

Because of the differing capabilities of the internet and the printed page, the layout and pagination of the Acrobat Version (.pdf) of the 2005 Comprehensive Annual Financial Report does not correspond exactly to that of the printed version. The information reported in both versions is the same.



Comprehensive Annual Financial Report

Year ended December 31, 2005



Vision of Peace, 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)		2005	2004	Percent Change
Government-wide Financial Statements:				
Assets		\$ 939,385	\$ 903,412	4.0%
Liabilities		\$ 314,069	\$ 316,040	(0.6%)
Net Assets		\$ 625,316	\$ 587,372	6.5%
Government-wide Financial Statements:				
Revenues		\$ 532,290	\$ 502,086	6.0%
Expenses		\$ 494,346	\$ 473,151	4.5%
Increase in Net Assets		\$ 37,944	\$ 28,935	
Expense per Capita		\$ 959.09	\$ 918.74	4.4%
Investment/Cash Ratio		99.0%	99.0%	-
Average Investment Yield		3.6%	1.9%	89.5%
General Obligation Debt		\$ 218,607	\$ 220,747	(1.0%)
Net General Obligation Debt Per Capita		\$ 355.03	\$ 342.71	3.6%
Bond Ratings	Moody's Investor Services	Aaa	Aaa	
	Standard & Poor's	AAA	AAA	
Property Taxes	Levy (General County)	\$ 209,638	\$ 197,811	6.0%
	Net Tax Capacity Rates	43.55	45.85	(5.0%)
	Net Tax Capacity	\$ 461,363	\$ 414,268	11.4%
	Market Values	\$ 36,745,140	\$ 32,329,950	13.7%
Number of Budgeted Employees (FTE)		3,610.08	3,592.14	0.5%

Comprehensive Annual Financial Report

of the

County of Ramsey, Minnesota

Year Ended December 31, 2005

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	14
Certificate of Achievement for Excellence in Financial Reporting	15

SECTION II – FINANCIAL SECTION

Independent Auditor’s Report	17
------------------------------	----

<u>MANAGEMENT’S DISCUSSION AND ANALYSIS</u>	19
--	----

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)

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:

		<u>Page No.</u>
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances – Budget and Actual General Fund	Schedule 1	75
Notes to the Required Supplementary Information		77

MAJOR FUND BUDGET AND ACTUAL SCHEDULE:

Schedule of Revenues, Expenditures, and Changes in Fund		
Balances – Budget and Actual Debt Service Fund	Schedule 2	80

COMBINING STATEMENTS:

Nonmajor Governmental Funds		82
Combining Balance Sheet – Nonmajor Governmental Funds	Statement 1	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	Statement 2	86
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
County Library Special Revenue Fund	Schedule 3	88
Solid Waste/Recycling Service Fee Special Revenue Fund	Schedule 4	89
Saint Paul Public Health JPA Special Revenue Fund	Schedule 5	90
Regional Railroad Authority Special Revenue Fund	Schedule 6	91
Forfeited Tax Sale Special Revenue Fund	Schedule 7	92
Nonmajor Enterprise Funds		93
Combining Statement of Net Assets – Nonmajor Enterprise Funds	Statement 3	94
Combining Statement of Revenues, Expenses and Changes in Net Assets – Nonmajor Enterprise Funds	Statement 4	95
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	Statement 5	96
Internal Service Funds		97
Combining Statement of Net Assets – Internal Service Funds	Statement 6	98
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds	Statement 7	99
Combining Statement of Cash Flows – Internal Service Funds	Statement 8	100
Fiduciary Funds		101
Combining Statement of Fiduciary Net Assets – Private Purpose Trust Funds	Statement 9	102
Combining Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Funds	Statement 10	103
Statement of Changes in Assets and Liabilities – Agency Fund	Statement 11	104

TABLE OF CONTENTS (Continued)

SUPPLEMENTARY INFORMATION:

		<u>Page No.</u>
Schedule of Intergovernmental Revenues	Schedule 8	106
Schedule of Expenditures of Federal Awards	Schedule 9	108

SECTION III – STATISTICAL SECTION

Government-wide Expenses by Function	Table I	112
Government-wide Revenues	Table II	113
General Governmental Revenues and Expenditures- By Source and Function	Table III	114
Comparison of Property Tax Collections to Amount Required to Finance County Budget	Table IV	115
Net Tax Capacity and Market Value of Property	Table V	116
Property Tax Rates and Tax Levies	Table VI	117
Property Tax Rates and Tax Levies-Direct and All Overlapping Governments	Table VII	118
Ratio of Net General Bonded Debt to Assessed Value, Net Bonded Debt Per Capita, and Personal Income	Table VIII	122
Direct and Overlapping Governmental Activities Debt	Table IX	123
Legal Debt Margin Information	Table X	124
Ratio of Annual Debt Service Expenditures for General Bonded Debt to General Expenditures	Table XI	125
Tax Increment Districts Captured/ Net Tax Capacity	Table XII	126
Salaries and Surety Bonds of Principal Officials	Table XIII	127
Insurance in Force	Table XIV	128
Demographic Statistics	Table XV	130
Property Assessed Value, Construction and Bank Deposits	Table XVI	131
Principal Taxpayers in the County	Table XVII	132
Miscellaneous Statistical Data	Table XVIII	133
Fiscal Disparity Payments to the County	Table XIX	136

SECTION I – INTRODUCTORY SECTION

**RAMSEY COUNTY
LIST OF PRINCIPAL OFFICIALS
December 31, 2005**

	Name	Term Expires
ELECTED		
Commissioners:		
1st District	Tony Bennett, Chair	January 2009
2nd District	Jan Parker	January 2009
3rd District	Janice Rettman	January 2007
4th District	Toni Carter	January 2007
5th District	Rafael Ortega	January 2007
6th District	Jim McDonough	January 2007
7th District	Victoria Reinhardt	January 2009
County Attorney	Susan Gaertner	January 2007
County Sheriff	Bob Fletcher	January 2007
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



May 26 , 2006

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, 2005. 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 9. 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

The County has entered into an agreement with the Rottlund Company, Inc., to purchase and develop the site of the former Adult Detention Center (ADC) and the "F" building in the Ramsey County Government Center-West complex. Closing on the property is scheduled for August 2006. Vacation of the "F" building will then be completed by the end of March 2007.

Rottlund's proposed residential project envisions a 25-story, glass-clad tower rising on the "F" building site along with housing units built into the river bluff on the ADC site below Kellogg Boulevard. The total value of this condominium project is expected to exceed \$100 million with the sale of an estimated 250-300 living units.

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 is developing a subsystem of the regional and state system. 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. The site development and equipment installation (radios, antennas, shelters, microwave and fiber optic connections, and backup power) for the seven base radio stations is complete. Three of the four existing dispatch centers in the County are merging into one state of the art dispatch center to be operated by the County. A new Dispatch Center will be constructed on the Saint Paul/Ramsey County Law Enforcement Campus and a backup center will be developed at the Ramsey County Sheriff's Patrol Station in Arden Hills. Transition activities are occurring in 2006 with the Dispatch Center being open for operation in the spring of 2007.

Library Facilities

Several Library facilities are being remodeled and/or expanded to accommodate increased library usage. This \$9.7 million project started in 2004 and continues in 2005. This is the first phase of a multi-year upgrade and expansion of the County's Library facilities.

Union Depot

The Union Depot, located in downtown St. Paul, will 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 (RCRRA) purchased 11 acres of property that will be needed to implement the build out of the transit hub. It is anticipated the U.S. Post Office will move operations in 2009, clearing a path for implementation of the first phase of the hub after that. The hub received \$50 million in federal funds for planning, environmental, design, and construction of the facility.

Two-Year Budget

In 2005, the Ramsey County Board of Commissioners adopted its first two-year budget for 2006-2007. The goal of the two-year budget is to more closely parallel the State biennial budget process; improve financial management; improve long-range and strategic planning; better link operating and capital activities with spending; and improve program monitoring and evaluation. For the first year of the biennium, budget detail for both years was submitted and the focus of department budget hearings was financial. In the second year, a supplemental budget will be submitted with 2007 changes only and department budget hearings will focus on strategic planning, program evaluation, and outcomes.

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 draft 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 amongst each other 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. Our 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, 2004. This is the 31st 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 2005 annual approved budget. The County has received this award for the past 22 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,



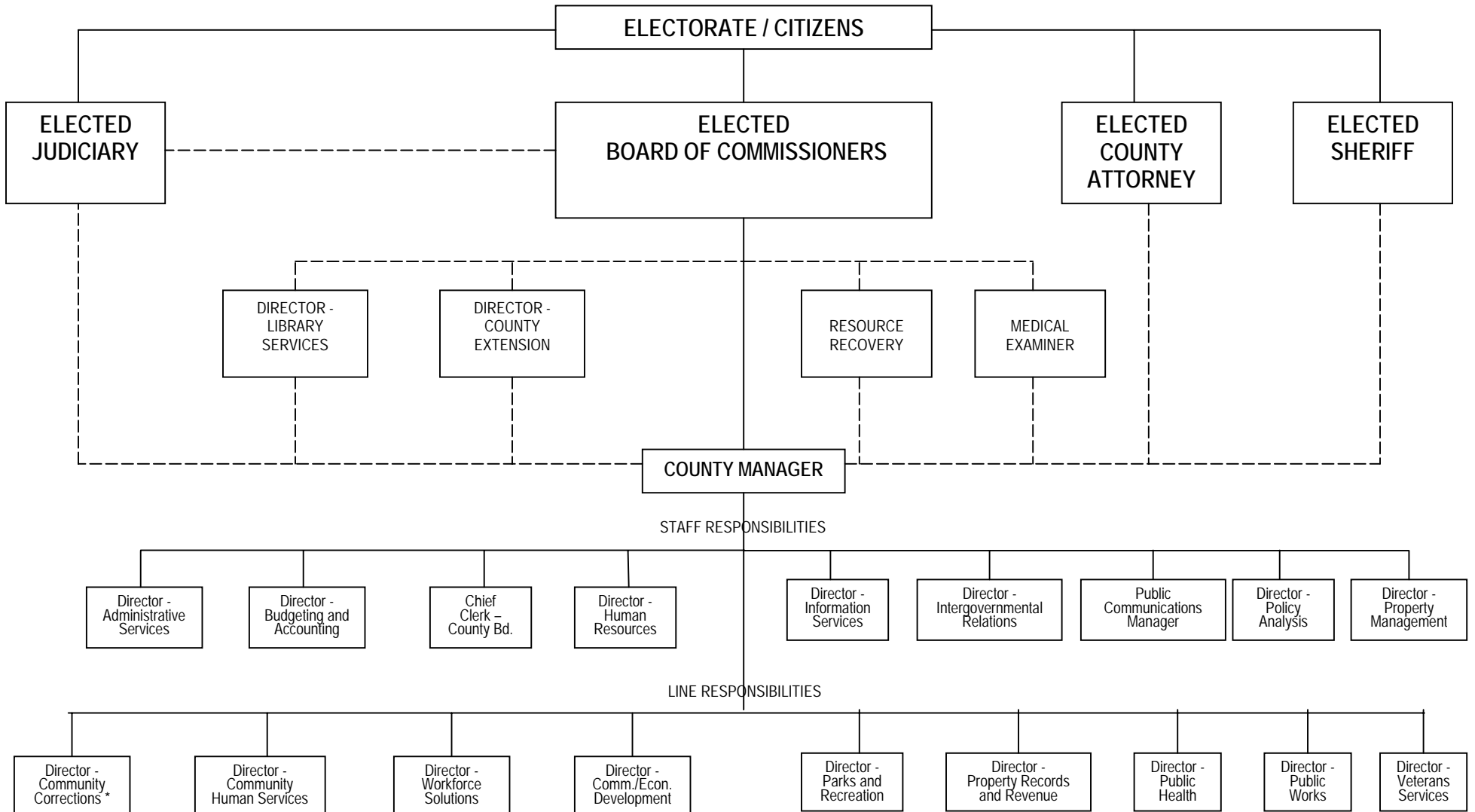
David Twa
County Manager



Julie Kleinschmidt, Director
Budgeting & Accounting



Organizational Chart By Position



*Internal Management Board comprised of Judges and Commissioners

_____ Direct lines of responsibility - - - - - Administrative responsibility only

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, 2004

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



Carla E. Perry

President

Jeffrey R. Emer

Executive Director

SECTION II – FINANCIAL SECTION



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)

PATRICIA ANDERSON
STATE AUDITOR

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, 2005, 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 summarized comparative information has been derived from the County's 2004 financial statements and, in our report dated May 31, 2005, 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, 2005, 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.

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Ramsey County's financial statements for the year ended December 31, 2004, from which the summarized information was derived.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2006, on our consideration of the 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.



PATRICIA ANDERSON
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

End of Fieldwork: May 26, 2006

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, 2005. 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 10-13 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 \$621,327,262 (net assets). Of this amount, \$116,795,345 (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 \$37,944,156.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$277,083,130, an increase of \$4,109,010 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$135,073,134, or 36.1 % of total general fund expenditures.
- The County's total G.O. debt decreased by \$1,510,000 (0.8%) 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. The basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the 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, welfare, 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, which is considered a major fund. Data for the other three 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 44-73 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 75-78 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 84-104 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 \$625,245,788 at the close of the most recent fiscal year.

The largest portion of Ramsey County's net assets (66.4%) 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>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current and Other Assets	\$358,233,286	\$349,814,203	\$ 6,955,327	\$ 4,153,255	\$365,188,613	\$353,967,458
Capital Assets	<u>563,782,988</u>	<u>538,865,985</u>	<u>10,413,413</u>	<u>10,578,776</u>	<u>574,196,401</u>	<u>549,444,761</u>
Total Assets	922,016,274	888,680,188	17,368,740	14,732,031	939,385,014	903,412,219
Long-term Liabilities						
Outstanding	218,596,145	211,267,925	10,521,680	7,882,663	229,117,825	219,150,588
Other Liabilities	<u>82,092,867</u>	<u>94,232,674</u>	<u>2,858,424</u>	<u>2,657,215</u>	<u>84,951,291</u>	<u>96,889,889</u>
Total Liabilities	300,689,012	305,500,599	13,380,104	10,539,878	314,069,116	316,040,477
Net Assets:						
Invested in Capital Assets, Net of Related Debt	411,727,719	331,762,415	3,656,566	3,565,655	415,384,285	335,328,070
Restricted	92,804,198	106,484,915	46,163	66,411	92,850,361	106,551,326
Unrestricted	<u>116,795,345</u>	<u>144,932,259</u>	<u>285,907</u>	<u>560,087</u>	<u>117,081,252</u>	<u>145,492,346</u>
Total Net Assets	<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>

The government's net assets increased by \$37,944,156 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 \$38,147,673, thereby accounting for all of the total growth in the net assets. Key elements of this increase are as follows:

- Capital Assets increased by \$24,751,640. The majority of this increase in capital assets was from highway construction and building projects.

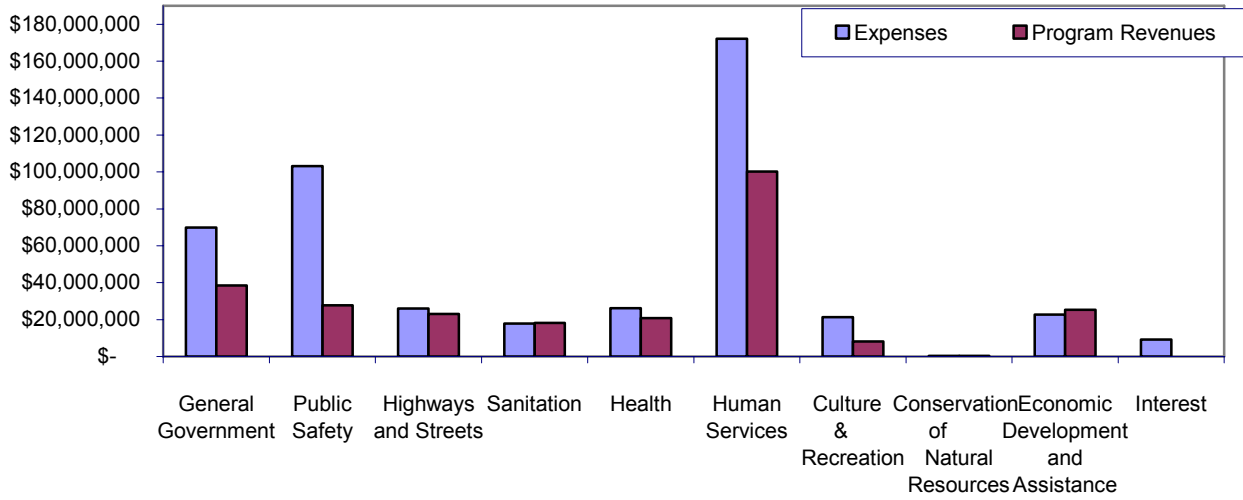
- Property tax and charges for services collections increased. However, some tax increases were a result of the State reducing aid to the County.

CHANGES IN NET ASSETS

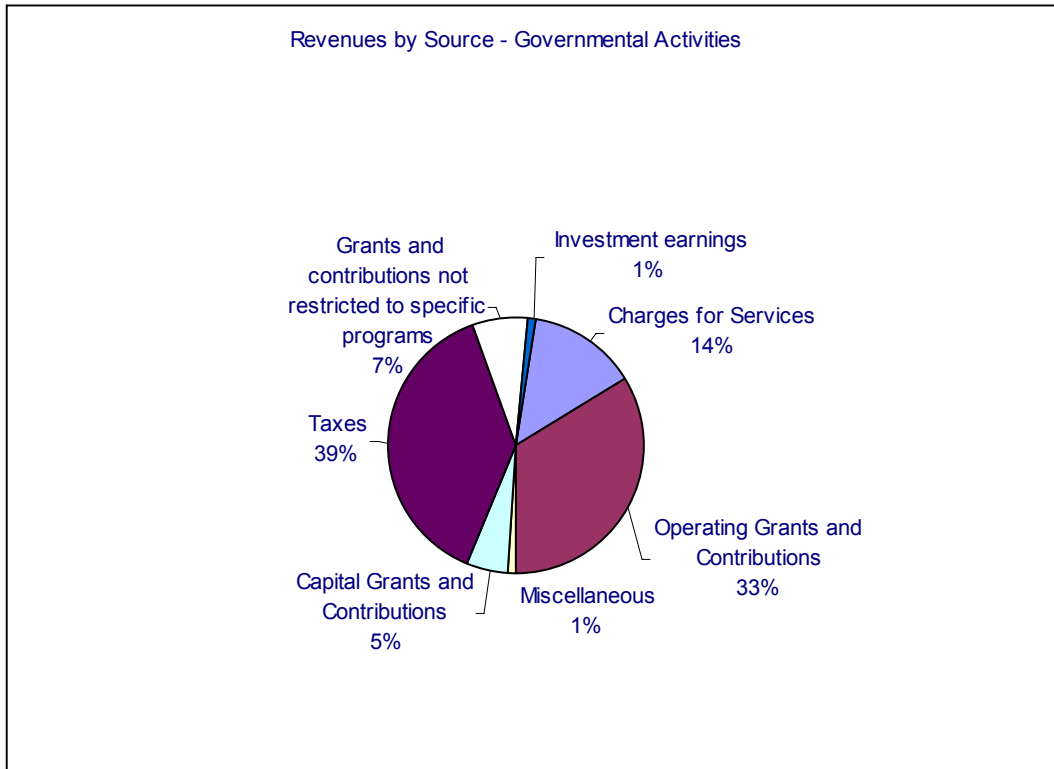
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:						
Program Revenues:						
Charges for Services, Fines & Other	\$ 68,900,222	\$ 60,307,091	\$23,845,458	\$24,211,840	\$ 92,745,680	\$ 84,518,931
Operating Grants & Contributions	167,033,301	168,289,579	-	254,128	167,033,301	168,543,707
Capital Grants & Contributions	26,312,763	16,496,024	328,644	25,183	26,641,407	16,521,207
General Revenues:						
Lease Proceeds	-	13,845,000	-	-	-	13,845,000
Property Taxes	198,458,773	188,180,358	-	-	198,458,773	188,180,358
Grants & Contributions Not						
Restricted to Specific Programs	35,262,802	23,566,382	314,170	54,292	35,576,972	23,620,674
Investment Earnings	7,673,916	5,629,709	137,621	88,966	7,811,537	5,718,675
Other	<u>3,971,857</u>	<u>1,119,591</u>	<u>51,186</u>	<u>17,560</u>	<u>4,023,043</u>	<u>1,137,151</u>
Total Revenues	<u>507,613,634</u>	<u>477,433,734</u>	<u>24,677,079</u>	<u>24,651,969</u>	<u>532,290,713</u>	<u>502,085,703</u>
Expenses:						
General Government	69,903,388	49,037,867	-	-	69,903,388	49,037,867
Public Safety	103,140,189	92,552,785	-	-	103,140,189	92,552,785
Highways/Streets	26,016,187	46,613,526	-	-	26,016,187	46,613,526
Sanitation	17,850,477	15,737,538	-	-	17,850,477	15,737,538
Health	26,154,048	23,278,945	-	-	26,154,048	23,278,945
Human Services	172,133,597	170,372,597	-	-	172,133,597	170,372,597
Culture & Recreation	21,253,410	17,181,691	-	-	21,253,410	17,181,691
Conservation of Natural Resources	421,883	466,403	-	-	401,757	466,403
Economic Development & Assistance	22,774,299	22,938,963	-	-	22,774,299	22,938,963
Interest	9,259,922	9,648,967	-	-	9,259,922	9,648,967
Lake Owasso Residence	-	-	7,700,741	7,786,233	7,700,741	7,786,233
Ponds at Battle Creek	-	-	608,504	665,560	608,504	665,560
Ramsey Nursing Home	-	-	12,184,848	12,079,285	12,184,848	12,079,285
Law Enforcement Services	-	-	<u>4,945,064</u>	<u>4,790,221</u>	<u>4,945,064</u>	<u>4,790,221</u>
Total Expenses	<u>468,907,400</u>	<u>447,829,282</u>	<u>25,439,157</u>	<u>25,321,299</u>	<u>494,346,557</u>	<u>473,150,581</u>
Increase (Decrease) in Net Assets						
Before Transfers	<u>38,706,234</u>	<u>29,604,452</u>	<u>(762,078)</u>	<u>(669,330)</u>	<u>37,944,156</u>	<u>28,935,122</u>
Transfers	<u>(558,561)</u>	<u>(607,492)</u>	<u>558,561</u>	<u>607,492</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	38,147,673	28,996,960	(203,517)	(61,838)	37,944,156	28,935,122
Net Assets – Beginning	<u>583,179,589</u>	<u>553,450,125</u>	<u>4,192,153</u>	<u>4,374,488</u>	<u>587,371,742</u>	<u>558,436,620</u>
Net Assets – End	<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>

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

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

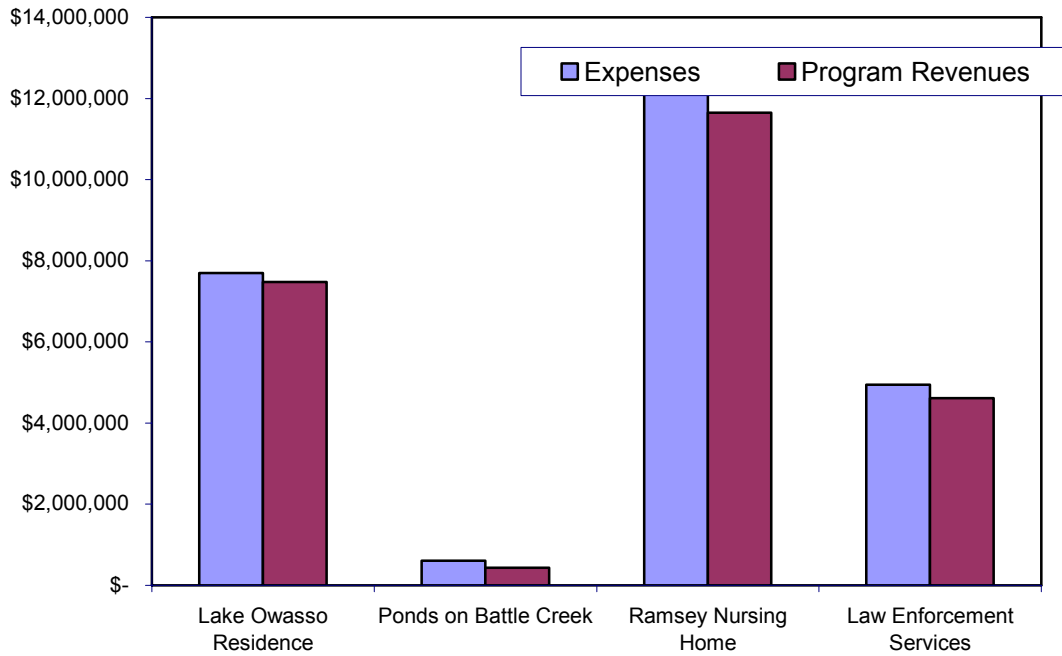


Business-type Activities - Business-type activities decreased the County's net assets by \$203,517, a 4.85% decrease from the previous year. Key elements of this decrease are as follows:

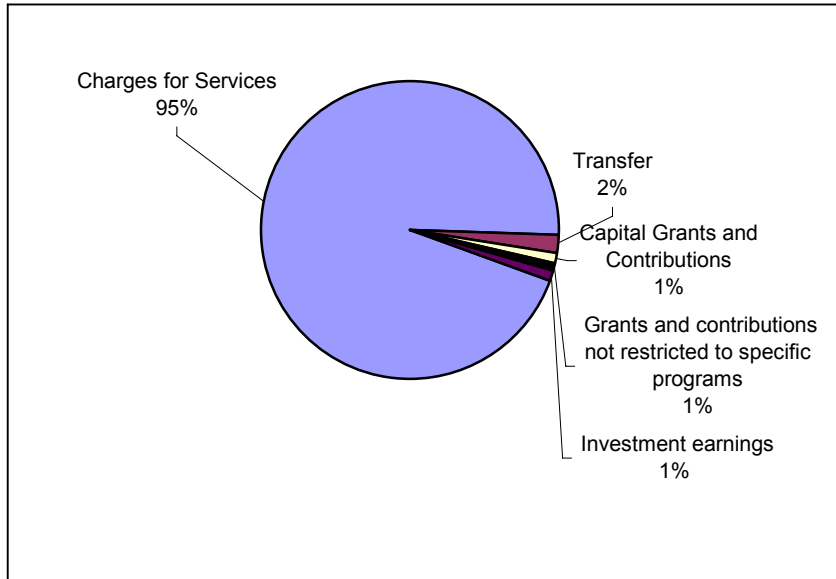
- Ponds at Battle Creek had a decrease in net assets of \$177,850 due to an operating loss and interest expense. It is anticipated the Golf Course would operate at a loss the first three years until revenues would be sufficient to cover expenses.

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 \$277,083,130, a total fund balance increase of \$4,109,010 in comparison with the prior year. Approximately 68% of this total amount (\$187,397,624) 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 (\$22,228,563); (2) temporary loans to Other Funds (\$10,972,120); or (3) for a variety of other restricted purposes (\$56,484,823).

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 \$135,073,134, while total fund balance reached \$153,344,699. 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 36.1% of total General Fund expenditures, while total fund balance represents 40.9% of that same amount.

The fund balance of the County's general fund increased by \$15,562,219 during the current fiscal year. Key factors in this increase are as follows:

- Better Interest Rates;
- Setting aside funds to start funding OPEB benefits.

The Debt Service Fund had a total fund balance of \$55,046,378, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$4,793,725. Most of the increase was funds held in escrow from a refunding issue.

The Capital Projects Fund had a fund balance of \$26,777,223 planned for construction. The fund balance decreased by \$17,609,802, 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 \$1,058,792. The total increase in net assets for the fund was \$34,502. This was a result of rate adjustments received for 2005.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was an increase of \$4,804,878 in appropriations. Unbudgeted State and Federal revenues became available for additional Health & Public Safety programs.

The variance of final budget versus actual was due to anticipated cutbacks from State revenue that did not materialized 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, 2005, amounts to \$574,196,401 (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 4.5% (a 4.6% increase for governmental activities and a 1.6% 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 2005; construction in progress as of the end of the current fiscal year had reached \$78,386,736, a decrease of \$22,249,308 from the prior year.
- A Public Safety Communications System continued in 2005 totaling \$5,436,549.
- A variety of park improvements were initiated totaling \$1,916,917 in 2005.
- Library construction continued in 2005 totaling \$2,689,033.

Capital Assets
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$ 76,783,297	\$ 68,857,296	\$ 107,073	\$ 107,073	\$ 76,890,370	\$ 68,964,369
Buildings & Improvements	206,783,820	183,159,725	6,572,388	6,540,581	213,356,208	189,700,306
Improvements Other Than Buildings	15,542,165	11,655,497	2,982,980	3,078,488	18,525,145	14,733,985
Equipment	11,500,826	10,348,405	634,663	738,219	12,135,489	11,086,624
Infrastructure	174,902,453	164,323,433	-	-	174,902,453	164,323,433
Construction in Progress	<u>78,270,427</u>	<u>100,521,629</u>	<u>116,309</u>	<u>114,415</u>	<u>78,386,736</u>	<u>100,636,044</u>
Total	<u>\$563,782,988</u>	<u>\$538,865,985</u>	<u>\$10,413,413</u>	<u>\$10,578,776</u>	<u>\$574,196,401</u>	<u>\$549,444,761</u>

Additional information on the County’s capital assets can be found in note IV.C on pages 57-58 of this report.

Long-term Debt – At the end of the current fiscal year, the County had total General Obligation bonded debt outstanding of \$198,825,000, 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>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General Obligation Bonds	\$189,100,000	\$193,260,000	\$9,725,000	\$7,075,000	\$198,825,000	\$200,335,000
Lease Revenue Bonds	<u>13,375,000</u>	<u>13,845,000</u>	-	-	<u>13,375,000</u>	<u>13,845,000</u>
Total	<u>\$202,475,000</u>	<u>\$207,105,000</u>	<u>\$9,725,000</u>	<u>\$7,075,000</u>	<u>\$212,200,000</u>	<u>\$214,180,000</u>

The County’s total debt decreased by \$1,980,000 (0.9%) 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 \$734,902,804, 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 61-66 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 4.0%, which is a decrease from a rate of 4.8% a year ago. This compares to the state's average unemployment rate of 4.0% and the national average rate of 5.1%.
- 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, the population estimated by the Metropolitan Council was 515,411.
- Estimated Market Value of Taxable Property in the County increased over \$4,415,000,000 in 2005 to \$36,745,140,200 or 13.7%. Residential property recorded an increase in value of 5% while commercial values increased 14%.
- The dollar value of all building permits issued in the County is another factor of the health of the County. In 2005, the value of building permits was approximately \$262.2 million. Commercial value of building permits, in 2005, was approximately \$118.5 million.
- 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 over 98% complete, will upgrade 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 will focus additional funds to roads and allow further use of County State aid funds.

All of these factors were considered in preparing the County's budget for the 2005 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund was \$135,073,134. The County has appropriated \$2,282,769 of this amount for spending in the 2006 fiscal year budget. It is intended that this use of available fund balance will lessen the need to raise taxes during the 2006 fiscal year. The 2006 approved budget included a 1.72% increase in spending. A 5.28% increase in the 2006 Property Tax Levy was approved, in part, to offset the anticipated revenue reductions due to cutbacks in State aid.

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, 2005
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004

	Governmental	Business-type	Total	
	Activities	Activities	2005	2004
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 263,730,790	\$ 3,547,431	\$ 267,278,221	\$ 268,488,107
Cash with Trustee	18,810,477	3,168,217	21,978,694	13,258,287
Restricted Cash and Cash Equivalents	1,000	-	1,000	1,000
Petty Cash and Change Funds	25,690	20,500	46,190	46,690
Imprest Cash	60,000	-	60,000	60,000
Cooperative Investment	-	84,255	84,255	33,408
Receivables (Net):				
Taxes	1,891,101	-	1,891,101	1,590,052
Accounts	2,860,922	314,035	3,174,957	2,179,776
Accrued Interest	2,239,925	31,431	2,271,356	1,577,410
Internal Balances	1,650,306	(1,650,306)	-	-
Due from Other Governments	33,058,478	1,296,342	34,354,820	36,074,946
Lease Receivable	19,302,000	-	19,302,000	19,942,000
Loan Receivables	11,727,509	-	11,727,509	7,832,894
Prepaid Items	142,398	42,225	184,623	181,693
Inventories	1,244,140	61,513	1,305,653	1,146,866
Non Current Assets:				
Advance to Other Governments	57,893	-	57,893	50,893
Advance to Other Organizations	55,621	-	55,621	72,134
Deferred Charges	1,375,036	39,684	1,414,720	1,431,302
Capital Assets not being Depreciated:				
Land	76,783,297	107,073	76,890,370	68,964,369
Construction in Progress	78,270,427	116,309	78,386,736	100,636,044
Capital Assets being Depreciated:				
Improvements other than Buildings	35,339,849	3,654,711	38,994,560	33,593,009
Buildings	252,760,206	9,491,866	262,252,072	235,295,539
Building Improvements	10,296,227	1,373,447	11,669,674	9,503,330
Equipment	60,130,548	2,437,578	62,568,126	60,475,693
Infrastructure	339,378,052	-	339,378,052	321,244,194
Less: Accumulated Depreciation	(289,175,618)	(6,767,571)	(295,943,189)	(280,267,417)
Total Assets	<u>922,016,274</u>	<u>17,368,740</u>	<u>939,385,014</u>	<u>903,412,219</u>

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

**EXHIBIT 1
(continued)**

**RAMSEY COUNTY, MINNESOTA
STATEMENT OF NET ASSETS
DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004**

	Governmental Activities	Business-type Activities	Total	
			2005	2004
LIABILITIES				
Current Liabilities:				
Salaries Payable	8,267,285	709,424	8,976,709	8,704,855
Accounts Payable	18,563,605	317,603	18,881,208	19,164,940
Contracts Payable	2,872,986	-	2,872,986	5,093,777
Interest Payable, Current	4,015,616	147,144	4,162,760	4,532,425
Unamortized Premium on Bonds	4,478,485	4,265	4,482,750	3,628,434
Loan Payable, Current	7,309	-	7,309	13,539
Capital Lease, Current	48,600	-	48,600	45,458
Due to Other Governments	4,335,392	400,895	4,736,287	5,708,245
General Obligation and Revenue Bonds Payable, Current	11,775,000	295,000	12,070,000	22,650,000
Claims and Judgments Payable, Current	2,489,239	-	2,489,239	2,091,000
Vacation and Compensatory Time Payable	13,679,397	984,093	14,663,490	14,208,620
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	1,000	-	1,000	1,000
Non Current Liabilities:				
Unearned Revenue	11,558,953	-	11,558,953	11,047,596
General Obligation and Revenue Bonds Payable, Long-term	197,107,000	9,430,000	206,537,000	198,097,000
Unamortized Premium on Bonds	-	246,673	246,673	-
Loans Payable, Long-term	3,385	-	3,385	10,178
Capital Lease, Long-term	107,512	-	107,512	156,112
Compensated Absences Payable	17,867,748	845,007	18,712,755	18,503,798
Claims and Judgments Payable, Long-term	3,510,500	-	3,510,500	2,383,500
Total Liabilities	<u>300,689,012</u>	<u>13,380,104</u>	<u>314,069,116</u>	<u>316,040,477</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	411,727,719	3,656,566	415,384,285	335,328,070
Restricted for:				
Debt Service	47,927,313	-	47,927,313	43,656,962
Capital Projects	26,777,223	46,163	26,823,386	45,789,542
Solid Waste	16,434,800	-	16,434,800	16,104,894
Other Purposes	1,664,862	-	1,664,862	999,928
Unrestricted	116,795,345	285,907	117,081,252	145,492,346
Total Net Assets	<u>\$ 621,327,262</u>	<u>\$ 3,988,636</u>	<u>\$ 625,315,898</u>	<u>\$ 587,371,742</u>

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, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004**

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	
							2005	2004
Governmental Activities:								
General Government	\$ 69,903,388	\$ 14,721,943	\$ 23,160,822	\$ 605,391	\$ (31,415,232)	\$ -	\$ (31,415,232)	\$ (10,754,311)
Public Safety	103,140,189	9,170,315	12,788,912	5,768,076	(75,412,886)	-	(75,412,886)	(67,181,165)
Highways and Streets	26,016,187	1,959,189	3,206,041	17,905,823	(2,945,134)	-	(2,945,134)	(29,804,631)
Sanitation	17,850,477	16,870,909	1,401,465	-	421,897	-	421,897	1,519,066
Health	26,154,048	9,613,494	11,167,848	-	(5,372,706)	-	(5,372,706)	(5,971,617)
Human Services	172,133,597	6,555,896	93,618,417	-	(71,959,284)	-	(71,959,284)	(70,596,073)
Culture and Recreation	21,253,410	5,854,429	337,490	1,921,921	(13,139,570)	-	(13,139,570)	(10,362,645)
Conservation of Natural Resources	421,883	257,348	78,061	26,552	(59,922)	-	(59,922)	(216,238)
Economic Development and Assistance	22,774,299	3,896,699	21,274,245	85,000	2,481,645	-	2,481,645	279,993
Interest	9,259,922	-	-	-	(9,259,922)	-	(9,259,922)	(9,648,967)
Total Governmental Activities	<u>468,907,400</u>	<u>68,900,222</u>	<u>167,033,301</u>	<u>26,312,763</u>	<u>(206,661,114)</u>	<u>-</u>	<u>(206,661,114)</u>	<u>(202,736,588)</u>
Business-type Activities:								
Lake Owasso Residence	7,700,741	7,478,024	-	-	-	(222,717)	(222,717)	(70,282)
Ponds at Battle Creek	608,504	430,735	-	-	-	(177,769)	(177,769)	(205,314)
Ramsey Nursing Home	12,184,848	11,323,025	-	328,644	-	(533,179)	(533,179)	(569,126)
Law Enforcement Services	4,945,064	4,613,674	-	-	-	(331,390)	(331,390)	14,574
Total Business-type Activities	<u>25,439,157</u>	<u>23,845,458</u>	<u>-</u>	<u>328,644</u>	<u>-</u>	<u>(1,265,055)</u>	<u>(1,265,055)</u>	<u>(830,148)</u>
Total Government	<u>\$ 494,346,557</u>	<u>\$ 92,745,680</u>	<u>\$ 167,033,301</u>	<u>\$ 26,641,407</u>	<u>(206,661,114)</u>	<u>(1,265,055)</u>	<u>(207,926,169)</u>	<u>(203,566,736)</u>
General revenues:								
Lease Proceeds					-	-	-	13,845,000
Property Taxes					198,458,773	-	198,458,773	188,180,358
Grants and Contributions Not Restricted to Specific Programs					35,262,802	314,170	35,576,972	23,620,674
Investment Earnings					7,673,916	137,621	7,811,537	5,718,675
Miscellaneous					3,493,298	4,725	3,498,023	1,021,777
Gain on Disposition of Capital Assets					478,559	46,461	525,020	115,374
Transfer					(558,561)	558,561	-	-
Total General Revenues and Transfers					<u>244,808,787</u>	<u>1,061,538</u>	<u>245,870,325</u>	<u>232,501,858</u>
Change in Net Assets					<u>38,147,673</u>	<u>(203,517)</u>	<u>37,944,156</u>	<u>28,935,122</u>
Net Assets - Beginning					583,179,589	4,192,153	587,371,742	558,436,620
Net Assets - Ending					<u>\$ 621,327,262</u>	<u>\$ 3,988,636</u>	<u>\$ 625,315,898</u>	<u>\$ 587,371,742</u>

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

**RAMSEY COUNTY, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005**

EXHIBIT 3

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds	
					2005	2004
ASSETS						
Cash and Cash Equivalents	\$ 145,589,057	\$ 17,128,413	\$ 37,469,013	\$ 52,202,069	\$ 252,388,552	\$ 254,673,310
Cash with Trustee	-	17,974,866	835,611	-	18,810,477	13,258,287
Petty Cash and Change Funds	22,905	-	-	2,710	25,615	25,615
Imprest Cash	60,000	-	-	-	60,000	60,000
Receivables (Net):						
Taxes	3,087,178	341,617	-	177,206	3,606,001	3,236,042
Accounts	1,948,904	-	4,125	889,945	2,842,974	1,900,828
Accrued Interest	1,950,040	214,526	2,421	72,938	2,239,925	1,577,410
Due from Other Funds	594,448	176,573	21,794	7,148	799,963	2,544,213
Due from Other Governments	19,479,610	-	8,147,178	5,359,630	32,986,418	34,377,067
Lease Receivable	-	19,302,000	-	-	19,302,000	19,942,000
Loans Receivable	6,250,000	250,000	-	5,227,509	11,727,509	7,832,894
Inventories	1,193,466	-	-	44,860	1,238,326	1,085,333
Advance to Other Funds	10,690,606	-	175,000	-	10,865,606	10,048,534
Advance to Other Governments	50,893	-	-	7,000	57,893	50,893
Advance to Other Organizations	55,621	-	-	-	55,621	72,134
Total Assets	<u>190,972,728</u>	<u>55,387,995</u>	<u>46,655,142</u>	<u>63,991,015</u>	<u>357,006,880</u>	<u>350,684,560</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Salaries Payable	7,078,735	-	-	954,982	8,033,717	7,788,879
Accounts Payable	11,141,335	-	8,860	6,379,995	17,530,190	17,884,886
Contracts Payable	-	-	2,015,590	857,396	2,872,986	5,093,777
Due to Other Funds	991,926	-	24,506	288,595	1,305,027	3,274,787
Due to Other Governments	2,868,471	-	655,838	756,686	4,280,995	5,374,533
Deferred Revenue	15,414,323	341,617	12,288,125	8,233,531	36,277,596	27,529,650
Advance from Other Funds	-	-	4,885,000	4,605,000	9,490,000	8,672,928
Claims and Judgments Payable	133,239	-	-	-	133,239	2,091,000
Total Liabilities	<u>37,628,029</u>	<u>341,617</u>	<u>19,877,919</u>	<u>22,076,185</u>	<u>79,923,750</u>	<u>77,710,440</u>
Fund Balances:						
Reserved for:						
Encumbrances	6,083,470	-	14,314,915	1,830,178	22,228,563	35,566,449
Advances	10,797,120	-	175,000	-	10,972,120	10,171,561
Inventories	1,193,466	-	-	44,860	1,238,326	1,085,333
Petty Cash	82,905	-	-	2,610	85,515	85,515
Aggregate Material Pit Restoration	114,604	-	-	-	114,604	109,072
Debt Service with Trustee	-	17,974,866	-	-	17,974,866	13,258,287
Debt Service Fund	-	17,769,512	-	-	17,769,512	17,876,857
Lease Receivable	-	19,302,000	-	-	19,302,000	19,942,000
Unreserved, Reported in:						
General Fund	135,073,134	-	-	-	135,073,134	118,932,269
Special Revenue Funds	-	-	-	40,037,182	40,037,182	40,014,429
Capital Projects Fund	-	-	12,287,308	-	12,287,308	15,932,348
Total Fund Balances	<u>153,344,699</u>	<u>55,046,378</u>	<u>26,777,223</u>	<u>41,914,830</u>	<u>277,083,130</u>	<u>272,974,120</u>
Total Liabilities and Fund Balances	<u>\$ 190,972,728</u>	<u>\$ 55,387,995</u>	<u>\$ 46,655,142</u>	<u>\$ 63,991,015</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.					560,347,674	535,278,868
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					22,965,167	14,836,064
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.					13,493,650	12,713,867
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.					(252,562,359)	(252,623,330)
Net assets of governmental activities					<u>\$ 621,327,262</u>	<u>\$ 583,179,589</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, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds	
					2005	2004
REVENUES						
Taxes	\$ 165,432,610	\$ 17,117,866	\$ 67,423	\$ 14,715,979	\$ 197,333,878	\$ 187,853,804
Licenses and Permits	1,255,939	-	-	154,907	1,410,846	1,258,037
Intergovernmental	159,409,232	1,582,464	15,661,268	40,252,342	216,905,306	201,310,013
Private Grants and Donations	236,393	-	-	384,607	621,000	397,283
Charges for Services	46,526,621	-	1,637	18,340,867	64,869,125	61,635,081
Fines and Forfeitures	17,000	-	-	744,722	761,722	733,823
Sales	1,439,134	-	-	1,365,766	2,804,900	2,457,870
Rental Income	1,349,673	-	-	37,378	1,387,051	1,346,306
Investment Earnings	5,310,710	1,366,368	1,216,855	1,293,394	9,187,327	6,254,178
Program Recoveries - Community						
Human Services	3,948,060	-	-	-	3,948,060	4,020,666
Miscellaneous	5,770,231	-	332,434	1,002,194	7,104,859	4,748,409
Total Revenues	390,695,603	20,066,698	17,279,617	78,292,156	506,334,074	472,015,470
EXPENDITURES						
Current:						
General Government	68,217,390	-	-	20,640,188	88,857,578	79,591,902
Public Safety	88,472,188	-	-	1,114,106	89,586,294	86,399,635
Highways and Streets	14,321,647	-	-	-	14,321,647	14,087,001
Sanitation	1,206,743	-	-	16,645,305	17,852,048	15,742,726
Health	16,851,050	-	-	9,608,890	26,459,940	24,447,734
Human Services	174,303,544	-	-	100,326	174,403,870	173,313,709
Culture and Recreation	8,899,966	-	-	8,552,186	17,452,152	16,140,176
Conservation of Natural Resources	438,555	-	-	-	438,555	458,455
Economic Development and Assistance	240,000	-	-	22,494,910	22,734,910	23,122,428
Capital Projects:						
General Government	-	-	3,553,088	-	3,553,088	2,079,492
Public Safety	-	-	11,115,395	-	11,115,395	5,377,547
Highways and Streets	1,551,062	-	15,835,499	-	17,386,561	33,287,756
Health	-	-	30,275	-	30,275	6,033
Human Services	-	-	317,926	-	317,926	564,444
Culture and Recreation	-	-	6,556,647	-	6,556,647	1,838,710
Debt Service:						
Bond Issuance Costs	-	93,038	41,073	-	134,111	363,672
Principal Retirement	53,241	11,860,000	-	-	11,913,241	11,517,541
Interest	13,933	9,646,280	-	-	9,660,213	8,326,082
Total Expenditures	374,569,319	21,599,318	37,449,903	79,155,911	512,774,451	496,665,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,126,284	(1,532,620)	(20,170,286)	(863,755)	(6,440,377)	(24,649,573)
OTHER FINANCING SOURCES (USES)						
Bonds Issued	-	15,075,000	2,500,000	-	17,575,000	54,620,000
Discount/Premium on Sale of Bonds	-	1,105,165	(47,389)	-	1,057,776	1,770,673
Sale of Capital Assets	-	671,306	-	85,000	756,306	13,845,000
Redemption of Refunded Bonds	-	(10,505,000)	-	-	(10,505,000)	(2,345,000)
Transfers In	110,000	-	109,358	7,631	226,989	2,118,199
Transfers Out	(674,065)	(20,126)	(1,485)	(110,000)	(805,676)	(2,725,691)
Total Other Financing Sources (Uses)	(564,065)	6,326,345	2,560,484	(17,369)	8,305,395	67,283,181
Net Change in Fund Balances	15,562,219	4,793,725	(17,609,802)	(881,124)	1,865,018	42,633,608
Fund Balances - Beginning	135,532,598	50,252,653	44,387,025	42,801,844	272,974,120	222,693,426
Prior Period Adjustment	2,091,000	-	-	-	2,091,000	7,454,504
Fund Balances - Beginning, as Restated	137,623,598	50,252,653	44,387,025	42,801,844	275,065,120	230,147,930
Increase (decrease) in reserve for inventories	158,882	-	-	(5,890)	152,992	192,582
Fund Balances - Ending	\$ 153,344,699	\$ 55,046,378	\$ 26,777,223	\$ 41,914,830	\$ 277,083,130	\$ 272,974,120

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, 2005
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>2005</u>	<u>2004</u>
Net change in fund balances - total governmental funds (Exhibit 4)	\$ 1,865,018	\$ 42,633,608
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.	25,922,835	30,433,335
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(854,029)	(1,730,779)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	8,167,679	290,376
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.	3,785,465	(42,528,132)
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.	(1,519,078)	(726,336)
Internal service funds are used by management to charge the costs of management information systems and property management services to individual funds.	675,976	685,384
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>103,807</u>	<u>(60,496)</u>
Net change in net assets of governmental activities (Exhibit 2)	<u>\$ 38,147,673</u>	<u>\$ 28,996,960</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, 2005

EXHIBIT 6

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004

Business-type Activities - Enterprise Funds

	Business-type Activities - Enterprise Funds		Total		Governmental Activities - Internal Service Funds	
	Lake Owasso Residence	Other Enterprise Funds	2005	2004	2005	2004
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 1,799,454	\$ 1,747,977	\$ 3,547,431	\$ 3,958,728	\$ 11,342,238	\$ 9,856,069
Cash with Fiscal Agent	3,168,217	-	3,168,217	-	-	-
Petty Cash and Change Funds	6,500	14,000	20,500	21,000	75	75
Cooperative Investment	-	84,255	84,255	33,408	-	-
Accounts Receivable (Net)	-	314,035	314,035	272,185	17,948	6,763
Accrued Interest Receivable	31,431	-	31,431	-	-	-
Due from Other Funds	-	-	-	-	947,514	1,324,715
Due from Other Governments	614,839	681,503	1,296,342	1,572,275	72,060	125,604
Prepaid Items	-	42,225	42,225	-	142,398	181,693
Inventories	29,792	31,721	61,513	55,814	5,814	5,719
Restricted Cash and Cash Equivalents	-	-	-	-	1,000	1,000
Total Current Assets	<u>5,650,233</u>	<u>2,915,716</u>	<u>8,565,949</u>	<u>5,913,410</u>	<u>12,529,047</u>	<u>11,501,638</u>
Noncurrent Assets:						
Deferred Charges	26,859	12,825	39,684	22,986	-	-
Capital Assets:						
Land	7,873	99,200	107,073	107,073	-	-
Improvements Other Than Buildings	648,856	3,005,855	3,654,711	3,621,946	6,973	-
Buildings	4,040,708	5,451,158	9,491,866	9,491,866	-	-
Building Improvements	23,348	1,350,099	1,373,447	1,036,689	6,896,681	6,371,866
Equipment	483,673	1,953,905	2,437,578	2,283,741	8,751,358	9,063,147
Construction in Progress	-	116,309	116,309	114,415	127,693	-
Less Accumulated Depreciation	(973,193)	(5,794,378)	(6,767,571)	(6,076,954)	(12,347,391)	(11,847,896)
Total Capital Assets (Net of Accumulated Depreciation)	<u>4,231,265</u>	<u>6,182,148</u>	<u>10,413,413</u>	<u>10,578,776</u>	<u>3,435,314</u>	<u>3,587,117</u>
Total Noncurrent Assets	<u>4,258,124</u>	<u>6,194,973</u>	<u>10,453,097</u>	<u>10,601,762</u>	<u>3,435,314</u>	<u>3,587,117</u>
Total Assets	<u>9,908,357</u>	<u>9,110,689</u>	<u>19,019,046</u>	<u>16,515,172</u>	<u>15,964,361</u>	<u>15,088,755</u>
LIABILITIES						
Current Liabilities:						
Salaries Payable	230,817	478,607	709,424	683,761	233,568	232,215
Accounts Payable	42,640	274,963	317,603	258,138	1,033,415	1,021,916
Interest Payable	86,433	60,711	147,144	152,320	-	-
Unamortized Bond Discount/Premium	-	4,265	4,265	4,532	-	-
Loan Payable	-	-	-	-	4,750	-
Due to Other Funds	4,632	271,982	276,614	408,127	165,836	186,014
Due to Other Governments	8,555	392,340	400,895	327,338	15,821	6,374
General Obligation Bonds Payable - Current	160,000	135,000	295,000	285,000	-	-
Vacation and Compensatory Time Payable	318,644	665,449	984,093	946,126	427,572	376,157
Payable from Restricted Assets:						
Customer Deposits Payable	-	-	-	-	1,000	1,000
Total Current Liabilities	<u>851,721</u>	<u>2,283,317</u>	<u>3,135,038</u>	<u>3,065,342</u>	<u>1,881,962</u>	<u>1,823,676</u>
Noncurrent Liabilities:						
Loan Payable	-	-	-	-	3,011	-
General Obligation Bonds Payable	6,380,000	3,050,000	9,430,000	6,790,000	-	-
Unamortized Bond Discount/Premium	246,673	-	246,673	-	-	-
Advance from Other Funds	378,206	997,400	1,375,606	1,375,606	-	-
Compensated Absences Payable	375,445	469,562	845,007	839,663	583,824	550,620
Estimated Payable for Outstanding Claims	-	-	-	253,000	-	-
Total Noncurrent Liabilities	<u>7,380,324</u>	<u>4,516,962</u>	<u>11,897,286</u>	<u>9,258,269</u>	<u>586,835</u>	<u>550,620</u>
Total Liabilities	<u>8,232,045</u>	<u>6,800,279</u>	<u>15,032,324</u>	<u>12,323,611</u>	<u>2,468,797</u>	<u>2,374,296</u>
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	617,520	3,039,046	3,656,566	3,565,655	3,435,314	3,587,117
Restricted for Capital Projects	-	46,163	46,163	66,411	-	-
Unrestricted	1,058,792	(774,799)	283,993	559,495	10,060,250	9,127,342
Total Net Assets	<u>\$ 1,676,312</u>	<u>\$ 2,310,410</u>	<u>3,986,722</u>	<u>4,191,561</u>	<u>\$ 13,495,564</u>	<u>\$ 12,714,459</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,914	592		
Net Assets of Business-Type Activities			<u>\$ 3,988,636</u>	<u>\$ 4,192,153</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, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities -</u>	
	<u>Lake Owasso</u>	<u>Other</u>	<u>Total</u>		<u>Internal Service Funds</u>	
	<u>Residence</u>	<u>Enterprise</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
OPERATING REVENUES:						
Charges for Services	\$ 7,478,024	\$ 16,253,341	\$ 23,731,365	\$ 24,105,305	\$ 18,593,579	\$ 16,625,987
Sales	-	1,510	1,510	1,128	2,167	7,189
Rental Income	-	52,408	52,408	42,802	-	-
Miscellaneous	-	60,175	60,175	62,605	25,946	72,781
Total Operating Revenues	<u>7,478,024</u>	<u>16,367,434</u>	<u>23,845,458</u>	<u>24,211,840</u>	<u>18,621,692</u>	<u>16,705,957</u>
OPERATING EXPENSES:						
Personal Services	6,208,434	12,869,883	19,078,317	18,798,672	6,768,025	6,334,684
Other Services and Charges	747,466	3,361,771	4,109,237	4,192,583	9,777,302	8,561,726
Supplies	316,795	880,200	1,196,995	1,229,547	431,387	321,129
Depreciation	219,680	480,921	700,601	723,337	888,546	884,726
Total Operating Expenses	<u>7,492,375</u>	<u>17,592,775</u>	<u>25,085,150</u>	<u>24,944,139</u>	<u>17,865,260</u>	<u>16,102,265</u>
Operating Income (Loss)	<u>(14,351)</u>	<u>(1,225,341)</u>	<u>(1,239,692)</u>	<u>(732,299)</u>	<u>756,432</u>	<u>603,692</u>
NONOPERATING REVENUES (EXPENSES):						
Intergovernmental Revenue	19,968	294,202	314,170	308,420	24,132	24,302
Investment Earnings	36,089	101,533	137,622	88,966	-	-
Amortization of Bond Issuance Costs	(610)	(539)	(1,149)	(1,146)	-	-
Interest Expense	(208,149)	(146,031)	(354,180)	(366,563)	-	-
Gain (Loss) on Disposal of Capital Assets	-	25,905	25,905	1,651	541	292
Gain (Loss) on Sale of Capital Assets	2,385	18,170	20,555	3,060	-	-
Miscellaneous Revenue	-	4,725	4,725	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(150,317)</u>	<u>297,965</u>	<u>147,648</u>	<u>34,388</u>	<u>24,673</u>	<u>24,594</u>
Income before Contributions and Transfers	<u>(164,668)</u>	<u>(927,376)</u>	<u>(1,092,044)</u>	<u>(697,911)</u>	<u>781,105</u>	<u>628,286</u>
Capital Contributions	-	328,644	328,644	25,183	-	-
Transfers In	199,170	359,391	558,561	607,492	-	-
Change in Net Assets	<u>34,502</u>	<u>(239,341)</u>	<u>(204,839)</u>	<u>(65,236)</u>	<u>781,105</u>	<u>628,286</u>
Total Net Assets - Beginning	1,641,810	2,549,751			12,714,459	12,086,173
Total Net Assets - Ending	<u>\$ 1,676,312</u>	<u>\$ 2,310,410</u>			<u>\$ 13,495,564</u>	<u>\$ 12,714,459</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,322	3,398		
Change in Net Assets of Business-type Activities (Exhibit 2)			<u>\$ (203,517)</u>	<u>\$ (61,838)</u>		

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

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2005

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Lake Owasso Residence	Other Enterprise Funds	Total		2005	2004
			2005	2004		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	\$ 7,489,478	\$ 16,617,742	\$ 24,107,220	\$ 24,534,922	\$ 11,775,872	\$ 1,208,702
Receipts from interfund services provided	-	-	-	-	-	-
Receipts from Interfund Services Provided	-	-	-	-	7,265,382	15,408,349
Payments to Suppliers	(1,199,012)	(4,505,231)	(5,704,243)	(5,521,491)	(9,729,940)	(7,380,132)
Payments to Employees	(6,162,550)	(12,846,794)	(19,009,344)	(19,288,850)	(6,682,057)	(6,619,491)
Payments for Interfund Services Used	-	(450)	(450)	(7,314)	(425,779)	(1,054,261)
Net Cash Provided (Used) for Operating Activities	127,916	(734,733)	(606,817)	(282,733)	2,203,478	1,563,167
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental Revenue	19,968	294,202	314,170	308,420	24,132	24,302
Transfers In	199,170	357,906	557,076	551,560	-	-
Miscellaneous Revenue	-	4,725	4,725	-	-	-
Advances from Other Funds	-	-	-	50,000	-	-
Net Cash Provided (Used) for Noncapital Financing Activities	219,138	656,833	875,971	909,980	24,132	24,302
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from the Sale of Capital Assets	2,385	39,170	41,555	35,560	797	292
Proceeds from Refunding Bonds	3,168,217	-	3,168,217	-	-	-
Purchases of Capital Assets	(15,799)	(231,135)	(246,934)	(364,305)	(736,998)	(293,921)
Principal Paid on Capital Debt	(155,000)	(130,000)	(285,000)	(380,000)	-	-
Interest Paid on Capital Debt	(211,700)	(74,803)	(286,503)	(552,640)	-	-
Disposal of Capital Assets	-	45,245	45,245	-	-	-
Repayment of Loan	-	-	-	-	(5,240)	(2,097)
Net Cash Provided (Used) for Capital and Related Financing Activities	2,788,103	(351,523)	2,436,580	(1,261,385)	(741,441)	(295,726)
CASH FLOWS FROM INVESTING ACTIVITIES						
Dividend Received	-	25,067	25,067	23,760	-	-
Gain on Sale of Investment	-	25,619	25,619	69,140	-	-
Interest Income	-	-	-	50,423	-	-
Repayment of Loan	-	-	-	70,000	-	-
Net Cash Provided (Used) for Investing Activities	-	50,686	50,686	213,323	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	3,135,157	(378,737)	2,756,420	(420,815)	1,486,169	1,291,743
Cash and Cash Equivalents, January 1	1,839,014	2,140,714	3,979,728	4,400,543	9,857,144	8,565,401
Cash and Cash Equivalents, December 31	\$ 4,974,171	\$ 1,761,977	\$ 6,736,148	\$ 3,979,728	\$ 11,343,313	\$ 9,857,144

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

(Continued)

**RAMSEY COUNTY, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

**EXHIBIT 8
(Continued)**

**FOR THE YEAR ENDED DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>	
	<u>Lake Owasso Residence</u>	<u>Other Enterprise Funds</u>	<u>Total</u>		<u>2005</u>	<u>2004</u>
			<u>2005</u>	<u>2004</u>		
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (14,351)	\$ (1,225,341)	\$ (1,239,692)	\$ (732,299)	\$ 756,432	\$ 603,692
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	219,680	480,921	700,601	723,337	888,545	884,726
Noncash Transfers	-	1,485	1,485	55,932	-	-
Provision for Uncollectible Accounts	-	(9,500)	(9,500)	7,000	-	-
Loan Payable included in Electrical Expense	-	-	-	-	13,001	-
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	-	(32,350)	(32,350)	85,275	(11,185)	9,579
(Increase) Decrease in Due from Other Funds	-	-	-	-	377,201	(139,248)
(Increase) Decrease in Due from Other Governments	11,455	264,478	275,933	208,398	53,544	40,764
(Increase) Decrease in Prepaid Items	-	(42,225)	(42,225)	-	39,295	2,499
(Increase) Decrease in Inventories	(5,966)	267	(5,699)	9,128	(95)	1,196
Increase (Decrease) in Salaries Payable	(1,109)	26,772	25,663	(552,992)	1,353	(234,268)
Increase (Decrease) in Accounts Payable	6,280	53,185	59,465	28,617	11,499	419,770
Increase (Decrease) in Due to Other Funds	(138,797)	(65,569)	(204,366)	(292,359)	(20,178)	22,647
Increase (Decrease) in Due to Other Governments	3,730	69,827	73,557	14,416	9,447	2,350
Increase (Decrease) in Estimated Payable for Outstanding Claims	-	(253,000)	(253,000)	100,000	-	-
Increase (Decrease) in Vacation and Compensatory Time Payable	32,345	5,622	37,967	34,167	51,415	(56,803)
Increase (Decrease) in Compensated Absences Payable	14,649	(9,305)	5,344	28,647	33,204	6,263
Net Cash Provided (Used) by Operating Activities	<u>\$ 127,916</u>	<u>\$ (734,733)</u>	<u>\$ (606,817)</u>	<u>\$ (282,733)</u>	<u>\$ 2,203,478</u>	<u>\$ 1,563,167</u>

Noncash Capital and Related Financing Activity:

Contributions of Capital Assets in the Ramsey Nursing Home Fund amounted to \$317,928 and \$25,183 in 2005 and 2004 respectively.

The fair value of Ramsey Nursing Home Investment decreased by \$33,444 in 2004, and increased by \$50,847 in 2005.

Disposal of Capital Assets had a Net Book Value of \$1,046 in 2005 and \$12,811 in 2004 for the Ramsey Nursing Home.

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

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, 2005
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004

	Private Purpose Trust Funds		Agency Fund	
	2005	2004	2005	2004
ASSETS				
Cash and Cash Equivalents	\$ 2,529,067	\$ 2,237,534	\$ 32,289,596	\$ 21,892,405
Petty Cash and Change Funds	-	-	50	50
Receivables:				
Taxes	-	-	-	267
Accounts	-	44	21,310,346	23,749,940
Due from Other Governments	-	-	436,240	367,700
Advance to Other Governments	-	-	50,893	50,893
Total Assets	<u>2,529,067</u>	<u>2,237,578</u>	<u>54,087,125</u>	<u>46,061,255</u>
LIABILITIES				
Salaries Payable	-	-	9,021	7,944
Custodial Payable	7,392	9,338	32,824,607	31,880,969
Due to Other Governments	-	-	21,253,497	14,172,342
Total Liabilities	<u>7,392</u>	<u>9,338</u>	<u>54,087,125</u>	<u>46,061,255</u>
NET ASSETS				
Held in trust for private purposes	<u>\$ 2,521,675</u>	<u>\$ 2,228,240</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, 2005
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2004

	Private Purpose Trust Funds	
	2005	2004
ADDITIONS		
Receipts from Clients	\$ 12,792,773	\$ 12,057,741
Investment Earnings	4,959	2,678
Total Additions	<u>12,797,732</u>	<u>12,060,419</u>
DEDUCTIONS		
Payments to Clients or on Behalf of Clients	<u>12,504,297</u>	<u>12,364,082</u>
Change in Net Assets	293,435	(303,663)
Net assets - Beginning	2,228,240	2,531,903
Net assets - Ending	<u>\$ 2,521,675</u>	<u>\$ 2,228,240</u>

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

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

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, 2005

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 government 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, 2005

The government reports the following major proprietary funds:

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

Ponds at Battle Creek changed to a non-major fund in 2005 from a major proprietary fund in 2004.

Additionally, the government reports the following fund types:

Internal service funds account for data processing and property management services provided to other departments or agencies of the government, or to other governments on a cost reimbursement basis.

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 or the funds escheat to the County.

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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. 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

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

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, 2005, 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 2005 were \$9,187,327.

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.

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.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

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.

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:

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

Debt Service	\$47,927,313
Capital Projects	26,777,223
Solid Waste	16,434,800
Aggregate Material	114,604
Criminal Forfeiture	388,481
Underground Storage Tanks	100,000
County Recorder's Equipment	<u>1,061,777</u>
	<u>\$92,804,198</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.

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 \$252,562,359 difference are as follows:

Bonds and Notes Payable	\$208,882,000
Loans Payable	2,933
Capital Lease	156,112
Less: Deferred Charge for Issuance Costs (Amortized Over the Life of the Debt)	(1,375,036)
Accrued Interest Payable	4,015,616
Unamortized Premium on Bonds	4,478,485
Estimated Payable for Outstanding Claims	5,866,500
Compensated Absences Payable, Vacation, & Comp Time Payable	<u>30,535,749</u>
Net Adjustment to Reduce Fund Balance – Total Governmental Activities to Arrive at Net Assets – Governmental Activities	<u>\$252,562,359</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

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

lives and reported as depreciation expense.” The details of this \$25,922,835 difference are as follows:

Capital Outlay	\$44,433,613
Depreciation Expense	<u>(18,510,778)</u>
Net Adjustment to Increase Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$25,922,835</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 \$854,029 difference is as follows:

Loss on Disposal/Sale of Capital Assets	<u>\$(854,029)</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 \$3,785,465 difference are as follows:

Debt issued or Incurred:	
Issuance of General Obligation Bonds	\$(17,575,000)
Unamortized Premium on Sale of Bonds	(1,057,776)
Principal Repayments:	
General Obligation Debt	11,700,000
Redemption of Refunded Bond Issuances	10,505,000
Capital Loan from State of Minnesota for Pedestrian Tunnel	160,000
Payments on Capital Lease Obligation for Food Service Equipment – LEC	45,458
Payments on Xcel Energy Loans	<u>7,783</u>
Net adjustment to Increase Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 3,785,465</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 \$1,519,078 difference are as follows:

Compensated Absences	\$ (535,897)
Claims and Judgments	(1,645,000)
Accrued Interest	338,914
Bond Issuance Costs	134,111
Amortization of Bond Issuance Costs	(167,391)
Amortization of Bond Premium	203,193
Inventory (Change From Purchase to Consumption Method)	<u>152,992</u>
Net Adjustment to Decrease Net Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$(1,519,078)</u>

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Equity

The Ponds at Battle Creek Enterprise Fund showed a net loss of \$177,850 for the year, resulting in a deficit of net assets of \$646,504.

The Workforce Solutions Special Revenue Fund reported a net change in Fund Balance of \$(403,326) for 2005, resulting in a negative Fund Balance of \$10,689. It is expected future revenues will eliminate the negative Fund Balance.

B. Restatement of Fund Equity

The General Fund liabilities have been reduced for Claims and Judgments Payable to reflect the actual payable at year-end. Beginning Fund Balance was restated by \$2,091,000.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Government-wide	
Governmental Activities	
Cash and Cash equivalents	\$263,730,790
Cash with trustee	18,810,477
Restricted cash	1,000
Petty cash	25,690
Imprest cash	60,000
Business-type activities	
Cash and Cash equivalents	3,547,431
Cash with trustee	3,168,217
Petty cash	20,500
Cooperative investment	84,255
Fiduciary funds	
Cash and Cash equivalents	32,289,596
Petty cash	50
Private Purpose Trust funds	
Cash and Cash equivalents	<u>2,529,067</u>
Cash and Investments	<u>\$324,267,073</u>
Deposits	12,376,930
Investments	289,780,954
Investments with trustee	21,978,694
Cooperative investment	84,255
Petty Cash	<u>46,240</u>
Total Cash and Investments	<u>\$324,267,073</u>

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

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, 2005, the County's deposits were not exposed to custodial credit risk.

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

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

interest rate changes of 50, 100, 150, and 200 basis points; it also assumes that interest rate changes occurred on December 31, 2005. The investment portfolio has an average book yield of 3.57%, modified duration of 2.61 years and an effective duration of 1.88 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. Treasury Securities				
Treasury Note	\$ 913,680	\$ 913,680	\$ 913,680	\$ 913,680
U.S. Agency Securities:				
Federal Home Loan	120,855,507	119,387,629	117,919,750	116,451,872
Federal Home Loan Mtg. Corp.	20,885,794	20,689,378	20,492,962	20,296,546
Federal National Mtg. Assn.	12,471,323	12,370,043	12,268,764	12,167,484
Federal Farm Credit	13,594,474	13,477,929	13,361,383	13,244,837
Overseas Private Investment Corp	197,600	197,600	197,600	197,600
Commercial Paper (each <5%)	118,980,237	118,980,237	118,980,237	118,980,237
Griffin Bldg Revenue Bonds: Project				
Fund Money Market Savings Acct	838,032	838,032	838,032	838,032
Griffin Bldg Revenue Bonds: DS.				
Fund Money Market Savings Acct	778,851	778,851	778,851	778,851
Griffin Bldg Revenue Bonds:				
Federal Farm Credit	1,071,007	1,071,007	1,071,007	1,071,007
US Treasury SLUG's	<u>19,293,224</u>	<u>19,293,224</u>	<u>19,293,224</u>	<u>19,293,224</u>
 Total Investments	 <u>\$309,879,729</u>	 <u>\$307,997,610</u>	 <u>\$306,115,490</u>	 <u>\$304,233,370</u>

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, 2005, is as follows:

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

<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. Treasury Securities					
Treasury Note	n.a.	Custody (a)	900,000	913,680	0.28%
U.S. Agency Securities:					
Federal Home Loan	AAA / Aaa	Custody (a)	124,515,000	122,323,385	39.43%
Federal Home Loan Mtg. Corp.	AAA / Aaa	Custody (a)	21,450,000	21,082,210	6.79%
Federal National Mtg. Assn.	AAA / Aaa	Custody (a)	12,750,000	12,572,602	4.04%
Federal Farm Credit	AAA / Aaa	Custody (a)	14,000,000	13,711,240	4.43%
Overseas Private Investment Corp	n.a.	Custody (a)	216,059	197,600	0.07%
Commercial Paper (each <5%)	A1+P1	Custody (a)	119,975,000	118,980,237	37.99%
Ramsey County's Portfolio			<u>293,806,059</u>	<u>289,780,954</u>	
 <u>Escrow Accounts:</u>					
Griffin Bldg Revenue Bonds: Project Fund					
Money Market Savings Account	n.a.	Escrow (b)	838,032	838,032	0.27%
Griffin Bldg Revenue Bonds: DS. Fund					
Money Market Savings Account	n.a.	Escrow (b)	778,851	778,851	0.25%
Griffin Building Revenue Bonds:					
Federal Farm Credit	AAA / Aaa	Escrow (b)	1,082,000	1,071,007	0.34%
US Treasury SLUG's	n.a.	Escrow (b)	19,293,224	19,293,224	6.11%
Escrow Account Totals			<u>21,992,107</u>	<u>21,981,114</u>	
Total Investments			<u>315,798,166</u>	<u>311,762,068</u>	<u>100.000%</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. At December 31, 2005, all of the investments held in the escrow accounts listed above totaled \$21,981,114 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	\$ 3,606,001	
Grant Receivables that do not provide Current Financial Resources	9,198,784	
Loans Receivable	11,382,258	
Forfeited Tax Sale Contracts Receivable	531,600	
Grant Drawdowns Prior to Meeting Eligibility Requirements		4,102,613
Earnest Money		1,500,000
Advance on State Aid Highway Allotments		5,956,340
	<u>\$24,718,643</u>	<u>\$11,558,953</u>

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

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>
2006	\$ 395,011
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>
	9,800,624
Less Interest	<u>(3,393,624)</u>
Present Value of Lease Receivable	<u>\$6,407,000</u>

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.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

Terms of the lease are as follows:

<u>Years Ended December 31</u>	<u>Lease Receivable</u>
2006	\$ 1,048,542
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>
	19,086,983
Less Interest	<u>(6,191,983)</u>
Present Value of Lease Receivable	<u>\$12,895,000</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, 2005

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 68,857,296	\$ 8,089,630	\$ (163,629)	\$ 76,783,297
Construction in progress	<u>100,521,629</u>	<u>31,127,250</u>	<u>(53,378,452)</u>	<u>78,270,427</u>
Total capital assets, not being depreciated	<u>169,378,925</u>	<u>39,216,880</u>	<u>(53,542,081)</u>	<u>155,053,724</u>
Capital assets, being depreciated:				
Buildings	225,803,673	27,613,340	(656,807)	252,760,206
Building Improvements	8,466,641	1,834,112	(4,526)	10,296,227
Improvements other than buildings	29,971,063	5,373,306	(4,520)	35,339,849
Equipment	58,191,952	5,511,958	(3,573,362)	60,130,548
Infrastructure	<u>321,244,194</u>	<u>18,999,467</u>	<u>(865,609)</u>	<u>339,378,052</u>
Total capital assets being depreciated	<u>643,677,523</u>	<u>59,332,183</u>	<u>(5,104,824)</u>	<u>697,904,882</u>
Less accumulated depreciation for:				
Buildings	(46,782,029)	(4,548,752)	333,598	(50,997,183)
Building Improvements	(4,328,560)	(946,870)	-	(5,275,430)
Improvements other than buildings	(18,315,566)	(1,484,805)	2,687	(19,797,684)
Equipment	(47,843,547)	(4,229,152)	3,442,977	(48,629,722)
Infrastructure	<u>(156,920,761)</u>	<u>(8,189,745)</u>	<u>634,907</u>	<u>(164,475,599)</u>
Total accumulated depreciation	<u>(274,190,463)</u>	<u>(19,399,324)</u>	<u>4,414,169</u>	<u>(289,175,618)</u>
Total capital assets being depreciated, net	<u>369,487,060</u>	<u>39,932,859</u>	<u>(690,655)</u>	<u>408,729,264</u>
Governmental activities capital assets, net	<u>538,865,985</u>	<u>79,149,739</u>	<u>(54,232,736)</u>	<u>563,782,988</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	107,073	-	-	107,073
Construction in progress	<u>114,415</u>	<u>116,309</u>	<u>(114,415)</u>	<u>116,309</u>
Total capital assets, not being depreciated	<u>221,488</u>	<u>116,309</u>	<u>(114,415)</u>	<u>223,382</u>
Capital assets, being depreciated:				
Buildings	9,491,866	-	-	9,491,866
Building improvements	1,036,689	336,758	-	1,373,447
Improvements other than buildings	3,621,946	32,765	-	3,654,711
Equipment	<u>2,283,741</u>	<u>204,161</u>	<u>(50,324)</u>	<u>2,437,578</u>
Total capital assets being depreciated	<u>16,434,242</u>	<u>573,684</u>	<u>(50,324)</u>	<u>16,957,602</u>
Less accumulated depreciation for:				
Buildings	(3,354,495)	(244,219)	-	(3,598,714)
Building improvements	(633,479)	(60,732)	-	(694,211)
Improvements other than buildings	(543,458)	(128,273)	-	(671,731)
Equipment	<u>(1,545,522)</u>	<u>(267,377)</u>	<u>9,984</u>	<u>(1,802,915)</u>
Total accumulated depreciation	<u>(6,076,954)</u>	<u>(700,601)</u>	<u>9,984</u>	<u>(6,767,571)</u>
Total capital assets being depreciated, net	<u>10,357,288</u>	<u>(126,917)</u>	<u>(40,340)</u>	<u>10,190,031</u>
Business-type activities capital assets, net	<u>\$ 10,578,776</u>	<u>\$ (10,608)</u>	<u>\$ (154,755)</u>	<u>\$ 10,413,413</u>

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

Depreciation expense was charged to functions / programs as follows:

Governmental activities:	
General government	\$ 3,169,778
Public safety	3,354,629
Highways and streets, including depreciation of infrastructure assets	8,715,823
Health	219,765
Human Services	508,741
Culture and recreation	2,430,724
Conservation of natural resources	22,778
Economic development and assistance	88,540
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>888,546</u>
Total depreciation expense – governmental activities	<u>\$19,399,324</u>
Business-type activities:	
Lake Owasso Residence	\$219,680
Ramsey Nursing Home	228,050
Ponds at Battle Creek	130,312
Law Enforcement Services	<u>122,559</u>
Total depreciation expense – business-type activities	<u>\$700,601</u>

Construction Commitments

The government has active construction projects as of December 31, 2005. 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	\$30,877,258	\$1,953,669
County building facilities	<u>801,443</u>	<u>497,889</u>
	<u>\$31,678,701</u>	<u>\$2,451,558</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2004, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental Funds	\$ 242,517
	Lake Owasso Residence	1,271
	Capital Projects Fund	24,506
	Nonmajor Enterprise Funds	180,488
	Internal Service Funds	145,666
Nonmajor Governmental Funds	General	7,148
Capital Projects	General	21,794
Debt Service	General	103,720
	Nonmajor Enterprise Funds	72,853
Internal Service Funds	General	859,264
	Nonmajor Governmental Funds	46,078
	Lake Owasso Residence	3,361
	Nonmajor Enterprise Funds	18,641
	Internal Service Funds	<u>20,170</u>
Total		<u>\$1,747,477</u>

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

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	\$ 4,885,000
	Nonmajor Governmental Funds	4,605,000
	Lake Owasso Residence	378,206
	Nonmajor Enterprise Funds	822,400
Capital Projects	Nonmajor Enterprise Funds	<u>175,000</u>
Total		<u>\$10,865,606</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						Total
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Lake Owasso Residence</u>	<u>Nonmajor Enterprise</u>	<u>Agency Fund</u>	
Transfer out:							
General	\$ -	\$109,358	\$7,631	\$199,170	\$357,906	\$ -	\$674,065
Debt Service	-	-	-	-	-	20,126	20,126
Capital Projects	-	-	-	-	1,485	-	1,485
Nonmajor							
Governmental	<u>110,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,000</u>
Total transfers out	<u>\$110,000</u>	<u>\$109,358</u>	<u>\$7,631</u>	<u>\$199,170</u>	<u>\$359,391</u>	<u>\$20,126</u>	<u>\$805,676</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 also issued Revenue Bonds to facilitate the development of enterprises engaged in providing health care services to residents of the 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 \$106.2 million at December 31, 2005. There were seven conduit bond issuances at December 31, 2005.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

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 \$1,680,222 for year ended December 31, 2005. The future minimum lease payments for these leases are as follows:

<u>Year Ending Dec. 31</u>	<u>General Fund</u>
2006	\$1,483,999
2007	1,341,954
2008	735,178
2009	616,100
2010	179,588
2011-2015	<u>456,584</u>
Total	<u>\$4,813,403</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, 2005, were as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>
2006	\$ 59,391
2007 through 2008	<u>118,782</u>
Total minimum lease payments	178,173
Less: amount representing interest	<u>(22,061)</u>
Present value of minimum lease payments	<u>\$156,112</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, 2005

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, 2005. The future minimum loan payments are:

<u>Year Ending Dec. 31</u>	<u>Government Activities</u>
2006	\$ 7,309
2007	2,967
2008	<u>418</u>
Total	<u>\$10,694</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 \$206,902,000. During the year, general obligation bonds totaling \$20,510,000 were issued to provide funding for various capital projects and to refinance certain general obligation bonds.

The following is a list of the long-term debt transactions of the County for the year ended December 31, 2005:

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

	Payable <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	Payable <u>December 31</u>	Due Within <u>One Year</u>
GOVERNMENTAL ACTIVITIES:					
General Obligation Bonds	\$193,260,000	\$17,575,000	\$21,735,000	\$189,100,000	\$11,130,000
Note Payable	6,567,000	-	160,000	6,407,000	165,000
Lease Revenue Bonds	<u>13,845,000</u>	<u>-</u>	<u>470,000</u>	<u>13,375,000</u>	<u>480,000</u>
Total General Obligation Bonds, Notes Payable, and Lease Revenue Bonds	<u>213,672,000</u>	<u>17,575,000</u>	<u>22,365,000</u>	<u>208,882,000</u>	<u>11,775,000</u>
Loans Payable:					
Governmental Funds	10,716	-	7,783	2,933	2,560
Internal Service Funds	<u>13,001</u>	<u>-</u>	<u>5,240</u>	<u>7,761</u>	<u>4,749</u>
Total Loans Payable	<u>23,717</u>	<u>-</u>	<u>13,023</u>	<u>10,694</u>	<u>7,309</u>
Capital Lease	<u>201,570</u>	<u>-</u>	<u>45,458</u>	<u>156,112</u>	<u>48,600</u>
Claims and Judgments Payable					
Governmental Funds	<u>4,221,500</u>	<u>3,421,647</u>	<u>1,643,408</u>	<u>5,999,739</u>	<u>2,489,239</u>
Compensated Absences:					
Governmental Funds	29,999,852	15,103,024	14,567,127	30,535,749	13,251,825
Internal Service Funds:					
Data Processing	612,597	355,307	290,413	677,491	291,815
General County Buildings	271,335	141,218	122,081	290,472	114,127
Telecommunication	<u>42,845</u>	<u>26,696</u>	<u>26,108</u>	<u>43,433</u>	<u>21,630</u>
Total Compensated Absences	<u>30,926,629</u>	<u>15,626,245</u>	<u>15,005,729</u>	<u>31,547,145</u>	<u>13,679,397</u>
Governmental Activities					
Long-term Liabilities	<u>249,045,416</u>	<u>36,622,892</u>	<u>39,072,618</u>	<u>246,595,690</u>	<u>27,999,545</u>
BUSINESS-TYPE ACTIVITIES:					
General Obligation Bonds:					
Enterprise Funds:					
Lake Owasso Residence	3,760,000	2,935,000	155,000	6,540,000	160,000
Ponds at Battle Creek	<u>3,315,000</u>	<u>-</u>	<u>130,000</u>	<u>3,185,000</u>	<u>135,000</u>
Total General Obligation Bonds	<u>7,075,000</u>	<u>2,935,000</u>	<u>285,000</u>	<u>9,725,000</u>	<u>295,000</u>
Claims and Judgments Payable					
Ramsey Nursing Home					
Enterprise Fund	<u>253,000</u>	<u>-</u>	<u>253,000</u>	<u>-</u>	<u>-</u>
Compensated Absences:					
Enterprise Funds:					
Lake Owasso Residence	647,095	356,776	309,782	694,089	318,644
Ponds at Battle Creek	4,815	3,634	1,306	7,143	5,937
Ramsey Nursing Home	850,733	477,684	497,832	830,585	362,229
Law Enforcement Services	<u>283,146</u>	<u>250,053</u>	<u>235,916</u>	<u>297,283</u>	<u>297,283</u>
Total Compensated Absences	<u>1,785,789</u>	<u>1,088,147</u>	<u>1,044,836</u>	<u>1,829,100</u>	<u>984,093</u>
Business-Type Activities Long- Term Liabilities	<u>\$ 9,113,789</u>	<u>\$ 4,023,147</u>	<u>\$ 1,582,836</u>	<u>\$ 11,554,100</u>	<u>\$ 1,279,093</u>

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

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, 2005 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%	\$10,245,000
\$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%	850,000
\$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%	1,455,000
\$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%	3,455,000
\$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%	9,460,000
\$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%	3,605,000
\$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%	8,995,000
\$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%	30,345,000
\$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%	3,185,000
\$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%	25,960,000
\$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%	4,200,000
\$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%	25,110,000
\$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%	12,700,000
\$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%	29,705,000

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

\$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%	9,045,000
\$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%	2,500,000
\$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%	<u>2,935,000</u>
Total County General Obligation Debt	198,825,000

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%.	6,407,000
---	-----------

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>13,375,000</u>
---	-------------------

Total General Obligation Debt and Revenue Bond Debt	<u>\$218,607,000</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>
2006	\$ 11,775,000	\$ 9,361,854	\$ 295,000	\$ 475,572
2007	20,300,000	8,685,441	310,000	473,583
2008	18,745,000	7,751,853	3,420,000	369,094
2009	11,290,000	7,061,466	345,000	264,831
2010	11,210,000	6,584,763	355,000	250,831
2011-2015	60,350,000	24,924,121	1,995,000	1,002,341
2016-2020	46,520,000	12,040,309	2,500,000	454,228
2021-2025	26,125,000	2,553,878	505,000	26,266
2026-2030	<u>2,567,000</u>	<u>255,336</u>	-	-
Total	<u>\$208,882,000</u>	<u>\$79,219,021</u>	<u>\$9,725,000</u>	<u>\$3,316,746</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, 2005, the statutory limit for the County was \$734,902,804 providing a debt margin of \$565,415,182.

There is \$35,744,378 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.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

The County's proportionate share of debt at December 31, 2005 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	\$ 218,607,000	100.00%	\$ 218,607,000
<u>Overlapping Debt</u>			
Cities	25,450,000	10.53%	2,679,965
School Districts	168,260,000	64.81%	109,057,521
Other	222,830,882	16.44%	36,640,132
<u>Underlying Debt</u>			
Cities and Towns	163,263,848	100.00%	163,263,848
School Districts	530,324,049	100.00%	530,324,049
Other	<u>14,005,000</u>	100.00%	<u>14,005,000</u>
TOTAL	<u>\$1,342,740,779</u>		<u>\$1,074,577,515</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. The terms of the refunding agreement transferred trustee rights to Wells Fargo Bank, National Association.

Bond Refundings

In 2004, the County issued two crossover refunding bonds: \$5,250,000 General Obligation Capital Improvement Plan Refunding Bonds Series 2004 to refund the 1995A General Obligation Capital Improvement Plan bonds and \$5,350,000 General Obligation Capital Improvement Plan Refunding bonds to refund the 1997A General Obligation Capital Improvement Plan bonds. The proceeds were deposited with an escrow agent. The crossover date for both series was February 1, 2006. The refunded bond issues were called on February 2, 2005, so the redemption of these was paid out of the escrow account and is reported as another financing use – redemption of refunded bonds.

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

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

1996A series will be called on February 1, 2007, and the series 2000A series will be called on 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, 2006. An amendment to the lease is currently being negotiated. Past payments have been \$3,200 annually.

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 \$178,637 at the end of 2005. The lease requires monthly payments of \$12,500 through December 31, 2006.

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 \$3,128,540 at the end of 2005. The lease period runs through January 2007, and requires the following payments:

	<u>Annual Installments</u>
2006	\$64,197
2007	5,617

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, 2005

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>
Designated for:			
Capital Expenditures	\$ 2,021,868	\$12,287,308	\$ 257,868
Subsequent Years' Budget/Expenditure	7,591,486	-	14,789,164
2007 Budget	318,136	-	-
Tax Accounting Information System	840,107	-	-
Affordable Housing	520,770	-	550,557
Other Post-Employment Benefits	12,485,368	-	275,981
Cash Flow	75,925,085	-	3,189,450
Sheriff's Contingent	-	-	2,678
Gambling Forfeitures	-	-	1,072
Lake & Trails Reserve Unit	-	-	29,825
DARE	-	-	97,898
Dive Team	-	-	50
Literacy	-	-	2,936
Solid Waste Management	-	-	1,766,948
Resource Recovery Project	-	-	14,424,327
Health Promotion/Health Improvement	-	-	92,874
Capital Projects/Computer System Development	128,488	-	-
Self Insurance	<u>5,800,425</u>	<u>-</u>	<u>-</u>
Total Designated	105,631,733	12,287,308	35,481,628
Undesignated	<u>29,441,401</u>	<u>-</u>	<u>4,555,554</u>
 Total Unreserved	 <u>\$135,073,134</u>	 <u>\$12,287,308</u>	 <u>\$40,037,182</u>

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 2005, the investment earnings for the General Fund, including unrealized losses on investments, is as follows:

Interest on Investments	\$ 7,693,912
Unrealized Loss on Investments	<u>(2,383,202)</u>
	<u>\$ 5,310,710</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,

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

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:

	Year Ended <u>12/31/05</u>	Year Ended <u>12/31/04</u>
Unpaid claims, beginning of fiscal year	\$4,474,500	\$4,500,500
Incurred claims (including IBNRs)	3,421,647	1,393,249
Claim payments	<u>1,896,408</u>	<u>1,419,249</u>
Unpaid claims, end of fiscal year	<u>\$5,999,739</u>	<u>\$4,474,500</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 \$1,520,000 for any claim. The WCRA becomes responsible for the amount in excess of \$1,520,000. 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, 2005, 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 Events

Approved the bonding and borrowing of money by the issuance of not to exceed \$6,750,000 general obligation bonds in 2006 (the "bonds") is hereby authorized to finance: (1) the costs of improvements set forth in the 2006 capital improvement budget of the County; and (2) the costs of improvements at the Correctional Facility.

The County Board, on April 25, 2006, approved the sale of the Maplewood Library for \$4,700,000. A new Library in Maplewood is under construction.

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, 2005

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 2005 Project budget for the estimated shortfall in the Service Fee was \$15,577,042, financed by Ramsey and Washington Counties. The 2005 budget for the Service Fee assumed waste deliveries to the Resource Recovery Facility of 400,000 tons. During 2005, 221,127 tons of solid waste was delivered to the facility from Ramsey and Washington Counties. The facility also accepted 78,331 tons of out of County waste. 293,197 tons were processed into 248,852 tons of refuse derived fuel (RDF). Process residue and other waste landfilled totaled 48,060 tons. The facility operation resulted in an 79.0% 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 will be 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.

Ramsey and Washington Counties approved two types of waste hauler agreements for the term January 1, 2003 through July 13, 2007 at a tipping fee of \$38.00 per ton for haulers that agree to deliver all waste, and a tipping fee of \$40.00 per ton for haulers that agree to deliver a specified tonnage. The 2006 budget assumes 345,000 tons of waste deliveries at the Newport Resource Recovery Facility in the year 2006. Each County is responsible for financing its share of the estimated \$18,512,492 balance needed to operate the Facility, calculated as follows:

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

Ramsey County (73% share)	\$13,514,119
Washington County (27% share)	<u>4,998,373</u>
Total	<u>\$18,512,492</u>

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, 2005 have been subjected to audit in the following table:

	Total <u>Project</u>	Ramsey County's <u>Share</u>
Total Fund Assets	\$ 8,917,232	\$ 6,509,579
Total Fund Liabilities	2,911,975	2,125,742
Total Fund Balance	6,005,257	4,383,837
Total Revenues	15,271,782	11,148,401
Total Expenditures	15,262,592	11,141,692
Net Increase in Fund Balance	\$ 9,190	\$ 6,709

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

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

- 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

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

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

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 5.10 percent, respectively, of their annual covered salary in 2005. Contribution rates in the Coordinated Plan increased in 2006 to 5.50 percent. Public Employees Police and Fire Fund members were required to contribute 6.20 percent of their annual covered salary. That rate increased to 7.00 percent in 2006. 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 2005 and 2006:

	<u>2005</u>	<u>2006</u>
Public Employee Retirement Fund		
Basic Plan Members	11.78%	11.78%
Coordinated Plan Members	5.53%	6.00%
Public Employees Police and Fire Fund	9.30%	10.50%
Public Employees Correctional Fund	8.75%	8.75%

The County's contributions for the years ending December 31, 2005, 2004, and 2003, for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund, were:

<u>Year</u>	Public Employees Retirement Fund	Public Employees Police & Fire Fund	Public Employees Correctional Fund
2005	\$8,878,364	\$1,453,899	\$1,394,596
2004	9,013,835	1,481,914	1,395,897
2003	8,667,573	1,411,377	1,124,514

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.

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

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2005

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, 2005, 2004, and 2003, were \$11,325, \$9,364, and \$8,825, 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, 1,014 regular retirees and 475 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 2005 expenditures for post-employment benefits are:

Regular retirees	\$4,815,934
Early retirees	3,179,791
Medicare "B"	<u>610,380</u>
	<u>\$8,606,105</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, 2005**

	<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	\$ 175,152,996	\$ 164,887,584	\$ 165,432,610	\$ 545,026
Licenses and Permits	1,313,728	1,313,728	1,255,939	(57,789)
Intergovernmental	149,581,925	164,218,739	159,409,232	(4,809,507)
Private Grants and Donations	1,625	298,073	156,393	(141,680)
Charges for Services	45,054,248	44,745,164	46,526,621	1,781,457
Fines and Forfeitures	13,000	17,000	17,000	-
Sales	1,078,373	1,315,416	1,439,134	123,718
Rental Income	1,161,429	1,161,429	1,349,673	188,244
Investment Earnings	8,400,000	8,400,000	5,265,486	(3,134,514)
Program Recoveries - Community				
Human Services	4,050,102	4,450,102	3,948,060	(502,042)
Miscellaneous	1,254,297	1,459,117	2,479,024	1,019,907
Total Revenues	<u>387,061,723</u>	<u>392,266,352</u>	<u>387,279,172</u>	<u>(4,987,180)</u>
EXPENDITURES				
Current:				
General Government:				
County Board of Commissioners	1,453,198	1,453,198	1,452,818	(380)
Charter Commission	3,990	3,990	738	(3,252)
Courts	2,782,828	2,822,828	2,816,830	(5,998)
County Manager	8,795,072	9,243,164	8,498,069	(745,095)
Property Records and Revenue	11,834,216	12,143,436	11,541,142	(602,294)
Attorney	28,560,261	29,084,047	28,336,526	(747,521)
Property Management	4,597,204	4,657,815	4,483,002	(174,813)
Veterans Service Officer	333,916	334,358	334,343	(15)
Central Services	396,500	396,500	374,061	(22,439)
Contingency	2,000,000	896,885	-	(896,885)
Computer Equipment and Software	5,670,690	5,670,690	2,080,329	(3,590,361)
Unallocated General Expenditures	18,038,590	17,998,590	5,378,935	(12,619,655)
Total General Government	<u>84,466,465</u>	<u>84,705,501</u>	<u>65,296,793</u>	<u>(19,408,708)</u>
Public Safety:				
Sheriff	33,018,050	35,074,988	34,479,688	(595,300)
Community Corrections	52,160,654	52,310,812	51,707,108	(603,704)
Medical Examiner	1,697,217	1,742,417	1,720,989	(21,428)
Total Public Safety	<u>86,875,921</u>	<u>89,128,217</u>	<u>87,907,785</u>	<u>(1,220,432)</u>
Highways and Streets:				
Public Works	<u>14,622,622</u>	<u>14,895,815</u>	<u>14,689,831</u>	<u>(205,984)</u>
Sanitation:				
Environmental Health	<u>1,276,531</u>	<u>1,397,476</u>	<u>1,157,869</u>	<u>(239,607)</u>
Health:				
Public Health	17,248,332	18,953,800	15,675,724	(3,278,076)
Miscellaneous Health	325,000	325,000	325,000	-
Total Health	<u>17,573,332</u>	<u>19,278,800</u>	<u>16,000,724</u>	<u>(3,278,076)</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, 2005

	BUDGETED AMOUNTS		ACTUAL AMOUNTS ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES (continued)				
Human Services				
Income Maintenance	30,042,691	29,121,997	28,772,762	(349,235)
Social Services	147,593,201	148,260,451	146,739,219	(1,521,232)
Total Human Services	<u>177,635,892</u>	<u>177,382,448</u>	<u>175,511,981</u>	<u>(1,870,467)</u>
Culture and Recreation:				
Parks and Recreation	8,231,152	8,653,259	8,247,368	(405,891)
St Paul-Ramsey Historical Society	91,282	91,282	91,282	-
Landmark Center Management	895,706	894,668	894,668	-
Total Culture and Recreation	<u>9,218,140</u>	<u>9,639,209</u>	<u>9,233,318</u>	<u>(405,891)</u>
Conservation of Natural Resources:				
Extension Service	65,626	65,626	62,716	(2,910)
Soil and Water Conservation District	358,767	406,412	339,729	(66,683)
Total Conservation of Natural Resources	<u>424,393</u>	<u>472,038</u>	<u>402,445</u>	<u>(69,593)</u>
Capital Projects:				
Capital Improvements	<u>62,860</u>	<u>61,345</u>	<u>29,305</u>	<u>(32,040)</u>
Debt Service:				
Principal Retirement	<u>5,567</u>	<u>5,752</u>	<u>5,656</u>	<u>(96)</u>
Total Expenditures	<u>392,161,723</u>	<u>396,966,601</u>	<u>370,235,707</u>	<u>(26,730,894)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(5,100,000)</u>	<u>(4,700,249)</u>	<u>17,043,465</u>	<u>21,743,714</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	195,007	229,168	34,161
Operating Transfers Out	-	(643,417)	(677,578)	(34,161)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(448,410)</u>	<u>(448,410)</u>	<u>-</u>
Net Change in Fund Balances	<u>(5,100,000)</u>	<u>(5,148,659)</u>	<u>16,595,055</u>	<u>21,743,714</u>
Adjustment	(1,032,836)	(1,032,836)	(1,032,836)	-
Fund Balances - Beginning	135,532,598	135,532,598	135,532,598	-
Prior Period Adjustment	-	-	2,091,000	2,091,000
Fund Balances - Beginning, as Restated	<u>135,532,598</u>	<u>135,532,598</u>	<u>137,623,598</u>	<u>2,091,000</u>
Increase (Decrease) in Reserve for Inventories	-	-	158,882	158,882
Fund Balances - Ending	<u>\$ 129,399,762</u>	<u>\$ 129,351,103</u>	<u>\$ 153,344,699</u>	<u>\$ 23,993,596</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, 2005

Budgetary Information

The County Board adopts an annual budget for the following funds: The General Fund, certain Special Revenue Funds (County Library, Solid Waste/Recycling Service Fee, Saint Paul Public Health JPA, Regional Railroad Authority, and Forfeited Tax Sale), the Debt Service Fund, and Proprietary Funds. These budgets are prepared on the modified accrual basis of accounting. Annual budgets are not adopted for the 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, Workhouse Inmates Telephone System, Nursing Home Patients Activity, and Law Library. The 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.

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 in the General, Debt Service, and Special Revenue Funds, 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	\$370,235,707
Decrease:	
Encumbrances	(8,963,117)
Increase:	
Expenditures in 2005 from December 31, 2004	<u>13,296,729</u>
Expenditures – GAAP Basis	<u>\$374,569,319</u>
Unbudgeted Revenue	\$ (3,416,431)
Unbudgeted Transfers	115,655
Encumbrances	(8,963,117)
Expenditures in 2005 from December 31, 2004 Reserves for Encumbrances	<u>13,296,729</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>\$ 1,032,836</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 each year. 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.

RAMSEY COUNTY, MINNESOTA
Notes to the Required Supplementary Information
December 31, 2005

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 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.

**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, 2005

	<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	\$ 17,605,758	\$ 16,550,774	\$ 17,117,866	\$ 567,092
Intergovernmental	1,250,488	1,757,983	1,562,763	(195,220)
Investment Earnings	-	547,489	1,386,069	838,580
Total revenues	<u>18,856,246</u>	<u>18,856,246</u>	<u>20,066,698</u>	<u>1,210,452</u>
EXPENDITURES				
Debt service:				
Principal retirement	12,085,000	22,598,573	22,090,000	(508,573)
Interest	9,062,476	9,242,295	8,894,391	(347,904)
Total expenditures	<u>21,147,476</u>	<u>31,840,868</u>	<u>30,984,391</u>	<u>(856,477)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,291,230)</u>	<u>(12,984,622)</u>	<u>(10,917,693)</u>	<u>2,066,929</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of general obligation refunding bonds	-	10,693,392	16,180,165	5,486,773
Proceeds from sale of building	-	-	671,306	671,306
Operating Transfers Out	-	-	(20,126)	(20,126)
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,693,392</u>	<u>16,831,345</u>	<u>6,137,953</u>
Net change in fund balance	<u>(2,291,230)</u>	<u>(2,291,230)</u>	<u>5,913,652</u>	<u>8,204,882</u>
Adjustment	(1,119,927)	(1,119,927)	(1,119,927)	-
Fund balances - beginning	50,252,653	50,252,653	50,252,653	-
Fund balances - ending	<u>\$ 46,841,496</u>	<u>\$ 46,841,496</u>	<u>\$ 55,046,378</u>	<u>\$ 8,204,882</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.

Workhouse Inmates Telephone System – To account for commissions earned from the telephone system, which are to be used to maintain the current level of inmate services and supplies, and to upgrade inmate programs and equipment at the Workhouse.

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.

**RAMSEY COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005**

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004

STATEMENT 1

	<u>County Library Special Revenue Fund</u>	<u>Solid Waste/ Recycling Service Fee Special Revenue Fund</u>	<u>Housing and Redevelopment Authority Special Revenue Fund</u>	<u>Workforce Solutions Special Revenue Fund</u>	<u>State Funding For Courts Special Revenue Fund</u>	<u>State Public Defender Special Revenue Fund</u>	<u>St. Paul Public Health JPA Special Revenue Fund</u>	<u>Gifts and Donations Special Revenue Fund</u>	<u>Regional Railroad Authority Special Revenue Fund</u>	<u>Sheriff Special Revenue Fund</u>
ASSETS										
Cash and Cash Equivalents	\$ 4,105,167	\$ 20,782,067	\$ 676,289	\$ 2,515,249	\$ 105,000	\$ 1,932,740	\$ 3,899,769	\$ 476,720	\$ 12,002,575	\$ 443,600
Petty Cash and Change Funds	1,450	50	-	350	-	100	640	-	100	-
Receivables (Net):										
Taxes	93,731	18,492	-	-	-	-	-	-	64,983	-
Accounts	2,978	-	62,432	-	-	-	240,557	84	1,184	-
Accrued Interest	-	-	72,938	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	7,148	-	-	-
Due from Other Governments	-	-	413,577	4,295,365	247,877	-	281,448	-	79,672	-
Installment Loans Receivable	-	-	4,992,509	-	-	-	-	-	-	-
Inventories	3,649	-	-	-	-	-	39,918	-	-	-
Advance to other Governments	-	7,000	-	-	-	-	-	-	-	-
Total Assets	4,206,975	20,807,609	6,217,745	6,810,964	352,877	1,932,840	4,469,480	476,804	12,148,514	443,600
LIABILITIES AND FUND BALANCES										
Liabilities:										
Salaries Payable	193,035	29,614	12,648	232,869	247,877	136,460	81,657	-	-	-
Accounts Payable	168,651	4,163,156	332	1,628,856	-	1,099	38,125	27,498	2,674	59,733
Contracts Payable	-	-	551,535	-	-	-	107,076	-	121,754	-
Due to Other Funds	6,112	100,129	5,046	18,793	-	-	3,452	-	41,835	91,677
Due to Other Governments	10,016	61,418	97,564	79,542	-	-	372,941	2,341	34,828	17
Deferred Revenue	266,082	18,492	4,942,162	361,593	-	1,795,281	17,441	-	65,880	-
Advance from Other Funds	-	-	-	4,500,000	105,000	-	-	-	-	-
Total Liabilities	643,896	4,372,809	5,609,287	6,821,653	352,877	1,932,840	620,692	29,839	266,971	151,427
Fund Balances:										
Reserved for:										
Encumbrances	1,373	243,475	-	-	-	-	388,953	-	1,196,377	-
Inventories	3,649	-	-	-	-	-	39,918	-	-	-
Petty Cash	1,450	50	-	350	-	-	640	-	100	-
Unreserved	3,556,607	16,191,275	608,458	(11,039)	-	-	3,419,277	446,965	10,685,066	292,173
Total Fund Balances	3,563,079	16,434,800	608,458	(10,689)	-	-	3,848,788	446,965	11,881,543	292,173
Total Liabilities and Fund Balances	\$ 4,206,975	\$ 20,807,609	\$ 6,217,745	\$ 6,810,964	\$ 352,877	\$ 1,932,840	\$ 4,469,480	\$ 476,804	\$ 12,148,514	\$ 443,600

(Continued)

**RAMSEY COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004**

**STATEMENT 1
(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	Workhouse Inmates Telephone System Special Revenue Fund	Nursing Home Patients' Activity Special Revenue Fund	Forfeited Tax Sale Special Revenue Fund	Law Library Special Revenue Fund	Total Nonmajor Governmental Funds	
										2005	2004
ASSETS											
Cash and Cash Equivalents	\$ 212,035	\$ 3,127,197	\$ 318,533	\$ 92,874	\$ 211,528	\$ 177,556	\$ 23,919	\$ 259,352	\$ 839,899	\$ 52,202,069	\$ 52,042,725
Petty Cash and Change Funds	-	-	-	-	-	-	-	20	-	2,710	2,610
Receivables (Net):											
Taxes	-	-	-	-	-	-	-	-	-	177,206	135,820
Accounts	-	-	-	-	51,110	-	-	531,600	-	889,945	750,851
Accrued Interest	-	-	-	-	-	-	-	-	-	72,938	61,722
Due from Other Funds	-	-	-	-	-	-	-	-	-	7,148	56,862
Due from Other Governments	-	-	-	-	-	-	-	-	41,691	5,359,630	6,717,779
Installment Loans Receivable	-	235,000	-	-	-	-	-	-	-	5,227,509	4,772,894
Inventories	-	-	-	-	-	-	-	1,293	-	44,860	50,749
Advance to other Governments	-	-	-	-	-	-	-	-	-	7,000	-
Total Assets	<u>212,035</u>	<u>3,362,197</u>	<u>318,533</u>	<u>92,874</u>	<u>262,638</u>	<u>177,556</u>	<u>23,919</u>	<u>792,245</u>	<u>881,610</u>	<u>63,991,015</u>	<u>64,592,012</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Salaries Payable	-	-	-	-	-	-	-	11,257	9,565	954,982	969,946
Accounts Payable	17,223	224,981	-	-	108	9,179	1,329	27,935	9,116	6,379,995	6,337,542
Contracts Payable	-	-	-	-	77,031	-	-	-	-	857,396	512,946
Due to Other Funds	-	-	-	-	-	-	-	17,059	4,492	288,595	238,124
Due to Other Governments	13	-	-	-	-	24	-	97,779	203	756,686	1,034,507
Deferred Revenue	-	235,000	-	-	-	-	-	531,600	-	8,233,531	8,092,103
Advance from Other Funds	-	-	-	-	-	-	-	-	-	4,605,000	4,605,000
Total Liabilities	<u>17,236</u>	<u>459,981</u>	<u>-</u>	<u>-</u>	<u>77,139</u>	<u>9,203</u>	<u>1,329</u>	<u>685,630</u>	<u>23,376</u>	<u>22,076,185</u>	<u>21,790,168</u>
Fund balances:											
Reserved for:											
Encumbrances	-	-	-	-	-	-	-	-	-	1,830,178	2,734,156
Inventories	-	-	-	-	-	-	-	1,293	-	44,860	50,749
Petty Cash	-	-	-	-	-	-	-	-	20	2,610	2,510
Unreserved	194,799	2,902,216	318,533	92,874	185,499	168,353	22,590	105,322	858,214	40,037,182	40,014,429
Total Fund Balances	<u>194,799</u>	<u>2,902,216</u>	<u>318,533</u>	<u>92,874</u>	<u>185,499</u>	<u>168,353</u>	<u>22,590</u>	<u>106,615</u>	<u>858,234</u>	<u>41,914,830</u>	<u>42,801,844</u>
Total Liabilities and Fund Balances	<u>\$ 212,035</u>	<u>\$ 3,362,197</u>	<u>\$ 318,533</u>	<u>\$ 92,874</u>	<u>\$ 262,638</u>	<u>\$ 177,556</u>	<u>\$ 23,919</u>	<u>\$ 792,245</u>	<u>\$ 881,610</u>	<u>\$ 63,991,015</u>	<u>\$ 64,592,012</u>

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004

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	\$ 6,434,217	\$ -	\$ -	\$ 575,410	\$ -	\$ -	\$ 3,571,859	\$ -	\$ 3,142,807	\$ -
Licenses and Permits	-	35,730	-	-	-	-	119,177	-	-	-
Intergovernmental	685,588	1,345,501	2,161,273	18,900,829	6,919,899	3,828,842	4,794,950	-	1,473,078	113,181
Private Grants and Donations	-	-	-	-	-	-	6,023	268,786	-	95,927
Charges for Services	1,350	14,923,014	103,488	400	-	-	1,853,136	-	1	86,479
Fines and Forfeitures	496,486	-	-	-	-	-	-	-	-	157,355
Sales	58,896	8,929	-	-	-	-	-	-	-	444,153
Rental Income	-	-	-	-	-	-	-	-	37,378	-
Investment Earnings	97,137	673,696	100,492	-	-	-	11,799	6,754	385,641	17,044
Miscellaneous	298,571	92,044	329,865	-	-	-	172,549	-	19,585	10,116
Total Revenues	<u>8,072,245</u>	<u>17,078,914</u>	<u>2,695,118</u>	<u>19,476,639</u>	<u>6,919,899</u>	<u>3,828,842</u>	<u>10,529,493</u>	<u>275,540</u>	<u>5,058,490</u>	<u>924,255</u>
EXPENDITURES										
Current:										
General Government	-	-	-	-	6,919,899	3,828,842	-	37,237	7,268,012	172,994
Public Safety	-	-	-	-	-	-	-	9,244	-	562,192
Sanitation	-	16,645,305	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	9,588,983	19,907	-	-
Human Services	-	-	-	-	-	-	-	85,986	-	-
Culture and Recreation	7,988,774	-	-	-	-	-	-	72,799	-	-
Economic Development and Assistance	-	-	2,614,945	19,879,965	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>7,988,774</u>	<u>16,645,305</u>	<u>2,614,945</u>	<u>19,879,965</u>	<u>6,919,899</u>	<u>3,828,842</u>	<u>9,588,983</u>	<u>225,173</u>	<u>7,268,012</u>	<u>735,186</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>83,471</u>	<u>433,609</u>	<u>80,173</u>	<u>(403,326)</u>	<u>-</u>	<u>-</u>	<u>940,510</u>	<u>50,367</u>	<u>(2,209,522)</u>	<u>189,069</u>
OTHER FINANCING SOURCES (USES)										
Proceeds from Sale of Capital Assts	-	-	-	-	-	-	-	-	85,000	-
Transfers In	-	6,297	-	-	-	-	1,334	-	-	-
Transfers Out	-	(110,000)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(103,703)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,334</u>	<u>-</u>	<u>85,000</u>	<u>-</u>
Net Change in Fund Balances	<u>83,471</u>	<u>329,906</u>	<u>80,173</u>	<u>(403,326)</u>	<u>-</u>	<u>-</u>	<u>941,844</u>	<u>50,367</u>	<u>(2,124,522)</u>	<u>189,069</u>
Fund Balances - Beginning	3,479,292	16,104,894	528,285	392,745	-	-	2,913,514	396,598	14,006,065	103,104
Increase (Decrease) in Reserve for Inventories	316	-	-	(108)	-	-	(6,570)	-	-	-
Fund Balances - Ending	<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>

(Continued)

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004

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	Workhouse Inmates Telephone System Special Revenue Fund	Nursing Home Patients' Activity Special Revenue Fund	Forfeited Tax Sale Special Revenue Fund	Law Library Special Revenue Fund	Total Nonmajor Governmental Funds	
										2005	2004
REVENUES											
Taxes	\$ -	\$ 991,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,715,979	\$ 14,414,065
Licenses and Permits	-	-	-	-	-	-	-	-	-	154,907	36,015
Intergovernmental	-	-	-	-	27,453	-	-	912	836	40,252,342	41,371,043
Private Grants and Donations	-	-	-	-	13,871	-	-	-	-	384,607	343,812
Charges for Services	-	553,627	-	-	-	277,852	-	21,555	519,965	18,340,867	16,960,906
Fines and Forfeitures	-	-	90,881	-	-	-	-	-	-	744,722	720,823
Sales	240,285	-	-	-	-	-	-	613,503	-	1,365,766	1,390,852
Rental Income	-	-	-	-	-	-	-	-	-	37,378	-
Investment Earnings	831	-	-	-	-	-	-	-	-	1,293,394	608,584
Miscellaneous	14,531	-	-	-	53,110	1,503	7,561	2,730	29	1,002,194	1,316,292
Total Revenues	<u>255,647</u>	<u>1,545,313</u>	<u>90,881</u>	<u>-</u>	<u>94,434</u>	<u>279,355</u>	<u>7,561</u>	<u>638,700</u>	<u>520,830</u>	<u>78,292,156</u>	<u>77,162,392</u>
EXPENDITURES											
Current:											
General Government	-	1,257,825	-	-	-	-	-	624,977	530,402	20,640,188	14,830,858
Public Safety	229,416	-	55,127	-	-	258,127	-	-	-	1,114,106	1,336,314
Sanitation	-	-	-	-	-	-	-	-	-	16,645,305	14,568,538
Health	-	-	-	-	-	-	-	-	-	9,608,890	9,134,143
Human Services	-	-	-	-	-	-	14,340	-	-	100,326	92,475
Culture and Recreation	-	-	-	-	490,613	-	-	-	-	8,552,186	7,576,794
Economic Development and Assistance	-	-	-	-	-	-	-	-	-	22,494,910	23,122,428
Debt Service:											
Principal Retirement	-	-	-	-	-	-	-	-	-	-	6,801
Total Expenditures	<u>229,416</u>	<u>1,257,825</u>	<u>55,127</u>	<u>-</u>	<u>490,613</u>	<u>258,127</u>	<u>14,340</u>	<u>624,977</u>	<u>530,402</u>	<u>79,155,911</u>	<u>70,668,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,231</u>	<u>287,488</u>	<u>35,754</u>	<u>-</u>	<u>(396,179)</u>	<u>21,228</u>	<u>(6,779)</u>	<u>13,723</u>	<u>(9,572)</u>	<u>(863,755)</u>	<u>6,494,041</u>
OTHER FINANCING SOURCES (USES)											
Proceeds from Sale of Capital Assts	-	-	-	-	-	-	-	-	-	85,000	-
Transfers In	-	-	-	-	-	-	-	-	-	7,631	-
Transfers Out	-	-	-	-	-	-	-	-	-	(110,000)	(36,473)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,369)</u>	<u>(36,473)</u>
Net Change in Fund Balances	<u>26,231</u>	<u>287,488</u>	<u>35,754</u>	<u>-</u>	<u>(396,179)</u>	<u>21,228</u>	<u>(6,779)</u>	<u>13,723</u>	<u>(9,572)</u>	<u>(881,124)</u>	<u>6,457,568</u>
Fund Balances - Beginning	168,568	2,614,728	282,779	92,874	581,678	147,125	29,369	92,420	867,806	42,801,844	36,336,222
Increase (Decrease) in Reserve for Inventories	-	-	-	-	-	-	-	472	-	(5,890)	8,054
Fund Balances - Ending	<u>\$ 194,799</u>	<u>\$ 2,902,216</u>	<u>\$ 318,533</u>	<u>\$ 92,874</u>	<u>\$ 185,499</u>	<u>\$ 168,353</u>	<u>\$ 22,590</u>	<u>\$ 106,615</u>	<u>\$ 858,234</u>	<u>\$ 41,914,830</u>	<u>\$ 42,801,844</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, 2005**

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes	\$ 6,717,621	\$ 6,362,183	\$ 6,434,217	\$ 72,034
Intergovernmental	298,184	653,622	685,588	31,966
Charges for Services	1,200	1,200	1,350	150
Fines and Forfeitures	460,000	460,000	496,486	36,486
Sales	50,000	67,288	58,896	(8,392)
Investment Earnings	40,000	40,000	97,137	57,137
Miscellaneous	160,000	197,668	298,571	100,903
Total Revenues	<u>7,727,005</u>	<u>7,781,961</u>	<u>8,072,245</u>	<u>290,284</u>
EXPENDITURES				
Current:				
Culture and Recreation	7,720,464	7,781,961	7,778,191	(3,770)
Debt Service:				
Principal Retirement	6,541	-	-	-
Total Expenditures	<u>7,727,005</u>	<u>7,781,961</u>	<u>7,778,191</u>	<u>(3,770)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>294,054</u>	<u>294,054</u>
Adjustment	(210,583)	(210,583)	(210,583)	-
Fund Balances - Beginning	3,479,292	3,479,292	3,479,292	-
Increase (Decrease) in Reserve for Inventories	-	-	316	316
Fund Balances - Ending	<u>\$ 3,268,709</u>	<u>\$ 3,268,709</u>	<u>\$ 3,563,079</u>	<u>\$ 294,370</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, 2005

	BUDGETED AMOUNTS		ACTUAL ON A BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Licenses and Permits	\$ 27,600	\$ 27,600	\$ 35,730	\$ 8,130
Intergovernmental	1,460,000	1,341,783	1,345,501	3,718
Charges for Services	15,136,074	15,108,974	14,923,014	(185,960)
Sales	7,680	7,680	8,929	1,249
Investment Income	-	-	673,696	673,696
Miscellaneous	-	88,100	92,044	3,944
Total Revenues	<u>16,631,354</u>	<u>16,574,137</u>	<u>17,078,914</u>	<u>504,777</u>
EXPENDITURES				
Current:				
Sanitation	18,023,661	18,447,807	16,691,986	(1,755,821)
Total Expenditures	<u>18,023,661</u>	<u>18,447,807</u>	<u>16,691,986</u>	<u>(1,755,821)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,392,307)</u>	<u>(1,873,670)</u>	<u>386,928</u>	<u>2,260,598</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	6,297	6,297	-
Operating Transfers Out	-	(110,000)	(110,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(103,703)</u>	<u>(103,703)</u>	<u>-</u>
Net Change in Fund Balance	(1,392,307)	(1,977,373)	283,225	2,260,598
Adjustment	46,681	46,681	46,681	-
Fund Balance-Beginning	16,104,894	16,104,894	16,104,894	-
Fund Balance-Ending	<u>\$ 14,759,268</u>	<u>\$ 14,174,202</u>	<u>\$ 16,434,800</u>	<u>\$ 2,260,598</u>

**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, 2005**

	BUDGETED AMOUNTS		ACTUAL ON A BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 3,571,859	\$ 3,571,859	\$ 3,571,859	\$ -
Licenses and Permits	64,000	64,000	119,177	55,177
Intergovernmental	3,959,264	4,068,280	4,797,950	729,670
Private Grants & Donations	-	-	6,023	6,023
Charges for Services	1,448,451	1,448,451	1,853,136	404,685
Investment Earnings	-	10,976	11,799	823
Miscellaneous	1,000	1,000	172,549	171,549
Total Revenues	<u>9,044,574</u>	<u>9,164,566</u>	<u>10,532,493</u>	<u>1,367,927</u>
EXPENDITURES				
Current:				
Health	9,143,864	9,265,190	7,350,315	(1,914,875)
Total Expenditures	<u>9,143,864</u>	<u>9,265,190</u>	<u>7,350,315</u>	<u>(1,914,875)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(99,290)</u>	<u>(100,624)</u>	<u>3,182,178</u>	<u>3,282,802</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	1,334	1,134	(200)
Net Change in Fund Balance	(99,290)	(99,290)	3,183,312	3,282,602
Adjustment	(2,241,468)	(2,241,468)	(2,241,468)	-
Fund Balance - Beginning	<u>2,913,514</u>	<u>2,913,514</u>	<u>2,913,514</u>	<u>-</u>
Increase (Decrease) in Reserve for Inventories	-	-	(6,570)	(6,570)
Fund Balance - Ending	<u>\$ 572,756</u>	<u>\$ 572,756</u>	<u>\$ 3,848,788</u>	<u>\$ 3,276,032</u>

**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, 2005**

	BUDGETED AMOUNTS		ACTUAL ON A BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 3,133,506	\$ 3,133,506	\$ 3,142,807	\$ 9,301
Intergovernmental	199,827	199,827	1,473,078	1,273,251
Investment Earnings	100,000	100,000	385,641	285,641
Miscellaneous	15,000	15,000	56,964	41,964
Total Revenues	<u>3,448,333</u>	<u>3,448,333</u>	<u>5,058,490</u>	<u>1,610,157</u>
EXPENDITURES				
Current:				
General Government	<u>3,448,333</u>	<u>3,590,833</u>	<u>2,335,295</u>	(1,255,538)
Total Expenditures	<u>3,448,333</u>	<u>3,590,833</u>	<u>2,335,295</u>	(1,255,538)
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(142,500)</u>	<u>2,723,195</u>	<u>2,865,695</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	<u>-</u>	<u>42,500</u>	<u>85,000</u>	<u>42,500</u>
Net Change in Fund Balance	-	(100,000)	2,808,195	2,908,195
Adjustment	(4,932,717)	(4,932,717)	(4,932,717)	-
Fund Balance - Beginning	14,006,065	14,006,065	14,006,065	-
Fund Balance - Ending	<u>\$ 9,073,348</u>	<u>\$ 8,973,348</u>	<u>\$ 11,881,543</u>	<u>\$ 2,908,195</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, 2005**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS ON</u> <u>BUDGETARY</u> <u>BASIS</u>	<u>FINAL BUDGET</u> <u>OVER</u> <u>(UNDER)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 912	\$ 912
Charges for Services	30,000	30,000	21,555	(8,445)
Sales	720,000	720,000	613,503	(106,497)
Miscellaneous	-	-	2,730	2,730
Total Revenues	<u>750,000</u>	<u>750,000</u>	<u>638,700</u>	<u>(111,300)</u>
EXPENDITURES				
Current:				
General Government	<u>750,000</u>	<u>750,000</u>	<u>566,027</u>	<u>(183,973)</u>
Total Expenditures	<u>750,000</u>	<u>750,000</u>	<u>566,027</u>	<u>(183,973)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>72,673</u>	<u>72,673</u>
Adjustment	(58,950)	(58,950)	(58,950)	-
Fund Balance - Beginning	92,420	92,420	92,420	-
Increase (Decrease) in Reserve for Inventories	-	-	472	472
Fund Balance - Ending	<u>\$ 33,470</u>	<u>\$ 33,470</u>	<u>\$ 106,615</u>	<u>\$ 73,145</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.

Ponds at Battle Creek – To account for all expenses incurred in operating the Ponds at Battle Creek Golf Course.

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004

	Ramsey Nursing Home	Law Enforcement Services	Ponds at Battle Creek	Total Nonmajor Enterprise Funds	
				2005	2004
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 806,577	\$ 658,823	\$ 282,577	\$ 1,747,977	\$ 1,723,702
Petty Cash and Change Funds	14,000	-	-	14,000	14,500
Cooperative Investment	84,255	-	-	84,255	33,408
Accounts Receivable (Net)	309,960	-	4,075	314,035	268,987
Due from Other Governments	681,503	-	-	681,503	945,981
Prepaid Expenses	42,225	-	-	42,225	-
Inventories	31,721	-	-	31,721	31,988
Total Current Assets	<u>1,970,241</u>	<u>658,823</u>	<u>286,652</u>	<u>2,915,716</u>	<u>3,018,566</u>
Noncurrent Assets:					
Deferred charges	-	-	12,825	12,825	-
Capital Assets:					
Land	99,200	-	-	99,200	99,200
Improvements Other Than Buildings	423,964	-	2,581,891	3,005,855	411,447
Building	4,517,652	-	933,506	5,451,158	4,517,652
Building Improvements	1,350,099	-	-	1,350,099	1,013,341
Equipment	967,324	606,935	379,646	1,953,905	1,554,601
Construction in Progress	116,309	-	-	116,309	114,415
Less Accumulated Depreciation	(4,844,494)	(397,523)	(552,361)	(5,794,378)	(5,019,772)
Total Capital Assets (Net of Accumulated Depreciation)	<u>2,630,054</u>	<u>209,412</u>	<u>3,342,682</u>	<u>6,182,148</u>	<u>2,690,884</u>
Total Noncurrent Assets	<u>2,630,054</u>	<u>209,412</u>	<u>3,355,507</u>	<u>6,194,973</u>	<u>2,690,884</u>
Total Assets	<u>4,600,295</u>	<u>868,235</u>	<u>3,642,159</u>	<u>9,110,689</u>	<u>5,709,450</u>
LIABILITIES					
Current Liabilities:					
Salaries Payable	349,938	126,759	1,910	478,607	448,930
Accounts Payable	255,228	16,556	3,179	274,963	219,915
Interest Payable	-	-	60,711	60,711	-
Unamortized Bond Discount/Premium	-	-	4,265	4,265	-
Due to Other Funds	163,320	29,970	78,692	271,982	263,417
Due to Other Governments	54,172	337,805	363	392,340	321,904
General Obligation Bonds Payable-Current	-	-	135,000	135,000	-
Vacation and Compensatory Time Payable	362,229	297,283	5,937	665,449	655,497
Total Current Liabilities	<u>1,184,887</u>	<u>808,373</u>	<u>290,057</u>	<u>2,283,317</u>	<u>1,909,663</u>
Noncurrent Liabilities:					
General Obligation Bonds Payable	-	-	3,050,000	3,050,000	-
Advance from Other Funds	-	50,000	947,400	997,400	50,000
Compensated Absences Payable	468,356	-	1,206	469,562	478,382
Estimated Payable for Outstanding Claims	-	-	-	-	253,000
Total Noncurrent Liabilities	<u>468,356</u>	<u>50,000</u>	<u>3,998,606</u>	<u>4,516,962</u>	<u>781,382</u>
Total Liabilities	<u>1,653,243</u>	<u>858,373</u>	<u>4,288,663</u>	<u>6,800,279</u>	<u>2,691,045</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt Restricted for Capital Projects	2,630,054	209,412	199,580	3,039,046	2,690,884
Unrestricted	316,998	(199,550)	(892,247)	(774,799)	327,521
Total Net Assets	<u>\$ 2,947,052</u>	<u>\$ 9,862</u>	<u>\$ (646,504)</u>	<u>\$ 2,310,410</u>	<u>\$ 3,018,405</u>

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004

	Ramsey Nursing Home	Law Enforcement Services	Ponds at Battle Creek	Total Nonmajor Enterprise Funds	
				2005	2004
OPERATING REVENUES:					
Charges for Services	\$ 11,297,713	\$ 4,581,944	\$ 373,684	\$ 16,253,341	\$ 15,976,212
Sales	-	1,510	-	1,510	1,128
Rental Income	-	-	52,408	52,408	-
Miscellaneous	25,312	30,220	4,643	60,175	58,303
Total Operating Revenues	<u>11,323,025</u>	<u>4,613,674</u>	<u>430,735</u>	<u>16,367,434</u>	<u>16,035,643</u>
OPERATING EXPENSES:					
Personal Services	9,083,434	3,605,104	181,345	12,869,883	12,425,662
Other Services and Charges	2,194,708	1,053,207	113,856	3,361,771	3,217,154
Supplies	679,504	164,194	36,502	880,200	839,798
Depreciation	228,050	122,559	130,312	480,921	376,354
Total Operating Expenses	<u>12,185,696</u>	<u>4,945,064</u>	<u>462,015</u>	<u>17,592,775</u>	<u>16,858,968</u>
Operating Income (Loss)	<u>(862,671)</u>	<u>(331,390)</u>	<u>(31,280)</u>	<u>(1,225,341)</u>	<u>(823,325)</u>
NONOPERATING REVENUES (EXPENSES):					
Intergovernmental Revenue	33,778	260,424	-	294,202	288,452
Investment Earnings (Loss)	101,533	-	-	101,533	88,966
Amortization of Bond Issuance Costs	-	-	(539)	(539)	-
Interest Expense	-	-	(146,031)	(146,031)	-
Gain (Loss) on Disposal of Capital Assets	(1,046)	26,951	-	25,905	1,689
Gain on Sale of Capital Assets	-	18,170	-	18,170	-
Miscellaneous Revenue	4,725	-	-	4,725	-
Total Nonoperating Revenues (Expenses)	<u>138,990</u>	<u>305,545</u>	<u>(146,570)</u>	<u>297,965</u>	<u>379,107</u>
Income Before Contributions and Transfers	<u>(723,681)</u>	<u>(25,845)</u>	<u>(177,850)</u>	<u>(927,376)</u>	<u>(444,218)</u>
Capital Contributions	328,644	-	-	328,644	25,183
Transfers In	359,391	-	-	359,391	410,294
Change in Net Assets	<u>(35,646)</u>	<u>(25,845)</u>	<u>(177,850)</u>	<u>(239,341)</u>	<u>(8,741)</u>
Total Net Assets - Beginning	<u>2,982,698</u>	<u>35,707</u>	<u>(468,654)</u>	<u>2,549,751</u>	<u>3,027,146</u>
Total Net Assets - Ending	<u>\$ 2,947,052</u>	<u>\$ 9,862</u>	<u>\$ (646,504)</u>	<u>\$ 2,310,410</u>	<u>\$ 3,018,405</u>

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004

	Ramsey Nursing Home	Law Enforcement Services	Ponds at Battle Creek	Total Nonmajor Enterprise Funds	
				2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 11,177,838	\$ 5,010,046	\$ 429,858	\$ 16,617,742	\$ 16,207,105
Payments to Suppliers	(3,166,234)	(1,194,717)	(144,280)	(4,505,231)	(3,819,379)
Payments to Employees	(9,088,495)	(3,578,287)	(180,012)	(12,846,794)	(12,732,900)
Payments for Interfund Services Used	-	-	(450)	(450)	-
Net Cash Provided (Used) for Operating Activities	(1,076,891)	237,042	105,116	(734,733)	(345,174)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental Revenue	33,778	260,424	-	294,202	288,452
Transfers In	357,906	-	-	357,906	354,362
Miscellaneous Revenue	4,725	-	-	4,725	-
Net Cash Provided (Used) for Noncapital Financing Activities	396,409	260,424	-	656,833	642,814
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from the Sale of Capital Assets	-	39,170	-	39,170	32,500
Purchases of Capital Assets	(33,241)	(177,646)	(20,248)	(231,135)	(185,497)
Principal Paid on Capital Debt	-	-	(130,000)	(130,000)	-
Interest Paid on Capital Debt	-	-	(74,803)	(74,803)	-
Disposal of Capital Assets	-	45,245	-	45,245	-
Net Cash Provided (Used) for Capital and Related Financing Activities	(33,241)	(93,231)	(225,051)	(351,523)	(152,997)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend Received	25,067	-	-	25,067	23,760
Gain on Sale of Investment	25,619	-	-	25,619	69,140
Interest on Investment	-	-	-	-	50,423
Repayment of Loan	-	-	-	-	70,000
Net Cash Provided (Used) for Investing Activities	50,686	-	-	50,686	213,323
Net Increase (Decrease) in Cash and Cash Equivalents	(663,037)	404,235	(119,935)	(378,737)	357,966
Cash and Cash Equivalents, January 1	1,483,614	254,588	402,512	2,140,714	1,380,236
Cash and Cash Equivalents, December 31	820,577	658,823	282,577	1,761,977	1,738,202
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	(862,671)	(331,390)	(31,280)	(1,225,341)	(823,325)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	228,050	122,559	130,312	480,921	376,354
Noncash Transfers	1,485	-	-	1,485	55,932
Provision for Uncollectible Accounts	(9,500)	-	-	(9,500)	7,000
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(73,453)	41,980	(877)	(32,350)	88,394
(Increase) Decrease in Due from Other Governments	(62,234)	326,712	-	264,478	53,659
(Increase) Decrease in Prepaid Items	(42,225)	-	-	(42,225)	-
(Increase) Decrease in Inventories	267	-	-	267	8,801
Increase (Decrease) in Salaries Payable	15,087	12,680	(995)	26,772	(349,793)
Increase (Decrease) in Accounts Payable	39,177	12,692	1,316	53,185	47,335
Increase (Decrease) in Due to Other Funds	(80,119)	9,992	4,558	(65,569)	25,936
Increase (Decrease) in Due to Other Governments	42,393	27,680	(246)	69,827	21,978
Increase (Decrease) in Estimated Payable for Outstanding Claims	(253,000)	-	-	(253,000)	100,000
Increase (Decrease) in Vacation and Compensatory Time Payable	(10,122)	14,137	1,607	5,622	30,480
Increase (Decrease) in Compensated Absences Payable	(10,026)	-	721	(9,305)	12,075
Net Cash Provided (Used) by Operating Activities	\$ (1,076,891)	\$ 237,042	\$ 105,116	\$ (734,733)	\$ (345,174)

Noncash Investing, Capital and Financing Activities:

Contributions of Capital Assets in the Ramsey Nursing Home Fund amounted to \$317,928 and \$25,183 in 2005 and 2004 respectively.

The fair value of Ramsey Nursing Home Investment decreased by \$33,444 in 2004, and increased by \$50,847 in 2005.

Disposal of Capital Assets had a Net Book Value of \$1,046 in 2005 and \$12,811 in 2004 for the Ramsey Nursing Home.

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

STATEMENT 6

DECEMBER 31, 2005

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004

	Data Processing	General County Buildings	Telecomm- unications	Firearms Range	Total Internal Service Funds	
					2005	2004
ASSETS						
Current assets:						
Cash and Cash Equivalents	\$ 840,522	\$ 8,069,262	\$ 2,419,942	\$ 12,512	\$ 11,342,238	\$ 9,856,069
Petty Cash and Change Funds	75	-	-	-	75	75
Accounts Receivable (Net)	3,696	11,770	2,482	-	17,948	6,763
Due from Other Funds	825,884	25,240	94,534	1,856	947,514	1,324,715
Due from Other Governments	36,587	12,600	19,637	3,236	72,060	125,604
Prepaid Items	142,398	-	-	-	142,398	181,693
Inventories	5,814	-	-	-	5,814	5,719
Restricted Cash and Cash Equivalents	-	1,000	-	-	1,000	1,000
Total Current Assets	<u>1,854,976</u>	<u>8,119,872</u>	<u>2,536,595</u>	<u>17,604</u>	<u>12,529,047</u>	<u>11,501,638</u>
Noncurrent Assets:						
Capital Assets:						
Improvements other than buildings	-	6,973	-	-	6,973	-
Building Improvements	-	6,896,681	-	-	6,896,681	6,371,866
Equipment	5,573,596	350,700	2,827,062	-	8,751,358	9,063,147
Construction in progress	127,693	-	-	-	127,693	-
Less Accumulated Depreciation	<u>(5,573,596)</u>	<u>(4,910,882)</u>	<u>(1,862,913)</u>	<u>-</u>	<u>(12,347,391)</u>	<u>(11,847,896)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>127,693</u>	<u>2,343,472</u>	<u>964,149</u>	<u>-</u>	<u>3,435,314</u>	<u>3,587,117</u>
Total Assets	<u>1,982,669</u>	<u>10,463,344</u>	<u>3,500,744</u>	<u>17,604</u>	<u>15,964,361</u>	<u>15,088,755</u>
LIABILITIES						
Current Liabilities:						
Salaries Payable	145,936	72,467	15,165	-	233,568	232,215
Accounts Payable	221,282	777,637	34,496	-	1,033,415	1,021,916
Loan Payable	-	4,750	-	-	4,750	-
Due to Other Funds	42,574	96,982	14,876	11,404	165,836	186,014
Due to Other Governments	12,115	3,645	61	-	15,821	6,374
Vacation and Compensatory Time Payable	291,815	114,127	21,630	-	427,572	376,157
Payable from Restricted Assets:						
Customer Deposits Payable	-	1,000	-	-	1,000	1,000
Total Current Liabilities	<u>713,722</u>	<u>1,070,608</u>	<u>86,228</u>	<u>11,404</u>	<u>1,881,962</u>	<u>1,823,676</u>
Noncurrent Liabilities:						
Loan Payable	-	3,011	-	-	3,011	-
Compensated Absences Payable	385,676	176,345	21,803	-	583,824	550,620
Total Liabilities	<u>1,099,398</u>	<u>1,249,964</u>	<u>108,031</u>	<u>11,404</u>	<u>2,468,797</u>	<u>2,374,296</u>
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	127,693	2,343,472	964,149	-	3,435,314	3,587,117
Unrestricted	755,578	6,869,908	2,428,564	6,200	10,060,250	9,127,342
Total Net Assets	<u>\$ 883,271</u>	<u>\$ 9,213,380</u>	<u>\$ 3,392,713</u>	<u>\$ 6,200</u>	<u>\$ 13,495,564</u>	<u>\$ 12,714,459</u>

RAMSEY COUNTY, MINNESOTA

STATEMENT 7

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES

IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2005

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004

	Data Processing	General County Buildings	Telecomm- unications	Firearms Range	Total Internal Service Funds	
					2005	2004
OPERATING REVENUES:						
Charges for Services	\$ 7,265,049	\$ 9,705,729	\$ 1,579,409	\$ 43,392	\$ 18,593,579	\$ 16,625,987
Sales	-	715	-	1,452	2,167	7,189
Miscellaneous	40	25,211	695	-	25,946	72,781
Total Operating Revenues	<u>7,265,089</u>	<u>9,731,655</u>	<u>1,580,104</u>	<u>44,844</u>	<u>18,621,692</u>	<u>16,705,957</u>
OPERATING EXPENSES:						
Personal Services	4,307,926	2,033,923	426,176	-	6,768,025	6,334,684
Other Services and Charges	2,860,933	6,159,474	724,151	32,744	9,777,302	8,561,726
Supplies	36,890	370,723	14,774	9,000	431,387	321,129
Depreciation	176	606,835	281,535	-	888,546	884,726
Total Operating Expenses	<u>7,205,925</u>	<u>9,170,955</u>	<u>1,446,636</u>	<u>41,744</u>	<u>17,865,260</u>	<u>16,102,265</u>
Operating Income (Loss)	<u>59,164</u>	<u>560,700</u>	<u>133,468</u>	<u>3,100</u>	<u>756,432</u>	<u>603,692</u>
NONOPERATING REVENUES (EXPENSES):						
Intergovernmental Revenue	18,334	4,546	1,252	-	24,132	24,302
Gain (Loss) on Disposal of Capital Assets	797	(256)	-	-	541	292
Total Nonoperating Revenues (Expenses)	<u>19,131</u>	<u>4,290</u>	<u>1,252</u>	<u>-</u>	<u>24,673</u>	<u>24,594</u>
Change in Net Assets	<u>78,295</u>	<u>564,990</u>	<u>134,720</u>	<u>3,100</u>	<u>781,105</u>	<u>628,286</u>
Total Net Assets - Beginning	<u>804,976</u>	<u>8,648,390</u>	<u>3,257,993</u>	<u>3,100</u>	<u>12,714,459</u>	<u>12,086,173</u>
Total Net Assets - Ending	<u>\$ 883,271</u>	<u>\$ 9,213,380</u>	<u>\$ 3,392,713</u>	<u>\$ 6,200</u>	<u>\$ 13,495,564</u>	<u>\$ 12,714,459</u>

**RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004**

STATEMENT 8

	Data Processing	General County Buildings	Telecomm- unications	Firearms Range	Total Internal Service Funds	
					2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	\$ 324,164	\$ 9,761,906	\$ 1,642,375	\$ 47,427	\$ 11,775,872	\$ 1,208,702
Receipts from Interfund Services Provided	7,265,382	-	-	-	7,265,382	15,408,349
Payments to Suppliers	(2,551,409)	(6,409,431)	(710,508)	(58,592)	(9,729,940)	(7,380,132)
Payments to Employees	(4,252,392)	(2,004,598)	(425,067)	-	(6,682,057)	(6,619,491)
Payments for Interfund Services Used	(425,779)	-	-	-	(425,779)	(1,054,261)
Net Cash Provided (Used) for Operating Activities	<u>359,966</u>	<u>1,347,877</u>	<u>506,800</u>	<u>(11,165)</u>	<u>2,203,478</u>	<u>1,563,167</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental Revenue	18,334	4,546	1,252	-	24,132	24,302
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from the Sale of Capital Assets	797	-	-	-	797	292
Purchases of Capital Assets	(127,693)	(570,734)	(38,571)	-	(736,998)	(293,921)
Repayment of Loan	-	(5,240)	-	-	(5,240)	(2,097)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(126,896)</u>	<u>(575,974)</u>	<u>(38,571)</u>	<u>-</u>	<u>(741,441)</u>	<u>(295,726)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	251,404	776,449	469,481	(11,165)	1,486,169	1,291,743
Cash and Cash Equivalents, January 1	589,193	7,293,813	1,950,461	23,677	9,857,144	8,565,401
Cash and Cash Equivalents, December 31	<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>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	59,164	560,700	133,468	3,100	756,432	603,692
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	176	606,834	281,535	-	888,545	884,726
Loan Payable included in Electrical Expense	-	13,001	-	-	13,001	-
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	-	(10,775)	(410)	-	(11,185)	9,579
(Increase) Decrease in Due From Other Funds	305,497	41,023	28,953	1,728	377,201	(139,248)
(Increase) Decrease in Due From Other Governments	18,961	-	33,728	855	53,544	40,764
(Increase) Decrease in Prepaid Items	39,295	-	-	-	39,295	2,499
(Increase) Decrease in Inventories	(95)	-	-	-	(95)	1,196
Increase (Decrease) in Salaries Payable	(9,359)	10,191	521	-	1,353	(234,268)
Increase (Decrease) in Accounts Payable	(95,523)	85,793	21,229	-	11,499	419,770
Increase (Decrease) in Due to Other Funds	(30,382)	19,515	7,537	(16,848)	(20,178)	22,647
Increase (Decrease) in Due to Other Governments	7,338	2,458	(349)	-	9,447	2,350
Increase (Decrease) in Vacation and Compensatory Time Payable	43,723	9,906	(2,214)	-	51,415	(56,803)
Increase (Decrease) in Compensated Absences Payable	21,171	9,231	2,802	-	33,204	6,263
Net Cash Provided (Used) by Operating Activities	<u>\$ 359,966</u>	<u>\$ 1,347,877</u>	<u>\$ 506,800</u>	<u>\$ (11,165)</u>	<u>\$ 2,203,478</u>	<u>\$ 1,563,167</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 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.

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004

	<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>2005</u>	<u>2004</u>
ASSETS						
Cash and Cash Equivalents	\$ 182,869	\$ 64,934	\$ 54,380	\$ 2,226,884	\$ 2,529,067	\$ 2,237,534
Accounts Receivable	-	-	-	-	-	44
Total Assets	<u>182,869</u>	<u>64,934</u>	<u>54,380</u>	<u>2,226,884</u>	<u>2,529,067</u>	<u>2,237,578</u>
LIABILITIES						
Custodial Payable	-	<u>4,865</u>	<u>2,527</u>	-	<u>7,392</u>	<u>9,338</u>
NET ASSETS						
Held in Trust for Private Purposes	<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>

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004

	<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>2005</u>	<u>2004</u>
ADDITIONS						
Receipts from Clients	\$ 43,344	\$ 104,861	\$ 112,747	\$ 12,531,821	\$ 12,792,773	\$ 12,057,741
Investment Earnings	-	-	1,732	3,227	4,959	2,678
Total Additions	<u>43,344</u>	<u>104,861</u>	<u>114,479</u>	<u>12,535,048</u>	<u>12,797,732</u>	<u>12,060,419</u>
DEDUCTIONS						
Payments to Clients or on Behalf of Clients	<u>107,955</u>	<u>97,261</u>	<u>105,469</u>	<u>12,193,612</u>	<u>12,504,297</u>	<u>12,364,082</u>
Change in Net Assets	(64,611)	7,600	9,010	341,436	293,435	(303,663)
Net Assets - Beginning	<u>247,480</u>	<u>52,469</u>	<u>42,843</u>	<u>1,885,448</u>	<u>2,228,240</u>	<u>2,531,903</u>
Net Assets - Ending	<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>

**RAMSEY COUNTY, MINNESOTA
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Balance January 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2005</u>
ASSETS				
Cash and Cash Equivalents	\$ 21,892,405	\$ 684,910,775	\$ 674,513,584	\$ 32,289,596
Petty Cash and Change Funds	50	-	-	50
Receivables (Net):				
Taxes	267	-	267	-
Accounts	23,749,940	21,310,346	23,749,940	21,310,346
Due from Other Governments	367,700	436,240	367,700	436,240
Advance to Other Governments	50,893	-	-	50,893
	<u>46,061,255</u>	<u>706,657,361</u>	<u>698,631,491</u>	<u>54,087,125</u>
LIABILITIES				
Salaries Payable	7,944	9,021	7,944	9,021
Custodial Payable	31,880,969	32,844,732	31,901,094	32,824,607
Due to Other Governments	14,172,342	21,253,498	14,172,343	21,253,497
	<u>\$ 46,061,255</u>	<u>\$ 54,107,251</u>	<u>\$ 46,081,381</u>	<u>\$ 54,087,125</u>
Total Liabilities	<u>\$ 46,061,255</u>	<u>\$ 54,107,251</u>	<u>\$ 46,081,381</u>	<u>\$ 54,087,125</u>

OTHER SUPPLEMENTARY INFORMATION

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005

	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	Sheriff	Law Library		Forfeited Tax Sale
Shared Revenue:														
State-														
Highway Users Tax	\$ 4,710,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Watercraft Registration	39,741	-	-	-	-	-	-	-	-	-	-	-	-	
Market Value Homestead Credit	10,159,020	354,070	-	-	-	-	-	-	202,462	-	-	-	556,532	
Disparity Reduction Aid	240,092	-	-	-	-	-	-	-	-	-	-	-	-	
County Program Aid	16,386,502	148,790	-	-	-	-	-	-	-	-	-	-	148,790	
State Aid for Police Pension	1,221,946	-	-	-	-	-	-	-	-	-	-	-	-	
911 Telephone Fee	167,941	-	-	-	-	-	-	-	-	-	-	-	-	
PERA Rate Increase Aid	702,126	21,652	3,718	824	9,372	-	11,114	16,842	-	-	836	912	65,270	
Total Shared Revenue	33,627,943	524,512	3,718	824	9,372	-	11,114	16,842	-	202,462	-	836	912	770,592
Reimbursement for Services:														
State-														
Minnesota Department of														
Public Safety	99,409	-	-	-	-	-	-	-	-	-	-	-	-	
Health	257,447	-	-	-	-	-	-	-	-	-	-	-	-	
Human Services	46,034,075	-	-	-	360,490	-	-	-	-	-	-	-	360,490	
Trial Courts	42,791	-	-	-	-	6,908,785	-	-	-	-	-	-	6,908,785	
Public Defense Board	-	-	-	-	-	-	3,812,000	-	-	-	-	-	3,812,000	
Education	284,820	-	-	-	-	-	-	-	-	-	-	-	-	
Family Service Collaborative	323,760	-	-	-	-	-	-	-	-	-	-	-	-	
Total Reimbursement for Services	47,042,302	-	-	-	360,490	-	6,908,785	3,812,000	-	-	-	-	-	11,081,275
Grants:														
State-														
Minnesota Department of														
Education	5,495	-	-	-	-	-	-	-	-	-	-	-	-	
Public Safety	653,892	-	-	-	14,591	-	-	-	-	-	-	-	14,591	
Environmental Assistance	-	-	1,169,648	-	-	-	-	-	-	-	-	-	1,169,648	
Health	2,643,711	-	-	-	-	-	-	435,129	-	-	-	-	435,129	
Natural Resources	70,586	-	-	-	-	-	-	-	-	-	-	-	-	
Transportation	-	-	-	-	-	-	-	-	25,664	-	-	-	25,664	
Corrections	9,574,344	-	-	-	-	-	-	-	-	-	-	-	-	
Human Services	29,613,022	-	-	-	1,151,613	-	-	-	-	-	-	-	1,151,613	
Housing Finance	716,922	-	-	-	-	-	-	-	-	-	-	-	-	
Employment & Economic Development	-	-	-	-	2,414,618	-	-	-	-	-	-	-	2,414,618	
Miscellaneous Boards	160,897	-	-	-	-	-	-	-	-	-	-	-	-	
Total State	43,438,869	-	1,169,648	-	3,580,822	-	-	435,129	25,664	-	-	-	-	5,211,263
Federal-														
Department of														
Agriculture	254,436	-	-	-	-	-	-	1,926,305	-	-	-	-	1,926,305	
Interior	58,000	-	-	-	-	-	-	-	-	-	-	-	-	
Justice	1,741,049	-	-	-	48,436	-	-	-	-	113,181	-	-	161,617	
Transportation	133,283	-	-	-	-	-	-	-	1,161,029	-	-	-	1,161,029	
Housing and Urban Development	141,635	-	-	2,160,449	-	-	-	1,061,684	-	-	-	-	3,222,133	
Labor	-	-	-	-	2,959,874	-	-	-	-	-	-	-	2,959,874	
Environmental Protection Agency	4,802	-	-	-	-	-	-	-	-	-	-	-	-	
Health and Human Services	29,586,212	-	-	-	11,941,835	-	-	1,363,961	-	-	-	-	13,305,796	
Homeland Security	531,920	-	-	-	-	-	-	-	-	-	-	-	-	
Total Federal	32,451,337	-	-	2,160,449	14,950,145	-	-	4,351,950	1,161,029	113,181	-	-	-	22,736,754
Local	810,460	159,990	172,135	-	-	27,453	-	7,871	81,338	-	-	-	448,787	
Total Grants	76,700,666	159,990	1,341,783	2,160,449	18,530,967	27,453	-	4,794,950	1,268,031	113,181	-	-	-	28,396,804
Excess Tax Increment	1,907,195	-	-	-	-	-	-	-	-	-	-	-	-	
Payments in lieu of taxes	131,126	1,086	-	-	-	-	-	-	2,585	-	-	-	3,671	
Total Intergovernmental Revenue	\$ 159,409,232	\$ 685,588	\$ 1,345,501	\$ 2,161,273	\$ 18,900,829	\$ 27,453	\$ 6,919,899	\$ 3,828,842	\$ 4,794,950	\$ 1,473,078	\$ 113,181	\$ 836	\$ 912	\$ 40,252,342

(Continued)

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Debt Service Fund	Capital Projects Fund	Enterprise Funds	Internal Service Funds	Total All Funds
Shared Revenue:					
State-					
Highway Users Tax	\$ 517,301	\$ 2,808,675	\$ -	\$ -	\$ 8,036,551
Watercraft Registration	-	-	-	-	39,741
Market Value Homestead Credit	1,013,209	-	-	-	11,728,761
Disparity Reduction Aid	23,170	-	-	-	263,262
County Program Aid	16,114	-	-	-	16,551,406
State Aid for Police Pension	-	-	260,000	-	1,481,946
911 Telephone Fee	-	-	-	-	167,941
PERA Rate Increase Aid	-	-	54,170	24,132	845,698
Total Shared Revenue	<u>1,569,794</u>	<u>2,808,675</u>	<u>314,170</u>	<u>24,132</u>	<u>39,115,306</u>
Reimbursement for Services:					
State-					
Minnesota Department of					
Public Safety	-	-	-	-	99,409
Health	-	-	-	-	257,447
Human Services	-	-	-	-	46,394,565
Trial Courts	-	-	-	-	6,951,576
Public Defense Board	-	-	-	-	3,812,000
Education	-	-	-	-	284,820
Family Service Collaborative	-	-	-	-	323,760
Total Reimbursement for Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,123,577</u>
Grants:					
State-					
Minnesota Department of					
Education	-	-	-	-	5,495
Public Safety	-	-	-	-	668,483
Environmental Assistance	-	-	-	-	1,169,648
Health	-	-	-	-	3,078,840
Natural Resources	-	-	-	-	70,586
Transportation	-	-	-	-	25,664
Corrections	-	-	-	-	9,574,344
Human Services	-	-	-	-	30,764,635
Housing Finance	-	-	-	-	716,922
Employment & Economic Development	-	-	-	-	2,414,618
Miscellaneous Boards	-	-	-	-	160,897
Total State	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,650,132</u>
Federal-					
Department of					
Agriculture	-	-	-	-	2,180,741
Interior	-	-	-	-	58,000
Justice	-	-	-	-	1,902,666
Transportation	-	4,440,451	-	-	5,734,763
Housing and Urban Development	-	-	-	-	3,363,768
Labor	-	-	-	-	2,959,874
Environmental Protection Agency	-	-	-	-	4,802
Health and Human Services	-	-	-	-	42,892,008
Homeland Security	-	5,429,168	-	-	5,961,088
Total Federal	<u>-</u>	<u>9,869,619</u>	<u>-</u>	<u>-</u>	<u>65,057,710</u>
Local	-	2,982,974	-	-	4,242,221
Total Grants	<u>-</u>	<u>12,852,593</u>	<u>-</u>	<u>-</u>	<u>117,950,063</u>
Excess Tax Increment	-	-	-	-	1,907,195
Payments in lieu of taxes	12,670	-	-	-	147,467
Total Intergovernmental Revenue	<u>\$ 1,582,464</u>	<u>\$ 15,661,268</u>	<u>\$ 314,170</u>	<u>\$ 24,132</u>	<u>\$ 217,243,608</u>

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

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	\$ 79,247	\$ -
National School Lunch Program	10.555	135,729	-
Passed Through Minnesota Department of Health:			
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	1,917,536	-
Passed Through Minnesota Department of Agriculture:			
WIC Farmers Market Nutrition Program (FMNP)	10.572	8,769	-
Passed Through Minnesota Department of Natural Resources:			
Cooperative Forestry Assistance	10.664	39,460	-
Total Department of Agriculture		<u>2,180,741</u>	<u>-</u>
Department of Housing and Urban Development			
Direct			
Community Development Block Grants (CDBG)	14.218	996,021	758,775
Supportive Housing Program	14.235	141,635	141,635
Home Investment in Affordable Housing (HOME)	14.239	1,164,428	1,128,153
Lead Based Paint Hazard Control Program	14.900	639,034	185,711
Passed Through Minnesota Department of Health:			
Lead Based Paint Hazard Control Program	14.900	2,701	-
Passed Through Hennepin County:			
Lead Based Paint Hazard Control Program	14.900	161,367	-
Passed Through City of Minneapolis:			
Lead Based Paint Hazard Control Program	14.900	74,463	-
Passed Through City of St. Paul			
Community Development Block Grants (CDBG)	14.218	184,119	184,119
Total Department of Housing and Urban Development		<u>3,363,768</u>	<u>2,398,393</u>
Department of the Interior			
Passed Through Minnesota Department of Natural Resources:			
State Wildlife Grants	15.634	<u>58,000</u>	<u>-</u>
Department of Justice			
Direct			
State Criminal Alien Assistance Program	16.606	113,181	-
Community Prosecution and Project Safe Neighborhoods	16.609	33,851	-
Passed Through Minnesota Department of Public Safety:			
Juvenile Accountability Incentive Block Grant (JAIBG)	16.523	196,801	-
Juvenile Justice and Delinquency Prevention	16.540	7,268	7,268
Title V Delinquency Prevention	16.548	50,000	-
National Institute of Justice Research, Evaluation and and Development Project Grants	16.560	10,000	-
Crime Victim Assistance	16.575	148,380	-
Byrne Formula Grant Program	16.579	1,007,481	171,427
Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants	16.580	112,135	-
Violence Against Women Formula Grants	16.588	54,469	-
Byrne Memorial Justice Assistance Grants	16.738	16,134	-
Passed Through Minnesota Department of Trial Courts:			
Byrne Formula Grant Program	16.579	65,305	-
Passed Through City of St. Paul:			
Local Law Enforcement Block Grant	16.592	72,517	-
Byrne Memorial Justice Assistance Grants	16.738	15,144	-
Total Department of Justice		<u>1,902,666</u>	<u>178,695</u>

(continued)

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

SCHEDULE 9
(continued)

Federal Grantor Pass Through Agency Grant Program Title	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
Department of Labor			
Direct			
Employment and Training Administration Pilots, Demonstrations and Research Projects	17.261	187,537	96,725
Passed Through Minnesota Department of Employment and Economic Development:			
Workforce Investment Act (WIA) - Adult Programs	17.258	714,241	455,245
Workforce Investment Act (WIA) - Youth Activities	17.259	1,272,480	744,831
Workforce Investment Act (WIA) - Dislocated Workers	17.260	699,859	4,800
Disability Employment Policy Development	17.720	21,000	-
Passed Through Hennepin County:			
Workforce Investment Act (WIA) - Dislocated Workers	17.260	22,527	-
Passed Through St. Paul Chamber of Commerce:			
Workforce Investment Act (WIA) - Dislocated Workers	17.260	42,230	-
Total Department of Labor		2,959,874	1,301,601
Department of Transportation			
Passed Through Minnesota Department of Public Safety:			
Boating Safety Financial Assistance	20.005	10,000	-
State and Community Highway Safety	20.600	16,668	-
Alcohol Traffic Safety and Drunk Driving Prevention	20.601	2,604	-
Passed Through Minnesota Department of Transportation:			
Highway Planning & Construction	20.205	4,544,462	-
Passed Through Metropolitan Council:			
Federal Transit Capital and Operating Asst Formula Grants	20.507	1,161,029	-
Total Department of Transportation		5,734,763	-
Environmental Protection Agency			
Passed Through Minnesota Department of Health:			
State Indoor Radon Grants	66.032	4,802	-
Department of Health and Human Services			
Direct			
Family Planning Services	93.217	333,851	-
Cons Knowledge Development & Application	93.230	260,516	-
Passed Through Minnesota Department of Human Services:			
Projects for Assistance in Transition from Homelessness	93.150	170,051	-
Promoting Safe and Stable Families	93.556	336,067	336,067
Temporary Assistance for Needy Families (TANF)	93.558	11,908,250	6,343,404
Refugee and Entrant Assistance-Targeted Assistance Grants	93.584	33,585	5,352
Community Based Child Abuse Prevention Grants	93.590	134,825	28,500
Child Care Mandatory and Matching Funds	93.596	18,236,002	10,947,285
Child Welfare Services-State Grants	93.645	123,950	96,733
Foster Care Title IV-E	93.658	2,865,018	-
Social Services Block Grant	93.667	4,189,289	-
Independent Living	93.674	131,707	-
Block Grant - Community Mental Health Services	93.958	575,729	-
Block Grant - Prevention/Treatment Substance Abuse	93.959	549,346	-
Passed Through Minnesota Department of Health:			
Grants & Coop Agreements for Tuberculosis Control	93.116	57,000	-
Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	93.185	44,834	-
State and Local Childhood Lead Poisoning Prevention and and Surveillance of Blood Lead Levels in Children	93.197	31,299	-
Immunization Grants	93.268	120,000	-
Center for Disease Control-Investigations & Technical Assistance	93.283	1,403,963	-
Temporary Assistance for Needy Families (TANF)	93.558	510,075	-
Refugee and Entrant Assistance	93.566	12,500	-
Breast and Cervical Cancer Control Programs	93.919	21,681	-

(continued)

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

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 Minnesota Department of Health (continued):			
Sexually Transmitted Disease Control Grant	93.977	96,074	-
Maternal and Child Health Services Block Grant	93.994	677,928	677,928
Passed Through Hennepin County:			
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	54,840	-
Ryan White HIV/AIDS Dental Reimbursements	93.924	13,628	-
Total Department of Health and Human Services		<u>42,892,008</u>	<u>18,435,269</u>
Department of Homeland Security			
Direct			
Interoperable Communications Equipment	97.055	5,351,485	-
Passed Through Minnesota Department of Public Safety:			
State Domestic Preparedness Equipment Support Program	97.004	325,228	-
Urban Areas Security Initiative	97.008	153,222	35,110
Homeland Security Grant Program	97.067	131,153	-
Total Department of Homeland Security		<u>5,961,088</u>	<u>35,110</u>
Total Cash Federal Awards		<u>64,987,600</u>	<u>22,349,068</u>
Non-Cash Awards			
Department of Agriculture			
Food Donation Program	10.550	8,085	-
Total Non-Cash Federal Awards		<u>8,085</u>	<u>-</u>
Total Federal Awards		<u>\$ 65,065,795</u>	<u>\$ 22,349,068</u>

SECTION III – STATISTICAL SECTION

TABLE I

RAMSEY COUNTY, MINNESOTA
 GOVERNMENT-WIDE EXPENSES BY FUNCTION
 LAST FIVE YEARS

FISCAL YEAR	General Government	Public Safety	Highways and Streets	Sanitation	Health	Human Services	Culture and Recreation	Conservation of Natural Resources	Economic Development and Assistance	Interest	Lake Owasso Residence	Ponds at Battle Creek	Ramsey Nursing Home	Office of Integrated Managed Care	Law Enforcement Services	Total
2001	\$ 85,679,251	\$ 81,950,470	\$ 24,118,208	\$ 14,729,750	\$ 23,170,500	\$ 166,983,417	\$ 18,252,519	\$ 840,769	\$ 22,169,545	\$ 6,378,603	\$ 5,571,084	\$ -	\$ 10,740,962	\$ 701,681	\$ 4,368,795	\$ 465,655,554
2002	93,519,244	84,036,106	23,609,628	15,851,946	24,118,961	181,927,405	18,896,677	768,743	25,747,275	7,826,063	7,142,831	488	11,398,215	1,242,876	4,474,209	500,560,667
2003	88,644,095	81,266,102	19,587,607	14,801,190	24,400,859	176,750,563	18,792,204	776,639	23,877,182	7,297,704	7,692,647	172,661	11,751,327	711,578	4,588,613	481,110,971
2004	49,037,867	92,552,785	46,613,526	15,737,538	23,278,945	170,372,597	17,181,691	466,403	22,938,963	9,648,967	7,786,233	665,560	12,079,285	-	4,790,221	473,150,581
2005	69,903,388	103,140,189	26,016,187	17,850,477	26,154,048	172,133,597	21,253,410	401,757	22,774,299	9,259,922	7,700,741	608,504	12,184,848	-	4,945,064	494,326,431

This Table was developed with the implementation of GASB 34. Years prior to 2001 were not restated and therefore are not available.

Unaudited

TABLE II

RAMSEY COUNTY, MINNESOTA
 GOVERNMENT-WIDE REVENUES
 LAST FIVE YEARS

FISCAL YEAR	Program Revenues			General Revenues					
	Fees, Fines, Charges and Other	Operating Grants and Contributions	Capital Grants and Contributions	Lease Proceeds	Taxes	Grants and Contributions Not Restricted to Specific Programs	Investment Earnings	Miscellaneous	Total
2001	\$ 71,870,891	\$ 173,522,105	\$ 7,799,829	\$ -	\$ 180,051,678	\$ 17,106,218	\$ 16,837,714	\$ (95,262)	\$ 467,093,173
2002	74,432,814	197,585,278	22,046,062	-	175,132,352	28,938,815	11,616,024	2,444,543	512,195,888
2003	84,817,176	180,454,326	28,944,124	-	179,663,516	23,157,574	4,420,783	1,426,526	502,884,025
2004	84,518,931	168,543,707	16,521,207	13,845,000	188,180,358	23,620,674	5,718,675	1,021,777	501,970,329
2005	92,745,680	167,033,301	26,641,407	-	198,458,773	35,576,972	7,811,537	3,498,023	531,765,693

This Table was developed with the implementation of GASB 34. Years prior to 2001 were not restated and therefore are not available.

Unaudited

**RAMSEY COUNTY, MINNESOTA
GENERAL GOVERNMENTAL REVENUES AND EXPENDITURES (1)
BY SOURCE AND FUNCTION
LAST TEN FISCAL YEARS**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
REVENUE BY SOURCE:										
Taxes	\$ 153,471,418	\$ 163,067,750	\$ 170,982,229	\$ 171,536,116	\$ 169,443,749	\$ 179,718,077	\$ 176,410,099	\$ 176,038,167	\$ 187,788,336	\$ 197,266,455
Special Assessments	5,384	37	2	107	-	-	-	-	-	-
Licenses and Permits	926,101	1,090,480	1,050,056	1,075,547	1,091,269	1,149,537	1,128,524	1,253,422	1,258,037	1,410,846
Intergovernmental	127,215,919	137,473,925	149,293,141	158,453,905	190,915,247	192,946,367	233,459,089	218,113,577	192,800,112	201,244,038
Private Grants and Donations	578,033	967,900	1,743,335	2,306,827	1,165,721	678,581	1,097,019	1,241,181	397,283	621,000
Charges for Services	25,672,003	27,547,026	29,885,386	34,971,528	34,683,475	37,160,320	42,709,222	56,403,053	61,545,749	64,867,488
Fines and Forfeitures	2,722,632	3,068,995	3,356,044	3,739,148	3,844,862	3,710,428	4,124,232	2,437,722	733,823	761,722
Sales	806,233	696,664	684,008	849,228	1,503,686	1,150,187	2,649,774	2,306,044	2,457,870	2,804,900
Rental Income	-	-	-	-	-	-	929,341	1,007,022	1,346,306	1,387,051
Investment Earnings	17,484,181	17,972,660	16,118,414	(203,038)	22,725,518	15,752,024	10,721,869	4,285,326	5,740,097	7,970,472
Community Human Services-Program										
Recoveries	16,804,120	15,628,392	8,597,937	8,842,711	7,714,905	5,742,828	5,600,073	4,116,529	4,020,666	3,948,060
Miscellaneous	3,543,738	5,134,647	4,744,120	5,521,972	5,829,609	6,103,366	5,643,673	7,083,084	4,691,671	6,772,425
TOTAL REVENUE BY SOURCE	349,229,762	372,648,476	386,454,672	387,094,051	438,918,041	444,111,715	484,472,915	474,285,127	462,779,950	489,054,457
EXPENDITURES BY FUNCTION:										
General Government	63,667,600	66,280,791	75,397,794	72,990,273	80,240,182	84,780,803	87,599,504	81,731,833	79,591,902	88,857,578
Public Safety	57,294,234	59,500,748	65,711,950	68,807,290	70,894,009	76,751,445	81,910,462	80,891,130	86,399,635	89,586,294
Highways and Streets	12,312,148	12,989,162	12,947,808	12,212,020	12,967,116	12,981,208	14,054,555	15,023,259	14,087,001	14,321,647
Sanitation	7,978,830	11,268,478	12,458,854	9,564,774	13,058,831	13,587,652	15,850,612	14,778,330	15,742,726	17,852,048
Health and Human Services	166,231,915	174,907,685	180,480,819	187,570,750	194,773,944	194,362,055	210,211,218	203,981,375	197,761,443	200,863,810
Culture and Recreation	13,269,030	13,561,123	14,626,532	14,962,351	15,730,165	16,024,090	16,743,482	16,548,538	16,140,176	17,452,152
Conservation of Natural Resources	502,744	528,185	593,594	626,434	691,677	827,032	828,136	775,940	458,455	438,555
Economic Development and Assistance	3,587,901	4,491,070	4,083,132	3,975,790	12,095,075	19,415,891	25,678,477	23,634,515	23,122,428	22,734,910
Intergovernmental	1,973,376	1,357,474	1,111,344	853,791	1,866,078	3,037,023	-	-	-	-
Capital Projects	1,932,750	1,341,706	1,350,725	1,500,771	12,357,685	8,219,805	16,082,948	16,936,492	6,408,299	1,551,062
Debt Service	17,816,940	18,685,565	35,039,349	61,765,791	19,395,489	21,060,434	51,089,071	22,914,736	20,054,473	21,666,492
Capital Outlay	-	-	-	-	-	-	8,635	-	-	-
TOTAL EXPENDITURES BY FUNCTION	\$ 346,567,468	\$ 364,911,987	\$ 403,801,901	\$ 434,830,035	\$ 434,070,251	\$ 451,047,438	\$ 520,057,100	\$ 477,216,148	\$ 459,766,538	\$ 475,324,548

(1) Includes the General, Special Revenue, and Debt Service Funds.

RAMSEY COUNTY, MINNESOTA
COMPARISON OF PROPERTY TAX COLLECTIONS TO AMOUNT REQUIRED TO FINANCE COUNTY BUDGET
LAST TEN FISCAL YEARS

BUDGET YEAR	CERTIFIED PROPERTY TAX LEVY	LESS: ALLOWANCE FOR UNCOLLECTIBLE TAXES	PERCENT ADDED TO LEVY TO FINANCE UNCOLLECTIBLES	LESS: STATE ASSISTANCE	NET AMOUNT DUE FROM TAXPAYERS TO FINANCE BUDGET	CASH COLLECTIONS	DIFFERENCE	TOTAL TAX COLLECTIONS AS PERCENT OF AMOUNT NEEDED TO FINANCE BUDGET
GENERAL OPERATIONS:								
1996	\$ 143,889,467	\$ 2,821,362	2%	\$ 11,072,344	\$ 129,995,761	\$ 129,917,428	\$ (78,333)	99.9%
1997	147,865,275	2,904,148	2%	10,889,999	134,071,128	133,857,643	(213,485)	99.8%
1998	149,966,460	2,940,519	2%	10,935,673	136,090,268	136,372,602	282,334	100.2%
1999	151,030,735	2,961,387	2%	11,902,971	136,166,377	137,591,344	1,424,967	101.0%
2000	152,089,273	1,431,074	1%	13,965,083	136,693,116	136,229,693	(463,423)	99.7%
2001	157,796,738	1,562,343	1%	13,990,033	142,244,362	141,379,088	(865,274)	99.4%
2002	165,633,310	1,639,933	1%	24,868,975	139,124,402	138,854,734	(269,668)	99.8%
2003	171,614,512	3,090,766	2%	20,322,410	148,201,336	149,082,165	880,829	100.6%
2004	178,360,936	3,550,214	2%	18,829,044	155,981,678	158,594,702	2,613,024	101.7%
2005	199,699,398	3,651,503	2%	30,421,392	165,626,503	167,539,442	1,912,939	101.2%
DEBT SERVICE:								
1996	11,123,399	529,686	5%	855,949	9,737,764	10,036,289	298,525	103.1%
1997	12,117,586	577,028	5%	892,437	10,648,121	10,975,274	327,153	103.1%
1998	12,550,014	597,620	5%	915,157	11,037,237	11,454,791	417,554	103.8%
1999	12,452,079	592,956	5%	-	11,859,123	12,290,318	431,195	103.6%
2000	13,456,751	640,798	5%	-	12,815,953	13,268,532	452,579	103.5%
2001	14,428,727	687,082	5%	-	13,741,645	14,182,940	441,295	103.2%
2002	15,090,354	718,588	5%	1,189,261	13,182,505	13,995,908	813,403	106.2%
2003	15,084,238	718,297	5%	1,067,754	13,298,187	13,924,523	626,336	104.7%
2004	15,697,559	747,503	5%	1,112,014	13,838,042	16,219,837	2,381,795	117.2%
2005	15,552,054	740,574	5%	971,313	13,840,167	16,313,829	2,473,662	117.9%

NOTE: Levy does not include the Library Operation and Debt Service Levy, which is only on suburban Ramsey County property and other taxing districts levy which is only on benefited property.

Unaudited

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)	TOTAL		RATIO OF TOTAL NET TAX CAPACITY TO MARKET VALUE
	NET TAX CAPACITY	TAXABLE MARKET VALUE	NET TAX CAPACITY	TAXABLE MARKET VALUE		NET TAX CAPACITY (2)	TAXABLE MARKET VALUE	
1997	\$ 324,717,845	\$ 16,895,944,100	\$ 16,848,823	\$ 394,259,500	\$ 24,566,318	\$ 366,132,986	\$ 17,290,203,600	0.0212 : 1
1998	309,484,681	17,849,816,194	14,765,581	402,981,500	25,592,339	349,842,601	18,252,797,694	0.0192 : 1
1999	306,440,156	19,178,518,010	12,908,330	405,934,600	24,589,335	343,937,821	19,584,452,610	0.0176 : 1
2000	326,440,974	20,705,655,394	12,917,126	422,659,400	25,188,986	364,547,086	21,128,314,794	0.0173 : 1
2001	405,545,629	22,946,288,200	13,809,251	412,474,200	24,968,205	444,323,085	23,358,762,400	0.0190 : 1
2002	317,574,396	25,264,935,700	8,437,837	425,801,700	26,309,692	352,321,925	25,690,737,400	0.0137 : 1
2003	353,964,555	28,452,378,400	8,614,622	436,524,200	18,141,924	380,721,101	28,888,902,600	0.0132 : 1
2004	390,408,959	31,879,341,300	8,929,442	450,608,900	14,929,192	414,267,593	32,329,950,200	0.0128 : 1
2005	438,766,990	36,273,669,900	9,351,087	471,470,300	13,244,590	461,362,667	36,745,140,200	0.0126 : 1
2006	489,784,535	40,782,233,700	9,166,212	462,162,600	12,982,384	511,933,131	41,244,396,300	0.0124 : 1

(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. (See Table XII).

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)	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
<u>TAX LEVIES (4)</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	-	217,459,484

(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

**RAMSEY COUNTY
PROPERTY TAX RATES AND TAX LEVIES
DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

TABLE VII

		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
		TAX RATE AS A PERCENTAGE OF TAX CAPACITY									
Ramsey County	St. Paul 625 (MBC)	40.179	41.965	42.828	40.662	38.719	50.493	50.056	49.226	45.658	43.393
	St. Paul 625 (MNB)	40.191	42.004	42.875	40.708	38.418	50.545	50.106	49.279	45.710	43.431
	St. Paul 625 (I)	40.200	42.008	42.879	40.712	38.466	50.496	50.087	49.255	45.689	43.406
	St. Paul 625 (-C-)	40.200	42.008	42.879	40.712	38.466	50.450	50.090	49.255	45.689	43.414
	St. Paul 625 (L)	40.200	42.008	42.879	40.712	38.466	50.450	50.090	49.255	45.689	43.412
	All Other Cities	40.540	42.336	43.185	40.995	38.466	50.749	50.286	49.439	45.848	43.554
County Library		3.686	3.910	3.836	3.844	3.447	3.899	4.317	3.696	3.362	3.069
County Levy for Valley Branch W/S Debt Service		0.931	0.929	0.821	0.781	0.719	0.718	0.000	0.000	0.000	0.000
County Levy for Ramsey County Debt Service		0.000	0.372	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ramsey County Regional Railroad Authority		0.000	0.000	0.000	0.000	0.061	0.096	1.407	0.522	0.833	2.453
City of St Paul		35.232	36.910	38.460	36.288	32.923	38.773	37.841	34.915	30.840	28.935
St Paul Housing Authority		0.444	0.501	0.509	0.476	0.433	0.510	0.497	0.458	0.440	0.434
St Paul Port Authority		0.451	0.452	0.483	0.444	0.402	0.819	0.647	0.574	0.479	0.439
Arden Hills		17.748	19.100	19.059	18.992	17.209	25.092	23.930	23.367	21.299	20.191
Karh Lake		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.250	5.915
Blaine		17.828	19.004	23.301	21.713	22.745	37.227	35.479	33.353	31.334	31.234
Housing and Redevelopment Authority of Blaine		0.303	0.518	0.558	0.587	0.619	0.000	0.000	0.000	0.000	0.000
Market Value Based Tax		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01199	0.01037	0.00866	0.00741
Falcon Heights		16.110	17.314	17.097	17.603	16.357	28.411	26.032	23.960	20.996	19.303
Gem Lake		14.575	16.660	16.528	16.113	14.729	24.212	21.516	21.502	23.483	27.227
Lauderdale		25.820	28.641	29.022	29.041	27.232	33.345	32.371	28.907	26.934	24.755
Little Canada		20.604	21.526	21.484	18.894	17.071	29.694	27.541	26.289	23.681	21.373
Maplewood		21.309	20.893	21.018	20.646	19.971	35.436	36.319	35.685	34.229	32.101
Market Value Based Tax		0.027	0.025	0.024	0.022	0.031	0.031	0.029	0.023	0.023	0.020
Mounds View		25.062	25.908	26.855	25.551	29.568	41.273	37.923	42.548	46.966	39.939
New Brighton		17.719	19.532	20.276	20.387	20.394	38.880	35.850	35.797	33.806	41.226
Bicentennial Pond		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.226	7.087
North Oaks		8.499	9.009	9.060	8.444	7.792	12.300	10.888	9.783	8.602	7.919
North St Paul		15.656	17.316	17.240	17.463	17.241	25.604	19.665	20.341	21.050	21.795
Market Value Based Tax		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.071	0.061	0.056
Roseville		17.751	19.254	19.997	19.028	18.522	29.414	25.734	23.833	24.516	23.214
Housing and Redevelopment Authority of Roseville		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.579	0.383	0.673
Market Value Based Tax		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.027	0.025	0.022
St Anthony		26.406	29.372	32.229	30.377	30.325	49.175	46.106	51.174	49.556	45.906
Housing and Redevelopment Authority of St Anthony		0.247	0.260	0.268	0.248	0.227	1.152	0.939	0.836	0.751	0.677
Shoreview		19.703	19.807	19.917	19.384	18.733	30.402	28.753	27.067	25.445	23.974
Spring Lake Park		24.481	29.060	32.224	39.855	33.849	54.185	51.705	50.075	51.569	50.926
Vadnais Heights		14.841	15.103	15.505	15.461	15.269	24.672	22.410	21.473	20.388	18.995
White Bear Lake, City		15.991	16.347	16.343	15.755	14.603	27.368	24.196	23.081	20.947	18.575
White Bear, Town		14.032	14.319	14.473	14.280	13.958	22.007	22.584	20.753	19.287	17.939
Market Value Based Tax		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00348	0.00349

The Tax Capacity Rate is determined by dividing a taxing district's property tax levy amount by the taxing district's total tax capacity. The tax capacity rate is expressed as a percent of tax capacity.

Unaudited

(Continued)

**RAMSEY COUNTY
PROPERTY TAX RATES AND TAX LEVIES
DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

**TABLE VII
(Continued)**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
TAX RATE AS A PERCENTAGE OF TAX CAPACITY										
Independent School District # 282	72.105	58.269	60.534	56.353	60.921	18.370	14.934	22.096	19.330	21.784
Market Value Based Tax #282	0.00000	0.16855	0.16406	0.15103	0.15705	0.20952	0.20501	0.21695	0.18469	0.21436
Independent School District # 621	60.471	50.164	48.241	46.421	49.585	25.379	21.984	21.843	22.112	23.419
Market Value Based Tax #621	0.00000	0.17563	0.15538	0.15849	0.14506	0.06375	0.05178	0.15947	0.12131	0.12803
Independent School District # 622	62.807	50.420	56.791	58.573	46.717	19.253	25.192	21.527	21.214	20.726
Market Value Based Tax #622	0.04681	0.06027	0.07300	0.07550	0.18979	0.00000	0.20560	0.16913	0.15526	0.14770
Independent School District # 623	74.650	45.028	57.014	51.942	41.129	10.019	12.486	15.431	16.713	16.664
Market Value Based Tax #623	0.00000	0.38980	0.31089	0.28280	0.26077	0.17734	0.20792	0.19583	0.16244	0.15115
Independent School District # 624	59.805	53.104	53.912	52.752	49.850	24.157	22.906	24.347	20.602	17.785
Market Value Based Tax #624	0.00000	0.21893	0.15299	0.15118	0.13501	0.12099	0.17958	0.15719	0.14138	0.13633
Independent School District # 625	69.194	60.153	63.865	63.657	57.472	34.744	33.246	31.831	28.155	29.344
St. Paul 625 (MBC)	69.194	60.153	63.865	63.657	57.472	34.744	33.246	31.831	28.155	29.344
St. Paul 625 (MNB)	69.216	60.208	63.931	63.719	57.528	34.812	33.313	31.901	28.222	29.393
St. Paul 625 (I)	69.219	60.203	63.926	63.717	57.529	34.744	33.284	31.866	28.190	29.358
St. Paul 625 (-C-)	69.219	60.203	63.926	63.717	57.529	34.772	33.283	31.866	28.192	29.368
St. Paul 625 (L)	69.219	60.203	63.926	63.717	57.529	34.772	33.283	31.866	28.192	29.366
Market Value Based Tax #625	0.00000	0.00000	0.00000	0.00000	0.07856	0.00049	0.08778	0.08894	0.06741	0.09859
Special Independent School District # 916	0.297	0.194	0.333	0.261	0.314	0.070	0.098	0.083	0.075	0.066
Metro Council	0.805	0.918	0.890	0.887	0.850	1.532	1.506	3.115	2.755	2.491
Metro Mosquito Control District	0.269	0.301	0.343	0.360	0.339	0.514	0.586	0.606	0.588	0.523
Regional Transit Commission (post-2003 rate included in Metro Council)	4.182	4.360	4.701	4.941	4.880	1.586	1.852	0.000	0.000	0.000
(Metro) Ramsey-Washington Watershed District	1.133	2.511	2.321	1.898	1.759	2.265	3.066	1.833	2.182	2.455
Rice Creek Watershed District	0.471	0.831	0.809	0.765	0.939	1.174	1.208	1.206	1.606	1.794
Valley Branch Watershed District	3.000	3.347	2.659	2.528	2.550	2.884	2.836	2.501	2.102	1.743
Shoreview Water Management Tax District	0.000	0.000	0.000	0.000	0.000	18.370	0.000	0.000	0.000	0.000
Lake Diane Storm Sewer District	0.000	3.488	0.242	0.378	0.511	3.370	0.000	0.000	9.313	3.878
North Suburban Hospital District	0.555	0.584	0.578	0.531	0.625	1.526	1.267	1.637	1.623	1.415
Capitol Region Watershed District	0.000	0.000	0.000	0.000	0.899	0.804	0.835	0.759	0.715	0.673
Middle Mississippi Water Mgmt Organization	0.000	0.000	0.000	0.000	0.000	2.958	2.810	2.789	2.694	2.407

(Continued)

Unaudited

**RAMSEY COUNTY
PROPERTY TAX RATES AND TAX LEVIES
DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

**TABLE VII
(Continued)**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	TAX LEVIES									
Ramsey County	\$159,984,513	\$162,519,301	\$163,482,865	\$165,547,214	\$172,227,200	\$180,725,084	\$186,698,750	\$190,164,964	\$198,864,950	\$209,635,475
County Library	7,365,553	7,699,809	7,661,823	7,965,112	8,077,118	8,409,426	8,607,367	7,646,202	7,689,758	7,819,945
County Levy for Valley Branch W/S Debt Service	10,044	8,850	8,124	7,781	7,841	1,628	-	-	-	-
County Levy for Rice Creek Debt Service	-	248,046	-	-	-	-	-	-	-	-
Ramsey County Regional Railroad Authority	-	-	-	-	203,575	307,135	4,282,300	2,500,000	3,400,000	10,787,079
City of St Paul	84,210,241	83,866,088	83,856,665	84,655,258	84,658,092	63,844,020	63,843,263	63,927,263	63,927,263	65,845,514
St Paul Tax Increment Districts	15,162,441	16,032,082	18,158,451	21,304,714	25,616,645	17,270,741	18,409,185	19,763,562	19,580,532	19,805,158
Housing and Redevelopment Authority of St Paul	1,065,235	1,109,957	1,109,473	1,109,738	1,109,902	840,622	840,174	840,174	898,986	979,895
Port Authority, City of St Paul	1,228,155	1,195,286	1,201,195	1,200,888	1,194,832	1,189,681	1,145,000	1,061,000	1,005,000	1,004,000
Arden Hills	1,920,087	1,955,021	2,014,643	2,075,701	2,125,117	2,202,009	2,265,677	2,333,337	2,426,670	2,523,737
Arden Hills Tax Increment Districts	140,974	121,543	314,290	604,852	697,863	450,865	423,923	425,843	435,812	465,233
Karth Lake	-	-	-	-	-	-	-	-	13,783	13,783
Blaine *	84,691	118,053	120,634	125,881	9,923,272	107,947	142,965	132,107	120,117	140,528
Blaine Tax Increments Districts	-	-	-	-	-	-	-	-	-	-
Housing and Redevelopment Authority of Blaine	2,698	3,930	3,582	4,011	3,334	-	-	-	-	-
Falcon Heights	740,015	752,115	759,714	784,992	812,426	851,607	874,338	874,338	865,014	865,008
Falcon Heights Tax Increments Districts	254,214	190,114	217,209	213,336	196,694	143,509	163,657	181,594	171,317	272,626
Gem Lake	98,592	102,619	102,614	107,044	108,041	121,765	123,000	150,000	180,000	240,196
Lauderdale	533,778	550,962	550,929	576,621	576,636	480,005	480,000	480,000	487,260	487,260
Lauderdale Tax Increment Districts	238,190	184,251	208,927	201,951	194,469	134,215	134,297	144,049	148,893	150,453
Little Canada	1,884,508	1,920,093	1,919,983	1,820,491	1,855,479	1,929,283	2,006,507	2,102,880	2,131,418	2,185,498
Little Canada Tax Increment Districts	614,601	472,661	363,536	188,415	216,728	242,428	317,890	356,184	519,798	660,342
Maplewood *	8,985,326	8,989,527	8,987,363	9,167,945	9,420,850	9,645,557	11,927,752	12,831,520	13,434,640	14,106,370
Maplewood Tax Increment Districts	1,397,587	925,874	493,195	500,729	499,248	407,441	488,005	461,808	523,483	541,559
Mounds View	2,006,427	2,050,523	2,123,089	2,158,828	2,556,155	2,641,241	2,608,945	3,010,749	3,838,334	3,838,334
Mounds View Tax Increment Districts	2,431,654	1,991,196	1,950,393	2,049,618	2,543,790	1,659,815	2,023,966	2,242,809	1,951,509	1,935,387
New Brighton	3,681,271	3,770,051	3,906,727	4,011,119	4,319,429	5,160,859	5,487,732	5,760,210	6,187,900	6,708,100
New Brighton Tax Increment Districts	2,780,506	2,531,316	2,666,604	2,878,239	3,341,888	2,429,903	2,450,264	2,949,648	2,895,027	3,045,683
Bicentennial Pond	-	-	-	-	-	-	-	-	3,202	3,303
North Oaks	738,110	766,925	790,787	798,207	818,952	849,301	849,312	859,387	889,203	931,522
North St Paul*	1,421,927	1,508,107	1,533,187	1,626,552	1,758,691	1,752,985	2,002,839	2,133,058	2,404,552	2,687,395
North St Paul Tax Increment Districts	201,404	278,100	336,692	261,704	272,833	212,000	231,850	279,969	410,472	336,633
Roseville*	7,844,334	8,027,442	8,151,275	8,182,289	8,679,257	8,922,738	8,827,968	9,760,674	10,637,965	11,169,865
Roseville Tax Increment Districts	7,653,666	6,059,044	6,993,178	8,453,800	9,068,339	3,338,145	2,610,834	2,518,977	2,455,017	2,555,498
Housing and Redevelopment Authority of Roseville	-	-	-	-	-	-	-	200,000	158,070	288,895
St Anthony	652,653	670,631	675,372	666,454	605,715	771,601	827,170	929,386	985,203	3,757,457
St Anthony Tax Increment Districts	376,218	403,463	520,653	564,881	604,704	416,974	418,396	424,864	470,977	833,306
Housing and Redevelopment Authority of St Anthony	6,543	6,471	6,190	5,967	4,602	16,486	17,151	15,620	15,076	55,500
Shoreview	5,074,441	5,071,335	5,189,602	5,295,702	5,628,553	5,979,015	6,242,912	6,645,451	6,940,398	7,339,174
Shoreview Tax Increment Districts	1,736,049	1,644,198	1,543,197	1,617,138	1,850,864	1,363,620	1,429,214	1,515,321	1,615,534	1,654,077
Spring Lake Park	18,264	25,695	33,295	41,577	38,161	46,329	48,670	53,026	61,927	3,047,160
Vadnais Heights	1,885,871	1,909,490	1,947,775	2,066,614	2,268,694	2,314,962	2,407,000	2,509,000	2,634,000	2,723,351
Vadnais Heights Tax Increments Districts	1,732,059	1,538,693	1,553,433	1,583,478	2,168,078	1,382,116	1,402,325	1,451,341	1,605,844	1,604,774

* Includes Market Value Referendum tax levy.

(Continued)

**RAMSEY COUNTY
PROPERTY TAX RATES AND TAX LEVIES
DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

**TABLE VII
(Continued)**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	TAX LEVIES									
White Bear Lake, City	\$ 3,475,980	\$ 3,563,421	\$ 3,650,826	\$ 3,749,560	\$3,912,237	\$4,307,704	\$4,347,831	\$4,517,020	\$4,755,610	\$ 4,835,000
White Bear Lake Tax Increments Districts	1,629,912	1,226,005	1,491,408	1,339,413	1,393,046	931,998	912,243	921,251	536,141	604,035
White Bear, Town	1,237,651	1,304,408	1,356,089	1,430,238	1,571,899	1,798,872	2,029,804	2,146,075	2,347,236	2,478,976
White Bear Town Tax Increments Districts	1,399,888	1,314,097	1,377,001	1,189,892	1,355,773	836,337	979,897	1,164,154	940,341	842,400
Independent School District # 282**	2,370,761	2,184,191	2,157,641	2,115,713	2,057,657	591,451	1,049,285	1,350,072	1,332,438	1,626,924
Independent School District # 621**	40,893,155	39,910,204	38,416,144	38,677,179	36,193,854	14,691,566	17,663,641	25,974,960	27,236,175	31,299,911
Independent School District # 622**	24,290,479	20,725,935	22,142,103	24,069,722	35,051,243	11,539,044	25,418,171	14,225,755	27,200,430	28,843,469
Independent School District # 623**	34,888,370	31,836,965	33,953,887	33,367,388	21,614,812	4,266,468	14,193,781	16,749,236	17,681,937	18,941,313
Independent School District # 624**	21,758,109	24,326,823	24,224,214	25,326,769	25,080,040	9,620,104	15,726,802	17,527,673	20,818,629	21,238,803
Independent School District # 625**	131,094,927	114,384,494	108,599,546	112,352,199	112,161,356	53,798,694	67,824,176	73,808,113	72,927,731	86,663,102
Special Independent School District # 916 ***	681,108	434,715	569,290	512,875	649,260	192,191	173,373	169,237	169,012	387,083
Metro Council	3,717,278	3,967,559	3,888,842	4,020,960	4,241,198	4,797,710	5,333,981	5,043,723	12,037,061	12,068,680
Metro Mosquito Control District	1,166,801	1,244,707	1,361,861	1,500,435	160,158	1,654,849	2,033,115	2,313,360	2,535,693	2,536,879
Regional Transit Dist (with Met Council)	18,240,748	18,478,139	19,228,694	21,018,841	19,716,922	4,947,548	6,402,430	7,047,955	-	-
(Metro) Ramsey-Washington Watershed District	1,714,287	2,018,105	1,956,333	1,721,060	2,219,361	2,201,581	2,381,611	1,791,229	2,098,861	3,351,179
Middle Mississippi Watershed District	-	-	-	-	-	-	15,161	16,236	15,482	4,286,500
Rice Creek Watershed District	424,071	651,526	676,988	668,807	816,982	858,480	949,957	1,039,141	1,494,403	3,425,000
Valley Branch Watershed District	34,232	36,094	31,711	29,792	27,216	20,000	25,053	25,101	717,413	21,998
Capital Region Watershed District	-	-	-	-	-	1,393,046	1,177,598	1,177,598	1,240,280	1,297,217
Lake Diane Storm Sewer District	-	2,400	751	300	450	2,000	-	-	6,938	4,275
North Suburban Hospital District	49,902	51,032	50,983	50,163	49,634	92,368	95,521	120,807	143,423	1,350,000
TOTALS	\$615,230,499	\$594,879,682	\$596,590,976	\$613,566,147	\$634,527,165	\$447,105,069	\$511,794,029	\$526,765,011	\$559,220,138	\$619,147,817

** Includes a Market Value Referendum tax levy beginning in Payable 1998.

*** Beginning in Payable 1995, School District #916 only levies for debt.
The general levy has been reallocated and is included with the school districts.

Tax Area Abbreviations:

- 625M = St Paul, School District #625, Metro Watershed
- 625MBC = St Paul, School District #625, Metro Watershed, Battle Creek Watershed Project
- 625MNB = St Paul, School District #625, Metro Watershed, Non-Battle Creek Watershed Project
- 625OTH = All other property in St Paul not in the metro Watershed
- ALLOTH = All property not in St Paul
- OTHM = All property in the Metro Watershed not in St Paul
- OTHMBC = All property in the Metro Watershed not in St Paul in Battle Creek Watershed Project
- OTHMFC = All property in the Metro Watershed not in St Paul in Fish Creek Watershed Project

Unaudited

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

YEAR	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE	TOTAL PRIMARY GOVERNMENT	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							
1996	\$ 194,204,615	\$ -	\$ 195,683	\$ 194,400,298	\$ 86,999,872	\$ 107,400,426	\$ 366,132,986	29.33%	\$ 216.50	0.76%
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	125,209,678	-	-	125,209,678	17,422,401	107,787,277	444,323,085	24.26%	210.92	0.61%
2001	124,106,718	-	-	124,106,718	12,721,534	111,385,184	352,321,925	31.61%	217.35	0.62%
2002	155,048,680	13,845,000	-	168,893,680	13,662,884	155,230,796	380,721,101	40.77%	301.57	0.85%
2003	166,347,000	13,845,000	244,089	180,436,089	17,007,495	163,428,594	414,267,593	39.45%	317.17	0.86%
2004	206,902,000	13,845,000	201,570	220,948,570	30,310,653	190,637,917	461,362,667	41.32%	369.88	1.00%
2005	205,232,000	13,375,000	156,111	218,763,111	35,744,378	183,018,733	429,416,560	42.62%	355.03	0.96%

TABLE IX

**RAMSEY COUNTY, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2005**

<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	\$ 2,205,000	98.4%	\$ 2,169,720
City of Spring Lake Park	8,305,000	2.2%	182,710
City of St. Anthony	765,000	26.9%	205,785
City of Blaine	14,175,000	1.0%	141,750
School District #624	58,410,000	83.8%	48,947,581
School District #622	106,635,000	55.2%	58,862,520
School District #282	3,215,000	38.8%	1,247,420
North Metro Intermediate School District #916	1,390,000	43.0%	597,700
Metro Council	220,450,000	15.9%	35,051,550
Ramsey-Washington Metro Watershed District	990,882	100.0%	990,882
City of St. Paul	119,200,000	100.0%	119,200,000
City of Maplewood	11,870,000	100.0%	11,870,000
City of Mounds View	1,588,848	100.0%	1,588,848
City of New Brighton	9,310,000	100.0%	9,310,000
City of North St. Paul	5,680,000	100.0%	5,680,000
City of Roseville	9,535,000	100.0%	9,535,000
City of Shoreview	1,600,000	100.0%	1,600,000
City of Vadnais Heights	1,980,000	100.0%	1,980,000
Town of White Bear	2,500,000	100.0%	2,500,000
School District #621	132,728,495	100.0%	132,728,495
School District #623	40,175,000	100.0%	40,175,000
School District #625	357,420,554	100.0%	357,420,554
Port Authority	14,005,000	100.0%	14,005,000
Other debt			
Ramsey County Capital Leases	156,111	100.0%	156,111
Ramsey County Public Facility Revenue Bonds	13,375,000	100.0%	13,375,000
Subtotal, overlapping debt			869,521,626
Ramsey County Direct Debt	205,232,000	100.0%	205,232,000
Total direct and overlapping debt			\$1,074,753,626

* 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 X

Legal Debt Margin Calculation for Fiscal Year 2005

Assessed value	\$ 36,745,140,200
Debt Limit (2% of assessed value)	734,902,804
Debt applicable to limit:	
General obligation bonds	205,232,000
Less: Amount set aside for repayment of general obligation bonds	<u>(35,744,378)</u>
Total net debt applicable to limit	<u>169,487,622</u>
Legal debt margin	<u><u>\$ 565,415,182</u></u>

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt limit	\$ 346,292,927	\$ 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
Total net debt applicable to limit	107,289,977	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
Legal debt margin	<u><u>\$ 239,002,950</u></u>	<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>

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."

RAMSEY COUNTY, MINNESOTA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL EXPENDITURES*</u>	<u>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES</u>
1996	\$ 7,006,749	\$ 10,642,991	\$ 17,649,740	\$ 346,567,468	5.093%
1997	7,452,814	11,104,013	18,556,827	364,911,987	5.085%
1998	24,232,997	10,590,725	34,823,722	403,801,901	8.624%
1999	53,487,992	8,184,414	61,672,406	434,830,035	14.183%
2000	12,880,094	6,363,962	19,244,056	434,070,251	4.433%
2001	14,496,902	6,419,468	20,916,370	451,047,438	4.637%
2002	43,735,913	6,541,233	50,277,146	520,057,100	9.668%
2003	15,466,680	7,418,382	22,885,062	477,216,148	4.796%
2004	11,450,000	8,309,210	19,759,210	459,766,538	4.298%
2005	11,860,000	9,646,280	21,506,280	475,324,548	4.525%

* Includes General, Special Revenue, and Debt Service Fund Types.

Unaudited

**RAMSEY COUNTY, MINNESOTA
TAX INCREMENT DISTRICTS CAPTURED NET TAX CAPACITY
FOR THE LAST TEN YEARS**

Payable Year	Captured Net Tax Capacity	CAPTURED TAX DOLLARS							Total
		St. Paul	Ramsey County	I.S.D. 625	Miscellaneous District	Suburban Cities	Suburban Schools		
1997	\$ 27,019,845	\$ 3,541,774	\$ 11,545,030	\$ 6,958,392	\$ 1,611,869	\$ 3,139,391	\$ 10,952,907	\$ 37,749,363	
1998	26,463,486	4,061,300	11,771,909	6,624,287	1,747,013	3,010,943	7,697,183	34,912,635	
1999	27,809,167	4,587,500	12,582,010	7,625,019	1,887,293	3,170,204	8,336,141	38,188,167	
2000	32,264,176	5,212,349	13,874,054	9,152,110	2,365,811	3,480,802	8,867,037	42,952,163	
2001	39,704,914	6,167,326	16,048,772	10,776,664	2,919,749	4,045,679	10,062,772	50,020,962	
2002	25,517,872	5,153,348	13,482,939	4,621,521	1,387,484	3,873,777	2,701,038	31,220,107	
2003	27,493,190	5,545,714	14,350,096	4,877,695	2,164,102	3,764,854	2,824,284	33,526,745	
2004	30,443,068	5,746,377	15,537,346	5,244,567	1,760,284	4,092,990	3,049,159	35,430,723	
2005	31,946,105	5,480,514	15,123,224	5,009,944	1,819,241	4,051,266	2,970,565	34,454,754	
2006	33,549,332	5,275,828	15,082,123	5,387,234	1,340,444	4,147,897	3,221,228	34,454,754	

The "Captured Net Tax Capacity" are not included in the tax base for computing net tax capacity rates. This schedule indicates the amount of net tax capacity that is subtracted from the tax base because of the Tax Increment Districts. The corresponding Captured Tax Dollars represent the amount of taxes the taxpayers had to pay because the increment net tax capacity is not in the tax base.

Unaudited

TABLE XIII

**RAMSEY COUNTY, MINNESOTA
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
DECEMBER 31, 2005**

OFFICIAL TITLE	2005 SALARY
Attorney	\$121,156
County Commissioners - (6)	60,512
County Commissioners - (Chair)	62,546
County Engineer	123,881
County Manager	132,333
Director of Community Corrections	123,321
Director of Community Human Services	130,758
Director of Information Services	126,377
Director of Libraries	93,000
Director of Parks & Recreation	121,551
Director of Human Resources	116,228
Director of Budgeting and Accounting	120,863
Director of Public Health	121,551
Director of Property Records & Revenue	125,778
Assessor	108,154
Manager of Revenue Division (Treasurer)	92,478
Sheriff	111,843

NOTE: The County has a blanket bond of \$3,000,000 which covers County employees and officials, elected, and appointed.

Unaudited

**RAMSEY COUNTY, MINNESOTA
INSURANCE IN FORCE
DECEMBER 31, 2005**

<u>COMPANY NAME</u>	<u>POLICY NUMBER</u>	<u>POLICY PERIOD</u>	<u>COVERAGE-DEPARTMENTS</u>	<u>POLICY LIMIT</u>
St. Paul/Travelers		9/22/05-9/22/06	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	9/22/05-9/22/06	Commercial Crime including Public Employee Dishonesty coverage	\$3,000,000 \$50,000 deductible
WCRA	40019	1/1/05-1/1/06	Reinsurance - Workers Compensation	Statutory, covers claims over \$1,520,000
Berkley	WC22-04-109107-04	1/1/05-1/1/06	WORKFORCE SOLUTIONS Workers' Compensation	Covers claims up to \$1,520,000
MN Joint Underwriters Assn.	02-0041	7/1/05-7/1/06	LAKE OWASSO General & Professional Liability	\$1,000,000/occurrence \$3,000,000 aggregate \$5,000 deductible
Berkley	WC22-04-109107-04	1/1/05-1/1/06	Workers' Compensation	Covers claims up to \$1,520,000
National Indemnity Company of America	75APN324944	1/1/05-1/1/06	Automobile	\$1,000,000 \$500.00 deductible for Collision & Comprehensive.
The Medical Protective Company	679766	8/15/0-8/15/06	MEDICAL EXAMINER Professional Liability Kelly Mills, MD	\$1,000,000/occurrence \$3,000,000 aggregate
The Medical Protective Company	675823	7/1/05-7/1/06	Professional Liability Michael McGee, MD	\$1,000,000/occurrence \$3,000,000 aggregate
The Medical Protective Company	709326	7/1/05-7/1/06	Professional Liability Victor V. Froloff	\$1,000,000/occurrence \$3,000,000 aggregate

(Continued)

Unaudited

**TABLE XIV
(Continued)**

**RAMSEY COUNTY, MINNESOTA
INSURANCE IN FORCE
DECEMBER 31, 2005**

<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	9/15/05-9/15/06	NURSING HOME Patient's Bond	\$100,000
MCIT	WC245005	1/1/05-1/1/06	RESOURCE RECOVERY Workers' Compensation	\$1,520,000
MCIT	PC245005	1/1/05-1/1/06	Package Liability	\$1,000,000/occurrence \$300,000/person
MN Joint Underwriting Association	04-0016	3/5/05-7/1/06	REGIONAL RAIL Directors & Officers	\$1,000,000/occurrence
MN Joint Underwriting Association	04-0015	3/5/05-7/1/06	General Liability	\$1,000,000/occurrence \$250.00 deductible
MCIT	PC213005	1/1/05-1/1/06	SHERIFF- CONTRACT CITIES Package Liability	\$1,000,000/occurrence \$300,000/person
MCIT	WC213005	1/1/05-1/1/06	Workers' Compensation	\$1,520,000

Unaudited

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

FISCAL YEAR	(1) POPULATION	(2) PER CAPITA INCOME	(3) MEDIAN AGE	(4) SCHOOL ENROLLMENT (K THRU 12)	(5) ANNUAL AVERAGE UNEMPLOYMENT RATE
1996	496,068	\$ 28,585	32.0	83,588	3.2%
1997	497,423	31,147	32.0	85,656	2.7%
1998	498,090	32,863	32.0	86,820	2.1%
1999	497,919	34,360	32.0	88,031	2.3%
2000	511,035	34,601	33.7	87,814	2.9%
2001	512,462	35,237	33.7	87,128	3.3%
2002	514,748	35,304	33.7	86,442	4.2%
2003	515,274	36,760	33.7	84,709	4.9%
2004	515,411	N/A	33.7	83,916	4.8%
2005	N/A	N/A	33.7	82,843	4.0%

DATA SOURCES:

- (1) Source for 2000 is U.S. Census Bureau; all others are estimates from the Metropolitan Council Commission. The 2005 figure is not available.
- (2) Minnesota State Planning Office, Office of State Demographer - 1993-2003 figures. The 2004-2005 figures are not available.
- (3) Minnesota State Planning Office, Office of State Demographer. 1995-1999 figures are from the 1990 U.S. Census figure. The 2001-2005 figures are from the 2000 U.S. Census figure.
- (4) State Department of Education (Public School Enrollment only).
- (5) Minnesota Department of Economic Security, Research and Planning.

TABLE XVI

**RAMSEY COUNTY, MINNESOTA
PROPERTY ASSESSED VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS**

FISCAL YEAR	(1) COMMERCIAL CONSTRUCTION		(1) RESIDENTIAL CONSTRUCTION		(2) BANK DEPOSITS	(1) PROPERTY ASSESSED VALUE/ NET TAX CAPACITY		
	# OF UNITS	VALUE	# OF UNITS	VALUE		COMMERCIAL	RESIDENTIAL	APARTMENTS
1996	128	\$ 54,021,000	765	\$ 103,613,000	\$ 3,852,000,000	\$ 166,718,660	167,820,527	\$ 31,593,799
1997	33	73,081,000	739	89,950,000	3,887,000,000	151,300,583	168,736,159	29,805,859
1998	62	85,751,000	431	140,756,000	4,050,000,000	145,564,976	173,150,806	25,222,039
1999	59	103,655,000	451	149,360,000	1,697,000,000	154,246,158	184,303,859	25,997,069
2000	149	100,040,100	3,893	202,955,700	1,847,381,000	142,334,666	185,541,714	29,566,202
2001	120	101,117,600	3,090	179,948,400	2,001,027,000	166,312,813	202,259,815	37,173,001
2002	89	93,117,400	1,766	98,388,800	2,381,515,000	106,967,402	175,239,835	35,367,159
2003	34	39,917,100	299	68,035,400	2,096,456,000	129,896,600	198,863,600	33,818,977
2004	50	74,104,100	311	63,671,000	2,243,645,000	138,386,600	226,140,100	34,811,700
2005	87	118,533,900	707	143,677,500	2,462,523,000	143,096,600	263,554,000	41,467,500

(1) Source: Ramsey County Property Records & Revenue Department

(2) Source: Minnesota Banking Commission

Note: Deposits at Firststar Bank branch offices and Norwest Bank System branch offices in Ramsey County are no longer available for this report. These deposits are now reported from the respective bank home offices, starting in 1999.

Unaudited

**RAMSEY COUNTY, MINNESOTA
PRINCIPAL TAXPAYERS IN THE COUNTY
PAYABLE 2005 NET TAX CAPACITY**

<u>NAME</u>	<u>TYPE OF BUSINESS</u>	<u>NET TAX CAPACITY</u>	<u>% OF TOTAL NET TAX CAPACITY</u>
Xcel Energy Company	Utility	\$ 7,116,500	1.78%
3M	Corporate Headquarters/ Manufacturing	5,360,598	1.34%
Compass Retail Inc.	Real Estate Investing (Rosedale)	2,119,250	0.53%
CSM Corporation & Investors	Property Management/ Real Estate Investing (Commercial/ Office/ Hotel/ Townhome)	1,708,284	0.43%
Minnesota Mutual Life Insurance	Insurance	1,679,904	0.42%
Guidant (Cardiac Pacemakers Inc)	Medical Manufacturing	1,569,250	0.39%
Maplewood Mall Associates LP	Real Estate Investing	1,479,250	0.37%
US Bank Corp Prop & US Bancorp	Corp Office Building & Banking	1,476,943	0.37%
Target Corp	Retail	1,189,684	0.30%
Heritage Property Investment Trust Inc. (Bradley Operating LP)	Real Estate Investing	1,136,340	0.28%
St Paul Fire and Marine Ins Co	Insurance	1,005,412	0.25%
Meritex Enterprises	Real Estate Investing	950,586	0.24%
Wells Fargo Bank	Banking	882,443	0.22%
The May Dept Stores Co	Retail	861,000	0.22%
Rice Park Assoc LLC	Office Building (Lawson Software)	830,500	0.21%
		\$ 29,365,944	7.35%

*Represents 7.35% of the County's Payable 2005 adjusted total net tax capacity.

**RAMSEY COUNTY, MINNESOTA
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2005**

Date Established	October 27, 1849
Form of Government	Created by Legislature (Oct. 27, 1849) Home Rule Charter (Nov. 6, 1992)
Area - Square Miles	170.2
Miles of County Road:	
Miles maintained by Ramsey County	222.39
Miles maintained by Saint Paul, reimbursed by Ramsey County via agreement	75.59
TOTAL MILES MAINTAINED BY COUNTY	<u>297.98</u>

Parks, Recreation & Open Space System:

Regional Parks & Trails	4,350 Acres
County Parks	960 Acres
Undeveloped Open Space Land	636 Acres
Special Use Facilities	323 Acres
11 Ice Arenas	
5 Golf Courses	
2 Archery Ranges	
1 Golf Dome with outdoor mini putt	
1 Fairgrounds	
1 Horseshoe Court	

Number of Employees (as of 12/31/05):

<u>Employees:</u>	<u>General County</u>	<u>Other*</u>	<u>Total</u>
Classified - Full Time	2,989	51	3,040
Classified - Part Time	762	3	765
Unclassified - Full Time	90	81	171
Unclassified - Part Time	10	18	28
Temporary	290	3	293
	<u>4,141</u>	<u>156</u>	<u>4,297</u>

* Other includes the Law Library, Resource Recovery Project, Soil & Water Conservation District, and the State funded Public Defender & Court Functions.

General Election (November 7, 2004):

Registered Voters as of 7:00 a.m.	303,203		
Election Day Registrants	<u>57,628</u>		
Total Registered Voters		360,831	
Number of Votes Cast at Polls on Election Day	249,860		
Number of Absentee Ballots	<u>23,363</u>		
Total Number of Votes Cast		273,223	
Percentage of Registered Voters Voting			75.7%

(Continued)

**TABLE XVIII
(Continued)**

**RAMSEY COUNTY, MINNESOTA
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2005**

Major Private Employers in Ramsey County:

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Employment</u> (a)
3M Company	Industrial & Consumer Products	14,960 (b)
U.S. Bancorp	Financial	4,700
Marsden	Janitorial & Security Services	4,000
Target Corporation	Retail	3,000
The St Paul Companies	Insurance	2,650
Minnesota Life Insurance	Insurance	2,400
Deluxe Corporation	Paper and Electronic Payment Protection	2,200
CPI/Guidant	Electromedical Apparatus	2,000
Ford Motor Company	Truck Assembly	2,000
Control Data Systems	Computer Systems	1,800
Cardiac Pacemakers Inc.	Pacemakers	1,500
Ryder Student Transportation	Transportation	1,200
Conseco	Financial Services	1,142
Lawson	Computer Consulting/Software Development	1,000

(a) Employment is within Ramsey County and not necessarily company wide.

(b) Includes employees in Saint Paul and Maplewood, excludes employees in Cottage Grove and Eagan.

Major Non-Profit and Governmental Employers in Ramsey County:

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Employment</u> *
State of Minnesota	Government	18,171
Ind. School District 625	Public Education	6,567
Health East	Health Care (three Care Centers)	5,080
Ramsey County	Government	4,297
Regions Hospital	Health Care	4,000
City of St. Paul	Government	3,400
United Hospital	Health Care	3,300
U.S. Postal Service	Postal Service	3,200
St. Paul Ramsey Medical Center	Health Care	3,000
U of M (St. Paul Campus)	Higher Education	1,500

* Employment is within Ramsey County and not necessarily company wide for all employers listed.

(Continued)

RAMSEY COUNTY, MINNESOTA
MISCELLANEOUS STATISTICAL DATA
DECEMBER 31, 2005

Population:

1900		170,554
1910		223,675
1920		244,554
1930		286,721
1940		309,935
1950		355,332
1960		422,525
1970		476,255
1980		459,784
1990		485,765
2000		511,035
2001	Estimate *	512,462
2002	Estimate *	514,748
2003	Estimate *	515,274
2004	Estimate *	515,411
2005	Estimate *	515,411

* This estimate was obtained from the Metropolitan Council.

Unaudited

TABLE XIX

**RAMSEY COUNTY, MINNESOTA
FISCAL DISPARITY PAYMENTS TO THE COUNTY
LAST TEN FISCAL YEARS**

Payable YEAR	FISCAL DISPARITY PAYMENTS RECEIVED (1)		
	RAMSEY COUNTY	LIBRARY	VALLEY BRANCH WATERSHED DEBT
1997	\$ 25,897,667	\$ 785,780	\$ 3,440
1998	29,211,794	977,791	2,238
1999	28,967,525	984,563	1,888
2000	29,020,438	1,083,701	1,908
2001	26,161,380	866,584	1,896
2002	29,290,794	809,037	13
2003	26,506,179	858,911	-
2004	28,184,993	892,160	-
2005	28,178,480	793,043	-
2006	26,703,280	748,109	-

(1) Fiscal Disparity amounts equal Fiscal Disparity Distribution payments less uncollectible Contribution amounts for Real Estate and Personal Property.

Unaudited