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Comprehensive Annual Financial Report

Year ended December 31, 2006



Ramsey County Court House

Ramsey County, Minnesota
15 W. Kellogg Blvd., #270
St. Paul, Minnesota 55102

FINANCIAL HIGHLIGHTS

| (Dollars in thousands except per capita amounts) | | 2006 | 2005 | Percent Change |
|--|---------------------------|---------------|---------------|----------------|
| Government-wide Financial Statements: | | | | |
| Assets | | \$ 1,001,727 | \$ 939,385 | 6.6% |
| Liabilities | | \$ 308,500 | \$ 314,069 | (1.8%) |
| Net Assets | | \$ 693,227 | \$ 625,316 | 10.9% |
| Government-wide Financial Statements: | | | | |
| Revenues | | \$ 577,711 | \$ 532,290 | 8.5% |
| Expenses | | \$ 509,800 | \$ 494,346 | 3.1% |
| Increase in Net Assets | | \$ 67,911 | \$ 37,944 | |
| Expense per Capita | | \$ 989.41 | \$ 959.09 | 3.2% |
| Investment/Cash Ratio | | 99.0% | 99.0% | - |
| Average Investment Yield | | 4.7% | 3.6% | 30.6% |
| General Obligation Debt | | \$ 213,400 | \$ 218,607 | (2.4%) |
| Net General Obligation Debt Per Capita | | \$ 342.80 | \$ 355.03 | (3.4%) |
| Bond Ratings | Moody's Investor Services | Aaa | Aaa | |
| | Standard & Poor's | AAA | AAA | |
| Property Taxes | Levy (General County) | \$ 222,719 | \$ 209,638 | 6.2% |
| | Net Tax Capacity Rates | 41.97 | 43.55 | (3.6%) |
| | Net Tax Capacity | \$ 478,384 | \$ 429,417 | 11.4% |
| | Market Values | \$ 41,244,140 | \$ 36,745,140 | 12.2% |
| Number of Budgeted Employees (FTE) | | 3,743.48 | 3,647.58 | 2.6% |

Comprehensive Annual Financial Report

of the

County of Ramsey, Minnesota

Year Ended December 31, 2006

BOARD OF COUNTY COMMISSIONERS

| | District |
|---------------------|-----------------|
| Tony Bennett, Chair | 1 |
| Jan Parker | 2 |
| Janice Rettman | 3 |
| Toni Carter | 4 |
| Rafael Ortega | 5 |
| Jim McDonough | 6 |
| Victoria Reinhardt | 7 |

David Twa County Manager

Prepared by: Budgeting & Accounting Office of
the County Manager's Department

TABLE OF CONTENTS

SECTION I – INTRODUCTORY SECTION

| | <u>Page No.</u> |
|--|-----------------|
| List of Principal Officials | 9 |
| Transmittal Letter | 10 |
| Organizational Chart | 15 |
| Certificate of Achievement for Excellence in Financial Reporting | 16 |

SECTION II – FINANCIAL SECTION

| | |
|------------------------------|----|
| Independent Auditor’s Report | 18 |
|------------------------------|----|

| | |
|--|----|
| <u>MANAGEMENT’S DISCUSSION AND ANALYSIS</u> | 20 |
|--|----|

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

| | | |
|-------------------------|-----------|----|
| Statement of Net Assets | Exhibit 1 | 32 |
| Statement of Activities | Exhibit 2 | 34 |

Fund Financial Statements:

Governmental Fund Financial Statements:

| | | |
|--|-----------|----|
| Balance Sheet – Governmental Funds | Exhibit 3 | 35 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | Exhibit 4 | 36 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | Exhibit 5 | 37 |

Proprietary Fund Financial Statements:

| | | |
|---|-----------|----|
| Statement of Net Assets – Proprietary Funds | Exhibit 6 | 38 |
| Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds | Exhibit 7 | 39 |
| Statement of Cash Flows – Proprietary Funds | Exhibit 8 | 40 |

Fiduciary Fund Financial Statements:

| | | |
|--|------------|----|
| Statement of Fiduciary Net Assets – Fiduciary Funds | Exhibit 9 | 42 |
| Statement of Changes in Fiduciary Net Assets – Fiduciary Funds | Exhibit 10 | 43 |

| | |
|--|----|
| Notes to the Financial Statements | 44 |
|--|----|

TABLE OF CONTENTS (Continued)

| | <u>Page No.</u> |
|---|------------------|
| <u>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:</u> | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual General Fund | Schedule 1 77 |
| Notes to the Required Supplementary Information | 79 |
| <u>MAJOR FUND BUDGET AND ACTUAL SCHEDULE:</u> | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Debt Service Fund | Schedule 2 81 |
| <u>COMBINING STATEMENTS:</u> | |
| Nonmajor Governmental Funds | 83 |
| Combining Balance Sheet – Nonmajor Governmental Funds | Statement 1 85 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds | Statement 2 87 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: | |
| County Library Fund Special Revenue Fund | Schedule 3 89 |
| Solid Waste/Recycling Service Fee Special Revenue Fund | Schedule 4 90 |
| Saint Paul Public Health JPA Special Revenue Fund | Schedule 5 91 |
| Regional Railroad Authority Special Revenue Fund | Schedule 6 92 |
| Forfeited Tax Sale Special Revenue Fund | Schedule 7 93 |
| Regional Railroad Authority Debt Service Fund | Schedule 8 94 |
| Nonmajor Enterprise Funds | 95 |
| Combining Statement of Net Assets – Nonmajor Enterprise Funds | Statement 3 96 |
| Combining Statement of Revenues, Expenses and Changes in Net Assets – Nonmajor Enterprise Funds | Statement 4 97 |
| Combining Statement of Cash Flows – Nonmajor Enterprise Funds | Statement 5 98 |
| Internal Service Funds | 99 |
| Combining Statement of Net Assets – Internal Service Funds | Statement 6 100 |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds | Statement 7 101 |
| Combining Statement of Cash Flows – Internal Service Funds | Statement 8 102 |
| Fiduciary Funds | 103 |
| Combining Statement of Fiduciary Net Assets – Private Purpose Trust Funds | Statement 9 104 |
| Combining Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Funds | Statement 10 105 |
| Statement of Changes in Assets and Liabilities – Agency Fund | Statement 11 106 |

TABLE OF CONTENTS (Continued)

| | | <u>Page No.</u> |
|--|-------------|-----------------|
| <u>SUPPLEMENTARY INFORMATION:</u> | | |
| Schedule of Intergovernmental Revenues | Schedule 9 | 108 |
| Schedule of Expenditures of Federal Awards | Schedule 10 | 110 |

SECTION III – STATISTICAL SECTION

| | | |
|---|-------------|-----|
| Net Assets by Component | Table I | 115 |
| Changes in Net Assets | Table II | 116 |
| Fund Balances of Governmental Funds | Table III | 118 |
| Changes in Fund Balances of Governmental Funds | Table IV | 119 |
| Net Tax Capacity and Market Value of Property | Table V | 120 |
| Property Tax Rates and Tax Levies | Table VI | 121 |
| Property Tax Levies and Collections | Table VII | 122 |
| Ratio of Net General Bonded Debt by Type | Table VIII | 123 |
| Ratios of General Bonded Debt Outstanding | Table IX | 124 |
| Direct and Overlapping Governmental Activities Debt | Table X | 125 |
| Legal Debt Margin Information | Table XI | 126 |
| Principal Property Taxpayers | Table XII | 127 |
| Demographic and Economic Statistics | Table XIII | 128 |
| Principal Employers | Table XIV | 129 |
| Insurance in Force | Table XV | 130 |
| Full-time Equivalent County Employees by Function/Program | Table XVI | 132 |
| Operating Indicators by Function | Table XVII | 133 |
| Capital Assets Statistics by Function | Table XVIII | 134 |

SECTION I – INTRODUCTORY SECTION

**RAMSEY COUNTY
LIST OF PRINCIPAL OFFICIALS
December 31, 2006**

| | Name | Term Expires |
|-----------------------|---------------------|---------------------|
| ELECTED | | |
| Commissioners: | | |
| 1st District | Tony Bennett, Chair | January 2009 |
| 2nd District | Jan Parker | January 2009 |
| 3rd District | Janice Rettman | January 2011 |
| 4th District | Toni Carter | January 2011 |
| 5th District | Rafael Ortega | January 2011 |
| 6th District | Jim McDonough | January 2011 |
| 7th District | Victoria Reinhardt | January 2009 |
| County Attorney | Susan Gaertner | January 2011 |
| County Sheriff | Bob Fletcher | January 2011 |

| | | |
|--|-----------------|-------------------|
| APPOINTED | | |
| County Manager | David Twa | Indefinite |
| Assessor | Stephen Baker | December 31, 2008 |
| Property Records & Revenue Director | Dorothy McClung | Indefinite |
| Information Services Director | Mary Mahoney | Indefinite |
| Community Corrections Director | Carol Roberts | Indefinite |
| Parks & Recreation Director | Gregory Mack | Indefinite |
| County Engineer | Kenneth Haider | May 30, 2009 |
| Community Human Services Director | Monty Martin | Indefinite |
| Public Health Director | Robert Fulton | Indefinite |

CIVIL SERVICE APPOINTMENTS

| | |
|---------------------------------|--------------------|
| Human Resources Director | Gail Blackstone |
| Budgeting & Accounting Director | Julie Kleinschmidt |



Working with You To Enhance
Our Quality of Life

Office of the County Manager

David J. Twa, County Manager

250 Court House
15 West Kellogg Boulevard
St. Paul, MN 55102

Tel: 651-266-8000

Fax: 651-266-8039

e-mail: david.twa@co.ramsey.mn.us

June 19, 2007

Honorable Chair and Commissioners
Ramsey County Board of Commissioners
Room 220 Court House
St. Paul, Minnesota 55102

Commissioners:

The comprehensive annual financial report of Ramsey County is submitted for the fiscal year ended December 31, 2006. This report was prepared by the Office of Budgeting & Accounting. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with County management. This report conforms to generally accepted accounting principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB).

We believe the data are accurate in all material aspects, and set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds, and all disclosures necessary to enable maximum understanding of the County's financial affairs.

Copies of this report will be sent to elected officials, County management, credit rating agencies, financial institutions, and governmental agencies, which have expressed an interest in Ramsey County's financial affairs.

The accompanying report consists of three parts:

1. Introductory Section - including this transmittal letter;
2. Financial Section - including the financial statements and supplemental data of the County, accompanied by the State Auditor's report;
3. Statistical Section - including a number of tables of data depicting the financial history of the County for the past ten years, and information on overlapping governments, demographic, and other miscellaneous information.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management & Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." The schedule of expenditures of federal awards is included in this report on Schedule 10. The findings and recommendations and auditor's report on the internal control structure and compliance with applicable laws and regulations will be included in the Auditor's Management and Compliance letter to the County and is not part of this report.

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

GENERAL INFORMATION

Ramsey County has an area of 170.2 square miles (107,520 acres) and is the State's second most populous county. Ramsey County was organized on October 27, 1849 and is governed by the general laws of the State of Minnesota. On November 6, 1992, the County became the first Home Rule Charter County in the State. The City of Saint Paul comprises slightly less than half of the County's total taxable value, and is the Minnesota State Capital and the County Seat.

GOVERNMENTAL ORGANIZATION AND SERVICES

A seven-member Board of Commissioners determines County policy and decides how money should be spent for the well-being of the people it represents. All members serve overlapping four-year terms of office. Each member also serves on numerous other boards and committees.

The Board appoints the County Manager who is the chief administrative officer of the County. The County Manager is responsible for the administration of Board policy and for the management of the various county departments.

The County provides a full range of services contemplated by statute. This includes public safety, recreation, public works, health services, judicial, cultural, human services, vital statistics, and tax assessment and collection. The County also operates, as enterprise funds, a nursing home and a home for developmentally disabled residents.

REPORTING ENTITY

The financial reporting entity includes all funds of the County including component units. Component units are legally separate entities for which the primary government is financially accountable. The criteria used in determining the reporting entity are consistent with the GASB Statement 14.

Blended component units are legally separate entities which, in substance, are part of the primary government's operation and, therefore, part of the primary government. Accordingly, the Ramsey County Regional Railroad Authority and the Ramsey County Housing & Redevelopment Authority are reported as special revenue funds.

MAJOR COUNTY INITIATIVES

Ramsey County Riverfront Properties

A potential sale of the former Adult Detention Center and the "F" building in the Ramsey County Government Center-West (RCGC-West) complex did not materialize in the fall of 2006. On November 14, 2006, the County Board authorized selling the County-owned property, including all buildings and structures, located on the riverfront from and including RCGC-West, and going East to, but not including the RCGC-East (Riverfront Properties).

The County has entered into an agreement with United Properties to serve as agent in the sale of the Riverfront Properties. The Riverfront Properties represent a highly unique redevelopment opportunity in the Central Business District of St. Paul, Minnesota. The County anticipates receiving multiple proposals through a date certain offering process due on June 15, 2007.

Public Safety Communication System/800 MHz Project

The County initiated this \$35 million project in 2004 to design and construct a new Countywide Public Safety Communications System using 800 MHz technology. The County completed development of a subsystem to the regional and state radio system in 2006. The system includes radios, antennas, shelters, microwave and fiber optic connections, and backup power for the County's seven base radio stations. Suburban communities began transitioning to the system in

2006. All municipalities in the County are working together, under the County's leadership, to develop this system that will allow public safety agencies (police, fire, emergency medical services, and homeland security) to communicate with each other and throughout the region and state.

In 2006, construction began on a new emergency communication center on the Saint Paul/Ramsey County Law Enforcement Campus. A backup communication center will be developed at the Ramsey County Sheriff's Patrol Station in Arden Hills. Three of the four existing dispatch centers in the County are merging covering all dispatching activities in the County except in one municipality. Services for these communities will be provided at the new state-of-the-art center that will be operated by the County. The emergency communications center begins operations in the summer of 2007.

Continuity of Operations Plan (COOP)

Since September 11, 2001, all governments, at various levels, have become more cognizant of their ability to continue operations in the event of a disaster or emergency. The Federal Emergency Management Agency has provided states and local governments with planning guidelines for the continuity of government operations. Ramsey County is currently developing its Continuity of Operations Plan, which will provide guidance to County departments to carry out responsibilities and ensure essential functions are continued in an emergency, or threat of emergency, that could affect normal operations of County business. The Plan will be reviewed and revised on an ongoing basis.

Library Facilities

Phase I of a multi-year upgrade and expansion of the County's Library facilities will be complete in the spring of 2007 with the opening of the new Maplewood Library. Phase II will begin in late summer of 2007 with the preparation of a "master planning process" for the remaining Library facilities.

90 West Plato Boulevard

On November 28, 2006, the County Board authorized the purchase of 90 West Plato Boulevard, an 82,000 net rentable square foot facility, to accommodate the relocation of the Department of Property Records and Revenue from the RCGC-West building. The County has entered into a contract with Kraus-Anderson Construction Company for design/build services related to the remodeling of the 90 West Plato Boulevard facility. Occupancy of the facility is planned for November of 2007.

Ramsey County Correctional Facility (RCCF)

On May 2, 2006, the County Board approved the RCCF Expansion and Remodeling Project. Construction of this \$18 million project is scheduled to begin in the spring of 2007, with completion in the fall of 2008.

Excess County Property

On July 25, 2006, the County Board approved the sale of the former Public Works site to the City of Shoreview. The property was sold in 2006. In November 2006, the County Board authorized and/or reaffirmed the desire to sell the Taco John's site, the former Sheriff Patrol Station, and the former Maplewood Library. It is anticipated that all three properties will be sold in 2007.

Union Depot

The Regional Railroad Authority is pursuing the redevelopment of the Union Depot, located in downtown St. Paul, to serve as a multi-modal transit hub where Amtrak, intracity bus, light rail transit, commuter rail, and intercity buses will meet for a seamless transfer. Ramsey County's Regional Railroad Authority purchased 11 acres of property and is in negotiations with the Post Office and the City of St. Paul to purchase additional property to implement the build out of the transit hub. It is anticipated the U.S. Post Office will move operations in 2010, clearing a path for

implementation of the first phase of the transit hub. The Union Depot Project was awarded \$50 million in federal funds for the renovation of the Union Depot.

Central Corridor and Other Transit Initiatives

The Central Corridor light rail transit project was given permission by the Federal Transit Administration to begin preliminary engineering in December 2006. The project is estimated to cost \$930 million and serve 43,000 passengers daily, beginning in 2014. Ramsey County Regional Railroad Authority is one of the funding sources of the project. Transit initiatives are underway in the Rush Line, Red Rock, and Robert Street Corridors.

Two-Year Budget

In 2005, the Ramsey County Board of Commissioners adopted its first two-year budget for 2006-2007. The purpose of the two-year budget is to improve financial management; improve long-range and strategic planning; and better linking of operating and capital activities with spending. The second year of the biennium focused on departments outcomes and performance measures to provide more meaningful information to the County Board and the public, and should eventually more closely link the budget to the goals set by the County Board.

Other Post-Employment Benefits (Retiree Health Insurance)

The County has been reviewing its post-employment benefit policies for several years. Changes to the health insurance benefits for retirees have been made to control costs while still providing benefits to the retirees. While the unfunded actuarial liability is expected to be large, the County Board set aside over \$18 million in 2006 to start addressing funding concerns in the future.

COUNTY DEBT POLICY

The Joint Property Tax Advisory Committee, created by State Statute, is made up of elected officials from Ramsey County, the City of Saint Paul and the Saint Paul Public Schools. Their charge is to reduce the overall tax burden on Saint Paul citizens through tax reform legislation, integration/consolidation of service delivery and creation of joint ventures.

As a member of this Committee, the County will issue debt only for financing capital assets that, because of their long-term nature or because of budgetary constraints, cannot be acquired from current or budgeted resources. Debt is not used for operational needs.

Debt issues of the County will be sold competitively unless a unique circumstance dictates a negotiated or private placement sale.

The County strives to maintain the highest possible credit rating on its debt obligations.

Ramsey County's debt program is monitored and measured against financial industry standard benchmarks including benchmarks adopted by the Joint Property Tax Advisory Committee as described in the 2005 report on General Obligation Debt Overlapping on the Saint Paul Tax Base.

In addition to these debt management benchmarks, the group has recommended that the participating jurisdictions expand their efforts to jointly use facilities and transfer facilities between member jurisdictions as needs change.

INDEPENDENT AUDIT

Minnesota State Law requires an audit to be made of the books of account, financial records, and transactions of the County. This requirement has been complied with and the Auditor's report has been included in this report.

In addition to meeting the requirements set forth in state laws, the audit is also designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The County's Auditors will issue a management and compliance letter covering the review made as part of the examination of Ramsey County's system of internal control and compliance with applicable legal provisions. This letter also reflects the results of the County's single audit under provisions of the OMB Circular A-133.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ramsey County for its comprehensive annual financial report for the fiscal year ended December 31, 2005. This is the 32nd year the County has received this award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports 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 report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for the 2006 annual approved budget. The County has received this award for the past 23 years. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

ACKNOWLEDGMENTS

The preparation of this report is the result of the dedicated service of all the financial staff of the County. We would like to express our appreciation to all staff that assisted and contributed to its preparation. We would also like to thank the County Board of Commissioners for their support in maintaining the highest standards of professionalism in the management of the County's finances.

Sincerely,

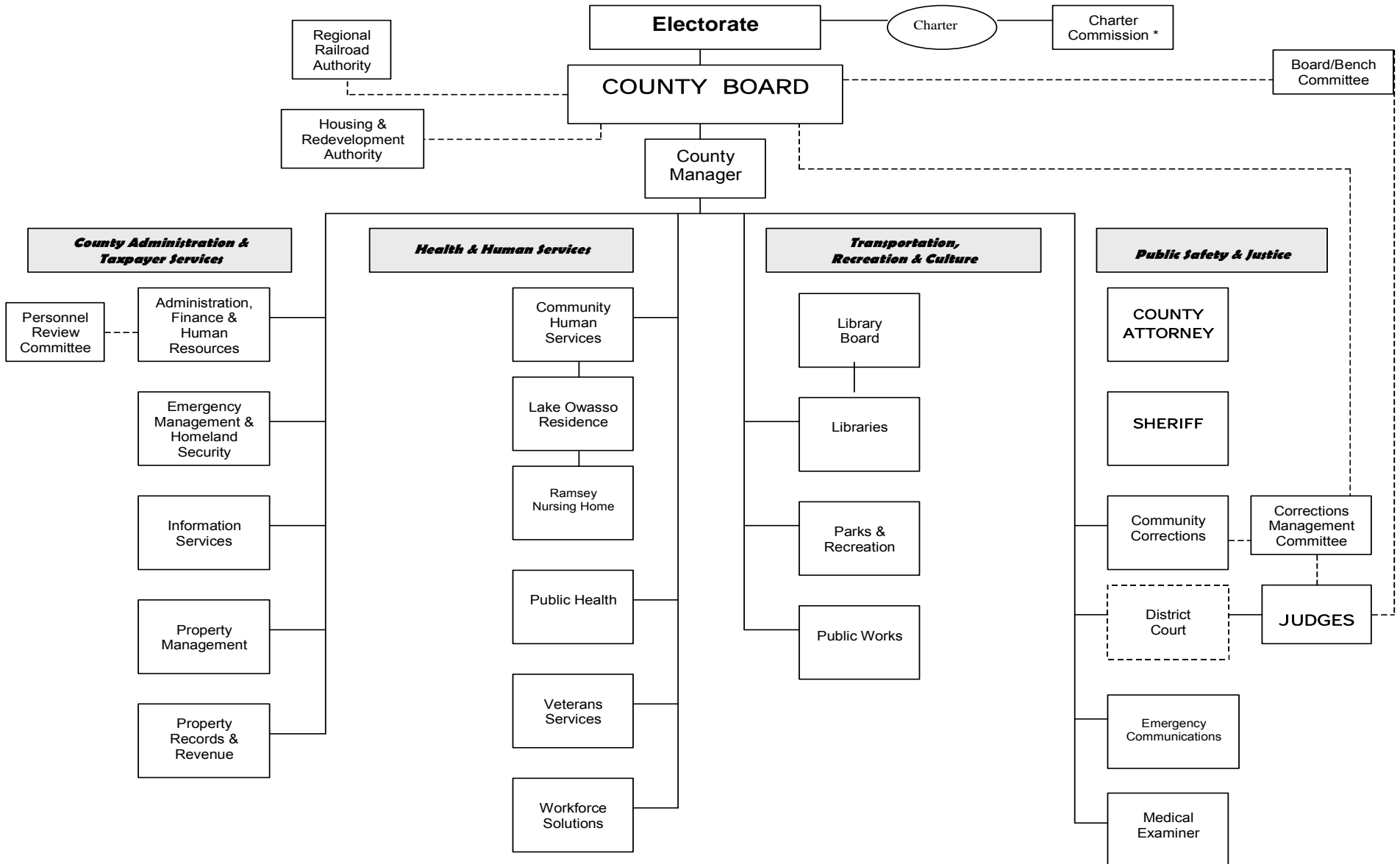


David Twa
County Manager



Julie Kleinschmidt, Director
Budgeting & Accounting

RAMSEY COUNTY ORGANIZATION CHART



BOLD Elected - - - - Policy - - - - State of Minnesota * Appointed by District Court

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ramsey County
Minnesota

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

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



President

Executive Director

SECTION II – FINANCIAL SECTION



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

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

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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Ramsey County

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ramsey County, Minnesota, as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Ramsey County's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the County's 2005 financial statements and, in our report dated May 26, 2006, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

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, each major fund, and the aggregate remaining fund information of Ramsey County as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

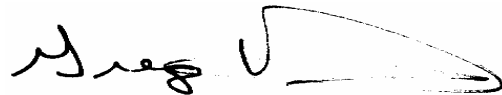
The Management's Discussion and Analysis (MD&A) and the Required Supplementary Information Other Than MD&A, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise Ramsey County's basic financial statements. The major debt service fund budget and actual schedule, combining statements, and supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2007, on our consideration of Ramsey County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 19, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

Ramsey County offers readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2006. Readers are encouraged to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, which can be found on pages 10-14 of this report.

Financial Highlights

- The assets of Ramsey County's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$689,646,694 (net assets). Of this amount, \$167,942,820 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$67,911,357.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$312,832,868, an increase of \$35,749,739 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$155,942,520, or 40% of total general fund expenditures.
- The County's total General Obligation debt decreased by \$4,675,000 (2.3%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Ramsey County's basic financial statements, which 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 supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements - The government-wide financial statements are designed to provide a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of Ramsey County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County 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 and charges (business-type activities). The governmental activities of the County include general government, public safety, highways and streets, sanitation, health, human services, conservation of natural resources, economic development, and culture and recreation. The business-type activities of the County include a nursing home, a home for developmentally delayed residents, special law enforcement services for certain municipalities, and a golf course.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate Regional Railroad Authority and a legally separate Housing & Redevelopment Authority for which Ramsey County is financially accountable. Although legally separate, the County Board of Commissioners serves as the governing board of these organizations. Therefore, they function as departments of the County, and have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 32-34 of this report.

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 County, 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 County can be divided into three categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

- 1) Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains four governmental fund types: General, Special Revenue, Debt Service, and Capital Projects. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and the debt service fund, which are considered to be major funds. Data from the other governmental funds are combined into

a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 35-36 of this report.

- 2) The County maintains two different types of proprietary funds: 1) Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Nursing Home, Lake Owasso Residence, Ponds at Battle Creek, and Law Enforcement Services operations. 2) Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Information Services, Firearms Range, and part of its Property Management operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Lake Owasso Residence and Ponds at Battle Creek, which are considered major funds. Data for the other two enterprise funds are combined into a single, aggregated presentation. Individual fund data for each nonmajor enterprise fund is provided in the form of combining statements elsewhere in this report. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 38-41 of this report.

- 3) Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Data from the fiduciary funds are combined into a single aggregated presentation. Individual fund data for each fiduciary fund is provided in the form of combining statements elsewhere in this report.

The basic fiduciary fund financial statements can be found on pages 42-43 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 44-75 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the general fund budget. Required supplementary information can be found on pages 77-79 of this report. Immediately following the required supplementary information is a budget to actual presentation of the Debt Service

Major Fund. After that, the combining statements referred to earlier in connection with nonmajor governmental, enterprise and internal service funds are presented. Combining fund statements and schedules can be found on pages 85-106 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$693,227,255 at the close of the most recent fiscal year.

The largest portion of Ramsey County's net assets (63.5%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

NET ASSETS

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|---|--------------------------------|----------------------|---------------------------------|---------------------|-----------------------|----------------------|
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| Current and Other Assets | \$394,494,295 | \$358,233,286 | \$ 6,734,484 | \$ 6,955,327 | \$ 401,228,779 | \$365,188,613 |
| Capital Assets | <u>590,521,396</u> | <u>563,782,988</u> | <u>9,977,227</u> | <u>10,413,413</u> | <u>600,498,623</u> | <u>574,196,401</u> |
| Total Assets | 985,015,691 | 922,016,274 | 16,711,711 | 17,368,740 | 1,001,727,402 | 939,385,014 |
| Long-term Liabilities | | | | | | |
| Outstanding | 208,607,453 | 218,596,145 | 10,202,644 | 10,521,680 | 218,810,097 | 229,117,825 |
| Other Liabilities | <u>86,761,544</u> | <u>82,092,867</u> | <u>2,928,506</u> | <u>2,858,424</u> | <u>89,690,050</u> | <u>84,951,291</u> |
| Total Liabilities | 295,368,997 | 300,689,012 | 13,131,150 | 13,380,104 | 308,500,147 | 314,069,116 |
| Net Assets: | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 437,027,997 | 411,727,719 | 3,520,751 | 3,656,566 | 440,548,748 | 415,384,285 |
| Restricted | 84,675,877 | 92,804,198 | 50,657 | 46,163 | 84,726,534 | 92,850,361 |
| Unrestricted | <u>167,942,820</u> | <u>116,795,345</u> | <u>9,153</u> | <u>285,907</u> | <u>167,951,973</u> | <u>117,081,252</u> |
| Total Net Assets | <u>\$689,646,694</u> | <u>\$621,327,262</u> | <u>\$ 3,580,561</u> | <u>\$ 3,988,636</u> | <u>\$ 693,227,255</u> | <u>\$625,315,898</u> |

The government's net assets increased by \$67,911,357 during the current fiscal year. This increase is primarily due to increases in infrastructure construction for highways and bridges and building projects.

Governmental Activities - Governmental activities increased the County's net assets by \$68,319,432, thereby accounting for all of the total growth in the net assets. Key elements of this increase are as follows:

- Capital Assets increased by \$26,738,408. The majority of this increase in capital assets was from highway construction and building projects.

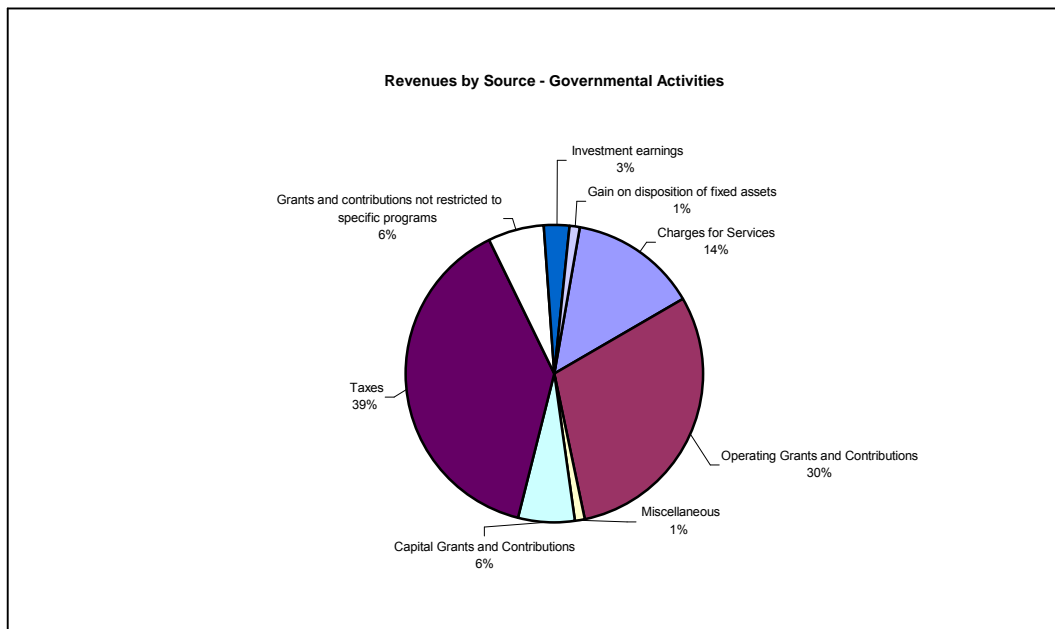
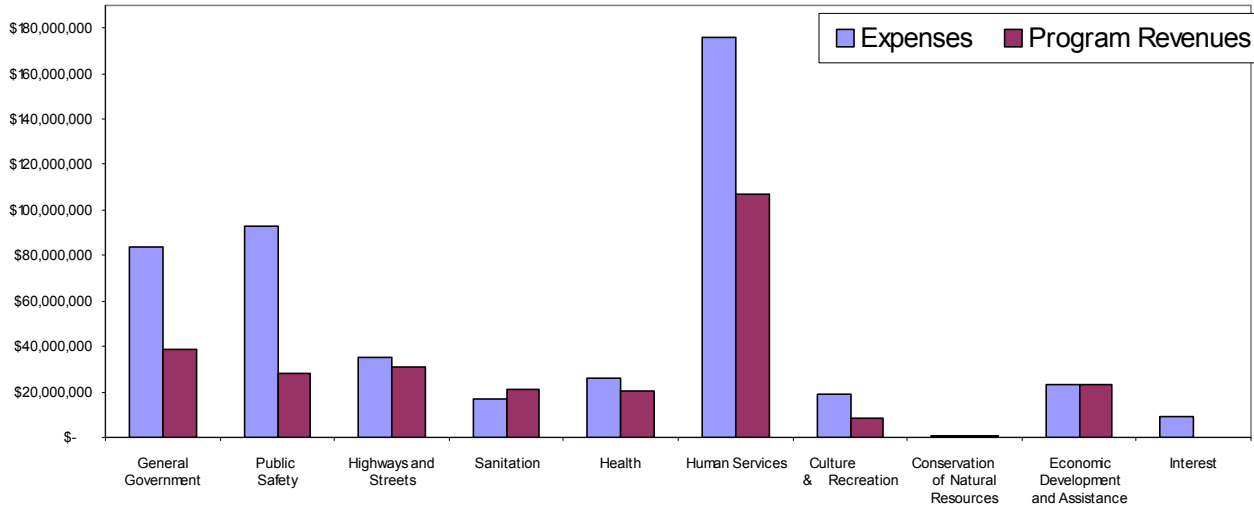
- Property tax and charges for services collections increased. However, some tax increases were a result of the State reducing aid to the County.

CHANGES IN NET ASSETS

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--|--------------------------------|----------------------|---------------------------------|---------------------|----------------------|----------------------|
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services, Fines & Other | \$ 79,967,637 | \$ 68,900,222 | \$24,832,147 | \$23,845,458 | \$104,799,784 | \$ 92,745,680 |
| Operating Grants & Contributions | 164,691,555 | 167,033,301 | 258,573 | - | 164,950,128 | 167,033,301 |
| Capital Grants & Contributions | 33,294,903 | 26,312,763 | 68,018 | 328,644 | 33,362,921 | 26,641,407 |
| General Revenues: | | | | | | |
| Property Taxes | 217,391,017 | 198,458,773 | - | - | 217,391,017 | 198,458,773 |
| Grants & Contributions Not Restricted to Specific Programs | 35,053,797 | 35,262,802 | 54,170 | 314,170 | 35,107,967 | 35,576,972 |
| Investment Earnings | 15,581,358 | 7,673,916 | 142,025 | 137,621 | 15,723,383 | 7,811,537 |
| Other | <u>6,391,503</u> | <u>3,971,857</u> | <u>(15,406)</u> | <u>51,186</u> | <u>6,376,097</u> | <u>4,023,043</u> |
| Total Revenues | 552,371,770 | 507,613,634 | 25,339,527 | 24,677,079 | 577,711,297 | 532,290,713 |
| Expenses: | | | | | | |
| General Government | 83,775,008 | 69,903,388 | - | - | 83,775,008 | 69,903,388 |
| Public Safety | 93,123,718 | 103,140,189 | - | - | 93,123,718 | 103,140,189 |
| Highways/Streets | 35,186,475 | 26,016,187 | - | - | 35,186,475 | 26,016,187 |
| Sanitation | 17,071,936 | 17,850,477 | - | - | 17,071,936 | 17,850,477 |
| Health | 26,343,037 | 26,154,048 | - | - | 26,343,037 | 26,154,048 |
| Human Services | 176,236,609 | 172,133,597 | - | - | 176,236,609 | 172,133,597 |
| Culture & Recreation | 18,916,977 | 21,253,410 | - | - | 18,916,977 | 21,253,410 |
| Conservation of Natural Resources | 413,943 | 421,883 | - | - | 413,943 | 421,883 |
| Economic Development & Assistance | 22,931,445 | 22,774,299 | - | - | 22,931,445 | 22,774,299 |
| Interest | 9,433,629 | 9,259,922 | - | - | 9,433,629 | 9,259,922 |
| Lake Owasso Residence | - | - | 8,177,791 | 7,700,741 | 8,177,791 | 7,700,741 |
| Ponds at Battle Creek | - | - | 701,798 | 608,504 | 701,798 | 608,504 |
| Ramsey Nursing Home | - | - | 12,435,723 | 12,184,848 | 12,435,723 | 12,184,848 |
| Law Enforcement Services | - | - | <u>5,051,851</u> | <u>4,945,064</u> | <u>5,051,851</u> | <u>4,945,064</u> |
| Total Expenses | <u>483,432,777</u> | <u>468,907,400</u> | <u>26,367,163</u> | <u>25,439,157</u> | <u>509,799,940</u> | <u>494,346,557</u> |
| Increase (Decrease) in Net Assets Before Transfers | <u>68,938,993</u> | <u>38,706,234</u> | <u>(1,027,636)</u> | <u>(762,078)</u> | <u>67,911,357</u> | <u>37,944,156</u> |
| Transfers | <u>(619,561)</u> | <u>(558,561)</u> | <u>619,561</u> | <u>558,561</u> | <u>-</u> | <u>-</u> |
| Increase (Decrease) in Net Assets | 68,319,432 | 38,147,673 | (408,075) | (203,517) | 67,911,357 | 37,944,156 |
| Net Assets – Beginning | <u>621,327,262</u> | <u>583,179,589</u> | <u>3,988,636</u> | <u>4,192,153</u> | <u>625,315,898</u> | <u>587,371,742</u> |
| Net Assets – End | <u>\$689,646,694</u> | <u>\$621,327,262</u> | <u>\$ 3,580,561</u> | <u>\$ 3,988,636</u> | <u>\$693,227,255</u> | <u>\$625,315,898</u> |

The following charts provide comparisons of governmental activities' program revenues and expenses and also show the sources of governmental activities' revenues.

Expenses and Program Revenues - Governmental Activities



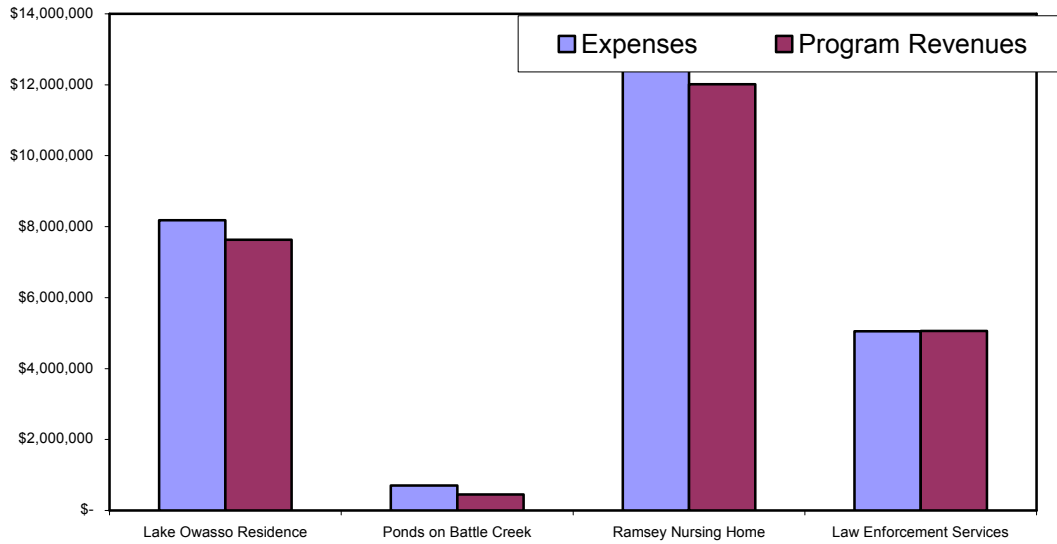
Business-type Activities - Business-type activities decreased the County's net assets by \$408,075, a 10.2% decrease from the previous year. Key elements of this decrease are as follows:

- Lake Owasso Residence had a decrease of net assets of \$213,697 due to capital expenses not included in the reimbursement rate. However, once the long-term debt and interest have been paid, the property reimbursement rate will continue and finance some of the depreciation expense.

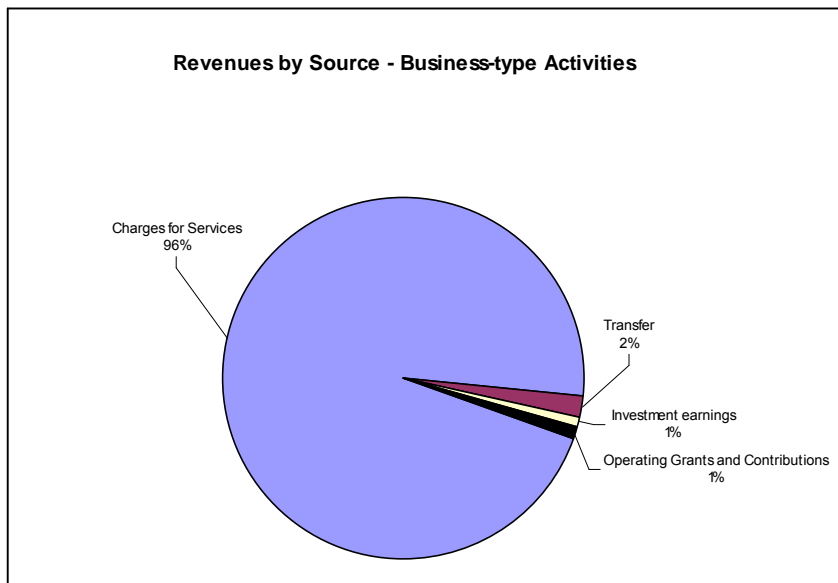
- Ponds at Battle Creek had a decrease in net assets of \$204,989 due to an operating loss and interest expense. It is anticipated the Golf Course would operate at a loss the first three years until revenues would be sufficient to cover expenses.

The following charts provide comparisons of business-type activities' program revenues and expenditures and also show the sources of business-type activities' revenues.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County'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.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$312,832,868, a total fund balance increase of \$35,749,738 in comparison with the prior year. Approximately 70.1% of this total amount (\$219,275,891) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending, because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$23,620,062); (2) temporary loans to Other Funds (\$8,610,620); or (3) for a variety of other restricted purposes (\$61,326,295).

The General Fund is the chief operating fund of Ramsey County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$155,942,520, while total fund balance reached \$175,980,127. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 40% of total General Fund expenditures, while total fund balance represents 45.1% of that same amount.

The fund balance of the County's general fund increased by \$22,359,777 during the current fiscal year. Key factors in this increase are as follows:

- Better interest rates.
- Unspent funds for future OPEB benefits.
- Settlement of tax increment funds.

The Debt Service Fund had a total fund balance of \$55,035,877, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$10,501. The decrease was due to using a portion of fund balance to finance future debt payments.

The Capital Projects Fund had a fund balance of \$24,490,979 planned for construction. The fund balance decreased by \$2,286,244, primarily due to completing several major projects.

Proprietary Funds – The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of Lake Owasso Residence at the end of the year amounted to \$893,445. The total decrease in net assets for the fund was \$213,697. This was a result of an increase in personal services and interest expense.

Ponds at Battle Creek had a decrease in net assets of \$204,989 due to an operating loss and interest expense. The County has provided a temporary loan to help pay the long-term debt until fees can be generated to cover these costs.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was an increase of \$11,927,874 in appropriations. Unbudgeted State and Federal revenues became available for additional human service and public safety programs.

The variance of final budget versus actual was due to partially funding future Other Post-Employment Benefits (OPEB) expenses and project grants that have not been completed.

Capital Asset and Debt Administration

Capital Assets – The County’s investment in capital assets for its governmental and business type activities as of December 31, 2006, amounts to \$600,498,623 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, park facilities, roads, highways, and bridges. The total increase in the County’s investment in capital assets for the current fiscal year was 4.6% (a 4.7% increase for governmental activities and a 4.2% decrease for business-type activities).

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

- A variety of street construction projects continued into 2006; construction in progress as of the end of the current fiscal year had reached \$93,964,733, an increase of \$15,577,997 from the prior year.
- A Public Safety Communications System continued in 2006 totaling \$9,835,983.
- A variety of park improvements were initiated totaling \$1,044,004 in 2006.
- Library construction continued in 2006 totaling \$9,321,225.

Capital Assets (Net of Depreciation)

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|-----------------------------------|--------------------------------|----------------------|---------------------------------|---------------------|----------------------|----------------------|
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| Land | \$ 80,240,213 | \$ 76,783,297 | \$ 107,073 | \$ 107,073 | \$ 80,347,286 | \$ 76,890,370 |
| Buildings & Improvements | 202,690,302 | 206,783,820 | 6,446,557 | 6,572,388 | 209,136,859 | 213,356,208 |
| Improvements Other Than Buildings | 15,491,031 | 15,542,165 | 2,854,901 | 2,982,980 | 18,255,932 | 18,525,145 |
| Equipment | 13,222,121 | 11,500,826 | 542,696 | 634,663 | 13,764,817 | 12,135,489 |
| Infrastructure | 184,938,996 | 174,902,453 | - | - | 184,938,996 | 174,902,453 |
| Construction in Progress | <u>93,938,733</u> | <u>78,270,427</u> | <u>26,000</u> | <u>116,309</u> | <u>93,964,733</u> | <u>78,386,736</u> |
| Total | <u>\$590,521,396</u> | <u>\$563,782,988</u> | <u>\$9,977,227</u> | <u>\$10,413,413</u> | <u>\$600,498,623</u> | <u>\$574,196,401</u> |

Additional information on the County’s capital assets can be found in note IV.C on pages 49-50 of this report.

Long-term Debt – At the end of the current fiscal year, the County had total General Obligation bonded debt outstanding of \$194,150,000, which is backed by the full faith and credit of the government.

Outstanding Debt
General Obligation and Revenue Bonds

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--------------------------|--------------------------------|----------------------|---------------------------------|--------------------|----------------------|----------------------|
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| General Obligation Bonds | \$184,720,000 | \$189,100,000 | \$9,430,000 | \$9,725,000 | \$194,150,000 | \$198,825,000 |
| Lease Revenue Bonds | <u>12,895,000</u> | <u>13,375,000</u> | - | - | <u>12,895,000</u> | <u>13,375,000</u> |
| Total | <u>\$197,615,000</u> | <u>\$202,475,000</u> | <u>\$9,430,000</u> | <u>\$9,725,000</u> | <u>\$207,045,000</u> | <u>\$212,200,000</u> |

The County’s total bonded debt decreased by \$5,155,000 (2.4%) during the current fiscal year. The decrease was primarily due to various remodeling projects around the County being completed.

The County maintains a “AAA” rating from Standard & Poor’s and a “Aaa” rating from Moody’s for general obligation debt.

Minnesota state statutes limit the amount of general obligation debt a governmental entity may issue to 2% of its total market value of taxable property in the County. The current debt limitation for the County is \$824,887,926, which is significantly in excess of its outstanding general obligation debt.

Additional information on the County’s long-term debt can be found in note IV.I on pages 53-58 of this report.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for the County is currently 3.8%, which is a decrease from a rate of 4.0% a year ago. This compares to the state’s average unemployment rate of 4.0% and the national average rate of 4.6%.
- The County is a fully developed urban center. Its roads and transportation system make access to the County easy for all citizens. Its population continues to grow but at a slower pace than in the previous decades. In 1980, the population was 485,765. In 2005 (latest year available), the population estimated by the Metropolitan Council was 515,258.
- Estimated Market Value of Taxable Property in the County increased almost \$4,500,000,000 in 2006 to \$41,244,396,300 or 12.2%. Residential property recorded an increase in value of 12.5% while commercial values increased 9.6%.
- Although many of the above indicators appear to show Ramsey County as economically strong and stable, it is important to be aware of some of the other dynamics that may affect it in the coming years. Ramsey is faced with the problems of older urban Counties. Its

infrastructure of roads and bridges are aging and will require replacement and rebuilding in the coming years. Taxes will have to be used to effect these changes. This issue has been addressed by a functional consolidation of roads plan developed in 1993. The plan, which is complete, upgrades many roads and bridges in the County. Municipalities will become responsible for maintaining certain County roads and transfer major arterials to the County. This functional alignment focused additional funds to roads and allowed further use of County State aid funds.

All of these factors were considered in preparing the County's budget for the 2006 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund was \$155,942,520. The County has appropriated \$318,136 of this amount for spending in the 2007 fiscal year budget. It is intended that this use of available fund balance will lessen the need to raise taxes during the 2007 fiscal year. The 2007 approved budget included a 3.62% increase in spending. A 6.19% increase in the 2007 Property Tax Levy was approved, in part, to offset the anticipated State revenue reductions and increased public safety initiatives.

Requests for Information

This financial report is designed to provide a general overview of Ramsey County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Budgeting & Accounting, Suite 270, 15 West Kellogg Boulevard, Saint Paul, Minnesota 55102.

BASIC FINANCIAL STATEMENTS

RAMSEY COUNTY, MINNESOTA
STATEMENT OF NET ASSETS
DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005

| | Governmental | Business-type | Total | |
|---------------------------------------|----------------------|--------------------|----------------------|----------------------|
| | Activities | Activities | 2006 | 2005 |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 297,906,467 | \$ 3,276,415 | \$ 301,182,882 | \$ 267,278,221 |
| Cash with Trustee | 18,227,581 | 3,136,568 | 21,364,149 | 21,978,694 |
| Restricted Cash and Cash Equivalents | 3,000 | - | 3,000 | 1,000 |
| Petty Cash and Change Funds | 26,015 | 20,500 | 46,515 | 46,190 |
| Imprest Cash | 60,000 | - | 60,000 | 60,000 |
| Cooperative Investment | - | 30,913 | 30,913 | 84,255 |
| Receivables (Net): | | | | |
| Taxes | 2,797,237 | - | 2,797,237 | 1,891,101 |
| Accounts | 3,545,706 | 387,801 | 3,933,507 | 3,174,957 |
| Cooperative Investment Receivable | - | 17,244 | 17,244 | |
| Accrued Interest | 3,327,827 | 47,383 | 3,375,210 | 2,271,356 |
| Internal Balances | 1,953,811 | (1,953,811) | - | - |
| Due from Other Governments | 31,683,630 | 1,679,009 | 33,362,639 | 34,354,820 |
| Lease Receivable | 18,642,000 | - | 18,642,000 | 19,302,000 |
| Loan Receivables | 13,009,781 | - | 13,009,781 | 11,727,509 |
| Prepaid Items | 105,003 | - | 105,003 | 184,623 |
| Inventories | 1,532,228 | 54,191 | 1,586,419 | 1,305,653 |
| Total Current Assets | <u>392,820,286</u> | <u>6,696,213</u> | <u>399,516,499</u> | <u>363,660,379</u> |
| Non Current Assets: | | | | |
| Advance to Other Governments | 57,893 | - | 57,893 | 57,893 |
| Advance to Other Organizations | 343,121 | - | 343,121 | 55,621 |
| Deferred Charges | 1,272,995 | 38,271 | 1,311,266 | 1,414,720 |
| Capital Assets not being Depreciated: | | | | |
| Land | 80,240,213 | 107,073 | 80,347,286 | 76,890,370 |
| Construction in Progress | 93,938,733 | 26,000 | 93,964,733 | 78,386,736 |
| Capital Assets being Depreciated: | | | | |
| Improvements other than Buildings | 34,136,187 | 3,654,711 | 37,790,898 | 38,994,560 |
| Buildings | 252,789,338 | 9,491,866 | 262,281,204 | 262,252,072 |
| Building Improvements | 11,574,166 | 1,567,077 | 13,141,243 | 11,669,674 |
| Equipment | 62,711,899 | 2,471,136 | 65,183,035 | 62,568,126 |
| Infrastructure | 357,587,007 | - | 357,587,007 | 339,378,052 |
| Less: Accumulated Depreciation | <u>(302,456,147)</u> | <u>(7,340,636)</u> | <u>(309,796,783)</u> | <u>(295,943,189)</u> |
| Total Non Current Assets | <u>592,195,405</u> | <u>10,015,498</u> | <u>602,210,903</u> | <u>575,724,635</u> |
| Total Assets | <u>985,015,691</u> | <u>16,711,711</u> | <u>1,001,727,402</u> | <u>939,385,014</u> |

(continued)

RAMSEY COUNTY, MINNESOTA
STATEMENT OF NET ASSETS
DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005

EXHIBIT 1
(continued)

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> | |
|--|------------------------------------|-------------------------------------|-----------------------|-----------------------|
| | | | <u>2006</u> | <u>2005</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Salaries Payable | 8,554,470 | 771,814 | 9,326,284 | 8,976,709 |
| Accounts Payable | 16,425,469 | 274,246 | 16,699,715 | 18,881,208 |
| Contracts Payable | 3,632,676 | - | 3,632,676 | 2,872,986 |
| Interest Payable, Current | 3,996,125 | 200,167 | 4,196,292 | 4,162,760 |
| Unamortized Premium on Bonds | 263,072 | 3,999 | 267,071 | 4,482,750 |
| Loan Payable, Current | 18,482 | - | 18,482 | 7,309 |
| Capital Lease, Current | 51,960 | - | 51,960 | 48,600 |
| Due to Other Governments | 5,804,458 | 305,950 | 6,110,408 | 4,736,287 |
| General Obligation and Revenue Bonds Payable, Current | 20,740,000 | 310,000 | 21,050,000 | 12,070,000 |
| Claims and Judgments Payable, Current | 2,076,737 | - | 2,076,737 | 2,489,239 |
| Vacation and Compensatory Time Payable | 14,369,696 | 1,062,330 | 15,432,026 | 14,663,490 |
| Current Liabilities Payable from Restricted Assets: | | | | |
| Customer Deposits Payable | 3,000 | - | 3,000 | 1,000 |
| Total Current Liabilities | 75,936,145 | 2,928,506 | 78,864,651 | 73,392,338 |
| Non Current Liabilities: | | | | |
| Advance from other Governments | 6,150,483 | - | 6,150,483 | 5,956,340 |
| Unearned Revenue | 4,674,916 | - | 4,674,916 | 5,602,613 |
| General Obligation and Revenue Bonds Payable, Long-term | 183,117,000 | 9,120,000 | 192,237,000 | 206,537,000 |
| Unamortized Premium on Bonds | 4,040,622 | 246,673 | 4,287,295 | 246,673 |
| Loans Payable, Long-term | 52,413 | - | 52,413 | 3,385 |
| Capital Lease, Long-term | 55,552 | - | 55,552 | 107,512 |
| Compensated Absences Payable | 17,615,891 | 835,971 | 18,451,862 | 18,712,755 |
| Claims and Judgments Payable, Long-term | 3,725,975 | - | 3,725,975 | 3,510,500 |
| Total Non Current Liabilities | 219,432,852 | 10,202,644 | 229,635,496 | 240,676,778 |
| Total Liabilities | 295,368,997 | 13,131,150 | 308,500,147 | 314,069,116 |
| NET ASSETS | | | | |
| Invested in Capital Assets, Net of Related Debt | 437,027,997 | 3,520,751 | 440,548,748 | 415,384,285 |
| Restricted for: | | | | |
| Debt Service | 55,035,877 | - | 55,035,877 | 47,927,313 |
| Capital Projects | 7,136,167 | 50,657 | 7,186,824 | 2,397,863 |
| Solid Waste | 20,565,333 | - | 20,565,333 | 16,434,800 |
| Other Purposes | 1,938,500 | - | 1,938,500 | 1,664,862 |
| Unrestricted | 167,942,820 | 9,153 | 167,951,973 | 141,506,775 |
| Total Net Assets | \$ 689,646,694 | \$ 3,580,561 | \$ 693,227,255 | \$ 625,315,898 |

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

**RAMSEY COUNTY, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005**

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|--|-----------------------|--------------------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|-----------------------|
| | Expenses | Fees, Fines, Charges and Other | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | |
| | | | | | | | 2006 | 2005 |
| Governmental Activities: | | | | | | | | |
| General Government | \$ 83,775,008 | \$ 25,586,857 | \$ 11,750,858 | \$ 1,256,573 | \$ (45,180,720) | \$ - | \$ (45,180,720) | \$ (31,415,232) |
| Public Safety | 93,123,718 | 8,350,392 | 13,857,784 | 6,195,938 | (64,719,604) | - | (64,719,604) | (75,412,886) |
| Highways and Streets | 35,186,475 | 2,451,634 | 4,261,815 | 24,239,254 | (4,233,772) | - | (4,233,772) | (2,945,134) |
| Sanitation | 17,071,936 | 19,659,083 | 1,506,761 | - | 4,093,908 | - | 4,093,908 | 421,897 |
| Health | 26,343,037 | 8,166,676 | 11,983,024 | - | (6,193,337) | - | (6,193,337) | (5,372,706) |
| Human Services | 176,236,609 | 7,773,517 | 98,980,847 | - | (69,482,245) | - | (69,482,245) | (71,959,284) |
| Culture and Recreation | 18,916,977 | 6,010,116 | 677,345 | 1,603,138 | (10,626,378) | - | (10,626,378) | (13,139,570) |
| Conservation of Natural Resources | 413,943 | 302,760 | 77,584 | - | (33,599) | - | (33,599) | (59,922) |
| Economic Development and Assistance | 22,931,445 | 1,666,602 | 21,595,537 | - | 330,694 | - | 330,694 | 2,481,645 |
| Interest | 9,433,629 | - | - | - | (9,433,629) | - | (9,433,629) | (9,259,922) |
| Total Governmental Activities | 483,432,777 | 79,967,637 | 164,691,555 | 33,294,903 | (205,478,682) | - | (205,478,682) | (206,661,114) |
| Business-type Activities: | | | | | | | | |
| Lake Owasso Residence | 8,177,791 | 7,630,384 | - | - | - | (547,407) | (547,407) | (222,717) |
| Ponds at Battle Creek | 701,798 | 446,901 | - | - | - | (254,897) | (254,897) | (177,769) |
| Ramsey Nursing Home | 12,435,723 | 11,949,961 | - | 68,018 | - | (417,744) | (417,744) | (533,179) |
| Law Enforcement Services | 5,051,851 | 4,804,901 | 258,573 | - | - | 11,623 | 11,623 | (331,390) |
| Total Business-type Activities | 26,367,163 | 24,832,147 | 258,573 | 68,018 | - | (1,208,425) | (1,208,425) | (1,265,055) |
| Total Government | \$ 509,799,940 | \$ 104,799,784 | \$ 164,950,128 | \$ 33,362,921 | (205,478,682) | (1,208,425) | (206,687,107) | (207,926,169) |
| General revenues: | | | | | | | | |
| Property Taxes | | | | | 217,391,017 | - | 217,391,017 | 198,458,773 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 35,053,797 | 54,170 | 35,107,967 | 35,576,972 |
| Investment Earnings | | | | | 15,581,358 | 142,025 | 15,723,383 | 7,811,537 |
| Miscellaneous | | | | | 3,032,751 | 1,575 | 3,034,326 | 3,498,023 |
| Gain (Loss) on Disposition of Capital Assets | | | | | 3,358,752 | (16,981) | 3,341,771 | 525,020 |
| Transfer | | | | | (619,561) | 619,561 | - | - |
| Total General Revenues and Transfers | | | | | 273,798,114 | 800,350 | 274,598,464 | 245,870,325 |
| Change in Net Assets | | | | | 68,319,432 | (408,075) | 67,911,357 | 37,944,156 |
| Net Assets - Beginning | | | | | 621,327,262 | 3,988,636 | 625,315,898 | 587,371,742 |
| Net Assets - Ending | | | | | \$ 689,646,694 | \$ 3,580,561 | \$ 693,227,255 | \$ 625,315,898 |

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

**RAMSEY COUNTY, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005**

EXHIBIT 3

| | General | Debt Service | Capital Projects | Other Governmental Funds | Total Governmental Funds | |
|--|-----------------------|----------------------|----------------------|--------------------------|--------------------------|-----------------------|
| | | | | | 2006 | 2005 |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 171,880,028 | \$ 17,595,986 | \$ 35,199,523 | \$ 61,526,344 | \$ 286,201,881 | \$ 252,388,552 |
| Cash with Trustee | - | 17,856,745 | 370,836 | - | 18,227,581 | 18,810,477 |
| Petty Cash and Change Funds | 23,030 | - | - | 2,910 | 25,940 | 25,615 |
| Imprest Cash | 60,000 | - | - | - | 60,000 | 60,000 |
| Receivables (Net): | | | | | | |
| Taxes | 3,891,688 | 366,283 | - | 307,804 | 4,565,775 | 3,606,001 |
| Accounts | 1,342,412 | - | 774 | 2,194,922 | 3,538,108 | 2,842,974 |
| Accrued Interest | 2,938,838 | 304,977 | 1,527 | 82,485 | 3,327,827 | 2,239,925 |
| Due from Other Funds | 436,821 | 506,169 | - | 1,386 | 944,376 | 799,963 |
| Due from Other Governments | 22,150,442 | - | 4,202,824 | 5,220,831 | 31,574,097 | 32,986,418 |
| Lease Receivable | - | 18,642,000 | - | - | 18,642,000 | 19,302,000 |
| Loans Receivable | 6,245,000 | 250,000 | - | 6,514,781 | 13,009,781 | 11,727,509 |
| Inventories | 1,469,116 | - | - | 55,847 | 1,524,963 | 1,238,326 |
| Advance to Other Funds | 8,041,606 | - | 175,000 | - | 8,216,606 | 10,865,606 |
| Advance to Other Governments | 50,893 | - | - | 7,000 | 57,893 | 57,893 |
| Advance to Other Organizations | 343,121 | - | - | - | 343,121 | 55,621 |
| Restricted Cash and Cash Equivalents | 2,000 | - | - | - | 2,000 | - |
| Total Assets | <u>218,874,995</u> | <u>55,522,160</u> | <u>39,950,484</u> | <u>75,914,310</u> | <u>390,261,949</u> | <u>357,006,880</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Salaries Payable | 7,375,272 | - | - | 927,777 | 8,303,049 | 8,033,717 |
| Accounts Payable | 13,789,517 | - | 1,316,568 | 759,408 | 15,865,493 | 17,530,190 |
| Contracts Payable | - | - | 3,368,173 | 264,503 | 3,632,676 | 2,872,986 |
| Due to Other Funds | 916,211 | - | 1,494 | 365,036 | 1,282,741 | 1,305,027 |
| Due to Other Governments | 3,266,801 | - | 189,108 | 2,162,942 | 5,618,851 | 4,280,995 |
| Deferred Revenue | 15,942,054 | 366,283 | 3,938,480 | 9,397,759 | 29,644,576 | 30,321,256 |
| Advance from Other Funds | - | - | 2,130,000 | 4,711,000 | 6,841,000 | 9,490,000 |
| Advance from Other Governments | 1,514,801 | 120,000 | 4,515,682 | - | 6,150,483 | 5,956,340 |
| Claims and Judgments Payable | 88,212 | - | - | - | 88,212 | 133,239 |
| Liabilities Payable from Restricted Assets | 2,000 | - | - | - | 2,000 | - |
| Total Liabilities | <u>42,894,868</u> | <u>486,283</u> | <u>15,459,505</u> | <u>18,588,425</u> | <u>77,429,081</u> | <u>79,923,750</u> |
| Fund Balances: | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 9,930,871 | - | 11,651,041 | 2,038,150 | 23,620,062 | 22,228,563 |
| Advances | 8,435,620 | - | 175,000 | - | 8,610,620 | 10,972,120 |
| Inventories | 1,469,116 | - | - | 55,847 | 1,524,963 | 1,238,326 |
| Petty Cash | 83,030 | - | - | 2,810 | 85,840 | 85,515 |
| Aggregate Material Pit Restoration | 118,970 | - | - | - | 118,970 | 114,604 |
| Debt Service with Trustee | - | 18,131,722 | - | - | 18,131,722 | 17,974,866 |
| Debt Service Fund | - | 18,262,155 | - | 4,560,645 | 22,822,800 | 17,769,512 |
| Lease Receivable | - | 18,642,000 | - | - | 18,642,000 | 19,302,000 |
| Unreserved, Reported in: | | | | | | |
| General Fund | 155,942,520 | - | - | - | 155,942,520 | 135,073,134 |
| Special Revenue Funds | - | - | - | 50,668,433 | 50,668,433 | 40,037,182 |
| Capital Projects Fund | - | - | 12,664,938 | - | 12,664,938 | 12,287,308 |
| Total Fund Balances | <u>175,980,127</u> | <u>55,035,877</u> | <u>24,490,979</u> | <u>57,325,885</u> | <u>312,832,868</u> | <u>277,083,130</u> |
| Total Liabilities and Fund Balances | <u>\$ 218,874,995</u> | <u>\$ 55,522,160</u> | <u>\$ 39,950,484</u> | <u>\$ 75,914,310</u> | | |
| Amounts reported for governmental activities in the statement of net assets are different because: | | | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | | 587,420,769 | 560,347,674 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | | | | 23,162,546 | 22,965,167 |
| Internal services funds are used by management to charge the costs of management information systems and property management services to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the Statement of Net Assets. | | | | | 13,964,488 | 13,493,650 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the funds. | | | | | (247,733,977) | (252,562,359) |
| Net assets of governmental activities | | | | | <u>\$ 689,646,694</u> | <u>\$ 621,327,262</u> |

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

RAMSEY COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

| | General | Debt Service | Capital Projects | Other Governmental Funds | Total Governmental Funds | |
|---|-----------------------|----------------------|----------------------|--------------------------|--------------------------|-----------------------|
| | | | | | 2006 | 2005 |
| REVENUES | | | | | | |
| Taxes | \$ 178,759,012 | \$ 16,695,047 | \$ - | \$ 21,220,591 | \$ 216,674,650 | \$ 197,333,878 |
| Licenses and Permits | 619,459 | - | - | 775,421 | 1,394,880 | 1,410,846 |
| Intergovernmental | 169,360,189 | 1,038,495 | 32,528,016 | 39,763,817 | 242,690,517 | 216,905,306 |
| Private Grants and Donations | 139,492 | - | - | 283,324 | 422,816 | 621,000 |
| Charges for Services | 40,660,735 | - | - | 21,382,773 | 62,043,508 | 64,869,125 |
| Fines and Forfeitures | 7,200 | - | - | 738,771 | 745,971 | 761,722 |
| Sales | 1,575,167 | - | 1,252 | 1,273,630 | 2,850,049 | 2,804,900 |
| Rental Income | 1,350,838 | - | - | 307,372 | 1,658,210 | 1,387,051 |
| Investment Earnings | 12,487,790 | 1,615,761 | 1,487,484 | 1,969,144 | 17,560,179 | 9,187,327 |
| Program Recoveries - Community | | | | | | |
| Human Services | 3,790,928 | - | - | - | 3,790,928 | 3,948,060 |
| Miscellaneous | 4,361,295 | - | 287,757 | 880,564 | 5,529,616 | 7,104,859 |
| Total Revenues | 413,112,105 | 19,349,303 | 34,304,509 | 88,595,407 | 555,361,324 | 506,334,074 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | 72,161,466 | - | - | 15,418,334 | 87,579,800 | 88,857,578 |
| Public Safety | 92,744,242 | - | - | 1,233,908 | 93,978,150 | 89,586,294 |
| Highways and Streets | 14,898,949 | - | - | - | 14,898,949 | 14,321,647 |
| Sanitation | 641,305 | - | - | 16,385,988 | 17,027,293 | 17,852,048 |
| Health | 18,763,245 | - | - | 8,857,427 | 27,620,672 | 26,459,940 |
| Human Services | 178,310,893 | - | - | 169,005 | 178,479,898 | 174,403,870 |
| Culture and Recreation | 9,114,241 | - | - | 8,702,152 | 17,816,393 | 17,452,152 |
| Conservation of Natural Resources | 406,016 | - | - | - | 406,016 | 438,555 |
| Economic Development and Assistance | - | - | - | 22,915,902 | 22,915,902 | 22,734,910 |
| Capital Projects: | | | | | | |
| General Government | - | - | 1,385,385 | - | 1,385,385 | 3,553,088 |
| Public Safety | 613,358 | - | 11,313,799 | - | 11,927,157 | 11,115,395 |
| Highways and Streets | 1,831,786 | - | 25,838,308 | - | 27,670,094 | 17,386,561 |
| Health | - | - | 121,250 | - | 121,250 | 30,275 |
| Human Services | - | - | 108,346 | - | 108,346 | 317,926 |
| Culture and Recreation | 587,489 | - | 8,330,915 | - | 8,918,404 | 6,556,647 |
| Conservation of Natural Resources | - | - | 4,168 | - | 4,168 | - |
| Debt Service: | | | | | | |
| Bond Issuance Costs | - | - | 70,093 | - | 70,093 | 134,111 |
| Principal Retirement | 60,252 | 11,775,000 | - | - | 11,835,252 | 11,913,241 |
| Interest | 11,699 | 9,361,854 | - | - | 9,373,553 | 9,660,213 |
| Total Expenditures | 390,144,941 | 21,136,854 | 47,172,264 | 73,682,716 | 532,136,775 | 512,774,451 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 22,967,164 | (1,787,551) | (12,867,755) | 14,912,691 | 23,224,549 | (6,440,377) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Xcel Energy Loan Proceeds | 76,940 | - | - | - | 76,940 | - |
| Bonds Issued | - | - | 6,750,000 | - | 6,750,000 | 17,575,000 |
| Discount/Premium on Sale of Bonds | - | - | 31,046 | - | 31,046 | 1,057,776 |
| Sale of Capital Assets | - | - | 6,000,000 | - | 6,000,000 | 756,306 |
| Redemption of Refunded Bonds | - | - | - | - | - | (10,505,000) |
| Transfers In | 1,127 | 1,777,050 | - | 553,362 | 2,331,539 | 226,989 |
| Transfers Out | (685,454) | - | (1,839,535) | (425,984) | (2,950,973) | (805,676) |
| Total Other Financing Sources (Uses) | (607,387) | 1,777,050 | 10,941,511 | 127,378 | 12,238,552 | 8,305,395 |
| Net Change in Fund Balances | 22,359,777 | (10,501) | (1,926,244) | 15,040,069 | 35,463,101 | 1,865,018 |
| Fund Balances - Beginning | 153,344,699 | 55,046,378 | 26,777,223 | 41,914,829 | 277,083,129 | 272,974,120 |
| Prior Period Adjustment | - | - | (360,000) | 360,000 | - | 2,091,000 |
| Fund Balances - Beginning, as Restated | 153,344,699 | 55,046,378 | 26,417,223 | 42,274,829 | 277,083,129 | 275,065,120 |
| Increase (decrease) in reserve for inventories | 275,651 | - | - | 10,987 | 286,638 | 152,992 |
| Fund Balances - Ending | \$ 175,980,127 | \$ 55,035,877 | \$ 24,490,979 | \$ 57,325,885 | \$ 312,832,868 | \$ 277,083,130 |

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

RAMSEY COUNTY, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005

| | <u>2006</u> | <u>2005</u> |
|--|----------------------|----------------------|
| Net change in fund balances - total governmental funds (Exhibit 4) | \$ 35,463,101 | \$ 1,865,018 |
| Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because: | | |
| 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. This is the amount by which capital outlays exceeded depreciation in the current period. | 29,860,121 | 25,922,835 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. | (2,787,026) | (854,029) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 197,379 | 8,167,679 |
| The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, the governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 4,977,266 | 3,785,465 |
| 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. | 137,626 | (1,519,078) |
| Internal service funds are used by management to charge the costs of management information systems and property management services to individual funds. | 367,379 | 675,976 |
| The net revenue of certain activities of internal service funds is reported with governmental activities. | 103,586 | 103,807 |
| Net change in net assets of governmental activities (Exhibit 2) | <u>\$ 68,319,432</u> | <u>\$ 38,147,673</u> |

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

**RAMSEY COUNTY, MINNESOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2006**

EXHIBIT 6

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005

| | Business-type Activities - Enterprise Funds | | | | | | Governmental Activities - Internal Service Funds | |
|--|---|-----------------------------|------------------------------|---------------------|---------------------|----------------------|--|--|
| | Lake Owasso Residence | Ponds at Battle Creek | Other Enterprise Funds | Total | | 2006 | 2005 | |
| | | | | 2006 | 2005 | 2006 | 2005 | |
| ASSETS | | | | | | | | |
| Current Assets: | | | | | | | | |
| Cash and Cash Equivalents | \$ 1,766,092 | \$ 506,069 | \$ 1,004,254 | \$ 3,276,415 | \$ 3,547,431 | \$ 11,704,586 | \$ 11,342,238 | |
| Cash with Fiscal Agent | 3,136,568 | - | - | 3,136,568 | 3,168,217 | - | - | |
| Petty Cash and Change Funds | 6,500 | - | 14,000 | 20,500 | 20,500 | 75 | 75 | |
| Cooperative Investment | - | - | 30,913 | 30,913 | 84,255 | - | - | |
| Accounts Receivable (Net) | - | 5,013 | 382,788 | 387,801 | 314,035 | 7,598 | 17,948 | |
| Cooperative Investment Receivable | - | - | 17,244 | 17,244 | - | - | - | |
| Accrued Interest Receivable | 47,383 | - | - | 47,383 | 31,431 | - | - | |
| Due from Other Funds | - | - | - | - | - | 1,030,961 | 947,514 | |
| Due from Other Governments | 637,933 | - | 1,041,076 | 1,679,009 | 1,296,342 | 109,533 | 72,060 | |
| Prepaid Items | - | - | - | - | 42,225 | 105,003 | 142,398 | |
| Inventories | 26,344 | - | 27,847 | 54,191 | 61,513 | 7,265 | 5,814 | |
| Restricted Cash and Cash Equivalents | - | - | - | - | - | 1,000 | 1,000 | |
| Total Current Assets | <u>5,620,820</u> | <u>511,082</u> | <u>2,518,122</u> | <u>8,650,024</u> | <u>8,565,949</u> | <u>12,966,021</u> | <u>12,529,047</u> | |
| Noncurrent Assets: | | | | | | | | |
| Deferred Charges | 26,248 | 12,023 | - | 38,271 | 39,684 | - | - | |
| Capital Assets: | | | | | | | | |
| Land | 7,873 | - | 99,200 | 107,073 | 107,073 | - | - | |
| Improvements Other Than Buildings | 648,856 | 2,581,891 | 423,964 | 3,654,711 | 3,654,711 | 19,698 | 6,973 | |
| Buildings | 4,040,708 | 933,506 | 4,517,652 | 9,491,866 | 9,491,866 | - | - | |
| Building Improvements | 23,348 | - | 1,543,729 | 1,567,077 | 1,373,447 | 7,495,865 | 6,896,681 | |
| Equipment | 489,318 | 379,646 | 1,602,172 | 2,471,136 | 2,437,578 | 8,573,939 | 8,751,358 | |
| Construction in Progress | - | - | 26,000 | 26,000 | 116,309 | - | 127,693 | |
| Less Accumulated Depreciation | (1,187,799) | (683,992) | (5,468,845) | (7,340,636) | (6,767,571) | (12,988,875) | (12,347,391) | |
| Total Capital Assets (Net of Accumulated Depreciation) | <u>4,022,304</u> | <u>3,223,074</u> | <u>2,743,872</u> | <u>9,977,227</u> | <u>10,413,413</u> | <u>3,100,627</u> | <u>3,435,314</u> | |
| Total Noncurrent Assets | <u>4,048,552</u> | <u>3,223,074</u> | <u>2,743,872</u> | <u>10,015,498</u> | <u>10,453,097</u> | <u>3,100,627</u> | <u>3,435,314</u> | |
| Total Assets | <u>9,669,372</u> | <u>3,734,156</u> | <u>5,261,994</u> | <u>18,665,522</u> | <u>19,019,046</u> | <u>16,066,648</u> | <u>15,964,361</u> | |
| LIABILITIES | | | | | | | | |
| Current Liabilities: | | | | | | | | |
| Salaries Payable | 257,069 | 2,295 | 512,450 | 771,814 | 709,424 | 251,421 | 233,568 | |
| Accounts Payable | 38,743 | 2,610 | 232,893 | 274,246 | 317,603 | 559,976 | 1,033,415 | |
| Interest Payable | 141,284 | 58,883 | - | 200,167 | 147,144 | - | - | |
| Unamortized Bond Discount/Premium | - | 3,999 | - | 3,999 | 4,265 | - | - | |
| Loan Payable | - | - | - | - | - | 2,339 | 4,750 | |
| Due to Other Funds | 9,345 | 512,129 | 54,764 | 576,238 | 276,614 | 116,358 | 165,836 | |
| Due to Other Governments | 10,032 | 339 | 295,579 | 305,950 | 400,895 | 33,761 | 15,821 | |
| General Obligation Bonds Payable - Current | 170,000 | 140,000 | - | 310,000 | 295,000 | - | - | |
| Vacation and Compensatory Time Payable | 352,312 | 4,765 | 705,253 | 1,062,330 | 984,093 | 485,286 | 427,572 | |
| Payable from Restricted Assets: | | | | | | | | |
| Customer Deposits Payable | - | - | - | - | - | 1,000 | 1,000 | |
| Total Current Liabilities | <u>978,785</u> | <u>725,020</u> | <u>1,800,939</u> | <u>3,504,744</u> | <u>3,135,038</u> | <u>1,450,141</u> | <u>1,881,962</u> | |
| Noncurrent Liabilities: | | | | | | | | |
| Loan Payable | - | - | - | - | - | 335 | 3,011 | |
| General Obligation Bonds Payable | 6,210,000 | 2,910,000 | - | 9,120,000 | 9,430,000 | - | - | |
| Unamortized Bond Discount/Premium | 246,673 | - | - | 246,673 | 246,673 | - | - | |
| Advance from Other Funds | 378,206 | 947,400 | 50,000 | 1,375,606 | 1,375,606 | - | - | |
| Compensated Absences Payable | 393,093 | 3,229 | 439,649 | 835,971 | 845,007 | 653,651 | 583,824 | |
| Total Noncurrent Liabilities | <u>7,227,972</u> | <u>3,860,629</u> | <u>489,649</u> | <u>11,578,250</u> | <u>11,897,286</u> | <u>653,986</u> | <u>586,835</u> | |
| Total Liabilities | <u>8,206,757</u> | <u>4,585,649</u> | <u>2,290,588</u> | <u>15,082,994</u> | <u>15,032,324</u> | <u>2,104,127</u> | <u>2,468,797</u> | |
| NET ASSETS | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 569,170 | 207,709 | 2,743,872 | 3,520,751 | 3,656,566 | 3,100,627 | 3,435,314 | |
| Restricted for Capital Projects | - | 50,657 | - | 50,657 | 46,163 | - | - | |
| Unrestricted | 893,445 | (1,109,859) | 227,534 | 11,120 | 283,993 | 10,861,894 | 10,060,250 | |
| Total Net Assets | <u>\$ 1,462,615</u> | <u>\$ (851,493)</u> | <u>\$ 2,971,406</u> | <u>3,582,528</u> | <u>3,986,722</u> | <u>\$ 13,962,521</u> | <u>\$ 13,495,564</u> | |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | | | (1,967) | 1,914 | | | |
| Net Assets of Business-Type Activities | | | | <u>\$ 3,580,561</u> | <u>\$ 3,988,636</u> | | | |

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

RAMSEY COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds | | |
|--|--|------------------------------|-------------------------------|---------------------|---|----------------------|----------------------|
| | Lake Owasso Residence | Ponds at Battle Creek | Other Enterprise Funds | Total | | 2006 | 2005 |
| | | | | 2006 | 2005 | | |
| OPERATING REVENUES: | | | | | | | |
| Charges for Services | \$ 7,630,384 | \$ 390,230 | \$ 16,721,624 | \$ 24,742,238 | \$ 23,731,365 | \$ 18,712,266 | \$ 18,593,579 |
| Sales | - | - | 763 | 763 | 1,510 | 5,136 | 2,167 |
| Rental Income | - | 53,668 | - | 53,668 | 52,408 | - | - |
| Miscellaneous | - | 3,003 | 32,475 | 35,478 | 60,175 | 168,319 | 25,946 |
| Total Operating Revenues | <u>7,630,384</u> | <u>446,901</u> | <u>16,754,862</u> | <u>24,832,147</u> | <u>23,845,458</u> | <u>18,885,721</u> | <u>18,621,692</u> |
| OPERATING EXPENSES: | | | | | | | |
| Personal Services | 6,510,964 | 234,690 | 13,294,573 | 20,040,227 | 19,078,317 | 7,615,033 | 6,768,025 |
| Other Services and Charges | 708,935 | 123,469 | 2,857,571 | 3,689,975 | 4,109,237 | 9,542,256 | 9,777,302 |
| Supplies | 354,517 | 69,880 | 971,903 | 1,396,300 | 1,196,995 | 397,385 | 431,387 |
| Depreciation | 214,606 | 131,631 | 360,802 | 707,039 | 700,601 | 888,776 | 888,546 |
| Total Operating Expenses | <u>7,789,022</u> | <u>559,670</u> | <u>17,484,849</u> | <u>25,833,541</u> | <u>25,085,150</u> | <u>18,443,450</u> | <u>17,865,260</u> |
| | <u>(158,638)</u> | <u>(112,769)</u> | <u>(729,987)</u> | <u>(1,001,394)</u> | <u>(1,239,692)</u> | <u>442,271</u> | <u>756,432</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | | | | |
| Intergovernmental Revenue | 19,968 | - | 292,775 | 312,743 | 314,170 | 24,008 | 24,132 |
| Investment Earnings | 113,324 | - | 28,701 | 142,025 | 137,622 | - | - |
| Amortization of Bond Issuance Costs | (610) | (536) | - | (1,146) | (1,149) | - | - |
| Interest Expense | (386,911) | (141,684) | - | (528,595) | (354,180) | - | - |
| Gain (Loss) on Disposal of Capital Assets | - | - | (23,188) | (23,188) | 25,905 | 805 | 541 |
| Gain (Loss) on Sale of Capital Assets | - | - | 6,207 | 6,207 | 20,555 | - | - |
| Miscellaneous Revenue | - | - | 1,575 | 1,575 | 4,725 | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(254,229)</u> | <u>(142,220)</u> | <u>306,070</u> | <u>(90,379)</u> | <u>147,648</u> | <u>24,813</u> | <u>24,673</u> |
| Income before Contributions and Transfers | <u>(412,867)</u> | <u>(254,989)</u> | <u>(423,917)</u> | <u>(1,091,773)</u> | <u>(1,092,044)</u> | <u>467,084</u> | <u>781,105</u> |
| Capital Contributions | - | - | 68,018 | 68,018 | 328,644 | - | - |
| Transfers In | 199,170 | 50,000 | 370,391 | 619,561 | 558,561 | - | - |
| Transfers Out | - | - | - | - | - | (127) | - |
| Change in Net Assets | <u>(213,697)</u> | <u>(204,989)</u> | <u>14,492</u> | <u>(404,194)</u> | <u>(204,839)</u> | <u>466,957</u> | <u>781,105</u> |
| Total Net Assets - Beginning | 1,676,312 | (646,504) | 2,956,914 | | | 13,495,564 | 12,714,459 |
| Total Net Assets - Ending | <u>\$ 1,462,615</u> | <u>\$ (851,493)</u> | <u>\$ 2,971,406</u> | | | <u>\$ 13,962,521</u> | <u>\$ 13,495,564</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | | | (3,881) | 1,322 | | |
| Change in Net Assets of Business-type Activities (Exhibit 2) | | | | <u>\$ (408,075)</u> | <u>\$ (203,517)</u> | | |

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

RAMSEY COUNTY, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds | | |
|---|---|-----------------------------|------------------------------|---------------------|--|----------------------|----------------------|
| | Lake Owasso Residence | Ponds at Battle Creek | Other Enterprise Funds | Total | | 2006 | 2005 |
| | | | | 2006 | 2005 | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts from Customers and Users | \$ 7,607,290 | \$ 445,964 | \$ 16,273,297 | \$ 24,326,551 | \$ 24,107,220 | \$ 1,414,313 | \$ 11,775,872 |
| Receipts from Interfund Services Provided | - | - | - | - | - | 17,360,839 | 7,265,382 |
| Payments to Suppliers | (1,057,710) | (193,553) | (3,995,540) | (5,246,803) | (5,704,243) | (8,804,745) | (9,729,940) |
| Payments to Employees | (6,433,397) | (233,722) | (13,241,787) | (19,908,906) | (19,009,344) | (7,469,639) | (6,682,057) |
| Payments for Interfund Services Used | - | - | - | - | (450) | (1,603,930) | (425,779) |
| Net Cash Provided (Used) for Operating Activities | 116,183 | 18,689 | (964,030) | (829,158) | (606,817) | 896,838 | 2,203,478 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | |
| Intergovernmental Revenue | 19,968 | - | 292,775 | 312,743 | 314,170 | 24,008 | 24,132 |
| Transfers In | 199,170 | - | 357,906 | 557,076 | 557,076 | - | - |
| Transfers Out | - | - | - | - | - | (127) | - |
| Interfund Loans | - | 204,803 | - | 204,803 | - | - | - |
| Miscellaneous Revenue | - | - | 1,575 | 1,575 | 4,725 | - | - |
| Net Cash Provided (Used) for Noncapital Financing Activities | 219,138 | 204,803 | 652,256 | 1,076,197 | 875,971 | 23,881 | 24,132 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | |
| Interfund Loans | - | 278,513 | - | 278,513 | - | - | - |
| Proceeds from the Sale of Capital Assets | - | - | 25,530 | 25,530 | 41,555 | 805 | 797 |
| Proceeds from Refunding Bonds | - | - | - | - | 3,168,217 | - | - |
| Purchases of Capital Assets | (5,645) | (135,000) | (239,701) | (380,346) | (246,934) | (554,089) | (736,998) |
| Principal Paid on Capital Debt | (160,000) | (143,513) | - | (303,513) | (285,000) | - | - |
| Interest Paid on Capital Debt | (332,059) | - | - | (332,059) | (286,503) | - | - |
| Disposal of Capital Assets | - | - | - | - | 45,245 | - | - |
| Repayment of Loan | - | - | - | - | - | (5,087) | (5,240) |
| Net Cash Provided (Used) for Capital and Related Financing Activities | (497,704) | - | (214,171) | (711,875) | 2,436,580 | (558,371) | (741,441) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Proceeds from Sale of Investments | - | - | 32,521 | 32,521 | - | - | - |
| Dividend Received | - | - | 32,278 | 32,278 | 25,067 | - | - |
| Gain on Sale of Investment | - | - | - | - | 25,619 | - | - |
| Interest Income | 97,372 | - | - | 97,372 | - | - | - |
| Net Cash Provided (Used) for Investing Activities | 97,372 | - | 64,799 | 162,171 | 50,686 | - | - |
| Net Increase (Decrease) in Cash and Cash Equivalents | (65,011) | 223,492 | (461,146) | (302,665) | 2,756,420 | 362,348 | 1,486,169 |
| Cash and Cash Equivalents, January 1 | 4,974,171 | 282,577 | 1,479,400 | 6,736,148 | 3,979,728 | 11,343,313 | 9,857,144 |
| Cash and Cash Equivalents, December 31 | <u>\$ 4,909,160</u> | <u>\$ 506,069</u> | <u>\$ 1,018,254</u> | <u>\$ 6,433,483</u> | <u>\$ 6,736,148</u> | <u>\$ 11,705,661</u> | <u>\$ 11,343,313</u> |

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

(Continued)

RAMSEY COUNTY, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds | | |
|--|---|-----------------------|------------------------|---------------------|--|-------------------|---------------------|
| | Lake Owasso Residence | Ponds at Battle Creek | Other Enterprise Funds | Total | | 2006 | 2005 |
| | | | | 2006 | 2005 | | |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | | | |
| Operating Income (Loss) | \$ (158,638) | (112,769) | \$ (729,987) | \$ (1,001,394) | \$ (1,239,692) | \$ 442,271 | \$ 756,432 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | | | |
| Depreciation Expense | 214,606 | 131,631 | 360,802 | 707,039 | 700,601 | 888,776 | 888,545 |
| Noncash Transfers | - | - | 12,485 | 12,485 | 1,485 | - | - |
| Provision for Uncollectible Accounts | - | - | 30,000 | 30,000 | (9,500) | - | - |
| Loan Payable included in Electrical Expense | - | - | - | - | - | - | 13,001 |
| Changes in Assets and Liabilities: | | | | | | | |
| (Increase) Decrease in Accounts Receivable | (23,094) | (938) | (102,828) | (126,860) | (32,350) | (8,506) | (11,185) |
| (Increase) Decrease in Due from Other Funds | - | - | - | - | - | (83,447) | 377,201 |
| (Increase) Decrease in Due from Other Governments | - | - | (359,573) | (359,573) | 275,933 | (37,453) | 53,544 |
| (Increase) Decrease in Prepaid Items | - | - | 42,225 | 42,225 | (42,225) | 37,395 | 39,295 |
| (Increase) Decrease in Inventories | 3,448 | - | 3,874 | 7,322 | (5,699) | (1,451) | (95) |
| Increase (Decrease) in Salaries Payable | 26,252 | 385 | 35,753 | 62,390 | 25,663 | 17,853 | 1,353 |
| Increase (Decrease) in Accounts Payable | (3,897) | (569) | (38,891) | (43,357) | 59,465 | (454,634) | 11,499 |
| Increase (Decrease) in Due to Other Funds | 4,713 | 122 | (138,526) | (133,691) | (204,366) | (49,427) | (20,178) |
| Increase (Decrease) in Due to Other Governments | 1,477 | (24) | (96,398) | (94,945) | 73,557 | 17,920 | 9,447 |
| Increase (Decrease) in Estimated Payable for Outstanding Claims | - | - | - | - | (253,000) | - | - |
| Increase (Decrease) in Vacation and Compensatory Time Payable | 33,668 | (1,172) | 45,741 | 78,237 | 37,967 | 57,714 | 51,415 |
| Increase (Decrease) in Compensated Absences Payable | 17,648 | 2,023 | (28,707) | (9,036) | 5,344 | 69,827 | 33,204 |
| Net Cash Provided (Used) by Operating Activities | \$ 116,183 | \$ 18,689 | \$ (964,030) | \$ (829,158) | \$ (606,817) | \$ 896,838 | \$ 2,203,478 |

Noncash Capital and Related Financing Activity:

Contributions of Capital Assets in the Ramsey Nursing Home Fund amounted to \$65,860 and \$317,928 in 2006 and 2005 respectively.

The fair value of Ramsey Nursing Home Investment decreased by \$50,847 in 2005, and decreased by \$53,342 in 2006.

Disposal of Capital Assets had a Net Book Value of \$23,188 in 2006 and \$1,046 in 2005 for the Ramsey Nursing Home.

The Internal Service Funds disposed of capital assets with a net book value of zero.

Transfer In of \$50,000 from Capital Projects Funds was used to reduce Due to Other Funds for Ponds at Battle Creek.

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

**RAMSEY COUNTY, MINNESOTA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005**

| | Private Purpose Trust Funds | | Agency Fund | |
|------------------------------------|-----------------------------------|---------------------|-------------------|-------------------|
| | 2006 | 2005 | 2006 | 2005 |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 2,545,416 | \$ 2,529,067 | \$ 33,140,053 | \$ 32,289,596 |
| Petty Cash and Change Funds | - | - | 50 | 50 |
| Receivables: | | | | |
| Taxes | - | - | 205 | - |
| Accounts | 773 | - | 18,911,342 | 21,310,346 |
| Due from Other Governments | - | - | 55,120 | 436,240 |
| Advance to Other Governments | - | - | 50,893 | 50,893 |
| Total Assets | <u>2,546,189</u> | <u>2,529,067</u> | <u>52,157,663</u> | <u>54,087,125</u> |
| LIABILITIES | | | | |
| Salaries Payable | - | - | 6,426 | 9,021 |
| Custodial Payable | 15,852 | 7,392 | 36,354,192 | 32,824,607 |
| Due to Other Governments | - | - | 15,797,045 | 21,253,497 |
| Total Liabilities | <u>15,852</u> | <u>7,392</u> | <u>52,157,663</u> | <u>54,087,125</u> |
| NET ASSETS | | | | |
| Held in trust for private purposes | <u>\$ 2,530,337</u> | <u>\$ 2,521,675</u> | | |

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

RAMSEY COUNTY, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005

| | Private Purpose Trust Funds | |
|---|--|----------------------------|
| | 2006 | 2005 |
| ADDITIONS | | |
| Receipts from Clients | \$ 12,804,044 | \$ 12,792,773 |
| Investment Earnings | 11,304 | 4,959 |
| Total Additions | <u>12,815,348</u> | <u>12,797,732</u> |
| DEDUCTIONS | | |
| Payments to Clients or on Behalf of Clients | <u>12,806,686</u> | <u>12,504,297</u> |
| Change in Net Assets | 8,662 | 293,435 |
| Net assets - Beginning | <u>2,521,675</u> | <u>2,228,240</u> |
| Net assets - Ending | <u><u>\$ 2,530,337</u></u> | <u><u>\$ 2,521,675</u></u> |

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

Ramsey County, Minnesota
Notes to the Basic Financial Statements
December 31, 2006

| INDEX TO NOTES | <u>Page</u> |
|---|--------------------|
| I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 45 |
| Reporting Entity | 45 |
| Government-wide and Fund Financial Statements | 45 |
| Measurement Focus, Basis of Accounting, and Financial Statement Presentation | 46 |
| Assets, Liabilities, and Net Assets or Equity | 48 |
| Cash and Cash Equivalents | 48 |
| Deposits and Investments | 48 |
| Receivables and Payables | 48 |
| Inventories and Prepaid Items | 48 |
| Capital Assets | 49 |
| Compensated Absences | 49 |
| Long-term Obligations | 49 |
| Restricted Assets/Fund Equity | 50 |
| Estimated in Financial Statements | 50 |
| Prior Year Comparative Data | 50 |
| II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS | 50 |
| Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets | 50 |
| Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-Wide Statement of Activities | 51 |
| III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY | 52 |
| Deficit Fund Equity | 52 |
| Restatement of Fund Equity | 52 |
| Budgetary Information | 52 |
| IV. DETAILED NOTES ON ALL FUNDS | 53 |
| Deposits and Investments | 53 |
| Receivables | 57 |
| Capital Assets | 59 |
| Interfund Receivables, Payables, and Transfers | 60 |
| HRA Conduit Debt Obligations | 61 |
| Leases Payable | 62 |
| Loans Payable | 62 |
| Sick Leave, Vacation, and Compensatory Time | 63 |
| Long-term Obligations | 63 |
| Rental and Lease Income | 68 |
| Unreserved – Fund Balance | 68 |
| Investment Earnings | 69 |
| V. OTHER INFORMATION | 69 |
| Risk Management | 69 |
| Subsequent Event | 70 |
| Contingent Liabilities | 70 |
| Joint Ventures | 71 |
| Jointly Governed Organizations | 72 |
| Defined Benefit Pension Plans – Statewide | 73 |
| Post Employment Benefits | 75 |

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Ramsey County, Minnesota, was created by the Legislative Assembly of the Territory of Minnesota in 1849. The County operated under a County Board-Executive Director form of government until November 6, 1992. On November 6, 1992, Ramsey County became the first County in the State to be governed by a home-rule charter. The Charter defines the powers and structure of the County. The seven members of the Board of County Commissioners are elected by district for four years. The County Manager is appointed by the Board on an indefinite basis.

The accounting practices of Ramsey County, Minnesota, conform to generally accepted accounting principles applicable to governmental units. This financial report has been prepared in conformity with Governmental Accounting Standard Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as amended, Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, as amended, and Statement No. 38, *Certain Financial Statement Note Disclosures*. The following is a summary of significant accounting principles.

As required by generally accepted accounting principles, these financial statements present Ramsey County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operations or financial relationships with the County.

Blended Component Units:

The Ramsey County Regional Railroad Authority was created by the Ramsey County Board pursuant to State statute. The seven member Regional Railroad Authority Board is appointed by the Ramsey County Board of Commissioners. Currently, the Regional Railroad Authority consists of the seven Ramsey County Commissioners. The Authority has the power to levy taxes, issue bonds and enter into contracts and agreements. The Authority is solely liable for its obligations. Separate financial statements can be obtained from Ramsey County Budgeting & Accounting Office.

The Ramsey County Housing & Redevelopment Authority was created in 1993 by the Ramsey County Board pursuant to State Statute. The five member Housing & Redevelopment Authority is appointed by the Ramsey County Board of Commissioners. Currently, the Housing & Redevelopment Authority consists of five members from the Ramsey County Board. The Authority's financial activities are presented in the Housing & Redevelopment Authority Special Revenue Fund. Separate financial statements are not available.

Joint Ventures:

A joint powers agreement between Ramsey and Washington Counties created the Ramsey/Washington County Resource Recovery Project Board as a joint venture to administer the Resource Recovery Facility. The Project Board is composed of four representatives from Washington County appointed by the Washington County Board and five Ramsey County Commissioners appointed by the Ramsey County Board. All administrative decisions are made by the Project Board except for: budget approval, levying taxes or assessing service charges and establishing the tipping fee to be charged at the facility which require the approval of the County Boards. Details of Ramsey County's share of the joint venture can be found in Note V. Separate financial statements can be obtained from Ramsey County Budgeting & Accounting Office.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements. Governmental

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. **Shared revenues are generally recognized in the period the appropriation goes into effect.** Grants and similar items are recognized as revenue as soon as all 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 are recognized as soon as they are both measurable and available. Ramsey County considers all revenues to be *available* if they are collected within 60 days after the end of the current period. Property and other taxes, **shared revenues**, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure (other than those financed by proprietary funds).

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

The County reports the following major proprietary funds:

The *Lake Owasso Residence fund* provides residential treatment services to 64 people who are developmentally delayed or have related conditions ages 16 through adult.

Ponds at Battle Creek is a golf course on 80 acres of land owned by Ramsey County Community Corrections Department. The course will not only expand golf services to County residents, but also provide transferable work opportunities for workhouse inmates under the Productive Day Program.

Additionally, the government reports the following fund types:

Internal service funds are used to account for goods or services provided by one department or agency to other departments or agencies of the County, or other governments, on a cost-reimbursement basis.

- Data Processing – to provide electronic data processing services to County departments and other governmental units.
- General County Buildings – to account for rents received from occupants of several County Buildings and to pay all expenses incurred in operating and maintaining the building.
- Telecommunications – to account for all expenses incurred in operating the telephone system in the Ramsey County Buildings.
- Firearms Range – to provide a Firearms Range to law enforcement personnel of the County and other local governments.

The *private-purpose trust funds* are used to account for client resources held in trust to pay expenses on their behalf and missing heir funds until they are located.

The County has an *agency fund*, which is custodial in nature and does not present results of operations or have a measurement focus. The agency fund is accounted for using the accrual basis of accounting. This fund is used to account for assets that the County holds for others in an agency capacity, including pass-through funds that are equivalent to pure cash conduits; inmate and other governmental agency funds held in the custody of the County; and revenues collected on behalf of other governmental units related to property taxes.

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

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions, as well as any related interest earnings; and (3) capital grants and contributions, as well as any related interest earnings. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Lake Owasso Residence, Ponds at Battle Creek, Ramsey Nursing Home, and Law Enforcement Services enterprise funds, and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Cash Equivalents

Ramsey County has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, each fund's equity in the County's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2006, based on market prices. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments of governmental and fiduciary funds are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2006 were \$12,487,790.

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts in excess of 120 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 1% of the current year's property tax levy.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy is divided into two billings: the first billing (due from property owners on May 15th) and the second billing (due on October 15th or November 15th). Taxes, which remain unpaid by property owners at December 31, are considered delinquent.

4. Inventories and Prepaid Items

Inventory is valued at cost using the first-in/first-out (FIFO) method. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time of purchase on the fund financial statements and converted to the consumption method for the government-wide statements.

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

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years, as well as certain exceptions that are considered to be high risk to theft. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

General infrastructure assets acquired prior to January 1, 2002 consist of the road network assets that were acquired or that received substantial improvements subsequent to July 1, 1980 and are reported at actual historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings | 10-50 |
| Building Improvements | 5-20 |
| Infrastructure | 20-75 |
| Improvements Other Than Buildings | 10-20 |
| Machinery and Equipment | 2-20 |

6. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Under the County's personnel policies and union contracts, County employees are granted vacation and sick leave in varying amounts based on length of services. Certain County employees are also granted compensatory time. Unused accumulated vacation leave, compensatory time, and vested sick leave are paid to employees upon termination. Unvested sick leave is available to employees in the event of illness-related absences and is not paid to employees upon termination. Each permanent employee earns up to 25 days vacation leave and 15 days of sick leave per year.

7. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

8. Restricted Assets/Fund Equity

Certain funds of the County are classified as restricted assets on the statement of net assets because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations. These legal restrictions include:

| | |
|-----------------------------|---------------------|
| Debt Service | \$55,035,877 |
| Capital Projects | 7,186,824 |
| Solid Waste | 20,565,333 |
| Aggregate Material | 118,970 |
| Criminal Forfeiture | 401,732 |
| Underground Storage Tanks | 100,000 |
| County Recorder's Equipment | 1,043,663 |
| Election Equipment | 274,135 |
| | <u>\$84,726,534</u> |

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

9. Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

E. Prior Year Comparative Data

The basic financial statements include partial prior year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended December 31, 2005, from which such partial information was derived.

II. 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 balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$247,733,977 difference are as follows:

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

| | |
|--|----------------------|
| Bonds and Notes Payable | \$203,857,000 |
| Loans Payable | 68,222 |
| Capital Lease | 107,512 |
| Less: Deferred Charge for Issuance Costs (Amortized Over the Life of the Debt) | (1,272,995) |
| Accrued Interest Payable | 3,996,125 |
| Unamortized Premium on Bonds | 4,303,694 |
| Estimated Payable for Outstanding Claims | 5,714,500 |
| Compensated Absences Payable, Vacation, & Comp Time Payable | 30,846,649 |
| Due to Other Governments | <u>113,270</u> |
| Net Adjustment to Reduce Fund Balance – Total Governmental Activities to Arrive at Net Assets – Governmental Activities | <u>\$247,733,977</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. One element of that reconciliation explains, “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.” The details of this \$29,860,121 difference are as follows:

| | |
|--|----------------------|
| Capital Outlay | \$ 49,793,118 |
| Depreciation Expense | <u>(19,932,997)</u> |
| Net Adjustment to Increase Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities | <u>\$ 29,860,121</u> |

The second element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.”

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold. The details of this \$2,787,026 difference is as follows:

| | |
|---|----------------------|
| Loss on Disposal/Sale of Capital Assets | <u>\$(2,787,026)</u> |
|---|----------------------|

Another element of that reconciliation states that “the issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$4,977,266 difference are as follows:

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

| | |
|--|---------------------|
| Debt issued or Incurred: | |
| Issuance of General Obligation Bonds | \$(6,750,000) |
| Unamortized Premium on Sale of Bonds | (31,046) |
| Proceeds from Loans from Xcel Energy | (76,940) |
| Principal Repayments: | |
| General Obligation Debt | 11,610,000 |
| Redemption of Refunded Bond Issuances | - |
| Capital Loan from State of Minnesota for Pedestrian Tunnel | 165,000 |
| Payments on Capital Lease Obligation for Food Service Equipment – LEC | 48,600 |
| Payments on Xcel Energy Loans | <u>11,652</u> |
| Net adjustment to Increase Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities | <u>\$ 4,977,266</u> |

Finally, the reconciliation states, “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.” The details of this \$137,626 difference are as follows:

| | |
|--|-------------------|
| Compensated Absences | \$(310,901) |
| Claims and Judgments | 152,000 |
| Accrued Interest | 19,491 |
| Arbitrage Expense | (113,270) |
| Bond Issuance Costs | 70,093 |
| Amortization of Bond Issuance Costs | (172,134) |
| Amortization of Bond Premium | 205,837 |
| Offset Operating Transfer from Internal Service Funds | (127) |
| Inventory (Change From Consumption to Purchase Method) | <u>286,637</u> |
| Net Adjustment to Decrease Net Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities | <u>\$ 137,626</u> |

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Equity

The Ponds at Battle Creek Enterprise Fund showed a net loss of \$112,769 for the year, resulting in a deficit of net assets of \$851,493.

The Workforce Solutions Special Revenue Fund reported a net change in Fund Balance of \$6,388 for 2006, decreasing the negative Fund Balance to \$4,142. It is expected future revenues will eliminate the negative Fund Balance.

B. Restatement of Fund Equity

In the 2005 financial statements, intergovernmental revenue was overstated in the Capital Projects Fund and understated in the Parks and Recreation Special Revenue Fund by \$360,000 because that amount should have been recorded as an advance to and from other funds. Beginning fund balance was restated in both funds by \$360,000.

C. Budgetary Information

The County Board adopts an annual budget for certain Special Revenue Funds (County Library, Solid Waste/Recycling Service Fee, Saint Paul Public Health JPA, Regional Railroad Authority, and Forfeited Tax Sale), the County Debt Service Fund, and Regional Railroad Authority Debt Service

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

Fund. These budgets are prepared on the modified accrual basis of accounting. Annual budgets are not adopted for the Capital Project Fund, Regional Railroad Authority Capital Project Fund, and certain Special Revenue Funds. Some of these funds have budgets, which are approved at the time the project or budget is initially authorized and overlap fiscal years. Other Special Revenue Funds are not budgeted. The following Special Revenue Funds either have budgets that overlap the County's fiscal year or are not budgeted: Housing & Redevelopment Authority, Workforce Solutions, State Funding for Courts, State Public Defender, Gifts and Donations, Sheriff, Corrections, Property Records, County Attorney, Health Promotion/Health Improvement, Parks & Recreation, Nursing Home Patients Activity, and Law Library. The Capital Projects Fund, Regional Railroad Authority Capital Projects Fund, and those Special Revenue Funds, whose budgets overlap fiscal years, are not consistent with the County's method of financial reporting; therefore, comparisons between the results of operations and budgets in these funds are not relevant and are not presented.

Based on a process established by the County Manager and staff, all departments of the government submit requests for appropriations to the County Manager every two years. After review, analysis and discussions with the departments, the County Manager's proposed budget is presented to the County Board for review. The Board holds public hearings and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function, and department. Budgets may be amended during the year with the approval of the County Manager or County Board as required by the County's Administrative Code. The County Manager is authorized to transfer budgeted amounts within departments or appropriate certain revenues received in excess of the original budget estimate. Transfers of appropriations between departments and other transfers of appropriations require County Board approval. Supplemental appropriations are reviewed by the County Manager's office and submitted to the County Board for their approval. If approved, the adjustments are implemented by the Budgeting and Accounting Office by budget revision. Supplemental appropriations required during the year were immaterial. Expenditures may not legally exceed budgeted appropriations at the department level. All appropriations, except Capital Project Fund and Regional Railroad Authority Capital Project Fund, which are not expended, encumbered, or reserved, as described above, lapse at year end.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts, capital reserves, and other commitments for the expenditure of monies) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Reconciliation of County's total cash and investments to the basic financial statements follows:

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

| | |
|-----------------------------|----------------------|
| Government-wide | |
| Governmental Activities | |
| Cash and Cash equivalents | \$297,906,467 |
| Cash with trustee | 18,227,581 |
| Restricted cash | 3,000 |
| Petty cash | 26,015 |
| Imprest cash | 60,000 |
| | |
| Business-type activities | |
| Cash and Cash equivalents | 3,276,415 |
| Cash with trustee | 3,136,568 |
| Petty cash | 20,500 |
| Cooperative investment | 30,913 |
| | |
| Fiduciary funds | |
| Cash and Cash equivalents | 33,140,053 |
| Petty cash | 50 |
| | |
| Private Purpose Trust funds | |
| Cash and Cash equivalents | <u>2,545,416</u> |
| | |
| Cash and Investments | <u>\$358,372,978</u> |
| | |
| Deposits | \$ 8,800,205 |
| Investments | 328,131,146 |
| Investments with trustee | 21,364,149 |
| Cooperative investment | 30,913 |
| Petty Cash | <u>46,565</u> |
| | |
| Total Cash and Investments | <u>\$358,372,978</u> |

1. Deposits

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

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

Custodial Credit Risk-Deposits. Custodial credit risk is the risk that, in the event of a financial institution failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2006, the County's deposits were not exposed to custodial credit risk.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

2. Investments

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

- (a) securities which are direct obligations or are guaranteed or insured issued of the United States, its agencies, or instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;
- (b) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (c) 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 a national bond rating service;
- (d) bankers' acceptances of United States banks;
- (e) 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
- (f) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Interest Rate Risk. Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County minimizes its exposure to interest rate risk by investing in both shorter 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.

Ramsey County has adopted a simulation model of reporting of its investments and their sensitivity to fluctuation in interest rates to comply with Government Accounting Standards Board Statement No. 40, "Deposit and Investment Risk Disclosures". As presented, assumptions are made of interest rate changes of 50, 100, 150, and 200 basis points; it also assumes that interest rate changes occurred on December 31, 2006. The investment portfolio has an average book yield of 4.57%, modified duration of 2.81 years and an effective duration of 1.71 years.

| <u>Ramsey County:</u> | <u>+50 Basis Pts</u> | <u>+100 Basis Pts</u> | <u>+150 Basis Pts</u> | <u>+200 Basis Pts</u> |
|-------------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| U.S. Agency Securities: | | | | |
| Federal Home Loan | \$123,267,169 | \$123,172,798 | \$123,078,426 | \$122,984,055 |
| Federal Home Loan Mtg. Corp. | 29,653,785 | 29,426,691 | 29,199,596 | 28,971,621 |
| Federal National Mtg. Assn. | 20,841,641 | 20,749,533 | 20,657,424 | 20,565,316 |
| Federal Farm Credit | 11,755,229 | 11,697,939 | 11,640,648 | 11,583,357 |
| Overseas Private Investment Corp | 155,065 | 155,065 | 155,065 | 155,065 |
| Commercial Paper (each <5%) | 141,987,390 | 141,987,390 | 141,987,390 | 141,987,390 |
| Griffin Bldg Revenue Bonds: Project | | | | |
| Money Market Savings Acct | 370,836 | 370,836 | 370,836 | 370,836 |
| Griffin Bldg Revenue Bonds: DS. | | | | |
| Money Market Savings Acct | 786,717 | 786,717 | 786,717 | 786,717 |
| Griffin Bldg Revenue Bonds: RF | | | | |
| Money Market Savings Acct | 2,162 | 2,162 | 2,162 | 2,162 |
| Federal Home Loan | 1,083,035 | 1,083,035 | 1,083,035 | 1,083,035 |
| US Treasury SLUG's | <u>19,121,399</u> | <u>19,121,399</u> | <u>19,121,399</u> | <u>19,121,399</u> |
| Total Investments | <u>\$349,024,428</u> | <u>\$348,553,565</u> | <u>\$348,082,698</u> | <u>\$347,610,007</u> |

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

The Ramsey County Board of Commissioners officially approved Ramsey County's investment policy in September of 1998. In November of 1999, a few changes were made to the policy, which were also approved by the Ramsey County Board. The policy is a bit more restricted than what is prescribed in Chapter 118A of Minnesota Statutes governing the investment of public funds. Ramsey County's policy restricts Agency Debentures to be up to 60% of the portfolio, Structured Agency Notes up to 30% with no inverses, Agency Mortgage Pass-Thru's up to 30%, Agency CMO's up to 30%, Municipal Bonds up to 30%, and Bankers Acceptances up to 50%. Commercial Paper, Certificates of Deposits, Repurchase Agreements, and GIC's are consistent with language of Chapter 118A.

Chapter 118A of the Minnesota Statutes allows Reverse Repurchase agreements as an investment to create leverage. The Ramsey County policy currently does not allow the use of Reverse Repurchase Agreements, Options, or Future Contracts.

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

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

| <u>Ramsey County:</u> | <u>Credit Risk</u> | <u>Custody Credit Risk</u> | <u>Par</u> | <u>Fair Value</u> | <u>% of Total Portfolio</u> |
|--|--------------------|----------------------------|--------------------|--------------------|-----------------------------|
| U.S. Agency Securities: | | | | | |
| Federal Home Loan | AAA / Aaa | Custody (a) | 124,700,000 | 123,362,141 | 35.35% |
| Federal Home Loan Mtg. Corp. | AAA / Aaa | Custody (a) | 30,000,000 | 29,880,280 | 8.51% |
| Federal National Mtg. Assn. | AAA / Aaa | Custody (a) | 21,000,000 | 20,933,750 | 5.95% |
| Federal Farm Credit | AAA / Aaa | Custody (a) | 12,000,000 | 11,812,520 | 3.40% |
| Overseas Private Investment Corp | n.a. | Custody (a) | 165,569 | 155,065 | 0.05% |
| Commercial Paper (each <5%) | A1+P1 | Custody (a) | <u>143,500,000</u> | <u>141,987,390</u> | 40.68% |
| Ramsey County's Portfolio | | | <u>331,365,569</u> | <u>328,131,146</u> | |
| <u>Escrow Accounts:</u> | | | | | |
| Griffin Bldg Revenue Bonds: Project Fund | | | | | |
| Money Market Savings Account | n.a. | Escrow (b) | 370,836 | 370,836 | 0.11% |
| Griffin Bldg Revenue Bonds: DS. Fund | | | | | |
| Money Market Savings Account | n.a. | Escrow (b) | 786,717 | 786,717 | 0.22% |
| Griffin Building Revenue Bonds: | | | | | |
| Money Market Savings Account | n.a. | | 2,162 | 2,162 | |
| Federal Home Loan | AAA / Aaa | Escrow (b) | 1,080,000 | 1,083,035 | 0.31% |
| US Treasury SLUG's | n.a. | Escrow (b) | <u>19,121,399</u> | <u>19,121,399</u> | 5.42% |
| Escrow Account Totals | | | <u>21,361,114</u> | <u>21,364,149</u> | |
| Total Investments | | | <u>352,726,933</u> | <u>349,495,295</u> | <u>100.00%</u> |

- (a) Securities held in custody are in Ramsey County's name.
- (b) Securities held by the escrow agent.

Concentration of Credit Risk. The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. It is the County's policy that U.S. Treasury Securities, U.S. Agency Securities, and obligations backed by U.S. Treasury and/or U.S. Agency Securities, may be held without limit.

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Ramsey County's policy states all securities purchased by the county will be held by a third party safekeeping agency appointed as custodian by the County, consistent with Section 118A.06 of the Minnesota Statutes.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

The custodian shall issue a safekeeping receipt to the County for each transaction detailing all pertinent aspects of the specific security and the name and account which the security is held. All security transactions entered into by the County, with the exception of money market mutual funds, fixed income mutual fund, and repurchase agreements, shall be conducted on a delivery versus payment basis. At December 31, 2006, all of the investments held in escrow accounts listed above totaled \$21,364,149 and were subject to custodial credit risk.

B. Receivables

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

| | <u>Unavailable</u> | <u>Unearned</u> |
|--|---------------------|--------------------|
| Delinquent Property Taxes Receivable | \$ 4,565,775 | \$ - |
| Receivables that do not provide Current Financial Resources | 7,255,489 | - |
| Loans Receivable | 12,717,225 | - |
| Forfeited Tax Sale Contracts Receivable | 431,171 | - |
| Grant Drawdowns Prior to Meeting Eligibility Requirements | | 3,174,916 |
| Earnest Money | - | 1,500,000 |
| | <u>\$24,969,660</u> | <u>\$4,674,916</u> |

Direct financing leases:

PEDESTRIAN CONNECTION

Using loan funds obtained through an agreement with the Minnesota Public Facilities Authority, the County built a pedestrian connection from the RiverCentre complex to the core downtown St. Paul area. Under an agreement with the City of St. Paul, the City is required to make lease payments to the County in an amount equal to 105% of the loan payments due from the County to the Minnesota Public Facilities Authority.

The City is responsible for the operation and maintenance of the pedestrian connection. At the expiration of the term of the lease in the year 2030, the connection will become the sole property of the City. As a result, the pedestrian connection is not included in the County's capital assets.

Terms of the lease are as follows:

| <u>Years Ended December 31</u> | <u>Lease Receivable</u> |
|--------------------------------------|-------------------------|
| 2007 | \$ 394,088 |
| 2008 | 392,985 |
| 2009 | 396,702 |
| 2010 | 395,060 |
| 2011-2015 | 1,968,321 |
| 2016-2020 | 1,961,564 |
| 2021-2025 | 1,951,931 |
| 2026-2030 | <u>1,944,962</u> |
| | 9,405,613 |
| Less Interest | <u>(3,163,613)</u> |
| Present Value of Lease Receivable | <u>\$6,242,000</u> |

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

BENZ BUILDING

Issuing \$13,845,000 of lease revenue bonds in 2003, the County renovated and remodeled the Benz Building to be used for the Saint Paul Police Headquarters Facility and leased by the City of Saint Paul. The term of the lease is for 20 years beginning January 1, 2004 to December 31, 2023. The City of Saint Paul will pay base rent on a semi-annual basis equal to the debt service payment including principal and interest.

The City may buy out the lease and exercise a purchase option at any time during the lease as well as purchase the property for \$1,500,000 at the end of the lease term. As a result, the building is not included in the County's capital assets.

Terms of the lease are as follows:

| <u>Years Ended December 31</u> | <u>Lease Receivable</u> |
|--------------------------------------|-------------------------|
| 2007 | \$ 1,046,217 |
| 2008 | 1,048,368 |
| 2009 | 1,049,818 |
| 2010 | 1,055,568 |
| 2011-2015 | 5,246,907 |
| 2016-2020 | 5,373,463 |
| 2021-2023 | <u>3,218,100</u> |
| | 18,038,441 |
| Less Interest | <u>(5,638,441)</u> |
| Present Value of Lease Receivable | <u>\$12,400,000</u> |

REGIONS HOSPITAL

The lease agreement granted Regions Hospital use of the property through December 2046 under the condition that it (i) provide care to the indigent of Ramsey County throughout the lease term; (ii) pay all taxes, utilities, maintenance, and insurance costs with respect to the property; (iii) use its best efforts to continue providing, and consult with the Ramsey County Board of Commissioners before discontinuing, its major or unique services, including but not limited to the trauma center, burn unit, graduate medical education, and research services; and (iv) not assign the lease to a for-profit corporation.

The property leased is classified as a capital lease and is not included in the County's capital assets. The lease requires that a minimum dollar amount of indigent care be provided to Ramsey County residents. In the event the value of charity care does not meet the lease requirement, the Hospital can fulfill the obligation by making capital improvements to the hospital property. The value of charity care is reduced by Ramsey County's direct cash support, if any.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

C. Capital Assets

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

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|---------------------|----------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 76,783,297 | \$ 3,502,584 | \$ (45,668) | \$ 80,240,213 |
| Construction in progress | <u>78,270,427</u> | <u>17,649,343</u> | <u>(1,981,037)</u> | <u>93,938,733</u> |
| Total capital assets, not being depreciated | <u>155,053,724</u> | <u>21,151,927</u> | <u>(2,026,705)</u> | <u>174,178,946</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 252,760,206 | 1,955,692 | (1,926,560) | 252,789,338 |
| Building Improvements | 10,296,227 | 691,480 | - | 10,987,707 |
| Improvements other than buildings | 35,339,849 | 1,743,931 | (2,361,134) | 34,722,646 |
| Equipment | 60,130,548 | 6,475,623 | (3,894,272) | 62,711,899 |
| Infrastructure | <u>339,378,052</u> | <u>18,208,955</u> | <u>-</u> | <u>357,587,007</u> |
| Total capital assets being depreciated | <u>697,904,882</u> | <u>29,075,681</u> | <u>(8,181,966)</u> | <u>718,798,597</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (50,997,183) | (5,034,366) | 1,209,534 | (54,822,015) |
| Building Improvements | (5,275,430) | (989,298) | - | (6,264,728) |
| Improvements other than buildings | (19,797,684) | (1,720,099) | 2,286,168 | (19,231,615) |
| Equipment | (48,629,722) | (4,905,598) | 4,045,542 | (49,489,778) |
| Infrastructure | <u>(164,475,599)</u> | <u>(8,172,412)</u> | <u>-</u> | <u>(172,648,011)</u> |
| Total accumulated depreciation | <u>(289,175,618)</u> | <u>(20,821,773)</u> | <u>7,541,244</u> | <u>(302,456,147)</u> |
| Total capital assets being depreciated, net | <u>408,729,264</u> | <u>8,253,908</u> | <u>(640,722)</u> | <u>416,342,450</u> |
| Governmental activities capital assets, net | <u>563,782,988</u> | <u>29,405,835</u> | <u>(2,667,427)</u> | <u>590,521,396</u> |
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | 107,073 | - | - | 107,073 |
| Construction in progress | <u>116,309</u> | <u>26,000</u> | <u>(116,309)</u> | <u>26,000</u> |
| Total capital assets, not being depreciated | <u>223,382</u> | <u>26,000</u> | <u>(116,309)</u> | <u>133,073</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 9,491,866 | - | - | 9,491,866 |
| Building improvements | 1,373,447 | 193,630 | - | 1,567,077 |
| Improvements other than buildings | 3,654,711 | - | - | 3,654,711 |
| Equipment | <u>2,437,578</u> | <u>209,904</u> | <u>(176,346)</u> | <u>2,471,136</u> |
| Total capital assets being depreciated | <u>16,957,602</u> | <u>403,534</u> | <u>(176,346)</u> | <u>17,184,790</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (3,598,714) | (244,219) | - | (3,842,933) |
| Building improvements | (694,211) | (75,242) | - | (769,453) |
| Improvements other than buildings | (671,731) | (128,079) | - | (799,810) |
| Equipment | <u>(1,802,915)</u> | <u>(259,499)</u> | <u>133,974</u> | <u>(1,928,440)</u> |
| Total accumulated depreciation | <u>(6,767,571)</u> | <u>(707,039)</u> | <u>133,974</u> | <u>(7,340,636)</u> |
| Total capital assets being depreciated, net | <u>10,190,031</u> | <u>(303,505)</u> | <u>(42,372)</u> | <u>9,844,154</u> |
| Business-type activities capital assets, net | <u>\$ 10,413,413</u> | <u>\$ (277,505)</u> | <u>\$ (158,681)</u> | <u>\$ 9,977,227</u> |

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

Depreciation expense was charged to functions / programs as follows:

| | |
|--|---------------------|
| Governmental activities: | |
| General government | \$ 3,672,856 |
| Public safety | 3,465,120 |
| Highways and streets, including depreciation of infrastructure assets | 9,538,084 |
| Health | 263,383 |
| Human Services | 534,138 |
| Culture and recreation | 2,346,331 |
| Conservation of natural resources | 21,206 |
| Economic development and assistance | 91,879 |
| Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets | <u>888,776</u> |
| Total depreciation expense – governmental activities | <u>\$20,821,773</u> |
| Business-type activities: | |
| Lake Owasso Residence | \$214,606 |
| Ramsey Nursing Home | 233,837 |
| Ponds at Battle Creek | 131,631 |
| Law Enforcement Services | <u>126,965</u> |
| Total depreciation expense – business-type activities | <u>\$707,039</u> |

Construction Commitments

The government has active construction projects as of December 31, 2006. The projects include widening and construction of existing streets and bridges, and the construction of new county building facilities. At year-end the government's commitments with contractors are as follows:

| <u>Project</u> | <u>Spent-to-date</u> | <u>Remaining Commitment</u> |
|------------------------------|----------------------|-----------------------------|
| Road and bridge construction | \$37,465,621 | \$ 6,516,316 |
| County building facilities | <u>9,258,166</u> | <u>5,818,445</u> |
| | <u>\$46,723,787</u> | <u>\$12,334,761</u> |

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2006, is as follows:

Due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> | |
|---------------------------|-----------------------------|-----------------------------|---------|
| General | Nonmajor Governmental Funds | \$ 310,240 | |
| | Lake Owasso Residence | 2,118 | |
| | Ponds at Battle Creek | 1,127 | |
| | Capital Projects Fund | 1,494 | |
| | Nonmajor Enterprise Funds | 46,201 | |
| | Internal Service Funds | 75,641 | |
| | Nonmajor Governmental Funds | General | 1,386 |
| | | Ponds at Battle Creek | 506,169 |
| | | General | 914,825 |
| | Debt Service | Nonmajor Governmental Funds | 54,796 |
| Lake Owasso Residence | | 7,227 | |
| Ponds at Battle Creek | | 4,833 | |
| Nonmajor Enterprise Funds | | 8,563 | |
| Internal Service Funds | | <u>40,717</u> | |
| Total | | <u>\$1,975,337</u> | |

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

These balances reflect the interfund goods and services provided and not paid at year-end but expected to be paid in the subsequent year.

Advances are usually loans that are outstanding more than one year.

Advances to / from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------------|--------------------|
| General | Capital Projects Fund | \$2,130,000 |
| | Nonmajor Governmental Funds | 4,711,000 |
| | Lake Owasso Residence | 378,206 |
| | Nonmajor Enterprise Funds | 50,000 |
| | Ponds at Battle Creek | 772,400 |
| Capital Projects | Ponds at Battle Creek | <u>175,000</u> |
| Total | | <u>\$8,216,606</u> |

These balances are primarily working capital loans made to other funds and not scheduled to be paid back in the subsequent year.

Interfund transfers:

| | Transfer In | | | | <u>Total</u> |
|-----------------------|------------------|-------------------------|------------------------------|-------------------------------|--------------------|
| | <u>General</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental</u> | <u>Internal Service Funds</u> | |
| Transfer out: | | | | | |
| General | \$ - | \$ - | \$ 1,000 | \$ 127 | \$ 1,127 |
| Debt Service | - | 1,777,050 | - | - | 1,777,050 |
| Nonmajor | | | | | |
| Governmental | 128,378 | - | 424,984 | - | 553,362 |
| Lake Owasso Residence | 199,170 | - | - | - | 199,170 |
| Ponds at Battle Creek | - | 50,000 | - | - | 50,000 |
| Nonmajor Enterprise | <u>357,906</u> | <u>12,485</u> | - | - | <u>370,391</u> |
| Total transfers out | <u>\$685,454</u> | <u>\$1,839,535</u> | <u>\$425,984</u> | <u>\$ 127</u> | <u>\$2,951,100</u> |

Transfers are used to move revenues from the General Fund to finance various programs accounted for in other funds and move restricted funds to the Debt Service Fund. Also move revenues from Refunded Bonds from Debt Service Fund to the Agency Fund.

E. HRA Conduit Debt Obligations

The HRA has issued Rental Housing Revenue Bonds to facilitate the development of housing facilities designed for occupancy by persons of low or moderate income which improves the economic and housing conditions of the County. The bonds are secured by the financed property and are payable solely from the revenues of the housing projects. The HRA has issued Revenue Bonds to facilitate the development of enterprises engaged in providing health care services to residents of Ramsey County. The bonds are secured by the financial property and are payable solely from the revenues of the health care operation.

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 have an outstanding principal balance of \$105.7 million at December 31, 2006. There were seven conduit bond issuances at December 31, 2006.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

F. Leases payable

Operating Leases

The county leases real estate and equipment under leases expiring at various dates through 2015. Total costs for such leases were \$1,850,621 for year ended December 31, 2006. The future minimum lease payments for these leases are as follows:

| <u>Year Ending Dec. 31</u> | <u>General Fund</u> |
|----------------------------|---------------------|
| 2007 | \$1,960,593 |
| 2008 | 1,414,056 |
| 2009 | 1,151,835 |
| 2010 | 732,499 |
| 2011 | 309,297 |
| 2012-2015 | <u>359,645</u> |
| Total | <u>\$5,927,925</u> |

Capital Leases

Ramsey County has entered into a lease agreement as lessee for financing the acquisition of food service equipment at the new Adult Detention Center. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

| | <u>Governmental Activities</u> |
|-----------|--------------------------------|
| Asset: | |
| Equipment | \$296,955 |

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2006, were as follows:

| <u>Year Ending December 31</u> | <u>Governmental Activities</u> |
|---|--------------------------------|
| 2007 | \$ 59,391 |
| 2008 | <u>59,391</u> |
| Total minimum lease payments | 118,782 |
| Less: amount representing interest | <u>(11,270)</u> |
| Present value of minimum lease payments | <u>\$107,512</u> |

G. Loans payable

The County has taken advantage of the Xcel Energy Local Government Energy Conservation Program to complete energy retrofits of various County buildings. Xcel's program provides no interest loans for building energy retrofits, based on energy savings generated; a one-time bounty for reduced kilowatt consumption and partial funding for engineering audits and design services.

Based on Xcel's program guidelines, after an assessment of needs has been made of energy conservation measures, a loan application, limited to two times the annual energy consumption, is submitted to Xcel for all construction and equipment costs. After the application has been approved by Xcel, the energy conservation project is competitively bid, and construction/installation completed. Upon completion of the project, a loan agreement is submitted to Xcel, and Xcel then issues the loan

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

proceeds and sets up a repayment schedule through the monthly electric/gas bills. At that time, Xcel also pays the actual engineering costs up to 15% of the loan amount.

Since Xcel loan proceeds are not received until project completion, the County must provide upfront funding for projects, which have received application approval from Xcel. All outstanding applications have been approved as of December 31, 2006. The future minimum loan payments are:

| <u>Year Ending Dec. 31</u> | <u>Government Activities</u> |
|---|----------------------------------|
| 2007 | \$19,651 |
| 2008 | 17,349 |
| 2009 | 16,190 |
| 2010 | 14,555 |
| 2011 | <u>6,026</u> |
| Total minus Loan payments | <u>73,771</u> |
| Less: Interest | <u>2,874</u> |
| Present Value of Minimum Loan Payments | <u>\$70,895</u> |

H. Sick Leave, Vacation, and Compensatory Time

Under the County's personnel policies and union contracts, county employees are granted vacation and sick leave in varying amounts based on length of service. Certain employees are also granted compensatory time. Unused accumulated vacation, vested sick leave, and compensatory time are paid to employees upon termination. Each permanent employee earns up to 25 days vacation leave and 15 days of sick leave per year.

I. Long Term Obligations

General Obligation Bonds and Notes

The county issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes have been issued for both governmental and business-type activities. The outstanding amount of general obligation bonds and notes issued in prior years was \$205,232,000. During the year, general obligation bonds totaling \$6,750,000 were issued to provide funding for various capital projects and to refinance certain general obligation bonds.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

The following is a list of the long-term debt transactions of the County for the year ended December 31, 2006:

| | Payable <u>January 1</u> | Additions | Deductions | Payable <u>December 31</u> | Due Within <u>One Year</u> |
|--|-----------------------------|---------------------|---------------------|-------------------------------|-------------------------------|
| GOVERNMENTAL ACTIVITIES: | | | | | |
| General Obligation Bonds | \$189,100,000 | \$ 6,750,000 | \$11,130,000 | \$184,720,000 | \$20,075,000 |
| Note Payable | 6,407,000 | - | 165,000 | 6,242,000 | 170,000 |
| Lease Revenue Bonds | <u>13,375,000</u> | <u>-</u> | <u>480,000</u> | <u>12,895,000</u> | <u>495,000</u> |
| Total General Obligation Bonds, Notes Payable, and Lease Revenue Bonds | <u>208,882,000</u> | <u>6,750,000</u> | <u>11,775,000</u> | <u>203,857,000</u> | <u>20,740,000</u> |
| Loans Payable: | | | | | |
| Governmental Funds | 2,933 | 76,940 | 11,652 | 68,221 | 16,143 |
| Internal Service Funds: | | | | | |
| General County Buildings | <u>7,761</u> | <u>-</u> | <u>5,087</u> | <u>2,674</u> | <u>2,339</u> |
| Total Loans Payable | <u>10,694</u> | <u>76,940</u> | <u>16,739</u> | <u>70,895</u> | <u>18,482</u> |
| Capital Lease | <u>156,112</u> | <u>-</u> | <u>48,600</u> | <u>107,512</u> | <u>51,960</u> |
| Claims and Judgments Payable | | | | | |
| Governmental Funds | <u>5,999,739</u> | <u>2,182,934</u> | <u>2,379,961</u> | <u>5,802,712</u> | <u>2,076,737</u> |
| Compensated Absences: | | | | | |
| Governmental Funds | 30,535,749 | 14,836,979 | 14,526,077 | 30,846,651 | 13,884,410 |
| Internal Service Funds: | | | | | |
| Data Processing | 677,491 | 393,044 | 323,057 | 747,478 | 326,091 |
| General County Buildings | 290,472 | 190,087 | 137,409 | 343,150 | 137,181 |
| Telecommunication | <u>43,433</u> | <u>32,101</u> | <u>27,226</u> | <u>48,308</u> | <u>22,014</u> |
| Total Compensated Absences | <u>31,547,145</u> | <u>15,452,211</u> | <u>15,013,769</u> | <u>31,985,587</u> | <u>14,369,696</u> |
| Governmental Activities | | | | | |
| Long-term Liabilities | <u>246,595,690</u> | <u>24,462,085</u> | <u>29,234,069</u> | <u>241,823,706</u> | <u>37,256,875</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | | |
| General Obligation Bonds: | | | | | |
| Enterprise Funds: | | | | | |
| Lake Owasso Residence | 6,540,000 | - | 160,000 | 6,380,000 | 170,000 |
| Ponds at Battle Creek | <u>3,185,000</u> | <u>-</u> | <u>135,000</u> | <u>3,050,000</u> | <u>140,000</u> |
| Total General Obligation Bonds | <u>9,725,000</u> | <u>-</u> | <u>295,000</u> | <u>9,430,000</u> | <u>310,000</u> |
| Compensated Absences: | | | | | |
| Enterprise Funds: | | | | | |
| Lake Owasso Residence | 694,089 | 382,411 | 331,096 | 745,404 | 352,312 |
| Ponds at Battle Creek | 7,143 | 5,574 | 4,723 | 7,994 | 4,765 |
| Ramsey Nursing Home | 830,585 | 462,953 | 453,417 | 840,121 | 400,472 |
| Law Enforcement Services | <u>297,283</u> | <u>280,214</u> | <u>272,716</u> | <u>304,781</u> | <u>304,781</u> |
| Total Compensated Absences | <u>1,829,100</u> | <u>1,131,152</u> | <u>1,061,952</u> | <u>1,898,300</u> | <u>1,062,330</u> |
| Business-Type Activities Long- Term Liabilities | <u>\$ 11,554,100</u> | <u>\$ 1,131,152</u> | <u>\$ 1,356,952</u> | <u>\$ 11,318,300</u> | <u>\$ 1,372,330</u> |

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

Internal Service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

Long-term debt payable at December 31, 2006 comprises the following individual issues:

COUNTY GENERAL OBLIGATION DEBT:

County-wide General Obligation Bonds:

| | |
|---|--------------|
| \$17,570,000 1996A Capital Improvement Plan Series Bonds, due in annual installments of \$725,000 to \$1,160,000 through February 1, 2016 - interest at 5.385% | \$ 9,235,000 |
| \$2,485,000 1998 Capital Improvement Plan Series A Bonds, due in annual installments of \$240,000 to \$295,000 through February 1, 2008 - interest at 4.3992% | 580,000 |
| \$4,865,000 1998 Capital Improvement Plan Refunding Series B Bonds, due in annual installments of \$625,000 to \$830,000 through February 1, 2007 - interest at 4.3682% | 625,000 |
| \$5,485,000 1999 Capital Improvement Plan Series A Bonds, due in annual installments of \$145,000 to \$440,000 through February 1, 2019 - interest at 4.5494% | 3,065,000 |
| \$12,335,000 2000 Capital Improvement Plan Series 2000A, due in annual installments of \$450,000 to \$820,000 through February 1, 2020 – interest at 5.7653% | 8,795,000 |
| \$4,045,000 2000 Capital Improvement Plan Series 2000A, due in annual Lake Owasso installments of \$140,000 to \$340,000 through February 1, 2020 – interest at 5.7653% | 3,445,000 |
| \$11,210,000 2001 Capital Improvement Plan Series 2001A, due in annual installments of \$405,000 to \$740,000 through February 1, 2021 – interest at 4.7863% | 8,400,000 |
| \$31,160,000 2002 Capital Improvement Plan Series 2002A, due in annual installments of \$260,000 to \$5,655,000 through February 1, 2022 – interest at 4.9683% | 30,055,000 |
| \$3,550,000 Capital Improvement Plan Series 2002A, due in annual Ponds at Battle Creek installments of \$110,000 to \$260,000 through February 1, 2022 – interest at 4.9683% | 3,050,000 |
| \$30,885,000 2002 CIP Refunding Series 2002B, due in annual installments of \$1,325,000 to \$3,840,000 through February 1, 2015 – interest at 4.5544% | 23,895,000 |
| \$4,400,000 2002 State Aid Street Bonds Series 2002C, due in annual installments of \$85,000 to \$285,000 through February 1, 2028 – interest at 4.525% | 4,080,000 |
| \$27,015,000 2003 Capital Improvement Plan Series 2003A, due in annual installments of \$910,000 to \$1,905,000 through February 2023 – interest at 3.7818% | 24,085,000 |
| \$12,910,000 2004 Capital Improvement Plan Refunding Bonds 2004A due in annual installments of \$210,000 to \$1,280,000 through February 1, 2017 – interest at 2.5-4% | 11,365,000 |
| \$31,960,000 2004 General Obligation Bond Capital Improvement Plan Bonds 2004D due in annual installments of \$645,000 to \$2,790,000 through February 1, 2024 – interest at 3.5-5% | 27,710,000 |

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

| | |
|--|------------------|
| \$9,750,000 2004 General Obligation Bonds 2004E, due in annual installments of \$325,000 to \$705,000 through February 1, 2024 – interest at 3.25-4.6% | 8,720,000 |
| \$2,500,000 2005 General Obligation Bonds 2005A, due in annual installments of \$215,000 to \$295,000 through February 1, 2015 – interest at 3.25-4% | 2,285,000 |
| \$15,075,000 2005 General Obligation Capital Improvement Plan Refunding Bonds, Series 2005B due in annual installments of \$815,000 to \$1,615,000 through February 1, 2020 – interest at 3.5-5% | 15,075,000 |
| \$2,935,000 2005 General Obligation Capital Improvement Plan Refunding Bonds, Series 2005B, due in annual Lake Owasso installments of \$195,000 to \$310,000 through February 1, 2020 – interest at 4-5% | 2,935,000 |
| \$6,750,000 2006 General Obligation Bonds 2006A, due in annual installments of \$210,000 to \$495,000 through February 1, 2026 – interest at 3.85-4.30% | <u>6,750,000</u> |
| Total County General Obligation Debt | 194,150,000 |

Notes Payable:

| | |
|---|-----------|
| \$6,872,000 2001 General Obligation Notes due in annual installments of \$150,000 to \$372,000 through August 30, 2030 – interest at 3.59%. | 6,242,000 |
|---|-----------|

REVENUE BONDS:

| | |
|---|-------------------|
| \$13,845,000 2003 Public Facility Lease Revenue Bonds, Series 2003A due in annual installments of \$470,000 to \$1,025,000 through December 1, 2023 – interest at 4.4375% | <u>12,895,000</u> |
|---|-------------------|

| | |
|---|----------------------|
| Total General Obligation Debt and Revenue Bond Debt | <u>\$213,287,000</u> |
|---|----------------------|

Annual Requirement to Amortize Long-Term Debt

The annual requirements to amortize all long-term debt outstanding as of December 31, 2005, carrying interest rates of 3.5% to 5.77% are:

| Years Ending December 31 | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|-----------------------------|--------------------------------|---------------------|---------------------------------|--------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2007 | \$ 20,740,000 | \$ 8,989,749 | \$ 310,000 | \$ 473,583 |
| 2008 | 19,105,000 | 8,003,623 | 3,420,000 | 369,094 |
| 2009 | 11,660,000 | 7,297,724 | 345,000 | 264,831 |
| 2010 | 11,595,000 | 6,804,977 | 355,000 | 250,831 |
| 2011 | 11,850,000 | 6,296,240 | 365,000 | 236,331 |
| 2012-2016 | 63,230,000 | 22,859,917 | 2,090,000 | 905,684 |
| 2017-2021 | 44,610,000 | 10,306,104 | 2,285,000 | 334,156 |
| 2022-2026 | 19,085,000 | 1,682,430 | 260,000 | 6,663 |
| 2027-2030 | 1,982,000 | 158,189 | - | - |
| Total | <u>\$203,857,000</u> | <u>\$72,398,953</u> | <u>\$9,430,000</u> | <u>\$2,841,173</u> |

The County is subject to Minn. Stat., Sect. 475.53, Subd. 1, as amended January 31, 1990, which limits the amount of bonded debt (exclusive of revenue bonds) that the County may have outstanding to 2 percent of the market value of property within the County. At December 31, 2006, the statutory limit for the County was \$824,887,926 providing a debt margin of \$661,009,803.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

There is \$36,393,877 available in the Debt Service Fund to service the General Obligation Bonds. There are a number of limitations and restrictions contained in the various bond indentures. The County is in compliance with all significant limitations and restrictions.

The County's proportionate share of debt at December 31, 2006 of all local governmental units which provide services within the County's boundaries, and which must be borne by properties in the County, is summarized below:

| | <u>Outstanding</u> | <u>Percentage Applicable To the County</u> | <u>County's Share Of Debt</u> |
|-------------------------|------------------------|--|---------------------------------------|
| <u>Direct Debt</u> | | | |
| Ramsey County | \$ 213,287,000 | 100.00% | \$ 213,287,000 |
| <u>Overlapping Debt</u> | | | |
| Cities | 26,900,000 | 11.82% | 3,180,550 |
| School Districts | 189,225,000 | 64.69% | 122,413,626 |
| Other | 175,350,000 | 15.80% | 27,705,300 |
| <u>Underlying Debt</u> | | | |
| Cities and Towns | 157,797,880 | 100.00% | 157,797,880 |
| School Districts | 511,395,647 | 100.00% | 511,395,647 |
| Other | <u>14,397,011</u> | 100.00% | <u>14,397,011</u> |
| TOTAL | <u>\$1,288,352,538</u> | | <u>\$1,050,177,014</u> |

RAP Lease Purchase Agreement and Certificates of Participation

In 1996, Ramsey County entered into a lease-purchase agreement with Norwest Bank Minnesota, National Association (Trustee), whereby the Trustee issued \$3,465,000 in Certificates of Participation (COPS) to finance the acquisition of land and a building located in St. Paul. Subsequently, Ramsey County sub-leased the facility to Ramsey Action Program (RAP) to be developed into a one-stop service center housing a variety of programs offered by RAP and other non-profit and public agencies dedicated to relieving poverty. The COPS represent proportionate interests in lease payments to be made under the lease-purchase agreement. The County is obligated through the lease-purchase agreement to make all lease payments and other obligations of the County under the lease. RAP is obligated under the sub-lease agreement to pay directly the Trustee, as agent and on behalf of the County, monthly lease payments in an amount equal to the annual expenses of the County due to the Trustee. RAP will own the land and the building at the conclusion of the agreement.

The original 1996 Series COPS issue was refunded in 2004, via the issue 2004B of \$1,855,000 Refunding Certificates of Participation (tax exempt), and issue 2004C of \$620,000 Refunding Certificates of Participation (taxable). The taxable portion of the issue was requested by RAP to allow for sub-leasing of the property to for-profit tenants. As of December 31, 2006, the outstanding balance of the 2004B Refunding COPS (tax exempt) is \$1,855,000 and the 2004C Refunding COPS (taxable) is \$465,000. The outstanding debt will be paid off on January 1, 2017 for the 2004B Refunding COPS and January 1, 2010 for the 2004C Refunding COPS. The terms of the refunding agreement transferred trustee rights to Wells Fargo Bank, National Association.

Bond Refundings

In 2005, the County issued \$18,010,000 General Obligation Capital Improvement Plan Refunding Bonds Series 2005B to refund the 1996A and 2000A series General obligation Capital Improvement Plan bonds. These are crossover refundings with the proceeds deposited with an escrow agent. The 1996A series will be called on February 1, 2007, and the series 2000A series will be called on

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

February 1, 2008, and be redeemed with proceeds of the escrow account. On February 1, 2008, the County will “crossover” and begin making payments on the 2005B General Obligation Capital Improvement Plan Refunding bonds.

J. Rental and Lease Income

Parking Lot:

The County leases land in the City of Little Canada to Taco John’s of Minnesota, which is used as a part of their parking lot. The cost of the land carried on the County’s books is \$28,500. The lease period runs through May 6, 2011, and requires the following payments:

| | |
|-------|-----------------|
| 2007 | \$ 3,400 |
| 2008 | 3,503 |
| 2009 | 3,608 |
| 2010 | 3,716 |
| 2011 | <u>1,567</u> |
| Total | <u>\$15,794</u> |

Woodview Detention Center:

The County has rented the Woodview Detention Center to the Volunteers of America to be used for office space. The cost of the Center carried on the County’s books is \$499,009. Depreciation is \$9,458 per year with a net book value of \$169,179 at the end of 2006. The lease requires monthly payments of \$12,500 through December 31, 2008.

Roseville Library:

The County Library rents 1,800 square feet of space to Dunn Brothers Coffee in the Roseville Library. The cost of the Roseville Library carried on the County’s books is \$4,585,450. Depreciation is \$91,709 per year with a net book value of \$3,036,831 at the end of 2006. The lease period runs through January 2008, and requires the following payments:

| | |
|------|---------------------|
| | <u>Annual</u> |
| | <u>Installments</u> |
| 2007 | \$65,000 |
| 2008 | <u>5,416</u> |
| | <u>\$70,416</u> |

K. Unreserved – Fund Balance

In the fund financial statements, Unreserved Fund Balances were designated to show the portion segregated from unreserved spendable resources as follows:

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Other Governmental Funds</u> |
|--------------------------------------|-------------------------|--------------------------------------|---|
| Designated for: | | | |
| Capital Expenditures | \$ 7,066,670 | \$12,664,938 | \$ 391,183 |
| Subsequent Years' Budget/Expenditure | 5,122,698 | - | 20,745,921 |
| 2008 Budget | 67,114 | - | - |
| Loan to Ponds | 2,747,781 | - | - |
| Affordable Housing | 840,739 | - | 620,484 |
| Road Projects | 2,600,000 | - | - |
| Other Post-Employment Benefits | 18,976,650 | - | 219,264 |
| Cash Flow | 82,016,185 | - | 3,288,514 |
| Asset Replacement | - | - | 50,000 |
| Solid Waste Management | - | - | 5,372,904 |
| Resource Recovery Project | - | - | 14,424,327 |
| Health Promotion/Health Improvement | - | - | 127,965 |
| Self Insurance | <u>5,912,296</u> | <u>-</u> | <u>-</u> |
| Total Designated | 125,350,133 | 12,664,938 | 45,240,562 |
| Undesignated | <u>30,592,387</u> | <u>-</u> | <u>5,427,871</u> |
| Total Unreserved | \$155,942,520 | \$12,664,938 | \$50,668,433 |

L. Investment Earnings:

Generally accepted accounting principles require the County to record the difference between the market value and cost of investments. This difference is included as a gain or loss in investment earnings. In 2006, the investment earnings for the General Fund, including unrealized losses on investments, is as follows:

| | |
|--------------------------------|---------------------|
| Interest on Investments | \$14,138,556 |
| Unrealized Loss on Investments | <u>(1,650,766)</u> |
| | <u>\$12,487,790</u> |

V. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County currently reports all of its risk management activities in its General Fund except for Solid Waste risk management activities which are reported in the Solid Waste/Recycling Service Fee Special Revenue Fund and the Ramsey Nursing Home risk management activities which are reported in the Ramsey Nursing Home Enterprise Fund. Premiums are paid into the General Fund by the other funds and are available to pay claims, claim reserves, and administrative costs of the program.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

| | Year Ended <u>12/31/06</u> | Year Ended <u>12/31/05</u> |
|---|-------------------------------|-------------------------------|
| Unpaid claims, beginning of fiscal year | \$5,999,739 | \$4,474,500 |
| Incurred claims (including IBNRs) | 2,182,934 | 3,421,647 |
| Claim payments | <u>2,379,961</u> | <u>1,896,408</u> |
| Unpaid claims, end of fiscal year | <u>\$5,802,712</u> | <u>\$5,999,739</u> |

The County carries commercial insurance for:

- 1) Ramsey Nursing Home (self-insured for workers compensation),
- 2) Lake Owasso Residence,
- 3) Law Enforcement Service, and
- 4) Job Training Partnership Act (Administration of program only)

The County also participates in the Workers Compensation Reinsurance Association (WCRA) as required by State law. Ramsey County is responsible for costs up to \$1,560,000 for any claim. The WCRA becomes responsible for the amount in excess of \$1,560,000. The limit changes each year. A premium is paid by the County to the association based on the County's total salary costs.

At December 31, 2006, Solid Waste/Recycling Service Fee Special Revenue Fund investments of \$1,000,000 were held for the purpose of funding the County's future claims liability. As a result, \$1,000,000 of Solid Waste/Recycling Service Fee Special Revenue Fund balance is designated for payment of future claims liabilities.

There were no significant reductions in insurance or increases in expenditures from the County's self-insurance accounts from the previous year or settlements in excess of insurance coverage or self-insurance balances for any of the past three fiscal years.

B. Subsequent Event

On May 8, 2007, the Ramsey County Board authorized the sale of the \$20,860,000 2007A General Obligation Capital Improvement Plan bonds. These bonds, with maturities of February 1, 2008 through 2027, are to be used to acquire and construct County capital improvement projects authorized in the County's 2006-2007 Capital Improvement Plan. The bids for this issue will be taken on June 4th with the County Board awarding the sale to the bidder with the lowest Total Interest Costs (TIC) on June 5th.

The County Board, on January 16, 2007, approved the sale of the Maplewood Library for \$3,300,000. A new Library in Maplewood is under construction.

The County Board, on June 5, 2007, also approved the sale of the site known as the Taco Johns Site for \$1,801,000.

C. Contingent Liabilities

GRANTS

The County receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The financial assistance received may be subject to an audit pursuant to OMB Circular A-133 or audits by the grantor agency.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

D. Joint Ventures

RESOURCE RECOVERY PROJECT

Ramsey and Washington Counties have jointly entered into a construction agreement and a service agreement with Xcel Energy to build and operate a resource recovery facility which would produce refuse derived fuel to be burned at Xcel's electric plants. The service agreement was amended in 1993 to transfer Xcel's duties to its subsidiary NRG Energy Inc. (NRG). In 2005, NRG became a publicly held company and was no longer a subsidiary of Xcel. The service agreement obligates the Counties to deliver 280,800 tons of solid waste per year to the project and pay NRG a service fee based on each ton of solid waste handled by the facility subject to a minimum fee based on 280,800 tons per year minimum and subject to certain other adjustments. NRG is obligated to accept, process, transport, and dispose of most of the Counties' waste for twenty years.

The joint powers agreement, as discussed in Note 1, established the apportionment between the two Counties of the administrative costs and service fee payments to NRG. The first year of operations began at 80% Ramsey County and 20% Washington County and was adjusted retroactively to 73% Ramsey County and 27% Washington County based on the actual proportion of waste delivered from each County to the facility, as determined by NRG. The joint powers agreement provides for an annual adjustment of these cost allocation percentages.

From 1990 through 1993, the Counties financed the entire Service Fee, plus Project Board administrative costs, from the tipping fee charged at the facility. During 1993 and 1994, several court decisions directed that counties could not prohibit solid waste from being delivered out of state. In order to ensure environmentally responsible management of solid waste in Ramsey and Washington Counties, both counties approved lowering the tipping fee at the Newport Resource Recovery Facility, from \$66.79 per ton to \$50 per ton, effective January 1, 1994. It became necessary to collect part of the revenue needed to operate the Newport Resource Recovery Facility from the generators of waste. Ramsey and Washington Counties continued the tipping fee at \$50 per ton until the tipping fee was lowered to \$38 per ton effective June 1, 1996. In August of 2005, the tipping fee was lowered to \$34 per ton.

The approved 2006 Project budget for the estimated shortfall in the Service Fee was \$18,512,492, financed by Ramsey and Washington Counties. The 2006 budget for the Service Fee assumed waste deliveries to the Resource Recovery Facility of 345,000 tons. During 2006, 329,004 tons of solid waste was delivered to the facility from Ramsey and Washington Counties. The facility also accepted 84,817 tons of out of County waste. 278,156 tons were processed into 224,436 tons of refuse derived fuel (RDF). Process residue and other waste landfilled totaled 65,547 tons. The facility operation resulted in a 76.0% reduction in solid waste being landfilled.

In June 2001, Ramsey and Washington Counties both approved a process to fully explore and consider development and implementation of a public collection system for solid waste. The process was to engage participation of residents, municipalities, solid waste haulers, businesses, and citizen groups as the counties consider development and implementation of a public solid waste collection system. The timeline for this process would allow for potential implementation of public collection in January 2003. During 2002, the Counties both decided not to implement public collection and instead decided to change the method for collecting the solid waste fee. Beginning in 2003, the fee is collected by waste haulers from the waste generators. This change removes the fee from the property tax statements and more closely ties the fee to the waste generator.

In October 2006, the Facility was sold by NRG to Resource Recovery Technology (RRT). The Counties approved the sale and have entered into a new processing agreement with RRT. The new agreement is effective January 1, 2007 through December 31, 2012. The terms of the agreement call for payments to RRT for each ton of Ramsey Washington MSW delivered to the facility up to a maximum of 350,000 tons. The payment to RRT starts at \$40 per ton delivered for 2007 and 2008. The fee is then reduced to \$33 per ton in 2009, \$20 per ton in 2010, \$15 per ton in 2011, and \$10 per

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

ton in 2012. The agreement also calls for a Hauler Rebate Program to be established by the Resource Recovery Project. The Rebate Program began January 1, 2007, and calls for a rebate to be paid to the haulers for each ton of Ramsey Washington MSW delivered to the facility. The amount of the rebate in 2007 is \$12 per ton delivered. The new agreement calls for RRT to contract with haulers and landfills so the project has terminated all contracts with those entities effective December 31, 2006.

The joint powers agreement also selected Ramsey County to be the administrative entity for the Project Board, effective January 1, 1987. Prior to January 1, 1987, Washington County administered project funding from proceeds of \$4,000,000 General Obligation Bonds of 1983. The bonds were issued pursuant to the joint powers agreement to finance preliminary costs for the planning and acquisition of the Resource Recovery Facility. Ramsey County has paid its share of the principal and interest on the bonds, which was set at two-thirds at the time of the bond issuance.

Summary financial information for this joint venture as of and for the year ended December 31, 2006 have been subjected to audit in the following table:

| | Total Project | Ramsey County's Share |
|--------------------------------|------------------|--------------------------|
| Total Fund Assets | \$ 7,885,062 | \$ 5,756,095 |
| Total Fund Liabilities | 1,944,295 | 1,419,335 |
| Total Fund Balance | 5,940,767 | 4,336,760 |
| Total Revenues | 13,253,903 | 9,675,349 |
| Total Expenditures | 13,318,393 | 9,722,427 |
| Net (Decrease) in Fund Balance | \$ (64,490) | \$ (47,078) |

VERIFICATION COLLABORATIVE EXECUTIVE COMMITTEE

Ramsey County entered into a joint powers agreement pursuant to the provisions of Minnesota Statute Sect. 471.59, to oversee any entity under contract to provide vendor certification services to the members of the Inclusiveness in Contracting Collaborative and to handle appeals of vendor certification status and other certification-related matters that may arise from time to time. The committee is composed of one representative of each of the members. Ramsey County joined with Hennepin County, the City of Minneapolis, the City of St. Paul, and Independent School District 625. Currently, a fiscal agent is not needed.

E. Jointly Governed Organizations

Ramsey County, in conjunction with other local governments and various private organizations have formed the collaboratives listed below:

- North Suburban Collaborative: The collaborative was established to receive and expend grant funds on new prevention and early intervention children services. The Roseville School District is the fiscal agent. Ramsey County has no operational or financial control over the collaborative. Financial statements are available from the Roseville School District, 1251 West County Road B2, Roseville, MN 55113.
- Children's Mental Health Collaborative: The collaborative was established to receive and expend grant funds on new prevention and early intervention children's mental health issues. Ramsey County is the fiscal agent. Ramsey County has no operational or financial control over the collaborative. Currently, the collaborative is not required to be audited.
- Saint Paul-Ramsey County Children's Initiative Collaborative: The collaborative was established to receive and expend grant funds on new prevention and early intervention family services. Ramsey County is the fiscal agent. Ramsey County has no operational or financial control over

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

the collaborative. Currently, the collaborative is not required to be audited. Therefore, no audited financial statements are available.

- Ramsey County LCTS Collaborative Partnership: The collaborative was established to receive and redistribute grant funds to other collaboratives. Ramsey County is the fiscal agent. Ramsey County has no operational or financial control over the collaborative. Currently, the collaborative is not required to be audited. Therefore, no audited financial statements are available.
- Inclusiveness Contracting Collaborative: The collaborative was established to create a centralized program for certification of businesses in the members' respective small businesses, minority-owned business, or women-owned business enterprise programs. An outside contractor, Impact Inc. is the fiscal agent. Ramsey County has no operational or financial control over the collaborative. Currently, the collaborative is not required to be audited. Therefore, no audited financial statements are available.

F. Defined Benefit Pension Plans – Statewide

Plan description:

All full-time and certain part-time employees of Ramsey County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA administers the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund, which are cost sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356.

Public Employees Retirement Fund members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security, and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters, and peace officers, who qualify for membership by statute, are covered by the Public Employees Police and Fire Fund. Members who are employed in a County correctional institution and have direct contact with inmates, are covered by the Public Employees Correctional Fund.

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

Two methods are used to compute benefits for Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each thereafter. For a Coordinated Plan member, the annuity accrual rate is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each successive year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For the Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For Public Employees Correctional Fund members, the annuity accrual rate is 1.9 percent of average salary for each year of service.

For all Public Employees Retirement Fund members, whose annuity is calculated using Method 1, and for all Public Employees Police and Fire Fund and Public Employees Correctional Fund members, a full annuity is available when age plus years of service equal 90. A reduced retirement annuity is also available to eligible members seeking early retirement.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

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

The PERA issues a publicly available financial report that includes financial statements and required supplementary information for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund. That report may be obtained on the web at mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, Saint Paul, Minnesota 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

Funding policy:

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Minn. Stat. ch. 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The County makes annual contributions to the pension plans equal to the amount required by state statutes. Public Employees Retirement Fund Basic Plan members and Coordinated Plan members were required to contribute 9.10 and 5.50 percent, respectively, of their annual covered salary in 2006. Contribution rates in the Coordinated Plan increased in 2007 to 5.75 percent. Public Employees Police and Fire Fund members were required to contribute 7.00 percent of their annual covered salary. That rate increased to 7.80 percent in 2007. Public Employees Correctional Fund members are required to contribute 5.83 percent of their annual covered salary.

The County is required to contribute the following percentages of annual covered payroll in 2006 and 2007:

| | <u>2006</u> | <u>2007</u> |
|---------------------------------------|-------------|-------------|
| Public Employee Retirement Fund | | |
| Basic Plan Members | 11.78% | 11.78% |
| Coordinated Plan Members | 6.00% | 6.25% |
| Public Employees Police and Fire Fund | 10.50% | 11.70% |
| Public Employees Correctional Fund | 8.75% | 8.75% |

The County's contributions for the years ending December 31, 2006, 2005, and 2004, for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund, were:

| | Public Employees Retirement Fund | Public Employees Police & Fire Fund | Public Employees Correctional Fund |
|-------------|---|--|---|
| <u>Year</u> | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> |
| 2006 | \$9,725,396 | \$1,692,628 | \$1,492,234 |
| 2005 | 8,878,364 | 1,453,899 | 1,394,596 |
| 2004 | 9,013,835 | 1,481,914 | 1,395,897 |

These contributions are equal to the contractually required contributions for each year as set by state statute.

Defined Contribution Plan

The Public Employees Defined Contribution Plan is a multiple-employer deferred compensation plan for local government officials, except elected County Sheriffs. The plan is established and administered in accordance with Minn. Stat. Ch 353D. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2006

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minn. Stat. Ch. 353D.03 specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official, who decides to participate, contributes five percent of salary, which is matched by the employer.

No vesting period is required to receive benefits in the Defined Contribution Plan. At the time of retirement or termination, the market value of the member's account is distributed to the member or another qualified plan.

The County's contributions for the years ending December 31, 2006, 2005, and 2004, were \$12,533, \$11,325, and \$9,364, respectively, equal to the contractually required contributions for each year as set by state statute.

G. Post Employment Benefits

Pursuant to Minnesota Statutes, Section 471.61, Subd. 2a., Ramsey County provides post-employment health care benefits to all full-time employees who meet County eligible requirements. At year-end, 1,046 regular retirees and 486 early retirees meet those eligibility requirements. The County pays the health insurance premiums for regular retirees and their spouses who sign up under one of two different health insurance carriers up to a prescribed maximum.

Early retirees and their spouses receive the same health insurance County contribution as full-time employees. The rates are based on the County's group health policy rates. Expenditures are recognized when the premiums are charged to the departmental budgets. The County also reimburses retirees who retired prior to July 1, 1990, for insurance payments made to the Medicare program. Medicare part "B" insurance payments are reimbursed to retirees on a quarterly basis.

The County's 2006 expenditures for post-employment benefits are:

| | |
|------------------|--------------------|
| Regular retirees | \$5,048,809 |
| Early retirees | 3,691,616 |
| Medicare "B" | <u>608,822</u> |
| | <u>\$9,349,247</u> |

**REQUIRED SUPPLEMENTARY
INFORMATION**

SCHEDULE 1

**RAMSEY COUNTY, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL AMOUNTS ON BUDGETARY BASIS</u> | <u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u> |
|----------------------------------|-------------------------|--------------------|--|--|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | |
| REVENUES | | | | |
| Property Taxes | \$ 186,941,467 | \$ 177,923,607 | \$ 178,759,012 | \$ 835,405 |
| Licenses and Permits | 686,483 | 686,483 | 619,459 | (67,024) |
| Intergovernmental | 144,725,381 | 165,808,683 | 169,360,189 | 3,551,506 |
| Private Grants and Donations | 125 | 313,559 | 139,492 | (174,067) |
| Charges for Services | 42,245,796 | 43,023,300 | 40,660,735 | (2,362,565) |
| Fines and Forfeitures | 13,000 | 7,200 | 7,200 | - |
| Sales | 1,140,092 | 1,430,973 | 1,575,167 | 144,194 |
| Rental Income | 1,287,584 | 1,300,928 | 1,343,237 | 42,309 |
| Investment Earnings | 8,400,000 | 8,400,000 | 12,400,637 | 4,000,637 |
| Program Recoveries - Community | | | | |
| Human Services | 4,033,561 | 4,194,367 | 3,790,928 | (403,439) |
| Miscellaneous | 780,761 | 738,109 | 1,646,355 | 908,246 |
| Total Revenues | <u>390,254,250</u> | <u>403,827,209</u> | <u>410,302,411</u> | <u>6,475,202</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government: | | | | |
| County Board of Commissioners | 1,473,646 | 1,502,281 | 1,485,580 | (16,701) |
| Charter Commission | 8,500 | 8,595 | 592 | (8,003) |
| Courts | 2,766,608 | 2,800,414 | 2,800,414 | - |
| County Manager | 8,765,056 | 9,015,991 | 8,660,655 | (355,336) |
| Property Records and Revenue | 11,929,354 | 13,315,303 | 12,779,926 | (535,377) |
| Attorney | 28,778,973 | 29,356,430 | 29,273,685 | (82,745) |
| Property Management | 4,843,226 | 4,827,017 | 4,720,247 | (106,770) |
| Veterans Service Officer | 341,737 | 345,805 | 345,781 | (24) |
| Central Services | 409,052 | 410,331 | 382,729 | (27,602) |
| Contingency | 2,000,000 | 1,271,728 | - | (1,271,728) |
| Computer Equipment and Software | 5,820,690 | 5,820,690 | 3,005,501 | (2,815,189) |
| Unallocated General Expenditures | 16,457,689 | 13,227,141 | 5,571,532 | (7,655,609) |
| Total General Government | <u>83,594,531</u> | <u>81,901,726</u> | <u>69,026,642</u> | <u>(12,875,084)</u> |
| Public Safety: | | | | |
| Emergency Communications | 3,441,783 | 3,441,704 | 3,350,590 | (91,114) |
| Sheriff | 33,258,807 | 37,397,315 | 35,711,958 | (1,685,357) |
| Community Corrections | 53,514,014 | 54,703,849 | 53,892,347 | (811,502) |
| Medical Examiner | 1,707,693 | 1,769,000 | 1,768,999 | (1) |
| Total Public Safety | <u>91,922,297</u> | <u>97,311,868</u> | <u>94,723,894</u> | <u>(2,587,974)</u> |
| Highways and Streets: | | | | |
| Public Works | <u>16,302,301</u> | <u>16,927,686</u> | <u>16,340,651</u> | <u>(587,035)</u> |
| Sanitation: | | | | |
| Environmental Health | <u>706,832</u> | <u>770,066</u> | <u>599,512</u> | <u>(170,554)</u> |
| Health: | | | | |
| Public Health | 18,945,766 | 19,720,892 | 16,681,824 | (3,039,068) |
| Miscellaneous Health | 350,000 | 350,000 | 350,000 | - |
| Total Health | <u>19,295,766</u> | <u>20,070,892</u> | <u>17,031,824</u> | <u>(3,039,068)</u> |

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

(continued)

SCHEDULE 1
(continued)

RAMSEY COUNTY, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL AMOUNTS ON BUDGETARY BASIS</u> | <u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u> |
|--|-------------------------|-----------------------|--|--|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | |
| EXPENDITURES (continued) | | | | |
| Human Services | | | | |
| Income Maintenance | 28,695,283 | 27,500,667 | 27,736,126 | 235,459 |
| Social Services | 142,198,254 | 149,850,215 | 148,809,148 | (1,041,067) |
| Total Human Services | <u>170,893,537</u> | <u>177,350,882</u> | <u>176,545,274</u> | <u>(805,608)</u> |
| Culture and Recreation: | | | | |
| Parks and Recreation | 8,374,012 | 8,673,925 | 8,471,194 | (202,731) |
| St Paul-Ramsey Historical Society | 91,282 | 91,282 | 91,282 | - |
| Landmark Center Management | 910,706 | 910,706 | 899,452 | (11,254) |
| Total Culture and Recreation | <u>9,376,000</u> | <u>9,675,913</u> | <u>9,461,928</u> | <u>(213,985)</u> |
| Conservation of Natural Resources: | | | | |
| Extension Service | 65,626 | 65,771 | 65,764 | (7) |
| Ramsey Conservation District | 392,908 | 392,908 | 309,868 | (83,040) |
| Total Conservation of Natural Resources | <u>458,534</u> | <u>458,679</u> | <u>375,632</u> | <u>(83,047)</u> |
| Debt Service: | | | | |
| Principal Retirement | 2,221 | 12,181 | 12,179 | (2) |
| Total Expenditures | <u>392,552,019</u> | <u>404,479,893</u> | <u>384,117,536</u> | <u>(20,362,357)</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(2,297,769)</u> | <u>(652,684)</u> | <u>26,184,875</u> | <u>26,837,559</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Xcel Energy Loan Proceeds | - | 76,940 | 76,940 | - |
| Operating Transfers In | 15,000 | 1,005,741 | 990,741 | (15,000) |
| Operating Transfers Out | - | (1,675,068) | (1,675,068) | - |
| Total Other Financing Sources (Uses) | <u>15,000</u> | <u>(592,387)</u> | <u>(607,387)</u> | <u>(15,000)</u> |
| Net Change in Fund Balances | <u>(2,282,769)</u> | <u>(1,245,071)</u> | <u>25,577,488</u> | <u>26,822,559</u> |
| Adjustment | (3,217,711) | (3,217,711) | (3,217,711) | - |
| Fund Balances - Beginning | 153,344,699 | 153,344,699 | 153,344,699 | - |
| Increase (Decrease) in Reserve for Inventories | - | - | 275,651 | 275,651 |
| Fund Balances - Ending | <u>\$ 147,844,219</u> | <u>\$ 148,881,917</u> | <u>\$ 175,980,127</u> | <u>\$ 27,098,210</u> |

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

RAMSEY COUNTY, MINNESOTA
Notes to the Required Supplementary Information
December 31, 2006

Budgetary Information

The County Board adopts an annual budget for the General Fund.

The Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds is prepared on a GAAP basis. Results of operations included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – General Fund are presented on a Non-GAAP budgetary basis. The primary difference between the two bases of accounting is that the “actual on a budgetary basis” column includes encumbrances and does not include expenditures from prior year budget reserves.

Adjustments necessary to convert actual expenditures reported on the budgetary basis in the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual to the GAAP basis as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds are:

| | |
|---|----------------------|
| | <u>General</u> |
| Actual Expenditures – Budgetary Basis | \$384,117,536 |
| Decrease: | |
| Encumbrances | (14,423,342) |
| Increase: | |
| Expenditures in 2006 from December 31, 2005 | <u>20,450,747</u> |
| Expenditures – GAAP Basis | <u>\$390,144,941</u> |
| | |
| Unbudgeted Revenue | \$ (2,809,694) |
| Encumbrances | (14,423,342) |
| Expenditures in 2006 from December 31, 2005 Reserves for Encumbrances | <u>20,450,747</u> |
| Adjustment to Reconcile Statement of Revenues, Expenditures and Change in Fund Balances – Budget and Actual to Statement of Revenues, Expenditures and Changes in Fund Balances | <u>\$ 3,217,711</u> |

Based on a process established by the County Manager and staff, all departments of the government submit requests for appropriations to the County Manager every two years. After review, analysis and discussions with the departments, the County Manager’s proposed budget is presented to the County Board for review. The Board holds public hearings and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function, and department. Budgets may be amended during the year with the approval of the County Manager or County Board as required by the County’s Administrative Code. The County Manager is authorized to transfer budgeted amounts within departments or appropriate certain revenues received in excess of the original budget estimate. Transfers of appropriations between departments and other transfers of appropriations require County Board approval. Supplemental appropriations are reviewed by the County Manager’s office and submitted to the County Board for their approval. If approved, the adjustments are implemented by the Budgeting and Accounting Office by budget revision. Supplemental appropriations required during the year were immaterial. Expenditures may not legally exceed budgeted appropriations at the department level. All appropriations, which are not expended, encumbered, or reserved, lapse at year end.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts, capital reserves, and other commitments for the expenditure of monies) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**MAJOR FUND BUDGET AND ACTUAL
SCHEDULE**

**RAMSEY COUNTY, MINNESOTA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL AMOUNTS ON BUDGETARY BASIS</u> | <u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u> |
|--|-------------------------|----------------------|--|--|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | |
| REVENUES | | | | |
| Property taxes | \$ 16,129,617 | \$ 16,129,617 | \$ 16,695,047 | \$ 565,430 |
| Intergovernmental | 1,799,727 | 1,979,977 | 1,038,495 | (941,482) |
| Investment Earnings | 1,617,204 | 2,203,311 | 1,615,761 | (587,550) |
| Total revenues | <u>19,546,548</u> | <u>20,312,905</u> | <u>19,349,303</u> | <u>(963,602)</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal retirement | 12,493,000 | 12,493,000 | 12,520,000 | 27,000 |
| Interest | 9,087,276 | 9,853,633 | 9,485,358 | (368,275) |
| Total expenditures | <u>21,580,276</u> | <u>22,346,633</u> | <u>22,005,358</u> | <u>(341,275)</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(2,033,728)</u> | <u>(2,033,728)</u> | <u>(2,656,055)</u> | <u>(622,327)</u> |
| Adjustment | 2,645,554 | 2,645,554 | 2,645,554 | - |
| Fund balances - beginning | 55,046,378 | 55,046,378 | 55,046,378 | - |
| Fund balances - ending | <u>\$ 55,658,204</u> | <u>\$ 55,658,204</u> | <u>\$ 55,035,877</u> | <u>\$ (622,327)</u> |

COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

County Library - To provide a public library system where governmental units do not maintain their own. The tax levy is on suburban property only.

Solid Waste/Recycling Service Fee - To account for collection of the Waste Management Fee, which is a separate fee on the tax statement. These funds are used to pay for solid waste management programs throughout the County. A portion of the funds are remitted to the Resource Recovery Project Board for Ramsey County's share of vendor service fees for operation of a resource recovery facility. The Project Board is a joint venture with Washington County.

Housing & Redevelopment Authority - To account for funds provided by the U.S. Department of Housing and Urban Development for development projects in suburban communities benefiting persons of low and moderate income. This fund was formerly known as the Community Development Block Grants Special Revenue Fund.

Workforce Solutions - Originally enacted in 1973 under the Comprehensive Employment and Training Act (CETA) and revised in 1982 by the Federal Government to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons. In addition, the fund also accounts for state dislocated worker programs and the Minnesota Youth Program. Workforce Solutions also performs services under the MFIP program to assist welfare recipients to prepare for and obtain employment.

State Funding for Courts - To account for funds provided by the State to finance the eventual takeover of the Courts system.

State Public Defender - To account for funds provided by the State to finance the operations of the Public Defender Office under the State takeover of the Courts system.

Saint Paul Public Health JPA – A portion of the Saint Paul Public Health Department was merged into the Ramsey County Public Health Department on July 1, 1997 by a joint powers agreement between Ramsey County and Saint Paul. This fund accounts for some of the activities previously performed by the former Saint Paul Public Health Department.

Gifts and Donations – To account for gifts and donations made for various purposes such as books for the libraries, activities and personal hygiene items for nursing home patients, provision of Home Delivered Meals, etc.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Regional Railroad Authority - To provide for the preservation of a railway corridor for future public transit use and to provide for the preservation and improvement of local rail service.

Sheriff – To account for revenues and expenditures dedicated for specific activities and projects of the Sheriff's Department.

Corrections – To account for revenues from various sources to benefit Community Corrections clients.

Property Records - To account for certain fees which are to be used for providing modern, retrievable information from the county's system of recorded documents and clean up of polluted property.

County Attorney - To account for revenues and expenditures dedicated for specific activities or projects of the County Attorney's Office.

Health Promotion/Health Improvement – To account for funds provided by the County's health insurer for work-site health promotion purposes.

Parks & Recreation – To account for funds provided by grants and donations to develop an inter-city skating program and replace/repair buildings and other improvements in the County's Regional Park & Trail System.

Nursing Home Patients' Activity – To account for revenues from donations, canteen and vending machines, and expenditures for patients' activities and recreational supplies.

Forfeited Tax Sale – To account for all funds collected per State Statute for sale of real estate forfeited for unpaid taxes.

Law Library – To account for revenues and expenditures of the Law Library. Revenue is derived from fees collected from certain litigants and expenditures are primarily law books and operational costs to run the Library.

Regional Railroad Authority Debt Service Fund – To account for revenue dedicated to pay for principal and interest on future long-term debt for the Regional Rail Authority.

Regional Railroad Authority Capital Projects Fund – To account for revenues and expenditures of major capital projects in the Regional Railroad Authority.

**RAMSEY COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

STATEMENT 1

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005

| | County Library Special Revenue Fund | Solid Waste/ Recycling Service Fee Special Revenue Fund | Housing and Redevelopment Authority Special Revenue Fund | Workforce Solutions Special Revenue Fund | State Funding For Courts Special Revenue Fund | State Public Defender Special Revenue Fund | St. Paul Public Health JPA Special Revenue Fund | Gifts and Donations Special Revenue Fund | Regional Railroad Authority Special Revenue Fund | Sheriff Special Revenue Fund |
|--|--|--|---|---|--|---|--|---|---|---|
| ASSETS | | | | | | | | | | |
| Cash and Cash Equivalents | \$ 4,540,810 | \$ 21,012,571 | \$ 773,724 | \$ 1,196,900 | \$ 10 | \$ 1,863,789 | \$ 3,720,502 | \$ 385,619 | \$ 13,695,255 | \$ 386,147 |
| Petty Cash and Change Funds | 1,450 | 50 | - | 350 | - | 100 | 640 | - | 100 | - |
| Receivables (Net): | | | | | | | | | | |
| Taxes | 112,961 | 12,938 | - | - | - | - | - | - | 181,905 | - |
| Accounts | 7,936 | 1,476,480 | 59,512 | - | - | - | 210,834 | - | 8,828 | - |
| Accrued Interest | - | - | 77,589 | - | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | - | - | 1,386 | - | - | - |
| Due from Other Governments | - | 1,209 | 49,543 | 4,140,483 | 431,289 | - | 539,778 | - | 16,757 | - |
| Loans Receivable | - | - | 5,979,781 | - | - | - | - | - | - | - |
| Inventories | 5,187 | - | - | 159 | - | - | 49,681 | - | - | - |
| Advance to other Governments | - | 7,000 | - | - | - | - | - | - | - | - |
| Total Assets | 4,668,344 | 22,510,248 | 6,940,149 | 5,337,892 | 431,299 | 1,863,889 | 4,522,821 | 385,619 | 13,902,845 | 386,147 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Salaries Payable | 191,472 | 55,576 | 5,275 | 214,568 | 220,299 | 134,954 | 84,452 | - | - | - |
| Accounts Payable | 110,540 | 147,202 | 78 | 230,263 | - | 522 | 114,337 | 10,179 | 18,901 | 89,977 |
| Contracts Payable | - | - | 60,086 | - | - | - | 79,470 | - | 124,947 | - |
| Due to Other Funds | 6,512 | 127,094 | 4,513 | 78,762 | - | - | 70 | - | 73,580 | - |
| Due to Other Governments | 6,575 | 1,602,032 | 208,950 | 72,036 | - | - | 257,402 | - | 670 | 2,540 |
| Deferred Revenue | 263,734 | 13,011 | 5,977,353 | 246,405 | - | 1,728,413 | 5,735 | - | 196,937 | - |
| Advance from Other Funds | - | - | - | 4,500,000 | 211,000 | - | - | - | - | - |
| Total Liabilities | 578,833 | 1,944,915 | 6,256,255 | 5,342,034 | 431,299 | 1,863,889 | 541,466 | 10,179 | 415,035 | 92,517 |
| Fund Balances: | | | | | | | | | | |
| Reserved for: | | | | | | | | | | |
| Encumbrances | - | 768,052 | - | - | - | - | 223,975 | - | 1,046,123 | - |
| Inventories | 5,187 | - | - | 159 | - | - | 49,681 | - | - | - |
| Petty Cash | 1,450 | 50 | - | 350 | - | - | 640 | - | 100 | - |
| Debt Service | - | - | - | - | - | - | - | - | - | - |
| Unreserved | 4,082,874 | 19,797,231 | 683,894 | (4,651) | - | - | 3,707,059 | 375,440 | 12,441,587 | 293,630 |
| Total Fund Balances | 4,089,511 | 20,565,333 | 683,894 | (4,142) | - | - | 3,981,355 | 375,440 | 13,487,810 | 293,630 |
| Total Liabilities and Fund Balances | \$ 4,668,344 | \$ 22,510,248 | \$ 6,940,149 | \$ 5,337,892 | \$ 431,299 | \$ 1,863,889 | \$ 4,522,821 | \$ 385,619 | \$ 13,902,845 | \$ 386,147 |

(Continued)

**RAMSEY COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

**STATEMENT 1
(Continued)**

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005

| | Corrections Special Revenue Fund | Property Records Special Revenue Fund | County Attorney Special Revenue Fund | Health Promotion Health Improvement Special Revenue Fund | Parks and Recreation Special Revenue Fund | Nursing Home Patients' Activity Special Revenue Fund | Forfeited Tax Sale Special Revenue Fund | Law Library Special Revenue Fund | Regional Railroad Authority Debt Service Fund | Regional Railroad Authority Capital Projects Fund | Total Nonmajor Governmental Funds | |
|--|---|--|---|---|--|---|---|--|---|---|--|----------------------|
| | | | | | | | | | | | 2006 | 2005 |
| ASSETS | | | | | | | | | | | | |
| Cash and Cash Equivalents | \$ 554,767 | \$ 3,475,452 | \$ 401,732 | \$ 127,965 | \$ 444,882 | \$ 14,992 | \$ 101,721 | \$ 837,995 | \$ 4,560,645 | \$ 3,430,866 | \$ 61,526,344 | \$ 52,202,069 |
| Petty Cash and Change Funds | 200 | - | - | - | - | - | - | 20 | - | - | 2,910 | 2,710 |
| Receivables (Net): | | | | | | | | | | | | |
| Taxes | - | - | - | - | - | - | - | - | - | - | 307,804 | 177,206 |
| Accounts | - | - | - | - | - | - | 431,171 | 161 | - | - | 2,194,922 | 889,945 |
| Accrued Interest | - | 4,896 | - | - | - | - | - | - | - | - | 82,485 | 72,938 |
| Due from Other Funds | - | - | - | - | - | - | - | - | - | - | 1,386 | 7,148 |
| Due from Other Governments | - | - | - | - | - | - | - | 41,772 | - | - | 5,220,831 | 5,359,630 |
| Installment Loans Receivable | - | 535,000 | - | - | - | - | - | - | - | - | 6,514,781 | 5,227,509 |
| Inventories | - | - | - | - | - | - | 820 | - | - | - | 55,847 | 44,860 |
| Advance to other Governments | - | - | - | - | - | - | - | - | - | - | 7,000 | 7,000 |
| Total Assets | 554,967 | 4,015,348 | 401,732 | 127,965 | 444,882 | 14,992 | 533,712 | 879,948 | 4,560,645 | 3,430,866 | 75,914,310 | 63,991,015 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | |
| Salaries Payable | - | - | - | - | - | - | 11,392 | 9,789 | - | - | 927,777 | 954,982 |
| Accounts Payable | 17,710 | - | - | - | 6,880 | 788 | 738 | 11,293 | - | - | 759,408 | 6,379,995 |
| Contracts Payable | - | - | - | - | - | - | - | - | - | - | 264,503 | 857,396 |
| Due to Other Funds | - | 55,500 | - | - | - | - | 15,403 | 3,602 | - | - | 365,036 | 288,595 |
| Due to Other Governments | 1,750 | - | - | - | - | - | 10,987 | - | - | - | 2,162,942 | 756,686 |
| Deferred Revenue | - | 535,000 | - | - | - | - | 431,171 | - | - | - | 9,397,759 | 8,233,531 |
| Advance from Other Funds | - | - | - | - | - | - | - | - | - | - | 4,711,000 | 4,605,000 |
| Total Liabilities | 19,460 | 590,500 | - | - | 6,880 | 788 | 469,691 | 24,684 | - | - | 18,588,425 | 22,076,185 |
| Fund balances: | | | | | | | | | | | | |
| Reserved for: | | | | | | | | | | | | |
| Encumbrances | - | - | - | - | - | - | - | - | - | - | 2,038,150 | 1,830,178 |
| Inventories | - | - | - | - | - | - | 820 | - | - | - | 55,847 | 44,860 |
| Petty Cash | 200 | - | - | - | - | - | - | 20 | - | - | 2,810 | 2,610 |
| Debt Service | - | - | - | - | - | - | - | - | 4,560,645 | - | 4,560,645 | - |
| Unreserved | 535,307 | 3,424,848 | 401,732 | 127,965 | 438,002 | 14,204 | 63,201 | 855,244 | - | 3,430,866 | 50,668,433 | 40,037,182 |
| Total Fund Balances | 535,507 | 3,424,848 | 401,732 | 127,965 | 438,002 | 14,204 | 64,021 | 855,264 | 4,560,645 | 3,430,866 | 57,325,885 | 41,914,830 |
| Total Liabilities and Fund Balances | \$ 554,967 | \$ 4,015,348 | \$ 401,732 | \$ 127,965 | \$ 444,882 | \$ 14,992 | \$ 533,712 | \$ 879,948 | \$ 4,560,645 | \$ 3,430,866 | \$ 75,914,310 | \$ 63,991,015 |

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

STATEMENT 2

| | County Library Special Revenue Fund | Solid Waste/ Recycling Service Fee Special Revenue Fund | Housing and Redevelopment Authority Special Revenue Fund | Workforce Solutions Special Revenue Fund | State Funding For Courts Special Revenue Fund | State Public Defender Special Revenue Fund | St. Paul Public Health JPA Special Revenue Fund | Gifts and Donations Special Revenue Fund | Regional Railroad Authority Special Revenue Fund | Sheriff Special Revenue Fund |
|---|--|--|---|---|--|---|--|---|---|---|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 6,810,442 | \$ - | \$ - | \$ 584,420 | \$ - | \$ - | \$ 2,846,547 | \$ - | \$ 2,509,105 | \$ - |
| Licenses and Permits | - | 647,236 | - | - | - | - | 60,585 | - | - | 67,600 |
| Intergovernmental | 736,642 | 1,345,378 | 1,821,355 | 19,910,214 | 6,730,879 | 3,846,032 | 4,168,648 | - | 849,168 | - |
| Private Grants and Donations | - | - | - | - | - | - | 4,662 | 170,165 | - | 92,372 |
| Charges for Services | 1,000 | 17,429,950 | 92,350 | - | - | - | 1,613,110 | - | - | 145,419 |
| Fines and Forfeitures | 540,875 | - | - | - | - | - | - | - | - | 122,519 |
| Sales | 51,960 | 8,480 | - | - | - | - | - | - | - | 431,136 |
| Rental Income | 268,759 | - | - | - | - | - | - | - | 37,713 | - |
| Investment Earnings | 155,439 | 986,679 | 158,675 | - | - | - | 18,031 | 9,862 | 633,216 | 1,223 |
| Miscellaneous | 27,404 | 98,798 | 430,712 | - | 74 | - | 210,668 | - | 2,039 | 7,711 |
| Total Revenues | <u>8,592,521</u> | <u>20,516,521</u> | <u>2,503,092</u> | <u>20,494,634</u> | <u>6,730,953</u> | <u>3,846,032</u> | <u>8,922,251</u> | <u>180,027</u> | <u>4,031,241</u> | <u>867,980</u> |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | - | - | - | - | 6,730,953 | 3,846,032 | - | 3,304 | 1,998,990 | - |
| Public Safety | - | - | - | - | - | - | - | 8,063 | - | 866,523 |
| Sanitation | - | 16,385,988 | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | 8,846,593 | 10,834 | - | - |
| Human Services | - | - | - | - | - | - | - | 152,658 | - | - |
| Culture and Recreation | 8,148,859 | - | - | - | - | - | - | 76,693 | - | - |
| Economic Development and Assistance | - | - | 2,427,656 | 20,488,246 | - | - | - | - | - | - |
| Total Expenditures | <u>8,148,859</u> | <u>16,385,988</u> | <u>2,427,656</u> | <u>20,488,246</u> | <u>6,730,953</u> | <u>3,846,032</u> | <u>8,846,593</u> | <u>251,552</u> | <u>1,998,990</u> | <u>866,523</u> |
| Excess (Deficiency) of Revenues | 443,662 | 4,130,533 | 75,436 | 6,388 | - | - | 75,658 | (71,525) | 2,032,251 | 1,457 |
| Over (Under) Expenditures | - | - | - | - | - | - | - | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Proceeds from Sale of Capital Assts | - | - | - | - | - | - | - | - | - | - |
| Transfers In | 81,232 | - | - | - | - | - | 47,146 | - | - | - |
| Transfers Out | - | - | - | - | - | - | - | - | (425,984) | - |
| Total Other Financing Sources (Uses) | <u>81,232</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>47,146</u> | <u>-</u> | <u>(425,984)</u> | <u>-</u> |
| Net Change in Fund Balances | 524,894 | 4,130,533 | 75,436 | 6,388 | - | - | 122,804 | (71,525) | 1,606,267 | 1,457 |
| Fund Balances - Beginning | 3,563,079 | 16,434,800 | 608,458 | (10,689) | - | - | 3,848,788 | 446,965 | 11,881,543 | 292,173 |
| Prior Period Adjustment | - | - | - | - | - | - | - | - | - | - |
| Fund Balances - Beginning as Restated | <u>3,563,079</u> | <u>16,434,800</u> | <u>608,458</u> | <u>(10,689)</u> | <u>-</u> | <u>-</u> | <u>3,848,788</u> | <u>446,965</u> | <u>11,881,543</u> | <u>292,173</u> |
| Increase (Decrease) in Reserve for Inventories | 1,538 | - | - | 159 | - | - | 9,763 | - | - | - |
| Fund Balances - Ending | <u>\$ 4,089,511</u> | <u>\$ 20,565,333</u> | <u>\$ 683,894</u> | <u>\$ (4,142)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,981,355</u> | <u>\$ 375,440</u> | <u>\$ 13,487,810</u> | <u>\$ 293,630</u> |

(Continued)

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

STATEMENT 2
(Continued)

| | Corrections Special Revenue Fund | Property Records Special Revenue Fund | County Attorney Special Revenue Fund | Health Promotion Health Improvement Special Revenue Fund | Parks and Recreation Special Revenue Fund | Nursing Home Patients' Activity Special Revenue Fund | Forfeited Tax Sale Special Revenue Fund | Law Library Special Revenue Fund | Regional Railroad Authority Debt Service Fund | Regional Railroad Authority Capital Projects Fund | Total Nonmajor Governmental Funds | |
|---|---|--|---|---|--|---|--|---|--|--|--|----------------------|
| | | | | | | | | | | | <u>2006</u> | <u>2005</u> |
| REVENUES | | | | | | | | | | | | |
| Taxes | \$ - | \$ 903,550 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,560,645 | \$ 3,005,882 | \$ 21,220,591 | \$ 14,715,979 |
| Licenses and Permits | - | - | - | - | - | - | - | - | - | - | 775,421 | 154,907 |
| Intergovernmental | - | - | - | - | 353,753 | - | 912 | 836 | - | - | 39,763,817 | 40,252,342 |
| Private Grants and Donations | 1,105 | - | - | - | 15,020 | - | - | - | - | - | 283,324 | 384,607 |
| Charges for Services | 245,665 | 1,285,028 | - | - | - | - | 15,780 | 554,471 | - | - | 21,382,773 | 18,340,867 |
| Fines and Forfeitures | - | - | 75,377 | - | - | - | - | - | - | - | 738,771 | 744,722 |
| Sales | 266,791 | - | - | - | - | - | 515,263 | - | - | - | 1,273,630 | 1,365,766 |
| Rental Income | - | - | - | - | - | - | 900 | - | - | - | 307,372 | 37,378 |
| Investment Earnings | 1,123 | 4,896 | - | - | - | - | - | - | - | - | 1,969,144 | 1,293,394 |
| Miscellaneous | 16,993 | - | 30,600 | 35,092 | 330 | 7,961 | 12,182 | - | - | - | 880,564 | 1,002,194 |
| Total Revenues | <u>531,677</u> | <u>2,193,474</u> | <u>105,977</u> | <u>35,092</u> | <u>369,103</u> | <u>7,961</u> | <u>545,037</u> | <u>555,307</u> | <u>4,560,645</u> | <u>3,005,882</u> | <u>88,595,407</u> | <u>78,292,156</u> |
| EXPENDITURES | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General Government | - | 1,670,842 | 22,778 | - | - | - | 587,158 | 558,277 | - | - | 15,418,334 | 20,640,188 |
| Public Safety | 359,322 | - | - | - | - | - | - | - | - | - | 1,233,908 | 1,114,106 |
| Sanitation | - | - | - | - | - | - | - | - | - | - | 16,385,988 | 16,645,305 |
| Health | - | - | - | - | - | - | - | - | - | - | 8,857,427 | 9,608,890 |
| Human Services | - | - | - | - | - | 16,347 | - | - | - | - | 169,005 | 100,326 |
| Culture and Recreation | - | - | - | - | 476,600 | - | - | - | - | - | 8,702,152 | 8,552,186 |
| Economic Development and Assistance | - | - | - | - | - | - | - | - | - | - | 22,915,902 | 22,494,910 |
| Total Expenditures | <u>359,322</u> | <u>1,670,842</u> | <u>22,778</u> | <u>-</u> | <u>476,600</u> | <u>16,347</u> | <u>587,158</u> | <u>558,277</u> | <u>-</u> | <u>-</u> | <u>73,682,716</u> | <u>79,155,911</u> |
| Excess (Deficiency) of Revenues | <u>172,355</u> | <u>522,632</u> | <u>83,199</u> | <u>35,092</u> | <u>(107,497)</u> | <u>(8,386)</u> | <u>(42,121)</u> | <u>(2,970)</u> | <u>4,560,645</u> | <u>3,005,882</u> | <u>14,912,691</u> | <u>(863,755)</u> |
| Over (Under) Expenditures | | | | | | | | | | | | |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | |
| Proceeds from Sale of Capital Assts | - | - | - | - | - | - | - | - | - | - | - | 85,000 |
| Transfers In | - | - | - | - | - | - | - | - | - | 424,984 | 553,362 | 7,631 |
| Transfers Out | - | - | - | - | - | - | - | - | - | - | (425,984) | (110,000) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>424,984</u> | <u>127,378</u> | <u>(17,369)</u> |
| Net Change in Fund Balances | <u>172,355</u> | <u>522,632</u> | <u>83,199</u> | <u>35,092</u> | <u>(107,497)</u> | <u>(8,386)</u> | <u>(42,121)</u> | <u>(2,970)</u> | <u>4,560,645</u> | <u>3,430,866</u> | <u>15,040,069</u> | <u>(881,124)</u> |
| Fund Balances - Beginning | 363,152 | 2,902,216 | 318,533 | 92,873 | 185,499 | 22,590 | 106,615 | 858,234 | - | - | 41,914,829 | 42,801,844 |
| Prior Period Adjustment | - | - | - | - | 360,000 | - | - | - | - | - | 360,000 | - |
| Fund Balances - Beginning as Restated | 363,152 | 2,902,216 | 318,533 | 92,873 | 545,499 | 22,590 | 106,615 | 858,234 | - | - | 42,274,829 | 42,801,844 |
| Increase (Decrease) in Reserve for Inventories | - | - | - | - | - | - | (473) | - | - | - | 10,987 | (5,890) |
| Fund Balances - Ending | <u>\$ 535,507</u> | <u>\$ 3,424,848</u> | <u>\$ 401,732</u> | <u>\$ 127,965</u> | <u>\$ 438,002</u> | <u>\$ 14,204</u> | <u>\$ 64,021</u> | <u>\$ 855,264</u> | <u>\$ 4,560,645</u> | <u>\$ 3,430,866</u> | <u>\$ 57,325,885</u> | <u>\$ 41,914,830</u> |

SCHEDULE 3

**RAMSEY COUNTY, MINNESOTA
COUNTY LIBRARY FUND SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL AMOUNTS ON BUDGETARY BASIS</u> | <u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u> |
|--|-------------------------|---------------------|--|--|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | |
| REVENUES | | | | |
| Taxes | \$ 7,044,849 | \$ 6,743,919 | \$ 6,810,442 | \$ 66,523 |
| Intergovernmental | 310,298 | 727,349 | 736,642 | 9,293 |
| Charges for Services | 1,350 | 1,350 | 1,000 | (350) |
| Fines and Forfeitures | 520,000 | 520,000 | 540,875 | 20,875 |
| Sales | 55,000 | 55,000 | 51,960 | (3,040) |
| Rental Income | 157,000 | 157,000 | 268,759 | 111,759 |
| Investment Earnings | 75,000 | 155,000 | 155,439 | 439 |
| Miscellaneous | - | 24,370 | 27,404 | 3,034 |
| Total Revenues | <u>8,163,497</u> | <u>8,383,988</u> | <u>8,592,521</u> | <u>208,533</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and Recreation | 8,163,497 | 8,465,220 | 8,314,588 | (150,632) |
| Total Expenditures | <u>8,163,497</u> | <u>8,465,220</u> | <u>8,314,588</u> | <u>(150,632)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(81,232)</u> | <u>277,933</u> | <u>359,165</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 81,232 | 81,232 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>81,232</u> | <u>81,232</u> |
| Net Change in Fund Balances | <u>-</u> | <u>(81,232)</u> | <u>359,165</u> | <u>440,397</u> |
| Adjustment | 165,729 | 165,729 | 165,729 | - |
| Fund Balances - Beginning | 3,563,079 | 3,563,079 | 3,563,079 | - |
| Increase (Decrease) in Reserve for Inventories | <u>-</u> | <u>-</u> | <u>1,538</u> | <u>1,538</u> |
| Fund Balances - Ending | <u>\$ 3,728,808</u> | <u>\$ 3,647,576</u> | <u>\$ 4,089,511</u> | <u>\$ 441,935</u> |

SCHEDULE 4

RAMSEY COUNTY, MINNESOTA
SOLID WASTE/RECYCLING SERVICE FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2006

| | BUDGETED AMOUNTS | | ACTUAL ON A BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|--|-------------------------|----------------------|--|--|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Licenses and Permits | \$ 709,000 | \$ 709,000 | \$ 647,236 | \$ (61,764) |
| Intergovernmental | 1,333,648 | 1,341,660 | 1,345,378 | 3,718 |
| Charges for Services | 15,897,376 | 15,897,376 | 17,429,950 | 1,532,574 |
| Sales | 7,680 | 7,680 | 8,480 | 800 |
| Investment Income | - | - | 986,679 | 986,679 |
| Miscellaneous | 88,365 | 88,365 | 98,798 | 10,433 |
| Total Revenues | <u>18,036,069</u> | <u>18,044,081</u> | <u>20,516,521</u> | <u>2,472,440</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Sanitation | 21,007,584 | 21,222,096 | 16,664,867 | (4,557,229) |
| Total Expenditures | <u>21,007,584</u> | <u>21,222,096</u> | <u>16,664,867</u> | <u>(4,557,229)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,971,515)</u> | <u>(3,178,015)</u> | <u>3,851,654</u> | <u>7,029,669</u> |
| Adjustment | 278,879 | 278,879 | 278,879 | - |
| Fund Balance-Beginning | 16,434,800 | 16,434,800 | 16,434,800 | - |
| Fund Balance-Ending | <u>\$ 13,742,164</u> | <u>\$ 13,535,664</u> | <u>\$ 20,565,333</u> | <u>7,029,669</u> |

SCHEDULE 5

**RAMSEY COUNTY, MINNESOTA
 SAINT PAUL PUBLIC HEALTH JPA SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE
 BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2006**

| | BUDGETED AMOUNTS | | ACTUAL ON A BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|--|-------------------------|---------------------|--|--|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes | \$ 2,846,547 | \$ 2,846,547 | \$ 2,846,547 | \$ - |
| Licenses and Permits | 59,000 | 59,000 | 60,585 | 1,585 |
| Intergovernmental | 4,074,480 | 5,078,766 | 4,168,648 | (910,118) |
| Private Grants & Donations | - | - | 4,662 | 4,662 |
| Charges for Services | 1,613,233 | 1,613,233 | 1,613,110 | (123) |
| Investment Earnings | - | 16,660 | 18,031 | 1,371 |
| Miscellaneous | - | - | 210,668 | 210,668 |
| Total Revenues | <u>8,593,260</u> | <u>9,614,206</u> | <u>8,922,251</u> | <u>(691,955)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health | 8,593,260 | 9,661,352 | 6,559,389 | (3,101,963) |
| Total Expenditures | <u>8,593,260</u> | <u>9,661,352</u> | <u>6,559,389</u> | <u>(3,101,963)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(47,146)</u> | <u>2,362,862</u> | <u>2,410,008</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating Transfers In | <u>-</u> | <u>47,146</u> | <u>47,146</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 2,410,008 | 2,410,008 |
| Adjustment | (2,287,204) | (2,287,204) | (2,287,204) | - |
| Fund Balance - Beginning | <u>3,848,788</u> | <u>3,848,788</u> | <u>3,848,788</u> | <u>-</u> |
| Increase (Decrease) in Reserve for Inventories | <u>-</u> | <u>-</u> | <u>9,763</u> | <u>9,763</u> |
| Fund Balance - Ending | <u>\$ 1,561,584</u> | <u>\$ 1,561,584</u> | <u>\$ 3,981,355</u> | <u>\$ 2,419,771</u> |

SCHEDULE 6

**RAMSEY COUNTY , MINNESOTA
REGIONAL RAILROAD AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | BUDGETED AMOUNTS | | ACTUAL ON A BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|--|-------------------------|----------------------|--|--|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes | \$ 3,098,464 | \$ 3,098,464 | \$ 2,509,105 | \$ (589,359) |
| Intergovernmental | - | - | 849,168 | 849,168 |
| Investment Earnings | 100,000 | 100,000 | 633,216 | 533,216 |
| Rental Income | 59,400 | 59,400 | 37,713 | (21,687) |
| Miscellaneous | - | - | 2,039 | 2,039 |
| Total Revenues | <u>3,257,864</u> | <u>3,257,864</u> | <u>4,031,241</u> | <u>773,377</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | <u>3,257,864</u> | <u>3,256,864</u> | <u>1,843,564</u> | <u>(1,413,300)</u> |
| Total Expenditures | <u>3,257,864</u> | <u>3,256,864</u> | <u>1,843,564</u> | <u>(1,413,300)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>1,000</u> | <u>2,187,677</u> | <u>2,186,677</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | <u>-</u> | <u>-</u> | <u>(425,984)</u> | <u>(425,984)</u> |
| Net Change in Fund Balance | - | 1,000 | 1,761,693 | 1,760,693 |
| Adjustment | (155,426) | (155,426) | (155,426) | - |
| Fund Balance - Beginning | 11,881,543 | 11,881,543 | 11,881,543 | - |
| Fund Balance - Ending | <u>\$ 11,726,117</u> | <u>\$ 11,727,117</u> | <u>\$ 13,487,810</u> | <u>\$ 1,760,693</u> |

SCHEDULE 7

**RAMSEY COUNTY, MINNESOTA
FORFEITED TAX SALE SPECIAL REVENUE FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL AMOUNTS ON BUDGETARY BASIS</u> | <u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u> |
|--|-------------------------|------------------|--|--|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ 912 | \$ 912 |
| Charges for Services | 27,840 | 27,840 | 15,780 | (12,060) |
| Sales | 600,000 | 600,000 | 515,263 | (84,737) |
| Rental Income | - | - | 900 | 900 |
| Miscellaneous | - | - | 12,182 | 12,182 |
| Total Revenues | <u>627,840</u> | <u>627,840</u> | <u>545,037</u> | <u>(82,803)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 627,840 | 627,840 | 528,126 | (99,714) |
| Total Expenditures | <u>627,840</u> | <u>627,840</u> | <u>528,126</u> | <u>(99,714)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>16,911</u> | <u>16,911</u> |
| Adjustment | (59,032) | (59,032) | (59,032) | - |
| Fund Balance - Beginning | 106,615 | 106,615 | 106,615 | - |
| Increase (Decrease) in Reserve for Inventories | - | - | (473) | (473) |
| Fund Balance - Ending | <u>\$ 47,583</u> | <u>\$ 47,583</u> | <u>\$ 64,021</u> | <u>\$ 16,438</u> |

SCHEDULE 8

**RAMSEY COUNTY , MINNESOTA
REGIONAL RAILROAD AUTHORITY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | BUDGETED AMOUNTS | | ACTUAL ON A BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|--|-------------------------|------------------|--|--|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes | \$ 4,343,471 | \$ 4,343,471 | \$ 4,560,645 | \$ 217,174 |
| Total Revenues | <u>4,343,471</u> | <u>4,343,471</u> | <u>4,560,645</u> | <u>217,174</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 4,343,471 | 4,343,471 | - | (4,343,471) |
| Total Expenditures | <u>4,343,471</u> | <u>4,343,471</u> | <u>-</u> | <u>(4,343,471)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>4,560,645</u> | <u>4,560,645</u> |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,560,645</u> | <u>4,560,645</u> |

NONMAJOR ENTERPRISE FUNDS

To account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Ramsey Nursing Home – To provide health care services for the physically and mentally handicapped.

Law Enforcement Services – To provide law enforcement services to certain communities in Ramsey County beyond the services normally provided or available to all communities within the County.

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005

| | Ramsey Nursing Home | Law Enforcement Services | Total Nonmajor Enterprise Funds | |
|---|------------------------|--------------------------------|--|---------------------|
| | | | 2006 | 2005 |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 774,553 | \$ 229,701 | \$ 1,004,254 | \$ 1,747,977 |
| Petty Cash and Change Funds | 14,000 | - | 14,000 | 14,000 |
| Cooperative Investment | 30,913 | - | 30,913 | 84,255 |
| Accounts Receivable (Net) | 382,788 | - | 382,788 | 314,035 |
| Cooperative Investment Receivable | 17,244 | - | 17,244 | - |
| Due from Other Governments | 662,164 | 378,912 | 1,041,076 | 681,503 |
| Prepaid Expenses | - | - | - | 42,225 |
| Inventories | 27,847 | - | 27,847 | 31,721 |
| Total Current Assets | <u>1,909,509</u> | <u>608,613</u> | <u>2,518,122</u> | <u>2,915,716</u> |
| Noncurrent Assets: | | | | |
| Deferred charges | - | - | - | 12,825 |
| Capital Assets: | | | | |
| Land | 99,200 | - | 99,200 | 99,200 |
| Improvements Other Than Buildings | 423,964 | - | 423,964 | 3,005,855 |
| Building | 4,517,652 | - | 4,517,652 | 5,451,158 |
| Building Improvements | 1,543,729 | - | 1,543,729 | 1,350,099 |
| Equipment | 906,296 | 695,876 | 1,602,172 | 1,953,905 |
| Construction in Progress | 26,000 | - | 26,000 | 116,309 |
| Less Accumulated Depreciation | (5,036,986) | (431,859) | (5,468,845) | (5,794,378) |
| Total Capital Assets (Net of Accumulated Depreciation) | <u>2,479,855</u> | <u>264,017</u> | <u>2,743,872</u> | <u>6,182,148</u> |
| Total Noncurrent Assets | <u>2,479,855</u> | <u>264,017</u> | <u>2,743,872</u> | <u>6,194,973</u> |
| Total Assets | <u>4,389,364</u> | <u>872,630</u> | <u>5,261,994</u> | <u>9,110,689</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Salaries Payable | 364,780 | 147,670 | 512,450 | 478,607 |
| Accounts Payable | 226,599 | 6,294 | 232,893 | 274,963 |
| Interest Payable | - | - | - | 60,711 |
| Unamortized Bond Discount/Premium | - | - | - | 4,265 |
| Due to Other Funds | 8,646 | 46,118 | 54,764 | 271,982 |
| Due to Other Governments | 5,928 | 289,651 | 295,579 | 392,340 |
| General Obligation Bonds Payable-Current | - | - | - | 135,000 |
| Vacation and Compensatory Time Payable | 400,472 | 304,781 | 705,253 | 665,449 |
| Total Current Liabilities | <u>1,006,425</u> | <u>794,514</u> | <u>1,800,939</u> | <u>2,283,317</u> |
| Noncurrent Liabilities: | | | | |
| General Obligation Bonds Payable | - | - | - | 3,050,000 |
| Advance from Other Funds | - | 50,000 | 50,000 | 997,400 |
| Compensated Absences Payable | 439,649 | - | 439,649 | 469,562 |
| Total Noncurrent Liabilities | <u>439,649</u> | <u>50,000</u> | <u>489,649</u> | <u>4,516,962</u> |
| Total Liabilities | <u>1,446,074</u> | <u>844,514</u> | <u>2,290,588</u> | <u>6,800,279</u> |
| NET ASSETS | | | | |
| Invested in Capital Assets, Net of Related Debt | 2,479,855 | 264,017 | 2,743,872 | 3,039,046 |
| Restricted for Capital Projects | - | - | - | 46,163 |
| Unrestricted | 463,435 | (235,901) | 227,534 | (774,799) |
| Total Net Assets | <u>\$ 2,943,290</u> | <u>\$ 28,116</u> | <u>\$ 2,971,406</u> | <u>\$ 2,310,410</u> |

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

| | Ramsey Nursing Home | Law Enforcement Services | Total Nonmajor Enterprise Funds | |
|---|------------------------|--------------------------------|--|---------------|
| | | | 2006 | 2005 |
| OPERATING REVENUES: | | | | |
| Charges for Services | \$ 11,917,486 | \$ 4,804,138 | \$ 16,721,624 | \$ 16,253,341 |
| Sales | - | 763 | 763 | 1,510 |
| Rental Income | - | - | - | 52,408 |
| Miscellaneous | 32,475 | - | 32,475 | 60,175 |
| Total Operating Revenues | 11,949,961 | 4,804,901 | 16,754,862 | 16,367,434 |
| OPERATING EXPENSES: | | | | |
| Personal Services | 9,397,008 | 3,897,565 | 13,294,573 | 12,869,883 |
| Other Services and Charges | 2,032,935 | 824,636 | 2,857,571 | 3,361,771 |
| Supplies | 769,218 | 202,685 | 971,903 | 880,200 |
| Depreciation | 233,837 | 126,965 | 360,802 | 480,921 |
| Total Operating Expenses | 12,432,998 | 5,051,851 | 17,484,849 | 17,592,775 |
| Operating Income (Loss) | (483,037) | (246,950) | (729,987) | (1,225,341) |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Intergovernmental Revenue | 33,778 | 258,997 | 292,775 | 294,202 |
| Investment Earnings (Loss) | 28,701 | - | 28,701 | 101,533 |
| Amortization of Bond Issuance Costs | - | - | - | (539) |
| Interest Expense | - | - | - | (146,031) |
| Gain (Loss) on Disposal of Capital Assets | (23,188) | - | (23,188) | 25,905 |
| Gain on Sale of Capital Assets | - | 6,207 | 6,207 | 18,170 |
| Miscellaneous Revenue | 1,575 | - | 1,575 | 4,725 |
| Total Nonoperating Revenues (Expenses) | 40,866 | 265,204 | 306,070 | 297,965 |
| Income Before Contributions and Transfers | (442,171) | 18,254 | (423,917) | (927,376) |
| Capital Contributions | 68,018 | - | 68,018 | 328,644 |
| Transfers In | 370,391 | - | 370,391 | 359,391 |
| Change in Net Assets | (3,762) | 18,254 | 14,492 | (239,341) |
| Total Net Assets - Beginning | 2,947,052 | 9,862 | 2,956,914 | 2,549,751 |
| Total Net Assets - Ending | \$ 2,943,290 | \$ 28,116 | \$ 2,971,406 | \$ 2,310,410 |

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

| | Ramsey Nursing Home | Law Enforcement Services | Total Nonmajor Enterprise Funds | |
|--|------------------------|--------------------------------|--|---------------|
| | | | 2006 | 2005 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Customers and Users | \$ 11,896,472 | \$ 4,376,825 | \$ 16,273,297 | \$ 16,617,742 |
| Payments to Suppliers | (2,975,115) | (1,020,425) | (3,995,540) | (4,505,231) |
| Payments to Employees | (9,372,631) | (3,869,156) | (13,241,787) | (12,846,794) |
| Payments for Interfund Services Used | - | - | - | (450) |
| Net Cash Provided (Used) for Operating Activities | (451,274) | (512,756) | (964,030) | (734,733) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Intergovernmental Revenue | 33,778 | 258,997 | 292,775 | 294,202 |
| Transfers In | 357,906 | - | 357,906 | 357,906 |
| Miscellaneous Revenue | 1,575 | - | 1,575 | 4,725 |
| Net Cash Provided (Used) for Noncapital Financing Activities | 393,259 | 258,997 | 652,256 | 656,833 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Proceeds from the Sale of Capital Assets | - | 25,530 | 25,530 | 39,170 |
| Purchases of Capital Assets | (38,808) | (200,893) | (239,701) | (231,135) |
| Principal Paid on Capital Debt | - | - | - | (130,000) |
| Interest Paid on Capital Debt | - | - | - | (74,803) |
| Disposal of Capital Assets | - | - | - | 45,245 |
| Net Cash Provided (Used) for Capital and Related Financing Activities | (38,808) | (175,363) | (214,171) | (351,523) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Proceeds from Sale of Investments | 32,521 | - | 32,521 | - |
| Dividend Received | 32,278 | - | 32,278 | 25,067 |
| Gain on Sale of Investment | - | - | - | 25,619 |
| Net Cash Provided (Used) for Investing Activities | 64,799 | - | 64,799 | 50,686 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (32,024) | (429,122) | (461,146) | (378,737) |
| Cash and Cash Equivalents, January 1 | 820,577 | 658,823 | 1,479,400 | 2,140,714 |
| Cash and Cash Equivalents, December 31 | 788,553 | 229,701 | 1,018,254 | 1,761,977 |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | |
| Operating Income (Loss) | (483,037) | (246,950) | (729,987) | (1,225,341) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation Expense | 233,837 | 126,965 | 360,802 | 480,921 |
| Noncash Transfers | 12,485 | - | 12,485 | 1,485 |
| Provision for Uncollectible Accounts | 30,000 | - | 30,000 | (9,500) |
| Changes in Assets and Liabilities: | | | | |
| (Increase) Decrease in Accounts Receivable | (102,828) | - | (102,828) | (32,350) |
| (Increase) Decrease in Due from Other Governments | 19,339 | (378,912) | (359,573) | 264,478 |
| (Increase) Decrease in Prepaid Items | 42,225 | - | 42,225 | (42,225) |
| (Increase) Decrease in Inventories | 3,874 | - | 3,874 | 267 |
| Increase (Decrease) in Salaries Payable | 14,842 | 20,911 | 35,753 | 26,772 |
| Increase (Decrease) in Accounts Payable | (28,629) | (10,262) | (38,891) | 53,185 |
| Increase (Decrease) in Due to Other Funds | (154,674) | 16,148 | (138,526) | (65,569) |
| Increase (Decrease) in Due to Other Governments | (48,244) | (48,154) | (96,398) | 69,827 |
| Increase (Decrease) in Estimated Payable for Outstanding Claims | - | - | - | (253,000) |
| Increase (Decrease) in Vacation and Compensatory Time Payable | 38,243 | 7,498 | 45,741 | 5,622 |
| Increase (Decrease) in Compensated Absences Payable | (28,707) | - | (28,707) | (9,305) |
| Net Cash Provided (Used) by Operating Activities | \$ (451,274) | \$ (512,756) | \$ (964,030) | \$ (734,733) |

Noncash Investing, Capital and Financing Activities:

Contributions of Capital Assets in the Ramsey Nursing Home Fund amounted to \$65,860 and \$317,928 in 2006 and 2005 respectively.

The fair value of Ramsey Nursing Home Investment increased by \$50,847 in 2005, and decreased by \$53,342 in 2006.

Disposal of Capital Assets had a Net Book Value of \$23,188 in 2006 and \$1,046 in 2005 for the Ramsey Nursing Home.

Transfer In of \$50,000 from Capital Projects Funds was used to reduce Due to Other Funds for Ponds at Battle Creek.

INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or other governments, on a cost-reimbursement basis.

Data Processing – To provide electronic data processing services to county departments and other governmental units.

General County Buildings – To account for rents received from occupants of several County Buildings and to pay all expenses incurred in operating and maintaining the building.

Telecommunications – To account for all expenses incurred in operating the telephone system in the Ramsey County Government Center-West Building, Ramsey County Government Center-East Building, and City/County Courthouse.

Firearms Range – To provide a Firearms Range to law enforcement personnel of the County and other local governments.

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2006

STATEMENT 6

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005

| | Data Processing | General County Buildings | Telecomm- unications | Firearms Range | Total Internal Service Funds | |
|---|--------------------|--------------------------------|-------------------------|-------------------|---------------------------------|----------------------|
| | | | | | 2006 | 2005 |
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash and Cash Equivalents | \$ 517,877 | \$ 8,342,408 | \$ 2,823,019 | \$ 21,282 | \$ 11,704,586 | \$ 11,342,238 |
| Petty Cash and Change Funds | 75 | - | - | - | 75 | 75 |
| Accounts Receivable (Net) | 3,920 | 1,386 | 1,992 | 300 | 7,598 | 17,948 |
| Due from Other Funds | 817,113 | 126,620 | 79,406 | 7,822 | 1,030,961 | 947,514 |
| Due from Other Governments | 61,954 | 13,897 | 21,853 | 11,829 | 109,533 | 72,060 |
| Prepaid Items | 105,003 | - | - | - | 105,003 | 142,398 |
| Inventories | 7,265 | - | - | - | 7,265 | 5,814 |
| Restricted Cash and Cash Equivalents | - | 1,000 | - | - | 1,000 | 1,000 |
| Total Current Assets | <u>1,513,207</u> | <u>8,485,311</u> | <u>2,926,270</u> | <u>41,233</u> | <u>12,966,021</u> | <u>12,529,047</u> |
| Noncurrent Assets: | | | | | | |
| Capital Assets: | | | | | | |
| Improvements other than buildings | - | 19,698 | - | - | 19,698 | 6,973 |
| Building Improvements | 137,738 | 7,358,127 | - | - | 7,495,865 | 6,896,681 |
| Equipment | 5,326,304 | 380,098 | 2,867,537 | - | 8,573,939 | 8,751,358 |
| Construction in progress | - | - | - | - | - | 127,693 |
| Less Accumulated Depreciation | (5,327,452) | (5,513,412) | (2,148,011) | - | (12,988,875) | (12,347,391) |
| Total Capital Assets (Net of Accumulated Depreciation) | <u>136,590</u> | <u>2,244,511</u> | <u>719,526</u> | <u>-</u> | <u>3,100,627</u> | <u>3,435,314</u> |
| Total Assets | <u>1,649,797</u> | <u>10,729,822</u> | <u>3,645,796</u> | <u>41,233</u> | <u>16,066,648</u> | <u>15,964,361</u> |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Salaries Payable | 156,525 | 78,939 | 15,957 | - | 251,421 | 233,568 |
| Accounts Payable | 42,258 | 489,113 | 27,797 | 808 | 559,976 | 1,033,415 |
| Loan Payable | - | 2,339 | - | - | 2,339 | 4,750 |
| Due to Other Funds | 1,987 | 82,479 | 2,672 | 29,220 | 116,358 | 165,836 |
| Due to Other Governments | 12,125 | 18,570 | 3,028 | 38 | 33,761 | 15,821 |
| Vacation and Compensatory Time Payable | 326,091 | 137,182 | 22,013 | - | 485,286 | 427,572 |
| Payable from Restricted Assets: | | | | | | |
| Customer Deposits Payable | - | 1,000 | - | - | 1,000 | 1,000 |
| Total Current Liabilities | <u>538,986</u> | <u>809,622</u> | <u>71,467</u> | <u>30,066</u> | <u>1,450,141</u> | <u>1,881,962</u> |
| Noncurrent Liabilities: | | | | | | |
| Loan Payable | - | 335 | - | - | 335 | 3,011 |
| Compensated Absences Payable | 421,388 | 205,969 | 26,294 | - | 653,651 | 583,824 |
| Total Liabilities | <u>960,374</u> | <u>1,015,926</u> | <u>97,761</u> | <u>30,066</u> | <u>2,104,127</u> | <u>2,468,797</u> |
| NET ASSETS | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 136,590 | 2,244,511 | 719,526 | - | 3,100,627 | 3,435,314 |
| Unrestricted | 552,833 | 7,469,385 | 2,828,509 | 11,167 | 10,861,894 | 10,060,250 |
| Total Net Assets | <u>\$ 689,423</u> | <u>\$ 9,713,896</u> | <u>\$ 3,548,035</u> | <u>\$ 11,167</u> | <u>\$ 13,962,521</u> | <u>\$ 13,495,564</u> |

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

STATEMENT 7

| | Data Processing | General County Buildings | Telecomm- unications | Firearms Range | Total Internal Service Funds | |
|---|--------------------|--------------------------------|-------------------------|-------------------|---------------------------------|----------------------|
| | | | | | 2006 | 2005 |
| OPERATING REVENUES: | | | | | | |
| Charges for Services | \$ 7,312,759 | \$ 9,741,958 | \$ 1,616,788 | \$ 40,761 | \$ 18,712,266 | \$ 18,593,579 |
| Sales | - | 3,669 | - | 1,467 | 5,136 | 2,167 |
| Miscellaneous | 848 | 166,827 | 644 | - | 168,319 | 25,946 |
| Total Operating Revenues | <u>7,313,607</u> | <u>9,912,454</u> | <u>1,617,432</u> | <u>42,228</u> | <u>18,885,721</u> | <u>18,621,692</u> |
| OPERATING EXPENSES: | | | | | | |
| Personal Services | 4,688,761 | 2,464,085 | 462,187 | - | 7,615,033 | 6,768,025 |
| Other Services and Charges | 2,812,305 | 6,003,513 | 697,218 | 29,220 | 9,542,256 | 9,777,302 |
| Supplies | 23,521 | 346,964 | 18,859 | 8,041 | 397,385 | 431,387 |
| Depreciation | 1,148 | 602,530 | 285,098 | - | 888,776 | 888,546 |
| Total Operating Expenses | <u>7,525,735</u> | <u>9,417,092</u> | <u>1,463,362</u> | <u>37,261</u> | <u>18,443,450</u> | <u>17,865,260</u> |
| Operating Income (Loss) | <u>(212,128)</u> | <u>495,362</u> | <u>154,070</u> | <u>4,967</u> | <u>442,271</u> | <u>756,432</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | | | |
| Intergovernmental Revenue | 17,602 | 5,154 | 1,252 | - | 24,008 | 24,132 |
| Gain (Loss) on Disposal of Capital Assets | 805 | - | - | - | 805 | 541 |
| Total Nonoperating Revenues (Expenses) | <u>18,407</u> | <u>5,154</u> | <u>1,252</u> | <u>-</u> | <u>24,813</u> | <u>24,673</u> |
| Transfers Out | (127) | - | - | - | (127) | - |
| Change in Net Assets | <u>(193,848)</u> | <u>500,516</u> | <u>155,322</u> | <u>4,967</u> | <u>466,957</u> | <u>781,105</u> |
| Total Net Assets - Beginning | 883,271 | 9,213,380 | 3,392,713 | 6,200 | 13,495,564 | 12,714,459 |
| Total Net Assets - Ending | <u>\$ 689,423</u> | <u>\$ 9,713,896</u> | <u>\$ 3,548,035</u> | <u>\$ 11,167</u> | <u>\$ 13,962,521</u> | <u>\$ 13,495,564</u> |

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

STATEMENT 8

| | Data Processing | General County Buildings | Telecomm- unications | Firearms Range | Total Internal Service Funds | |
|--|---------------------|--------------------------------|-------------------------|-------------------|---------------------------------|---------------------|
| | | | | | 2006 | 2005 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from Customers and Users | \$ 413,316 | \$ 360,204 | \$ 629,862 | \$ 10,931 | \$ 1,414,313 | \$ 11,775,872 |
| Receipts from Interfund Services Provided | 6,883,472 | 9,459,956 | 1,000,973 | 16,438 | 17,360,839 | 7,265,382 |
| Payments to Suppliers | (2,604,868) | (5,600,787) | (591,895) | (7,195) | (8,804,745) | (9,729,940) |
| Payments to Employees | (4,608,184) | (2,404,934) | (456,521) | - | (7,469,639) | (6,682,057) |
| Payments for Interfund Services Used | (414,616) | (1,037,791) | (140,119) | (11,404) | (1,603,930) | (425,779) |
| Net Cash Provided (Used) for Operating Activities | <u>(330,880)</u> | <u>776,648</u> | <u>442,300</u> | <u>8,770</u> | <u>896,838</u> | <u>2,203,478</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Intergovernmental Revenue | 17,602 | 5,154 | 1,252 | - | 24,008 | 24,132 |
| Transfers Out | (127) | - | - | - | (127) | - |
| Net Cash Provided (Used) for Noncapital Financing Activities | <u>17,475</u> | <u>5,154</u> | <u>1,252</u> | <u>-</u> | <u>23,881</u> | <u>24,132</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Proceeds from the Sale of Capital Assets | 805 | - | - | - | 805 | 797 |
| Purchases of Capital Assets | (10,045) | (503,569) | (40,475) | - | (554,089) | (736,998) |
| Repayment of Loan | - | (5,087) | - | - | (5,087) | (5,240) |
| Net Cash Provided (Used) for Capital and Related Financing Activities | <u>(9,240)</u> | <u>(508,656)</u> | <u>(40,475)</u> | <u>-</u> | <u>(558,371)</u> | <u>(741,441)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>(322,645)</u> | <u>273,146</u> | <u>403,077</u> | <u>8,770</u> | <u>362,348</u> | <u>1,486,169</u> |
| Cash and Cash Equivalents, January 1 | <u>840,597</u> | <u>8,070,262</u> | <u>2,419,942</u> | <u>12,512</u> | <u>11,343,313</u> | <u>9,857,144</u> |
| Cash and Cash Equivalents, December 31 | <u>517,952</u> | <u>8,343,408</u> | <u>2,823,019</u> | <u>21,282</u> | <u>11,705,661</u> | <u>11,343,313</u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | | |
| Operating Income (Loss) | (212,128) | 495,362 | 154,070 | 4,967 | 442,271 | 756,432 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | | |
| Depreciation Expense | 1,148 | 602,530 | 285,098 | - | 888,776 | 888,545 |
| Loan Payable included in Electrical Expense | - | - | - | - | - | 13,001 |
| Changes in Assets and Liabilities: | | | | | | |
| (Increase) Decrease in Accounts Receivable | (224) | (8,472) | 490 | (300) | (8,506) | (11,185) |
| (Increase) Decrease in Due From Other Funds | 8,771 | (101,380) | 15,128 | (5,966) | (83,447) | 377,201 |
| (Increase) Decrease in Due From Other Governments | (25,367) | (1,277) | (2,216) | (8,593) | (37,453) | 53,544 |
| (Increase) Decrease in Prepaid Items | 37,395 | - | - | - | 37,395 | 39,295 |
| (Increase) Decrease in Inventories | (1,451) | - | - | - | (1,451) | (95) |
| Increase (Decrease) in Salaries Payable | 10,589 | 6,472 | 792 | - | 17,853 | 1,353 |
| Increase (Decrease) in Accounts Payable | (179,073) | (269,670) | (6,699) | 808 | (454,634) | 11,499 |
| Increase (Decrease) in Due to Other Funds | (40,538) | (14,501) | (12,204) | 17,816 | (49,427) | (20,178) |
| Increase (Decrease) in Due to Other Governments | 10 | 14,905 | 2,967 | 38 | 17,920 | 9,447 |
| Increase (Decrease) in Vacation and Compensatory Time Payable | 34,276 | 23,055 | 383 | - | 57,714 | 51,415 |
| Increase (Decrease) in Compensated Absences Payable | 35,712 | 29,624 | 4,491 | - | 69,827 | 33,204 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (330,880)</u> | <u>\$ 776,648</u> | <u>\$ 442,300</u> | <u>\$ 8,770</u> | <u>\$ 896,838</u> | <u>\$ 2,203,478</u> |

Non cash Capital and Related Financing Activity:

Data Processing disposed of capital assets with a net book value of zero.

FIDUCIARY FUNDS

To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and other governmental units.

Private Purpose Trust Funds:

Missing Heirs – To account for unclaimed funds of heirs who cannot immediately be located.

Lake Owasso Residence Trust – To account for resident's assets held by the County.

Ramsey Nursing Home Client Trust – To account for client assets held by the County.

Social Welfare – To account for certain Community Human Services client assets held by the County.

Agency Fund:

To account for assets held by a governmental unit as an agent for individuals/private organizations, and other governmental units.

STATEMENT 9

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005

| | <u>Missing Heirs</u> | <u>Lake Owasso Residence Client Trust</u> | <u>Ramsey Nursing Home Client Trust</u> | <u>Social Welfare</u> | <u>Total Private Purpose Trust Funds</u> | |
|------------------------------------|--------------------------|---|---|---------------------------|--|---------------------|
| | | | | | <u>2006</u> | <u>2005</u> |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 183,865 | \$ 73,306 | \$ 62,878 | \$ 2,225,367 | \$ 2,545,416 | \$ 2,529,067 |
| Accounts Receivable | - | 773 | - | - | 773 | - |
| Total Assets | <u>183,865</u> | <u>74,079</u> | <u>62,878</u> | <u>2,225,367</u> | <u>2,546,189</u> | <u>2,529,067</u> |
| LIABILITIES | | | | | | |
| Custodial Payable | - | 4,679 | 11,173 | - | 15,852 | 7,392 |
| NET ASSETS | | | | | | |
| Held in Trust for Private Purposes | <u>\$ 183,865</u> | <u>\$ 69,400</u> | <u>\$ 51,705</u> | <u>\$ 2,225,367</u> | <u>\$ 2,530,337</u> | <u>\$ 2,521,675</u> |

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

| | <u>Missing Heirs</u> | <u>Lake Owasso Residence Client Trust</u> | <u>Ramsey Nursing Home Client Trust</u> | <u>Social Welfare</u> | <u>Total Private Purpose Trust Funds</u> | |
|--|--------------------------|---|---|---------------------------|--|---------------------|
| | | | | | <u>2006</u> | <u>2005</u> |
| ADDITIONS | | | | | | |
| Receipts from Clients | \$ 24,442 | \$ 107,700 | \$ 120,886 | \$ 12,551,016 | \$ 12,804,044 | \$ 12,792,773 |
| Investment Earnings | - | - | 2,773 | 8,531 | 11,304 | 4,959 |
| Total Additions | <u>24,442</u> | <u>107,700</u> | <u>123,659</u> | <u>12,559,547</u> | <u>12,815,348</u> | <u>12,797,732</u> |
| DEDUCTIONS | | | | | | |
| Payments to Clients or on Behalf of Clients | <u>23,446</u> | <u>98,369</u> | <u>123,807</u> | <u>12,561,064</u> | <u>12,806,686</u> | <u>12,504,297</u> |
| Change in Net Assets | 996 | 9,331 | (148) | (1,517) | 8,662 | 293,435 |
| Net Assets - Beginning | <u>182,869</u> | <u>60,069</u> | <u>51,853</u> | <u>2,226,884</u> | <u>2,521,675</u> | <u>2,228,240</u> |
| Net Assets - Ending | <u>\$ 183,865</u> | <u>\$ 69,400</u> | <u>\$ 51,705</u> | <u>\$ 2,225,367</u> | <u>\$ 2,530,337</u> | <u>\$ 2,521,675</u> |

**RAMSEY COUNTY, MINNESOTA
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | <u>Balance January 1, 2006</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance December 31, 2006</u> |
|------------------------------|--|-----------------------|-----------------------|--|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 32,289,596 | \$ 716,325,617 | \$ 715,475,160 | \$ 33,140,053 |
| Petty Cash and Change Funds | 50 | - | - | 50 |
| Receivables (Net): | | | | |
| Taxes | - | 205 | - | 205 |
| Accounts | 21,310,346 | 18,911,342 | 21,310,346 | 18,911,342 |
| Due from Other Governments | 436,240 | 55,120 | 436,240 | 55,120 |
| Advance to Other Governments | 50,893 | - | - | 50,893 |
| | <u>54,087,125</u> | <u>735,292,284</u> | <u>737,221,746</u> | <u>52,157,663</u> |
| Total Assets | | | | |
| | <u>\$ 54,087,125</u> | <u>\$ 735,292,284</u> | <u>\$ 737,221,746</u> | <u>\$ 52,157,663</u> |
| LIABILITIES | | | | |
| Salaries Payable | 9,021 | 6,426 | 9,021 | 6,426 |
| Custodial Payable | 32,824,607 | 36,374,317 | 32,844,732 | 36,354,192 |
| Due to Other Governments | 21,253,497 | 15,797,045 | 21,253,497 | 15,797,045 |
| | <u>21,253,497</u> | <u>15,797,045</u> | <u>21,253,497</u> | <u>15,797,045</u> |
| Total Liabilities | | | | |
| | <u>\$ 54,087,125</u> | <u>\$ 52,177,788</u> | <u>\$ 54,107,250</u> | <u>\$ 52,157,663</u> |

OTHER SUPPLEMENTARY INFORMATION

**RAMSEY COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

SCHEDULE 9

| | Special Revenue Funds | | | | | Special Revenue Funds | | | | | | | Total |
|--|-----------------------|-------------------|------------------------------------|-------------------------------------|----------------------|-----------------------|--------------------------|-----------------------|----------------------------|-----------------------------|---------------|--------------------|----------------------|
| | General Fund | County Library | Solid Waste/ Recycling Service Fee | Housing and Redevelopment Authority | Workforce Solutions | Parks and Recreation | State Funding For Courts | State Public Defender | St. Paul Public Health JPA | Regional Railroad Authority | Law Library | Forfeited Tax Sale | |
| Shared Revenue: | | | | | | | | | | | | | |
| State- | | | | | | | | | | | | | |
| Highway Users Tax | \$ 5,374,157 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Watercraft Registration | 54,809 | - | - | - | - | - | - | - | - | - | - | - | - |
| Market Value Homestead Credit | 8,914,542 | 301,721 | - | - | - | - | - | - | - | 546,469 | - | - | 848,190 |
| Disparity Reduction Aid | 241,816 | - | - | - | - | - | - | - | - | - | - | - | - |
| County Program Aid | 16,266,302 | 168,646 | - | - | - | - | - | - | - | - | - | - | 168,646 |
| State Aid for Police Pension | 1,195,526 | - | - | - | - | - | - | - | - | - | - | - | - |
| 911 Telephone Fee | 250,357 | - | - | - | - | - | - | - | - | - | - | - | - |
| PERA Rate Increase Aid | 703,490 | 21,652 | 3,718 | 762 | 9,372 | - | 11,114 | 16,164 | - | - | 836 | 912 | 64,530 |
| Total Shared Revenue | 33,000,999 | 492,019 | 3,718 | 762 | 9,372 | - | 11,114 | 16,164 | - | 546,469 | 836 | 912 | 1,081,366 |
| Reimbursement for Services: | | | | | | | | | | | | | |
| State- | | | | | | | | | | | | | |
| Minnesota Department of Attorney General | 134,330 | - | - | - | - | - | - | - | - | - | - | - | - |
| Human Services | 45,546,356 | - | - | - | - | - | - | - | - | - | - | - | - |
| Public Defense Board | - | - | - | - | - | - | 3,829,868 | - | - | - | - | - | 3,829,868 |
| Education | 193,382 | - | - | - | - | - | - | - | - | - | - | - | - |
| Family Service Collaborative | 301,952 | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Reimbursement for Services | 46,176,020 | - | - | - | - | - | 3,829,868 | - | - | - | - | - | 3,829,868 |
| Grants: | | | | | | | | | | | | | |
| State- | | | | | | | | | | | | | |
| Minnesota Department of Education | 4,449 | - | - | - | - | - | - | - | - | - | - | - | - |
| Public Safety | 1,476,929 | - | - | - | - | - | - | - | - | - | - | - | - |
| Environmental Assistance | - | - | 1,155,336 | - | - | - | - | - | - | - | - | - | 1,155,336 |
| Health | 3,034,306 | - | - | - | - | - | - | - | - | - | - | - | - |
| Natural Resources | 12,954 | - | - | - | - | - | - | - | - | - | - | - | - |
| Transportation | 1,517 | - | - | - | - | - | - | - | - | - | - | - | - |
| Corrections | 10,060,926 | - | - | - | - | - | - | - | - | - | - | - | - |
| Human Services | 33,187,693 | - | - | - | 1,103,140 | - | - | - | - | - | - | - | 1,103,140 |
| Housing Finance | 783,950 | - | - | - | - | - | - | - | - | - | - | - | - |
| Employment & Economic Development | - | - | - | - | 2,423,067 | - | - | - | - | - | - | - | 2,423,067 |
| Trial Courts | - | - | - | - | - | - | 6,719,765 | - | - | - | - | - | 6,719,765 |
| Miscellaneous Boards | 163,319 | 3,678 | - | - | - | - | - | - | - | - | - | - | 3,678 |
| Total State | 48,726,043 | 3,678 | 1,155,336 | - | 3,526,207 | - | 6,719,765 | - | - | - | - | - | 11,404,986 |
| Federal- | | | | | | | | | | | | | |
| Department of Agriculture | 207,854 | - | - | - | 156,583 | - | - | - | 2,212,193 | - | - | - | 2,368,776 |
| Interior | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Justice | 691,796 | - | - | - | 48,514 | - | - | - | - | - | - | - | 48,514 |
| Transportation | 156,657 | - | - | - | - | - | - | - | 291,752 | - | - | - | 291,752 |
| Housing and Urban Development | 191,417 | - | - | 1,820,593 | - | - | - | 693,695 | - | - | - | - | 2,514,288 |
| Labor | - | - | - | - | 3,314,577 | - | - | - | - | - | - | - | 3,314,577 |
| Environmental Protection Agency | 10,707 | - | - | - | - | - | - | - | - | - | - | - | - |
| Emergency Management | 1,256,573 | - | - | - | - | - | - | - | - | - | - | - | - |
| Education | 500 | - | - | - | - | - | - | - | - | - | - | - | - |
| Health and Human Services | 33,691,966 | - | - | - | 12,854,961 | - | - | 1,251,760 | - | - | - | - | 14,106,721 |
| Homeland Security | 1,208,838 | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Federal | 37,416,308 | - | - | 1,820,593 | 16,374,635 | - | - | 4,157,648 | 291,752 | - | - | - | 22,644,628 |
| Local | 634,880 | 240,193 | 186,324 | - | - | 353,753 | - | - | 11,000 | 10,532 | - | - | 801,802 |
| Total Grants | 86,777,231 | 243,871 | 1,341,660 | 1,820,593 | 19,900,842 | 353,753 | 6,719,765 | - | 4,168,648 | 302,284 | - | - | 34,851,416 |
| Excess Tax Increment | 3,176,147 | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments in lieu of taxes | 229,792 | 752 | - | - | - | - | - | - | - | 415 | - | - | 1,167 |
| Total Intergovernmental Revenue | \$ 169,360,189 | \$ 736,642 | \$ 1,345,378 | \$ 1,821,355 | \$ 19,910,214 | \$ 353,753 | \$ 6,730,879 | \$ 3,846,032 | \$ 4,168,648 | \$ 849,168 | \$ 836 | \$ 912 | \$ 39,763,817 |

(Continued)

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006

| | Debt Service Fund | Capital Projects Fund | Enterprise Funds | Internal Service Funds | Total All Funds |
|---|-------------------------|-----------------------------|---------------------|------------------------------|-----------------------|
| Shared Revenue: | | | | | |
| State- | | | | | |
| Highway Users Tax | \$ 184,242 | \$ 7,092,414 | \$ - | \$ - | \$ 12,650,813 |
| Watercraft Registration | - | - | - | - | 54,809 |
| Market Value Homestead Credit | 807,304 | - | - | - | 10,570,036 |
| Disparity Reduction Aid | 21,446 | - | - | - | 263,262 |
| County Program Aid | 14,572 | - | - | - | 16,449,520 |
| State Aid for Police Pension | - | - | 258,573 | - | 1,454,099 |
| 911 Telephone Fee | - | - | - | - | 250,357 |
| PERA Rate Increase Aid | - | - | 54,170 | 23,508 | 845,698 |
| Total Shared Revenue | <u>1,027,564</u> | <u>7,092,414</u> | <u>312,743</u> | <u>23,508</u> | <u>42,538,594</u> |
| Reimbursement for Services: | | | | | |
| State- | | | | | |
| Minnesota Department of | | | | | |
| Attorney General | - | - | - | - | 134,330 |
| Human Services | - | - | - | - | 45,546,356 |
| Public Defense Board | - | - | - | - | 3,829,868 |
| Education | - | - | - | - | 193,382 |
| Family Service Collaborative | - | - | - | - | 301,952 |
| Total Reimbursement for Services | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>50,005,888</u> |
| Grants: | | | | | |
| State- | | | | | |
| Minnesota Department of | | | | | |
| Education | - | - | - | - | 4,449 |
| Public Safety | - | - | - | - | 1,476,929 |
| Environmental Assistance | - | - | - | - | 1,155,336 |
| Health | - | - | - | - | 3,034,306 |
| Natural Resources | - | 145,268 | - | - | 158,222 |
| Transportation | - | 5,153,032 | - | - | 5,154,549 |
| Corrections | - | - | - | - | 10,060,926 |
| Human Services | - | - | - | - | 34,290,833 |
| Housing Finance | - | - | - | - | 783,950 |
| Employment & Economic Development | - | 11,190,881 | - | - | 13,613,948 |
| Trial Courts | - | - | - | - | 6,719,765 |
| Miscellaneous boards | - | - | - | - | 166,997 |
| Total State | <u>-</u> | <u>16,489,181</u> | <u>-</u> | <u>-</u> | <u>76,620,210</u> |
| Federal- | | | | | |
| Department of | | | | | |
| Agriculture | - | - | - | - | 2,576,630 |
| Interior | - | 200,000 | - | - | 200,000 |
| Justice | - | - | - | - | 740,310 |
| Transportation | - | 2,842,941 | - | - | 3,291,350 |
| Housing and Urban Development | - | - | - | - | 2,705,705 |
| Labor | - | - | - | - | 3,314,577 |
| Environmental Protection Agency | - | - | - | - | 10,707 |
| Emergency Management | - | - | - | - | 1,256,573 |
| Education | - | - | - | - | 500 |
| Health and Human Services | - | - | - | - | 47,798,687 |
| Homeland Security | - | 5,157,424 | - | - | 6,366,262 |
| Total Federal | <u>-</u> | <u>8,200,365</u> | <u>-</u> | <u>-</u> | <u>68,261,301</u> |
| Local | - | 746,056 | - | 500 | 2,183,238 |
| Total Grants | <u>-</u> | <u>25,435,602</u> | <u>-</u> | <u>500</u> | <u>147,064,749</u> |
| Excess Tax Increment | - | - | - | - | 3,176,147 |
| Payments in lieu of taxes | 10,931 | - | - | - | 241,890 |
| Total Intergovernmental Revenue | <u>\$ 1,038,495</u> | <u>\$ 32,528,016</u> | <u>\$ 312,743</u> | <u>\$ 24,008</u> | <u>\$ 243,027,268</u> |

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2006

| Federal Grantor Pass Through Agency Grant Program Title | Federal CFDA Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------------|------------------|---------------------------------------|
| Department of Agriculture | | | |
| Passed Through Minnesota Department of Education: | | | |
| School Breakfast Program | 10.553 | \$ 81,173 | \$ - |
| National School Lunch Program | 10.555 | 126,681 | - |
| Passed Through Minnesota Department of Health: | | | |
| Special Supplemental Nutrition Program for Women, Infants and Children (WIC) | 10.557 | 2,206,095 | - |
| Food Stamp Program - State Administrative Matching Grant | 10.561 | 156,583 | - |
| Passed Through Minnesota Department of Agriculture: | | | |
| Special Supplemental Nutrition Program for Women, Infants and Children (WIC) | 10.557 | 6,098 | - |
| Total Department of Agriculture | | <u>2,576,630</u> | <u>-</u> |
| Department of Housing and Urban Development | | | |
| Direct | | | |
| Community Development Block Grants (CDBG) | 14.218 | 1,514,571 | 1,290,111 |
| Supportive Housing Program | 14.235 | 191,417 | 191,417 |
| Home Investment in Affordable Housing (HOME) | 14.239 | 306,022 | 262,355 |
| Lead Based Paint Hazard Control Program | 14.900 | 340,030 | 159,159 |
| Passed Through Minnesota Department of Health: | | | |
| Lead Based Paint Hazard Control Program | 14.900 | 7,447 | - |
| Passed Through Hennepin County: | | | |
| Lead Based Paint Hazard Control Program | 14.900 | 279,526 | 84,330 |
| Passed Through City of Minneapolis: | | | |
| Lead Based Paint Hazard Control Program | 14.900 | 66,692 | - |
| Total Department of Housing and Urban Development | | <u>2,705,705</u> | <u>1,987,372</u> |
| Department of the Interior | | | |
| Passed Through Minnesota Department of Natural Resources: | | | |
| Outdoor Recreation - Acquisition, Development and Planning | 15.916 | <u>200,000</u> | <u>-</u> |
| Department of Justice | | | |
| Direct | | | |
| Supervised Visitation, Safe Haven for Children | 16.527 | 86,262 | - |
| Juvenile Justice and Delinquency Prevention | 16.540 | 48,514 | 47,514 |
| Byrne Formula Grant Program | 16.579 | 2,200 | - |
| Community Prosecution and Project Safe Neighborhoods | 16.609 | 14,862 | - |
| Passed Through Minnesota Department of Public Safety: | | | |
| Juvenile Accountability Incentive Block Grant (JAIBG) | 16.523 | 216,284 | - |
| Crime Victim Assistance | 16.575 | 76,459 | - |
| Byrne Formula Grant Program | 16.579 | 105,000 | 98,729 |
| Byrne Memorial State and Local Law Enforcement | | | |
| Violence Against Women Formula Grants | 16.588 | 36,270 | - |
| Byrne Memorial Justice Assistance Grants | 16.738 | 64,432 | - |
| Passed Through City of St. Paul | | | |
| Local Law Enforcement Block Grant | 16.592 | 4,491 | - |
| Byrne Memorial Justice Assistance Grants | 16.738 | 85,536 | - |
| Total Department of Justice | | <u>740,310</u> | <u>146,243</u> |
| Department of Labor | | | |
| Direct | | | |
| Incentive Grants - Workforce Investment Act Section 503 | 17.267 | 53,774 | - |
| Passed Through Minnesota Department of Employment and Economic Development: | | | |
| Workforce Investment Act (WIA) - Adult Programs | 17.258 | 993,099 | 361,546 |
| Workforce Investment Act (WIA) - Youth Activities | 17.259 | 1,186,251 | 657,039 |
| Workforce Investment Act (WIA) - Dislocated Workers | 17.260 | 1,019,263 | 3,000 |
| Disability Employment Policy Development | 17.720 | 36,917 | - |
| Passed Through St. Paul Chamber of Commerce: | | | |
| Workforce Investment Act (WIA) - Dislocated Workers | 17.260 | 25,273 | - |
| Total Department of Labor | | <u>3,314,577</u> | <u>1,021,585</u> |

(continued)

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2006

| Federal Grantor Pass Through Agency Grant Program Title | Federal CFDA Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------------|--------------|---------------------------------------|
| Department of Transportation | | | |
| Passed Through Minnesota Department of Natural Resources: | | | |
| Boating Safety Financial Assistance | 20.005 | 34,000 | - |
| Passed Through Minnesota Department of Public Safety: | | | |
| State and Community Highway Safety | 20.600 | 72,682 | - |
| Alcohol Traffic Safety and Drunk Driving Prevention | 20.601 | 23,174 | - |
| Passed Through Minnesota Department of Transportation: | | | |
| Highway Planning & Construction | 20.205 | 2,869,742 | - |
| Passed Through Metropolitan Council: | | | |
| Federal Transit Capital and Operating Asst Formula Grants | 20.507 | 291,752 | - |
| Total Department of Transportation | | 3,291,350 | - |
| Environmental Protection Agency | | | |
| Passed Through Minnesota Department of Health | | | |
| State Indoor Radon Grants | 66.032 | 10,707 | - |
| Department of Education | | | |
| Passed Through Minnesota Department of Health: | | | |
| Special Education Grants for Infants and Families | 84.181 | 500 | - |
| Election Assistance Commission | | | |
| Passed Through Minnesota Secretary of State: | | | |
| Help America Vote Act Requirements Payments | 90.401 | 1,256,573 | - |
| Department of Health and Human Services | | | |
| Direct | | | |
| Centers for Research and Demonstration for Health | | | |
| Promotion and Disease Prevention | 93.135 | 32,204 | - |
| Family Planning Services | 93.217 | 317,920 | - |
| Cons Knowledge Development & Application | 93.230 | 488,903 | - |
| Refugee and Entrant Assistance Discretionary Grants | 93.576 | 16,734 | - |
| Passed Through Minnesota Department of Human Services: | | | |
| Projects for Assistance in Transition from Homelessness | 93.150 | 170,047 | - |
| Promoting Safe and Stable Families | 93.556 | 423,951 | 403,677 |
| Temporary Assistance for Needy Families (TANF) | 93.558 | 12,806,244 | 7,729,680 |
| Child Support Enforcement Research | 93.564 | 29,816 | - |
| Refugee and Entrant Assistance-Targeted Assistance Grants | 93.584 | 48,717 | - |
| Community Based Child Abuse Prevention Grants | 93.590 | 138,269 | 58,045 |
| Child Care Mandatory and Matching Funds | 93.596 | 20,674,289 | 20,674,289 |
| Child Welfare Services-State Grants | 93.645 | 72,146 | 62,767 |
| Foster Care Title IV-E | 93.658 | 3,870,099 | - |
| Social Services Block Grant | 93.667 | 4,191,631 | - |
| Independent Living | 93.674 | 127,191 | - |
| Block Grant - Community Mental Health Services | 93.958 | 602,591 | - |
| Block Grant - Prevention/Treatment Substance Abuse | 93.959 | 337,218 | - |
| Block Grant - Preventative Health and Health Services | 93.991 | 4,800 | - |
| Passed Through Minnesota Department of Health: | | | |
| Grants & Coop Agreements for Tuberculosis Control | 93.116 | 17,000 | - |
| Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects | 93.185 | 53,798 | - |
| State and Local Childhood Lead Poisoning Prevention and and Surveillance of Blood Lead Levels in Children | 93.197 | 49,517 | - |
| Immunization Grants | 93.268 | 111,166 | - |
| Center for Disease Control-Investigations & Technical Assistance | 93.283 | 1,587,571 | - |
| Temporary Assistance for Needy Families (TANF) | 93.558 | 510,157 | - |
| Refugee and Entrant Assistance | 93.566 | 67,211 | - |
| Breast and Cervical Cancer Control Programs | 93.919 | 15,871 | - |
| Sexually Transmitted Disease Control Grant | 93.977 | 69,705 | - |
| Maternal and Child Health Services Block Grant | 93.994 | 877,364 | 499,698 |

(continued)

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2006

| Federal Grantor Pass Through Agency Grant Program Title | Federal CFDA Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------------|----------------------|---------------------------------------|
| Department of Health and Human Services (continued): | | | |
| Passed Through Hennepin County: | | | |
| Centers for Research and Demonstration for Health Promotion and Disease Prevention | 93.135 | 62,235 | - |
| Ryan White HIV/AIDS Dental Reimbursements | 93.924 | 24,322 | - |
| Total Department of Health and Human Services | | <u>47,798,687</u> | <u>29,428,156</u> |
| Department of Homeland Security | | | |
| Direct | | | |
| Interoperable Communications Equipment | 97.055 | 711,235 | - |
| Passed Through Minnesota Department of Public Safety: | | | |
| State Domestic Preparedness Equipment Support Program | 97.004 | 4,102,868 | - |
| Urban Areas Security Initiative | 97.008 | 1,004,345 | 37,442 |
| Disaster Grants - Public Assistance | 97.036 | 390,747 | - |
| Emergency Management Performance Grants | 97.042 | 130,653 | - |
| Homeland Security Grant Program | 97.067 | 26,414 | 2,198 |
| Total Department of Homeland Security | | <u>6,366,262</u> | <u>39,640</u> |
| Total Cash Federal Awards | | <u>68,261,301</u> | <u>32,622,996</u> |
| Non-Cash Awards | | | |
| Department of Agriculture | | | |
| Food Donation Program | 10.550 | 220,490 | - |
| Total Non-Cash Federal Awards | | <u>220,490</u> | <u>-</u> |
| Total Federal Awards | | <u>\$ 68,481,791</u> | <u>\$ 32,622,996</u> |

Notes to Schedule of Expenditures of Federal Awards

1. The Schedule of Expenditures of Federal Awards presents the activity of federal award programs expended by Ramsey County. The County's reporting entity is defined in Note 1 to the financial statements.
2. The expenditures on this schedule are on the modified accrual basis of accounting. The basis used for CFDA No. 10.550 is the dollar value of vouchers issued.
3. Pass-through grant numbers were not assigned by the pass-through agencies.

SECTION III – STATISTICAL SECTION

Statistical Section

This part of Ramsey County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

115

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the county's ability to generate its property taxes.

120

Debt Capacity

These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.

123

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place and to help make comparisons over time and with other governments.

127

Operating Information

These schedules contain information about the county's operations and resources to help the reader understand how the county's financial information relates to the services the county provides and the activities it performs.

129

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The county implemented GASB Statement 34 in 2002; schedules presenting entity-wide information include information beginning in that year.

TABLE I

**RAMSEY COUNTY, MINNESOTA
NET ASSETS BY COMPONENT
LAST FIVE YEARS**

(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| Governmental activities | | | | | |
| Invested in capital assets, net of related debt | \$ 350,568,755 | \$ 362,980,947 | \$ 331,762,415 | \$ 411,727,719 | \$ 437,027,997 |
| Restricted | 24,145,375 | 61,572,424 | 106,484,915 | 92,804,198 | 84,675,877 |
| Unrestricted | 158,307,476 | 128,896,754 | 144,932,259 | 116,795,345 | 167,942,820 |
| Total governmental activities net assets | <u>\$ 533,021,606</u> | <u>\$ 553,450,125</u> | <u>\$ 583,179,589</u> | <u>\$ 621,327,262</u> | <u>\$ 689,646,694</u> |
| Business-type activities | | | | | |
| Invested in capital assets, net of related debt | \$3,849,605 | \$3,730,753 | \$3,565,655 | \$3,656,566 | \$3,520,751 |
| Restricted | - | 231,962 | 66,411 | 46,163 | 50,657 |
| Unrestricted | (216,463) | 411,773 | 560,087 | 285,907 | 9,153 |
| Total business-type activities net assets | <u>\$ 3,633,142</u> | <u>\$ 4,374,488</u> | <u>\$ 4,192,153</u> | <u>\$ 3,988,636</u> | <u>\$ 3,580,561</u> |
| Primary government | | | | | |
| Invested in capital assets, net of related debt | \$ 354,418,360 | \$ 366,711,700 | \$ 335,328,070 | \$ 415,384,285 | \$ 440,548,748 |
| Restricted | 24,145,375 | 61,804,386 | 106,551,326 | 92,850,361 | 84,726,534 |
| Unrestricted | 158,091,013 | 129,308,527 | 145,492,346 | 117,081,252 | 167,951,973 |
| Total primary government net assets | <u>\$ 536,654,748</u> | <u>\$ 557,824,613</u> | <u>\$ 587,371,742</u> | <u>\$ 625,315,898</u> | <u>\$ 693,227,255</u> |

Note: Accrual-basis financial information is available back to 2002 only, the year GASB Statement 34 was implemented.

TABLE II

**RAMSEY COUNTY, MINNESOTA
CHANGES IN NET ASSETS
LAST FIVE YEARS**

(accrual basis of accounting)

| | Fiscal Year | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 93,519,244 | \$ 88,644,095 | \$ 49,037,867 | \$ 69,903,388 | \$ 83,775,008 |
| Public safety | 84,036,106 | 81,266,102 | 92,552,785 | 103,140,189 | 93,123,718 |
| Highways and streets | 23,609,628 | 19,587,607 | 46,613,526 | 26,016,187 | 35,186,475 |
| Sanitation | 15,851,946 | 14,801,190 | 15,737,538 | 17,850,477 | 17,071,936 |
| Health | 24,118,961 | 24,400,859 | 23,278,945 | 26,154,048 | 26,343,037 |
| Human services | 181,927,405 | 176,750,563 | 170,372,597 | 172,133,597 | 176,236,609 |
| Culture and recreation | 18,896,677 | 18,792,204 | 17,181,691 | 21,253,410 | 18,916,977 |
| Conservation of natural resources | 768,743 | 776,639 | 466,403 | 421,883 | 413,943 |
| Economic development and assistance | 25,747,275 | 23,877,182 | 22,938,963 | 22,774,299 | 22,931,445 |
| Interest | 7,826,063 | 7,297,704 | 9,648,967 | 9,259,922 | 9,433,629 |
| Total governmental activities expenses | 476,302,048 | 456,194,145 | 447,829,282 | 468,907,400 | 483,432,777 |
| Business-type activities: | | | | | |
| Lake Owasso Residence | 7,142,831 | 7,692,647 | 7,786,233 | 7,700,741 | 8,177,791 |
| Ponds at Battle Creek | 488 | 172,661 | 665,560 | 608,504 | 701,798 |
| Ramsey Nursing Home | 11,398,215 | 11,751,327 | 12,079,285 | 12,184,848 | 12,435,723 |
| Office of Integrated Managed Care | 1,242,876 | 711,578 | - | - | - |
| Law Enforcement Services | 4,474,209 | 4,588,613 | 4,790,221 | 4,945,064 | 5,051,851 |
| Total business-type activities expenses | 24,258,619 | 24,916,826 | 25,321,299 | 25,439,157 | 26,367,163 |
| Total primary government expenses | \$ 500,560,667 | \$ 481,110,971 | \$ 473,150,581 | \$ 494,346,557 | \$ 509,799,940 |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Fees, fines, charges and other: | | | | | |
| General government | \$ 22,131,397 | \$ 15,641,123 | \$ 14,140,880 | \$ 14,721,943 | \$ 25,586,857 |
| Public safety | 6,534,896 | 6,243,086 | 7,023,639 | 9,170,315 | 8,350,392 |
| Highways and streets | 2,863,501 | 2,853,955 | 1,388,395 | 1,959,189 | 2,451,634 |
| Sanitation | 1,173,952 | 13,063,110 | 15,817,903 | 16,870,909 | 19,659,083 |
| Health | 6,171,791 | 7,727,760 | 7,988,406 | 9,613,494 | 8,166,676 |
| Human services | 6,976,751 | 5,851,067 | 6,727,816 | 6,555,896 | 7,773,517 |
| Culture and recreation | 5,364,987 | 5,450,301 | 5,709,279 | 5,854,429 | 6,010,116 |
| Conservation of natural resources | 312,688 | 181,631 | 161,547 | 257,348 | 302,760 |
| Economic development and assistance | 624,540 | 5,054,419 | 1,349,226 | 3,896,699 | 1,666,602 |
| Operating grants and contributions: | | | | | |
| General government | 26,461,574 | 19,377,353 | 24,122,721 | 23,160,822 | 11,750,858 |
| Public safety | 19,345,021 | 17,515,627 | 13,617,565 | 12,788,912 | 13,857,784 |
| Highways and streets | - | 59,938 | 5,201,984 | 3,206,041 | 4,261,815 |
| Sanitation | 1,757,002 | 1,312,417 | 1,438,701 | 1,401,465 | 1,506,761 |
| Health | 10,342,476 | 11,937,292 | 9,318,922 | 11,167,848 | 11,983,024 |
| Human services | 114,448,042 | 109,200,218 | 93,048,708 | 93,618,417 | 98,980,847 |
| Culture and recreation | 901,079 | 293,722 | 914,335 | 337,490 | 677,345 |
| Conservation of natural resources | 118,516 | 49,280 | 85,618 | 78,061 | 77,584 |
| Economic development and assistance | 23,194,326 | 19,515,445 | 20,541,025 | 21,274,245 | 21,595,537 |
| Capital grants and contributions: | | | | | |
| General government | - | 901,702 | 19,955 | 605,391 | 1,256,573 |
| Public safety | - | 2,444,356 | 4,730,416 | 5,768,076 | 6,195,938 |
| Highways and streets | 20,784,558 | 22,337,802 | 10,218,516 | 17,905,823 | 24,239,254 |
| Culture and recreation | 1,218,077 | 2,282,440 | 195,432 | 1,921,921 | 1,603,138 |
| Conservation of natural resources | - | - | 3,000 | 26,552 | - |
| Economic development and assistance | - | 905,001 | 1,328,705 | 85,000 | - |
| Total governmental activities program | 270,725,174 | 270,199,045 | 245,092,694 | 262,246,286 | 277,954,095 |

TABLE II
(Continued)

RAMSEY COUNTY, MINNESOTA
CHANGES IN NET ASSETS
LAST FIVE YEARS

(accrual basis of accounting)

| | Fiscal Year | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| Business-type activities: | | | | | |
| Fees, fines, charges and other: | | | | | |
| Lake Owasso Residence | 7,295,797 | 7,191,307 | 7,715,951 | 7,478,024 | 7,630,384 |
| Ponds at Battle Creek | - | 30,343 | 460,246 | 430,735 | 446,901 |
| Ramsey Nursing Home | 10,797,696 | 11,215,071 | 11,484,976 | 11,323,025 | 11,949,961 |
| Office of Integrated Managed Care | 13,000 | 193 | - | - | - |
| Law Enforcement Services | 4,171,818 | 4,313,810 | 4,550,667 | 4,613,674 | 4,804,901 |
| Operating grants and contributions: | | | | | |
| Office of Integrated Managed Care | 1,017,242 | 934,065 | - | - | - |
| Law Enforcement Services | - | 258,969 | 254,128 | - | 258,573 |
| Capital grants and contributions: | | | | | |
| Lake Owasso Residence | 2,175 | - | - | - | - |
| Ramsey Nursing Home | 41,252 | 72,823 | 25,183 | 328,644 | 68,018 |
| Total business-type activities program | 23,338,980 | 24,016,581 | 24,491,151 | 24,174,102 | 25,158,738 |
| Total primary government program revenues | \$ 294,064,154 | \$ 294,215,626 | \$ 269,583,845 | \$ 286,420,388 | \$ 303,112,833 |
| Net (Expense)/Revenue | | | | | |
| Governmental activities | \$ (205,576,874) | \$ (185,995,100) | \$ (202,736,588) | \$ (206,661,114) | \$ (205,478,682) |
| Business-type activities | (919,639) | (900,245) | (830,148) | (1,265,055) | (1,208,425) |
| Total primary government net expense | \$ (206,496,513) | \$ (186,895,345) | \$ (203,566,736) | \$ (207,926,169) | \$ (206,687,107) |
| General Revenues and Other Charges in Net Assets | | | | | |
| Governmental activities: | | | | | |
| Property taxes | \$ 175,132,352 | \$ 179,663,516 | \$ 188,180,358 | \$ 198,458,773 | \$ 217,391,017 |
| Grants and contributions not restricted to specific programs | 28,641,355 | 23,078,325 | 23,566,382 | 35,262,802 | 35,053,797 |
| Investment earnings | 11,579,900 | 4,384,058 | 5,629,709 | 7,673,916 | 15,581,358 |
| Miscellaneous | 2,146,683 | 1,426,526 | 1,021,777 | 3,493,298 | 3,032,751 |
| Lease proceeds | - | - | 13,845,000 | - | - |
| Gain on disposal/sale of capital assets | 302,700 | (657,353) | 97,814 | 478,559 | 3,358,752 |
| Transfers | (519,384) | (1,471,453) | (607,492) | (558,561) | (619,561) |
| Total governmental activities | 217,283,606 | 206,423,619 | 231,733,548 | 244,808,787 | 273,798,114 |
| Business-type activities: | | | | | |
| Grants and contributions not restricted to specific programs | 297,460 | 79,249 | 54,292 | 314,170 | 54,170 |
| Investment earnings | 36,124 | 36,725 | 88,966 | 137,621 | 142,025 |
| Miscellaneous | - | - | - | 4,725 | 1,575 |
| Gain on disposal/sale of capital assets | (4,840) | 54,248 | 17,560 | 46,461 | (16,981) |
| Transfers | 519,384 | 1,471,453 | 607,492 | 558,561 | 619,561 |
| Total business-type activities | 848,128 | 1,641,675 | 768,310 | 1,061,538 | 800,350 |
| Total primary government | \$ 218,131,734 | \$ 208,065,294 | \$ 232,501,858 | \$ 245,870,325 | \$ 274,598,464 |
| Change in Net Assets | | | | | |
| Governmental activities | \$ 11,706,732 | \$ 20,428,519 | \$ 28,996,960 | \$ 38,147,673 | \$ 68,319,432 |
| Business-type activities | (71,511) | 741,430 | (61,838) | (203,517) | (408,075) |
| Total primary government | \$ 11,635,221 | \$ 21,169,949 | \$ 28,935,122 | \$ 37,944,156 | \$ 67,911,357 |

Note: Accrual-basis financial information is available back to 2002 only, the year GASB Statement 34 was implemented.

TABLE III

**RAMSEY COUNTY, MINNESOTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FIVE YEARS**

(modified accrual basis of accounting)

| | Fiscal Year | | | | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| General Fund | | | | | |
| Reserved | \$ 18,380,671 | \$ 14,276,857 | \$ 16,600,329 | \$ 18,271,565 | \$ 20,037,607 |
| Unreserved | | | | | |
| Designated | 97,712,255 | 96,639,755 | 90,228,057 | 105,631,733 | 125,350,133 |
| Undesignated | 25,079,440 | 28,022,435 | 28,704,212 | 29,441,401 | 30,592,387 |
| Total General Fund | <u>\$ 141,172,366</u> | <u>\$ 138,939,047</u> | <u>\$ 135,532,598</u> | <u>\$ 153,344,699</u> | <u>\$ 175,980,127</u> |
| All Other Governmental Funds | | | | | |
| Reserved | \$72,653,648 | \$27,834,096 | \$81,494,745 | \$71,413,941 | \$73,519,370 |
| Unreserved | | | | | |
| Designated | | | | | |
| Special revenue funds | \$22,163,668 | \$29,278,356 | \$35,689,366 | \$35,481,628 | \$45,240,562 |
| Capital project fund | - | 21,320,176 | 15,932,348 | 12,287,308 | 12,664,938 |
| Undesignated | | | | | |
| Special revenue funds | 7,768,347 | 5,321,751 | 4,325,063 | 4,555,554 | 5,427,871 |
| Total all other governmental funds | <u>\$ 102,585,663</u> | <u>\$ 83,754,379</u> | <u>\$ 137,441,522</u> | <u>\$ 123,738,431</u> | <u>\$ 136,852,741</u> |

Note: Due to changes in the county's reporting with GASB Statement 34, fund balance information is available back to 2002 only.

RAMSEY COUNTY, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FIVE YEARS

(modified accrual basis of accounting)

| | Fiscal Year | | | | |
|---|-----------------------|------------------------|----------------------|---------------------|----------------------|
| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| Revenues | | | | | |
| Property taxes | \$ 176,442,599 | \$ 176,103,167 | \$ 187,853,804 | \$ 197,333,878 | \$ 216,674,650 |
| Licenses and permits | 1,128,524 | 1,253,422 | 1,258,037 | 1,410,846 | 1,394,880 |
| Intergovernmental | 241,787,901 | 221,508,422 | 201,310,013 | 216,905,306 | 242,690,517 |
| Private grants and donations | 1,097,019 | 1,241,181 | 397,283 | 621,000 | 422,816 |
| Charges for services | 42,762,479 | 56,428,484 | 61,635,081 | 64,869,125 | 62,043,508 |
| Fines and forfeitures | 4,124,232 | 2,437,722 | 733,823 | 761,722 | 745,971 |
| Sales | 2,649,774 | 2,306,044 | 2,457,870 | 2,804,900 | 2,850,049 |
| Rental income | 929,341 | 1,007,022 | 1,346,306 | 1,387,051 | 1,658,210 |
| Investment earnings | 11,579,900 | 4,884,456 | 6,254,178 | 9,187,327 | 17,560,179 |
| Program recoveries | 5,600,073 | 4,116,529 | 4,020,666 | 3,948,060 | 3,790,928 |
| Miscellaneous | 5,645,316 | 7,126,047 | 4,748,409 | 7,104,859 | 5,529,616 |
| Total revenues | <u>493,747,158</u> | <u>478,412,496</u> | <u>472,015,470</u> | <u>506,334,074</u> | <u>555,361,324</u> |
| Expenditures | | | | | |
| General government | 87,599,504 | 81,731,833 | 79,591,902 | 88,857,578 | 87,579,800 |
| Public safety | 81,910,462 | 80,891,130 | 86,399,635 | 89,586,294 | 93,978,150 |
| Highways and streets | 14,054,555 | 15,023,259 | 14,087,001 | 14,321,647 | 14,898,949 |
| Sanitation | 15,850,612 | 14,778,330 | 15,742,726 | 17,852,048 | 17,027,293 |
| Health | 24,993,929 | 25,702,871 | 24,447,734 | 26,459,940 | 27,620,672 |
| Human services | 185,217,289 | 178,278,504 | 173,313,709 | 174,403,870 | 178,479,898 |
| Culture and recreation | 16,743,482 | 16,548,538 | 16,140,176 | 17,452,152 | 17,816,393 |
| Conservation of natural resources | 828,136 | 775,940 | 458,455 | 438,555 | 406,016 |
| Economic development and assistance | 25,678,477 | 23,634,515 | 23,122,428 | 22,734,910 | 22,915,902 |
| Capital outlay | 63,166,225 | 65,318,576 | 43,153,982 | 38,959,892 | 50,134,804 |
| Debt service | | | | | |
| Bond issuance costs | 1,079,357 | 229,302 | 363,672 | 134,111 | 70,093 |
| Principal | 43,829,429 | 15,496,354 | 11,517,541 | 11,913,241 | 11,835,252 |
| Interest | 6,541,233 | 7,418,382 | 8,326,082 | 9,660,213 | 9,373,553 |
| Total expenditures | <u>567,492,690</u> | <u>525,827,534</u> | <u>496,665,043</u> | <u>512,774,451</u> | <u>532,136,775</u> |
| Excess of revenues over (under) expenditures | <u>(73,745,532) -</u> | <u>(47,415,038)</u> | <u>(24,649,573)</u> | <u>(6,440,377)</u> | <u>23,224,549</u> |
| Other Financing Sources (Uses): | | | | | |
| Xcel Energy Loan Proceeds | - | - | - | - | 76,940 |
| Proceeds from bonds | 80,290,000 | 27,015,000 | 54,620,000 | 17,575,000 | 6,750,000 |
| Proceeds from loan | 4,682,875 | - | - | - | - |
| Discount/premium on bonds | 1,146,128 | 1,007,203 | 1,770,673 | 1,057,776 | 31,046 |
| Sale of capital assets | 900,000 | 14,400 | 13,845,000 | 756,306 | 6,000,000 |
| Redemption of refunded bonds | - | - | (2,345,000) | (10,505,000) | - |
| Transfers in | 3,024,157 | 9,606,712 | 2,118,199 | 226,989 | 2,331,539 |
| Transfers out | (3,542,913) | (11,263,221) | (2,725,691) | (805,676) | (2,950,973) |
| Total other financing sources (uses) | <u>86,500,247</u> | <u>26,380,094</u> | <u>67,283,181</u> | <u>8,305,395</u> | <u>12,238,552</u> |
| Net change in fund balances | <u>\$ 12,754,715</u> | <u>\$ (21,034,944)</u> | <u>\$ 42,633,608</u> | <u>\$ 1,865,018</u> | <u>\$ 35,463,101</u> |
| Debt service as a percentage of noncapital expenditures | 10.20% | 5.03% | 4.46% | 4.58% | 4.41% |

Note: Due to changes in the county's reporting with GASB Statement 34, fund balance information is available from 2002.

Table V

**RAMSEY COUNTY, MINNESOTA
NET TAX CAPACITY AND MARKET VALUE OF PROPERTY
LAST TEN FISCAL YEARS**

| PAYABLE FISCAL PERIOD | REAL ESTATE | | | PERSONAL PROPERTY | | | NET FISCAL DISPARITY (1) | LESS TAX INCREMENT NET CAPTURED TAX CAPACITY | TOTAL | | PERCENT OF TAXABLE MARKET VALUE |
|-----------------------------|----------------|--------------------------|---------------------|----------------------------|---------------------|----------------------------|-----------------------------------|---|-------------------------|----------------------------|--|
| | RESIDENTIAL | COMMERCIAL INDUSTRIAL | NET TAX CAPACITY | TAXABLE MARKET VALUE | NET TAX CAPACITY | TAXABLE MARKET VALUE | | | NET TAX CAPACITY (2) | TAXABLE MARKET VALUE | |
| 1997 | \$ 205,093,044 | \$ 145,545,918 | \$ 350,638,962 | \$ 16,895,944,100 | \$ 17,947,551 | \$ 394,259,500 | \$ 24,566,318 | \$ 27,019,845 | \$ 366,132,986 | \$ 17,290,203,600 | 2.12% |
| 1998 | 203,910,634 | 130,984,058 | 334,894,692 | 17,849,816,194 | 15,819,056 | 402,981,500 | 25,592,339 | 26,463,486 | 349,842,601 | 18,252,797,694 | 1.92% |
| 1999 | 203,149,844 | 130,019,165 | 333,169,009 | 19,178,518,010 | 13,988,644 | 405,934,600 | 24,589,335 | 27,809,167 | 343,937,821 | 19,584,452,610 | 1.76% |
| 2000 | 215,146,749 | 142,295,833 | 357,442,582 | 20,705,655,394 | 14,179,694 | 422,659,400 | 25,188,986 | 32,264,176 | 364,547,086 | 21,128,314,794 | 1.73% |
| 2001 | 239,458,505 | 166,287,124 | 405,745,629 | 22,946,288,200 | 13,809,251 | 412,474,200 | 24,968,205 | 39,704,914 | 404,818,171 | 23,358,762,400 | 1.73% |
| 2002 | 210,627,086 | 106,947,310 | 317,574,396 | 25,264,935,700 | 8,437,837 | 425,801,700 | 15,476,414 | 25,517,872 | 315,970,775 | 25,690,737,400 | 1.23% |
| 2003 | 232,709,558 | 121,254,997 | 353,964,555 | 28,452,378,400 | 8,614,622 | 436,524,200 | 18,141,924 | 27,493,190 | 353,227,911 | 28,888,902,600 | 1.22% |
| 2004 | 260,973,656 | 129,435,303 | 390,408,959 | 31,879,341,300 | 8,929,442 | 450,608,900 | 14,929,192 | 30,443,069 | 383,824,524 | 32,329,950,200 | 1.19% |
| 2005 | 305,043,385 | 133,723,605 | 438,766,990 | 36,273,669,900 | 9,351,087 | 471,470,300 | 13,244,590 | 31,946,107 | 429,416,560 | 36,745,140,200 | 1.17% |
| 2006 | 343,211,827 | 146,572,708 | 489,784,535 | 40,782,233,700 | 9,166,212 | 462,162,600 | 12,982,384 | 33,549,332 | 478,383,799 | 41,244,396,300 | 1.16% |
| 2007 | 382,683,298 | 164,138,472 | 546,821,770 | 45,462,936,100 | 9,300,648 | 468,551,900 | 12,882,615 | 40,581,499 | 528,423,534 | 45,931,488,000 | 1.15% |

(1) Fiscal Disparity Net Tax Capacity is the increase in the tax base distributed to Ramsey County by the Other metropolitan counties pursuant to M.S. Chapter 473.F - Metropolitan Revenue distribution. There are no provisions in the law for calculating a market value for the Fiscal Disparity Net Tax Capacity.

(2) All taxable property in Minnesota is listed annually and reappraised at least once every four years with reference to its value on January 2 of that year. Property is currently appraised at "Market Value," defined as the usual selling price of the property which would be obtained at private sale and not at a forced or auction sale. Statutory percentages are then applied to this value to determine a property's "Taxable Net Tax Capacity," upon which taxes are levied, extended, and collected. The total net tax capacity is reduced by the amount of the tax increment financing captured net tax capacity.

unaudited

**RAMSEY COUNTY, MINNESOTA
PROPERTY TAX RATES AND TAX LEVIES
LAST TEN FISCAL YEARS**

TABLE VI

| LEVY YEAR | PAYABLE YEAR | GENERAL FUND | | GENERAL DEBT SERVICE | TOTAL GENERAL COUNTY | COUNTY LIBRARY REVENUE (1) | COUNTY LIBRARY DEBT (1) | VALLEY BRANCH WATERSHED DEBT (2) | METRO WATERSHED CAPITAL IMPROVEMENTS (2) | TOTAL |
|---|-----------------|---------------------|-------------------|----------------------------|----------------------------|-------------------------------------|----------------------------------|--|--|-------------|
| | | GENERAL SERVICES | HUMAN SERVICES | | | | | | | |
| <u>TAX RATE AS A PERCENTAGE OF NET TAX CAPACITY (3)</u> | | | | | | | | | | |
| 1996 | 1997 | 22.087 | 15.382 | 3.071 | 40.540 | 2.876 | 0.810 | 0.931 | - | 45.157 |
| 1997 | 1998 | 22.723 | 16.343 | 3.270 | 42.336 | 3.048 | 0.862 | 0.929 | - | 47.175 |
| 1998 | 1999 | 22.405 | 17.170 | 3.610 | 43.185 | 3.089 | 0.747 | 0.821 | - | 47.842 |
| 1999 | 2000 | 22.103 | 15.180 | 3.712 | 40.995 | 3.133 | 0.711 | 0.781 | - | 45.620 |
| 2000 | 2001 | 20.651 | 14.472 | 3.596 | 38.719 | 2.889 | 0.558 | 0.719 | - | 42.885 |
| 2001 | 2002 | 27.592 | 18.510 | 4.647 | 50.749 | 3.899 | 0.718 | - | - | 55.366 |
| 2002 | 2003 | 27.734 | 18.250 | 4.302 | 50.286 | 3.732 | 0.585 | - | - | 54.603 |
| 2003 | 2004 | 27.078 | 17.789 | 4.572 | 49.439 | 3.198 | 0.498 | - | - | 53.135 |
| 2004 | 2005 | 25.636 | 16.156 | 4.056 | 45.848 | 3.025 | 0.337 | - | - | 49.210 |
| 2005 | 2006 | 25.541 | 14.465 | 3.548 | 43.554 | 2.819 | 0.250 | - | - | 46.623 |
| 2006 | 2007 | 24.454 | 14.294 | 3.219 | 41.967 | 2.746 | 0.230 | - | - | 44.943 |
| <u>TAX LEVIES</u> | | | | | | | | | | |
| 1996 | 1997 | 87,163,093 | 60,702,577 | 12,118,844 | 159,984,514 | 5,742,586 | 1,622,968 | 10,044 | - | 167,360,112 |
| 1997 | 1998 | 87,229,311 | 62,737,794 | 12,552,196 | 162,519,301 | 5,994,954 | 1,704,855 | 8,850 | - | 170,227,960 |
| 1998 | 1999 | 85,503,325 | 65,525,453 | 12,454,087 | 163,482,865 | 6,149,168 | 1,512,655 | 8,124 | - | 171,152,812 |
| 1999 | 2000 | 90,186,859 | 61,903,210 | 13,457,145 | 165,547,214 | 6,465,154 | 1,499,958 | 7,781 | - | 173,520,107 |
| 2000 | 2001 | 92,781,098 | 65,015,640 | 14,428,727 | 172,225,465 | 6,727,469 | 1,349,649 | 16,885 | - | 180,319,468 |
| 2001 | 2002 | 99,131,050 | 66,502,260 | 15,090,354 | 180,723,664 | 7,056,979 | 1,352,694 | - | - | 189,133,337 |
| 2002 | 2003 | 103,504,290 | 68,110,222 | 15,084,238 | 186,698,750 | 7,384,610 | 1,222,757 | - | - | 195,306,117 |
| 2003 | 2004 | 104,154,621 | 68,422,784 | 17,587,559 | 190,164,964 | 6,616,255 | 1,029,947 | - | - | 197,811,166 |
| 2004 | 2005 | 111,196,210 | 70,077,008 | 17,591,732 | 198,864,950 | 6,918,441 | 771,317 | - | - | 206,554,708 |
| 2005 | 2006 | 122,936,213 | 69,623,923 | 17,077,462 | 209,637,598 | 7,184,837 | 637,049 | - | - | 217,459,485 |
| 2006 | 2007 | 129,778,535 | 75,859,525 | 17,080,720 | 222,718,780 | 7,569,452 | 633,671 | - | - | 230,921,903 |

(1) Tax Levy on suburban property only.

(2) Tax Levy on property in the watershed district only.

(3) Tax rates may be lower in certain tax areas due to Disparity Reduction Aid paid by the state to governmental units in certain state determined tax areas.

(4) To make comparable to prior year levies, amount for HACA aid has been added to County's certified levy.

Unaudited

TABLE VII

**RAMSEY COUNTY, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

| Fiscal Year | Taxes Levied for the Fiscal Year (Original Levy) | Property Tax Credits (1) | Taxes Levied on Taxpayer | Adjustments | Total Adjusted Levy | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-------------|--|--------------------------|--------------------------|-------------|---------------------|--|---|---------------------------------|---------------------------|-----------------------------|
| | | | | | | Amount | Percentage of Original Levy on Taxpayer | | Amount | Percentage of Adjusted Levy |
| 1997 | \$ 159,984,513 | \$ 12,253,359 | \$ 147,731,154 | \$ 572,772 | \$ 147,158,382 | \$ 145,281,635 | 98.34% | \$ 1,370,556 | \$ 146,652,191 | 99.66% |
| 1998 | 162,519,301 | 12,279,654 | 150,239,647 | 346,917 | 149,892,730 | 148,330,593 | 98.73% | 1,092,673 | 149,423,266 | 99.69% |
| 1999 | 163,482,865 | 12,333,535 | 151,149,330 | 484,252 | 150,665,078 | 148,936,175 | 98.54% | 1,111,369 | 150,047,544 | 99.59% |
| 2000 | 165,547,214 | 14,341,142 | 151,206,072 | 250,821 | 150,955,251 | 149,128,001 | 98.63% | 1,370,592 | 150,498,593 | 99.70% |
| 2001 | 180,304,183 | 14,925,219 | 165,378,964 | 622,522 | 164,756,442 | 162,538,628 | 98.28% | 1,324,893 | 163,863,521 | 99.46% |
| 2002 | 189,146,194 | 27,524,379 | 161,621,815 | 249,906 | 161,371,909 | 159,790,921 | 98.87% | 543,962 | 160,334,883 | 99.36% |
| 2003 | 195,304,680 | 22,773,089 | 172,531,591 | 970,483 | 171,561,108 | 169,910,507 | 98.48% | (215,095) | 169,695,412 | 98.91% |
| 2004 | 197,811,635 | 12,743,098 | 185,068,537 | 1,500,388 | 183,568,149 | 181,440,412 | 98.04% | 295,954 | 181,736,366 | 99.00% |
| 2005 | 206,554,660 | 11,636,585 | 194,918,075 | 1,128,554 | 193,789,521 | 191,406,457 | 98.20% | 1,006,322 | 192,412,779 | 99.29% |
| 2006 | 217,459,484 | 10,143,743 | 207,315,741 | 797,442 | 206,518,299 | 203,455,200 | 98.14% | - | 203,455,200 | 98.52% |

Source: County Department of Records and Revenue
1) Payments made by the State for Property Tax relief.

Unaudited

TABLE VIII

RAMSEY COUNTY, MINNESOTA
RATIO OF NET GENERAL OUTSTANDING DEBT BY TYPE
TO ASSESSED VALUE, NET BONDED DEBT PER CAPITA AND PERSONAL INCOME
LAST TEN FISCAL YEARS

| YEAR | GOVERNMENTAL ACTIVITIES | | | BUSINESS-TYPE ACTIVITIES | | LESS DEBT SERVICE FUNDS | NET BONDED DEBT | NET TAX CAPACITY | PERCENT OF NET BONDED DEBT TO TAXABLE VALUE | NET BONDED DEBT PER CAPITA | PERCENTAGE OF PERSONAL INCOME |
|------|--------------------------|----------------------------------|----------------|--------------------------|--------------------------|-------------------------|-----------------|------------------|---|----------------------------|-------------------------------|
| | GENERAL OBLIGATION BONDS | PUBLIC FACILITY LEASE REV. BONDS | CAPITAL LEASES | GENERAL OBLIGATION BONDS | TOTAL PRIMARY GOVERNMENT | | | | | | |
| 1997 | \$ 186,703,248 | \$ - | \$ 136,367 | \$ - | \$ 186,839,615 | \$ 78,092,406 | \$ 108,747,209 | \$ 349,842,601 | 31.08% | \$ 218.62 | 0.70% |
| 1998 | 169,711,357 | - | 72,623 | - | 169,783,980 | 70,984,886 | 98,799,094 | 343,937,821 | 28.73% | 198.36 | 0.60% |
| 1999 | 121,708,263 | - | 4,114 | - | 121,712,377 | 19,222,151 | 102,490,226 | 364,547,086 | 28.11% | 205.84 | 0.60% |
| 2000 | 121,164,678 | - | - | 4,045,000 | 125,209,678 | 17,422,401 | 107,787,277 | 444,323,085 | 24.26% | 210.92 | 0.61% |
| 2001 | 120,061,718 | - | - | 4,045,000 | 124,106,718 | 12,721,534 | 111,385,184 | 352,321,925 | 31.61% | 217.35 | 0.62% |
| 2002 | 147,453,680 | 13,845,000 | - | 7,595,000 | 168,893,680 | 13,662,884 | 155,230,796 | 380,721,101 | 40.77% | 301.57 | 0.85% |
| 2003 | 159,002,000 | 13,845,000 | 244,089 | 7,345,000 | 180,436,089 | 17,007,495 | 163,428,594 | 414,267,593 | 39.45% | 317.17 | 0.86% |
| 2004 | 199,827,000 | 13,845,000 | 201,570 | 7,075,000 | 220,948,570 | 30,310,653 | 190,637,917 | 461,362,667 | 41.32% | 369.88 | 1.00% |
| 2005 | 195,507,000 | 13,375,000 | 156,111 | 9,725,000 | 218,763,111 | 35,744,378 | 183,018,733 | 429,416,560 | 42.62% | 355.03 | 0.96% |
| 2006 | 190,962,000 | 12,895,000 | 107,512 | 9,430,000 | 213,394,512 | 36,513,877 | 176,880,635 | 478,383,799 | 36.97% | 342.79 | 0.90% |

Unaudited

TABLE IX

**RAMSEY COUNTY, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

| <u>YEAR</u> | <u>GENERAL OBLIGATION BONDS</u> | <u>LESS DEBT SERVICE FUNDS</u> | <u>TOTAL</u> | <u>PERCENTAGE OF PERSONAL INCOME</u> | <u>PERCENTAGE OF NET TAX CAPACITY</u> | <u>NET BONDED DEBT PER CAPITA</u> |
|-------------|---|--|----------------|--|---|---|
| 1997 | \$ 186,703,248 | \$ 78,092,406 | \$ 108,610,842 | 0.70% | 31.05% | \$ 218.35 |
| 1998 | 169,711,357 | 70,984,886 | 98,726,471 | 0.60% | 28.70% | 198.21 |
| 1999 | 121,708,263 | 19,222,151 | 102,486,112 | 0.60% | 28.11% | 205.83 |
| 2000 | 125,209,678 | 17,422,401 | 107,787,277 | 0.61% | 24.26% | 210.92 |
| 2001 | 124,106,718 | 12,721,534 | 111,385,184 | 0.62% | 31.61% | 217.35 |
| 2002 | 155,048,680 | 13,662,884 | 141,385,796 | 0.78% | 37.14% | 274.67 |
| 2003 | 166,347,000 | 17,007,495 | 149,339,505 | 0.81% | 36.05% | 289.83 |
| 2004 | 206,902,000 | 30,310,653 | 176,591,347 | 0.90% | 38.28% | 342.62 |
| 2005 | 205,232,000 | 35,744,378 | 169,487,622 | 0.84% | 39.47% | 328.78 |
| 2006 | 200,392,000 | 36,513,877 | 163,878,123 | 0.81% | 34.26% | 317.59 |

Unaudited

TABLE X

**RAMSEY COUNTY, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2006**

| <u>Government Unit</u> | <u>Debt Outstanding*</u> | <u>Estimated Percentage Application **</u> | <u>Estimated Share of Direct and Overlapping Debt</u> |
|---|------------------------------|--|---|
| Debt repaid with property taxes | | | |
| City of White Bear Lake | \$ 1,895,000 | 98.4% | \$ 1,864,680 |
| City of Spring Lake Park | 8,180,000 | 2.4% | 196,320 |
| City of St. Anthony | 3,775,000 | 26.2% | 989,050 |
| City of Blaine | 13,050,000 | 1.0% | 130,500 |
| School District #624 | 72,235,000 | 81.9% | 59,160,466 |
| School District #622 | 112,935,000 | 54.6% | 61,662,510 |
| School District #282 | 3,000,000 | 37.9% | 1,137,000 |
| North Metro Intermediate School District #916 | 1,055,000 | 43.0% | 453,650 |
| Metro Council | 175,350,000 | 15.8% | 27,705,300 |
| Ramsey-Washington Metro Watershed District | 927,011 | 100.0% | 927,011 |
| City of St. Paul | 111,720,000 | 100.0% | 111,720,000 |
| City of Maplewood | 11,550,000 | 100.0% | 11,550,000 |
| City of Mounds View | 1,496,880 | 100.0% | 1,496,880 |
| City of New Brighton | 8,280,000 | 100.0% | 8,280,000 |
| City of North St. Paul | 5,455,000 | 100.0% | 5,455,000 |
| City of Roseville | 9,000,000 | 100.0% | 9,000,000 |
| City of Shoreview | 5,370,000 | 100.0% | 5,370,000 |
| City of Vadnais Heights | 2,546,000 | 100.0% | 2,546,000 |
| Town of White Bear | 2,380,000 | 100.0% | 2,380,000 |
| School District #621 | 128,373,495 | 100.0% | 128,373,495 |
| School District #623 | 39,175,000 | 100.0% | 39,175,000 |
| School District #625 | 343,847,152 | 100.0% | 343,847,152 |
| Port Authority | 13,470,000 | 100.0% | 13,470,000 |
| Other debt | | | |
| Ramsey County Capital Leases | 107,511 | 100.0% | 107,511 |
| Ramsey County Public Facility Revenue Bonds | 12,895,000 | 100.0% | 12,895,000 |
| Subtotal, overlapping debt | | | 849,892,525 |
| Ramsey County Direct Debt | 181,432,000 | 100.0% | 181,432,000 |
| Total direct and overlapping debt | | | <u><u>\$1,031,324,525</u></u> |

* Debt Outstanding - That portion of the debt which is financed by tax levies.

** Determined by ratio of net tax capacity of property subject to taxation in overlapping unit to net tax capacity of property subject to taxation in reporting unit.

Unaudited

**RAMSEY COUNTY, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

TABLE XI

Legal Debt Margin Calculation for Fiscal Year 2006

| | |
|---|------------------------------|
| Assessed value | \$ 41,244,396,300 |
| Debt Limit (2% of assessed value) | 824,887,926 |
| Debt applicable to limit: | |
| General obligation bonds | 200,392,000 |
| Less: Amount set aside for repayment of general obligation bonds | <u>(36,513,877)</u> |
| Total net debt applicable to limit | <u>163,878,123</u> |
| Legal debt margin | <u><u>\$ 661,009,803</u></u> |

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Debt limit | \$ 365,055,954 | \$ 391,689,052 | \$ 422,566,296 | \$ 467,600,850 | \$ 507,175,248 | \$ 513,814,712 | \$ 577,778,052 | \$ 646,599,044 | \$ 734,902,804 | \$ 824,887,926 |
| Total net debt applicable to limit | 108,154,422 | 98,379,865 | 102,121,971 | 106,916,529 | 111,213,520 | 155,230,796 | 163,184,505 | 176,591,347 | 169,487,622 | 163,878,123 |
| Legal debt margin | <u><u>\$ 256,901,532</u></u> | <u><u>\$ 293,309,187</u></u> | <u><u>\$ 320,444,325</u></u> | <u><u>\$ 360,684,321</u></u> | <u><u>\$ 395,961,728</u></u> | <u><u>\$ 358,583,916</u></u> | <u><u>\$ 414,593,547</u></u> | <u><u>\$ 470,007,697</u></u> | <u><u>\$ 565,415,182</u></u> | <u><u>\$ 661,009,803</u></u> |

Note: Limit on debt - Minnesota Statutes, Section 475.53, Subdivision 1 - "Except as otherwise provided -- no municipality, --, shall incur or be subject to a net debt in excess of 2 percent of the market value of taxable property in the municipality."

Unaudited

TABLE XII

**RAMSEY COUNTY, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEAR'S AGO**

| Taxpayer | Type of Business | 2006 | | 1997 | | Percentage of Total Taxable Net Tax Capacity | Rank | Percentage of Total Taxable Net Tax Capacity |
|---|---|--------------------------|------|--------------------------|---------------|--|-------|--|
| | | Taxable Net Tax Capacity | Rank | Taxable Net Tax Capacity | Rank | | | |
| NorthernStates Power (Xcel Energy) | Utility | \$ 7,808,804 | 1 | 1.6 % | \$ 12,917,961 | 1 | 3.5 % | |
| 3M | Corporate Headquarters /Manufacturing | 5,677,654 | 2 | 1.1 % | 9,574,626 | 2 | 2.6 % | |
| Compass Retail Inc | Real Estate Investing (Rosedale) | 2,187,100 | 3 | 0.4 % | | | | |
| CSM Corporation & Investors | Property Management/ Real Estate Investing (Commercial/ Office/ Hotel/ Townhome) | 1,820,606 | 4 | 0.4 % | | | | |
| Minnesota Mutual Life Insurance | Insurance | 1,731,034 | 5 | 0.4 % | | | | |
| Guidant(Cardiac Pacemakers Inc) | Medical Manufacturing | 1,699,250 | 6 | 0.3 % | | | | |
| Target Corporation | Retail | 1,648,414 | 7 | 0.3 % | 1,786,466 | 6 | 0.5 % | |
| Maplewood Mall Associates LP | Real Estate Investing (Maplewood Mall) | 1,529,250 | 8 | 0.3 % | 2,529,426 | 4 | 0.7 % | |
| US Bank Corp Prop & US Bancorp | Corp Office Building & Banking | 1,545,153 | 9 | 0.3 % | | | | |
| Heritage Property Investment Trust Inc. (Bradley Operating LP) | Real Estate Investing (Har- Mar & others) | 1,565,736 | 10 | 0.3 % | | | | |
| Equitable Life Assurance Society | Insurance/Real Estate | | | | 3,318,050 | 3 | 0.9 % | |
| St Paul Fire and Marine Ins Co (St Paul Travelers) | Insurance | | | | 1,939,921 | 5 | 0.5 % | |
| Deluxe Corporation | Printing Company | | | | 1,542,624 | 7 | 0.4 % | |
| Ford Motor Corporation | Truck Manufacturing | | | | 1,169,244 | 8 | 0.3 % | |
| Space Center Enterprises | Warehousing | | | | 1,113,149 | 9 | 0.3 % | |
| Bradley Real Estate Trust | Real Estate Development | | | | 1,011,546 | 10 | 0.3 % | |

Source: Ramsey County Department of Property Records and Revenue

Unaudited

TABLE XIII

**RAMSEY COUNTY, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

| Year | Population^a | Personal Income (millions of dollars)^b | Per Capita Personal Income^b | Public School Enrollment (K-12)^c | Annual Average Unemployment Rate^d |
|-------------|-------------------------------|--|---|--|---|
| 1997 | 497,423 | \$ 15,493 | 31,147 | 85,656 | 2.7% |
| 1998 | 498,080 | \$ 16,368 | 32,863 | 86,820 | 2.1% |
| 1999 | 497,919 | \$ 17,108 | 34,360 | 88,031 | 2.3% |
| 2000 | 511,035 | \$ 17,682 | 34,601 | 87,814 | 2.9% |
| 2001 | 512,462 | \$ 18,058 | 35,237 | 87,128 | 3.3% |
| 2002 | 514,748 | \$ 18,173 | 35,304 | 86,442 | 4.2% |
| 2003 | 515,274 | \$ 18,487 | 36,654 | 84,709 | 4.9% |
| 2004 | 515,411 | \$ 19,641 | 39,369 | 83,916 | 4.8% |
| 2005 | 515,258 | \$ 20,232 | 40,883 | 82,843 | 4.0% |
| 2006 | * | * | * | 84,039 | 3.8% |

* - Figure for this period is not yet available.

^a Source for 2000 is U.S. Census Bureau; all other years are estimates from the Metropolitan Council.

^b U.S. Department of Commerce, Bureau of Economic Analysis.

^c State Department of Education.

^d Minnesota Department of Economic Security, Research and Planning.

Unaudited

TABLE XIV

**RAMSEY COUNTY, MINNESOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEAR'S AGO**

| <u>Taxpayer</u> | <u>Fiscal Year 2006</u> | | | <u>Fiscal Year 1997</u> | | | |
|-----------------------------|--|-------------|--|--|---------------|--|---------------|
| | <u>Approximate Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> | <u>Approximate Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> | |
| U.S. Bank N.A. | 51,000 | a | 1 | 19.18% | - | - | - |
| State of Minnesota | 35,750 | | 2 | 13.44% | 34,472 | 1 | 12.59% |
| University of Minnesota | 16,300 | b | 3 | 6.13% | 3,997 | 5 | 1.46% |
| 3M Company | 14,500 | | 4 | 5.45% | 13,662 | 2 | 4.99% |
| Target Corporation | 11,400 | c | 5 | 4.29% | - | - | - |
| Health East | 6,700 | | 6 | 2.52% | 3,469 | 7 | 1.27% |
| Indep. School District #625 | 5,797 | | 7 | 2.18% | 5,300 | 3 | 1.93% |
| Ramsey County | 4,379 | | 8 | 1.65% | 3,890 | 6 | 1.42% |
| United/Children's Hospital | 4,500 | | 9 | 1.69% | 4,190 | 4 | 1.53% |
| Regions Hospital | 4,000 | | 10 | 1.50% | 3,000 | 10 | 1.10% |
| City of St Paul | - | | - | - | 3,343 | 8 | - |
| St. Paul Companies | - | | - | - | 3,300 | 9 | 1.20% |
| | <u>154,326</u> | | | <u>58.34%</u> | <u>78,623</u> | | <u>27.49%</u> |

a: Employment figure nationwide headquarter in St. Paul

b: Includes Minneapolis campus

c: Includes entire Twin Cities area

Source: Minnesota Department of Employment and Economic Security.

Unaudited

County's Official Statement

**RAMSEY COUNTY, MINNESOTA
INSURANCE IN FORCE
DECEMBER 31, 2006**

| <u>COMPANY NAME</u> | <u>POLICY NUMBER</u> | <u>POLICY PERIOD</u> | <u>COVERAGE-DEPARTMENTS</u> | <u>POLICY LIMIT</u> |
|---------------------------------------|----------------------|----------------------|--|--|
| St. Paul/Travelers | KTK-CMB-294T324-4-06 | 9/22/06-9/22/07 | COUNTY Property Fire & Extended Coverage Boiler & Machinery Vehicles & Mobile Equipment | All Risk, Full Replacement, \$100,000 deductible B&M Perils \$500,000,000 limit |
| Travelers Insurance Company | 103916124 | 9/22/06-9/22/07 | Commercial Crime including Public Employee Dishonesty coverage | \$3,000,000 \$50,000 deductible |
| WCRA | 40014 | 1/1/06-1/1/07 | Reinsurance - Workers Compensation | Statutory, covers claims over \$1,560,000 |
| Berkley | WC22-04-109107-05 | 1/1/06-1/1/07 | WORKFORCE SOLUTIONS Workers' Compensation | Statutory, covers claims over \$1,560,000 |
| MN Joint Underwriters Assn. | 20041 | 7/1/06-7/1/07 | LAKE OWASSO General & Professional Liability | \$1,000,000/occurrence \$3,000,000 aggregate \$5,000 deductible |
| Berkley | WC22-04-109107-05 | 1/1/06-1/1/07 | Workers' Compensation | Statutory, covers claims over \$1,560,000 |
| National Indemnity Company of America | 75APN389887 | 1/1/06-1/1/07 | Automobile | \$1,000,000 \$500.00 deductible for Collision & Comprehensive. |
| The Medical Protective Company | 679766 | 7/1/06-7/1/07 | MEDICAL EXAMINER Professional Liability Kelly Mills, MD | \$1,000,000/occurrence \$3,000,000 aggregate |
| The Medical Protective Company | 675823 | 7/1/06-7/1/07 | Professional Liability Michael McGee, MD | \$1,000,000/occurrence \$3,000,000 aggregate |
| The Medical Protective Company | 709326 | 7/1/06-7/1/07 | Professional Liability Victor V. Froloff | \$1,000,000/occurrence \$3,000,000 aggregate |

(Continued)

Unaudited

**TABLE XV
(Continued)**

**RAMSEY COUNTY, MINNESOTA
INSURANCE IN FORCE
DECEMBER 31, 2006**

| <u>COMPANY NAME</u> | <u>POLICY NUMBER</u> | <u>POLICY PERIOD</u> | <u>COVERAGE-DEPARTMENTS</u> | <u>POLICY LIMIT</u> |
|-----------------------------------|----------------------|----------------------|---|---|
| CNA Surety/Western Surety Co. | 0601 69042089 | 9/15/06-9/15/07 | NURSING HOME Patient's Bond | \$100,000 |
| MCIT | WC245006 | 1/1/06-1/1/07 | RESOURCE RECOVERY Workers' Compensation | Statutory, covers claims over \$1,560,000 |
| MCIT | PC245006 | 1/1/06-1/1/07 | Package Liability | \$1,000,000/occurrence \$300,000/person |
| MN Joint Underwriting Association | 40015 | 7/1/06-7/1/07 | REGIONAL RAIL Directors & Officers | \$1,000,000/occurrence |
| MN Joint Underwriting Association | J04-0016 | 7/1/06-7/1/07 | General Liability | \$1,000,000/occurrence \$250.00 deductible |

Unaudited

TABLE XVI

RAMSEY COUNTY, MINNESOTA
FULL-TIME-EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| <u>Function/Program</u> | <u>Full-time Equivalent Employees as of December 31</u> | | | | | | | | | |
|-------------------------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| General government | 870.21 | 890.57 | 893.03 | 898.43 | 896.73 | 902.03 | 896.08 | 709.88 | 709.08 | 719.08 |
| Public safety | 811.74 | 835.74 | 850.74 | 919.74 | 925.74 | 928.24 | 952.99 | 956.99 | 959.49 | 1,069.49 |
| Highways and streets | 151.78 | 153.78 | 150.13 | 144.13 | 132.13 | 131.13 | 131.13 | 123.13 | 122.18 | 122.18 |
| Sanitation | - | - | - | - | - | - | - | - | - | - |
| Health | 141.92 | 260.82 | 264.68 | 269.48 | 259.88 | 273.76 | 288.76 | 273.83 | 291.53 | 292.73 |
| Human services | 1,206.94 | 1,215.71 | 1,226.21 | 1,236.71 | 1,224.96 | 1,264.26 | 1,299.74 | 1,251.35 | 1,274.09 | 1,252.09 |
| Culture and recreation | 199.39 | 201.79 | 200.79 | 200.07 | 199.07 | 201.06 | 204.36 | 194.66 | 196.91 | 193.61 |
| Conservation of natural resources | 4.90 | 4.90 | 4.90 | 4.90 | 4.90 | 6.25 | 3.90 | 3.90 | 4.90 | 4.90 |
| Economic development and assistance | 43.40 | 43.40 | 43.40 | 45.40 | 74.40 | 79.40 | 76.20 | 78.40 | 89.40 | 89.40 |
| Total | 3,430.28 | 3,606.71 | 3,633.88 | 3,718.86 | 3,717.81 | 3,786.13 | 3,853.16 | 3,592.14 | 3,647.58 | 3,743.48 |

Source: County Budgeting and Accounting Office.

Unaudited

**RAMSEY COUNTY, MINNESOTA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function/Program | Fiscal Year | | | | | | | | | |
|--|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| General government | | | | | | | | | | |
| County Building Operating Cost per Gross Square Foot | N/A | N/A | N/A | N/A | N/A | \$ 5.45 | \$ 5.36 | \$ 5.43 | \$ 5.28 | \$ 5.28 |
| Public safety | | | | | | | | | | |
| Sheriff: | | | | | | | | | | |
| Jail Facility Bookings | 20,081 | 20,871 | 21,422 | 23,352 | 23,233 | 24,240 | 23,578 | 23,652 | 25,025 | 25,864 |
| Warrants Issued & Cleared | N/A | N/A | N/A | 19,761 | 18,855 | 20,140 | 18,467 | 17,059 | 15,598 | 15,118 |
| Corrections: | | | | | | | | | | |
| Adult Probation Cases | 25,345 | 25,581 | 28,348 | 27,574 | 29,095 | 31,765 | 32,331 | 31,234 | 29,553 | 28,763 |
| Juvenile Probation Cases | 2,966 | 2,992 | 3,004 | 3,338 | 3,404 | 3,398 | 3,231 | 3,040 | 3,151 | 3,529 |
| Average daily population All Facilities | 384 | 447 | 425 | 454 | 469 | 503 | 515 | 505 | 531 | 539 |
| Highways and streets | | | | | | | | | | |
| Vehicle miles traveled on County roads | 1,771,481 | 1,809,050 | 1,846,619 | 1,882,905 | 1,919,190 | 1,940,058 | 1,960,926 | 1,929,843 | 1,898,759 | 1,884,314 |
| Health | | | | | | | | | | |
| WIC Nutrition Program Client served | N/A | N/A | N/A | N/A | N/A | N/A | 26,161 | 27,744 | 28,610 | 29,436 |
| Client personal care attendant assessments | N/A | N/A | N/A | N/A | N/A | N/A | 1,438 | 1,884 | 1,772 | 1,710 |
| Human services | | | | | | | | | | |
| Financial Assistance Cases | 33,387 | 32,410 | 32,347 | 33,067 | 34,993 | 37,881 | 39,247 | 40,937 | 41,536 | 43,053 |
| Out of Home Placements | N/A | N/A | N/A | N/A | N/A | 3,842 | 3,473 | 3,565 | 3,287 | 3,260 |
| Applications for Financial Assistance | N/A | N/A | N/A | N/A | N/A | 28,433 | 31,205 | 31,205 | 34,267 | 37,158 |
| Services for Disabled Adults | N/A | N/A | N/A | N/A | 207 | 438 | 714 | 916 | 1,145 | 1,366 |
| Child Maltreatment Intake Reports | N/A | N/A | N/A | N/A | N/A | 1,457 | 1,427 | 1,502 | 1,833 | 1,718 |
| Culture and recreation | | | | | | | | | | |
| Parks and recreation: | | | | | | | | | | |
| Ice hours rented at ice arenas | N/A | N/A | N/A | N/A | N/A | 13,423 | 12,774 | 15,389 | 15,814 | 15,746 |
| Park shelter rentals | N/A | N/A | N/A | N/A | N/A | N/A | 1,315 | 1,247 | 1,272 | 1,254 |
| Libraries: | | | | | | | | | | |
| Total Circulation | 2,647,348 | 2,645,526 | 2,741,949 | 2,811,940 | 2,996,503 | 3,404,282 | 3,579,427 | 3,749,432 | 3,842,512 | 4,074,673 |
| Visits to Library Buildings | 1,167,257 | 1,291,641 | 1,390,843 | 1,490,569 | 1,531,946 | 1,641,497 | 1,626,456 | 1,623,429 | 1,681,171 | 1,674,239 |
| Librarian reference assistance | 258,622 | 244,261 | 169,732 | 293,211 | 313,277 | 293,569 | 269,444 | 274,712 | 272,302 | 264,372 |
| Economic development and assistance | | | | | | | | | | |
| Workforce Solutions: | | | | | | | | | | |
| Percent of participants in voluntary programs employed | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 73% | 77% |
| Percent of participants in mandatory programs employed | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 63% | 71% |

Source: County Budgeting and Accounting Office and individual county departments.

N/A: Not available

Unaudited

TABLE XVIII

**RAMSEY COUNTY, MINNESOTA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

| <u>Function/Program</u> | <u>Fiscal Year</u> | | | | | | | | | |
|--|--------------------|------|------|------|-------|-------|-------|-------|-------|-------|
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| Public safety | | | | | | | | | | |
| Patrol Station | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Law Enforcement Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Post Adjudicated Correctional facilities | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Pre-Adjudicated Correctional Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Highways and streets | | | | | | | | | | |
| Centerline miles of county road maintained | 286 | 281 | 281 | 298 | 298 | 302 | 302 | 298 | 298 | 298 |
| Culture and recreation | | | | | | | | | | |
| Parks and recreation: | | | | | | | | | | |
| Number of regional parks | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Number of county parks | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Park acreage: | | | | | | | | | | |
| Developed | N/A | N/A | N/A | N/A | 5,478 | 5,478 | 5,478 | 5,478 | 5,478 | 5,478 |
| Undeveloped | N/A | N/A | N/A | N/A | 636 | 636 | 636 | 636 | 636 | 636 |
| County golf courses | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Golf dome (practice range) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Ice arenas | 11 | 11 | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Fairgrounds | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Nature center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Archery range | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Picnic shelters | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 |
| Pavilions | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

Source: County Budgeting and Accounting Office and individual county departments.

N/A: Not available

Unaudited