

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

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2010

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, 2010**

**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, 2010

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

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CITY OF SAINT PAUL
Christopher B. Coleman, Mayor

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Saint Paul, MN 55102

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

June 24, 2011

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, 2010 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.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

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, 2010.

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 58,962 jobs from 2000 to 2010.¹ The Minneapolis-Saint Paul area is expected to gain 518,084 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 3rd lowest annual unemployment rate in 2010 (7.7%).⁴
- Saint Paul ranks 5th highest in median household income (\$46,026), 5th highest in median family income (\$58,742) and 6th highest in per capita income (\$25,587).⁵
- The median value of owner-occupied houses in Saint Paul is 6th highest compared to peer cities (\$206,200).⁶
- Saint Paul ranked 4th highest in percent of population over 25 years with a bachelor's degree (37.8%).⁷

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 2010 was on par with the Minnesota rate and below the U.S. rate of 9.6%.⁸ 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 (53,165 jobs in 2010; 30.7% of total). Other large super sectors include Public Administration (22,204 jobs; 12.8% of total), and Trade, Transportation and Utilities (19,090 jobs; 11.0% of total).⁹

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, 2010, 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 2009 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

⁶ 2009 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

⁷ 2009 American Community Survey, through the American Fact Finder, available at: <http://www.census.gov>

⁸ Minnesota Department of Employment and Economic Development, available at: <http://www.positivelyminnesota.com/aps/lmi/laus/Default.aspx>

⁹ Minnesota Department of Employment and Economic Development's Quarterly Census Employment and Wages (QCEW) tool, available at <http://www.positivelyminnesota.com/apps/lmi/qcew/AreaSel.aspx>

Similarly, tax base growth has been strong and sustained: From Pay 2003 to estimates for Pay 2010, Saint Paul's taxable market values have increased over 70% (from \$12,644 billion to \$21,510 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 \$15.2 million in 2010. In 2011, revenues were estimated to be the same as 2010.

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. The project is scheduled to be completed and operating in 2014.

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

Union Depot: Saint Paul's Union Depot began a \$243 million renovation to become a state-of-the-art transportation hub, linking high-speed rail, commuter trains, buses, bicycles, and pedestrians.

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.

Lofts at Farmer's Market: This a \$13 million 6 story, 58-unit market-rate rental apartment building with underground parking and first floor retail, scheduled to be ready for occupancy in January, 2012.

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 former Pedro Luggage outlet that occupied 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 floors.

Children's Hospital: In addition to building patient rooms in the United Hospital 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 Hospital 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 has completed a \$42 million expansion after outgrowing its current facility. The new 52,000 square-foot building is across the street from the hospital at 205 E. University Ave. The new building offers rehabilitation services and the Center for Gait and Motion, and 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.

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.

Renaissance Box: Built in 1915, this warehouse was originally a shoe factory. Nonprofit developer Aeon bought the now-vacant building and plans to convert it into 70 units of affordable rental units. Construction started last summer and is expected to be completed by summer 2011.

255 E. 6th St. 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.

Lafayette Bridge: Replacement of the bridge will begin in 2011. This \$200 million project will feature separate north and south bound bridges, and upgrades to existing road connections and bridges.

Neighborhoods

Schmidt Brewery: The vacant Schmidt Brewery will soon become affordable and market rate housing, plus 40,000 square feet of restaurant, retail and office space. The Bottle and Brew House building will be converted into 220 apartments, and the Rathskeller Building will be renovated.

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, construction is complete on 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 complete for a new Hmong market.

Payne-Phalen Partnership: Plans for a \$34 million integrated community campus is underway. 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.

Suite Living: Construction is expected to begin in 2011 on an \$8 million assisted-living center with 45 units in the first phase, and possibly 30 units in the second phase.

Southport Terminal: Between \$5 million and \$6 million is being spent on a new home for harbor operator Upper River Services. The St. 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.

Frogtown Square: Twenty years of determination by a quartet of neighborhood development corporations has paid off, and the \$9.7 million mixed-use plan is among the first Central Corridor-friendly changes to the University Avenue landscape. Construction is completed and 11,000-square-feet of first floor neighborhood retail space with underground parking beneath is already leased. Above the first floor are 50 low-income senior rental units.

Midway Shopping Center/Walgreens: Demolition is expected to start in 2011 on the building along Snelling Avenue that houses 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. 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, has been entirely privately financed. All 171 apartments are rented and complement Carleton Place Lofts, showing what some see as the future of University Avenue: 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 and possibly rental housing.

Ford Motor Co. Site: Officially, Ford is still planning to close its assembly plant in 2011 when Ranger pickup truck production ceases. 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: Construction is complete on the \$52 million Anderson Athletic and Recreation Complex. Construction continues on the \$66 million Anderson Student Center with completion targeted for the end of 2011.

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. Construction is beginning in 2011 and is expected to be completed in August, 2012.

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 St. 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.

Carondelet Village: Construction continues 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."

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. Demolition is now complete, with construction starting this summer.

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 remediated enough to enable the site to become a city park.

Hamernick Hills: major expansion has been completed on of a 50-year-old North End fixture, Hamernick's Decorating. The \$1.4 million office, showroom and warehouse across the street from its current operations, which will stay open, completed the "Hamernick Hill" campus vision. The project was aided by a \$150,000 city grant and a \$150,000 city loan.

Highland Park and Como Aquatic Centers: The existing Como aquatic center is being replaced by a \$7.5 million development including aquatic facilities, concession office, soccer complex, and parking. The existing Highland Park aquatic center is being renovated in a \$2.2 million facility upgrade.

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, 2009. This was the twenty-fifth 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.

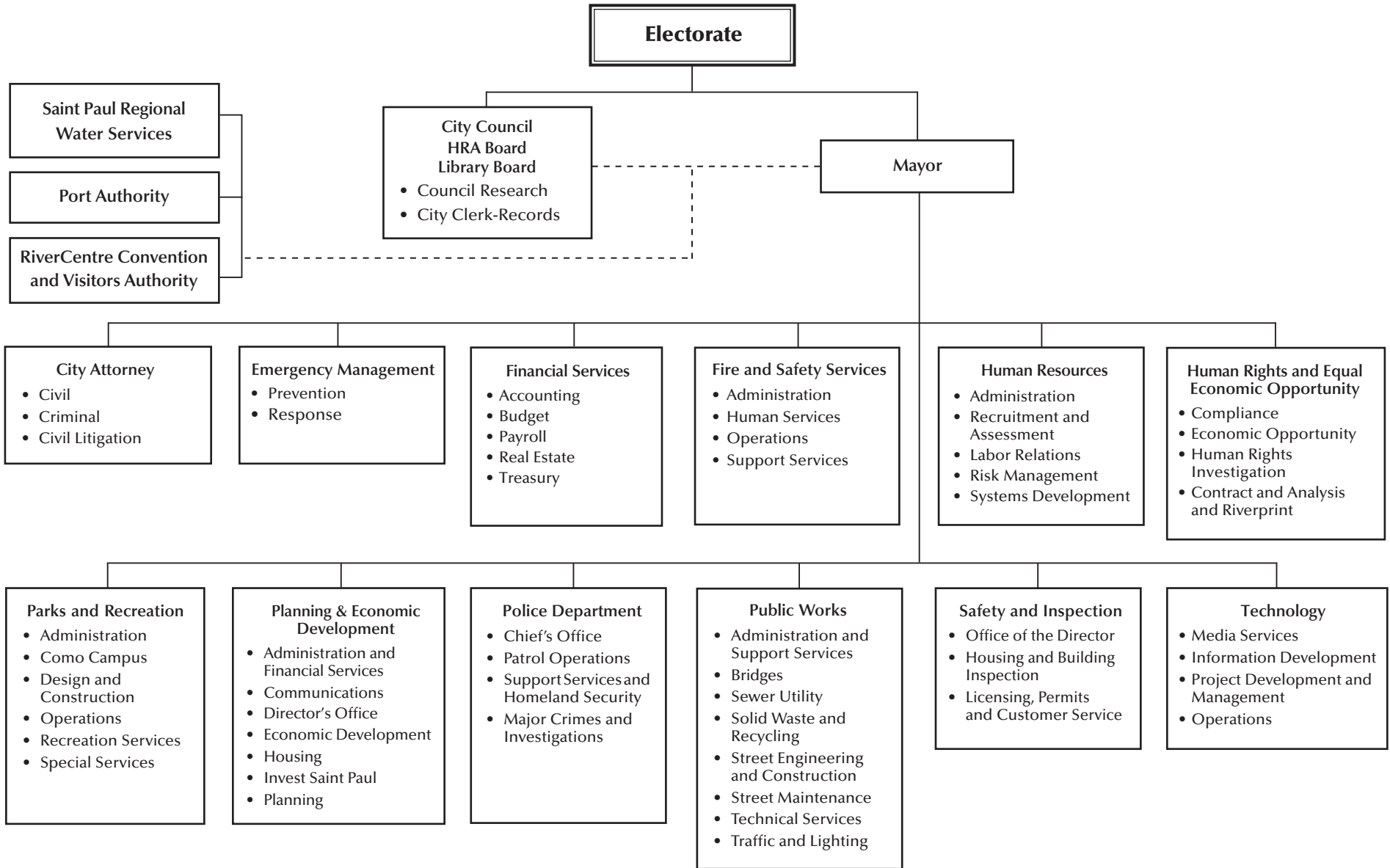
The preparation of this report was accomplished through the efficient and dedicated services of the City Department of Planning and Economic Development Accounting staff. The cooperation and assistance provided by the State Auditor's staff was very helpful and is greatly appreciated.

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, 2009

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



A stylized, handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

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1-800-627-3529 (Relay Service)

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, 2010, 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, 2010, 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In accordance with auditing standards generally accepted in the United States of America, we have applied certain limited procedures, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted 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 as a whole. The introductory section, the supplementary schedules, and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Except for the schedules on pages 98 to 101, this information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The schedules on pages 98 to 101 and the introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2011, 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, 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 24, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010

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, 2010. We encourage readers to consider the information presented here in conjunction with the financial statements which are found on pages 36-95.

Financial Highlights

- Total assets of the HRA exceeded total liabilities at the end of 2010 by \$41.2 million. Net assets increased by \$5.3 million during 2010. This net increase included an increase in business-type activity net assets by \$3.3 million and an increase in governmental activity net assets by \$2.0 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 \$16.4 million in unrestricted net assets at year-end 2010. 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 \$62.1 million. The unreserved, undesignated balance is \$14.0 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 \$26.9 million is reserved for future debt service on existing long-term debt.
- The total principal amount of long-term debt decreased during 2010 by \$5.2 million to a total of \$208.6 million, a 2.4% decrease from 2009. An amount of \$3.5 million was retired on the HUD Section 108 Notes in 2010. The new debts issued in 2010 were the Koch/Mobil Tax Increment Refunding Bonds of \$2,670,000, the Emerald Gardens Tax Increment Bonds of \$6,595,000, the Parking Refunding Bonds of \$36,955,000, and the Lofts at Farmers Market Limited Tax Bonds of \$7,855,000. Total interest expense on long-term debt in 2010 was \$13.3 million, a decrease of \$1.0 million from 2009.
- The assets of loans receivable and accrued interest on loans increased by \$10.0 million to a total of \$87.9 million at December 31, 2010. There was an overall decrease in the net loans receivable after subtracting the allowance for uncollectible loans and loan interest.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010

The allowance for uncollectible loans and interest, based on an analysis of credit risk and payment delinquency, is \$80.1 million at December 31, 2010, an increase of \$16.1 million over December 31, 2009.

- No new HRA administered tax increment financing districts were created in 2010. Total tax increment revenue for HRA Districts was \$22.2 million in 2010, a decrease of \$.1 million from 2009. The captured tax capacity of all Saint Paul tax increment financing districts is 8.67% of Saint Paul's total tax capacity. This represents an increase of 0.15 % from 2009.
- The major housing development initiative continued in 2010 with 96 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 36-38 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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010**

The HRA's business-type activities are:

- Development loan programs
- Parking operations

The *statement of net assets* presents information on all of the HRA's assets and liabilities at December 31, 2010, 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 2010. 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 40-44 and pages 46-50 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, 2010

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 2010 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 51-95 of this report.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010

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 2010 with 2009 at December 31.

Saint Paul HRA's Assets, Liabilities and Net Assets
At December 31, 2010 and 2009

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	12/31/2010	12/31/2009	12/31/2010	12/31/2009	12/31/2010	12/31/2009	2010-2009
Assets							
Cash and Investments	\$72,151,643	\$75,531,433	\$27,752,577	\$24,252,720	\$99,904,220	\$99,784,153	0.1%
Other Current Assets	(3,508,781)	(1,930,907)	5,828,814	6,490,293	2,320,033	4,559,386	-49.1%
Land Held For Resale	3,840,043	2,696,674	13,633,752	13,633,752	17,473,795	16,330,426	7.0%
Loans Receivable	4,478,553	8,154,326	3,364,890	5,767,007	7,843,443	13,921,333	-43.7%
Leases Receivable	13,650,000	14,210,000	--	--	13,650,000	14,210,000	-3.9%
Capital Assets	20,488,147	21,140,438	101,599,371	101,960,282	122,087,518	123,100,720	-0.8%
Other Non-Current Assets	3,010,262	1,724,897	2,950,224	1,724,339	5,960,486	3,449,236	72.8%
Total Assets	114,109,867	121,526,861	155,129,628	153,828,393	269,239,495	275,355,254	-2.2%
Liabilities							
Current Liabilities	9,836,874	15,103,376	7,292,710	8,272,671	17,129,584	23,376,047	-26.7%
Long-Term Debt	131,979,379	136,120,830	78,923,417	79,946,436	210,902,796	216,067,266	-2.4%
Total Liabilities	141,816,253	151,224,206	86,216,127	88,219,107	228,032,380	239,443,313	-4.8%
Net Assets							
Invested in Capital Assets, Net of Related Debt	9,888,295	10,540,586	28,360,228	23,496,206	38,248,523	34,036,792	12.4%
Restricted for Debt Service	5,548,931	5,266,362	6,682,061	8,135,651	12,230,992	13,402,013	-8.7%
Restricted for Construction	--	--	6,445,668	--	6,445,668	--	100.0%
Restricted for Bond Operations and Maintenance	--	--	659,160	628,337	659,160	628,337	4.9%
Unrestricted (Deficit)	(43,143,612)	(45,504,293)	26,766,384	33,349,092	(16,377,228)	(12,155,201)	-34.7%
Total Net Assets	(\$27,706,386)	(\$29,697,345)	\$68,913,501	\$65,609,286	\$41,207,115	\$35,911,941	14.7%

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010

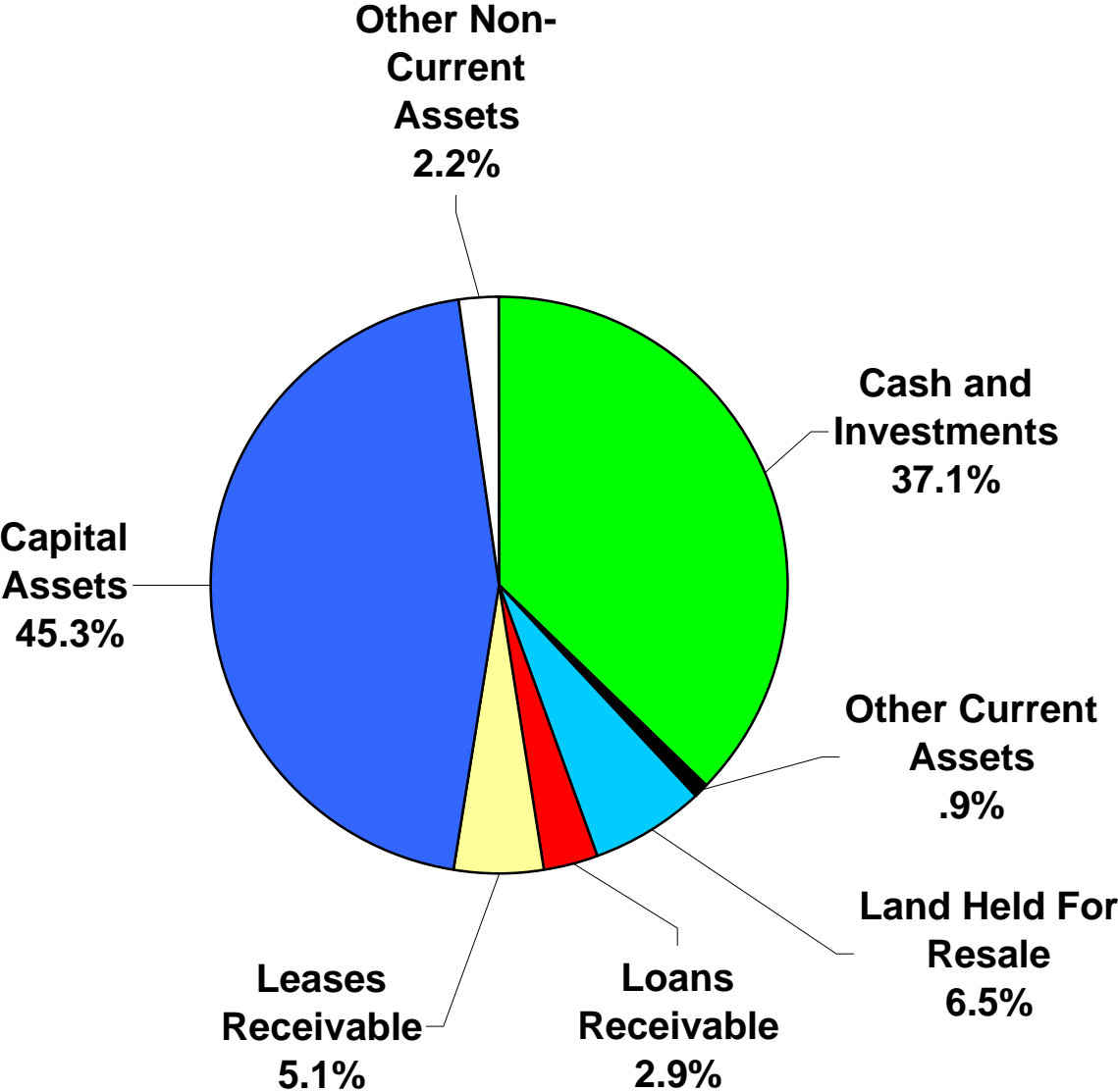
Total assets of the HRA exceeded total liabilities resulting in an overall surplus of \$41.2 million at December 31, 2010. Net assets of the business-type activities are \$68.9 million at December 31, 2010. However, governmental activity net assets are in a deficit position of \$27.7 million. In governmental 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 \$26.8 million at December 31, 2010. 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 decreased by 2.2%, to a total of \$269.2 million at year-end. Cash and investment balances increased by 0.1% in 2010. Land held for resale increased with the acquisition of some land in 2010. The net asset for loans less their allowance decreased in 2010 by 43.7%. Capital assets decreased during 2010 by 0.8%.

The HRA's long-term debt, at \$210.9 million is 92.5% of its total liabilities. The outstanding balance of long-term debt decreased by 2.4% during 2010. 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, that were issued to finance the construction of HRA owned parking ramps, and the 2010 issued Lofts at Farmers Market Limited Tax Bonds.

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2010 Assets



MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010

Changes in Net Assets. The following chart shows the changes in net assets during 2010 and compares this with 2009.

Saint Paul HRA's Changes in Net Assets
For the Fiscal Years Ended December 31, 2010 and 2009

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2010	2009	2010	2009	2010	2009	2010-2009
<u>Revenues</u>							
Program Revenues:							
Charges for Services	\$5,104,319	\$1,715,578	\$11,898,783	\$12,953,132	\$17,003,102	\$14,668,710	15.9 %
Operating Grants and Contributions	37,531,003	20,874,019	317,340	1,352,810	37,848,343	22,226,829	70.3 %
Capital Grants and Contributions	27,711	271,305	534,591	--	562,302	271,305	107.3 %
General Revenues:							
Property Taxes	23,975,006	23,326,600	1,258,761	1,178,925	25,233,767	24,505,525	3.0 %
Other Taxes and Unrestricted Grants	354,395	305,835	--	--	354,395	305,835	15.9 %
Investment Income	1,062,612	1,340,151	305,311	99,135	1,367,923	1,439,286	-5.0 %
Total Revenues	68,055,046	47,833,488	14,314,786	15,584,002	82,369,832	63,417,490	29.9 %
<u>Expenses</u>							
Housing and Economic Development	53,868,777	30,430,746	--	--	53,868,777	30,430,746	77.0 %
Interest on Govt Activity Long-Term Debt	10,132,800	10,264,402	--	--	10,132,800	10,264,402	-1.3 %
Development Loan Programs	--	--	1,462,546	5,194,227	1,462,546	5,194,227	-71.8 %
Parking Operations	--	--	11,610,535	11,864,859	11,610,535	11,864,859	-2.1 %
Total Expenses	64,001,577	40,695,148	13,073,081	17,059,086	77,074,658	57,754,234	33.5 %
Excess (Deficiency) before Transfers	4,053,469	7,138,340	1,241,705	(1,475,084)	5,295,174	5,663,256	
Transfers	(2,062,510)	(2,131,339)	2,062,510	2,131,339	--	--	
Change in Net Assets	1,990,959	5,007,001	3,304,215	656,255	5,295,174	5,663,256	
Net Assets, January 1	(29,697,345)	(34,704,346)	65,609,286	64,953,031	35,911,941	30,248,685	
Net Assets, December 31	(\$27,706,386)	(\$29,697,345)	\$68,913,501	\$65,609,286	\$41,207,115	\$35,911,941	

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010

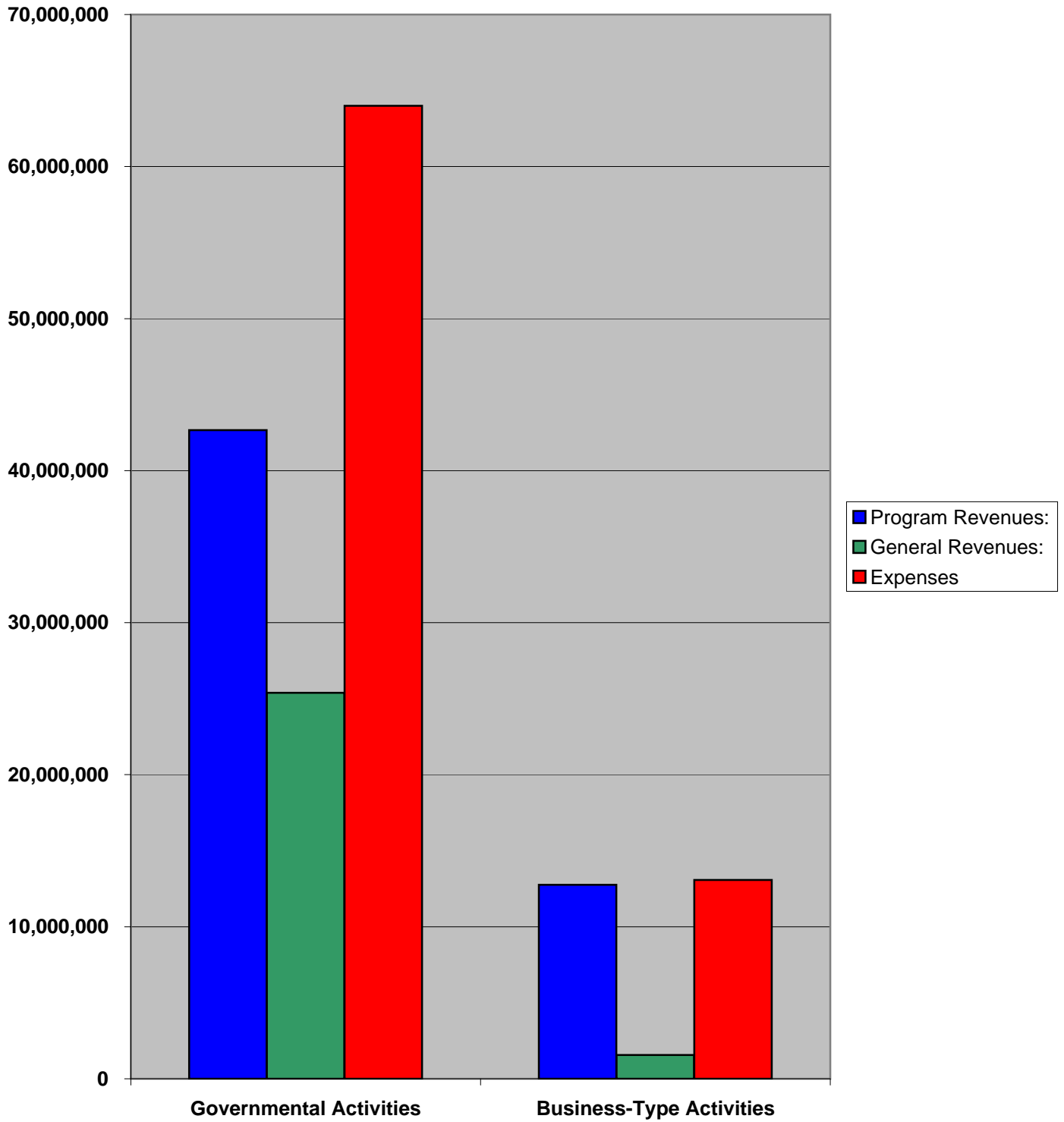
Total revenues of the HRA increased by 29.9% in 2010, while total expenses increased by 33.5%, resulting in an increase in net assets in 2010 of \$5.3 million.

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 2.8% with most of the increase being in tax increment revenue. Operating grants and contributions increased by 79.8% in 2010. The largest increase in these grants and contributions was in grants and direct appropriations received for tax credit assistance and exchange. Housing and Economic Development expenses increased in 2010 from 2009 by \$23.4 million, or 77.0%. The largest increase in these expenses was for the expenditure of funds from the Federal and State Programs Special Revenue Fund for tax credit assistance and exchange. Interest on governmental activity long-term debt decreased in 2010 by 1.3% from 2009, primarily due to decreased outstanding debt.

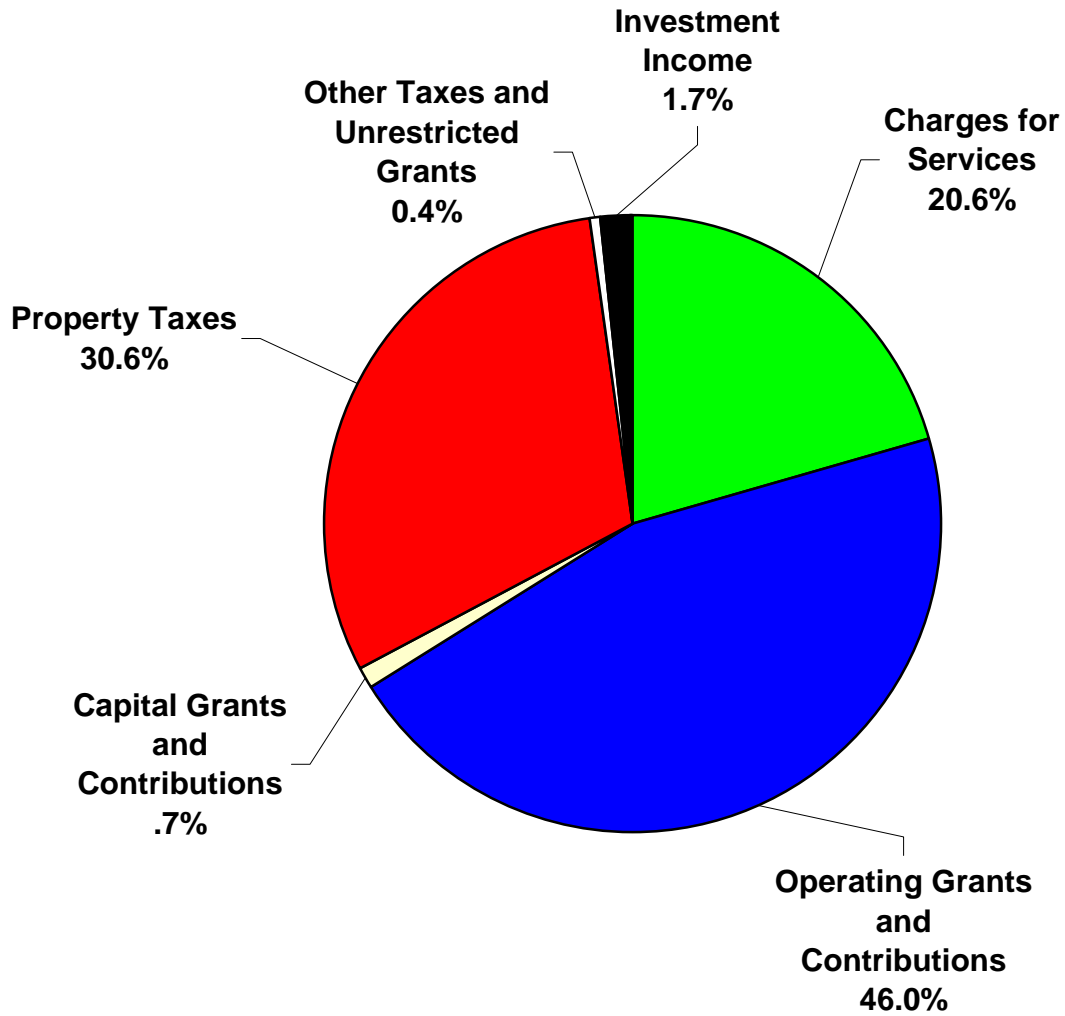
Charges for service revenue in business-type activities in 2010 decreased by 8.1%. Operating grants and contributions decreased by \$1.0 million. Total business-type activities expenses decreased in 2010 - \$4.0 million or 23.4%. The major reason for this decrease in expenses was the reduction in issuance of large development loans from 2009 with credit risk ratings of "loss" and "forgivable" which resulted in large loss allowance expenses in 2009. Parking operation expenses decreased by 2.1% in 2010.

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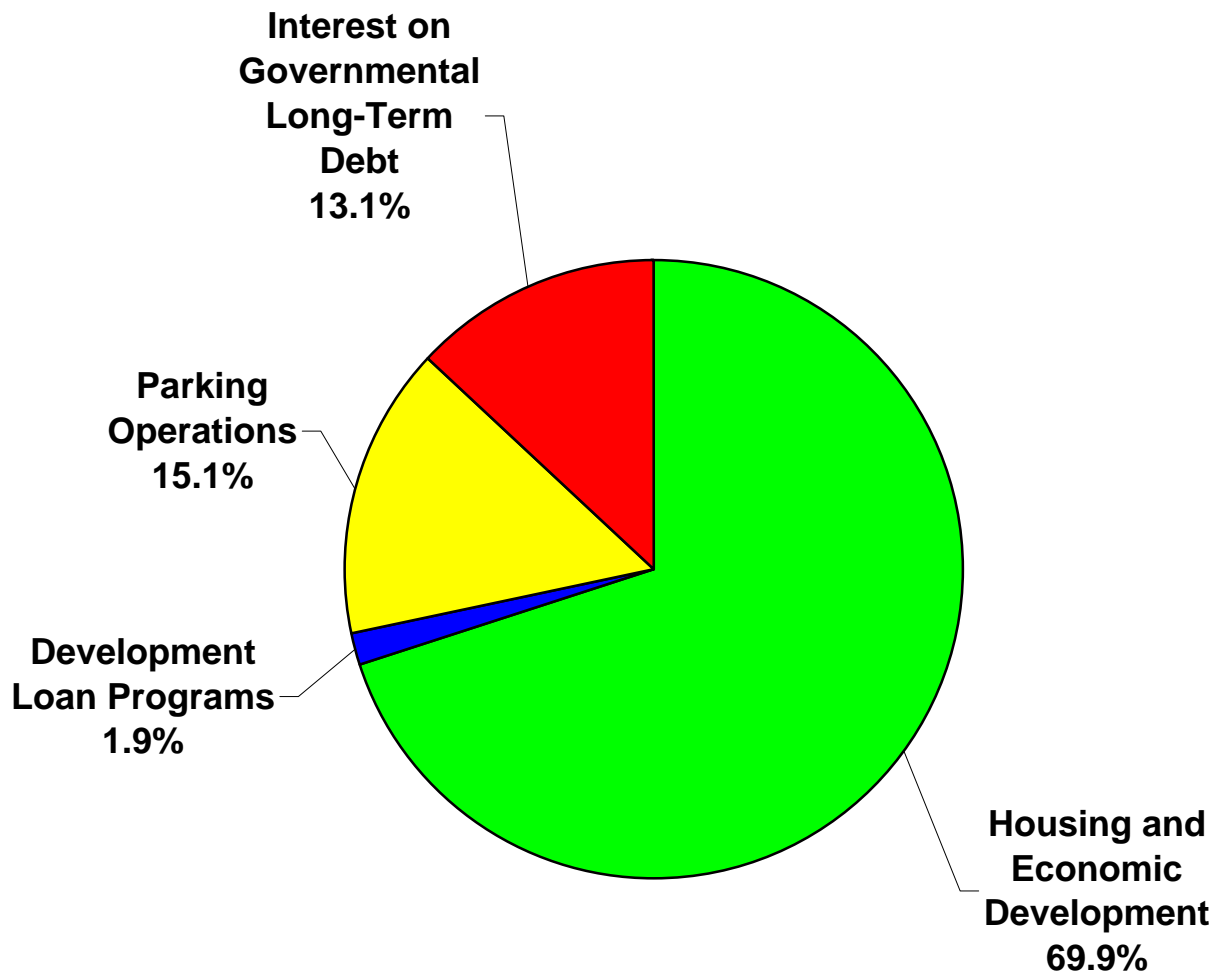
2010 Revenue and Expenses



2010 Revenues by Source



2010 Expenses by Function



MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010

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, 2010, the HRA's governmental funds reported total fund balances of \$62.1 million. Approximately 51.1% 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 (\$26.9 million). Unreserved balances total \$30.4 million. Of the total unreserved fund balances, \$6.9 million has been designated in the HRA Tax Increment Capital Projects Fund for unspent balances of previously budgeted projects, primarily in the HRA administered tax increment financing districts, and \$13.4 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 2010 by \$.5 million to a total of \$9.9 million at December 31, 2010 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 2010, the Special Revenue Fund received \$20.8 million in revenues, of which \$17.3 million were grant revenues from other governments.

The HRA Debt Service Fund accumulates resources and pays debt service for the HRA's debt that is not financed by the two enterprise funds. Debt service on the bonds is financed by property tax increments, City sales taxes, lease payments from the City, and investment earnings. At December 31, 2010, the fund balance is \$27.1 million, which is entirely reserved for future debt service. Total debt spending during 2010 was \$16.3 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010

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. \$6.9 million of the total fund balance at December 31, 2010, is designated for unspent balances of previously approved projects. Total 2010 spending from this Fund was \$14.4 million. Projects with the largest 2010 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 \$16.1 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: (1) loans issued and related servicing for various housing and economic development programs and projects, and (2) the Lofts at Farmers Market, a market rate rental project. The Fund has unrestricted net assets totaling \$17.3 million at December 31, 2010. The assets of the Fund include loans receivable and accrued interest on these loans which are reported at \$3.4 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 \$12.1 million at December 31, 2010. The Fund had an overall increase in net assets of \$1.8 million for 2010.

The HRA Parking Enterprise Fund accounts for the operation of HRA owned parking facilities in Saint Paul. The Fund has unrestricted net assets of \$9.5 million at December 31, 2010. Assets in the Fund include capital assets for parking facilities reported at the depreciated amount of \$100.2 million. Long-term debt used for financing the construction of the parking facilities is \$70.8 million in principal outstanding at December 31, 2010. The Fund had operating income of \$3.1 million during 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010

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 2010 spending was 36.2% lower than the final spending budget. Actual revenues were 3.2% higher than the final financing budget. The major positive revenue variance was in conduit revenue bond fees.

Long-Term Debt

At December 31, 2010 the HRA had total long-term debt outstanding of \$208.6 million as shown in the following chart.

Saint Paul HRA's Long-Term Debt
At December 31, 2010 and 2009

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2010	2009	2010	2009	2010	2009	2010-2009
Tax Increment Bonds	\$57,026,305	\$54,904,669	\$ --	\$ --	\$57,026,305	\$54,904,669	3.9%
Sales Tax Revenue Bonds	37,360,000	39,080,000	--	--	37,360,000	39,080,000	-4.4%
Lease Revenue Bonds	13,655,000	14,210,000	--	--	13,655,000	14,210,000	-3.9%
Parking Revenue Bonds	--	--	42,785,000	31,600,000	42,785,000	31,600,000	35.4%
Tax Increment – Parking Bonds	--	--	28,055,000	29,350,000	28,055,000	29,350,000	-4.4%
Parking Bonds (Smith Avenue Transit Center)	--	--	--	15,735,000	--	15,735,000	-100.0%
Housing 5000 Land Assembly Bonds	--	--	--	2,510,000	--	2,510,000	-100.0%
Limited Tax Bonds	--	--	7,855,000	--	7,855,000	--	100.0%
Parking Revenue Notes	--	--	--	810,000	--	810,000	-100.0%
Development Notes	20,113,997	23,818,370	1,775,190	1,775,190	21,889,187	25,593,560	-14.5%
Totals	\$128,155,302	\$132,013,039	\$80,470,190	\$81,780,190	\$208,625,492	\$213,793,229	-2.4%

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010

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 \$36.5 million outstanding at year-end 2010. 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 \$3 million collected annually in parking meter and parking fine revenues.

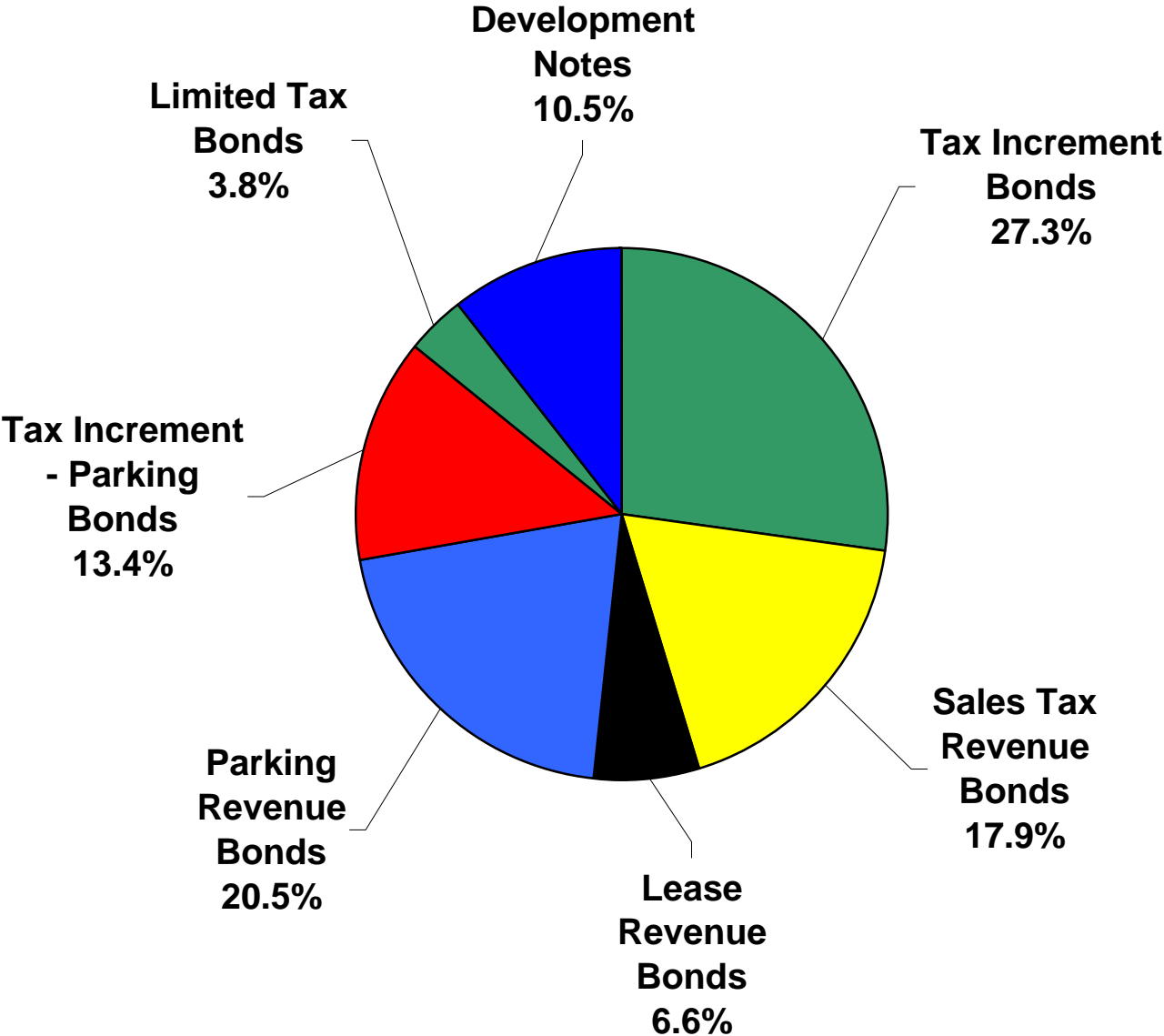
During 2010, the HRA issued \$54.1 million in long-term debt. The Koch/Mobil Tax Increment Refunding Bonds, Series 2010A, were issued in the amount of \$2,670,000, and, along with HRA funds, refunded the Series 2007 Bonds. The Emerald Gardens Tax-Exempt Tax Increment Bonds, Series 2010 were issued in the amount of \$6,595,000 to provide funds for developer debt rescheduling. The Parking Revenue Refunding Bonds, Series 2010A and 2010B were issued in the amounts of \$24,135,000 and \$12,820,000, respectively, to refund the Parking Revenue Bonds, Series 2001A, 2002A, 2002B, 2005A, the RiverCentre Exhibit Hall Parking Ramp Notes, and the Smith Avenue Transit Center Bonds, Series 2005. The Lofts at Farmers Market Limited Tax Bonds, Series 2010A and 2010B were issued in the amounts of \$7,170,000 and \$685,000, respectively, to finance the construction of the Lofts facility.

All 2010 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 78-85 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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2010 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, 2010**

Capital Assets

The HRA's investment in capital assets for its governmental and business-type activities as of December 31, 2010 is \$122.1 million (net of accumulated depreciation) as shown in the following chart.

**Saint Paul HRA's Capital Assets
(Net of Depreciation)
At December 31, 2010 and 2009**

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2010	2009	2010	2009	2010	2009	2010-2009
Land (Not Depreciated)	\$3,042,169	\$3,042,169	\$29,868,752	\$28,921,408	\$32,910,921	\$31,963,577	3.0%
Buildings	12,650,994	12,979,243	1,641,118	1,693,827	14,292,112	14,673,070	-2.6%
Equipment	--	--	1,519,558	929,043	1,519,558	929,043	63.6%
Parking Ramps	--	--	68,129,247	70,416,004	68,129,247	70,416,004	-3.2%
Pedestrian Skyway Bridges	4,794,984	5,119,026	--	--	4,794,984	5,119,026	-6.3%
Construction In Progress (Not Depreciated)	--	--	440,696	--	440,696	--	100.0%
Totals	\$20,488,147	\$21,140,438	\$101,599,371	\$101,960,282	\$122,087,518	\$123,100,720	-0.8%

Construction was started in 2010 on the Lofts at Farmers Market project.

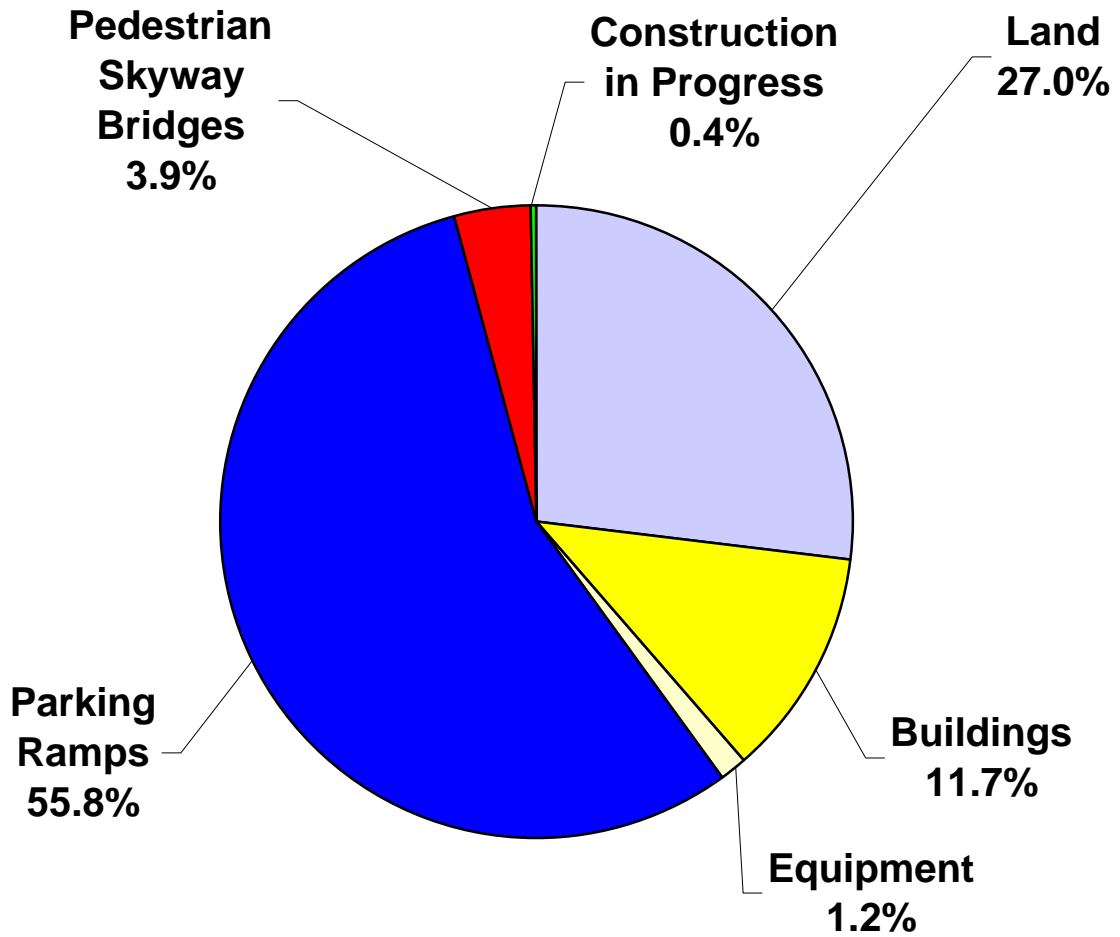
Total depreciation expense for governmental and business-type activities during 2010 was \$3.5 million.

Additional information on the HRA's capital assets can be found in Note 5.E. on pages 77-78 of this report.

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(Continued)

2010 Capital Assets



MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended December 31, 2010

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, 2010

(Amounts in dollars)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Investments with Treasurer	61,546,308	11,236,217	72,782,525
Cash with Fiscal Agents	-	800,082	800,082
Cash and Investments with Trustees	10,605,335	765,405	11,370,740
Accounts Receivable (Net of Allowance)	46,564	428,677	475,241
Property Taxes Receivable - Due from Ramsey County	887,453	-	887,453
Delinquent Property Taxes Receivable (Net of Allowance)	394,203	96,971	491,174
Delinquent Assessments Receivable (Net of Allowance)	-	933	933
Accrued Interest Receivable on Investments	265,012	65,570	330,582
Internal Balances	(5,224,663)	5,224,663	-
Due from Other Governmental Units	122,650	-	122,650
Land Held for Resale	3,840,043	13,633,752	17,473,795
Material Held for Resale	-	12,000	12,000
Restricted Assets:			
Cash for Revenue Bond Debt Service	-	2,585,013	2,585,013
Cash for General Obligation Bond Debt Service	-	4,691,246	4,691,246
Cash for Revenue Bond Operations and Maintenance	-	409,160	409,160
Cash for Limited Tax Bond Debt Service	-	569,786	569,786
Cash for Limited Tax Bond Construction	-	6,445,668	6,445,668
Cash for Limited Tax Bond Operations and Maintenance	-	250,000	250,000
Direct Financing Leases Receivable	13,650,000	-	13,650,000
Loans Receivable (Net of Allowance)	4,370,088	2,688,660	7,058,748
Accrued Interest Receivable on Loans (Net of Allowance)	108,465	676,230	784,695
Advance to Other Government Units	1,612,191	860,000	2,472,191
Deferred Charges	1,398,071	2,090,224	3,488,295
Capital Assets, Net of Related Depreciation:			
Land (Not Depreciated)	3,042,169	29,868,752	32,910,921
Construction In Progress (Not Depreciated)	-	440,696	440,696
Buildings	12,650,994	1,641,118	14,292,112
Equipment	-	1,519,558	1,519,558
Parking Ramps	-	68,129,247	68,129,247
Pedestrian Skyway Bridges	4,794,984	-	4,794,984
TOTAL ASSETS	<u>114,109,867</u>	<u>155,129,628</u>	<u>269,239,495</u>

Continued

STATEMENT OF NET ASSETS

At December 31, 2010

(Amounts in dollars)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>LIABILITIES</u>			
Accounts Payable	273,875	880,251	1,154,126
Contracts Payable	735,115	104,383	839,498
Due to Other Governmental Units	1,802,846	2,607,507	4,410,353
Accrued Interest Payable on Long-Term Debt	1,952,769	1,149,092	3,101,861
Unearned Revenue	5,072,269	-	5,072,269
Liabilities Payable from Restricted Assets:			
Accrued Interest on Bonds Payable	-	14,892	14,892
Revenue Bonds Payable	-	2,536,585	2,536,585
Long-Term Liabilities:			
Revenue Bonds Payable - Due within One Year	5,934,648	3,125,000	9,059,648
Revenue Notes Payable - Due within One Year	398,129	195,190	593,319
Revenue Bonds Payable - Due in more than One Year	102,309,851	66,168,227	168,478,078
Limited Tax Bonds Payable - Due in more than One Year	-	7,855,000	7,855,000
Notes Payable - Due in more than One Year	19,715,868	1,580,000	21,295,868
Pollution Remediation Obligation	3,620,883	-	3,620,883
TOTAL LIABILITIES	<u>141,816,253</u>	<u>86,216,127</u>	<u>228,032,380</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	9,888,295	28,360,228	38,248,523
Restricted for Debt Service	5,548,931	6,682,061	12,230,992
Restricted for Construction	-	6,445,668	6,445,668
Restricted for Operations and Maintenance	-	659,160	659,160
Unrestricted (Deficit)	<u>(43,143,612)</u>	<u>26,766,384</u>	<u>(16,377,228)</u>
TOTAL NET ASSETS (DEFICIT)	<u>(27,706,386)</u>	<u>68,913,501</u>	<u>41,207,115</u>

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended December 31, 2010

(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	53,868,777	5,104,319	37,531,003	27,711	(11,205,744)	-	(11,205,744)
Interest on Governmental Long-Term Debt	10,132,800	-	-	-	(10,132,800)	-	(10,132,800)
Total - Governmental Activities	64,001,577	5,104,319	37,531,003	27,711	(21,338,544)	-	(21,338,544)
Business-type Activities:							
Development Loan Programs	1,462,546	504,286	317,340	534,591	-	(106,329)	(106,329)
Parking Operations	11,610,535	11,394,497	-	-	-	(216,038)	(216,038)
Total Business-type Activities	13,073,081	11,898,783	317,340	534,591	-	(322,367)	(322,367)
Total - All Functions/Programs	77,074,658	17,003,102	37,848,343	562,302	(21,338,544)	(322,367)	(21,660,911)
General Revenues:							
HRA Property Tax					2,990,745	-	2,990,745
Property Tax Increments					20,984,261	1,258,761	22,243,022
State Market Value Homestead Credit					354,395	-	354,395
Investment Income					1,062,612	305,311	1,367,923
Transfers					(2,062,510)	2,062,510	-
Total General Revenues and Transfers					23,329,503	3,626,582	26,956,085
Change in Net Assets					1,990,959	3,304,215	5,295,174
Net Assets, January 1, 2010					(29,697,345)	65,609,286	35,911,941
Net Assets, December 31, 2010					(27,706,386)	68,913,501	41,207,115

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

BALANCE SHEET
GOVERNMENTAL FUNDS

At December 31, 2010

(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	10,667,745	-	17,942,046	14,311,014	18,625,503	61,546,308
Cash and Investments with Trustee	-	-	8,883,679	1,720,243	1,413	10,605,335
Property Taxes Receivable:						
Due from County	160,327	-	268,161	458,965	-	887,453
Delinquent Taxpayer	117,459	-	253,617	323,639	-	694,715
Interfund Receivable for Pooled Cash and Investment Overdraft	52,948	-	-	-	-	52,948
Accounts Receivable (Net of Allowance)	46,561	-	-	3	-	46,564
Accrued Interest Receivable on Investments	67,095	-	121,820	76,097	-	265,012
Loans Receivable (Net of Allowance)	-	4,073,083	-	243,863	53,142	4,370,088
Accrued Interest Receivable on Loans (Net of Allow.)	-	108,261	-	204	-	108,465
Due from Other Funds	-	-	118,204	-	-	118,204
Due from Other Governmental Units	-	105,423	17,227	-	-	122,650
Advances to Other Funds	717,599	-	-	615,400	250,000	1,582,999
Advances to Other Governmental Units	-	-	-	-	1,612,191	1,612,191
Land Held for Resale	493,622	-	-	1,318,500	2,027,921	3,840,043
Direct Financing Leases Receivable	-	-	13,650,000	-	-	13,650,000
TOTAL ASSETS	<u>12,323,356</u>	<u>4,286,767</u>	<u>41,254,754</u>	<u>19,067,928</u>	<u>22,570,170</u>	<u>99,502,975</u>
LIABILITIES AND FUND BALANCES						
<u>Liabilities</u>						
Interfund Payable for Pooled Cash and Investment Overdraft	-	52,948	-	-	-	52,948
Accounts Payable	1,499	23,030	-	17,340	232,006	273,875
Contracts Payable	574,682	-	-	-	160,433	735,115
Due to Other Funds	-	-	-	118,204	-	118,204
Due to Other Governmental Units	1,089,058	29,395	-	641,267	43,126	1,802,846
Deferred Revenue	793,713	-	14,189,369	2,353,912	2,081,063	19,418,057
Unearned Revenue	-	4,181,394	-	-	3,970,683	8,152,077
Advance from Other Funds	-	-	-	6,807,662	-	6,807,662
Total Liabilities	<u>2,458,952</u>	<u>4,286,767</u>	<u>14,189,369</u>	<u>9,938,385</u>	<u>6,487,311</u>	<u>37,360,784</u>

Continued

BALANCE SHEET
GOVERNMENTAL FUNDS

At December 31, 2010
(Amounts in dollars)

	<u>HRA General</u>	<u>HRA Federal & State Programs Special Revenue</u>	<u>HRA Debt Service</u>	<u>HRA Tax Increment Capital Projects</u>	<u>HRA Development Capital Projects</u>	<u>Total Governmental Funds</u>
Fund Balances						
Reserved for:						
Encumbrances	13,433	-	-	899,680	801,999	1,715,112
Debt Service	-	-	26,867,981	-	-	26,867,981
Advances to Other Funds	717,599	-	-	615,400	250,000	1,582,999
Advances to Other Governmental Units	-	-	-	-	1,612,191	1,612,191
Unreserved, Designated for:						
Specific HRA Activities	7,395,992	-	-	6,920,851	-	14,316,843
Next Year's Appropriation	1,141,323	-	-	-	-	1,141,323
Cash Flow and Revenue Estimates	500,000	-	-	-	-	500,000
Net Unrealized Gains	96,057	-	197,404	70,937	-	364,398
Unreserved, Undesignated	-	-	-	622,675	13,418,669	14,041,344
Total Fund Balances	<u>9,864,404</u>	<u>-</u>	<u>27,065,385</u>	<u>9,129,543</u>	<u>16,082,859</u>	<u>62,142,191</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>12,323,356</u>	<u>4,286,767</u>	<u>41,254,754</u>	<u>19,067,928</u>	<u>22,570,170</u>	<u>99,502,975</u>

Amounts reported for governmental activities in the Statement of Net Assets (pages 36-37) are different because:

1. Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,488,147
2. Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	18,876,982
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.	(128,913,194)
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	(3,620,883)
Unearned revenue	3,620,883
5. Bad debt expense is not an outlay of financial resources and is, therefore, not reported in the funds.	(300,512)
Total Reconciling Items	<u>(89,848,577)</u>
Fund Balances per Balance Sheet - Governmental Funds, December 31, 2010	<u>62,142,191</u>
Net Assets (Deficit) per Statement of Net Assets - Governmental Activities column, December 31, 2010	<u><u>(27,706,386)</u></u>

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

For the Fiscal Year Ended December 31, 2010

(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	2,259,765	-	-	-	-	2,259,765
Delinquent Property Taxes	44,004	-	-	-	-	44,004
Fiscal Disparities	493,367	-	-	-	-	493,367
Property Tax Increments	-	-	9,466,058	11,305,170	-	20,771,228
Intergovernmental	115,779	17,328,159	17,283,776	164,269	296,909	35,188,892
Fees, Sales and Services						
Revenue Bond Fees	1,349,812	-	-	-	-	1,349,812
Other Fees and Services	43,102	11,865	-	2,150	7,844	64,961
Sales of Land	1,000	-	-	-	3,002	4,002
Rentals of Property	-	-	580,368	-	-	580,368
Interest on Loans	-	8,814	17,227	2,845	-	28,886
Loan Repayments	-	3,470,803	-	14,535	42,650	3,527,988
Investment Income						
Interest Earned on Investments	363,090	-	540,126	390,646	-	1,293,862
Increase (Decrease) in the Fair Value of Investments	(87,421)	-	(8,590)	(123,344)	-	(219,355)
Miscellaneous						
Outside Contributions	-	-	1,051,470	-	1,029,317	2,080,787
Developer Contributions	-	-	261,324	105,929	-	367,253
Total Revenues	4,582,498	20,819,641	29,191,759	11,862,200	1,379,722	67,835,820
EXPENDITURES						
Current						
Housing and Economic Development	4,770,783	17,386,503	-	10,914,488	4,318,512	37,390,286
Intergovernmental - City	304,393	-	15,838,311	-	-	16,142,704
Debt Service						
Principal Payment on Bonds	-	-	5,523,364	-	-	5,523,364
Interest on Bonds	-	-	6,626,805	-	-	6,626,805
Principal Payment on Notes	-	-	3,564,408	139,965	-	3,704,373
Interest on Notes	-	-	500,078	2,962,260	-	3,462,338
Bond Issuance Costs	-	-	50,872	333,634	-	384,506
Total Expenditures	5,075,176	17,386,503	32,103,838	14,350,347	4,318,512	73,234,376
Excess (Deficiency) of Revenues Over (Under) Expenditures	(492,678)	3,433,138	(2,912,079)	(2,488,147)	(2,938,790)	(5,398,556)

Continued

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

For the Fiscal Year Ended December 31, 2010

(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	-	16,312	7,092,102	354,002	-	7,462,416
Transfers Out	-	(3,449,450)	(354,002)	(3,838,180)	(1,883,294)	(9,524,926)
Bonds Issued	-	-	-	6,595,000	-	6,595,000
Current Refunding Bonds Issued	-	-	2,670,000	-	-	2,670,000
Redemption of Refunded Bonds	-	-	(3,895,000)	-	-	(3,895,000)
Premium on Bonds Issued	-	-	12,662	-	-	12,662
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,433,138)</u>	<u>5,525,762</u>	<u>3,110,822</u>	<u>(1,883,294)</u>	<u>3,320,152</u>
Net Changes in Fund Balances	(492,678)	-	2,613,683	622,675	(4,822,084)	(2,078,404)
FUND BALANCES, January 1	<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>
FUND BALANCES, December 31	<u>9,864,404</u>	<u>-</u>	<u>27,065,385</u>	<u>9,129,543</u>	<u>16,082,859</u>	<u>62,142,191</u>

Amounts reported for governmental activities in the Statement of Activities (page 38) are different because:

Net change in fund balances - total governmental funds (above)	<u>(2,078,404)</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>(680,002)</u>
2. Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	544,056
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.	3,775,855
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.	(67,885)
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>497,339</u>
Total Reconciling Items	<u>4,069,363</u>
Change in Net Assets of Governmental Activities - Statement of Activities	<u>1,990,959</u>

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

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

For the Fiscal Year Ended December 31, 2010

(Amounts in dollars)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	3,114,585	3,114,585	2,797,136	(317,449)
Intergovernmental	50,000	50,000	115,779	65,779
Fees, Sales and Services	927,629	927,629	1,393,914	466,285
Investment Income	350,000	350,000	275,669	(74,331)
Total Revenues	<u>4,442,214</u>	<u>4,442,214</u>	<u>4,582,498</u>	<u>140,284</u>
EXPENDITURES				
Current				
Housing and Economic Development	6,904,766	6,904,766	4,770,783	2,133,983
Intergovernmental - City	1,046,941	1,046,941	304,393	742,548
Total Expenditures	<u>7,951,707</u>	<u>7,951,707</u>	<u>5,075,176</u>	<u>2,876,531</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,509,493)	(3,509,493)	(492,678)	3,016,815
FUND BALANCE, January 1	<u>10,357,082</u>	<u>10,357,082</u>	<u>10,357,082</u>	<u>-</u>
FUND BALANCE, December 31	<u><u>6,847,589</u></u>	<u><u>6,847,589</u></u>	<u><u>9,864,404</u></u>	<u><u>3,016,815</u></u>

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

At December 31, 2010

(Amounts in dollars)

	Business Type Activities - Enterprise Funds		
	HRA Loan Enterprise	HRA Parking Enterprise	Total Proprietary Funds
ASSETS			
Current Assets:			
Cash and Investments with Treasurer	4,092,920	7,143,297	11,236,217
Cash with Fiscal Agents	-	800,082	800,082
Cash and Investments with Trustee	765,405	-	765,405
Accounts Receivable (Net of Allowance)	3,442	425,235	428,677
Delinquent Property Taxes Receivable (Net of Allowance)	-	96,971	96,971
Delinquent Assessments Receivable (Net of Allowance)	933	-	933
Accrued Interest Receivable on Investments	18,403	47,167	65,570
Land Held for Resale	13,633,752	-	13,633,752
Material Held for Resale	-	12,000	12,000
Restricted Cash for Revenue Bond Debt Service	-	2,585,013	2,585,013
Restricted Cash for General Obligation Bond Debt Service	-	4,691,246	4,691,246
Restricted Cash for Limited Tax Bond Debt Service	569,786	-	569,786
Restricted Cash for Limited Tax Bond Construction	6,445,668	-	6,445,668
Restricted Cash for Revenue Bond Operations and Maintenance	-	409,160	409,160
Restricted Cash for Limited Tax Bond Operations and Maintenance	250,000	-	250,000
Total Current Assets	25,780,309	16,210,171	41,990,480
Noncurrent Assets:			
Loans Receivable (Net of Allowance)	2,688,660	-	2,688,660
Accrued Interest Receivable on Loans (Net of Allowance)	676,230	-	676,230
Advances to Other Funds	6,090,063	-	6,090,063
Advances to Other Governmental Units	860,000	-	860,000
Deferred Charges	181,970	1,908,254	2,090,224
Capital Assets:			
Land (Not Depreciated)	947,344	28,921,408	29,868,752
Parking Ramps	-	105,777,421	105,777,421
Buildings	-	2,108,356	2,108,356
Equipment	-	1,711,211	1,711,211
Construction In Progress (Not Depreciated)	440,696	-	440,696
Less: Accumulated Depreciation	-	(38,307,065)	(38,307,065)
Total Capital Assets (Net of Accumulated Depreciation)	1,388,040	100,211,331	101,599,371
Total Noncurrent Assets	11,884,963	102,119,585	114,004,548
TOTAL ASSETS	37,665,272	118,329,756	155,995,028

Continued

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

At December 31, 2010

(Amounts in dollars)

	Business Type Activities - Enterprise Funds		
	HRA Loan Enterprise	HRA Parking Enterprise	Total Proprietary Funds
LIABILITIES			
Current Liabilities:			
Accounts Payable	85,807	794,444	880,251
Contracts Payable	104,383	-	104,383
Due to Other Governmental Units	2,468,040	139,467	2,607,507
Advance from Other Funds	865,400	-	865,400
Accrued Interest on Revenue Bonds Payable	-	1,149,092	1,149,092
Accrued Interest on Lmtd Tax Bonds Payable from Restricted Assets	14,892	-	14,892
Revenue Bonds Payable from Restricted Assets	-	2,536,585	2,536,585
Total Current Liabilities	3,538,522	4,619,588	8,158,110
Noncurrent Liabilities:			
Revenue Bonds Payable	-	69,293,227	69,293,227
Limited Tax Bonds Payable	7,855,000	-	7,855,000
Revenue Notes Payable	1,775,190	-	1,775,190
Total Noncurrent Liabilities	9,630,190	69,293,227	78,923,417
TOTAL LIABILITIES	13,168,712	73,912,815	87,081,527
NET ASSETS			
Invested in Capital Assets, Net of Related Debt			
Capital Assets			
Capital Assets	1,388,040	138,518,396	139,906,436
Accumulated Depreciation	-	(38,307,065)	(38,307,065)
Debt: (Related Debt issued for Capital Acquisition)			
Revenue Bonds Payable	-	(70,840,000)	(70,840,000)
Limited Tax Bonds Payable	(7,855,000)	-	(7,855,000)
Unspent Bond Proceeds	6,445,668	-	6,445,668
Unamortized Discount and Premium	-	(989,811)	(989,811)
Total Invested in Capital Assets, Net of Related Debt	(21,292)	28,381,520	28,360,228
Restricted for Debt Service	554,894	6,127,167	6,682,061
Restricted for Maintenance and Repair	250,000	409,160	659,160
Restricted for Construction	6,445,668	-	6,445,668
Unrestricted	17,267,290	9,499,094	26,766,384
TOTAL NET ASSETS	24,496,560	44,416,941	68,913,501

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

For the Year Ended December 31, 2010

(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	139,364	11,394,497	11,533,861
Interest Earned on Loans	364,922	-	364,922
Total Operating Revenues	<u>504,286</u>	<u>11,394,497</u>	<u>11,898,783</u>
OPERATING EXPENSES			
Development Loan Programs	710,321	-	710,321
Costs of Parking Facility Operation	-	5,425,658	5,425,658
Depreciation	-	2,846,729	2,846,729
Bad Debt Expense on Loans	309,257	-	309,257
Forgivable Loan Expense	161,365	-	161,365
Total Operating Expenses	<u>1,180,943</u>	<u>8,272,387</u>	<u>9,453,330</u>
OPERATING INCOME (LOSS)	<u>(676,657)</u>	<u>3,122,110</u>	<u>2,445,453</u>
NONOPERATING REVENUES (EXPENSES)			
Property Tax Increments	-	1,258,761	1,258,761
Operating Grants	294,329	-	294,329
Noncapital Contributions	23,011	-	23,011
Investment Income:			
Interest Earnings	86,995	287,323	374,318
Increase (Decrease) in Fair Value of Investments	(69,007)	-	(69,007)
Interest on Bonds	(14,892)	(3,112,683)	(3,127,575)
Interest on Notes	(8,751)	(25,950)	(34,701)
Intergovernmental Expenses	(257,960)	(54,129)	(312,089)
Litigation Mediation	(412,753)	-	(412,753)
Amortization of Bond Issuance Costs	-	(145,386)	(145,386)
Total Nonoperating Revenues (Expenses)	<u>(359,028)</u>	<u>(1,792,064)</u>	<u>(2,151,092)</u>
Income Before Contributions and Transfers	(1,035,685)	1,330,046	294,361
Capital Contributions	947,344	-	947,344
Transfers In	1,883,294	195,528	2,078,822
Transfers Out	(16,312)	-	(16,312)
CHANGE IN NET ASSETS	<u>1,778,641</u>	<u>1,525,574</u>	<u>3,304,215</u>
TOTAL NET ASSETS, January 1	<u>22,717,919</u>	<u>42,891,367</u>	<u>65,609,286</u>
TOTAL NET ASSETS, December 31	<u>24,496,560</u>	<u>44,416,941</u>	<u>68,913,501</u>

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**For the Year Ended December 31, 2010
(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	2,393,982	11,482,049	13,876,031
Payments to Suppliers	<u>(1,820,401)</u>	<u>(5,421,924)</u>	<u>(7,242,325)</u>
Net Cash Provided (Used) for Operating Activities	<u>573,581</u>	<u>6,060,125</u>	<u>6,633,706</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants Received	294,329	-	294,329
Noncapital Contributions Received	61,367	-	61,367
Interest Paid on Revenue Bonds for Noncapital Activities	(1,681)	-	(1,681)
Interest Paid on Notes for Noncapital Activities	(1,952)	-	(1,952)
Interest Paid on Contracts	(6,799)	-	(6,799)
Principal Paid on Revenue Bonds for Noncapital Activities	(2,510,000)	-	(2,510,000)
Advances Made to Other Funds	(190,000)	-	(190,000)
Transfers In from Other Funds	1,883,294	195,528	2,078,822
Transfers Out to Other Funds	<u>(274,272)</u>	<u>(76,465)</u>	<u>(350,737)</u>
Net Cash Provided (Used) for Noncapital Financing Activities	<u>(745,714)</u>	<u>119,063</u>	<u>(626,651)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Property Tax Increments Received for Capital Debt	-	1,236,564	1,236,564
Proceeds from Issuance of Refunding Bonds	7,855,000	37,065,709	44,920,709
Payments for Acquisition and Construction of Capital Assets:			
Equipment	-	(705,546)	(705,546)
Public Improvements	-	(332,369)	(332,369)
Construction In Progress	(206,592)	-	(206,592)
Principal Paid on Debt Maturities:			
General Obligation Bonds	-	(1,295,000)	(1,295,000)
Revenue Bonds	-	(41,505,000)	(41,505,000)
Notes	-	(810,000)	(810,000)
Interest Paid on Debt:			
General Obligation Bonds	-	(763,015)	(763,015)
Revenue Bonds	-	(2,102,065)	(2,102,065)
Notes	-	(70,500)	(70,500)
Payment of Bond Issuance Costs	<u>(181,970)</u>	<u>(998,894)</u>	<u>(1,180,864)</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>7,466,438</u>	<u>(10,280,116)</u>	<u>(2,813,678)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received	123,773	264,727	388,500
Proceeds From Sale and Maturities of Investment Securities	-	1,595,000	1,595,000
Increase (Decrease) in the Fair Value of Investments	<u>(69,007)</u>	<u>18,887</u>	<u>(50,120)</u>
Net Cash Provided (Used) for Investing Activities	<u>54,766</u>	<u>1,878,614</u>	<u>1,933,380</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>7,349,071</u>	<u>(2,222,314)</u>	<u>5,126,757</u>

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**For the Year Ended December 31, 2010
(Amounts in dollars)

	Business Type Activities - Enterprise Funds		
	HRA Loan Enterprise	HRA Parking Enterprise	Total Proprietary Funds
CASH AND CASH EQUIVALENTS, January 1	4,774,708	17,851,112	22,625,820
CASH AND CASH EQUIVALENTS, December 31	<u>12,123,779</u>	<u>15,628,798</u>	<u>27,752,577</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES			
Operating Income (Loss)	<u>(676,657)</u>	<u>3,122,110</u>	<u>2,445,453</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) for Operating Activities:			
Increase (decrease) in allowance for uncollectible loans	(2,702,924)	-	(2,702,924)
Depreciation Expense	-	2,846,729	2,846,729
Miscellaneous Nonoperating Revenue	-	-	-
Miscellaneous Nonoperating Expenses Paid	-	(408)	(408)
(Increase) decrease in accounts receivable	(3,442)	82,552	79,110
(Increase) decrease in loans receivable	4,996,939	-	4,996,939
(Increase) decrease in accrued interest receivable on loans	69,746	-	69,746
(Increase) decrease in inventories	-	(12,000)	(12,000)
Increase (decrease) in accounts payable	(97,780)	57,056	(40,724)
Increase (decrease) in contracts payable	(733,634)	-	(733,634)
Increase (decrease) in due to other funds	(279,811)	(35,867)	(315,678)
Increase (decrease) in due to other governmental units	1,144	(47)	1,097
Total Adjustments	<u>1,250,238</u>	<u>2,938,015</u>	<u>4,188,253</u>
Net Cash Provided (Used) for Operating Activities	<u>573,581</u>	<u>6,060,125</u>	<u>6,633,706</u>
DETAILS OF CASH AND CASH EQUIVALENTS			
Cash and Investments with Treasurer	4,092,920	7,143,297	11,236,217
Cash with Fiscal Agents	-	800,082	800,082
Cash and Investments with Trustee	765,405	-	765,405
Restricted Cash for Revenue Bond Debt Service	-	2,585,013	2,585,013
Restricted Cash for General Obligation Bond Debt Service	-	4,691,246	4,691,246
Restricted Cash for Limited Tax Bond Debt Service	569,786	-	569,786
Restricted Cash for Limited Tax Bond Construction Account	6,445,668	-	6,445,668
Restricted Cash for Limited Tax Bond Operations and Maintenance	250,000	-	250,000
Restricted Cash for Revenue Bond Operations and Maintenance	-	409,160	409,160
Total Cash and Cash Equivalents	<u>12,123,779</u>	<u>15,628,798</u>	<u>27,752,577</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Prior Year Loans - from Outside Sources	(38,357)	-	(38,357)
Capital Asset Contribution from Outside Source	947,344	-	947,344
Governmental Fund Advance for Litigation Mediation	412,753	-	412,753
Capital Assets Purchased on Account - Public Improvements	-	67,207	67,207
Capital Assets Purchased on Account - Construction in Progress	31,456	-	31,456

**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, 2010**

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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, 2010**

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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, 2010

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, 2010. 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, 2010, 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, 2010**

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, 2010, were \$21,594,644. The 2010 operations resulted in a decrease of \$421,745 to net assets.

During 2010, 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, 2010. 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, 2010

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: (1) the HRA's loan operations that are financed primarily by loan repayments from the recipients, and (2) the Lofts at Farmers Market, a market-rate rental project.

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, 2010

Note 2. (Continued)

C. Measurement Focus and Basis of Accounting

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

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

Revenues

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

Nonexchange Transactions

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

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

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.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 2.C. (Continued)

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

Exchange Transactions

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

Expenditures

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

D. Proprietary Fund Financial Statement Presentation

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

Proprietary funds distinguish operating revenues and operating expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the HRA Loan Enterprise Fund is the payment of interest from loan recipients and fee revenue from customers who have received loans or grants from the HRA, while the

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 2.D. (Continued)

principal operating expenses are administration, bad debts, and forgivable loans. The principal operating revenue of the HRA Parking Enterprise Fund is parking fees from parking ramp customers, while the principal operating expenses are parking operation costs, administration, and depreciation on capital assets. All revenues and expenses not meeting these criteria in each fund are reported as nonoperating revenues and expenses.

E. Cash and Investments

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

Investments are reported at fair value on the balance sheet with the exception of non-negotiable investment contracts and money market investments, including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations, that have a remaining maturity at time of purchase of one year or less. These exceptions are reported at amortized cost provided that the fair value of these investments is not significantly affected by the impairment of the credit standing of the issuer. All investment income, including changes in the fair value of investments, is reported as revenue. Since it is the City's practice to ensure that investments can be held to maturity if necessary, a portion of fund equity on the governmental funds balance sheet has been designated for net unrealized gains, when applicable. The fair value of investments is determined using quoted market prices at December 31, 2010.

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.

F. Property Taxes

Property tax levies are set by the HRA Board of Commissioners and approved by the City Council in December of each year and certified to Ramsey County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable assessed property. Taxable assessed property values are established by Ramsey County and reviewed by the State of Minnesota. In determining property taxes, estimated market values are converted to tax capacities based on a statutory rate for each class of property. Property taxes become a lien on taxable property on January 1 in the year of collection and are recorded as receivable by the HRA on that date. Property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Property tax revenue is recognized in the year for which it is levied. Property taxes which remain unpaid at December 31 are classified as delinquent taxes receivable. In the

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 2.F. (Continued)

governmental funds balance sheet, the delinquent taxes receivable are offset by deferred revenue, if not collected within 60 days after year-end, because they are not known to be available to finance current expenditures. In the government-wide financial statements, delinquent taxes receivable are recognized as revenue.

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

G. Restricted Assets

Certain proceeds of HRA Parking Enterprise Fund revenue bonds and HRA Loan Enterprise Fund limited tax 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 and limited tax debt service* accounts are used to segregate resources accumulated for debt service payments over the next 12 months. The *limited tax bond operations and maintenance* account is used to segregate resources set aside to subsidize potential deficiencies from the Lofts at Farmers Market operation that could adversely affect debt service payments. 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 *limited tax bond construction* account is to be used for construction costs of the Lofts at Farmers Market building.

H. Loans Receivable

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

I. Land Held for Resale

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 2.I. (Continued)

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.

J. Leases Receivable

The HRA, as the lessor, entered into a lease agreement with the City of Saint Paul during the year ended December 31, 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 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.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 2. (Continued)

K. Capital Assets

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

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

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

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

L. Deferred and Unearned Revenues

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

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 2. (Continued)

M. Long-Term Liabilities

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

N. Net Assets

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

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

O. Fund Balances - Governmental Fund Financial Statements

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

P. Interfund Transactions

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

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

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 \$128,913,194 difference are as follows:

Governmental activity premium on bonds payable	\$ 203,194
Governmental activity bonds payable	108,041,305
Governmental activity notes payable	20,113,997
Accrued interest payable	1,952,769
Deferred charge for issuance costs	<u>(1,398,071)</u>
Net Adjustment to Decrease Fund Balance - Total	
Governmental Funds to Arrive at Net Assets - Governmental Activities	<u>\$ 128,913,194</u>

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

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 \$3,775,855 difference are as follows:

Bonds issued in 2010	\$ (9,265,000)
2010 amortization of premium	17,259
2010 amortization of issuance costs	(99,141)
2010 principal payments on bonds	9,418,364
2010 principal payments on notes	<u>3,704,373</u>
Net Adjustment to Increase Net Changes in Fund Balances -	
Total Governmental Funds to Arrive at Changes in Net	
Assets of Governmental Activities	<u>\$ 3,775,855</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

4. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

The HRA followed these procedures in establishing the 2010 budget:

On August 26, 2009, 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.

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.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 4.A. (Continued)

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, 2010, total \$42,625,000. Bonds authorized and unissued at December 31, 2010, 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 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,

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 4.B. (Continued)

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 2010, the City of Saint Paul issued Koch Mobil Tax Increment Refunding Bonds, Series 2010A, in the amount of \$2,670,000. The proceeds of the 2010 bonds were used to currently refund Koch Mobil Tax Increment Bonds, Series 2007B. The bonds are to be retired using HRA tax increment revenue from the Koch Mobil Tax Increment District. The City has issued a general obligation pledge on the 2010 bonds. The outstanding Series 2010A bonds are reported as a liability in the governmental activities column of the HRA's Government-Wide Statement of Net Assets (Note 5.F.).

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 4. (Continued)

C. Tax Increment Financing Districts

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

District Number	District	Year Established	Duration of District	Outstanding Long-Term Debt (Including Advances)
12 & 173	New Housing & Blighted Land	1981	25 years	\$ -
82	Downtown & Seventh Place	1978	30 years	-
83	Spruce Tree Centre/Metz Bakery Area	1987	25 years	696,305
87	Riverfront	1987	25 years	2,510,000
100	Neighborhood Business Development - Scattered Sites	1988	25 years	4,765,000
135	Snelling-University	1990	25 years	3,280,000
148	Empire Builder – Scattered Sites	1988	25 years	-
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	28,055,000
215	Superior Street Cottages	1998	25 years	-
224	North Quadrant Phase 1 – Essex	2000	25 years	-
225	Riverfront Renaissance-Upper Landing	2001	25 years	20,552,855
228	Emerald Park-Emerald	2002	25 years	6,662,832
232	Straus Building	2002	25 years	-
233	North Quadrant Expansion 1 - Dakota	2003	25 years	1,077,000
234	Phalen Village	2001	25 years	365
236	J. J. Hill	2001	25 years	3,506,738
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	1,209,772
243	Shepard - Davern Owner Occupied	2003	25 years	39,785
244	Shepard - Davern Rental Housing	2003	25 years	4,423,431
245	Shepard - Davern Senior Rental	2003	25 years	14,357
248	Koch Mobil	2004	25 years	2,670,000
257	Payne Phalen	2005	25 years	14,217
260	North Quadrant – Sibley	2006	25 years	959,839
261	Riverfront Renaissance - US Bank	2006	25 years	14,947,117
262	Riverfront Renaissance - Drake Marble	2006	25 years	1,507,000
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
279	2700 The Avenue	2008	25 years	12,002
282	Minnesota Events District	2009	25 years	-
Total Outstanding Long-Term Debt At December 31, 2010				\$ 98,103,112

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2010**

Note 4.C. (Continued)

Total tax capacity amounts and tax increment revenue for these districts in 2010 are as follows.

Current tax capacity (assessed in 2009, payable in 2010)	\$25,318,023
Captured tax capacity retained by the HRA	\$21,560,601
Tax increment revenue in 2010	\$22,029,988
Delinquent tax increment receivable at December 31, 2010	\$674,227

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 2010, 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 and direct appropriations 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, 2010**

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, 2010. 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 125 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 \$27,706,386. The individual governmental funds which form a part of the governmental activities all have positive fund balances. The deficit was created with the addition of long-term debt to the government-wide governmental activities. The HRA issues long-term debt for development purposes and, in many cases, does not acquire or construct HRA-owned capital assets with the debt proceeds. The debt is to be retired with future revenues, such as property tax increments or sales taxes. (See Notes 3.A. and 5.F.)

5. Detailed Notes on All Funds

A. Deposits and Investments

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

(1) Deposits

Minn. Stat. §§ 118A.02 and 118A.04 authorize the City to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. § 118A.03 requires that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit

**HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010**

Note 5.A.(1) (Continued)

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, 2010 consist of the City cash and investment pool in an amount of \$87,199,858 and the parking ramp checking accounts in the amount of \$800,082. 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 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, 2010

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, 2010

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, 2010, and information relating to potential investment risks:

	Credit Risk		Concentration	Interest Rate	Carrying (Fair) Value
	Credit Rating	Rating Agency	Risk Over 5% of Portfolio	Risk Maturity Date	
Federal National Mortgage Association					
Federal National Mortgage Association Note	N/A	N/R		09/21/25	\$ 624,294
Federal National Mortgage Association Note	N/A	N/R		02/05/13	1,683,562
Total U.S. Government Securities			19.39%		<u>\$ 2,307,856</u>
Federal Home Loan Bank Bonds	AAA	S&P	< 5%	11/17/17	\$ 589,550
Trustee Cash	N/A	N/R	< 5%	N/A	1,592
Certificate of Deposit – Highland Bank	N/A	N/R	5.09%	03/30/19	606,288
Mutual Funds					
First American Government Treas. Obligations Fund Class D	N/A	N/R	8.92%	N/A	1,062,075
First American Government Treas. Obligations Fund Class Y	N/A	N/R	6.56%	N/A	780,677
US Bank MMkt 4 - Ct	N/A	N/R	8.55%	N/A	1,017,932
Wells Fargo Advantage 100% Treasuries Fund	N/A	N/R	46.52%	N/A	<u>5,538,310</u>
Total Investments					<u>\$ 11,904,280</u>
Deposits:					
Parking Ramp Checking Accounts at Saint Paul Banks					\$ 800,082
City Cash and Investment Pool					<u>87,199,858</u>
Total Deposits					<u>\$ 87,999,940</u>
Total Deposits and Investments					<u>\$ 99,904,220</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, 2010.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

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	\$ 72,782,525
Cash with Fiscal Agents	800,082
Cash and Investments with Trustees	11,370,740
Restricted Cash for Revenue Bond Debt Service	2,585,013
Restricted Cash for General Obligation Bond Debt Service	4,691,246
Restricted Cash for Limited Tax Bond Debt Service	569,786
Restricted Cash for Limited Tax Bond Operations and Maintenance	250,000
Restricted Cash for Revenue Bond Operations and Maintenance	409,160
Restricted Cash for Limited Tax Bond Construction	<u>6,445,668</u>
Total	<u>\$ 99,904,220</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 2010 was \$(288,362). 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, 2010, was \$385,212.

B. Loans Receivable

Loans receivable are reported as assets in the following funds at December 31, 2010 (net of allowances):

HRA Federal & State Programs Special Revenue Fund	\$ 4,073,083
HRA Tax Increment Capital Projects Fund	243,863
HRA Development Capital Projects Fund	53,142
HRA Loan Enterprise Fund	<u>2,688,660</u>
Total All Funds	<u>\$ 7,058,748</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

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 \$72,962,940 at December 31, 2010. During 2010, loans determined to be uncollectible or forgiven were written off the books in the amount of \$1,415,511.

Changes in total gross loans receivable, allowances for uncollectible loans, and accrued interest receivable on loans for 2010 are shown below.

Total gross loans receivable - January 1, 2010	\$ 70,299,481
Single family mortgage loans issued	81,020
Single family mortgage loans sold	(815,050)
All other loans issued	16,695,232
Principal payments received	(4,823,484)
Loans written off	(106,447)
Loans forgiven	(1,309,064)
	<hr/>
Total Gross Loans Receivable - December 31, 2010	\$ 80,021,688
	<hr/>
Less: allowance for uncollectible loans - January 1, 2010	\$ 57,543,896
Increase for bad debts and forgiveness	16,616,486
Loans written off	(90,000)
Loans forgiven	(1,107,442)
	<hr/>
Total allowance for uncollectible loans - December 31, 2010	\$ 72,962,940
	<hr/>
Net Loans Receivable - December 31, 2010	\$ 7,058,748
	<hr/>
Accrued Interest Receivable on Loans - December 31, 2010 (Net of Allowance)	\$ 784,695
	<hr/>

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 2010, the HRA advanced \$190,000 to the City, completing the total advance of \$860,000. The City is to repay this advance, together with 5% interest, in installments from 2011 through 2021.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 5.B. (Continued)

At December 31, 2010, future minimum principal and interest payments to be received under the loan agreements for the next ten years are as follows:

2011	\$	10,030,298
2012		6,506,181
2013		4,439,148
2014		2,788,890
2015		4,031,663
2016 - 2020		<u>16,888,221</u>
Total	<u>\$</u>	<u>44,684,401</u>

C. Land Held for Resale

Land held for resale is reported in the following funds as an asset at December 31, 2010.

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
HRA General Fund	\$ 498,013	\$ 6,089	\$ 10,480	\$ 493,622
HRA Tax Increment Capital Projects Fund	808,500	510,000	-	1,318,500
HRA Development Capital Projects Fund	1,390,161	781,310	143,550	2,027,921
HRA Loan Enterprise Fund	<u>13,633,752</u>	<u>-</u>	<u>-</u>	<u>13,633,752</u>
Total All Funds	<u>\$ 16,330,426</u>	<u>\$ 1,297,399</u>	<u>\$ 154,030</u>	<u>\$ 17,473,795</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 Apartments, LLC (Penfield) per the resolution by the HRA Board on September 8, 2010. 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 from excess net receipts to the HRA for their acquisition of the property. 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, 2010

Note 5. (Continued)

D. Leases Receivable

As described in Note 2.J., 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, 2010.

	RiverCentre Parking Facility Improvement Lease	Jimmy Lee Recreational Facility Lease	Total City Leases
Balance of leases receivable - January 1, 2010	\$ 6,790,000	\$ 7,420,000	\$ 14,210,000
Principal portion of lease payments received – 2010	(365,000)	(195,000)	(560,000)
Balance of Leases Receivable - December 31, 2010	<u>\$ 6,425,000</u>	<u>\$ 7,225,000</u>	<u>\$ 13,650,000</u>

The interest portion of the lease payments received in 2010 was \$539,946. 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, 2010

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
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	536,187	608,951	1,145,138
2015	537,187	606,500	1,143,687
2016 - 2020	2,690,213	3,035,296	5,725,509
2021 - 2025	2,696,000	2,125,913	4,821,913
2026 - 2030	2,692,788	-	2,692,788
2031 - 2032	1,081,000	-	1,081,000
Total	<u>\$ 11,852,825</u>	<u>\$ 8,201,989</u>	<u>\$ 20,054,814</u>

E. Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

Governmental Activities	Balance January 1, 2010	Increase	Decrease	Balance December 31, 2010
Land (not depreciated)	\$ 3,042,169	\$ -	\$ -	\$ 3,042,169
Buildings	14,210,678	27,711	-	14,238,389
Pedestrian skyway bridges	13,016,925	-	-	13,016,925
Totals at historical cost	<u>\$ 30,269,772</u>	<u>\$ 27,711</u>	<u>\$ -</u>	<u>\$ 30,297,483</u>
Less: accumulated depreciation				
Buildings	\$ (1,231,435)	\$ (355,960)	\$ -	\$ (1,587,395)
Pedestrian skyway bridges	(7,897,899)	(324,042)	-	(8,221,941)
Total accumulated depreciation	<u>\$ (9,129,334)</u>	<u>\$ (680,002)</u>	<u>\$ -</u>	<u>\$ (9,809,336)</u>
Total Governmental Activities Capital Assets – Net	<u>\$ 21,140,438</u>	<u>\$ (652,291)</u>	<u>\$ -</u>	<u>\$ 20,488,147</u>

The increase in buildings 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, 2010

Note 5.E. (Continued)

Business-Type Activities	Balance January 1, 2010	Increase	Decrease	Balance December 31, 2010
Land (not depreciated)	\$ 28,921,408	\$ 947,344	\$ -	\$ 29,868,752
Buildings	2,108,356	-	-	2,108,356
Parking ramps	105,377,845	399,576	-	105,777,421
Construction in Progress (not depreciated)	-	440,696	-	440,696
Equipment	1,013,009	698,202	-	1,711,211
Totals at historical cost	\$ 137,420,618	\$ 2,485,818	\$ -	\$ 139,906,436
Less: accumulated depreciation				
Buildings	\$ (414,529)	\$ (52,709)	\$ -	\$ (467,238)
Parking ramps	(34,961,841)	(2,686,333)	-	(37,648,174)
Equipment	(83,966)	(107,687)	-	(191,653)
Total accumulated depreciation	\$ (35,460,336)	\$ (2,846,729)	\$ -	\$ (38,307,065)
Total Business-Type Activities Capital Assets – Net	\$ 101,960,282	\$ (360,911)	\$ -	\$ 101,599,371

Depreciation expense for 2010 was charged to functions/programs as follows:

Governmental Activities	
Housing and economic development	\$ 680,002
Business-Type Activities	
Parking operations	2,846,729

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 finance the construction of market rate rental property.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 5.F. (Continued)

(1) Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2010, was as follows:

Governmental Activities	Balance January 1, 2010	Increase	Decrease	Balance December 31, 2010	Due Within One Year
Bonds payable					
Tax increment bonds	\$ 54,904,669	\$ 9,265,000	\$ 7,143,364	\$ 57,026,305	\$ 3,519,648
Sales tax revenue bonds	39,080,000	-	1,720,000	37,360,000	1,840,000
Lease revenue bonds	14,210,000	-	555,000	13,655,000	575,000
Add: unamortized premium on revenue bonds	205,301	-	14,241	191,060	-
Add: unamortized premium on tax increment bonds	2,490	12,662	3,018	12,134	-
Totals bonds payable	\$ 108,402,460	\$ 9,277,662	\$ 9,435,623	\$ 108,244,499	\$ 5,934,648
Notes payable	23,818,370	-	3,704,373	20,113,997	398,129
Total Governmental Activities Long-Term Debt	\$ 132,220,830	\$ 9,277,662	\$ 13,139,996	\$ 128,358,496	\$ 6,332,777
Business-Type Activities	Balance January 1, 2010	Increase	Decrease	Balance December 31, 2010	Due Within One Year
Bonds payable					
Land assembly bonds	\$ 2,510,000	\$ -	\$ 2,510,000	\$ -	\$ -
Limited tax bonds	-	7,855,000	-	7,855,000	-
Parking revenue bonds	31,600,000	36,955,000	25,770,000	42,785,000	1,550,000
Tax increment – parking bonds	29,350,000	-	1,295,000	28,055,000	1,575,000
Parking revenue bonds (Smith Avenue Transit)	15,735,000	-	15,735,000	-	-
Add: unamortized premium on tax increment bonds	931,683	-	75,438	856,245	-
Add: unamortized premium on parking revenue bonds	40,114	217,881	17,003	240,992	-
Add: unamortized discount on parking revenue bonds	(2,721)	(107,172)	(2,468)	(107,425)	-
Total bonds payable	\$ 80,164,076	\$ 44,920,709	\$ 45,399,973	\$ 79,684,812	\$ 3,125,000
Notes payable					
Parking revenue notes	\$ 810,000	\$ -	\$ 810,000	\$ -	\$ -
LAAND Initiative Loans	1,580,000	-	-	1,580,000	-
St. Paul Foundation Housing Loan	195,190	-	-	195,190	195,190
Total notes payable	\$ 2,585,190	\$ -	\$ 810,000	\$ 1,775,190	\$ 195,190
Total Business-Type Activities Long-Term Debt	\$ 82,749,266	\$ 44,920,709	\$ 46,209,973	\$ 81,460,002	\$ 3,320,190

All 2010 scheduled principal and interest payments were made in accordance with the terms of the bonds and notes.

A description of the new 2010 issued long-term debt follows:

The Parking Revenue Refunding Bonds, Series 2010A and 2010B were issued in June, 2010 in the amounts of \$24,135,000 and \$12,820,000, respectively, and along with existing funds of the HRA, currently refunded the Parking Revenue Refunding Bonds,

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 5.F.(1) (Continued)

Series 2001A; Parking Revenue Bonds, Series 2002A; Taxable Parking Revenue Bonds, Series 2002B; Parking Revenue Refunding Bonds, Series 2005A; RiverCentre Exhibit Hall Parking Ramp Notes, Series 1995; and Parking Revenue Bonds (Smith Avenue Transit Center), Series 2005. This current refunding was done to take advantage of lower interest rates and restructure debt service payments. Total debt service payments decreased by \$6,191,496. The current refunding resulted in an economic loss (difference between the present value of the debt payments of the refunded and the refunding bonds) of \$111,123. The reacquisition price was \$39,160,000 and the net carrying amount of the refunded bonds was \$38,067,878. Net parking revenues from specified parking ramps are to be used to retire the Series 2010A and 2010B Bonds.

The Emerald Gardens Tax-Exempt Tax Increment Revenue Bonds, Series 2010, were issued in July, 2010 in the amount of \$6,595,000 to provide financing for developer debt restructuring in the Emerald Gardens Tax Increment District. The bonds are to be retired using tax increment revenues from this same district.

The Koch/Mobil General Obligation Tax Increment Refunding Bonds, Series 2010A were issued in February, 2010 in the amount of \$2,670,000 along with HRA funds to currently refund the Koch/Mobil General Obligation Temporary Bonds, Series 2007. This was done because the temporary bonds were maturing in March, 2010. Total debt service payments decreased by \$1,321,327. The current refunding resulted in an economic loss (difference between the present value of the debt payments of the refunded and the refunding bonds) of \$51,678. The reacquisition price was \$3,895,000 and the net carrying amount of the refunded bonds was \$2,670,000. Tax Increments from the Koch/Mobil Tax Increment District will be used to retire the Series 2010A bonds.

The Lofts at Farmers Market Limited Tax Bonds, Series 2010A Build America Bonds and Series 2010B Taxable Bonds were issued in the amounts of \$7,170,000 and \$685,000, respectively, to construct the Lofts at Farmers Market market-rate rental project. The bonds are to be retired using the special benefits tax levy of the HRA.

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

Governmental Activities

The governmental activity long-term debt, represented by the Tax Increment Bonds, the Sales Tax Revenue Bonds, the Lease Revenue Bonds, and the long-term notes are not general obligations of the HRA, are not backed by the full faith and credit of the HRA, and are to be retired through specific revenue sources. Under Minn. Stat. § 469.034, the HRA is not authorized to issue bonds which constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Tax

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 5.F.(2) (Continued)

increments, sales taxes, and lease payments are pledged under the respective bond covenants. Debt service payments have been made on the bonds and notes using the designated financing sources. The City has issued a general obligation pledge on the Riverfront Tax Increment Bonds, Series 2000D and Series 2002C; the Koch Mobil Tax Increment Refunding Bonds, Series 2010A; 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, 2010, follows:

Debt Issue	Sources for Retirement	Interest Rate (%)	Original Debt Issue Amount	Amount Payable December 31, 2010
Sales Tax Revenue Refunding Bonds, Series 1996	City ½ Percent Sales Tax RiverCentre Revenues	7.10	\$ 55,865,000	\$ 37,360,000
Riverfront Tax Increment Refunding Bonds, Series 2000D	Riverfront District Tax Increments	4.50 - 5.00	8,335,000	1,915,000
US Bank Tax Increment Bonds, Series 2001	Riverfront Renaissance District Tax Increments	5.00 - 6.75	12,000,000	10,235,000
Riverfront Tax Increment Refunding Bonds, Series 2002C	Riverfront District Tax Increments	2.90 - 5.65	2,335,000	595,000
North Quadrant Tax Increment Refunding Bonds, Series 2002	North Quadrant District Tax Increments	7.50	1,089,000	958,000
North Quadrant Phase II Tax Increment Bonds, Series 2002	North Quadrant District Tax Increments	7.00	1,140,000	1,077,000
Upper Landing Tax Increment Bonds, Series 2002A	Riverfront Renaissance District Tax Increments	6.80	5,000,000	4,785,000
Upper Landing Tax Increment Bonds, Series 2002B-1	Riverfront Renaissance District Tax Increments	6.40 - 7.00	12,130,000	11,395,000
Upper Landing Tax Increment Bonds, Series 2002B-2	Riverfront Renaissance District Tax Increments	6.90	2,000,000	1,879,000

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 5.F.(2) (Continued)

Debt Issue	Sources for Retirement	Interest Rate (%)	Original Debt Issue Amount	Amount Payable December 31, 2010
Drake Marble Tax Increment Bonds, Series 2002	Riverfront Renaissance District Tax Increments	6.75	\$ 1,800,000	\$ 1,507,000
Spruce Tree Tax Increment Refunding Bonds, Series 2003	Spruce Tree/Metz District Tax Increments	6.50	1,890,000	696,305
9th Street Lofts Tax Increment Bonds, Series 2004	North Quadrant District Tax Increments	6.375	1,335,000	1,195,000
J.J. Hill Tax Increment Bonds, Series 2004	J.J. Hill District Tax Increments	6.25	3,660,000	3,479,000
Neighborhood Scattered Site Tax Increment Bonds, Series 2005	Neighborhood Scattered Site District Tax Increments	4.24 - 5.45	7,515,000	4,765,000
Snelling-University Tax Increment Refunding Bonds, Series 2005C	Snelling-University District Tax Increments	3.60 - 5.12	5,130,000	3,280,000
Jimmy Lee Recreational Facility Lease Revenue Bonds, Series 2008	City of Saint Paul	3.00 - 5.00	7,685,000	7,225,000
RiverCentre Parking Facility Lease Revenue Bonds, Series 2009	City of Saint Paul	3.00 - 4.50	6,790,000	6,430,000
Koch Mobil Tax Increment Refunding Bonds, Series 2010A	Koch Mobil District Tax Increments	2.00 - 4.00	2,670,000	2,670,000
Emerald Gardens Tax-Exempt Tax Increment Bonds, Series 2010	Emerald Gardens District Tax Increments	5.00 - 6.50	6,595,000	6,595,000
HUD Section 108 Note, Series 2003-A	EDI Grants, Port Authority	5.20	3,300,000	3,300,000
Upper Landing Tax Increment Note, Series 2008	Upper Landing District Tax Increments	5.75	2,019,087	1,812,060
Shepard Davern Rental Housing Tax Increment Note, Series 2006	Shepard Davern District Tax Increments	5.09	4,820,000	4,402,085
Catholic Charities Midway Residence POPSHP Loan	Forgiven after 20 years of compliance	-	10,599,852	10,599,852
Total Governmental Activities Long-Term Debt			\$ 165,702,939	\$ 128,155,302

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

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, 2010, follows:

Debt Issue	Sources for Retirement	Interest Rate (%)	Original Debt Issue Amount	Amount Payable December 31, 2010
Parking Revenue Bonds, Series 1997A	7th Street Ramp Parking Revenues	6.75	\$ 11,305,000	\$ 5,830,000
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	7,360,000
Parking Revenue Refunding Bonds, Series 2010A	HRA Parking Revenue	3.00 – 5.00	24,135,000	24,135,000
Parking Revenue Refunding Bonds, Series, 2010B	HRA Parking Revenue	3.00 – 5.00	12,820,000	12,820,000
Lofts at Farmers Market Limited Tax Bonds, Series 2010A (BABs)	HRA Tax Levy	4.35 – 7.50	7,170,000	7,170,000
Lofts at Farmers Market Limited Tax Bonds, Series 2010B	HRA Tax Levy	4.35	685,000	685,000
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 Sales Proceeds	-	580,000	580,000
Total Business-Type Activities Long-Term Debt			\$ 87,240,190	\$ 80,470,190

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

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
2011	\$ 3,519,648	\$ 3,494,618	\$ 1,840,000	\$ 2,652,560	\$ 575,000	\$ 565,925
2012	3,828,795	3,249,022	1,975,000	2,521,920	590,000	546,988
2013	2,686,862	3,070,893	2,115,000	2,381,695	610,000	527,038
2014	2,584,000	2,915,471	2,265,000	2,231,530	630,000	506,313
2015	2,751,000	2,765,974	2,425,000	2,070,715	650,000	485,013
2016 – 2020	12,362,000	11,411,686	14,965,000	7,513,930	3,625,000	2,042,106
2021 – 2025	13,431,000	7,649,083	11,775,000	1,710,035	3,855,000	1,213,618
2026 – 2030	15,693,000	2,318,558	-	-	2,115,000	577,787
2031 – 2035	170,000	3,400	-	-	1,005,000	76,000
2036 – 2040	-	-	-	-	-	-
Total	\$ 57,026,305	\$ 36,878,705	\$ 37,360,000	\$ 21,082,385	\$ 13,655,000	\$ 6,540,788

Year Ending December 31	Development Notes		Total Governmental Activity	
	Principal	Interest	Principal	Interest
2011	\$ 398,129	\$ 497,630	\$ 6,332,777	\$ 7,210,733
2012	406,768	477,890	6,800,563	6,795,820
2013	415,911	457,097	5,827,773	6,436,723
2014	425,589	435,345	5,904,589	6,088,659
2015	435,830	412,778	6,261,830	5,734,480
2016 – 2020	2,429,833	1,676,553	33,381,833	22,644,275
2021 – 2025	600,000	1,170,940	29,661,000	11,743,676
2026 – 2030	10,599,852	1,120,330	28,407,852	4,016,675
2031 – 2035	4,402,085	280,082	5,577,085	359,482
2036 – 2040	-	-	-	-
Total	\$ 20,113,997	\$ 6,528,645	\$ 128,155,302	\$ 71,030,523

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		Limited Tax Bonds HRA Loan Enterprise Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,550,000	\$ 2,044,565	\$ 1,575,000	\$ 935,129	\$ -	\$ 312,740
2012	1,670,000	1,923,612	1,605,000	885,838	-	514,093
2013	1,750,000	1,846,327	1,640,000	835,541	-	514,093
2014	1,830,000	1,764,762	1,710,000	783,616	100,000	511,918
2015	1,915,000	1,678,924	1,650,000	727,846	110,000	507,350
2016 – 2020	7,655,000	7,112,719	9,150,000	2,631,930	725,000	2,450,739
2021 – 2025	6,900,000	5,717,669	10,725,000	965,168	1,010,000	2,247,829
2026 – 2030	8,590,000	4,025,749	-	-	1,460,000	1,888,307
2031 – 2035	10,925,000	1,692,500	-	-	1,660,000	1,325,011
2036 – 2040	-	-	-	-	2,790,000	654,001
Total	\$ 42,785,000	\$ 27,806,827	\$ 28,055,000	\$ 7,765,068	\$ 7,855,000	\$ 10,926,081

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 5.F.(3) (Continued)

Year Ending December 31	Saint Paul Foundation Housing Loan LAAND Initiative Loans HRA Loan Enterprise Fund		Total Business-Type Activity	
	Principal	Interest	Principal	Interest
	2011	\$ 195,190	\$ 1,952	\$ 3,320,190
2012	-	-	3,275,000	3,323,543
2013	-	-	3,390,000	3,195,961
2014	1,580,000	-	5,220,000	3,060,296
2015	-	-	3,675,000	2,914,120
2016 – 2020	-	-	17,530,000	12,195,388
2021 – 2025	-	-	18,635,000	8,930,666
2026 – 2030	-	-	10,050,000	5,914,056
2031 – 2035	-	-	12,585,000	3,017,511
2036 – 2040	-	-	2,790,000	654,001
Total	\$ 1,775,190	\$ 1,952	\$ 80,470,190	\$ 46,499,928

(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, 2010, \$48,745,000 of the following outstanding bonds are considered defeased:

	Amount Outstanding December 31, 2010
Sales Tax Revenue Bonds, Series 1993	\$ 48,745,000

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, 2010

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, 2010, 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 \$81,082. Likewise, \$81,082 is owed under the line of credit at December 31, 2010, and is reported as contracts payable.

Changes in the balance due on the line of credit for the year ended December 31, 2010, are as follows:

Balance Due January 1, 2010	Increase 2010	Decrease 2010	Balance Due December 31, 2010
\$ 815,050	\$ 81,082	\$ 815,050	\$ 81,082

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, 2010	Increase 2010	Decrease 2010	Balance Due December 31, 2010
\$ 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, 2010 (see Note 5.F.). Under the revolving loan agreement, there is \$2,304,810 available in loan funds from the Foundation at December 31, 2010.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 5. (Continued)

J. Risk Management

The HRA is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City of Saint Paul administers the HRA's risk management activities. The HRA's risk management activities are reported in the HRA General Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (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, 2009, liability for claims and judgments; nor were there any fiscal year 2009 or 2010 claims or claims payments, which resulted in any end of fiscal year 2009 or 2010 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, 2010

Note 5. (Continued)

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

The HRA has issued pay-as-you-go tax increment notes to finance development in the following tax increment financing districts as of December 31, 2010.

No.	Tax Increment Financing District – Project	Date Issued	Note Amount	Note Principal Balance 12/31/2009	Note Principal Balance 12/31/2010	Total Amount Expended (Principal & Interest) Under Notes for the Year Ended 12/31/2010
215	Superior Street Cottages	7/16/1998	\$ 311,341	\$ 256,816	\$ 249,228	\$ 21,597
194	1919 University	11/7/1997	1,357,000	1,357,000	1,357,000	152,586
193	Hubbard Site	7/31/1999	1,259,924	32,777	-	33,849
212	Block 4-TIR Note, Series 2004	5/6/2004	17,800,000	17,800,000	17,800,000	1,023,500
212	Block 4-Taxable TIR Note Series 2004	5/6/2004	2,975,838	1,819,514	1,271,554	647,072
260	North Quadrant Rental Phase I	2/1/2001	2,140,000	2,140,000	2,140,000	106,588
268	North Quadrant Rental Phase II	2/28/2002	1,500,000	1,500,000	1,500,000	119,347
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	2,776,386	-	2,892,282
267	Emerald Park Owner Occupied Phase II	4/12/2005	2,074,000	1,996,182	-	2,069,149
267	Emerald Park Rental	10/16/2002	3,110,000	3,110,000	3,110,000	290,633
266	Emerald Park Commercial/Metro Project	6/21/2005	1,225,000	1,181,000	-	1,247,594
237	Osceola Park Series 2002	11/4/2002	950,000	950,000	950,000	59,391
234	Phalen Village Ames Lake	8/1/2003	418,000	418,000	418,000	18,049
234	Phalen Village CUB Foods Proj.	3/1/2008	3,100,000	2,922,000	2,922,000	152,665
232	Straus Building	12/26/2002	600,000	596,964	596,964	31,387
240	Bridgescreek Senior Place Project	6/30/2004	2,398,952	2,398,952	2,398,952	120,921
241	Lyons Court Rental Project	4/14/2004	682,000	682,000	682,000	38,008
243	Shepard-Davern Ownership Housing	11/1/2006	3,257,067	3,054,051	2,947,626	303,362
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	149,702
245	Shepard-Davern Gateway Senior	12/2/2003	1,353,286	1,353,286	1,353,286	86,786
257	Phalen Senior Lofts Project (Payne Phalen TIF)	2/10/2005	925,000	908,750	908,750	35,167
278	River Pointe Lofts Project	12/27/2007	1,829,000	1,829,000	1,786,088	58,916
	Total		<u>\$ 55,572,904</u>	<u>\$ 52,322,174</u>	<u>\$ 45,630,944</u>	<u>\$ 9,658,551</u>

The notes are payable only after the HRA has received tax increment revenue from the above districts and can only be paid using that tax increment as the financing source. No liability is recognized at December 31, 2010, 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, 2010

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, 2010, is \$459,000. The portion of these loans that the HRA has guaranteed is \$32,850. No liability has been recorded by the HRA for these loans at December 31, 2010.

M. Construction and Other Significant Commitments

At December 31, 2010, the HRA had the following commitments:

Biomedix Strategic Investment Loan	\$ 75,000
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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, 2010, individual fund interfund receivable and payable balances were as follows:

Fund	Interfund Receivable	Interfund Payable
HRA General Fund	\$ 770,547	\$ -
HRA Federal & State Programs Special Revenue Fund	-	52,948
HRA Debt Service Fund	118,204	-
HRA Tax Increment Capital Projects Fund	615,400	6,925,866
HRA Development Capital Projects Fund	250,000	-
HRA Loan Enterprise Fund	6,090,063	865,400
Total Interfund Receivables and Payables - All Funds	\$ 7,844,214	\$ 7,844,214

The interfund receivables in the HRA General Fund and the HRA Loan Enterprise Fund include \$717,599 and \$6,090,063, respectively, which 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 receivables in the HRA Development Capital Projects Fund and the HRA Tax Increment Capital Projects Fund include \$250,000 and \$615,400, respectively, which were advanced to the HRA Enterprise Fund for the purchase of land held for resale,

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
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For the Fiscal Year Ended December 31, 2010

Note 5.N.(1) (Continued)

and for rental apartment construction. The advances are to be repaid from future land sales and net rental revenues. The interfund payable in the HRA Federal and State Programs Fund (\$52,948) is for a cash overdraft, covered by an interfund overdraft receivable with the HRA General Fund.

(2) Interfund Transfers

Individual fund interfund transfers during the fiscal year ended December 31, 2010, were as follows:

Transfers	Transfers In From Other Funds	Transfers Out To Other Funds
HRA Federal & State Programs Special Revenue Fund	\$ 16,312	\$ 3,449,450
HRA Debt Service Fund	7,092,102	354,002
HRA Tax Increment Capital Projects Fund	354,002	3,838,180
HRA Development Capital Projects Fund	-	1,883,294
HRA Loan Enterprise Fund	1,883,294	16,312
HRA Parking Enterprise Fund	195,528	-
Total Interfund Transfers -All Funds	<u>\$ 9,541,238</u>	<u>\$ 9,541,238</u>

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

O. Net Assets/Fund Balances

(1) Net Assets - Governmental Activities

The amount reported as “Invested in Capital Assets, Net of Related Debt” on the government-wide Statement of Net Assets for the governmental activities as of December 31, 2010, is determined as follows:

Capital assets	\$ 30,297,483
Less: accumulated depreciation	(9,809,336)
Less: outstanding principal of related debt	<u>(10,599,852)</u>
Invested in Capital Assets - Net of Related Debt	<u>\$ 9,888,295</u>

The amount reported as “Restricted for Debt Service” on the government-wide Statement of Net Assets for the governmental activities is based on required balances per bond indentures. This amount is \$5,548,931 at December 31, 2010.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

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 and Loan Enterprise Funds as of December 31, 2010, is determined as follows:

Capital assets	\$ 139,906,436
Less: accumulated depreciation	(38,307,065)
Less: outstanding principal of Parking Enterprise debt	(71,829,811)
Less: outstanding principal of Loan Enterprise debt	(7,855,000)
Plus: unspent bond proceeds – Loan Enterprise bonds	<u>6,445,668</u>
Invested in Capital Assets - Net of Related Debt	<u>\$ 28,360,228</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, 2010, as follows:

	HRA Loan Enterprise Fund	HRA Parking Enterprise Fund	Total Proprietary Funds
Restricted Assets			
Cash for revenue bond debt service	\$ -	\$ 2,585,013	\$ 2,585,013
Cash for general obligation bond debt service	-	4,691,246	4,691,246
Cash for limited tax bond debt service	569,786	-	569,786
Less: liabilities payable from restricted assets			
Accrued interest on bonds	<u>(14,892)</u>	<u>(1,149,092)</u>	<u>(1,163,984)</u>
Restricted for Debt Service	<u>\$ 554,894</u>	<u>\$ 6,127,167</u>	<u>\$ 6,682,061</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 Proprietary Funds as of December 31, 2010, as follows:

Restricted assets - cash for revenue bond operations and maintenance	\$ 409,160
Restricted assets - cash for limited tax bond operations and maintenance	250,000
Less: liabilities payable from restricted assets	<u>-</u>
Restricted for Operations and Maintenance	<u>\$ 659,160</u>

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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Note 5.O.(2) (Continued)

The amount reported as “Restricted for Construction” 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, 2010, as follows:

Restricted assets – cash for limited tax bond construction	\$ 6,445,668
Less: liabilities payable from restricted assets	-
Restricted for Construction	<u>\$ 6,445,668</u>

(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, 2010, fund balance reservations were reported in the following governmental funds:

	HRA General Fund	HRA Debt Service Fund	HRA Tax Increment Capital Projects Fund	HRA Development Capital Projects Fund	Total
Reserved for					
Encumbrances	\$ 13,433	\$ -	\$ 899,680	\$ 801,999	\$ 1,715,112
Debt service on bonds and notes	-	26,867,981	-	-	26,867,981
Advances to other Funds/ Governments	717,599	-	615,400	1,862,191	3,195,190
Total Reserved Fund Balances	<u>\$ 731,032</u>	<u>\$ 26,867,981</u>	<u>\$ 1,515,080</u>	<u>\$ 2,664,190</u>	<u>\$ 31,778,283</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, 2010, fund balances designations were reported in the following governmental funds:

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 5.O.(3) (Continued)

	HRA General Fund	HRA Debt Service Fund	HRA Tax Increment Capital Projects Fund	Total
Unreserved, designated for				
Specific HRA activities	\$ 7,395,992	\$ -	\$ 6,920,851	\$ 14,316,843
Next year's appropriation	1,141,323	-	-	1,141,323
Cash flow and revenue estimates	500,000	-	-	500,000
Net unrealized gains	96,057	197,404	70,937	364,398
 Total Unreserved, Designated Fund Balance	 \$ 9,133,372	 \$ 197,404	 \$ 6,991,788	 \$ 16,322,564

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.

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 6. (Continued)

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.

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 less \$279,117 paid out in 2010 and thus far (remaining \$3,620,883), is identified in the Statement of Net Assets – Long Term Liabilities as a Pollution Remediation

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2010

Note 6. (Continued)

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.

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

For the Fiscal Year Ended December 31, 2010

(Amounts in dollars)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	9,794,314	9,794,314	9,466,058	(328,256)
Intergovernmental	17,223,592	17,223,592	17,283,776	60,184
Fees, Sales and Services	941,390	941,390	597,595	(343,795)
Investment Income	368,500	368,500	531,536	163,036
Miscellaneous	-	-	1,312,794	1,312,794
Total Revenues	28,327,796	28,327,796	29,191,759	863,963
EXPENDITURES				
Housing and Economic Development	-	33,196	-	33,196
Intergovernmental - City	10,205,320	10,205,320	15,838,311	(5,632,991)
Debt Service				
Principal Payment on Bonds	5,414,364	5,414,364	5,523,364	(109,000)
Interest on Bonds	6,730,221	6,730,221	6,626,805	103,416
Principal Payment on Notes	77,765	3,527,765	3,564,408	(36,643)
Interest on Notes	704,728	704,728	500,078	204,650
Bond Issuance Costs	-	32,040	50,872	(18,832)
Total Expenditures	23,132,398	26,647,634	32,103,838	(5,456,204)
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,195,398	1,680,162	(2,912,079)	(4,592,241)
OTHER FINANCING SOURCES (USES)				
Transfers In	650,782	4,100,232	7,092,102	2,991,870
Transfers Out	(2,500,000)	(2,500,000)	(354,002)	2,145,998
Current Refunding Bonds Issued	3,895,000	2,670,000	2,670,000	-
Redemption of Refunded Bonds	(3,895,000)	(3,895,000)	(3,895,000)	-
Premium on Bonds Issued	-	-	12,662	12,662
Total Other Financing Sources (Uses)	(1,849,218)	375,232	5,525,762	5,150,530
Net Changes in Fund Balances	3,346,180	2,055,394	2,613,683	558,289
FUND BALANCE, January 1	24,451,702	24,451,702	24,451,702	-
FUND BALANCE, December 31	27,797,882	26,507,096	27,065,385	558,289

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

Inception Through December 31, 2010

(Amounts in dollars)

Program Title	Activity Code	Multi-Year Budget	Actual Program Costs		Amount To Be Completed
			Inception Through 12/31/09	Fiscal Year Ended 12/31/10	
FEDERAL HOME PROGRAM					
Single Family Housing Rehabilitation	37001	27,231,036	23,298,087	810,026	3,122,923
New Rental Housing	37002	2,169,000	2,169,000	-	-
Community Housing Development	37003	9,839,525	5,693,334	1,017,915	3,128,276
Program Administration	37004	3,958,015	3,416,354	102,274	439,387
Single Family Housing Rehab - Program Income	37005	1,556,759	1,556,759	-	-
Total Federal HOME Program		44,754,335	36,133,534	1,930,215	6,690,586
FEDERAL ADDI HOUSING GRANT					
Single Family Housing	37006	531,139	264,400	10,000	256,739
FEDERAL SHELTER PLUS CARE GRANT					
Shelter Plus Care Program	37007	361,920	96,183	47,023	218,714
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	5,805,092	351,461	288,447
Minnesota Urban & Rural Homestead Program	38102	62,158	61,358	-	800
Program Administration	38104	423,610	376,804	194	46,612
Deferred Loan Program	38105	2,756,041	1,413,450	-	1,342,591
NEDA Community Fix-Up Program	38110	104,443	104,443	-	-
Total Minnesota Housing Finance Agency Programs		10,316,848	8,278,660	351,655	1,686,533
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		1,590,265	1,595,265	-	(5,000)
STATE OF MINNESOTA GRANTS					
Railroad Island Project	38203	1,300,000	542,875	581,125	176,000
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		2,686,100	1,728,975	581,125	376,000
FEDERAL SECTION 108					
Section 108 Loan Repayment	38204	-	1,250,550	3,449,450	(4,700,000)
FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT					
Tax Credit Assistance Program	38208	3,166,171	-	3,164,171	2,000
Section 1602 Tax Credit Exchange Program	38210	11,302,321	-	11,302,314	7
Total Federal Tax Credits		14,468,492	-	14,466,485	2,007

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

For the Fiscal Years Ended December 31, 1997 through 2010

(Amounts in dollars)

<u>Activity Title</u>	<u>Activity Code</u>	<u>Multi-Year Budget</u>	<u>Costs - Fiscal Years Ended 12/31/97-2009</u>	<u>Costs - Fiscal Year Ended 12/31/10</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	1,489,305	-	2,902,963
North Quadrant - Non TIF	76204	441,114	375,046	8,388	57,680
North Quadrant - Phase II	76205	4,347,273	1,101,604	-	3,245,669
Superior Street Cottages	76206	686,025	275,774	24,419	385,832
J.J. Hill	76207	12,959,912	4,038,162	14,060	8,907,690
Sibley Park - Phase I	76208	6,495,378	761,937	119,411	5,614,030
Sibley Park - Phase II	76209	3,037,617	630,054	106,588	2,300,975
Straus Park	76210	1,447,696	216,002	34,229	1,197,465
North Quadrant Public Improvements	76211	948,673	867,427	-	81,246
Bridgecreek Senior Place	76213	6,747,810	464,770	121,616	6,161,424
Phalen Village TIF District	76214	10,867,104	506,542	742,672	9,617,890
North Quadrant - Phase III	76215	6,149,000	1,896,787	163,923	4,088,290
Phalen Village TIF District Uncommitted	76216	-	11,325	-	(11,325)
Phalen Village Cub Store	76217	6,352,896	13,292	179,072	6,160,532
West Midway	76300	2,526,781	2,526,781	-	-
Spruce Tree Centre	76302	5,999,777	2,888,606	195,528	2,915,643
Neighborhood Business Development - Scattered Sites	76304	35,101,569	10,105,383	678,497	24,317,689
Twin City Testing	76305	318,450	318,450	-	-
Snelling-University	76306	16,502,010	322,375	181,041	15,998,594
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	4,186,551	528,850	555,705
1919 University	76311	2,855,076	1,362,654	155,449	1,336,973
Midway Marketplace Pay-As-You-Go TIF Note	76312	952,397	952,397	-	-
Scattered Site Business TIF Bonds, Series 2005	76314	7,250,388	6,447,058	-	803,330
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	2,321,297	8,698	4,340,915
Riverfront Renaissance - US Bank	76703	68,914,628	20,364,688	10,229	48,539,711
Riverfront Renaissance - Upper Landing	76704	61,896,457	3,665,779	28,798	58,201,880
Upper Landing Interfund Loan	76705	-	735,792	250,223	(986,015)

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

For the Fiscal Years Ended December 31, 1997 through 2010

(Amounts in dollars)

<u>Activity Title</u>	<u>Activity Code</u>	<u>Multi-Year Budget</u>	<u>Costs - Fiscal Years Ended 12/31/97-2009</u>	<u>Costs - Fiscal Year Ended 12/31/10</u>	<u>Amount To Be Completed</u>
Osceola Park	76706	2,899,714	265,006	60,045	2,574,663
Block - Minnesota Mutual	76707	46,739,637	11,020,205	1,682,717	34,036,715
Emerald Park - Owner Occupied	76708	30,521,960	2,028,968	6,438,974	22,054,018
Emerald Park - Rental	76709	13,312,895	1,843,712	313,907	11,155,276
Emerald Park - Commercial	76710	-	312,062	144,862	(456,924)
Riverfront Renaissance - Llewellyn	76711	17,915,978	39,851	25,095	17,851,032
Riverfront Renaissance - West Side Flats	76712	4,565,408	1,930,754	2,247	2,632,407
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	867,693	318,532	8,496,966
Shepard Davern - Phase II	76716	15,529,676	4,850,585	2,778	10,676,313
Shepard Davern - Phase III	76717	3,024,432	246,702	89,608	2,688,122
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	42,679,361	22,448	142,998
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	196,814	-	5,608
Koch Mobil Infrastructure	76819	79,096,354	3,621,273	227,564	75,247,517
TIF District Administration - Advance Funding	76820	1,298,070	-	14,976	1,283,094
Payne / Phalen Senior Lofts TIF District	76822	2,847,354	108,706	36,233	2,702,415
Carleton Lofts TIF District	76823	9,257,028	239,802	165,750	8,851,476
Penfield TIF District	76824	47,536,340	-	-	47,536,340
Highland Pointe Lofts TIF District	76825	5,089,171	20,882	59,652	5,008,637
2700 University	76826	7,303,240	19,055	4,333	7,279,852
Minnesota Building TIF District	76827	-	2,171	-	(2,171)
Minnesota Events TIF District (2009-2023)	76829	116,645,421	4,876,135	5,027,115	106,742,171
Scattered Sites Empire Guilder	76830	1,711,241	-	-	1,711,241
TOTAL HRA TAX INCREMENT FUND		891,050,704	297,918,257	18,188,527	574,943,920

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

For the Fiscal Years Ended December 31, 2006 through 2010

(Amounts in dollars)

<u>Activity Title</u>	<u>Activity Code</u>	<u>Multi-Year Budget</u>	<u>Costs - Fiscal Years Ended 12/31/06-2009</u>	<u>Costs - Fiscal Year Ended 12/31/10</u>	<u>Amount To Be Completed</u>
Land Assembly Bonds	76903	15,000,000	10,178,303	377,729	4,443,968
Star Funds	76904	20,300,000	17,150,679	1,427,107	1,722,214
HRA Funded Projects	76905	6,150,000	3,633,025	528,056	1,988,919
Other/Private Sources	76906	750,000	750,000	-	-
Invest Saint Paul Series 2007B Star Taxable Bonds	76907	15,000,000	5,467,467	2,356,140	7,176,393
Invest Saint Paul Series 2007A Star Tax Exempt Bonds	76908	2,000,000	-	350,706	1,649,294
Invest Saint Paul Minnesota Housing Financing Grant Program	76909	1,545,000	186,856	132,751	1,225,393
Exxon Land Site	76910	5,000,000	-	1,029,317	3,970,683
Recreation Facility Lease Revenue Bonds, Series 2008	76915	7,604,999	7,683,595	-	(78,596)
TOTAL HRA DEVELOPMENT CAPITAL PROJECTS FUND		73,349,999	45,049,925	6,201,806	22,098,268

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, 2010

(Amounts in dollars)

Investment Description	Maturity Date	Interest Rate	Reported Amount
Parking Ramp Checking Accounts at St Paul Banks			800,082
First American Government Obligations Fund Class D		0.00%	1,062,075
First American Government Obligations Fund Class Y		0.00%	780,677
US Bank MMkt 4- Ct		0.30%	1,017,932
Wells Fargo Advantage Government Money Market Fund		0.01%	5,538,310
Federal Home Loan Bank Bonds	11/17/2017	5.00%	589,550
Federal Natl. Mortgage Assn. Note	10/21/2025	3.50%	624,294
Federal Natl. Mortgage Assn. Note	2/5/2013	0.95%	1,683,562
Highland Bank Certificate of Deposit	3/30/2019	3.75%	606,288
Trustee Cash		0.00%	1,592
City Cash and Investment Pool			87,199,858
			99,904,220
TOTAL CASH AND INVESTMENTS			99,904,220

Summary by Statement of Net Assets Account

Cash and Investments with Treasurer	72,782,525
Cash with Fiscal Agents	800,082
Cash and Investments with Trustees	11,370,740
Restricted Cash for Revenue Bond Debt Service	2,585,013
Restricted Cash for General Bond Obligation Debt Service	4,691,246
Restricted Cash for Limited Tax Bond Debt Service	569,786
Restricted Cash for Limited Tax Bond Construction	6,445,668
Restricted Cash for Revenue Bond Operations and Maintenance	409,160
Restricted Cash for Limited Tax Bond Operations and Maintenance	250,000
	99,904,220
Total Cash and Investments	99,904,220

SCHEDULE OF LOANS RECEIVABLE**ALL FUNDS**

At December 31, 2010

(Amounts in dollars)

<u>Fund - Program</u>	<u>Number of Loans Outstanding</u>	<u>Principal Balance 12/31/2010</u>	<u>Allowance for Uncollectible Loans 12/31/2010</u>	<u>Net Reported Assets 12/31/2010</u>
HRA FEDERAL & STATE PROGRAMS SPECIAL REVENUE FUND				
Federal HOME Program	106	23,011,502	22,148,331	863,171
Federal ADDI Program	25	244,400	185,800	58,600
Minnesota Home Fund	1	16,312	-	16,312
Tax Credit Assistance Program	5	14,468,485	14,468,485	-
HUD 108 Loan Guaranty Program	1	3,300,000	165,000	3,135,000
Total HRA Federal & State Programs Special Revenue Fund	138	41,040,699	36,967,616	4,073,083
HRA DEVELOPMENT CAPITAL PROJECTS FUND				
HRA Funded	1	6,300,000	6,300,000	-
ISP STAR	22	824,835	771,693	53,142
Total HRA Development Capital Projects Fund	23	7,124,835	7,071,693	53,142
HRA TAX INCREMENT CAPITAL PROJECTS FUND				
Scattered Site TIF Bonds	5	4,726,401	4,482,538	243,863
Total HRA Tax Increment Capital Projects Fund	5	4,726,401	4,482,538	243,863
HRA LOAN ENTERPRISE FUND				
Enterprise Leverage	10	1,473,275	1,407,551	65,724
Commercial Real Estate	9	2,335,032	2,197,640	137,392
Home Purchase and Rehab	57	548,508	440,707	107,801
Home Ownership Opportunities	95	1,534,993	1,534,993	-
Housing Real Estate	25	7,526,253	6,554,671	971,582
Mixed Income Housing	7	2,388,337	2,339,532	48,805
Strategic Investment Program	7	1,467,759	1,467,759	-
Business - UDAG	4	117,464	68,232	49,232
Housing - UDAG	6	1,461,968	1,429,175	32,793
Downtown Tax Increment	1	389,797	292,347	97,450
Neighborhood Development Tax Increment	3	908,000	580,400	327,600
New Housing & Blighted Lands Tax Increment	1	360,000	180,000	180,000
HUD Rental Rehab	12	2,385,295	2,287,666	97,629
Land Assembly	1	1,895,441	1,895,441	-
Mortgage Housing Loan Origination Program	172	1,887,088	1,631,194	255,894
Mortgage Housing - Phase I and Phase II	21	333,429	16,671	316,758
Affordable Housing	1	117,114	117,114	-
Total HRA Loan Enterprise Fund	432	27,129,753	24,441,093	2,688,660
TOTAL ALL FUNDS	598	80,021,688	72,962,940	7,058,748

SCHEDULE OF BONDS AND NOTES PAYABLE

At December 31, 2010

(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	18,505,000	37,360,000
Riverfront Tax Increment Refunding Bonds, Series 2000D *	Public Sale	Riverfront District TI's	4.50% - 5.00%	2000	2012	8,335,000	6,420,000	1,915,000
US Bank Tax Increment Bonds, Series 2001	Public Sale	Riverfront Renaissance District TI's	5.00% - 6.75%	2001	2028	12,000,000	1,765,000	10,235,000
Riverfront Tax Increment Refunding Bonds, Series 2002C *	Public Sale	Riverfront District TI's	2.90% - 5.65%	2002	2012	2,335,000	1,740,000	595,000
North Quadrant Tax Increment Refunding Bonds, Series 2002	Public Sale	North Quadrant District TI's	7.50%	2002	2028	1,089,000	131,000	958,000
North Quadrant Phase II Tax Increment Bonds, Series 2002	Public Sale	North Quadrant District TI's	7.00%	2002	2028	1,140,000	63,000	1,077,000
Upper Landing Tax Increment Bonds, Series 2002A	Public Sale	Riverfront Renaissance District TI's	6.80%	2002	2029	5,000,000	215,000	4,785,000
Upper Landing Tax Increment Bonds, Series 2002B-1	Public Sale	Riverfront Renaissance District TI's	6.40% - 7.00%	2002	2029	12,130,000	735,000	11,395,000
Upper Landing Tax Increment Bonds, Series 2002B-2	Public Sale	Riverfront Renaissance District TI's	6.90%	2002	2029	2,000,000	121,000	1,879,000
Drake Marble Tax Increment Bonds, Series 2002	Public Sale	Riverfront Renaissance District TI's	6.75%	2002	2028	1,800,000	293,000	1,507,000
Spruce Tree Tax Increment Refunding Bonds, Series 2003	Public Sale	Spruce Tree/Metz District TI's	6.50%	2003	2013	1,890,000	1,193,695	696,305
9th Street Lofts Tax Increment Bonds, Series 2004	Private Placement	9th Street Lofts District TI's	6.375%	2004	2028	1,335,000	140,000	1,195,000
JJ Hill Tax Increment Bonds, Series 2004	Private Placement	JJ Hill District TI's	6.25%	2004	2029	3,660,000	181,000	3,479,000

Continued

SCHEDULE OF BONDS AND NOTES PAYABLE

At December 31, 2010

(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):								
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	2,750,000	4,765,000
Snelling-University Tax Increment Bonds, Series 2005C *	Public Sale	Snelling-University Site District TI's	3.60% - 5.12%	2005	2017	5,130,000	1,850,000	3,280,000
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	460,000	7,225,000
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	360,000	6,430,000
Koch Mobil Tax Increment Refunding Bonds, Series 2010A *	Public Sale	Koch Mobil District TI's	2.00% - 4.00%	2010	2031	2,670,000	-	2,670,000
Emerald Gardens Tax-Exempt Tax Increment Revenue Bonds, Series 2010	Public Sale	Emerald Gardens District TI's	5.00% - 6.50%	2010	2029	6,595,000	-	6,595,000
TOTAL BONDS - GOVERNMENTAL ACTIVITIES						<u>148,859,000</u>	<u>40,817,695</u>	<u>108,041,305</u>
NOTES:								
HUD Section 108 Note, Series 2003-A	Public Sale	EDI Grant, Port Authority	5.20%	2003	2022	3,300,000	-	3,300,000
HUD Section 108 Note, Series 2003-B	Public Sale	Property Sale Proceeds	Variable	2003	2022	4,700,000	4,700,000	-
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	417,915	4,402,085
Upper Landing Tax Increment Revenue Note, Series 2008	City of Saint Paul	Upper Landing District TI's	5.75%	2008	2020	2,019,087	207,027	1,812,060
TOTAL NOTES - GOVERNMENTAL ACTIVITIES						<u>25,438,939</u>	<u>5,324,942</u>	<u>20,113,997</u>
TOTAL BONDS AND NOTES - GOVERNMENTAL ACTIVITIES						<u>174,297,939</u>	<u>46,142,637</u>	<u>128,155,302</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	Variable	2004	2024	25,000,000	25,000,000	-

SCHEDULE OF BONDS AND NOTES PAYABLE

At December 31, 2010

(Amounts in dollars)

<u>Bonds and Notes</u>	<u>Lender</u>	<u>Source for Retirement</u> Land Sales	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding Continued</u>
NOTES:								
Saint Paul Foundation Housing Loan	St Paul Foundation	Rev. from Hsng Program	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						<u>26,775,190</u>	<u>25,000,000</u>	<u>1,775,190</u>
<u>BUSINESS-TYPE ACTIVITIES - HRA PARKING ENTERPRISE FUND</u>								
BONDS:								
Parking Revenue Bonds, Series 1997A, (7th Street Ramp)	Public Sale	7th Street Ramp Parking Revenues	6.75%	1997	2017	11,305,000	5,475,000	5,830,000
Parking Revenue Refunding Bonds, Series 2001A	Public Sale	HRA Parking Revenues	4.00% - 5.00%	2001	2017	6,755,000	6,755,000	-
Parking Revenue Bonds, Series 2002A	Public Sale	HRA Parking Revenues	4.85% - 5.35%	2002	2029	14,295,000	14,295,000	-
Parking Revenue Bonds, Series 2002B	Public Sale	HRA Parking Revenues	5.10% - 6.50%	2002	2016	4,250,000	4,250,000	-
Parking Revenue Refunding Bonds, Series 2005A	Public Sale	HRA Parking Revenues	2.50% - 3.37%	2005	2013	7,790,000	7,790,000	-
Parking Revenue Bonds (Smith Avenue Transit Center), Series 2005	Public Sale	Smith Avenue Transit & Parking Ramp Revenues	3.90%	2005	2012	15,980,000	15,980,000	-
Block 39 Tax Increment Refunding Bonds, Series 2009G *	Public Sale	Block 39 District TI's, Block 39 Parking Revenues	3.00% - 4.00%	2009	2025	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	2015	8,655,000	1,295,000	7,360,000
Parking Revenue Refunding Bonds, Series 2010A	Public Sale	HRA Parking Revenues	3.00% - 5.00%	2010	2035	24,135,000	-	24,135,000
Parking Revenue Refunding Bonds, Series 2010B	Public Sale	HRA Parking Revenues	3.00% - 5.00%	2010	2035	12,820,000	-	12,820,000
Lofts at Farmers Market Limited Tax Bonds, Series 2010A (BABs)	Public Sale	HRA Tax Levy	4.35% - 7.50%	2010	2040	7,170,000	-	7,170,000
Lofts at Farmers Market Limited Tax Bonds, Series 2010B	Public Sale	HRA Tax Levy	4.35%	2010	2019	685,000	-	685,000
NOTES:								
RiverCentre Exhibit Hall Parking Ramp Notes	Downtown Businesses	HRA Parking Revenues	6.00%	1995	2017	1,500,000	1,500,000	-
TOTAL BONDS AND NOTES - HRA PARKING ENTERPRISE FUND						<u>136,035,000</u>	<u>57,340,000</u>	<u>78,695,000</u>
TOTAL BONDS AND NOTES - BUSINESS-TYPE ACTIVITIES						<u>162,810,190</u>	<u>82,340,000</u>	<u>80,470,190</u>

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2010
 (Amounts in dollars)

Year	Sales Tax Revenue Refunding Bonds (RiverCentre Project), Series 1996		Riverfront Tax Increment Refunding Bonds, Series 2000D		US Bank Tax Increment Bonds, Series 2001		Riverfront Tax Increment Refunding Bonds, Series 2002C		North Quadrant Tax Increment Refunding Bonds, Series 2002	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	1,840,000	2,652,560	925,000	72,047	340,000	654,562	290,000	25,208	27,000	71,363
2012	1,975,000	2,521,920	990,000	24,750	360,000	635,295	305,000	8,616	30,000	69,263
2013	2,115,000	2,381,695			385,000	613,944			32,000	66,976
2014	2,265,000	2,231,530			405,000	590,057			34,000	64,538
2015	2,425,000	2,070,715			435,000	564,791			37,000	61,951
2016	2,595,000	1,898,540			460,000	537,841			39,000	59,138
2017	2,780,000	1,714,295			490,000	509,206			43,000	56,138
2018	2,980,000	1,516,915			515,000	478,735			46,000	52,838
2019	3,190,000	1,305,335			370,000	446,578			49,000	49,350
2020	3,420,000	1,078,845			590,000	422,913			53,000	45,601
2021	3,660,000	836,025			630,000	383,913			57,000	41,550
2022	3,920,000	576,165			670,000	342,313			61,000	37,201
2023	4,195,000	297,845			715,000	297,675			67,000	32,513
2024					760,000	248,569			71,000	27,413
2025					815,000	196,425			77,000	21,975
2026					875,000	140,400			83,000	16,088
2027					930,000	80,494			89,000	9,750
2028					490,000	16,537			63,000	2,363
2029										
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
Totals	<u>37,360,000</u>	<u>21,082,385</u>	<u>1,915,000</u>	<u>96,797</u>	<u>10,235,000</u>	<u>7,160,248</u>	<u>595,000</u>	<u>33,824</u>	<u>958,000</u>	<u>786,009</u>

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2010

(Amounts in dollars)

Year	North Quadrant Phase II Tax Increment Bonds, Series 2002		Upper Landing Tax Increment Bonds, Series 2002A		Upper Landing Tax Increment Bonds, Series 2002B-1		Upper Landing Tax Increment Bonds, Series 2002B-2		Drake Marble Tax Increment Bonds, Series 2002	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	31,000	74,865	118,000	321,368	279,000	783,583	47,000	128,030	-	102,803
2012	33,000	72,660	126,000	313,072	298,000	763,943	50,000	124,683	-	102,802
2013	35,000	70,315	135,000	304,198	318,000	742,974	53,000	121,129	-	102,802
2014	38,000	67,795	144,000	294,712	340,000	720,574	57,000	117,335	-	102,802
2015	41,000	65,100	154,000	284,580	364,000	696,603	60,000	113,298	-	102,803
2016	43,000	62,195	165,000	273,734	388,000	670,994	64,000	109,020	-	102,802
2017	47,000	59,115	176,000	262,140	414,000	643,680	69,000	104,431	-	102,802
2018	49,000	55,790	188,000	249,764	443,000	614,075	73,000	99,533	-	102,802
2019	53,000	52,290	201,000	236,538	474,000	581,980	78,000	94,323	-	102,803
2020	57,000	48,510	214,000	222,428	507,000	547,645	84,000	88,734	-	102,802
2021	61,000	44,450	229,000	207,366	542,000	510,930	90,000	82,731	-	102,803
2022	65,000	40,110	244,000	191,284	580,000	471,660	96,000	76,314	-	102,803
2023	70,000	35,490	261,000	174,114	621,000	429,625	102,000	69,483	-	102,803
2024	75,000	30,485	279,000	155,754	665,000	384,615	109,000	62,203	-	102,803
2025	80,000	25,165	298,000	136,136	711,000	336,455	117,000	54,407	-	102,803
2026	86,000	19,460	318,000	115,192	761,000	284,935	125,000	46,057	-	102,803
2027	92,000	13,335	340,000	92,820	814,000	229,810	133,000	37,157	-	102,803
2028	121,000	4,235	363,000	68,918	871,000	170,835	143,000	27,635	1,507,000	51,401
2029			832,000	28,288	2,005,000	70,175	329,000	11,350		
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
Totals	<u>1,077,000</u>	<u>841,365</u>	<u>4,785,000</u>	<u>3,932,406</u>	<u>11,395,000</u>	<u>9,655,091</u>	<u>1,879,000</u>	<u>1,567,853</u>	<u>1,507,000</u>	<u>1,799,045</u>

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2010
 (Amounts in dollars)

Year	Spruce Tree Tax Increment Refunding Bonds, Series 2003		9th Street Lofts Tax Increment Bonds, Series 2004		JJ Hill Tax Increment Bonds, Series 2004		Neighborhood Scattered Site Tax Increment Bonds, Series 2005		Snelling-University Tax Increment Bonds, Series 2005C	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	217,648	45,260	39,000	75,576	81,000	216,250	535,000	244,611	400,000	151,638
2012	231,795	31,113	41,000	73,058	94,000	211,001	565,000	217,854	420,000	132,568
2013	246,862	16,046	44,000	70,380	108,000	204,906	585,000	188,556	450,000	111,898
2014			47,000	67,543	124,000	197,906	620,000	157,858	470,000	89,583
2015			49,000	64,515	136,000	189,906	660,000	124,468	490,000	65,940
2016			53,000	61,327	144,000	181,281	690,000	88,835	515,000	40,615
2017			57,000	57,885	153,000	172,156	1,110,000	30,247	535,000	13,709
2018			61,000	54,188	163,000	162,438				
2019			63,000	50,267	173,000	152,094				
2020			69,000	46,155	184,000	141,094				
2021			73,000	41,693	195,000	129,438				
2022			77,000	36,975	209,000	117,031				
2023			82,000	32,003	221,000	103,782				
2024			87,000	26,679	236,000	89,751				
2025			93,000	21,038	250,000	74,782				
2026			99,000	15,014	266,000	58,906				
2027			106,000	8,606	283,000	42,032				
2028			55,000	1,753	301,000	24,063				
2029					158,000	4,938				
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
Totals	<u>696,305</u>	<u>92,419</u>	<u>1,195,000</u>	<u>804,655</u>	<u>3,479,000</u>	<u>2,473,755</u>	<u>4,765,000</u>	<u>1,052,429</u>	<u>3,280,000</u>	<u>605,951</u>

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2010

(Amounts in dollars)

Year	Jimmy Lee Recreational Facility Lease Revenue Bonds, Series 2008		RiverCentre Parking Facility Lease Revenue Bonds, Series 2009		Koch/Mobil Tax Increment Refunding Bonds, Series 2010A		Emerald Gardens Tax-Exempt Tax Increment Bonds, Series 2010		Upper Landing Tax Increment Revenue Note, Series 2008	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	205,000	336,075	370,000	229,850	150,000	79,112	40,000	448,342	148,129	102,094
2012	210,000	328,388	380,000	218,600	95,000	76,663	190,000	391,681	156,768	93,454
2013	220,000	319,988	390,000	207,050	100,000	74,713	195,000	382,056	165,911	84,311
2014	225,000	311,188	405,000	195,125	100,000	72,712	205,000	372,056	175,589	74,634
2015	235,000	302,188	415,000	182,825	100,000	70,713	225,000	361,306	185,830	64,392
2016	245,000	292,787	425,000	169,694	105,000	68,662	240,000	348,931	196,669	53,553
2017	255,000	282,681	440,000	155,638	105,000	66,431	260,000	334,868	208,140	42,082
2018	265,000	271,844	455,000	139,387	110,000	63,820	280,000	319,681	220,280	29,942
2019	280,000	260,250	475,000	120,788	110,000	60,878	300,000	303,369	233,128	17,094
2020	290,000	247,650	495,000	101,387	115,000	57,697	325,000	285,790	121,616	3,497
2021	305,000	234,600	510,000	81,288	120,000	54,230	350,000	265,713		
2022	320,000	220,112	535,000	60,387	125,000	50,493	380,000	242,900		
2023	335,000	204,912	555,000	37,894	130,000	46,475	405,000	218,369		
2024	350,000	189,000	580,000	13,050	130,000	42,250	440,000	191,963		
2025	365,000	172,375			135,000	37,810	475,000	163,369		
2026	385,000	155,037			140,000	33,065	510,000	131,950		
2027	400,000	136,750			150,000	27,915	550,000	97,500		
2028	420,000	116,750			155,000	22,347	590,000	60,450		
2029	445,000	95,750			160,000	16,440	635,000	20,638		
2030	465,000	73,500			165,000	10,100				
2031	490,000	50,250			170,000	3,400				
2032	515,000	25,750								
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
Totals	<u>7,225,000</u>	<u>4,627,825</u>	<u>6,430,000</u>	<u>1,912,963</u>	<u>2,670,000</u>	<u>1,035,926</u>	<u>6,595,000</u>	<u>4,940,932</u>	<u>1,812,060</u>	<u>565,053</u>

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2010
 (Amounts in dollars)

Year	HUD Section 108 Note, Series 2003-A		Catholic Charities POPSHP Loan Midway Residence		Shepard Davern Rental Housing Tax Increment Note, Series 2006		LAAND Initiative Metropolitan Council Loan Saxon Site		LAAND Initiative Family Housing Fund Midway Chev Site	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	250,000	171,470	-	-	-	224,066	-	-	-	-
2012	250,000	160,370	-	-	-	224,066	-	-	-	-
2013	250,000	148,720	-	-	-	224,066	-	-	-	-
2014	250,000	136,645	-	-	-	224,066	1,000,000	-	580,000	-
2015	250,000	124,320	-	-	-	224,066				
2016	250,000	111,645	-	-	-	224,066				
2017	300,000	98,670	-	-	-	224,066				
2018	300,000	82,800	-	-	-	224,066				
2019	300,000	66,660	-	-	-	224,066				
2020	300,000	50,280	-	-	-	224,066				
2021	300,000	33,690	-	-	-	224,066				
2022	300,000	16,920	-	-	-	224,066				
2023			-	-	-	224,066				
2024			-	-	-	224,066				
2025			-	-	-	224,066				
2026			10,599,852	-	-	224,066				
2027					-	224,066				
2028					-	224,066				
2029					-	224,066				
2030					-	224,066				
2031					-	224,066				
2032					4,402,085	56,016				
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
Totals	<u>3,300,000</u>	<u>1,202,190</u>	<u>10,599,852</u>	<u>-</u>	<u>4,402,085</u>	<u>4,761,402</u>	<u>1,000,000</u>	<u>-</u>	<u>580,000</u>	<u>-</u>

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2010
(Amounts in dollars)

Year	Saint Paul Foundation Housing Loan		Parking Revenue Bonds, Series 1997A		Block 39 Tax Increment Refunding Bonds, Series 2009G		Block 39 Tax Increment Refunding Bonds, Series 2009H		Parking Revenue Refunding Bonds, Series 2010A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	195,190	1,952	680,000	393,525	-	731,381	1,575,000	203,748	565,000	1,087,242
2012			725,000	347,625	-	731,381	1,605,000	154,457	615,000	1,038,056
2013			775,000	298,688	-	731,381	1,640,000	104,160	635,000	1,019,607
2014			825,000	246,375	-	731,381	1,710,000	52,235	655,000	1,000,556
2015			880,000	190,687	820,000	714,981	830,000	12,865	675,000	980,906
2016			940,000	131,288	1,725,000	664,081			695,000	960,657
2017			1,005,000	67,837	1,800,000	593,581			715,000	939,806
2018					1,850,000	520,581			745,000	911,206
2019					1,855,000	455,756			765,000	886,994
2020					1,920,000	397,931			800,000	856,393
2021					1,985,000	336,916			830,000	824,394
2022					2,055,000	269,938			865,000	791,193
2023					2,125,000	196,788			895,000	756,594
2024					2,225,000	120,663			935,000	719,675
2025					2,335,000	40,863			975,000	679,938
2026									1,015,000	638,500
2027									1,065,000	587,750
2028									1,120,000	534,500
2029									1,175,000	478,500
2030									1,235,000	419,750
2031									1,295,000	358,000
2032									1,360,000	293,250
2033									1,430,000	225,250
2034									1,500,000	153,750
2035									1,575,000	78,750
2036										
2037										
2038										
2039										
2040										
Totals	<u>195,190</u>	<u>1,952</u>	<u>5,830,000</u>	<u>1,676,025</u>	<u>20,695,000</u>	<u>7,237,603</u>	<u>7,360,000</u>	<u>527,465</u>	<u>24,135,000</u>	<u>17,221,217</u>

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY - BONDS AND NOTES

At December 31, 2010

(Amounts in dollars)

Year	Parking Revenue Refunding Bonds, Series 2010B		Lofts at Farmers Market Limited Tax Bonds, Series 2010A (BABs)		Lofts at Farmers Market Limited Tax Bonds, Series 2010B		TOTAL BONDS AND NOTES	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	305,000	563,798	-	294,613	-	18,127	9,652,967	10,505,119
2012	330,000	537,931	-	484,295	-	29,798	10,075,563	10,119,363
2013	340,000	528,032	-	484,295	-	29,798	9,217,773	9,632,684
2014	350,000	517,831	-	484,295	100,000	27,623	11,124,589	9,148,955
2015	360,000	507,331	-	484,295	110,000	23,055	9,936,830	8,648,600
2016	375,000	496,531	-	484,295	120,000	18,052	10,472,669	8,110,564
2017	385,000	485,282	-	484,295	135,000	12,506	11,482,140	7,513,547
2018	395,000	473,250	-	484,295	145,000	6,416	9,283,280	6,914,366
2019	410,000	459,425	85,000	482,446	75,000	1,631	9,539,128	6,410,915
2020	425,000	444,050	165,000	476,803			10,134,616	5,890,271
2021	440,000	427,050	170,000	468,970			10,547,000	5,331,816
2022	460,000	409,450	180,000	460,522			11,142,000	4,737,837
2023	480,000	390,475	205,000	450,988			11,464,000	4,101,894
2024	500,000	370,075	220,000	440,087			7,662,000	3,439,101
2025	520,000	348,825	235,000	427,262			7,481,000	3,063,694
2026	545,000	326,075	255,000	412,563			16,062,852	2,720,111
2027	570,000	300,869	270,000	396,475			5,792,000	2,388,132
2028	595,000	274,506	290,000	378,975			7,084,000	1,979,334
2029	620,000	246,987	310,000	360,225			6,669,000	1,557,357
2030	650,000	218,312	335,000	340,069			2,850,000	1,285,797
2031	680,000	188,250	355,000	316,731			2,990,000	1,140,697
2032	715,000	154,250	380,000	290,087			7,372,085	819,353
2033	750,000	118,500	405,000	261,631			2,585,000	605,381
2034	790,000	81,000	255,000	237,706			2,545,000	472,456
2035	830,000	41,500	265,000	218,856			2,670,000	339,106
2036			275,000	198,938			275,000	198,938
2037			290,000	177,750			290,000	177,750
2038			605,000	144,187			605,000	144,187
2039			655,000	96,938			655,000	96,938
2040			965,000	36,188			965,000	36,188
Totals	<u>12,820,000</u>	<u>8,909,585</u>	<u>7,170,000</u>	<u>10,759,075</u>	<u>685,000</u>	<u>167,006</u>	<u>208,625,492</u>	<u>117,530,451</u>

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

For the Fiscal Year Ended December 31, 2010

(Amounts in dollars)

	<u>Federal</u>	<u>State</u>	<u>City</u>	<u>Other</u>	<u>Totals 2010</u>
<u>HRA GENERAL FUND</u>					
Market Value Homestead Credit	-	115,779	-	-	115,779
Total HRA General Fund	<u>-</u>	<u>115,779</u>	<u>-</u>	<u>-</u>	<u>115,779</u>
<u>HRA FEDERAL & STATE PROGRAMS SPECIAL REVENUE FUND</u>					
HUD HOME Investment Partnership Program	1,898,376	-	-	-	1,898,376
HUD Shelter Plus Care Grant	47,023	-	-	-	47,023
Minnesota Housing Finance Agency Programs					
Tax Credit Assistance and Exchange	14,466,485	-	-	-	14,466,485
CF3 Grant - Railroad Island	-	581,125	-	-	581,125
Emergency Rehabilitation	13,044	-	-	-	13,044
Great Minnesota Fix-up Fund	-	322,106	-	-	322,106
Total HRA Federal & State Programs Special Revenue Fund	<u>16,424,928</u>	<u>903,231</u>	<u>-</u>	<u>-</u>	<u>17,328,159</u>
<u>HRA DEBT SERVICE FUND</u>					
Financing for Sales Tax Revenue Bonds	-	-	17,209,429	-	17,209,429
Market Value Homestead Credit	-	74,347	-	-	74,347
Total HRA Debt Service Fund	<u>-</u>	<u>74,347</u>	<u>17,209,429</u>	<u>-</u>	<u>17,283,776</u>
<u>HRA TAX INCREMENT CAPITAL PROJECTS FUND</u>					
Market Value Homestead Credit	-	164,269	-	-	164,269
Total HRA Tax Increment Capital Projects Fund	<u>-</u>	<u>164,269</u>	<u>-</u>	<u>-</u>	<u>164,269</u>
<u>HRA DEVELOPMENT CAPITAL PROJECTS FUND</u>					
Metropolitan Council - MHFA ISP Funding	-	-	-	86,909	86,909
MHFA - Mortgage Foreclosure Recycling Pilot Program	-	210,000	-	-	210,000
Total HRA Development Capital Projects Fund	<u>-</u>	<u>210,000</u>	<u>-</u>	<u>86,909</u>	<u>296,909</u>
<u>HRA LOAN ENTERPRISE FUND</u>					
HUD Housing Counseling Grant	53,212	-	-	-	53,212
Highway Planning and Construction	4,750	-	-	-	4,750
Minnesota Housing Finance Agency(MHFA)					
Mortgage Foreclosure Prevention Assistance Program	155,229	81,138	-	-	236,367
Total HRA Loan Enterprise Fund	<u>213,191</u>	<u>81,138</u>	<u>-</u>	<u>-</u>	<u>294,329</u>
TOTAL INTERGOVERNMENTAL REVENUE, OPERATING GRANTS, AND CAPITAL GRANTS	<u>16,638,119</u>	<u>1,548,764</u>	<u>17,209,429</u>	<u>86,909</u>	<u>35,483,221</u>

SCHEDULE OF INTERGOVERNMENTAL EXPENDITURES AND EXPENSES

ALL FUNDS

For the Fiscal Year Ended December 31, 2010

(Amounts in dollars)

	<u>City</u>	<u>County</u>	<u>Totals 2010</u>
<u>HRA GENERAL FUND</u>			
Financing for PED Salaries, Fringes, and Expenses	201,585	-	201,585
Financing for Citizen Participation Program	<u>102,808</u>	-	<u>102,808</u>
Total HRA General Fund	<u>304,393</u>	-	<u>304,393</u>
<u>HRA DEBT SERVICE FUND</u>			
Financing for RiverCentre	3,524,448	-	3,524,448
Financing for City Sales Tax Revenue Bonds	<u>12,313,863</u>	-	<u>12,313,863</u>
Total HRA Debt Service Fund	<u>15,838,311</u>	-	<u>15,838,311</u>
<u>HRA LOAN ENTERPRISE FUND</u>			
Financing for City Capital Projects	<u>257,960</u>	-	<u>257,960</u>
Total HRA Loan Enterprise Fund	<u>257,960</u>	-	<u>257,960</u>
<u>HRA PARKING ENTERPRISE FUND</u>			
Financing for City Capital Projects	<u>54,129</u>	-	<u>54,129</u>
Total HRA Parking Enterprise Fund	<u>54,129</u>	-	<u>54,129</u>
 TOTAL INTERGOVERNMENTAL EXPENDITURES AND EXPENSES	 <u><u>16,454,793</u></u>	 <u><u>-</u></u>	 <u><u>16,454,793</u></u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended December 31, 2010

(Amounts in dollars)

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	<u>Expenditures</u>
U.S. Department of Housing and Urban Development		
Direct Grants		
Housing Counseling Assistance Grant Program	14.169	53,212
Shelter Plus Care Grant	14.238	47,023
HOME Investment Partnerships Program	14.239	1,898,376
Passed through Minnesota Housing Finance Agency		
Tax Credit Assistance Program - ARRA	14.258	<u>3,164,171</u>
Total U.S. Department of Housing and Urban Development		<u>5,162,782</u>
U. S. Department of Transportation		
Passed through Minnesota Department of Transportation		
Highway Planning and Construction	20.205	<u>4,750</u>
U. S. Department of Treasury		
Passed through Minnesota Housing Finance Agency		
National Foreclosure Mitigation Counseling Program	21.000	155,229
Tax Credit Exchange 1602 Program Funds - ARRA	Not Assigned	<u>11,302,314</u>
Total U.S. Department of Treasury		<u>11,457,543</u>
U. S. Department of Energy		
Passed through Minnesota Housing Finance Agency		
State Energy Program - ARRA	81.041	<u>13,044</u>
TOTAL FEDERAL AWARDS		<u><u>16,638,119</u></u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended December 31, 2010

1. Reporting Entity

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. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the HRA under programs of the federal government for the year ended December 31, 2010. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the HRA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the HRA.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the basis of accounting used by the individual funds of the HRA. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting. Such expenditures are recognized following the costs principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through grant numbers were not assigned by the pass-through agencies.

4. Subrecipients

Of the expenditures presented in the schedule, the HRA provided federal awards to subrecipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount Provided to Subrecipients</u>
14.238	Shelter Plus Care Grant	\$ 47,023
14.239	HOME Investment Partnerships Program	\$ 459,962
14.258	Tax Credit Assistance Program - ARRA	\$ 3,164,171
81.041	State Energy Program - ARRA	\$ 13,044
Not Assigned	Tax Credit Exchange 1602 Program Funds - ARRA	\$ 11,302,314
	Total	<u>\$ 14,986,514</u>

5. American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act of 2009 (ARRA) requires recipients to clearly distinguish ARRA funds from non-ARRA funding. In the schedule, ARRA funds are denoted by the addition of ARRA to the program name.

NET ASSETS BY COMPONENT
Last Nine 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>2010</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	\$ 9,888,295
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	5,548,931
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>	<u>(43,143,612)</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>	<u>(27,706,386)</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	28,360,228
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	13,786,889
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>	<u>26,766,384</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>	<u>68,913,501</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	38,248,523
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	19,335,820
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>	<u>(16,377,228)</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>	<u>\$ 41,207,115</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 Nine 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>2010</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	\$ 53,868,777
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>	<u>10,132,800</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>	<u>64,001,577</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	1,462,546
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>	<u>11,610,535</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>	<u>13,073,081</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>	<u>77,074,658</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	5,104,319
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	37,531,003
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>	<u>27,711</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>	<u>42,663,033</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	504,286
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	11,394,497
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	317,340
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>	<u>534,591</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>	<u>12,750,714</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>	<u>55,413,747</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)	(21,338,544)
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>	<u>(322,367)</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>	<u>(21,660,911)</u>

Continued

CHANGES IN NET ASSETS
Last Nine 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>2010</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	2,990,745
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	20,984,261
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	354,395
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	1,062,612
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>	<u>(2,062,510)</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>	<u>23,329,503</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	1,258,761
Investment Income	1,649,096	285,667	725,517	1,627,274	2,543,650	2,102,439	794,694	99,135	305,311
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>	<u>2,062,510</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>	<u>3,626,582</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	26,956,085
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	1,990,959
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>	<u>3,304,215</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>	<u>\$ 5,295,174</u>

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

PROGRAM REVENUES BY FUNCTIONS / PROGRAMS**Last Nine 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>2010</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	\$ 5,104,319
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	37,531,003
Capital Grants and Contributions	1,627,155	-	-	-	-	-	1,861,975	271,305	27,711
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>	<u>42,663,033</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>42,663,033</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	504,286
Operating Grants	485,341	2,002,488	13,750,499	9,400,408	1,480,019	938,546	3,765,808	1,352,810	317,340
Capital Grants and Contributions	-	-	-	-	-	-	-	-	534,591
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>	<u>1,356,217</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	11,394,497
Operating Grants	-	-	-	625,000	-	-	-	-	-
Capital Grants and Contributions	3,350,733	615,884	1,780,421	900,000	6,235,374	11,412,775	-	-	-
Total Parking Operations	<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>	<u>11,394,497</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>	<u>12,750,714</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>	<u>\$ 55,413,747</u>

FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<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>	<u>2010</u>
HRA General Fund										
Reserved	\$ 5,564	\$ 208,253	\$ 558,847	\$ 1,127,614	\$ 940,748	\$ 1,112,171	\$ 688,545	\$ 801,534	\$ 742,647	\$ 731,032
Unreserved	7,331,886	7,979,800	6,010,425	4,216,124	7,180,814	6,898,759	7,992,919	10,881,369	9,614,435	9,133,372
Total HRA General Fund	<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>	<u>9,864,404</u>
HRA Federal & State Programs Special Revenue Fund										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	57,762	130	11	-	-	-	-	-	-	-
Total HRA Federal & State Programs Special Revenue Fund	<u>57,762</u>	<u>130</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
HRA Debt Service Fund										
Reserved	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	26,867,981
Unreserved	-	413,593	185,615	56,753	-	-	-	-	205,994	197,404
Total HRA Debt Service Fund	<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>	<u>27,065,385</u>
HRA Tax Increment Capital Projects Fund										
Reserved	4,519,140	239,864	131,011	195,541	172,688	188,631	2,595	2,595	-	1,515,080
Unreserved	15,804,568	21,431,472	18,185,679	18,119,212	18,540,401	4,463,031	3,930,408	6,909,778	8,506,868	7,614,463
Total HRA Tax Increment Capital Projects Fund	<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>	<u>9,129,543</u>
HRA Development Capital Projects Fund										
Reserved	-	-	-	-	-	-	932,190	1,594,402	1,121,146	2,664,190
Unreserved	-	-	-	-	-	-	29,732,857	24,127,747	19,783,797	13,418,669
Total HRA Tax Development Capital Projects Fund	<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>	<u>16,082,859</u>
TOTAL - ALL GOVERNMENTAL FUNDS										
Reserved	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	31,778,283
Unreserved	23,194,216	29,824,995	24,381,730	22,392,089	25,721,215	11,361,790	41,656,184	41,918,894	38,111,094	30,363,908
Total Fund Balances - All Governmental Funds	<u>\$ 63,261,176</u>	<u>\$ 61,581,144</u>	<u>\$ 51,953,628</u>	<u>\$ 49,281,619</u>	<u>\$ 46,359,688</u>	<u>\$ 33,122,674</u>	<u>\$ 67,804,624</u>	<u>\$ 65,676,606</u>	<u>\$ 64,220,595</u>	<u>\$ 62,142,191</u>

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Taxes	\$ 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	\$ 23,568,364
Intergovernmental	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	35,188,892
Fees, Sales and Services	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	5,556,017
Investment Income	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	1,074,507
Miscellaneous	619,502	645,982	482,042	260,000	117,412	598,044	802,192	902,476	543,551	2,448,040
Total Revenues	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	67,835,820
EXPENDITURES										
Housing and Economic Development	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	37,390,286
Intergovernmental	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	16,142,704
Capital Outlay	2,395,968	-	615,884	-	1,078,511	648,337	-	1,186,100	-	-
Debt Service:										
Interest	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	10,089,143
Principal	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	9,227,737
Issuance Costs	669,864	803,977	119,530	289,809	326,867	-	6,777	274,195	141,085	384,506
Total Expenditures	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	73,234,376
Excess of Revenues over (under) Expenditures	(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)	(5,398,556)
OTHER FINANCING SOURCES (USES)										
Proceeds from Borrowing	13,780,420	22,070,000	10,570,000	9,034,981	7,515,000	-	-	9,635,761	-	6,595,000
Proceeds from Refunding	6,762,463	3,424,000	1,890,000	-	5,125,399	4,820,000	3,939,831	-	7,003,608	2,682,662
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)	(3,895,000)
Transfers In	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	7,462,416
Transfers Out	(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)	(9,524,926)
Total Other Financing Sources (Uses)	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)	3,320,152
Net Change in Fund Balance	\$ (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)	\$ (2,078,404)
Debt Service as a percentage of Noncapital Expenditures	36.6%	33.5%	35.9%	37.0%	42.5%	33.6%	47.2%	35.5%	32.7%	26.4%
					(a)					(b)

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

(b) In 2010, a balloon payment of \$3,450,000 was made on the HUD Section 108 Note, Series 2003-B.

NET ASSETS - PROPRIETARY FUNDS
Last Nine 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>2010</u>
HRA Loan Enterprise Fund									
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,292)
Restricted	-	-	2,024,282	11,289,819	7,049,537	6,823,402	1,148,967	1,072,523	7,250,562
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>	<u>17,267,290</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>	<u>24,496,560</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	28,381,520
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	6,536,327
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>	<u>9,499,094</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>	<u>44,416,941</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	28,360,228
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	13,786,889
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>	<u>26,766,384</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>	<u>\$ 68,913,501</u>

CHANGES IN NET ASSETS - PROPRIETARY FUNDS

Last Nine Fiscal Years

(Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 139,364
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	11,394,497
Interest Earned on Loans	955,535	961,862	1,066,180	1,455,390	1,689,702	137,300	776,522	419,306	364,922
Total Operating Revenues	9,996,939	11,299,222	12,380,056	15,743,922	17,846,442	11,120,972	12,944,361	12,953,132	11,898,783
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	710,321
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	5,425,658
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	2,846,729
Bad Debt Expense on Loans	318,281	433,994	1,466,939	618,681	6,137,550	5,996,934	365,486	187,588	309,257
Forgivable Loan Expense	-	-	3,547,055	1,839,768	4,986,221	944,676	1,920,551	1,708,022	161,365
Total Operating Expenses	8,468,757	10,670,781	16,941,383	11,972,670	23,234,178	18,554,039	14,123,029	12,675,597	9,453,330
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	2,445,453
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	1,258,761
Operating Grants	485,341	491,214	12,765,521	9,088,500	429,793	134,746	84,539	427,828	294,329
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	23,011
Investment Income	1,649,096	285,667	725,517	1,627,274	2,543,650	2,102,439	794,694	99,134	305,311
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)	(3,162,276)
Intergovernmental Expenses	(42,747)	(300,000)	(907,000)	(1,476,438)	(1,157,624)	(2,256,955)	(76,483)	(357,244)	(312,089)
Litigation Mediation - Noncash Advance	-	-	-	-	-	-	-	-	(412,753)
Amortization of Bond Issuance Cost	(26,091)	(26,091)	(207,615)	(407,877)	(425,996)	(112,053)	(110,500)	(116,768)	(145,386)
Total Nonoperating Revenues (Expenses)	(1,995,528)	(433,030)	9,712,053	5,808,261	(1,416,353)	(4,888,050)	2,140,370	(1,752,619)	(2,151,092)
Capital Contributions	3,350,733	615,884	1,780,421	900,000	6,235,374	11,412,775	-	-	947,344
Transfers In	3,763	3,055,616	3,634,028	2,500,000	1,053,084	1,416,433	600,316	2,528,208	2,078,822
Transfers Out	(1,128,205)	(1,249,496)	(711,333)	(2,945,327)	(5,561,771)	(13,762,113)	(104,451)	(396,869)	(16,312)
CHANGE IN NET ASSETS	\$ 1,758,945	\$ 2,617,415	\$ 9,853,842	\$ 10,034,186	\$ (5,077,402)	\$(13,254,022)	\$ 1,457,567	\$ 656,255	\$ 3,304,215

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>
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
2010	2,797,136	20,771,228	-	23,568,364
Change 2001-2010	235.7%	10.5%	-100.0%	18.7%

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

LEVY - PAYABLE	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Tax Capacity*										
Real Property*									247,182,526	234,248,711
Personal Property*									6,377,694	6,385,279
Fiscal Disparities*									25,238,471	26,101,425
Total Tax Capacity*	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	266,735,415
Taxable Market Value*	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	21,551,886,800
Tax Capacity Rate	0.4330%	0.5100%	0.4970%	0.4580%	0.4400%	0.4340%	0.4140%	0.4470%	0.8980%	1.2720%
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%	0.0185%	0.0185%
Maximum Tax Levy per State Law	\$ 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	\$ 3,987,099
Actual Tax Levy Certified	\$ 1,109,074	\$ 840,174	\$ 840,174	\$ 840,174	\$ 898,986	\$ 979,895	\$ 1,057,307	\$ 1,215,903	\$ 2,278,148	\$ 3,178,148
Actual Levy under Maximum	\$ 354,639	\$ 776,427	\$ 980,435	\$ 1,206,744	\$ 1,463,147	\$ 1,691,391	\$ 1,981,558	\$ 2,106,379	\$ 1,935,555	\$ 808,951
% of Actual Levy to Maximum	75.77%	51.97%	46.15%	41.05%	38.06%	36.68%	34.79%	36.60%	54.07%	79.71%

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>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>	<u>2010</u>
Total Taxes Levied for Current Fiscal Year	\$ 1,109,074	\$ 840,174	\$ 840,174	\$ 840,174	\$ 898,986	\$ 979,895	\$ 1,057,307	\$ 1,215,903	\$ 2,278,148	\$ 3,178,148
Collection of Current Year Tax Levy										
From Taxpayers	\$ 622,097	\$ 526,934	\$ 584,041	\$ 594,122	\$ 661,061	\$ 750,062	\$ 819,668	\$ 953,678	\$ 1,874,829	\$ 2,259,765
Fiscal Disparity Aid	\$ 202,879	\$ 234,526	\$ 170,273	\$ 171,938	\$ 160,358	\$ 157,181	\$ 169,430	\$ 183,574	\$ 223,759	\$ 493,367
State Credits and Aids	\$ 268,900	\$ 61,625	\$ 46,766	\$ 38,346	\$ 54,331	\$ 49,130	\$ 44,056	\$ 44,437	\$ 87,974	\$ 115,779
Closed TIF District Adj.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,065
Total Collection of Current Levy	\$ 1,093,876	\$ 823,085	\$ 801,080	\$ 804,406	\$ 875,750	\$ 956,373	\$ 1,033,154	\$ 1,181,689	\$ 2,186,562	\$ 3,062,976
										(2)
Percentage of Current Year Levy Collected in the Fiscal Year of Levy	98.63	97.97	95.35	95.74	97.42	97.60	97.72	97.19	95.98	96.38
Delinquent Taxes Collected in subsequent years										
1st Year Delinquent (1)	\$ 13,691	\$ 5,816	\$ 11,901	\$ 3,559	\$ 12,963	\$ 8,723	\$ 20,254	\$ 31,348	\$ 44,004	\$ -
Total Tax Collections as of 12/31/10	\$ 1,107,567	\$ 828,901	\$ 812,981	\$ 807,965	\$ 888,713	\$ 965,096	\$ 1,053,408	\$ 1,213,037	\$ 2,230,566	\$ 3,062,976
Percentage of Levy Collected as of 12/31/10	99.86	98.66	96.76	96.17	98.86	98.49	99.63	99.76	97.91	96.38

(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.

(2) Revaluation downward of property in a closed Tax Increment Finance District reduced net levy collected by HRA by 6.11%

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>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>	<u>2010</u>
TOTAL - ALL TAX INCREMENT DISTRICTS										
Original Tax Capacity Before Development - All Tax Increment Districts	\$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	\$4,491,122
Current Tax Capacity - All Tax Increment Districts	\$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	\$29,809,160
Captured Tax Capacity Retained by HRA / Port Authority	\$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	\$25,318,038
Tax Increment Spread	\$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	\$28,705,815
Tax Increment Collected:										
Current	\$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	\$27,171,525
Delinquent	\$147,931	(\$215,849)	\$29,747	(\$1,212,024)	(\$623,121)	(\$56,558)	\$108,908	\$159,896	\$128,882	(\$592,694)
Developer Shortfall Payments	\$0	\$0	\$225,548	\$352,404	\$797,186	\$819,772	\$478,743	\$178,011	\$252,345	\$0
Homestead Credit	\$0	\$207,783	\$259,400	\$275,941	\$301,109	\$193,706	\$216,482	\$228,422	\$217,861	\$238,616
Total Tax Increment Collected	\$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	\$26,817,447
Percentage of Tax Increment Collected to Tax Increment Spread	100.45	92.26	94.93	95.63	92.17	101.57	102.80	88.00	98.78	93.42
Delinquent Tax Increment Receivable at December 31	\$1,368,838	\$1,342,025	\$1,353,961	\$1,195,199	\$510,678	\$221,683	\$455,265	\$399,845	\$746,588	\$696,706
Percentage of Delinquent Tax Increment Receivable to Tax Increment Spread	5.52	7.96	7.35	6.08	2.61	1.12	1.92	1.41	2.74	2.43
Percentage of Captured Tax Capacity to Saint Paul Total Tax Capacity	8.99	8.12	8.03	8.34	8.06	7.49	8.32	9.22	8.52	8.67

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 Ten Years Ago

<u>Taxpayer</u>	<u>2010</u>			<u>2000</u>		
	<u>2009 Net Tax Capacity for Taxes Payable in 2010</u>	<u>Rank</u>	<u>Percentage of 2009 Total Net Tax Capacity for Taxes Payable in 2010</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)	\$4,620,653	1	1.73%	\$6,221,222	1	3.60%
Minnesota Mutual Life Insurance Company	2,555,136	2	0.96%	1,026,912	6	0.60%
St. Paul Tower LP (World Trade Center)	1,899,250	3	0.71%	-		-
Traveler's Insurance (St. Paul Companies)	1,608,680	4	0.60%	-		-
Behringer Harvard LC LLC (Lawson Software)	1,234,250	5	0.46%	-		-
U.S. Bank Corp. Property & U.S. Bancorp	1,199,250	6	0.45%	-		-
BNSF Railway Company	951,867	7	0.36%	698,027	10	0.40%
Court International LLC	804,466	8	0.30%	-		-
Ford Motor Company	799,270	9	0.30%	858,291.00	7	0.50%
DDR Midway Marketplace LLC	718,996	10	0.27%	-		-
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>\$16,391,818</u>		<u>6.15%</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 Nine Fiscal Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Block 7A Ramp									
Operating Revenues	\$ 827,468	\$ 846,913	\$ 845,775	\$ 879,184	\$ 889,550	\$ 942,753	\$ 1,015,628	\$ 993,836	\$ 1,008,924
Operating Expenses	\$ 624,894	\$ 555,265	\$ 492,466	\$ 493,758	\$ 456,309	\$ 494,551	\$ 480,518	\$ 508,861	\$ 491,015
Operating Income (Loss)	\$ 202,574	\$ 291,648	\$ 353,309	\$ 385,426	\$ 433,241	\$ 448,202	\$ 535,110	\$ 484,975	\$ 517,909
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	\$ 1,225,291
Operating Expenses	\$ 335,355	\$ 338,494	\$ 340,083	\$ 341,538	\$ 495,950	\$ 346,293	\$ 421,835	\$ 379,331	\$ 384,743
Operating Income (Loss)	\$ 843,081	\$ 811,545	\$ 859,953	\$ 863,210	\$ 674,290	\$ 882,220	\$ 806,007	\$ 845,931	\$ 840,548
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	\$ 1,163,213
Operating Expenses	\$ 594,882	\$ 502,248	\$ 498,078	\$ 509,752	\$ 544,774	\$ 518,435	\$ 559,901	\$ 590,226	\$ 622,956
Operating Income (Loss)	\$ 692,844	\$ 801,675	\$ 587,098	\$ 684,710	\$ 527,251	\$ 612,396	\$ 582,480	\$ 550,805	\$ 540,257
Kellogg Street Ramp									
Operating Revenues	\$ 981,027	\$ 999,085	\$ 880,546	\$ 938,007	\$ 979,675	\$ 980,206	\$ 924,210	\$ 996,824	\$ 970,621
Operating Expenses	\$ 561,929	\$ 546,474	\$ 525,788	\$ 617,826	\$ 628,937	\$ 547,161	\$ 747,589	\$ 763,337	\$ 815,042
Operating Income (Loss)	\$ 419,098	\$ 452,611	\$ 354,758	\$ 320,181	\$ 350,738	\$ 433,045	\$ 176,621	\$ 233,487	\$ 155,579
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	\$ 1,287,034
Operating Expenses	\$ 364,515	\$ 748,523	\$ 630,104	\$ 681,949	\$ 771,846	\$ 804,191	\$ 904,894	\$ 863,920	\$ 944,781
Operating Income (Loss)	\$ 592,366	\$ 350,140	\$ 165,372	\$ 251,004	\$ 388,364	\$ 399,993	\$ 370,704	\$ 452,582	\$ 342,254
Block 19 Ramp									
Operating Revenues	\$ -	\$ -	\$ 640,858	\$ 886,918	\$ 779,947	\$ 688,451	\$ 963,400	\$ 865,926	\$ 932,988
Operating Expenses	\$ -	\$ -	\$ 643,949	\$ 751,451	\$ 693,548	\$ 724,049	\$ 802,959	\$ 814,198	\$ 813,000
Operating Income (Loss)	\$ -	\$ -	\$ (3,091)	\$ 135,467	\$ 86,399	\$ (35,598)	\$ 160,441	\$ 51,728	\$ 119,988
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	\$ 2,813,317
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	\$ 1,450,502
Operating Income (Loss)	\$ 1,351,880	\$ 1,305,003	\$ 1,379,372	\$ 1,396,288	\$ 1,826,108	\$ 1,397,030	\$ 1,343,120	\$ 1,078,456	\$ 1,362,816
Spruce Tree Ramp									
Operating Revenues	\$ 30,000	\$ 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	\$ 81,139
Operating Income (Loss)	\$ (24,762)	\$ (37,723)	\$ (72,332)	\$ (23,887)	\$ (78,559)	\$ (32,276)	\$ (56,720)	\$ (39,191)	\$ (51,139)
Smith Avenue Transit Hub									
Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,410	\$ 824,582	\$ 774,855	\$ 844,516
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355,323	\$ 1,112,112	\$ 1,029,106	\$ 1,013,551
Operating Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (63,913)	\$ (287,530)	\$ (254,251)	\$ (169,035)
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	\$ 1,118,591
Operating Expenses	\$ 407,008	\$ 859,358	\$ 1,620,082	\$ 1,099,204	\$ 1,694,448	\$ 1,423,675	\$ 1,393,512	\$ 1,116,330	\$ 1,655,659
Operating Income (Loss)	\$ 9,396	\$ (162,460)	\$ (36,517)	\$ 328,033	\$ (277,146)	\$ (69,145)	\$ (105,974)	\$ (9,599)	\$ (537,067)
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	\$ 11,204,742	\$ 11,394,497
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	\$ 8,272,387
Operating Income (Loss)	\$ 4,086,477	\$ 3,812,439	\$ 3,587,922	\$ 4,340,432	\$ 3,930,686	\$ 3,971,954	\$ 3,524,259	\$ 3,394,922	\$ 3,122,110

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	Limited Tax Bonds	Revenue Notes			
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	3.54%
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	3.74%
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	3.96%
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	4.42%
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	4.49%
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	3.89%
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	3.47%
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%
2010	57,026,305	37,360,000	13,655,000	20,113,997	42,785,000	28,055,000	-	7,855,000	1,775,190	208,625,492	731.84	3.00%
% Change 2001-2010	7.21	(24.24)	(9.24)	31.85	63.77	(29.86)	-	-	(73.66)	1.44		

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 2010 ratio is calculated using population for the prior calendar year.

(2) See the "Demographic and Economic Statistics" Table for personal income data. The 2010 percentage is calculated using personal income for the prior calendar year.

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	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	\$ 530,406	\$ 332,493	\$ 335,790	\$ 325,416	\$ 296,044	\$ 283,041	\$ 290,730	\$ 334,855	\$ 375,697	\$ 441,406	\$ 3,545,878
Developer Shortfall Payments	-	-	124,908	115,300	115,300	112,400	92,229	51,195	15,155	-	626,487
Investment Earnings	22,246	7,912	18,383	28,038	24,322	52,669	90,639	85,645	58,277	53,062	441,193
Total Revenues Available for Debt Service	\$ 552,652	\$ 340,405	\$ 479,081	\$ 468,754	\$ 435,666	\$ 448,110	\$ 473,598	\$ 471,695	\$ 449,129	\$ 494,468	\$ 4,613,558
Debt Service Requirements											
Principal	\$ 125,000	\$ 150,000	\$ 175,000	\$ 140,058	\$ 149,162	\$ 158,857	\$ 169,183	\$ 180,180	\$ 191,891	\$ 204,364	\$ 1,643,695
Interest	291,797	278,906	135,938	122,850	113,746	104,051	93,725	82,728	71,016	58,544	1,353,301
Total Debt Service Requirements	\$ 416,797	\$ 428,906	\$ 310,938	\$ 262,908	\$ 262,908	\$ 262,908	\$ 262,908	\$ 262,908	\$ 262,907	\$ 262,908	\$ 2,996,996
Coverage (Revenues / Debt Service)	1.33	0.79	1.54	1.78	1.66	1.70	1.80	1.79	1.71	1.88	1.54
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	\$ 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	\$ 1,197,542	\$ 14,198,124
Investment Earnings	194,935	341,690	200,156	207,669	178,567	87,266	110,707	151,489	127,478	133,263	1,733,220
Total Revenues Available for Debt Service	\$ 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	\$ 1,330,805	\$ 15,931,344
Debt Service Requirements											
Principal	\$ 175,000	\$ 190,000	\$ 200,000	\$ 220,000	\$ 235,000	\$ 350,000	\$ 355,000	\$ 370,000	\$ 380,000	\$ 395,000	\$ 2,870,000
Interest	492,791	478,553	463,095	446,240	392,424	232,142	218,742	203,780	187,463	169,923	3,285,153
Total Debt Service Requirements	\$ 667,791	\$ 668,553	\$ 663,095	\$ 666,240	\$ 627,424	\$ 582,142	\$ 573,742	\$ 573,780	\$ 567,463	\$ 564,923	\$ 6,155,153
Coverage (Revenues / Debt Service)	3.40	2.07	2.29	2.15	2.03	3.30	2.66	2.75	2.98	2.36	2.59
SALES TAX REVENUE BONDS, SERIES 1993 AND 1996											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
City Sales Tax Revenues	\$ 13,432,179	\$ 13,344,192	\$ 13,312,004	\$ 13,753,085	\$ 14,154,920	\$ 14,798,156	\$ 15,201,412	\$ 15,393,811	\$ 17,153,570	\$ 18,652,765	\$ 149,196,094
Investment Earnings	85,348	33,685	18,495	22,509	61,737	109,608	122,831	47,160	(2,940)	(3,252)	495,181
Total Revenues Available for Debt Service	\$ 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	\$ 18,649,513	\$ 149,691,275
Debt Service Requirements											
Principal	\$ 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	\$ 1,720,000	\$ 12,880,000
Interest	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	2,774,680	32,068,925
Total Debt Service Requirements	\$ 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	\$ 4,494,680	\$ 44,948,925
Coverage (Revenues / Debt Service)	3.01	2.98	2.97	3.06	3.16	3.31	3.41	3.44	3.82	4.15	3.33

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Totals
DOWNTOWN TAX INCREMENT BONDS, SERIES 1993 AND 1998											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ 10,139,895	\$ 5,048,227	\$ 5,323,503	\$ 5,539,108	\$ 3,807,158	\$ 4,276,947	\$ 5,309,827	\$ 3,189,751	\$ -	\$ -	\$ 42,634,416
Hotel-Motel Taxes	225,898	220,000	220,000	220,000	220,000	220,000	220,000	-	-	-	1,545,898
RiverCentre Revenues	-	125,000	100,000	100,000	100,000	100,000	100,000	200,000	-	-	825,000
N.O.C. Sales	-	-	-	-	-	-	12,871	-	-	-	12,871
Loan Repayments	-	-	-	-	273,047	2,026,344	-	-	-	-	2,299,391
Investment Earnings	181,171	291,471	74,065	82,602	60,326	105,094	292,631	148,288	-	-	1,235,648
Total Revenues Available for Debt Service	<u>\$ 10,546,964</u>	<u>\$ 5,684,698</u>	<u>\$ 5,717,568</u>	<u>\$ 5,941,710</u>	<u>\$ 4,460,531</u>	<u>\$ 6,728,385</u>	<u>\$ 5,935,329</u>	<u>\$ 3,538,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,553,224</u>
Debt Service Requirements											
Principal	\$ 2,060,000	\$ 2,180,000	\$ 2,235,000	\$ 2,275,000	\$ 2,285,000	\$ 2,355,000	\$ 2,400,000	\$ 3,830,000	\$ -	\$ -	\$ 19,620,000
Interest	1,184,996	1,064,791	933,871	797,635	657,314	512,803	363,052	223,775	-	-	5,738,237
Total Debt Service Requirements	<u>\$ 3,244,996</u>	<u>\$ 3,244,791</u>	<u>\$ 3,168,871</u>	<u>\$ 3,072,635</u>	<u>\$ 2,942,314</u>	<u>\$ 2,867,803</u>	<u>\$ 2,763,052</u>	<u>\$ 4,053,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,358,237</u>
Coverage (Revenues / Debt Service)	3.25	1.75	1.80	1.93	1.52	2.35	2.15	0.87	N/A	N/A	1.91
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	\$ 400,000	\$ 400,000	\$ 415,000	\$ 415,000	\$ 415,000	\$ 657,928	\$ 758,559	\$ 835,943	\$ 1,098,963	\$ 580,367	\$ 5,976,760
Investment Earnings	128,124	36,339	43,200	43,229	40,630	36,129	11,728	5,022	27,744	19,761	391,906
Total Revenues Available for Debt Service	<u>\$ 528,124</u>	<u>\$ 436,339</u>	<u>\$ 458,200</u>	<u>\$ 458,229</u>	<u>\$ 455,630</u>	<u>\$ 694,057</u>	<u>\$ 770,287</u>	<u>\$ 840,965</u>	<u>\$ 1,126,707</u>	<u>\$ 600,128</u>	<u>\$ 6,368,666</u>
Debt Service Requirements											
Principal	\$ 170,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 425,000	\$ 525,000	\$ 650,000	\$ 360,000	\$ 2,630,000
Interest	419,706	414,250	411,600	408,900	406,150	396,363	375,956	348,988	290,673	240,800	3,713,386
Total Debt Service Requirements	<u>\$ 589,706</u>	<u>\$ 464,250</u>	<u>\$ 461,600</u>	<u>\$ 458,900</u>	<u>\$ 456,150</u>	<u>\$ 696,363</u>	<u>\$ 800,956</u>	<u>\$ 873,988</u>	<u>\$ 940,673</u>	<u>\$ 600,800</u>	<u>\$ 6,343,386</u>
Coverage (Revenues / Debt Service)	0.90	0.94	0.99	1.00	1.00	1.00	0.96	0.96	1.20	1.00	1.00
RIVERFRONT TAX INCREMENT BONDS, SERIES 1993C, 1993D, 2000D, AND 2002C											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ 1,079,136	\$ 516,215	\$ 823,386	\$ 718,705	\$ 768,344	\$ 775,838	\$ 794,927	\$ 979,997	\$ 1,035,466	\$ 1,067,737	\$ 8,559,751
Tax Increment Pooling from Other Districts	304,808	396,916	364,000	610,335	571,150	576,714	520,420	368,455	319,165	214,049	4,246,012
Transfer from Capital Projects Fund	-	-	-	309,845	2,798	1,399	-	-	-	-	314,042
Investment Earnings	(23,104)	(21,324)	(22,326)	(4,281)	161	7,096	11,242	1,890	(4,216)	(368)	(55,230)
Total Revenues Available for Debt Service	<u>\$ 1,360,840</u>	<u>\$ 891,807</u>	<u>\$ 1,165,060</u>	<u>\$ 1,634,604</u>	<u>\$ 1,342,453</u>	<u>\$ 1,361,047</u>	<u>\$ 1,326,589</u>	<u>\$ 1,350,342</u>	<u>\$ 1,350,415</u>	<u>\$ 1,281,417</u>	<u>\$ 13,064,574</u>
Debt Service Requirements											
Principal	\$ 650,000	\$ 635,000	\$ 790,000	\$ 845,000	\$ 865,000	\$ 925,000	\$ 970,000	\$ 1,035,000	\$ 1,095,000	\$ 1,150,000	\$ 8,960,000
Interest	732,392	544,930	467,266	432,982	395,347	354,335	309,934	262,028	210,591	155,899	3,865,704
Total Debt Service Requirements	<u>\$ 1,382,392</u>	<u>\$ 1,179,930</u>	<u>\$ 1,257,266</u>	<u>\$ 1,277,982</u>	<u>\$ 1,260,347</u>	<u>\$ 1,279,335</u>	<u>\$ 1,279,934</u>	<u>\$ 1,297,028</u>	<u>\$ 1,305,591</u>	<u>\$ 1,305,899</u>	<u>\$ 12,825,704</u>
Coverage (Revenues / Debt Service)	0.98	0.76	0.93	1.28	1.07	1.06	1.04	1.04	1.03	0.98	1.02

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	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	\$ 1,388,596	\$ 7,042,816
Investment Earnings	47,154	133,570	145,265	67,457	16,281	44,179	42,039	15,594	10,052	16,670	538,261
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	\$ 1,405,265	\$ 10,222,682
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ 335,000	\$ 275,000	\$ 285,000	\$ 335,000	\$ 410,000	\$ 1,765,000
Interest	-	726,935	754,169	754,169	754,169	742,877	726,606	712,106	696,789	677,692	6,545,512
Total Debt Service Requirements	\$ -	\$ 726,935	\$ 754,169	\$ 754,169	\$ 879,169	\$ 1,077,877	\$ 1,001,606	\$ 997,106	\$ 1,031,789	\$ 1,087,692	\$ 8,310,512
Coverage (Revenues / Debt Service)	NA	0.18	0.19	0.55	1.02	1.00	1.03	1.19	1.20	1.29	1.23
NORTH QUADRANT TAX INCREMENT BONDS, SERIES 2000 AND 2002, AND 9TH STREET LOFTS TAX INCREMENT BONDS, SERIES 2004											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ -	\$ 10,929	\$ 217,049	\$ 92,007	\$ 213,655	\$ 430,148	\$ 345,683	\$ 204,589	\$ 189,048	\$ 190,930	\$ 1,894,038
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	(956)	141,085
Total Revenues Available for Debt Service	\$ 60,219	\$ 79,249	\$ 347,938	\$ 248,320	\$ 214,397	\$ 431,195	\$ 348,362	\$ 207,578	\$ 189,191	\$ 189,974	\$ 2,316,423
Debt Service Requirements											
Principal	\$ -	\$ -	\$ 5,000	\$ 8,000	\$ 17,000	\$ 42,000	\$ 84,000	\$ 87,000	\$ 53,000	\$ 38,000	\$ 334,000
Interest	60,219	79,249	172,337	149,505	234,478	294,779	240,806	224,558	240,079	225,002	1,921,012
Total Debt Service Requirements	\$ 60,219	\$ 79,249	\$ 177,337	\$ 157,505	\$ 251,478	\$ 336,779	\$ 324,806	\$ 311,558	\$ 293,079	\$ 263,002	\$ 2,255,012
Coverage (Revenues / Debt Service)	1.00	1.00	1.96	1.58	0.85	1.28	1.07	0.67	0.65	0.72	1.03
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	\$ 1,769,019	\$ 6,510,777
Bond Proceeds - Capitalized Interest	-	4,537,870	-	-	-	-	-	-	-	-	4,537,870
Developer Shortfall Payments	-	-	-	-	-	498,044	696,192	687,476	517,590	261,324	2,660,626
Investment Earnings	-	322	298,905	341,621	126,908	200,503	112,409	73,086	38,818	21,728	1,214,300
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	\$ 2,052,072	\$ 14,923,574
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 267,000	\$ 389,000	\$ 415,000	\$ 1,071,000
Interest	-	-	1,130,274	1,321,100	1,321,100	1,321,100	1,321,100	1,311,999	1,289,644	1,262,249	10,278,566
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	\$ 1,677,249	\$ 11,349,566
Coverage (Revenues / Debt Service)	NA	NA	0.26	0.26	0.25	0.98	1.41	1.29	1.29	1.22	1.31

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	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	\$ 177,334	\$ 1,303,041
Investment Earnings	-	36,461	65,712	172	721	937	1,684	1,737	1,373	183	108,980
Total Revenues Available for Debt Service	\$ -	\$ 36,461	\$ 132,462	\$ 137,666	\$ 153,629	\$ 172,124	\$ 182,277	\$ 181,781	\$ 238,104	\$ 177,517	\$ 1,412,021
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 33,000	\$ 36,000	\$ 38,000	\$ 74,000	\$ 57,000	\$ 293,000
Interest	-	-	95,175	121,500	121,500	117,788	114,953	113,130	109,890	104,186	898,122
Total Debt Service Requirements	\$ -	\$ -	\$ 95,175	\$ 121,500	\$ 176,500	\$ 150,788	\$ 150,953	\$ 151,130	\$ 183,890	\$ 161,186	\$ 1,191,122
Coverage (Revenues / Debt Service)	NA	NA	1.39	1.13	0.87	1.14	1.21	1.20	1.29	1.10	1.19
KOCH/MOBIL TAX INCREMENT BONDS, SERIES 2004C, 2007B, AND 2010A											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Tax Increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,822	\$ 160,828	\$ 275,936	\$ 202,986	\$ 299,002	\$ 958,574
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	2,649	24,283
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ 266,625	\$ 1,601	\$ 24,307	\$ 163,673	\$ 280,525	\$ 448,290	\$ 301,652	\$ 1,486,673
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,950,000	\$ -	\$ -	\$ -	\$ 3,950,000
Interest	-	-	-	44,437	88,875	88,875	127,207	165,538	165,538	124,419	804,889
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ 44,437	\$ 88,875	\$ 88,875	\$ 4,077,207	\$ 165,538	\$ 165,538	\$ 124,419	\$ 4,754,889
Coverage (Revenues / Debt Service)	NA	NA	NA	6.00	0.02	0.27	0.04	1.69	2.71	2.42	0.31
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	\$ 308,946	\$ 1,601,234
Bond Proceeds - Capitalized Interest	-	-	-	403,765	-	-	-	-	-	-	403,765
Investment Earnings	-	-	-	444	1,278	5,375	18,680	(11,069)	1,140	373	16,221
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ 404,209	\$ 260,282	\$ 266,381	\$ 219,031	\$ 270,114	\$ 291,884	\$ 309,319	\$ 2,021,220
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000	\$ 40,000	\$ 54,000	\$ 69,000	\$ 181,000
Interest	-	-	-	-	172,198	228,750	228,750	227,063	224,406	220,750	1,301,917
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ 172,198	\$ 228,750	\$ 246,750	\$ 267,063	\$ 278,406	\$ 289,750	\$ 1,482,917
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	1.51	1.16	0.89	1.01	1.05	1.07	1.36

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	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	\$ 2,252,256	\$ 11,259,833
Bond Proceeds - Capitalized Interest	-	-	-	-	751,500	-	-	-	-	-	751,500
Investment Earnings	-	-	-	-	19,750	33,180	123,020	139,301	166,523	189,872	671,646
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 1,832,355	\$ 1,587,864	\$ 1,992,309	\$ 2,309,783	\$ 2,518,540	\$ 2,442,128	\$ 12,682,979
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ 295,000	\$ 495,000	\$ 485,000	\$ 480,000	\$ 485,000	\$ 510,000	\$ 2,750,000
Interest	-	-	-	-	128,259	357,478	336,702	314,761	292,700	269,762	1,699,662
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ 423,259	\$ 852,478	\$ 821,702	\$ 794,761	\$ 777,700	\$ 779,762	\$ 4,449,662
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	4.33	1.86	2.42	2.91	3.24	3.13	2.85
JIMMY LEE RECREATION FACILITY LEASE BONDS, SERIES 2008											
Fund Servicing Debt - HRA Debt Service Fund											
Revenues Available for Debt Service											
Lease Payments from the City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222,980	\$ 538,560	\$ 521,579	\$ 1,283,119
Investment Earnings	-	-	-	-	-	-	-	72,671	(7,622)	69,224	134,273
Total Revenues Available for Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295,651	\$ 530,938	\$ 590,803	\$ 1,417,392
Debt Service Requirements											
Principal	-	-	-	-	-	-	-	\$ 75,000	\$ 190,000	\$ 195,000	\$ 460,000
Interest	-	-	-	-	-	-	-	146,188	348,600	342,900	837,688
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,188	\$ 538,600	\$ 537,900	\$ 1,297,688
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	NA	NA	NA	1.34	0.99	1.10	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	24,642	2,722,221
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	\$ 24,642	\$ 14,752,368
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ 3,170,000	\$ 9,375,000	\$ 3,320,000	\$ 2,695,000	\$ 3,930,000	\$ 2,510,000	\$ 25,000,000
Interest	-	-	-	357,759	764,656	777,522	569,468	291,500	50,782	1,681	2,813,368
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ 357,759	\$ 3,934,656	\$ 10,152,522	\$ 3,889,468	\$ 2,986,500	\$ 3,980,782	\$ 2,511,681	\$ 27,813,368
Coverage (Revenues / Debt Service)	NA	NA	NA	7.01	1.12	0.66	0.19	0.11	0.00	0.01	0.53

Unaudited

SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Totals
PARKING REVENUE BONDS, SERIES 1992A, 1995A, 1995B, 2001A, 2002A, 2002B, 2005A, AND 2010A											
Fund Servicing Debt - HRA Parking Enterprise Fund											
Revenues Available for Debt Service											
Parking Facility Net Revenues	\$ 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	\$ 3,043,611	\$ 30,184,323
Parking Meter & Parking Fine Revenues	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	2,000,000	20,000,000
Bond Proceeds - Capitalized Interest	-	210,579	1,010,780	124,361	67,517	-	-	-	-	-	1,413,237
Total Revenues Available for Debt Service	<u>\$ 5,462,193</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>\$ 5,043,611</u>	<u>\$ 51,597,560</u>
Debt Service Requirements											
Principal	\$ 925,000	\$ 875,000	\$ 910,000	\$ 955,000	\$ 1,015,000	\$ 1,135,000	\$ 1,290,000	\$ 1,590,000	\$ 1,655,000	\$ 1,790,000	\$ 12,140,000
Interest	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	1,307,828	13,698,892
Total Debt Service Requirements	<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>\$ 3,097,828</u>	<u>\$ 25,838,892</u>
Coverage (Revenues / Debt Service)	3.23	2.85	1.98	1.83	1.99	1.93	1.93	1.72	1.71	1.63	2.00
PARKING REVENUE BONDS, SERIES 1997A											
Fund Servicing Debt - HRA Parking Enterprise Fund											
Revenues Available for Debt Service											
Ramp Lease Revenues	\$ 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	\$ 1,075,591	\$ 10,855,855
Investment Earnings	7,718	592	8,768	(3,235)	6,474	16,412	13,655	(1,480)	(3,993)	(4,018)	40,893
Total Revenues Available for Debt Service	<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>\$ 1,071,573</u>	<u>\$ 10,896,748</u>
Debt Service Requirements											
Principal	\$ 355,000	\$ 380,000	\$ 405,000	\$ 430,000	\$ 460,000	\$ 490,000	\$ 525,000	\$ 560,000	\$ 595,000	\$ 635,000	\$ 4,835,000
Interest	719,887	695,925	670,275	642,938	606,629	582,863	549,788	514,350	476,550	436,388	5,895,593
Total Debt Service Requirements	<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>\$ 1,071,388</u>	<u>\$ 10,730,593</u>
Coverage (Revenues / Debt Service)	1.00	1.00	1.12	1.00	1.02	1.00	1.02	1.00	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	\$ 1,236,563	\$ 10,864,508
Developer Shortfall Payments	-	-	100,640	237,104	681,886	707,372	386,514	126,816	-	-	2,240,332
Net Parking Revenues	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	1,924,977	19,421,995
Investment Earnings	106,898	207,513	74,901	199,881	112,108	97,039	261,767	138,493	37,016	152,120	1,387,736
Total Revenues Available for Debt Service	<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>\$ 3,313,659</u>	<u>\$ 33,914,571</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	\$ 1,295,000	\$ 11,945,000
Interest	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	763,015	18,448,612
Total Debt Service Requirements	<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>\$ 2,058,015</u>	<u>\$ 30,393,612</u>
Coverage (Revenues / Debt Service)	1.75	1.11	1.07	1.09	1.12	1.22	1.08	0.99	0.66	1.61	1.12

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SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Totals
PARKING REVENUE BONDS (SMITH AVENUE TRANSIT CENTER), SERIES 2005 AND 2010B											
Fund Servicing Debt - HRA Parking Enterprise Fund											
Revenues Available for Debt Service											
Parking & Transit Center Net Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,434	\$ 220,990	\$ 226,406	\$ 290,945	\$ 893,776
Investment Earnings	-	-	-	-	230,589	85,455	265,494	125,279	19,463	9,924	736,204
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	\$ 300,870	\$ 4,055,080
Debt Service Requirements											
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ 125,000	\$ 130,000	\$ 375,000
Interest	-	-	-	-	349,160	619,200	619,200	619,200	614,525	406,450	3,227,735
Total Debt Service Requirements	\$ -	\$ -	\$ -	\$ -	\$ 349,160	\$ 619,200	\$ 619,200	\$ 739,200	\$ 739,525	\$ 536,450	\$ 3,602,735
Coverage (Revenues / Debt Service)	NA	NA	NA	NA	7.61	0.14	0.68	0.47	0.33	0.56	1.13

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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>
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	287,540	24,702	6,947,235,100	145,773	8.1%
2010	285,068	N/A	N/A	146,389	7.3%

- (1) 2001-2009 data based on Metropolitan Council estimates.
2010 data is 2010 U.S. Census results.
- (2) 2001-2009 data provided by U.S. Census Bureau's Annual American Community Survey.
2010 data is not yet available.
- (3) Annual average - not seasonally adjusted.
Data provided by Minnesota Department of Employment and Economic Development (DEED).

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

<u>Employers</u>	<u>2010</u>			<u>2006</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
University of Minnesota (1)	22,703	1	12.94%			
State of Minnesota	15,100	2	8.60%	13,671	1	7.54%
3M Company (1)	15,000	3	8.55%			
Health East Care System / St Joseph's Hospital (1)	7,210	4	4.11%	5,080	3	2.80%
Saint Paul Public Schools	5,953	5	3.39%	6,567	2	3.62%
Ramsey County	4,183	6	2.38%	3,770	7	2.08%
Health Partners, Inc. / Regions Hospital	4,007	7	2.28%	4,000	6	2.21%
U.S. Bancorp	3,545	8	2.02%	4,700	4	2.59%
Allina Health System / United Hospital	3,250	9	1.85%	3,300	9	1.82%
City of Saint Paul	2,649	10	1.51%	3,400	8	1.88%
Marsden Building Maintenance				4,000	5	2.21%
U.S. Postal Service				3,200	10	1.77%
Total	83,600		47.64%	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 for 2006 data; Telephone survey of individual employers done by Springsted Inc., January 2011 for 2010 data.
 (1) Represents the total number of employees.

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OPERATING INDICATORS
Last Nine 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>	<u>2010</u>
New and Substantially Rehabilitated Housing Units	1,632	1,278	1,331	1,130	428	355	10	100	96

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CAPITAL ASSET STATISTICS
Last Nine 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>	<u>2010</u>
Number of Pedestrian Skyway Bridges	37	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	\$ 4,794,984
Number of Parking Ramps	7	7	8	8	8	9	9	9	9
Number of Parking Lots	11	11	11	11	11	11	8	8	8
Number of Parking Spaces	7,395	7,395	8,439	8,439	8,439	9,042	7,958	7,958	7,958
Depreciated Cost of Parking Ramps, Lots, and Buildings	\$69,867,298	\$68,541,993	\$84,258,336	\$81,977,271	\$79,718,115	\$105,863,097	\$ 101,652,375	\$ 99,337,412	\$ 97,997,999