785			39,000	1,243	301,000	24,063
2029	329,000	11,350							158,000	4,938
2030										
2031										
2032										
Totals	<u>1,922,000</u>	<u>1,698,987</u>	<u>1,564,000</u>	<u>1,953,045</u>	<u>900,669</u>	<u>150,963</u>	<u>1,215,000</u>	<u>863,687</u>	<u>3,548,000</u>	<u>2,694,505</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2009
 (Amounts in dollars)

Year	Neighborhood Scattered Site Tax Increment Bonds, Series 2005		Snelling-University Tax Increment Bonds, Series 2005C		Koch Mobil Tax Increment Refunding Bonds, Series 2007B		Upper Landing Tax Increment Revenue Note, Series 2008		Catholic Charities POPSHP Loan Midway Residence	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	510,000	269,762	395,000	169,923	3,895,000	82,768	139,965	110,258	-	-
2011	535,000	244,611	400,000	151,638			148,129	102,094	-	-
2012	565,000	217,854	420,000	132,568			156,768	93,454	-	-
2013	585,000	188,556	450,000	111,898			165,911	84,311	-	-
2014	620,000	157,858	470,000	89,583			175,589	74,634	-	-
2015	660,000	124,468	490,000	65,940			185,830	64,392	-	-
2016	690,000	88,835	515,000	40,615			196,669	53,553	-	-
2017	1,110,000	30,247	535,000	13,709			208,140	42,082	-	-
2018							220,280	29,942	-	-
2019							233,128	17,094	-	-
2020							121,616	3,497	-	-
2021									-	-
2022									-	-
2023									-	-
2024									-	-
2025									-	-
2026									10,599,852	-
2027										
2028										
2029										
2030										
2031										
2032										
Totals	<u>5,275,000</u>	<u>1,322,191</u>	<u>3,675,000</u>	<u>775,874</u>	<u>3,895,000</u>	<u>82,768</u>	<u>1,952,025</u>	<u>675,311</u>	<u>10,599,852</u>	<u>-</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTESAt December 31, 2009
(Amounts in dollars)

Year	HUD Section 108 Note, Series 2003-A		HUD Section 108 Note, Series 2003-B		Shepard Davern Rental Housing Tax Increment Note, Series 2006		Parking Revenue Bonds, Series 1997A		Block 39 Tax Increment Refunding Bonds, Series 2009G	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	-	171,470	-	207,000	-	229,888	635,000	436,388	-	572,915
2011	250,000	171,470	250,000	202,000	-	229,889	680,000	393,525	-	731,381
2012	250,000	160,370	300,000	186,000	-	229,889	725,000	347,625	-	731,381
2013	250,000	148,720	300,000	168,000	-	229,889	775,000	298,688	-	731,381
2014	250,000	136,645	300,000	150,000	-	229,889	825,000	246,375	-	731,381
2015	250,000	124,320	300,000	132,000	-	229,889	880,000	190,687	820,000	714,981
2016	250,000	111,645	300,000	114,000	-	229,889	940,000	131,288	1,725,000	664,081
2017	300,000	98,670	300,000	96,000	-	229,889	1,005,000	67,837	1,800,000	593,581
2018	300,000	82,800	300,000	78,000	-	229,889			1,850,000	520,581
2019	300,000	66,660	300,000	60,000	-	229,889			1,855,000	455,756
2020	300,000	50,280	300,000	42,000	-	229,889			1,920,000	397,931
2021	300,000	33,690	300,000	24,000	-	229,889			1,985,000	336,916
2022	300,000	16,920	200,000	8,000	-	229,889			2,055,000	269,938
2023					-	229,889			2,125,000	196,788
2024					-	229,889			2,225,000	120,663
2025					-	229,889			2,335,000	40,863
2026					-	229,889				
2027					-	229,889				
2028					-	229,889				
2029					-	229,889				
2030					-	229,889				
2031					-	229,889				
2032					4,516,493	57,472				
Totals	<u>3,300,000</u>	<u>1,373,660</u>	<u>3,450,000</u>	<u>1,467,000</u>	<u>4,516,493</u>	<u>5,115,029</u>	<u>6,465,000</u>	<u>2,112,413</u>	<u>20,695,000</u>	<u>7,810,518</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2009
 (Amounts in dollars)

Year	Block 39 Tax Increment Refunding Bonds, Series 2009H		Parking Revenue Refunding Bonds, Series 2001A		Parking Revenue Bonds, Series 2002A		Parking Revenue Bonds, Series 2002B		Parking Revenue Refunding Bonds, Series 2005A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	1,295,000	190,100	395,000	178,020	-	751,485	420,000	211,010	895,000	118,713
2011	1,575,000	203,748	415,000	160,640	-	751,485	445,000	186,650	925,000	91,862
2012	1,605,000	154,457	430,000	141,965	-	751,485	475,000	159,950	955,000	64,113
2013	1,640,000	104,160	455,000	122,185	-	751,485	500,000	130,975	980,000	33,075
2014	1,710,000	52,235	475,000	100,800	-	751,485	645,000	98,475		
2015	830,000	12,865	495,000	78,000	-	751,485	685,000	56,550		
2016			520,000	53,250	545,000	751,485	185,000	12,025		
2017			545,000	27,250	765,000	725,052				
2018					805,000	687,185				
2019					845,000	646,935				
2020					890,000	602,572				
2021					935,000	555,848				
2022					985,000	506,760				
2023					1,040,000	455,048				
2024					1,090,000	400,448				
2025					1,150,000	342,132				
2026					1,210,000	280,608				
2027					1,275,000	215,872				
2028					1,345,000	147,660				
2029					1,415,000	75,702				
2030										
2031										
2032										
Totals	<u>8,655,000</u>	<u>717,565</u>	<u>3,730,000</u>	<u>862,110</u>	<u>14,295,000</u>	<u>10,902,217</u>	<u>3,355,000</u>	<u>855,635</u>	<u>3,755,000</u>	<u>307,763</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2009

(Amounts in dollars)

Year	Parking Revenue Bonds (Smith Avenue Transit Center), Series 2005		RiverCentre Exhibit Hall Parking Ramp Notes		Housing 5000 Land Assembly Bonds, Series 2004		Saint Paul Foundation Housing Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	130,000	609,675	80,000	48,600	-	150,600	195,190	1,952
2011	130,000	604,650	90,000	43,800	-	150,600		
2012	15,475,000	299,813	90,000	38,700	-	150,600		
2013			100,000	33,300	-	150,600		
2014			100,000	27,300	-	150,600		
2015			110,000	21,000	-	150,600		
2016			120,000	14,400	-	150,600		
2017			120,000	7,500	-	150,600		
2018					-	150,600		
2019					-	150,600		
2020					-	150,600		
2021					-	150,600		
2022					-	150,600		
2023					-	150,600		
2024					2,510,000	3,713		
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
Totals	<u>15,735,000</u>	<u>1,514,138</u>	<u>810,000</u>	<u>234,600</u>	<u>2,510,000</u>	<u>2,112,113</u>	<u>195,190</u>	<u>1,952</u>

Continued

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2009
 (Amounts in dollars)

Year	LAAND Initiative Metropolitan Council Loan Saxon Site		LAAND Initiative Family Housing Fund Midway Chev Site		TOTAL BONDS AND NOTES	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	-	-	-	-	13,514,519	\$ 10,574,373
2011	-	-	-	-	10,652,777	\$ 10,213,721
2012	-	-	-	-	26,570,563	\$ 9,363,667
2013	-	-	-	-	10,282,773	\$ 8,513,904
2014	1,000,000	-	580,000	-	11,234,589	\$ 7,962,644
2015					10,056,830	\$ 7,420,729
2016					10,607,669	\$ 6,839,298
2017					11,612,140	\$ 6,206,863
2018					8,713,280	\$ 5,581,585
2019					9,024,128	\$ 5,083,809
2020					9,494,616	\$ 4,569,605
2021					9,872,000	\$ 4,026,803
2022					10,317,000	\$ 3,453,533
2023					10,389,000	\$ 2,849,536
2024					9,037,000	\$ 2,084,107
2025					6,291,000	\$ 1,753,518
2026					14,807,852	\$ 1,463,461
2027					4,462,000	\$ 1,198,391
2028					5,683,000	\$ 861,575
2029					5,184,000	\$ 516,092
2030					465,000	\$ 303,389
2031					490,000	\$ 280,139
2032					5,031,493	\$ 83,222
Totals	<u>1,000,000</u>	<u>-</u>	<u>580,000</u>	<u>-</u>	<u>213,793,229</u>	<u>101,203,964</u>

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

For the Fiscal Year Ended December 31, 2009

(Amounts in dollars)

	<u>Federal</u>	<u>State</u>	<u>City</u>	<u>Other</u>	<u>Totals 2009</u>
<u>HRA GENERAL FUND</u>					
Market Value Homestead Credit	-	87,974	-	-	87,974
Total HRA General Fund	-	87,974	-	-	87,974
<u>HRA FEDERAL & STATE PROGRAMS SPECIAL REVENUE FUND</u>					
HUD HOME Investment Partnership Program	2,649,701	-	-	-	2,649,701
HUD Shelter Plus Care Grant	48,173	-	-	-	48,173
Minnesota Housing Finance Agency Programs	-	352,932	-	-	352,932
Total HRA Federal & State Programs Special Revenue Fund	2,697,874	352,932	-	-	3,050,806
<u>HRA DEBT SERVICE FUND</u>					
Financing for Sales Tax Revenue Bonds	-	-	16,726,518	-	16,726,518
Market Value Homestead Credit	-	66,765	-	-	66,765
Total HRA Debt Service Fund	-	66,765	16,726,518	-	16,793,283
<u>HRA TAX INCREMENT CAPITAL PROJECTS FUND</u>					
Market Value Homestead Credit	-	151,096	-	-	151,096
Total HRA Tax Increment Capital Projects Fund	-	151,096	-	-	151,096
<u>HRA DEVELOPMENT CAPITAL PROJECTS FUND</u>					
Financing for Invest Saint Paul Program	-	247,309	-	-	247,309
Total HRA Development Capital Projects Fund	-	247,309	-	-	247,309
<u>HRA LOAN ENTERPRISE FUND</u>					
HUD Housing Counseling Grant	79,651	-	-	-	79,651
Home Ownership Development Program	-	-	-	35,234	35,234
Minnesota Housing Finance Agency(MHFA)					
Community Revitalization Scattered Sites Development Grant	-	50,000	-	-	50,000
Mortgage Foreclosure Prevention Assistance Program	125,443	75,000	-	-	200,443
Total HRA Loan Enterprise Fund	205,094	125,000	-	35,234	365,328
TOTAL INTERGOVERNMENTAL REVENUE, OPERATING GRANTS, AND CAPITAL GRANTS	<u>2,902,968</u>	<u>1,031,076</u>	<u>16,726,518</u>	<u>35,234</u>	<u>20,695,796</u>

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

For the Fiscal Year Ended December 31, 2009

(Amounts in dollars)

	<u>City</u>	<u>County</u>	<u>Totals 2009</u>
<u>HRA GENERAL FUND</u>			
Block 4 Local Match - Downtown District	6,944	-	6,944
Financing for PED Salaries, Fringes, and Expenses	770,656	-	770,656
Financing for Citizen Participation Program	102,808	-	102,808
Total HRA General Fund	<u>880,408</u>	<u>-</u>	<u>880,408</u>
<u>HRA DEBT SERVICE FUND</u>			
Financing for RiverCentre	1,905,222	-	1,905,222
Financing for City Sales Tax Revenue Bonds	8,682,683	-	8,682,683
Surplus Sales Tax Revenues for City STAR Program	3,637,012	-	3,637,012
Financing for RiverCentre Parking Facility Renovations	2,000,000	-	2,000,000
Total HRA Debt Service Fund	<u>16,224,917</u>	<u>-</u>	<u>16,224,917</u>
<u>HRA DEVELOPMENT CAPITAL PROJECTS FUND</u>			
Financing for City HREEO Salaries and Fringes	27,809	-	27,809
Total HRA Loan Enterprise Fund	<u>27,809</u>	<u>-</u>	<u>27,809</u>
<u>HRA LOAN ENTERPRISE FUND</u>			
Financing for City Capital Projects	280,779	-	280,779
Total HRA Loan Enterprise Fund	<u>280,779</u>	<u>-</u>	<u>280,779</u>
<u>HRA PARKING ENTERPRISE FUND</u>			
Financing for City Capital Projects	76,465	-	76,465
Total HRA Parking Enterprise Fund	<u>76,465</u>	<u>-</u>	<u>76,465</u>
TOTAL INTERGOVERNMENTAL EXPENDITURES AND EXPENSES	<u>17,490,378</u>	<u>-</u>	<u>17,490,378</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended December 31, 2009

(Amounts in dollars)

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development		
Direct Grants		
Housing Counseling Assistance Program Grant	14.169	79,651
Shelter Plus Care Grant	14.238	48,173
HOME Investment Partnerships Program	14.239	<u>2,649,701</u>
Total U.S. Department of Housing and Urban Development		<u>2,777,525</u>
U. S. Department of Treasury		
Pass through Minnesota Housing Finance Agency		
National Foreclosure Mitigation Counseling Program	21.000	<u>125,443</u>
TOTAL FEDERAL AWARDS		<u><u>2,902,968</u></u>

Notes to Schedule of Expenditures of Federal Awards

1. The Schedule of Expenditures of Federal Awards presents the activity of federal award programs expended by the Housing and Redevelopment Authority (HRA) of the City of Saint Paul, a blended component unit of the City of Saint Paul. The HRA's reporting entity is defined in Note 1 to the basic financial statements.
2. The expenditures on this schedule are on the basis accounting used by the individual funds of the HRA. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis.
3. During 2009, \$942,930 of CFDA #14.239 was passed through to subrecipients.
4. Pass-through grant numbers were not assigned by the pass-through agencies.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$ 10,357,471	\$ 10,010,905	\$ 8,167,326	\$ 8,965,271	\$ 7,540,194	\$ 7,193,628	\$ 8,784,001	\$ 10,540,586
Restricted	6,912,435	6,265,106	9,523,636	10,105,742	6,861,982	5,644,230	5,187,806	5,266,362
Unrestricted	<u>(69,843,966)</u>	<u>(83,561,703)</u>	<u>(94,315,958)</u>	<u>(98,153,673)</u>	<u>(99,846,152)</u>	<u>(57,581,243)</u>	<u>(50,473,041)</u>	<u>(45,504,293)</u>
Total Governmental Activities Net Assets (a)	<u>(52,574,060)</u>	<u>(67,285,692)</u>	<u>(76,624,996)</u>	<u>(79,082,660)</u>	<u>(85,443,976)</u>	<u>(44,743,385)</u>	<u>(36,501,234)</u>	<u>(29,697,345)</u>
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	3,581,625	6,279,816	5,456,993	5,544,000	10,868,843	22,141,220	21,467,557	23,496,206
Restricted	1,790,603	2,724,667	8,758,606	16,388,168	15,121,632	14,386,423	6,722,704	8,763,988
Unrestricted	<u>53,949,217</u>	<u>52,934,377</u>	<u>57,577,103</u>	<u>59,894,720</u>	<u>50,759,011</u>	<u>26,967,821</u>	<u>36,762,770</u>	<u>33,349,092</u>
Total Business-Type Activities Net Assets	<u>59,321,445</u>	<u>61,938,860</u>	<u>71,792,702</u>	<u>81,826,888</u>	<u>76,749,486</u>	<u>63,495,464</u>	<u>64,953,031</u>	<u>65,609,286</u>
TOTAL SAINT PAUL HRA								
Invested in Capital Assets, Net of Related Debt	13,939,096	16,290,721	13,624,319	14,509,271	18,409,037	29,334,848	30,251,558	34,036,792
Restricted	8,703,038	8,989,773	18,282,242	26,493,910	21,983,614	20,030,653	11,910,510	14,030,350
Unrestricted	<u>(15,894,749)</u>	<u>(30,627,326)</u>	<u>(36,738,855)</u>	<u>(38,258,953)</u>	<u>(49,087,141)</u>	<u>(30,613,422)</u>	<u>(13,710,271)</u>	<u>(12,155,201)</u>
Total Housing & Redevelopment Authority Net Assets	<u>\$ 6,747,385</u>	<u>\$ (5,346,832)</u>	<u>\$ (4,832,294)</u>	<u>\$ 2,744,228</u>	<u>\$ (8,694,490)</u>	<u>\$ 18,752,079</u>	<u>\$ 28,451,797</u>	<u>\$ 35,911,941</u>

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

CHANGES IN NET ASSETS
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
EXPENSES								
Governmental Activities:								
Housing & Economic Development	\$ 32,639,713	\$ 39,091,894	\$ 32,512,704	\$ 31,189,699	\$ 37,524,430	\$ 22,227,153	\$ 24,163,156	\$ 30,430,746
Interest on Long-Term Debt	<u>10,581,752</u>	<u>10,326,891</u>	<u>10,251,572</u>	<u>10,949,282</u>	<u>12,024,646</u>	<u>11,141,352</u>	<u>10,945,951</u>	<u>10,264,402</u>
Total Governmental Activities Expenses	<u>43,221,465</u>	<u>49,418,785</u>	<u>42,764,276</u>	<u>42,138,981</u>	<u>49,549,076</u>	<u>33,368,505</u>	<u>35,109,107</u>	<u>40,695,148</u>
Business-Type Activities:								
Development Loan Programs	4,404,208	6,163,748	11,820,912	8,450,161	18,506,591	14,768,515	6,444,810	5,194,227
Parking Operations	<u>9,389,968</u>	<u>8,431,480</u>	<u>11,104,139</u>	<u>10,739,279</u>	<u>11,564,825</u>	<u>12,990,561</u>	<u>12,628,706</u>	<u>11,864,859</u>
Total Business-Type Activities Expenses	<u>13,794,176</u>	<u>14,595,228</u>	<u>22,925,051</u>	<u>19,189,440</u>	<u>30,071,416</u>	<u>27,759,076</u>	<u>19,073,516</u>	<u>17,059,086</u>
Total Saint Paul HRA Expenses	<u>57,015,641</u>	<u>64,014,013</u>	<u>65,689,327</u>	<u>61,328,421</u>	<u>79,620,492</u>	<u>61,127,581</u>	<u>54,182,623</u>	<u>57,754,234</u>
PROGRAM REVENUES								
Governmental Activities:								
Charges for Services - Housing & Econ Development	4,765,602	3,381,272	1,735,249	4,180,247	2,776,370	4,410,071	2,811,075	1,715,578
Operating Grants and Contributions	23,701,920	18,002,402	20,582,957	20,067,244	19,229,867	37,517,617	21,744,714	20,874,019
Capital Grants and Contributions	<u>1,627,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,861,975</u>	<u>271,305</u>
Total Governmental Activities Program Revenues	<u>30,094,677</u>	<u>21,383,674</u>	<u>22,318,206</u>	<u>24,247,491</u>	<u>22,006,237</u>	<u>41,927,688</u>	<u>26,417,764</u>	<u>22,860,902</u>
Business-Type Activities:								
Charges for Services:								
Development Loan Programs	1,619,812	2,652,971	2,524,308	5,477,876	7,046,559	429,076	1,164,671	1,748,389
Parking Operations	8,377,127	8,646,251	9,855,748	10,266,046	10,799,883	10,691,896	11,779,690	11,204,743
Operating Grants and Contributions	485,341	2,002,488	13,750,499	10,025,408	1,480,019	938,546	3,765,808	1,352,810
Capital Grants and Contributions	<u>3,350,733</u>	<u>615,884</u>	<u>1,780,421</u>	<u>900,000</u>	<u>6,235,374</u>	<u>11,412,775</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>13,833,013</u>	<u>13,917,594</u>	<u>27,910,976</u>	<u>26,669,330</u>	<u>25,561,835</u>	<u>23,472,293</u>	<u>16,710,169</u>	<u>14,305,942</u>
Total Saint Paul HRA Program Revenues	<u>43,927,690</u>	<u>35,301,268</u>	<u>50,229,182</u>	<u>50,916,821</u>	<u>47,568,072</u>	<u>65,399,981</u>	<u>43,127,933</u>	<u>37,166,844</u>
NET (EXPENSE) REVENUE								
Governmental Activities	(13,126,788)	(28,035,111)	(20,446,070)	(17,891,490)	(27,542,839)	8,559,183	(8,691,343)	(17,834,246)
Business-Type Activities	<u>38,837</u>	<u>(677,634)</u>	<u>4,985,925</u>	<u>7,479,890</u>	<u>(4,509,581)</u>	<u>(4,286,783)</u>	<u>(2,363,347)</u>	<u>(2,753,144)</u>
Total Saint Paul HRA Net Expense	<u>(13,087,951)</u>	<u>(28,712,745)</u>	<u>(15,460,145)</u>	<u>(10,411,600)</u>	<u>(32,052,420)</u>	<u>4,272,400</u>	<u>(11,054,690)</u>	<u>(20,587,390)</u>

Continued

CHANGES IN NET ASSETS
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS								
Governmental Activities:								
HRA Property Tax	774,231	772,649	767,867	828,287	924,042	992,320	1,123,627	2,172,763
Property Tax Increments	10,486,685	12,548,743	11,725,158	12,227,167	13,680,244	16,148,760	14,177,905	21,153,837
Hotel-Motel Tax	220,000	220,000	220,000	220,000	220,000	220,000	-	-
State Market Value Homestead Credit	269,408	278,150	263,091	331,212	221,207	232,816	246,796	305,835
Investment Income	2,801,699	1,310,057	1,053,345	1,381,833	1,627,343	2,201,832	1,881,031	1,340,151
Transfers	<u>1,124,442</u>	<u>(1,806,120)</u>	<u>(2,922,695)</u>	<u>445,327</u>	<u>4,508,687</u>	<u>12,345,680</u>	<u>(495,865)</u>	<u>(2,131,339)</u>
Total Governmental Activities	<u>15,676,465</u>	<u>13,323,479</u>	<u>11,106,766</u>	<u>15,433,826</u>	<u>21,181,523</u>	<u>32,141,408</u>	<u>16,933,494</u>	<u>22,841,247</u>
Business-Type Activities								
Property Tax Increments	1,195,454	1,203,262	1,219,705	1,372,349	1,397,216	1,276,002	1,193,871	1,178,925
Investment Income	1,649,096	285,667	725,517	1,627,274	2,543,650	2,102,439	794,694	99,135
Gain on Sale of Capital Assets	-	-	-	-	-	-	1,336,484	-
Transfers	<u>(1,124,442)</u>	<u>1,806,120</u>	<u>2,922,695</u>	<u>(445,327)</u>	<u>(4,508,687)</u>	<u>(12,345,680)</u>	<u>495,865</u>	<u>2,131,339</u>
Total Business-Type Activities	<u>1,720,108</u>	<u>3,295,049</u>	<u>4,867,917</u>	<u>2,554,296</u>	<u>(567,821)</u>	<u>(8,967,239)</u>	<u>3,820,914</u>	<u>3,409,399</u>
Total Saint Paul HRA General Revenues	17,396,573	16,618,528	15,974,683	17,988,122	20,613,702	23,174,169	20,754,408	26,250,646
CHANGES IN NET ASSETS								
Governmental Activities	2,549,677	(14,711,632)	(9,339,304)	(2,457,664)	(6,361,316)	40,700,591	8,242,151	5,007,001
Business-Type Activities	<u>1,758,945</u>	<u>2,617,415</u>	<u>9,853,842</u>	<u>10,034,186</u>	<u>(5,077,402)</u>	<u>(13,254,022)</u>	<u>1,457,567</u>	<u>656,255</u>
Total Saint Paul HRA Changes in Net Assets	<u>\$ 4,308,622</u>	<u>\$ (12,094,217)</u>	<u>\$ 514,538</u>	<u>\$ 7,576,522</u>	<u>\$ (11,438,718)</u>	<u>\$ 27,446,569</u>	<u>\$ 9,699,718</u>	<u>\$ 5,663,256</u>

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

PROGRAM REVENUES BY FUNCTIONS / PROGRAMS**Last Eight Fiscal Years***(Accrual Basis of Accounting)*

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>GOVERNMENTAL ACTIVITIES</u>								
Housing and Economic Development								
Charges for Services	\$ 4,765,602	\$ 3,381,272	\$ 1,735,249	\$ 4,180,247	\$ 2,776,370	\$ 4,410,071	\$ 2,811,075	\$ 1,715,578
Operating Grants	23,701,920	18,002,402	20,582,957	20,067,244	19,229,867	37,517,617	21,744,714	20,874,019
Capital Grants and Contributions	<u>1,627,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,861,975</u>	<u>271,305</u>
Total Housing and Economic Development	<u>30,094,677</u>	<u>21,383,674</u>	<u>22,318,206</u>	<u>24,247,491</u>	<u>22,006,237</u>	<u>41,927,688</u>	<u>26,417,764</u>	<u>22,860,902</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>30,094,677</u>	<u>21,383,674</u>	<u>22,318,206</u>	<u>24,247,491</u>	<u>22,006,237</u>	<u>41,927,688</u>	<u>26,417,764</u>	<u>22,860,902</u>
<u>BUSINESS-TYPE ACTIVITIES</u>								
Development Loan Programs								
Charges for Services	1,619,812	2,652,971	2,524,308	5,477,876	7,046,559	429,076	1,164,671	1,748,389
Operating Grants	485,341	2,002,488	13,750,499	9,400,408	1,480,019	938,546	3,765,808	1,352,810
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Development Loan Programs	<u>2,105,153</u>	<u>4,655,459</u>	<u>16,274,807</u>	<u>14,878,284</u>	<u>8,526,578</u>	<u>1,367,622</u>	<u>4,930,479</u>	<u>3,101,199</u>
Parking Operations								
Charges for Services	8,377,127	8,646,251	9,855,748	10,266,046	10,799,883	10,691,896	11,779,690	11,204,743
Operating Grants	-	-	-	625,000	-	-	-	-
Capital Grants and Contributions	<u>3,350,733</u>	<u>615,884</u>	<u>1,780,421</u>	<u>900,000</u>	<u>6,235,374</u>	<u>11,412,775</u>	<u>-</u>	<u>-</u>
Total Parking Operations	<u>11,727,860</u>	<u>9,262,135</u>	<u>11,636,169</u>	<u>11,791,046</u>	<u>17,035,257</u>	<u>22,104,671</u>	<u>11,779,690</u>	<u>11,204,743</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>13,833,013</u>	<u>13,917,594</u>	<u>27,910,976</u>	<u>26,669,330</u>	<u>25,561,835</u>	<u>23,472,293</u>	<u>16,710,169</u>	<u>14,305,942</u>
TOTAL - ALL FUNCTIONS / PROGRAMS	<u>\$ 43,927,690</u>	<u>\$ 35,301,268</u>	<u>\$ 50,229,182</u>	<u>\$ 50,916,821</u>	<u>\$ 47,568,072</u>	<u>\$ 65,399,981</u>	<u>\$ 43,127,933</u>	<u>\$ 37,166,844</u>

FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
HRA General Fund										
Reserved	\$ 28,990	\$ 5,564	\$ 208,253	\$ 558,847	\$ 1,127,614	\$ 940,748	\$ 1,112,171	\$ 688,545	\$ 801,534	\$ 742,647
Unreserved	<u>6,555,620</u>	<u>7,331,886</u>	<u>7,979,800</u>	<u>6,010,425</u>	<u>4,216,124</u>	<u>7,180,814</u>	<u>6,898,759</u>	<u>7,992,919</u>	<u>10,881,369</u>	<u>9,614,435</u>
Total HRA General Fund	<u>6,584,610</u>	<u>7,337,450</u>	<u>8,188,053</u>	<u>6,569,272</u>	<u>5,343,738</u>	<u>8,121,562</u>	<u>8,010,930</u>	<u>8,681,464</u>	<u>11,682,903</u>	<u>10,357,082</u>
HRA Federal & State Programs Special Revenue Fund										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	<u>-</u>	<u>57,762</u>	<u>130</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total HRA Federal & State Programs Special Revenue Fund	<u>-</u>	<u>57,762</u>	<u>130</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
HRA Debt Service Fund										
Reserved	31,586,760	35,542,256	31,308,032	26,882,040	25,566,375	19,525,037	20,460,082	24,525,110	21,359,181	24,245,708
Unreserved	<u>-</u>	<u>-</u>	<u>413,593</u>	<u>185,615</u>	<u>56,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,994</u>
Total HRA Debt Service Fund	<u>31,586,760</u>	<u>35,542,256</u>	<u>31,721,625</u>	<u>27,067,655</u>	<u>25,623,128</u>	<u>19,525,037</u>	<u>20,460,082</u>	<u>24,525,110</u>	<u>21,359,181</u>	<u>24,451,702</u>
HRA Tax Increment Capital Projects Fund										
Reserved	1,172,710	4,519,140	239,864	131,011	195,541	172,688	188,631	2,595	2,595	-
Unreserved	<u>35,844,030</u>	<u>15,804,568</u>	<u>21,431,472</u>	<u>18,185,679</u>	<u>18,119,212</u>	<u>18,540,401</u>	<u>4,463,031</u>	<u>3,930,408</u>	<u>6,909,778</u>	<u>8,506,868</u>
Total HRA Tax Increment Capital Projects Fund	<u>37,016,740</u>	<u>20,323,708</u>	<u>21,671,336</u>	<u>18,316,690</u>	<u>18,314,753</u>	<u>18,713,089</u>	<u>4,651,662</u>	<u>3,933,003</u>	<u>6,912,373</u>	<u>8,506,868</u>
HRA Development Capital Projects Fund										
Reserved	-	-	-	-	-	-	-	932,190	1,594,402	1,121,146
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,732,857</u>	<u>24,127,747</u>	<u>19,783,797</u>
Total HRA Tax Development Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,665,047</u>	<u>25,722,149</u>	<u>20,904,943</u>
TOTAL - ALL GOVERNMENTAL FUNDS										
Reserved	32,788,460	40,066,960	31,756,149	27,571,898	26,889,530	20,638,473	21,760,884	26,148,440	23,757,712	26,109,501
Unreserved	<u>42,399,650</u>	<u>23,194,216</u>	<u>29,824,995</u>	<u>24,381,730</u>	<u>22,392,089</u>	<u>25,721,215</u>	<u>11,361,790</u>	<u>41,656,184</u>	<u>41,918,894</u>	<u>38,111,094</u>
Total Fund Balances - All Governmental Funds	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES										
Taxes	\$ 16,478,434	\$ 19,862,459	\$ 10,942,762	\$ 12,684,963	\$ 14,121,135	\$ 13,698,751	\$ 14,936,361	\$ 18,258,162	\$ 17,752,965	\$ 23,145,710
Intergovernmental	21,357,159	22,651,878	23,704,408	21,510,552	22,447,640	20,331,044	18,953,030	37,048,241	22,475,134	20,330,468
Fees, Sales and Services	6,497,411	6,256,491	4,147,876	3,118,678	2,818,649	11,044,619	2,993,929	4,748,864	3,396,565	2,676,402
Investment Income	4,255,906	3,862,534	2,764,409	1,234,298	1,059,411	1,525,187	1,653,875	2,233,360	1,892,081	1,322,681
Miscellaneous	1,328,781	619,502	645,982	482,042	260,000	117,412	598,044	802,192	902,476	543,551
Total Revenues	49,917,691	53,252,864	42,205,437	39,030,533	40,706,835	46,717,013	39,135,239	63,090,819	46,419,221	48,018,812
EXPENDITURES										
Housing and Economic Development	13,055,720	21,622,830	26,960,630	18,698,890	14,620,402	16,010,586	20,182,150	7,760,374	10,655,374	15,705,363
Intergovernmental	13,903,211	20,708,772	12,680,339	17,613,616	16,264,384	16,242,742	17,133,171	13,755,067	25,488,058	17,133,134
Capital Outlay	9,306,900	2,395,968	-	615,884	-	1,078,511	648,337	-	1,186,100	-
Debt Service:										
Interest	12,270,402	11,645,817	10,053,770	10,365,689	10,208,651	11,029,802	12,033,425	11,353,161	11,098,149	10,353,912
Principal	6,232,443	13,148,735	10,332,337	10,008,320	8,107,884	13,031,162	6,883,857	7,924,001	8,911,675	5,671,147
Issuance Costs	442,233	669,864	803,977	119,530	289,809	326,867	-	6,777	274,195	141,085
Total Expenditures	55,210,909	70,191,986	60,831,053	57,421,929	49,491,130	57,719,670	56,880,940	40,799,380	57,613,551	49,004,641
Excess of Revenues over (under) Expenditures	(5,293,218)	(16,939,122)	(18,625,616)	(18,391,396)	(8,784,295)	(11,002,657)	(17,745,701)	22,291,439	(11,194,330)	(985,829)
OTHER FINANCING SOURCES (USES)										
Proceeds from Borrowing	20,298,000	13,780,420	22,070,000	10,570,000	9,034,981	7,515,000	-	-	9,635,761	-
Proceeds from Refunding	8,340,671	6,762,463	3,424,000	1,890,000	-	5,125,399	4,820,000	3,939,831	-	7,003,608
Redemption of Refunded Bonds	-	(15,920,000)	(3,364,000)	(1,890,000)	-	(5,005,000)	(4,820,000)	(3,895,000)	-	(4,970,000)
Sale of Fixed Assets	54,654,583	-	-	-	-	-	-	-	-	-
Notes Retired from Fixed Asset Sale	(53,521,583)	-	-	-	-	-	-	-	-	-
Transfers In	16,795,853	14,714,431	7,208,678	4,398,354	3,178,053	5,409,072	5,737,337	16,281,547	1,092,065	2,154,432
Transfers Out	(16,711,267)	(14,325,126)	(6,084,236)	(6,204,474)	(6,100,748)	(4,963,745)	(1,228,650)	(3,935,867)	(1,661,514)	(4,658,222)
Total Other Financing Sources (Uses)	29,856,257	5,012,188	23,254,442	8,763,880	6,112,286	8,080,726	4,508,687	12,390,511	9,066,312	(470,182)
Net Change in Fund Balance	\$ 24,563,039	\$ (11,926,934)	\$ 4,628,826	\$ (9,627,516)	\$ (2,672,009)	\$ (2,921,931)	\$ (13,237,014)	\$ 34,681,950	\$ (2,128,018)	\$ (1,456,011)
Debt Service as a percentage of Noncapital Expenditures	40.3%	36.6%	33.5%	35.9%	37.0%	42.5%	33.6%	47.2%	35.5%	32.7%
						(a)				

(a) In 2005, a balloon payment of \$5,750,000 was made on the Biotech Note - 1000 Westgate Drive.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
HRA Loan Enterprise Fund								
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	2,024,282	11,289,819	7,049,537	6,823,402	1,148,967	1,072,523
Unrestricted	<u>44,763,590</u>	<u>45,222,845</u>	<u>48,111,651</u>	<u>48,515,462</u>	<u>40,291,549</u>	<u>16,159,536</u>	<u>21,385,035</u>	<u>21,645,396</u>
Total HRA Loan Enterprise Fund	<u>44,763,590</u>	<u>45,222,845</u>	<u>50,135,933</u>	<u>59,805,281</u>	<u>47,341,086</u>	<u>22,982,938</u>	<u>22,534,002</u>	<u>22,717,919</u>
HRA Parking Enterprise Fund								
Invested in Capital Assets, Net of Related Debt	3,581,625	6,279,816	5,456,993	5,544,000	10,868,843	22,141,220	21,467,557	23,496,206
Restricted	1,790,603	2,724,667	6,734,324	5,098,349	8,072,095	7,563,021	5,573,737	7,691,465
Unrestricted	<u>9,185,627</u>	<u>7,711,532</u>	<u>9,465,452</u>	<u>11,379,258</u>	<u>10,467,462</u>	<u>10,808,285</u>	<u>15,377,735</u>	<u>11,703,696</u>
Total HRA Parking Enterprise Fund	<u>14,557,855</u>	<u>16,716,015</u>	<u>21,656,769</u>	<u>22,021,607</u>	<u>29,408,400</u>	<u>40,512,526</u>	<u>42,419,029</u>	<u>42,891,367</u>
TOTAL - ALL PROPRIETARY FUNDS								
Invested in Capital Assets, Net of Related Debt	3,581,625	6,279,816	5,456,993	5,544,000	10,868,843	22,141,220	21,467,557	23,496,206
Restricted	1,790,603	2,724,667	8,758,606	16,388,168	15,121,632	14,386,423	6,722,704	8,763,988
Unrestricted	<u>53,949,217</u>	<u>52,934,377</u>	<u>57,577,103</u>	<u>59,894,720</u>	<u>50,759,011</u>	<u>26,967,821</u>	<u>36,762,770</u>	<u>33,349,092</u>
Total Net Assets - All Proprietary Funds	<u>\$ 59,321,445</u>	<u>\$ 61,938,860</u>	<u>\$ 71,792,702</u>	<u>\$ 81,826,888</u>	<u>\$ 76,749,486</u>	<u>\$ 63,495,464</u>	<u>\$ 64,953,031</u>	<u>\$ 65,609,286</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
OPERATING REVENUES								
Fees, Sales and Services - Loan Programs	\$ 664,277	\$ 1,691,109	\$ 1,458,128	\$ 4,022,486	\$ 5,356,857	\$ 291,776	\$ 388,149	\$ 1,329,083
Fees, Sales and Services - Parking Facilities	8,377,127	8,646,251	9,855,748	10,266,046	10,799,883	10,691,896	11,779,690	11,204,743
Interest Earned on Loans	955,535	961,862	1,066,180	1,455,390	1,689,702	137,300	776,522	419,306
Total Operating Revenues	<u>9,996,939</u>	<u>11,299,222</u>	<u>12,380,056</u>	<u>15,743,922</u>	<u>17,846,442</u>	<u>11,120,972</u>	<u>12,944,361</u>	<u>12,953,132</u>
OPERATING EXPENSES								
Development Loan Programs	3,859,826	5,402,975	5,659,563	3,588,607	5,241,210	4,892,487	3,581,561	2,970,167
Costs of Parking Facility Operation	2,386,485	2,913,055	3,919,292	3,585,103	4,554,017	4,264,292	5,497,193	5,043,784
Depreciation	1,904,165	1,920,757	2,348,534	2,340,511	2,315,180	2,455,650	2,758,238	2,766,036
Bad Debt Expense on Loans	318,281	433,994	1,466,939	618,681	6,137,550	5,996,934	365,486	187,588
Forgivable Loan Expense	-	-	3,547,055	1,839,768	4,986,221	944,676	1,920,551	1,708,022
Total Operating Expenses	<u>8,468,757</u>	<u>10,670,781</u>	<u>16,941,383</u>	<u>11,972,670</u>	<u>23,234,178</u>	<u>18,554,039</u>	<u>14,123,029</u>	<u>12,675,597</u>
OPERATING INCOME (LOSS)	1,528,182	628,441	(4,561,327)	3,771,252	(5,387,736)	(7,433,067)	(1,178,668)	277,535
NONOPERATING REVENUES (EXPENSES)								
Property Tax Increments	1,195,454	1,203,262	1,219,705	1,372,349	1,397,216	1,276,002	1,193,871	1,178,925
Operating Grants	485,341	491,214	12,765,521	9,088,500	429,793	134,746	84,539	427,828
Gain on Sale of Capital Assets	-	-	-	-	-	-	1,336,484	-
Noncapital Contributions	-	1,511,274	984,978	936,908	1,050,226	803,800	3,681,269	924,982
Investment Income	1,649,096	285,667	725,517	1,627,274	2,543,650	2,102,439	794,694	99,134
Miscellaneous Revenue	-	-	-	-	21,743	-	-	-
Revaluation of Land Held for Resale	-	-	-	-	-	(1,867,546)	(270,345)	-
Interest on Long-Term Debt	(5,256,581)	(3,598,356)	(4,869,053)	(5,332,455)	(5,275,361)	(4,968,483)	(4,493,159)	(3,909,476)
Intergovernmental Expenses	(42,747)	(300,000)	(907,000)	(1,476,438)	(1,157,624)	(2,256,955)	(76,483)	(357,244)
Amortization of Bond Issuance Cost	(26,091)	(26,091)	(207,615)	(407,877)	(425,996)	(112,053)	(110,500)	(116,768)
Total Nonoperating Revenues (Expenses)	<u>(1,995,528)</u>	<u>(433,030)</u>	<u>9,712,053</u>	<u>5,808,261</u>	<u>(1,416,353)</u>	<u>(4,888,050)</u>	<u>2,140,370</u>	<u>(1,752,619)</u>
Capital Contributions	3,350,733	615,884	1,780,421	900,000	6,235,374	11,412,775	-	-
Transfers In	3,763	3,055,616	3,634,028	2,500,000	1,053,084	1,416,433	600,316	2,528,208
Transfers Out	(1,128,205)	(1,249,496)	(711,333)	(2,945,327)	(5,561,771)	(13,762,113)	(104,451)	(396,869)
CHANGE IN NET ASSETS	<u>\$ 1,758,945</u>	<u>\$ 2,617,415</u>	<u>\$ 9,853,842</u>	<u>\$ 10,034,186</u>	<u>\$ (5,077,402)</u>	<u>\$ (13,254,022)</u>	<u>\$ 1,457,567</u>	<u>\$ 656,255</u>

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>HRA Property Tax Levy</u>	<u>Property Tax Increments</u>	<u>Hotel - Motel</u>	<u>Total Tax Revenue</u>
2000	\$ 834,917	\$15,423,517	\$ 220,000	\$16,478,434
2001	833,160	18,803,401	225,898	19,862,459
2002	775,151	9,947,611	220,000	10,942,762
2003	760,130	11,704,833	220,000	12,684,963
2004	777,961	13,123,174	220,000	14,121,135
2005	824,978	12,653,773	220,000	13,698,751
2006	920,206	13,796,155	220,000	14,936,361
2007	997,821	17,040,341	220,000	18,258,162
2008	1,157,506	16,595,459	-	17,752,965
2009	2,129,936	21,015,774	-	23,145,710
Change 2000-2009	155.1%	36.3%	-100.0%	40.5%

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

LEVY - PAYABLE	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Tax Capacity*										
Real Property*										247,182,526
Personal Property*										6,377,694
Fiscal Disparities*										25,238,471
Total Tax Capacity*	172,563,457	189,530,112	150,408,675	167,879,665	180,113,604	\$202,575,538	225,186,571	253,000,058	274,846,144	278,798,691
Taxable Market Value*	9,157,393,201	10,164,670,200	11,226,398,800	12,643,120,100	14,214,708,900	16,403,703,100	18,550,595,100	21,103,230,000	23,071,399,600	22,776,772,200
Tax Capacity Rate	0.4760%	0.4330%	0.5100%	0.4970%	0.4580%	0.4400%	0.4340%	0.4140%	0.4470%	0.8980%
State Law Maximum Levy Rate (% of Taxable Market Value)	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0185%
Maximum Tax Levy per State Law	\$ 1,318,665	\$ 1,463,713	\$ 1,616,601	\$ 1,820,609	\$ 2,046,918	\$ 2,362,133	\$ 2,671,286	\$ 3,038,865	\$ 3,322,282	\$ 4,213,703
Actual Tax Levy Certified	\$ 1,109,074	\$ 1,109,074	\$ 840,174	\$ 840,174	\$ 840,174	\$ 898,986	\$ 979,895	\$ 1,057,307	\$ 1,215,903	\$ 2,278,148
Actual Levy under Maximum	\$ 209,591	\$ 354,639	\$ 776,427	\$ 980,435	\$ 1,206,744	\$ 1,463,147	\$ 1,691,391	\$ 1,981,558	\$ 2,106,379	\$ 1,935,555
% of Actual Levy to Maximum	84.11%	75.77%	51.97%	46.15%	41.05%	38.06%	36.68%	34.79%	36.60%	54.07%

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

Data for Real Property, Personal Property, and Fiscal Disparities prior to 2009 is not available

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

HRA PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Taxes Levied for Current Fiscal Year	\$ 1,109,074	\$ 1,109,074	\$ 840,174	\$ 840,174	\$ 840,174	\$ 898,986	\$ 979,895	\$ 1,057,307	\$ 1,215,903	\$ 2,278,148
Collection of Current Year Tax Levy										
From Taxpayers	\$ 614,420	\$ 622,097	\$ 526,934	\$ 584,041	\$ 594,122	\$ 661,061	\$ 750,062	\$ 819,668	\$ 953,678	\$ 1,874,829
Fiscal Disparity Aid	\$ 210,574	\$ 202,879	\$ 234,526	\$ 170,273	\$ 171,938	\$ 160,358	\$ 157,181	\$ 169,430	\$ 183,574	\$ 223,759
State Credits and Aids	\$ 268,900	\$ 268,900	\$ 61,625	\$ 46,766	\$ 38,346	\$ 54,331	\$ 49,130	\$ 44,056	\$ 44,437	\$ 87,974
Total Collection of Current Levy	<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>	<u>\$ 1,033,154</u>	<u>\$ 1,181,689</u>	<u>\$ 2,186,562</u>
Percentage of Current Year Levy Collected in the Fiscal Year of Levy	98.63	98.63	97.97	95.35	95.74	97.42	97.60	97.72	97.19	95.98
Delinquent Taxes Collected in subsequent years										
1st Year Delinquent (1)	\$ 8,184	\$ 13,691	\$ 5,816	\$ 11,901	\$ 3,559	\$ 12,963	\$ 8,723	\$ 20,254	\$ 31,348	\$ -
Total Tax Collections as of 12/31/09	<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>\$ 965,096</u>	<u>\$ 1,053,408</u>	<u>\$ 1,213,037</u>	<u>\$ 2,186,562</u>
Percentage of Levy Collected as of 12/31/09	99.37	99.86	98.66	96.76	96.17	98.86	98.49	99.63	99.76	95.98

(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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

PROPERTY TAX INCREMENT LEVIES AND COLLECTIONS

Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
TOTAL - ALL TAX INCREMENT DISTRICTS										
Original Tax Capacity Before Development - All Tax Increment Districts	\$5,692,397	\$5,561,735	\$3,352,904	\$4,412,971	\$4,237,620	\$3,870,673	\$4,014,984	\$4,134,886	\$4,547,218	\$4,332,382
Current Tax Capacity - All Tax Increment Districts	\$20,026,721	\$24,294,312	\$16,636,079	\$19,068,276	\$20,620,510	\$21,631,284	\$20,474,630	\$25,130,439	\$29,852,423	\$30,308,177
Captured Tax Capacity Retained by HRA / Port Authority	\$14,363,837	\$18,732,577	\$13,291,072	\$14,655,305	\$16,382,890	\$17,770,799	\$18,233,706	\$22,973,236	\$27,910,718	\$25,975,795
Tax Increment Spread	\$20,346,267	\$24,806,993	\$16,867,927	\$18,409,185	\$19,671,336	\$19,580,530	\$19,733,859	\$23,710,560	\$28,448,140	\$27,268,157
Tax Increment Collected:										
Current	\$19,280,709	\$24,770,985	\$15,570,639	\$16,960,281	\$19,394,530	\$17,571,466	\$19,085,800	\$23,569,649	\$24,466,765	\$26,337,565
Delinquent	\$38,638	\$147,931	(\$215,849)	\$29,747	(\$1,212,024)	(\$623,121)	(\$56,558)	\$108,908	\$159,896	\$128,882
Developer Shortfall Payments	\$1,368,859	\$0	\$0	\$225,548	\$352,404	\$797,186	\$819,772	\$478,743	\$178,011	\$252,345
Homestead Credit	\$0	\$0	\$207,783	\$259,400	\$275,941	\$301,109	\$193,706	\$216,482	\$228,422	\$217,861
Total Tax Increment Collected	\$20,688,206	\$24,918,916	\$15,562,573	\$17,474,976	\$18,810,851	\$18,046,640	\$20,042,720	\$24,373,782	\$25,033,094	\$26,936,653
Percentage of Tax Increment Collected to Tax Increment Spread	101.68	100.45	92.26	94.93	95.63	92.17	101.57	102.80	88.00	98.78
Delinquent Tax Increment Receivable a December 31	\$925,779	\$1,368,838	\$1,342,025	\$1,353,961	\$1,195,199	\$510,678	\$221,683	\$455,265	\$399,845	\$746,588
Percentage of Delinquent Tax Increment Receivable to Tax Increment Spread	4.55	5.52	7.96	7.35	6.08	2.61	1.12	1.92	1.41	2.74
Percentage of Captured Tax Capacity to Saint Paul Total Tax Capacity	7.68	8.99	8.12	8.03	8.34	8.06	7.49	8.32	9.22	8.52

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

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

<u>Taxpayer</u>	<u>2009</u>			<u>2000</u>		
	<u>2008 Net Tax Capacity for Taxes Payable in 2009</u>	<u>Rank</u>	<u>Percentage of 2008 Total Net Tax Capacity for Taxes Payable in 2009</u>	<u>1999 Net Tax Capacity for Taxes Payable in 2000</u>	<u>Rank</u>	<u>Percentage of 1999 Total Net Tax Capacity for Taxes Payable in 2000</u>
Xcel Energy (Northern States Power Company)	\$5,076,576	1	1.82%	\$6,221,222	1	3.60%
Minnesota Mutual Life Insurance Company	2,754,790	2	0.99%	1,026,912	6	0.60%
St. Paul Tower LP (World Trade Center)	1,899,250	3	0.68%	-		-
Traveler's Insurance (St. Paul Companies)	1,620,560	4	0.58%	-		-
U.S. Bank Corp. Property & U.S. Bancorp	1,368,102	5	0.49%	-		-
Behringer Harvard LC LLC (Lawson Software)	1,299,250	6	0.47%	-		-
Ford Motor Company	1,104,510	7	0.40%	858,291.00	7	0.50%
CSM Corporation & Investors	1,047,456	8	0.37%	-		-
BNSF Railway Company	933,895	9	0.33%	698,027	10	0.40%
Griffin Capital LLC	885,250	10	0.31%	-		-
St. Paul Fire & Marine Insurance Company	-		-	2,262,330	2	1.31%
Principal Mutual Life Insurance Company	-		-	1,559,152	3	0.90%
Space Center Enterprises	-		-	1,286,011	4	0.75%
Vance Minnesota	-		-	1,086,501	5	0.63%
KB Fund III	-		-	850,768	8	0.49%
St. Paul Real Estate LLC	-		-	822,586	9	0.48%
	<u>\$17,989,639</u>		<u>6.44%</u>	<u>\$16,671,800</u>		<u>9.66%</u>

Data Source
 Ramsey County Department of Property Records and Revenue

unaudited

HRA PARKING FACILITY REVENUES**Last Eight Fiscal Years**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Block 7A Ramp								
Operating Revenues	\$ 827,468	\$ 846,913	\$ 845,775	\$ 879,184	\$ 889,550	\$ 942,753	\$ 1,015,628	\$ 993,836
Operating Expenses	\$ 624,894	\$ 555,265	\$ 492,466	\$ 493,758	\$ 456,309	\$ 494,551	\$ 480,518	\$ 508,861
Operating Income (Loss)	<u>\$ 202,574</u>	<u>\$ 291,648</u>	<u>\$ 353,309</u>	<u>\$ 385,426</u>	<u>\$ 433,241</u>	<u>\$ 448,202</u>	<u>\$ 535,110</u>	<u>\$ 484,975</u>
Seventh Street Ramp								
Operating Revenues	\$ 1,178,436	\$ 1,150,039	\$ 1,200,036	\$ 1,204,748	\$ 1,170,240	\$ 1,228,513	\$ 1,227,842	\$ 1,225,262
Operating Expenses	\$ 335,355	\$ 338,494	\$ 340,083	\$ 341,538	\$ 495,950	\$ 346,293	\$ 421,835	\$ 379,331
Operating Income (Loss)	<u>\$ 843,081</u>	<u>\$ 811,545</u>	<u>\$ 859,953</u>	<u>\$ 863,210</u>	<u>\$ 674,290</u>	<u>\$ 882,220</u>	<u>\$ 806,007</u>	<u>\$ 845,931</u>
Robert Street Ramp								
Operating Revenues	\$ 1,287,726	\$ 1,303,923	\$ 1,085,176	\$ 1,194,462	\$ 1,072,025	\$ 1,130,831	\$ 1,142,381	\$ 1,141,031
Operating Expenses	\$ 594,882	\$ 502,248	\$ 498,078	\$ 509,752	\$ 544,774	\$ 518,435	\$ 559,901	\$ 590,226
Operating Income (Loss)	<u>\$ 692,844</u>	<u>\$ 801,675</u>	<u>\$ 587,098</u>	<u>\$ 684,710</u>	<u>\$ 527,251</u>	<u>\$ 612,396</u>	<u>\$ 582,480</u>	<u>\$ 550,805</u>
Kellogg Street Ramp								
Operating Revenues	\$ 981,027	\$ 999,085	\$ 880,546	\$ 938,007	\$ 979,675	\$ 980,206	\$ 924,210	\$ 996,824
Operating Expenses	\$ 561,929	\$ 546,474	\$ 525,788	\$ 617,826	\$ 628,937	\$ 547,161	\$ 747,589	\$ 763,337
Operating Income (Loss)	<u>\$ 419,098</u>	<u>\$ 452,611</u>	<u>\$ 354,758</u>	<u>\$ 320,181</u>	<u>\$ 350,738</u>	<u>\$ 433,045</u>	<u>\$ 176,621</u>	<u>\$ 233,487</u>
Lowertown Ramp								
Operating Revenues	\$ 956,881	\$ 1,098,663	\$ 795,476	\$ 932,953	\$ 1,160,210	\$ 1,204,184	\$ 1,275,598	\$ 1,316,502
Operating Expenses	\$ 364,515	\$ 748,523	\$ 630,104	\$ 681,949	\$ 771,846	\$ 804,191	\$ 904,894	\$ 863,920
Operating Income (Loss)	<u>\$ 592,366</u>	<u>\$ 350,140</u>	<u>\$ 165,372</u>	<u>\$ 251,004</u>	<u>\$ 388,364</u>	<u>\$ 399,993</u>	<u>\$ 370,704</u>	<u>\$ 452,582</u>
Block 19 Ramp								
Operating Revenues	\$ -	\$ -	\$ 640,858	\$ 886,918	\$ 779,947	\$ 688,451	\$ 963,400	\$ 865,926
Operating Expenses	\$ -	\$ -	\$ 643,949	\$ 751,451	\$ 693,548	\$ 724,049	\$ 802,959	\$ 814,198
Operating Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,091)</u>	<u>\$ 135,467</u>	<u>\$ 86,399</u>	<u>\$ (35,598)</u>	<u>\$ 160,441</u>	<u>\$ 51,728</u>
Block 39 - Lawson Ramp								
Operating Revenues	\$ 2,699,185	\$ 2,520,730	\$ 2,794,316	\$ 2,772,537	\$ 3,300,934	\$ 2,841,018	\$ 3,088,511	\$ 2,753,776
Operating Expenses	\$ 1,347,305	\$ 1,215,727	\$ 1,414,944	\$ 1,376,249	\$ 1,474,826	\$ 1,443,988	\$ 1,745,391	\$ 1,675,320
Operating Income (Loss)	<u>\$ 1,351,880</u>	<u>\$ 1,305,003</u>	<u>\$ 1,379,372</u>	<u>\$ 1,396,288</u>	<u>\$ 1,826,108</u>	<u>\$ 1,397,030</u>	<u>\$ 1,343,120</u>	<u>\$ 1,078,456</u>
Spruce Tree Ramp								
Operating Revenues	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Operating Expenses	\$ 54,762	\$ 67,723	\$ 102,332	\$ 53,887	\$ 108,559	\$ 62,276	\$ 86,720	\$ 69,191
Operating Income (Loss)	<u>\$ (24,762)</u>	<u>\$ (37,723)</u>	<u>\$ (72,332)</u>	<u>\$ (23,887)</u>	<u>\$ (78,559)</u>	<u>\$ (32,276)</u>	<u>\$ (56,720)</u>	<u>\$ (39,191)</u>
Smith Avenue Transit Hub								
Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,410	\$ 824,582	\$ 774,855
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355,323	\$ 1,112,112	\$ 1,029,106
Operating Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,913)</u>	<u>\$ (287,530)</u>	<u>\$ (254,251)</u>
HRA Parking Lots / Miscellaneous								
Operating Revenues	\$ 416,404	\$ 696,898	\$ 1,583,565	\$ 1,427,237	\$ 1,417,302	\$ 1,354,530	\$ 1,287,538	\$ 1,106,731
Operating Expenses	\$ 407,008	\$ 859,358	\$ 1,620,082	\$ 1,099,204	\$ 1,694,448	\$ 1,423,675	\$ 1,393,512	\$ 1,116,330
Operating Income (Loss)	<u>\$ 9,396</u>	<u>\$ (162,460)</u>	<u>\$ (36,517)</u>	<u>\$ 328,033</u>	<u>\$ (277,146)</u>	<u>\$ (69,145)</u>	<u>\$ (105,974)</u>	<u>\$ (9,599)</u>
TOTAL PARKING FACILITIES								
Operating Revenues	\$ 8,377,127	\$ 8,646,251	\$ 9,855,748	\$ 10,266,046	\$ 10,799,883	\$ 10,691,896	\$ 11,779,690	\$ 11,204,743
Operating Expenses	\$ 4,290,650	\$ 4,833,812	\$ 6,267,826	\$ 5,925,614	\$ 6,869,197	\$ 6,719,942	\$ 8,255,431	\$ 7,809,820
Operating Income (Loss)	<u>\$ 4,086,477</u>	<u>\$ 3,812,439</u>	<u>\$ 3,587,922</u>	<u>\$ 4,340,432</u>	<u>\$ 3,930,686</u>	<u>\$ 3,971,954</u>	<u>\$ 3,524,259</u>	<u>\$ 3,394,923</u>

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Saint Paul HRA	Per Capita (1)	Percentage of Personal Income(2)
	Tax Increment Bonds	Sales Tax Bonds	Lease Revenue Bonds	Development Notes	Parking Revenue Bonds	Tax Increment Parking Bonds	Housing 5000 Land Assembly Bonds	Revenue Notes			
2000	\$52,958,000	\$50,240,000	\$ 19,015,000	\$17,533,206	\$27,670,000	\$40,000,000	\$ -	\$3,370,000	\$210,786,206	\$ 734.06	3.63%
2001	53,193,000	49,315,000	15,045,000	15,254,891	26,125,000	40,000,000	-	6,740,000	205,672,891	715.98	3.30%
2002	71,579,000	48,320,000	12,195,000	12,511,554	43,415,000	39,145,000	-	6,220,000	233,385,554	810.37	3.91%
2003	71,744,000	47,255,000	9,015,000	25,153,234	42,100,000	38,195,000	-	3,210,000	236,672,234	822.91	4.03%
2004	76,825,929	46,115,000	6,920,000	22,185,824	40,715,000	37,140,000	25,000,000	5,084,380	259,986,133	904.58	4.46%
2005	78,934,780	44,895,000	6,870,000	14,437,441	55,420,000	36,005,000	21,830,000	3,090,000	261,482,221	909.87	4.25%
2006	69,420,923	43,585,000	6,570,000	17,649,619	53,795,000	34,705,000	12,455,000	1,225,190	239,405,732	833.05	3.71%
2007	64,573,740	42,185,000	6,145,000	15,460,472	51,980,000	33,260,000	9,135,000	1,155,190	223,894,402	781.15	3.37%
2008	57,961,560	40,685,000	13,230,000	13,387,774	49,710,000	31,690,000	6,440,000	1,085,190	214,189,524	744.57	3.23%
2009	54,904,669	39,080,000	14,210,000	23,818,370	47,335,000	29,350,000	2,510,000	2,585,190	213,793,229	742.20	2.93%
% Change 2000-2009	3.68	(22.21)	(25.27)	35.85	71.07	(26.63)	(89.96)	(23.29)	1.43		

Notes:

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

(1) See the "Demographic and Economic Statistics" Table for population data. The 2009 ratio is calculated using population for the prior calendar year.

(2) See the "Demographic and Economic Statistics" Table for personal income data. The 2009 percentage is calculated using personal income for the prior calendar year.

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Totals
SPRUCE TREE CENTRE TAX INCREMENT BONDS, SERIES 1988A AND 2003											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ 506,661	\$ 530,406	\$ 332,493	\$ 335,790	\$ 325,416	\$ 296,044	\$ 283,041	\$ 290,730	\$ 334,855	\$ 375,697	\$ 3,611,133
Developer Shortfall Payments	-	-	-	124,908	115,300	115,300	112,400	92,229	51,195	15,155	626,487
Investment Earnings	47,896	22,246	7,912	18,383	28,038	24,322	52,669	90,639	85,645	58,277	436,027
Total Revenues Available for Debt Service	\$ 554,557	\$ 552,652	\$ 340,405	\$ 479,081	\$ 468,754	\$ 435,666	\$ 448,110	\$ 473,598	\$ 471,695	\$ 449,129	\$ 4,673,647
Debt Service Requirements											
Principal	\$ 125,000	\$ 125,000	\$ 150,000	\$ 175,000	\$ 140,058	\$ 149,162	\$ 158,857	\$ 169,183	\$ 180,180	\$ 191,891	\$ 1,564,331
Interest	303,516	291,797	278,906	135,938	122,850	113,746	104,051	93,725	82,728	71,016	1,598,273
Total Debt Service Requirements	\$ 428,516	\$ 416,797	\$ 428,906	\$ 310,938	\$ 262,908	\$ 262,908	\$ 262,908	\$ 262,908	\$ 262,908	\$ 262,907	\$ 3,162,604
Coverage (Revenues / Debt Service)	1.29	1.33	0.79	1.54	1.78	1.66	1.70	1.80	1.79	1.71	1.48
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	\$ 1,775,208	\$ 2,078,179	\$ 1,039,320	\$ 1,317,977	\$ 1,226,056	\$ 1,096,155	\$ 1,835,383	\$ 1,416,074	\$ 1,427,457	\$ 1,563,981	\$ 14,775,790
Developer Shortfall Payments	-	-	-	-	-	-	-	-	-	-	-
Investment Earnings	204,936	194,935	341,690	200,156	207,669	178,567	87,266	110,707	151,489	127,478	1,804,893
Bond Proceeds - Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-
Total Revenues Available for Debt Service	\$ 1,980,144	\$ 2,273,114	\$ 1,381,010	\$ 1,518,133	\$ 1,433,725	\$ 1,274,722	\$ 1,922,649	\$ 1,526,781	\$ 1,578,946	\$ 1,691,459	\$ 16,580,683
Debt Service Requirements											
Principal	\$ 160,000	\$ 175,000	\$ 190,000	\$ 200,000	\$ 220,000	\$ 235,000	\$ 350,000	\$ 355,000	\$ 370,000	\$ 380,000	\$ 2,635,000
Interest	505,733	492,791	478,553	463,095	446,240	392,424	232,142	218,742	203,780	187,463	3,620,963
Total Debt Service Requirements	\$ 665,733	\$ 667,791	\$ 668,553	\$ 663,095	\$ 666,240	\$ 627,424	\$ 582,142	\$ 573,742	\$ 573,780	\$ 567,463	\$ 6,255,963
Coverage (Revenues / Debt Service)	2.97	3.40	2.07	2.29	2.15	2.03	3.30	2.66	2.75	2.98	2.65
SALES TAX REVENUE BONDS, SERIES 1993 AND 1996											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
City Sales Tax Revenues	\$ 13,007,632	\$ 13,432,179	\$ 13,344,192	\$ 13,312,004	\$ 13,753,085	\$ 14,154,920	\$ 14,798,156	\$ 15,201,412	\$ 15,393,811	\$ 17,153,570	\$ 143,550,961
RiverCentre Revenues	-	-	-	-	-	-	-	-	-	-	-
Investment Earnings	158,621	85,348	33,685	18,495	22,509	61,737	109,608	122,831	47,160	(2,940)	657,054
Total Revenues Available for Debt Service	\$ 13,166,253	\$ 13,517,527	\$ 13,377,877	\$ 13,330,499	\$ 13,775,594	\$ 14,216,657	\$ 14,907,764	\$ 15,324,243	\$ 15,440,971	\$ 17,150,630	\$ 144,208,015
Debt Service Requirements											
Principal	\$ 865,000	\$ 925,000	\$ 995,000	\$ 1,065,000	\$ 1,140,000	\$ 1,220,000	\$ 1,310,000	\$ 1,400,000	\$ 1,500,000	\$ 1,605,000	\$ 12,025,000
Interest	3,628,455	3,567,040	3,501,365	3,430,720	3,355,105	3,274,165	3,187,545	3,094,535	2,995,135	2,888,635	32,922,700
Total Debt Service Requirements	\$ 4,493,455	\$ 4,492,040	\$ 4,496,365	\$ 4,495,720	\$ 4,495,105	\$ 4,494,165	\$ 4,497,545	\$ 4,494,535	\$ 4,495,135	\$ 4,493,635	\$ 44,947,700
Coverage (Revenues / Debt Service)	2.93	3.01	2.98	2.97	3.06	3.16	3.31	3.41	3.44	3.82	3.21

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Totals
DOWNTOWN TAX INCREMENT BONDS, SERIES 1993 AND 1998											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ 9,025,598	\$ 10,139,895	\$ 5,048,227	\$ 5,323,503	\$ 5,539,108	\$ 3,807,158	\$ 4,276,947	\$ 5,309,827	\$ 3,189,751	\$ -	\$ 51,660,014
Hotel-Motel Taxes	220,000	225,898	220,000	220,000	220,000	220,000	220,000	220,000	-	-	1,765,898
RiverCentre Revenues	660,000	-	125,000	100,000	100,000	100,000	100,000	100,000	200,000	-	1,485,000
N.O.C. Sales	-	-	-	-	-	-	-	12,871	-	-	12,871
Loan Repayments	-	-	-	-	-	273,047	2,026,344	-	-	-	2,299,391
Investment Earnings	151,020	181,171	291,471	74,065	82,602	60,326	105,094	292,631	148,288	-	1,386,668
Total Revenues Available for Debt Service	\$ 10,056,618	\$ 10,546,964	\$ 5,684,698	\$ 5,717,568	\$ 5,941,710	\$ 4,460,531	\$ 6,728,385	\$ 5,935,329	\$ 3,538,039	\$ -	\$ 58,609,842
Debt Service Requirements											
Principal	\$ 1,945,000	\$ 2,060,000	\$ 2,180,000	\$ 2,235,000	\$ 2,275,000	\$ 2,285,000	\$ 2,355,000	\$ 2,400,000	\$ 3,830,000	\$ -	\$ 21,565,000
Interest	1,294,498	1,184,996	1,064,791	933,871	797,635	657,314	512,803	363,052	223,775	-	7,032,735
Total Debt Service Requirements	\$ 3,239,498	\$ 3,244,996	\$ 3,244,791	\$ 3,168,871	\$ 3,072,635	\$ 2,942,314	\$ 2,867,803	\$ 2,763,052	\$ 4,053,775	\$ -	\$ 28,597,735
Coverage (Revenues / Debt Service)	3.10	3.25	1.75	1.80	1.93	1.52	2.35	2.15	0.87	N/A	2.05
RIVERCENTRE PARKING FACILITY LEASE REVENUE BONDS, SERIES 2000 & SERIES 2009											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Lease Payments from the City	\$ 200,000	\$ 400,000	\$ 400,000	\$ 415,000	\$ 415,000	\$ 415,000	\$ 657,928	\$ 758,559	\$ 835,943	\$ 1,098,963	\$ 5,596,393
Investment Earnings	92,538	128,124	36,339	43,200	43,229	40,630	36,129	11,728	5,022	27,744	464,683
Total Revenues Available for Debt Service	\$ 292,538	\$ 528,124	\$ 436,339	\$ 458,200	\$ 458,229	\$ 455,630	\$ 694,057	\$ 770,287	\$ 840,965	\$ 1,126,707	\$ 6,061,076
Debt Service Requirements											
Principal	\$ -	\$ 170,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 425,000	\$ 525,000	\$ 650,000	\$ 2,270,000
Interest	211,925	419,706	414,250	411,600	408,900	406,150	396,363	375,956	348,988	290,673	3,684,511
Total Debt Service Requirements	\$ 211,925	\$ 589,706	\$ 464,250	\$ 461,600	\$ 458,900	\$ 456,150	\$ 696,363	\$ 800,956	\$ 873,988	\$ 940,673	\$ 5,954,511
Coverage (Revenues / Debt Service)	1.38	0.90	0.94	0.99	1.00	1.00	1.00	0.96	0.96	1.20	1.02
RIVERFRONT TAX INCREMENT BONDS, SERIES 1993C, 1993D, 2000D, AND 2002C											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ 848,048	\$ 1,079,136	\$ 516,215	\$ 823,386	\$ 718,705	\$ 768,344	\$ 775,838	\$ 794,927	\$ 979,997	\$ 1,035,466	\$ 8,340,062
Tax Increment Pooling from Other Districts	201,843	304,808	396,916	364,000	610,335	571,150	576,714	520,420	368,455	319,165	4,233,806
Loan Repayments and Sales Proceeds	-	-	-	-	-	-	-	-	-	-	-
Transfer from Capital Projects Fund	-	-	-	-	309,845	2,798	1,399	-	-	-	314,042
Investment Earnings	114,825	(23,104)	(21,324)	(22,326)	(4,281)	161	7,096	11,242	1,890	(4,216)	59,963
Total Revenues Available for Debt Service	\$ 1,164,716	\$ 1,360,840	\$ 891,807	\$ 1,165,060	\$ 1,634,604	\$ 1,342,453	\$ 1,361,047	\$ 1,326,589	\$ 1,350,342	\$ 1,350,415	\$ 12,947,873
Debt Service Requirements											
Principal	\$ 625,000	\$ 650,000	\$ 635,000	\$ 790,000	\$ 845,000	\$ 865,000	\$ 925,000	\$ 970,000	\$ 1,035,000	\$ 1,095,000	\$ 8,435,000
Interest	705,300	732,392	544,930	467,266	432,982	395,347	354,335	309,934	262,028	210,591	4,415,105
Total Debt Service Requirements	\$ 1,330,300	\$ 1,382,392	\$ 1,179,930	\$ 1,257,266	\$ 1,277,982	\$ 1,260,347	\$ 1,279,335	\$ 1,279,934	\$ 1,297,028	\$ 1,305,591	\$ 12,850,105
Coverage (Revenues / Debt Service)	0.88	0.98	0.76	0.93	1.28	1.07	1.06	1.04	1.04	1.03	1.01

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Totals
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	\$ 993,054	\$ 1,175,602	\$ 1,223,585	\$ 5,654,220
Investment Earnings	-	47,154	133,570	145,265	67,457	16,281	44,179	42,039	15,594	10,052	521,591
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	\$ 1,035,093	\$ 1,191,196	\$ 1,233,637	\$ 8,817,417
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ 335,000	\$ 275,000	\$ 285,000	\$ 335,000	\$ 1,355,000
Interest	-	-	726,935	754,169	754,169	754,169	742,877	726,606	712,106	696,789	5,867,820
Total Debt Service Requirements	\$ -	\$ -	\$ 726,935	\$ 754,169	\$ 754,169	\$ 879,169	\$ 1,077,877	\$ 1,001,606	\$ 997,106	\$ 1,031,789	\$ 7,222,820
Coverage (Revenues / Debt Service)	NA	NA	0.18	0.19	0.55	1.02	1.00	1.03	1.19	1.20	1.22
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	\$ 345,683	\$ 204,589	\$ 189,048	\$ 1,703,108
Bond Proceeds - Capitalized Interest	-	-	-	125,000	156,300	-	-	-	-	-	281,300
Investment Earnings	-	60,219	68,320	5,889	13	742	1,047	2,679	2,989	143	142,041
Total Revenues Available for Debt Service	\$ -	\$ 60,219	\$ 79,249	\$ 347,938	\$ 248,320	\$ 214,397	\$ 431,195	\$ 348,362	\$ 207,578	\$ 189,191	\$ 2,126,449
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ 5,000	\$ 8,000	\$ 17,000	\$ 42,000	\$ 84,000	\$ 87,000	\$ 53,000	\$ 296,000
Interest	-	60,219	79,249	172,337	149,505	234,478	294,779	240,806	224,558	240,079	1,696,010
Total Debt Service Requirements	\$ -	\$ 60,219	\$ 79,249	\$ 177,337	\$ 157,505	\$ 251,478	\$ 336,779	\$ 324,806	\$ 311,558	\$ 293,079	\$ 1,992,010
Coverage (Revenues / Debt Service)	NA	1.00	1.00	1.96	1.58	0.85	1.28	1.07	0.67	0.65	1.07
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	\$ 1,049,372	\$ 1,281,447	\$ 1,609,155	\$ 4,741,758
Bond Proceeds - Capitalized Interest	-	-	4,537,870	-	-	-	-	-	-	-	4,537,870
Developer Shortfall Payments	-	-	-	-	-	-	498,044	696,192	687,476	517,590	2,399,302
Investment Earnings	-	-	322	298,905	341,621	126,908	200,503	112,409	73,086	38,818	1,192,572
Total Revenues Available for Debt Service	\$ -	\$ -	\$ 4,538,192	\$ 298,905	\$ 341,621	\$ 328,219	\$ 1,299,020	\$ 1,857,973	\$ 2,042,009	\$ 2,165,563	\$ 12,871,502
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 267,000	\$ 389,000	\$ 656,000
Interest	-	-	-	1,130,274	1,321,100	1,321,100	1,321,100	1,321,100	1,311,999	1,289,644	9,016,317
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ 1,130,274	\$ 1,321,100	\$ 1,321,100	\$ 1,321,100	\$ 1,321,100	\$ 1,578,999	\$ 1,678,644	\$ 9,672,317
Coverage (Revenues / Debt Service)	NA	NA	NA	0.26	0.26	0.25	0.98	1.41	1.29	1.29	1.33

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Totals
DRAKE MARBLE TAX INCREMENT BONDS, SERIES 2002											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ -	\$ -	\$ -	\$ 66,750	\$ 137,494	\$ 152,908	\$ 171,187	\$ 180,593	\$ 180,044	\$ 236,731	\$ 1,125,707
Investment Earnings	-	-	36,461	65,712	172	721	937	1,684	1,737	1,373	108,797
Total Revenues Available for Debt Service	\$ -	\$ -	\$ 36,461	\$ 132,462	\$ 137,666	\$ 153,629	\$ 172,124	\$ 182,277	\$ 181,781	\$ 238,104	\$ 1,234,504
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 33,000	\$ 36,000	\$ 38,000	\$ 74,000	\$ 236,000
Interest	-	-	-	95,175	121,500	121,500	117,788	114,953	113,130	109,890	793,936
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ 95,175	\$ 121,500	\$ 176,500	\$ 150,788	\$ 150,953	\$ 151,130	\$ 183,890	\$ 1,029,936
Coverage (Revenues / Debt Service)	NA	NA	NA	1.39	1.13	0.87	1.14	1.21	1.20	1.29	1.20
KOCH/MOBIL TAX INCREMENT BONDS, SERIES 2004C and 2007B											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,822	\$ 160,828	\$ 275,936	\$ 202,986	\$ 659,572
Developer Shortfall Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 237,190	\$ 237,190
Bond Proceeds - Capitalized Interest	-	-	-	-	266,625	-	-	-	-	-	266,625
Investment Earnings	-	-	-	-	-	1,601	4,485	2,845	4,589	8,114	21,634
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 266,625	\$ 1,601	\$ 24,307	\$ 163,673	\$ 280,525	\$ 448,290	\$ 1,185,021
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,950,000	\$ -	\$ -	\$ 3,950,000
Interest	-	-	-	-	44,437	88,875	88,875	127,207	165,538	165,538	680,470
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ 44,437	\$ 88,875	\$ 88,875	\$ 4,077,207	\$ 165,538	\$ 165,538	\$ 4,630,470
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	6.00	0.02	0.27	0.04	1.69	2.71	0.26
JJ HILL TAX INCREMENT BONDS, SERIES 2004											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,004	\$ 261,006	\$ 200,351	\$ 281,183	\$ 290,744	\$ 1,292,288
Bond Proceeds - Capitalized Interest	-	-	-	-	403,765	-	-	-	-	-	403,765
Investment Earnings	-	-	-	-	444	1,278	5,375	18,680	(11,069)	1,140	15,848
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 404,209	\$ 260,282	\$ 266,381	\$ 219,031	\$ 270,114	\$ 291,884	\$ 1,711,901
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000	\$ 40,000	\$ 54,000	\$ 112,000
Interest	-	-	-	-	-	172,198	228,750	228,750	227,063	224,406	1,081,167
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,198	\$ 228,750	\$ 246,750	\$ 267,063	\$ 278,406	\$ 1,193,167
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	NA	1.51	1.16	0.89	1.01	1.05	1.43

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Totals
NEIGHBORHOOD SCATTERED SITE TAX INCREMENT BONDS, SERIES 2005											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,061,105	\$ 1,554,684	\$ 1,869,289	\$ 2,170,482	\$ 2,352,017	\$ 9,007,577
Bond Proceeds - Capitalized Interest	-	-	-	-	-	751,500	-	-	-	-	751,500
Investment Earnings	-	-	-	-	-	19,750	33,180	123,020	139,301	166,523	481,774
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,832,355	\$ 1,587,864	\$ 1,992,309	\$ 2,309,783	\$ 2,518,540	\$ 10,240,851
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295,000	\$ 495,000	\$ 485,000	\$ 480,000	\$ 485,000	\$ 2,240,000
Interest	-	-	-	-	-	128,259	357,478	336,702	314,761	292,700	1,429,900
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,259	\$ 852,478	\$ 821,702	\$ 794,761	\$ 777,700	\$ 3,669,900
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	NA	4.33	1.86	2.42	2.91	3.24	2.79
JIMMY LEE RECREATION FACILITY LEASE BONDS, SERIES 2008											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments from the City	-	-	-	-	-	-	-	-	222,980	538,560	761,540
Investment Earnings	-	-	-	-	-	-	-	-	72,671	(7,622)	65,049
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295,651	\$ 530,938	\$ 826,589
Debt Service Requirements											
Principal	-	-	-	-	-	-	-	-	75,000	190,000	265,000
Interest	-	-	-	-	-	-	-	-	146,188	348,600	494,788
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,188	\$ 538,600	\$ 759,788
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	NA	NA	NA	NA	1.34	0.99	1.09
HOUSING 5000 LAND ASSEMBLY BONDS, SERIES 2004											
Fund Servicing Debt - HRA Loan Enterprise Fund											
Revenues Available for Debt Service											
Land Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,779,663	\$ 2,308,000	\$ -	\$ -	\$ -	\$ 6,087,663
Bond Proceeds - Capitalized Interest	-	-	-	-	2,387,200	-	-	-	-	-	2,387,200
Investment Earnings	-	-	-	-	120,529	641,722	874,360	741,206	314,168	5,594	2,697,579
Use of Bond Reserve Account	-	-	-	-	-	-	3,555,284	-	-	-	3,555,284
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 2,507,729	\$ 4,421,385	\$ 6,737,644	\$ 741,206	\$ 314,168	\$ 5,594	\$ 14,727,726
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,170,000	\$ 9,375,000	\$ 3,320,000	\$ 2,695,000	\$ 3,930,000	\$ 22,490,000
Interest	-	-	-	-	357,759	764,656	777,522	569,468	291,500	50,782	2,811,687
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ 357,759	\$ 3,934,656	\$ 10,152,522	\$ 3,889,468	\$ 2,986,500	\$ 3,980,782	\$ 25,301,687
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	7.01	1.12	0.66	0.19	0.11	0.00	0.58

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Totals
PARKING REVENUE BONDS, SERIES 1992A, 1995A, 1995B, 2001A, 2002A, 2002B, AND 2005A											
Fund Servicing Debt - HRA Parking Enterprise Fund											
Revenues Available for Debt Service											
Parking Facility Net Revenues	\$ 3,473,247	\$ 3,462,193	\$ 3,168,812	\$ 2,293,082	\$ 2,807,196	\$ 2,931,998	\$ 3,022,153	\$ 3,246,417	\$ 3,124,631	\$ 3,084,230	\$ 30,613,959
Parking Meter & Parking Fine Revenues	1,989,400	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	19,989,400
Bond Proceeds - Capitalized Interest	-	-	210,579	1,010,780	124,361	67,517	-	-	-	-	1,413,237
Total Revenues Available for Debt Service	<u>\$ 5,462,647</u>	<u>\$ 5,462,193</u>	<u>\$ 5,379,391</u>	<u>\$ 5,303,862</u>	<u>\$ 4,931,557</u>	<u>\$ 4,999,515</u>	<u>\$ 5,022,153</u>	<u>\$ 5,246,417</u>	<u>\$ 5,124,631</u>	<u>\$ 5,084,230</u>	<u>\$ 52,016,596</u>
Debt Service Requirements											
Principal	\$ 710,000	\$ 925,000	\$ 875,000	\$ 910,000	\$ 955,000	\$ 1,015,000	\$ 1,135,000	\$ 1,290,000	\$ 1,590,000	\$ 1,655,000	\$ 11,060,000
Interest	866,879	766,316	1,014,904	1,774,840	1,732,700	1,496,125	1,467,282	1,429,882	1,384,918	1,324,097	13,257,943
Total Debt Service Requirements	<u>\$ 1,576,879</u>	<u>\$ 1,691,316</u>	<u>\$ 1,889,904</u>	<u>\$ 2,684,840</u>	<u>\$ 2,687,700</u>	<u>\$ 2,511,125</u>	<u>\$ 2,602,282</u>	<u>\$ 2,719,882</u>	<u>\$ 2,974,918</u>	<u>\$ 2,979,097</u>	<u>\$ 24,317,943</u>
Coverage (Revenues / Debt Service)	3.46	3.23	2.85	1.98	1.83	1.99	1.93	1.93	1.72	1.71	2.14
PARKING REVENUE BONDS, SERIES 1997A											
Fund Servicing Debt - HRA Parking Enterprise Fund											
Revenues Available for Debt Service											
Ramp Lease Revenues	\$ 930,501	\$ 1,062,688	\$ 1,074,736	\$ 1,196,900	\$ 1,075,336	\$ 1,080,048	\$ 1,058,040	\$ 1,078,813	\$ 1,078,142	\$ 1,075,562	\$ 10,710,766
Investment Earnings	18,348	7,718	592	8,768	(3,235)	6,474	16,412	13,655	(1,480)	(3,993)	63,259
Bond Proceeds - Capitalized Interest	128,993	-	-	-	-	-	-	-	-	-	128,993
Total Revenues Available for Debt Service	<u>\$ 1,077,842</u>	<u>\$ 1,070,406</u>	<u>\$ 1,075,328</u>	<u>\$ 1,205,668</u>	<u>\$ 1,072,101</u>	<u>\$ 1,086,522</u>	<u>\$ 1,074,452</u>	<u>\$ 1,092,468</u>	<u>\$ 1,076,662</u>	<u>\$ 1,071,568</u>	<u>\$ 10,903,017</u>
Debt Service Requirements											
Principal	\$ 330,000	\$ 355,000	\$ 380,000	\$ 405,000	\$ 430,000	\$ 460,000	\$ 490,000	\$ 525,000	\$ 560,000	\$ 595,000	\$ 4,530,000
Interest	742,163	719,887	695,925	670,275	642,938	606,629	582,863	549,788	514,350	476,550	6,201,368
Total Debt Service Requirements	<u>\$ 1,072,163</u>	<u>\$ 1,074,887</u>	<u>\$ 1,075,925</u>	<u>\$ 1,075,275</u>	<u>\$ 1,072,938</u>	<u>\$ 1,066,629</u>	<u>\$ 1,072,863</u>	<u>\$ 1,074,788</u>	<u>\$ 1,074,350</u>	<u>\$ 1,071,550</u>	<u>\$ 10,731,368</u>
Coverage (Revenues / Debt Service)	1.01	1.00	1.00	1.12	1.00	1.02	1.00	1.02	1.00	1.00	1.02
BLOCK 39 TAX INCREMENT BONDS, SERIES 1998A, 1998B, 2009G & 2009H											
Fund Servicing Debt - HRA Parking Enterprise Fund											
Revenues Available for Debt Service											
Tax Increments	\$ -	\$ 1,753,832	\$ 1,195,454	\$ 1,203,263	\$ 982,602	\$ 687,327	\$ 689,844	\$ 889,488	\$ 1,067,054	\$ 1,159,081	\$ 9,627,945
Developer Shortfall Payments	1,368,859	-	-	100,640	237,104	681,886	707,372	386,514	126,816	-	3,609,191
Net Parking Revenues	1,373,474	1,907,913	1,910,988	1,865,629	1,940,275	1,957,191	2,387,011	1,958,727	1,929,248	1,640,037	18,870,493
Investment Earnings	134,468	106,898	207,513	74,901	199,881	112,108	97,039	261,767	138,493	37,016	1,370,084
Bond Proceeds - Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-
Total Revenues Available for Debt Service	<u>\$ 2,876,801</u>	<u>\$ 3,768,643</u>	<u>\$ 3,313,955</u>	<u>\$ 3,244,433</u>	<u>\$ 3,359,862</u>	<u>\$ 3,438,512</u>	<u>\$ 3,881,266</u>	<u>\$ 3,496,496</u>	<u>\$ 3,261,611</u>	<u>\$ 2,836,134</u>	<u>\$ 33,477,713</u>
Debt Service Requirements											
Principal	\$ -	\$ -	\$ 855,000	\$ 950,000	\$ 1,055,000	\$ 1,135,000	\$ 1,300,000	\$ 1,445,000	\$ 1,570,000	\$ 2,340,000	\$ 10,650,000
Interest	2,157,692	2,157,692	2,133,410	2,081,815	2,023,908	1,931,407	1,886,780	1,804,069	1,712,473	1,954,043	19,843,289
Total Debt Service Requirements	<u>\$ 2,157,692</u>	<u>\$ 2,157,692</u>	<u>\$ 2,988,410</u>	<u>\$ 3,031,815</u>	<u>\$ 3,078,908</u>	<u>\$ 3,066,407</u>	<u>\$ 3,186,780</u>	<u>\$ 3,249,069</u>	<u>\$ 3,282,473</u>	<u>\$ 4,294,043</u>	<u>\$ 30,493,289</u>
Coverage (Revenues / Debt Service)	1.33	1.75	1.11	1.07	1.09	1.12	1.22	1.08	0.99	0.66	1.10

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Totals
PARKING REVENUE BONDS (SMITH AVENUE TRANSIT CENTER), SERIES 2005											
Fund Servicing Debt - HRA Parking Enterprise Fund											
Revenues Available for Debt Service											
Parking & Transit Center Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,434	\$ 220,990	\$ 226,406	\$ 602,830
Investment Earnings	-	-	-	-	-	230,589	85,455	265,494	125,279	19,463	726,280
Bond Proceeds - Capitalized Interest	-	-	-	-	-	2,425,100	-	-	-	-	2,425,100
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,655,689	\$ 85,455	\$ 420,928	\$ 346,269	\$ 245,869	\$ 3,754,210
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ 125,000	\$ 245,000
Interest	-	-	-	-	-	349,160	619,200	619,200	619,200	614,525	2,821,285
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349,160	\$ 619,200	\$ 619,200	\$ 739,200	\$ 739,525	\$ 3,066,285
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	NA	7.61	0.14	0.68	0.47	0.33	1.22

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Personal Income (2)</u>	<u>Labor Force (3)</u>	<u>Unemployment Rate (3)</u>
2000	287,151	\$20,216	\$5,805,016,300	140,788	3.5%
2001	287,260	22,949	6,232,998,475	144,764	4.1%
2002	288,000	21,488	5,974,694,440	150,079	5.1%
2003	287,604	21,893	5,878,881,200	163,039	5.5%
2004	287,410	22,533	5,822,971,800	152,123	5.4%
2005	287,385	23,541	6,157,265,700	149,832	4.4%
2006	286,620	23,675	6,444,728,300	146,616	4.1%
2007	287,669	24,934	6,639,009,400	144,446	4.6%
2008	288,055	27,120	7,294,251,800	144,618	5.5%
2009	N/A	N/A	N/A	145,773	8.1%

- (1) 2001-2008 data based on Metropolitan Council estimates.
 2000 data provided by U.S. Census Bureau.
 2009 estimate not yet available from Metropolitan Council.
- (2) 2000-2008 data provided by U.S. Census Bureau's Annual American Community Survey.
 2009 data is not yet available.
- (3) Annual average - not seasonally adjusted.
 Data provided by Minnesota Department of Employment and Economic Development (DEED).

unaudited

City of Saint Paul, Minnesota
PRINCIPAL EMPLOYERS
 Current Year and Three Years Ago

<u>Employers</u>	2009			2006		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
State of Minnesota	13,500	1	7.77%	13,671	1	7.54%
Saint Paul Public Schools	5,403	2	3.11%	6,567	2	3.62%
U.S. Bancorp	4,700	3	2.71%	4,700	4	2.59%
Health Partners, Inc. / Regions Hospital	4,534	4	2.61%	4,000	6	2.21%
United States Federal Government	4,184	5	2.41%	-		-
Allina Health System / United Hospital	3,519	6	2.03%	3,300	9	1.82%
Health East Care System / St Joseph's Hospital	3,132	7	1.80%	5,080	3	2.80%
City of Saint Paul	2,982	8	1.72%	3,400	8	1.88%
Ramsey County	2,667	9	1.54%	3,770	7	2.08%
The Travelers Companies, Inc.	2,500	10	1.43%	-		-
Marsden Building Maintenance	-		-	4,000	5	2.21%
U.S. Postal Service	-		-	3,200	10	1.77%
Total	47,121		27.13%	51,688		28.52%

Data from nine years ago is not available. The Government Finance Officers Association (GFOA) recommends presenting data from the earliest year available, 2006

Sources: MN Department of Employment and Economic Development; Capital City Partnership.

unaudited

OPERATING INDICATORS
Last Eight Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
New and Substantially Rehabilitated Housing Units	1,632	1,278	1,331	1,130	428	355	10	100

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Unaudited

CAPITAL ASSET STATISTICS
Last Eight Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Number of Pedestrian Skyway Bridges	37	37	37	37	37	37	37	37
Depreciated Cost of Pedestrian Skyway Bridges	\$ 7,394,227	\$ 7,068,804	\$ 6,743,381	\$ 6,417,958	\$ 6,092,535	\$ 5,767,112	\$ 5,443,069	\$ 5,119,026
Number of Parking Ramps	7	7	8	8	8	9	9	9
Number of Parking Lots	11	11	11	11	11	11	8	8
Number of Parking Spaces	7,395	7,395	8,439	8,439	8,439	9,042	7,958	7,958
Depreciated Cost of Parking Ramps and Lots	\$69,867,298	\$68,541,993	\$84,258,336	\$81,977,271	\$79,718,115	\$ 105,863,097	\$ 101,652,375	\$ 99,337,412