

Minnesota

*Comprehensive
Annual Financial Report*

For the fiscal year December 31, 2019



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CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

Comprehensive Annual Financial Report
For Year Ended
December 31, 2019

Prepared by
Finance Department

Diana Lund
Finance Director

and

Angela McIntire
Assistant Finance Director



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CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

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ANOKA COUNTY, MINNESOTA

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INTRODUCTORY SECTION



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CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

City Council and Other Officials
Year Ended December 31, 2019

CITY COUNCIL

John LeTourneau	Mayor
Nadine Heinrich	Councilmember
Mark Kuzma	Councilmember
Jeff Menth	Councilmember
Debra Musgrove	Councilmember
Chris Riley	Councilmember
Dan Specht	Councilmember

CITY OFFICIALS

Kurt Ulrich	City Administrator
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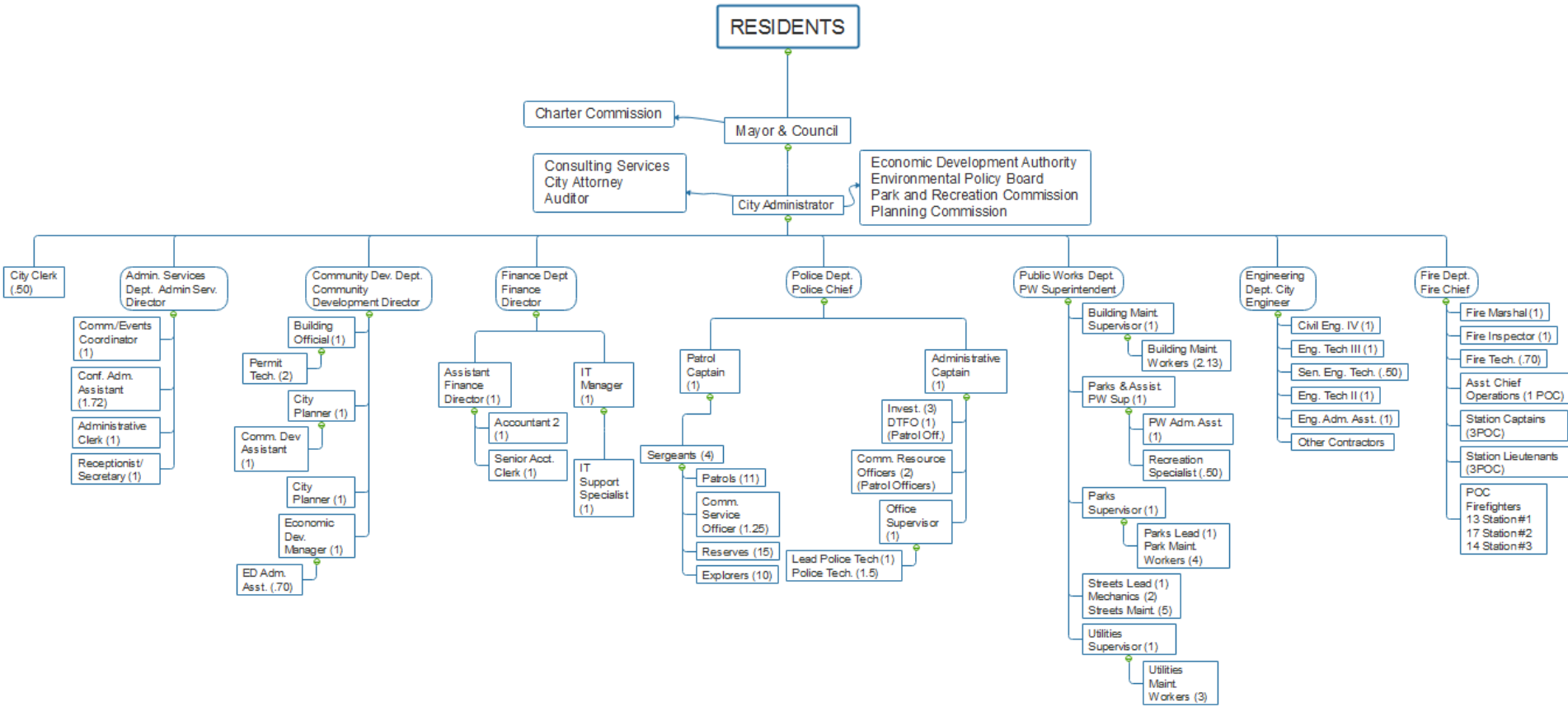
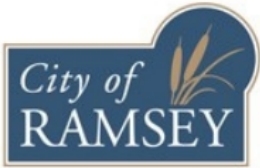
DEPARTMENT HEADS

Timothy Gladhill	Community Development Director
Matthew Kohner	Fire Chief
Jeff Katers	Police Chief
Diana Lund	Finance Director
Grant Riemer	Public Works Superintendent
Bruce Westby	City Engineer
Colleen Lasher	Administrative Services Director



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City of Ramsey Organizational Chart





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Goals/Imperatives

Financial Stability

Ensure strategic economic development that complements the City's desired quality of life and build a stable tax base, all while maintaining a low tax levy

A Balance of Rural Character & Urban Growth

Continue to respect the balance and connectivity between our unique urban, rural, and natural environment for current and future generations.

An Active & Connected Community

Ensure that the City is a connected City that is part of a comprehensive regional transportation system that enables all to easily navigate the community and attracts business development

Smart, Citizen-Focused Government

Continue the delivery of quality services to ensure the City will have safe and thriving neighborhoods and business districts, and a clean environment

An Effective Organization

Maintain a highly functional staff, citizen volunteers, and elected officials and governance structure that meets the ever-changing, increasing needs of the organization.

Measures of Success

In order to achieve its mission, the City must be accountable. The City defined what success will look like:

The City will look at a "Balanced Scorecard" of financial, internal, external and stakeholder metrics in order to measure success

The City will regularly measure and assess stakeholder satisfaction

The City leadership and staff will hold themselves accountable for results

The City will regularly report back to stakeholders about progress toward results

Core Values

Ethics and Integrity

Fiscal Responsibility

Cooperation and Teamwork

Open and Honest
Communications

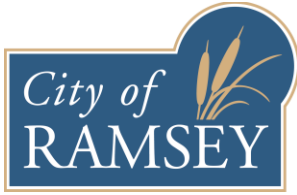
Excellence and Quality in
the Delivery of Service

Treating People with Respect
and Fairness

Adaptability and Continuous
Learning



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7550 Sunwood Drive NW • Ramsey, Minnesota 55303
City Hall: 763-427-1410 • Fax: 763-427-5543
www.cityoframsey.com

May 19, 2020

Honorable Mayor and Members of the City Council
City of Ramsey, Minnesota

The comprehensive annual financial report (CAFR) of the City of Ramsey, Minnesota (the City) for the fiscal year ended December 31, 2019 is hereby submitted. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Minnesota Statutes and the City Charter require an annual audit of all accounts, financial records, and transactions of the City by independent certified public accountants. The accompanying financial statements have been audited by the firm of Malloy, Montague, Karnowski, Radosevich & Co., P.A., Independent Certified Public Accountants. The firm is engaged by the City Council to render an opinion on the City's financial statements in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion has been issued. The independent auditor's report is located at the front of the financial section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the auditors.

PROFILE OF THE CITY

Ramsey is located in the southwestern part of Anoka County and is situated approximately 25 miles from Minneapolis. The City has 28.8 square miles within its corporate boundaries and is bordered by two major rivers, the Mississippi River along the southern border and the Rum River along the east.

Ramsey was incorporated as a city in 1974, and is organized as a Home Rule City under a City Charter originally adopted in 1984. The City Council consists of a Mayor and six Councilmembers, and is elected at large on a nonpartisan basis. Elections are held in November of each even numbered year. The terms of office are four years for the Mayor and four years for Councilmembers. The City Council is responsible for enacting ordinances, resolutions, and regulations governing the City, and appointing the City Administrator, City Attorney, and members of the various advisory boards and commissions. Because the City Council acts as the Board of Directors of the Ramsey Economic Development Authority (EDA) this organization is included as a blended component unit in these financial statements.

The City provides a variety of municipal services. These include a full-time police department, a volunteer fire department, engineering services, street and park maintenance, building inspections, planning and zoning, public improvements, general administrative services, and public water and sewer utilities in the urban service areas.

The City adopts an annual budget for the General Fund and the EDA Special Revenue Fund. Legal level of control is at the function level. Department heads may transfer resources within a department as they see fit. Transfers between functions, however, need special approval from the City Council.

LOCAL ECONOMY

The City has an unemployment rate of 3.2% in comparison to the state average of 3.3%. Ramsey has an employed labor force of 15,290. Anoka County, in which Ramsey is located, has an employed labor force of 192,851 and an unemployment rate of 3.2%.

There are approximately 7,020 detached single-family homes and 2,370 multifamily units located within the City. In addition, there were 125 single-family homes and 128 multifamily constructed in 2019. An apartment complex with 118 market-rate units and an assisted living and memory care facility with 33 units both began construction in the fall of 2019.

The fall of 2019 saw the opening of the city's second elementary school – Brookside Elementary. The school serves approximately 800 students in kindergarten through fifth grade. Affinity at Ramsey, a senior living facility with 173 units also opened its doors in the fall of 2019.

The City has two major industrial districts containing multiple business parks with a combined capacity of 320 acres and 25 businesses. A 115-acre business park, west of Armstrong Boulevard, began construction in 2017. The business park is estimated to generate about two million dollars in total annual property taxes and create about 3,000 jobs. Through 2019, approximately 400 new jobs have been created as a result of this business park. Delta Mod Tech, a manufacturing company, purchased 43 acres within the business park for the construction of an 185,000 square foot facility and for future expansion. This project alone is projected to cost almost twenty million dollars and generate \$375,000 annually in property taxes. In addition, the city is actively developing a city center known as The COR (Center of Ramsey). The development vision for this 400 acre area located in the heart of Ramsey is for it to become the region's center of retail, restaurants, service and office space, outdoor entertainment and parks, community amenities and housing.

LONG-TERM FINANCIAL PLANNING

The City of Ramsey prepares a ten-year capital improvement plan in an attempt to anticipate major capital expenditures in advance of the year in which they are budgeted.

The City has a policy to maintain unrestricted General Fund balance in an amount equal to 50% of the following years adopted operating budget. This policy is designed to establish a fund balance at a level which is sufficient to avoid issuing debt to meet current operating needs.

RELEVANT FINANCIAL POLICIES

The City has a comprehensive set of financial policies that provide the basic framework for the overall fiscal management of the City. The City had no unusual occurrences affecting these policies.

MAJOR INITIATIVES

The City continued working with the State and County in what is termed the Ramsey Gateway Project. The Ramsey Gateway Project will provide grade separations of US Highway 10/169 and the BNSF Railway. Highway 10 improvements at Sunfish Lake and Ramsey Boulevard are part of the project plan. In 2019, the City of Ramsey worked with Anoka County to design Bunker Lake Boulevard/Highway 47 and Aline Drive/Armstrong Boulevard intersection improvements.

The city continues to address the maintenance and condition of its local roads using the assessment process that was put in place in 2015. In 2019, significant road reconstruction projects were completed in the developments of Ford Brook Estates, Wood Pond Hills and Chestnut Ridge.

Ramsey is home to hundreds of successful and growing businesses. The city welcomed new businesses in 2019, such as Lazy Days RV and M&G Trailer Sales. Total new construction value of both residential and commercial/industrial projects invested in the community in 2019 was over \$100 million.

The city hired RJM Construction to provide construction management services for a new public works campus. The new campus is proposed to begin construction in the fall of 2020.

CERTIFICATE OF ACHIEVEMENT

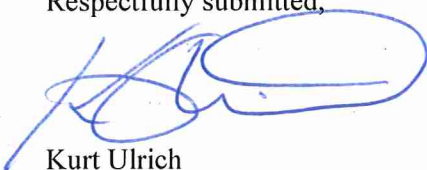
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting (CAEFR) to the City for its CAFR for the year ended December 31, 2018. This was the twenty-fifth consecutive year the City has received this prestigious award. Also, the City had previously received the award from 1981 through 1988, after which the City did not participate in the program for several years.

The CAEFR is valid for a period of one year only. We believe our current CAFR continues to meet the CAEFR Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

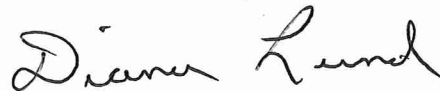
ACKNOWLEDGMENT

The 2019 CAFR of the City meets the highest professional standards and was prepared in a timely and cost-effective manner. This could never have been accomplished without the excellent work of the entire Finance Department. We would like to express our appreciation to the Finance Department and all members of the City's staff who contributed to its preparation.

Respectfully submitted,



Kurt Ulrich
City Administrator



Diana Lund
Finance Director



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Government Finance Officers Association

**Certificate of
Achievement for
Excellence in
Financial
Reporting**

Presented to

**City of Ramsey
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO



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FINANCIAL SECTION



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PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Ramsey, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

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 the City of Ramsey, Minnesota (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page 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 the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As described in Note 1 of the notes to basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the year ended December 31, 2019. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota
May 19, 2020



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CITY OF RAMSEY

Management's Discussion and Analysis Year Ended December 31, 2019

As management of the City of Ramsey, Minnesota (the City), we have provided readers of the City's financial statements with this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2019 by \$184,993,119 (net position).
- Government-wide revenues totaled \$30,448,347 and were \$8,162,249 more than expenses.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$45,321,147, an increase of \$1,734,551 from the prior fiscal year.
- At the end of the current fiscal year the General Fund balance of \$8,880,446 included \$23,640 of nonspendable fund balance and \$8,856,806 of unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other information in addition to the basic financial statements themselves.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private sector businesses.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows, as applicable, (excluding Fiduciary Funds), with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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., delinquent taxes and special assessments).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by property 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 include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City include enterprises for water, sewer, street light, recycling, and storm water utilities.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City are divided into three categories—Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds – Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, Governmental Fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the 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 Funds balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between Governmental Funds and governmental activities.

The fund financial statements present information for each Major Governmental Fund in separate columns. Data from the Nonmajor 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 City adopts an annual appropriated budget for the General Fund and the Economic Development Authority Special Revenue Fund. Budget-to-actual comparisons are provided in this financial report for these funds.

Proprietary Funds – The City maintains two different types of Proprietary Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses one Internal Service Fund to accumulate and allocate costs internally among the various city functions. Because the Internal Service Fund is predominantly used by governmental functions, it is included within governmental activities in the government-wide financial statements.

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

Notes to Basic Financial Statements – The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, the financial section also presents required supplementary information, and the combining and individual fund statements and schedules (presented as supplementary information) referred to earlier in connection with nonmajor governmental funds, which are presented immediately following the basic financial statements.

Further, a statistical section has been included as part of the comprehensive annual financial report (CAFR) to facilitate additional analysis, and is the third and final section of the report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$184,993,119 at the close of December 2019. Total net position increased by \$8,162,249 from current year operating results.

By far, the largest portion of the City's net position (54 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following is a summary of the City's net position:

	Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 51,956,945	\$ 47,057,946	\$ 47,582,978	\$ 43,585,362	\$ 99,539,923	\$ 90,643,308
Capital assets, net of depreciation	66,783,317	67,681,135	55,575,211	53,653,338	122,358,528	121,334,473
Total assets	\$ 118,740,262	\$ 114,739,081	\$ 103,158,189	\$ 97,238,700	\$ 221,898,451	\$ 211,977,781
Deferred outflows of resources						
OPEB plan deferments	\$ 27,297	\$ 20,955	\$ -	\$ -	\$ 27,297	\$ 20,955
Pension plan deferments	2,745,148	3,842,824	128,436	177,917	2,873,584	4,020,741
Total deferred outflows of resources	\$ 2,772,445	\$ 3,863,779	\$ 128,436	\$ 177,917	\$ 2,900,881	\$ 4,041,696
Liabilities						
Current and other liabilities	\$ 4,601,510	\$ 741,057	\$ 113,771	\$ 99,725	\$ 4,715,281	\$ 840,782
Long-term liabilities	30,405,906	32,404,808	544,044	543,043	30,949,950	32,947,851
Total liabilities	\$ 35,007,416	\$ 33,145,865	\$ 657,815	\$ 642,768	\$ 35,665,231	\$ 33,788,633
Deferred inflows of resources						
OPEB plan deferments	\$ 37,433	\$ -	\$ -	\$ -	\$ 37,433	\$ -
Pension plan deferments	4,043,743	5,303,755	59,806	96,219	4,103,549	5,399,974
Total deferred inflows of resources	\$ 4,081,176	\$ 5,303,755	\$ 59,806	\$ 96,219	\$ 4,140,982	\$ 5,399,974
Net position						
Net investment in capital assets	\$ 44,658,317	\$ 43,551,135	\$ 55,575,211	\$ 53,653,338	\$ 100,233,528	\$ 97,204,473
Restricted	21,006,537	20,935,216	-	-	21,006,537	20,935,216
Unrestricted	16,759,261	15,666,889	46,993,793	43,024,292	63,753,054	58,691,181
Total net position	\$ 82,424,115	\$ 80,153,240	\$ 102,569,004	\$ 96,677,630	\$ 184,993,119	\$ 176,830,870

The City's financial position is the product of many factors. For example, the determination of the City's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus a liberal approach to depreciation estimates, as well as capitalization policies, will produce a very significant difference in the calculated amounts.

The City has taken a conservative financial approach, carefully analyzing revenues and expenditures/expenses to assure operation of a balanced budget. The ongoing management of revenue and expenditures/expenses has resulted in an upgraded bond rating. In November 2009, Standard and Poor's (S&P) upgraded the City's bond rating from an AA- to an AA+ and reaffirmed the rating in June 2018. This has also allowed the City to continue to provide quality public services at a tax rate that is affordable.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Changes in the City's proportionate share of state-wide pension obligations contributed to the differences in amounts presented as deferred outflows, noncurrent liabilities, and deferred inflows in the previous table.

The following is a summary of the City's changes in net position:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program revenues						
Charges for services	\$ 2,878,991	\$ 3,444,997	\$ 5,515,884	\$ 7,253,786	\$ 8,394,875	\$ 10,698,783
Operating grants and contributions	461,826	368,099	67,961	72,257	529,787	440,356
Capital grants and contributions	3,434,344	4,765,578	2,596,210	906,190	6,030,554	5,671,768
General revenues						
Property taxes	12,894,388	12,384,300	-	-	12,894,388	12,384,300
General grants and contributions	5,617	102,994	-	-	5,617	102,994
Investment earnings	1,122,573	578,770	1,462,125	650,053	2,584,698	1,228,823
Gain on sale of capital assets	8,428	75,047	-	-	8,428	75,047
Total revenues	<u>20,806,167</u>	<u>21,719,785</u>	<u>9,642,180</u>	<u>8,882,286</u>	<u>30,448,347</u>	<u>30,602,071</u>
Expenses						
General government	5,139,352	5,078,516	-	-	5,139,352	5,078,516
Public safety	5,844,265	5,167,897	-	-	5,844,265	5,167,897
Highways and streets	4,442,720	4,191,395	-	-	4,442,720	4,191,395
Culture and recreation	1,756,810	1,751,345	-	-	1,756,810	1,751,345
Interest and fiscal charges	845,651	883,292	-	-	845,651	883,292
Water utility	-	-	1,483,584	1,590,737	1,483,584	1,590,737
Sewer utility	-	-	1,631,260	1,523,670	1,631,260	1,523,670
Street light utility	-	-	171,619	160,952	171,619	160,952
Recycling utility	-	-	380,192	380,055	380,192	380,055
Storm water utility	-	-	590,645	573,878	590,645	573,878
Total expenses	<u>18,028,798</u>	<u>17,072,445</u>	<u>4,257,300</u>	<u>4,229,292</u>	<u>22,286,098</u>	<u>21,301,737</u>
Changes in net position before transfers	2,777,369	4,647,340	5,384,880	4,652,994	8,162,249	9,300,334
Transfers	(506,494)	137,500	506,494	(137,500)	-	-
Changes in net position	<u>2,270,875</u>	<u>4,784,840</u>	<u>5,891,374</u>	<u>4,515,494</u>	<u>8,162,249</u>	<u>9,300,334</u>
Net position - beginning	<u>80,153,240</u>	<u>75,368,400</u>	<u>96,677,630</u>	<u>92,162,136</u>	<u>176,830,870</u>	<u>167,530,536</u>
Net position - ending	<u>\$ 82,424,115</u>	<u>\$ 80,153,240</u>	<u>\$ 102,569,004</u>	<u>\$ 96,677,630</u>	<u>\$ 184,993,119</u>	<u>\$ 176,830,870</u>

Governmental Activities – Governmental activities account for a \$2,270,875 increase in the City's net position. Charges for services decreased by \$566,006 to reflect the decrease in park dedication fees collected. Capital grants and contributions decreased by \$1,331,234 due to the City being reimbursed for two major road projects – Puma and Riverdale Avenue in 2018.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Investment earnings increased \$543,803. The city is required per the Governmental Accounting Standards Board to reflect most investments at fair value as of December 31st of the current year. The city reflects any changes in fair value against interest earnings. An increase in invested funds along with interest rates that have slowly began to rise, has resulted in the increase in earnings. Property tax collections saw an increase of \$510,088 or 4% which was attributed to the city increasing their 2019 tax levy by almost 5% over the 2018 adopted levy and development in the COR increasing tax increment collected.

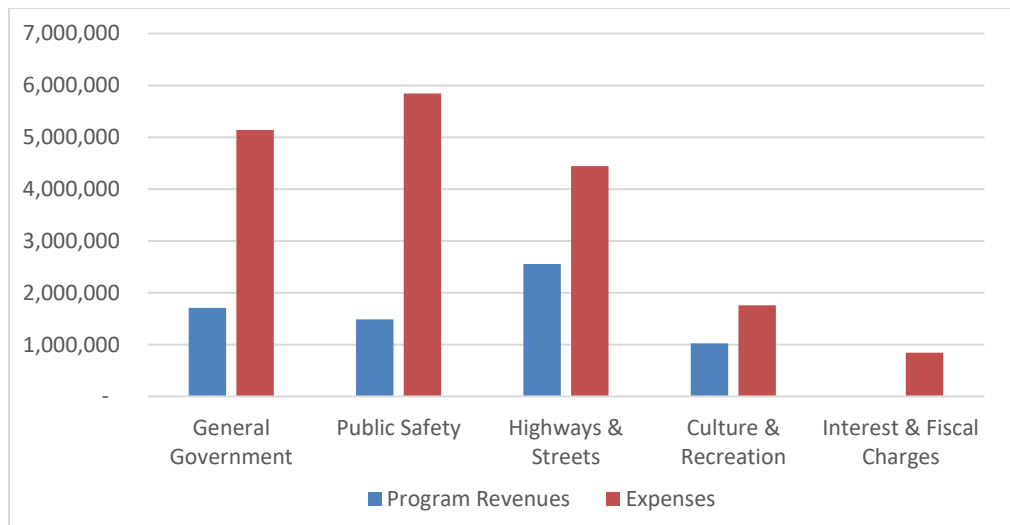
The public safety function experienced a \$676,368 expense increase due largely to an increase in personnel costs in the police and fire departments. Highways and streets expense increased by \$251,325 due to the reimbursement to Anoka County Transit for its final payment of the Northstar Rail Stop.

Business-Type Activities – Business-type activities, which are the City’s utility operations of water, sewer, street light, recycling, and storm water, increased the City’s net position by \$5,891,374. Key elements of this increase are as follows.

- Revenues exceeded expenses before transfers by \$5,384,880, with this excess increasing \$731,886 from the prior year.
- Charges for services decreased \$1,737,902 from the prior year. This is primarily due to decreased water usage as a result of significant rainfall during the year and the reporting of developer connection fees under capital grants and contributions.
- Capital grants and contributions increased by \$1,690,020 from the prior year. This is primarily due to an increase in capital contributions from developers for water utility improvements and the revised reporting of moving such collections from charges for services.
- Investment earnings increased \$812,072. The city is required per the Governmental Accounting Standards Board to reflect most investments at fair value as of December 31st of the current year. The city reflects any changes in fair value against interest earnings. An increase in invested funds along with interest rates that have slowly began to rise, has resulted in the increase in earnings.

Governmental Activities – The following graph illustrates the City’s governmental activities:

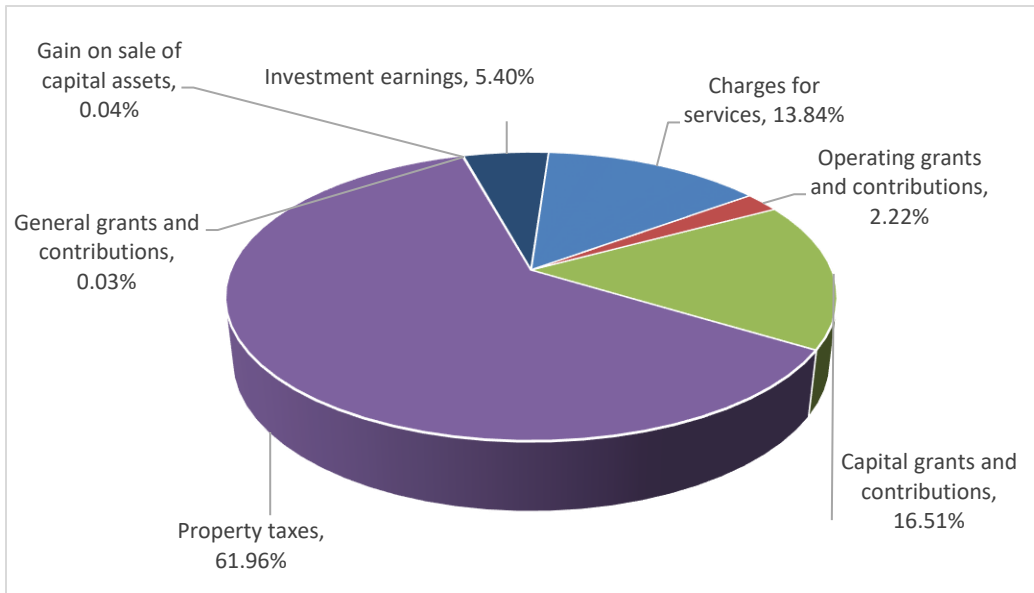
Expenses and Program Revenues – Governmental Activities



The graph clearly reflects the need for property taxes to supplement the governmental activities of the City. The trend of property taxes shows an increasing reliance on this source of revenue.

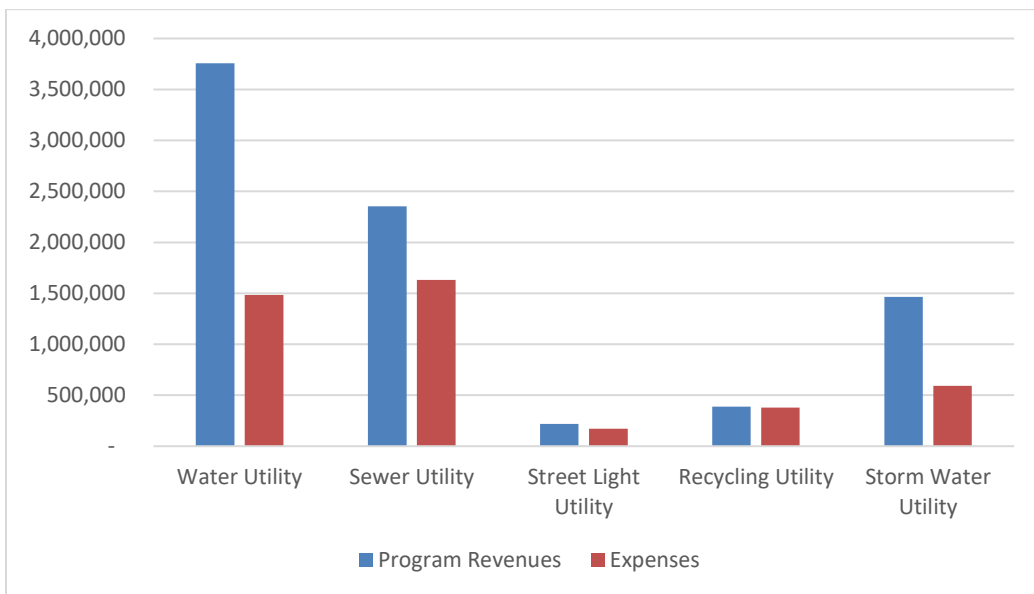
Governmental Activities – The following chart illustrates the City’s governmental activities:

Revenue by Source – Governmental Activities



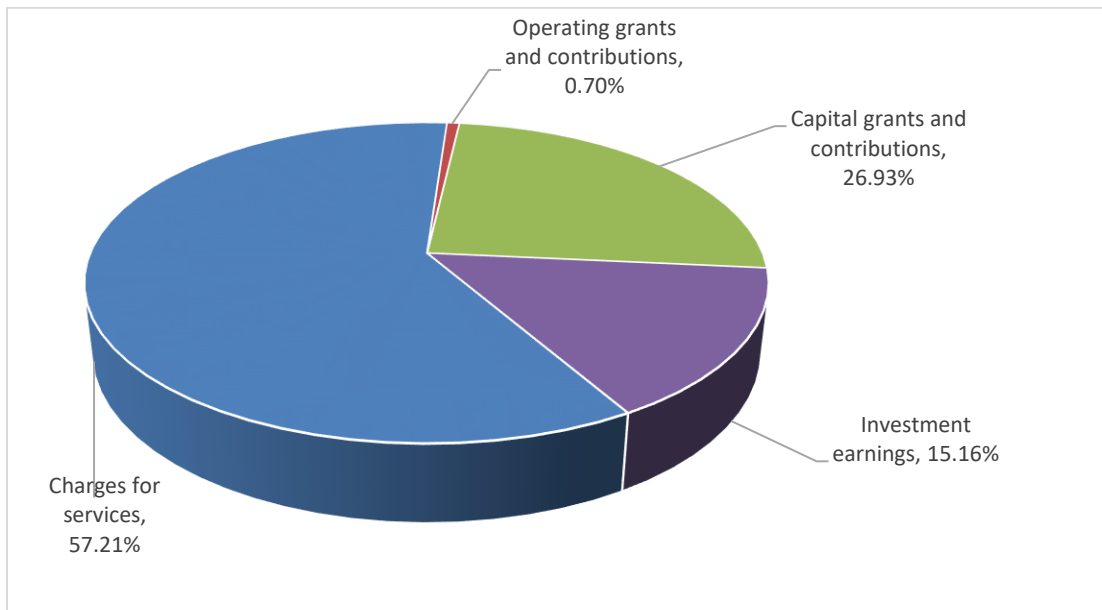
Business-Type Activities – The following graph illustrate the City’s business-type activities:

Expenses and Program Revenues – Business-Type Activities



Business-Type Activities – The following graph illustrate the City’s business-type activities:

Revenues By Source – Business-Type Activities



The business-type activities, which represent the Utility Funds, all received revenues in excess of expenses. Charges for services (57.21%) and Capital grants and contributions (26.93%) are the main sources of revenue for all Utility Funds.

Governmental Funds – At the end of the fiscal year, the City’s Governmental Funds reported combined ending fund balances of \$45,321,147, an increase of \$1,734,551 in comparison with the prior year. The General Fund reported a fund balance increase of \$390,319 in the current year. The increase is attributed to the City’s fund balance policy which states that ending fund balance shall be equal to fifty percent (50%) of the next years adopted operating budget, plus prior-year encumbrances (if any) plus compensated absences.

General Fund – The General Fund operating results can be summarized as follows:

	Original Budget	Final Budget	Actual	Over (Under) Final Budget	% Over (Under) Budget
Revenue	\$ 11,706,332	\$ 11,706,332	\$ 12,305,492	\$ 599,160	5.12%
Expenditures	12,838,782	12,838,782	12,415,455	(423,327)	-3.30%
Excess (deficiency) of revenue over expenditures	(1,132,450)	(1,132,450)	(109,963)	1,022,487	
Other financing sources (uses)	1,132,450	1,132,450	500,282	(632,168)	
Net change in fund balances	\$ –	\$ –	390,319	\$ 390,319	
Fund balances					
Beginning of year			8,490,127		
End of year			\$ 8,880,446		

General Fund Budgetary Highlights

The city does not formally amend its original budget during the calendar year except for extraordinary circumstances. Budget to actual reports are reported monthly to City Council and responsible staff.

The city experienced a favorable revenue variance in that actual revenues exceeded budgeted revenues by \$599,160. The majority of the variance was attributed to an increase in building permits.

The difference between the final expenditure budget and actual was a difference of \$423,327 and can be summarized as follows:

- \$262,517 savings attributed to the city engineer's recommendation to do away with sealcoating of streets. Conclusion was that this was not cost effective as they did not help maintain the city's streets.
- \$118,474 savings on the city's server project. Amount budgeted was higher than actually quoted and expended for final product.
- \$42,336 savings attributed to several budgeted line items related to services and charges that came in lower than expected. Final budget numbers are based on past history and expected needs.

Overall fund balance increased by \$390,319 to an ending fund balance of \$8,880,446. The city's ending fund balance increase of \$390,319 is determined by its fund balance policy which for year ending 2019 is summarized as follows:

- \$232,404 increase based on 50% increase in next years adopted budget
- \$43,073 increase in compensated absences liability
- \$114,842 increase in prior year encumbrances related to building inspection fees and worker's compensation and general liabilities.

Tax Increment Fund – This Special Revenue Fund had a year-end fund balance of \$4,849,174 which reflects a slight increase of \$7,196 from 2018. The increase was due to additional property tax increments received for the current year.

COR Land Fund – This Special Revenue Fund held a constant year-end fund balance of \$8,629,937.

Private Developer Fund – This Special Revenue Fund was previously reported as an Agency fund in prior years. There is no fund balance recorded for 2019.

2011A Armstrong/Bunker Bond Fund – This Debt Service Fund had a year-end fund balance of \$1,355,204. The increase of \$383,485 is attributed to the prepayment of special assessments on the former Legacy School project and will be used to pay off future debt service.

Public Improvement Revolving Fund – The Capital Project Fund saw an overall decrease in fund balance of \$73,575 due to the Highway 10 planning study with Bolton and Menk.

Road Reconstruction/Overlay Fund – This Capital Project Fund had its fund balance decrease by \$97,337. The decrease is attributed to the ongoing road improvements related to reconstruction and overlay projects as outlined in the City's Long-Term Street Maintenance Plan.

Public Facilities Construction Fund – This Capital Project Fund had a year-end fund balance of \$1,283,294, or an increase of \$188,239, with revenue and other financing sources exceeding expenditures in the current year.

Proprietary Funds – The City’s Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. The City’s Enterprise Funds had a combined net position balance of \$102,569,004 at December 31, 2019. The financial activities of these funds have been summarized in previous charts within this discussion. The City’s Internal Service Fund had an ending net position of \$495,826.

The Enterprise Funds consist of the Water Utility Fund, Sewer Utility Fund, Street Light Utility Fund, Recycling Utility Fund, and Storm Water Utility Fund. The growth in net position reflects the ongoing expansion and provision of services to the various service areas of the utilities.

Capital Assets – The City’s investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2019 are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Capital Assets - Not Depreciated	\$ 7,565,372	\$ 9,072,412	\$ 2,169,011	\$ 899,244	\$ 9,734,383	\$ 9,971,656
Capital Assets - Depreciated	59,217,945	58,608,723	53,406,200	52,754,095	112,624,145	111,362,818
Total capital assets, net of depreciation	<u>\$ 66,783,317</u>	<u>\$ 67,681,135</u>	<u>\$ 55,575,211</u>	<u>\$ 53,653,339</u>	<u>\$ 122,358,528</u>	<u>\$ 121,334,474</u>
Depreciation expense	\$ 3,556,745	\$ 3,429,643	\$ 1,612,989	\$ 1,580,361	\$ 5,169,734	\$ 5,010,004

The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to approximately \$122 million (net of accumulated depreciation).

The governmental activities show a decrease of \$897,818 in capital assets attributable to several assets either being sold or retired. Business-type activities show an increase of \$1,921,872 in capital assets. The increase is attributable to developer contributions to the City’s utility system as part of their private developments. Additional details of capital asset activity for the year can be found in Note 4 of the notes to basic financial statements.

Long-Term Liabilities – The Debt Service Funds account for the accumulation of resources to finance all of the City’s governmental activity general obligation bonds. The revenue sources for these funds include annual tax levies and special assessments. At year-end, major debt service fund balance was \$1,355,204 and non-major debt service fund balance was \$1,450,800 for a total of \$2,806,004 in fund balance restricted for debt service.

The following table summarizes the City’s long-term liabilities:

	2019	2018
Governmental Activities		
G.O. improvement bonds	\$ 23,165,000	\$ 25,295,000
Capital equipment certificates	725,000	875,000
Compensated absences payable	948,700	905,627
Net pension liability	4,867,794	4,683,942
Total OPEB liability	<u>699,412</u>	<u>645,239</u>
Subtotal	30,405,906	32,404,808
Business-type Activities		
Net pension liability	<u>544,044</u>	<u>543,043</u>
Total	<u>\$ 30,949,950</u>	<u>\$ 32,947,851</u>

During the current fiscal year, the City saw a decrease of \$2,280,000 in bonds and certificates. The City did not issue any new debt in 2019. Due to higher wages and employees retaining larger balances at year end, the compensated absence liability increased by \$43,073. Net pension liability saw an increase of \$184,853 to reflect the change in the City's proportionate share of the state-wide PERA pension plan obligation. Other Post-Employment Benefits (OPEB) increased \$54,173 due to the annual OPEB costs exceeding contributions as actuarially determined with the parameters of GASB Statement No. 75.

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total assessed valuation. The current legal debt margin for the City is \$62,614,838.

The City has sufficient funds on hand to make all required bond payments, and anticipates an ongoing stream of revenue to make future bond payments.

Additional details of the long-term debt activity for the year can be found in Note 5 of the notes to basic financial statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Ramsey is currently 3.2%, which is an increase from a rate of 2.5% a year ago. The state of Minnesota shows an average unemployment rate of 3.3%, whereas, nationally the unemployment rate is 3.5%.
- The number of foreclosures in the City of Ramsey increased from 23 units in 2018 to 32 in 2019. In comparison, the State of Minnesota saw a decrease in foreclosures from 3,495 in 2018 to 2,066 in 2019.
- Inflationary trends in the region compare favorably to national indices.
- The city is expecting steady residential and commercial growth within the next three years, spurred by access to the Ramsey Station for the Minnesota Northstar commuter rail, the construction of the Armstrong interchange, a new industrial business park and continued development within The COR.
- The Novel Coronavirus (COVID – 19) has caused significant volatility in market conditions, including substantial reductions in the active-market prices of some investments. The City's portfolio consists primarily of short-term investments, many with guaranteed maturity values. The City does not expect any losses ultimately realized from this market decline to be material. Also, the COVID – 19 may cause a decrease in the collection of property taxes. The City is taking steps to be prepared for this possible decrease with using existing fund balances to pay debt service, and continuing to monitor other revenue sources such as building activity.

All of these factors were considered in preparing the City of Ramsey's budget for the 2020 fiscal year.

The water and sewer utility rates were increased for the 2020 budget year. The water utility, which has a tiered rate structure, will increase by an average of 2% for all customers. The sewer utility, which has a flat rate structure for residential and per gallon usage for commercial will increase an average of 1%. The increased rates are to not only offset current maintenance costs and depreciation, but to help finance future utility improvements that are documented in the City's ten-year Capital Improvement Plan.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional information should be addressed by writing to the City of Ramsey, 7550 Sunwood Drive Northwest, Ramsey, MN 55303 or by calling (763) 427-1410.

BASIC FINANCIAL STATEMENTS



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CITY OF RAMSEY

Statement of Net Position
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and temporary investments	\$ 41,429,339	\$ 44,952,149	\$ 86,381,488
Receivables			
Unremitted taxes	110,867	–	110,867
Delinquent taxes	119,189	–	119,189
Unremitted special assessments	1,873	–	1,873
Delinquent special assessments	1,887	14,139	16,026
Deferred special assessments	1,382,718	240,734	1,623,452
Accounts	149,919	1,439,751	1,589,670
Notes	94,640	–	94,640
Interest	369,667	–	369,667
Internal balances	(826,541)	826,541	–
Due from other governmental units	13,060	37,881	50,941
Prepays	25,441	71,783	97,224
Land held for resale	9,084,886	–	9,084,886
Capital assets			
Not depreciated	7,565,372	2,169,011	9,734,383
Depreciated	59,217,945	53,406,200	112,624,145
Total capital assets, net of depreciation	<u>66,783,317</u>	<u>55,575,211</u>	<u>122,358,528</u>
Total assets	118,740,262	103,158,189	221,898,451
Deferred outflows of resources			
OPEB plan deferments	27,297	–	27,297
Pension plan deferments	2,745,148	128,436	2,873,584
Total deferred outflows of resources	<u>2,772,445</u>	<u>128,436</u>	<u>2,900,881</u>
Total assets and deferred outflows of resources	<u>\$ 121,512,707</u>	<u>\$ 103,286,625</u>	<u>\$ 224,799,332</u>
Liabilities			
Accounts and contracts payable	\$ 185,761	\$ 44,517	\$ 230,278
Salaries and benefits payable	227,914	–	227,914
Accrued interest payable	59,972	–	59,972
Deposits payable	4,100,667	–	4,100,667
Due to other governmental units	5,524	30,702	36,226
Unearned revenue	21,672	38,552	60,224
Long-term liabilities			
Due within one year	2,846,655	–	2,846,655
Due in more than one year	27,559,251	544,044	28,103,295
Total long-term liabilities	<u>30,405,906</u>	<u>544,044</u>	<u>30,949,950</u>
Total liabilities	35,007,416	657,815	35,665,231
Deferred inflows of resources			
OPEB plan deferments	37,433	–	37,433
Pension plan deferments	4,043,743	59,806	4,103,549
Total deferred inflows of resources	<u>4,081,176</u>	<u>59,806</u>	<u>4,140,982</u>
Net Position			
Net investment in capital assets	44,658,317	55,575,211	100,233,528
Restricted for			
Capital improvements	1,907,396	–	1,907,396
Debt service	3,847,781	–	3,847,781
Economic development	1,395,501	–	1,395,501
Housing and redevelopment	8,629,937	–	8,629,937
Recreation/community programs	332,098	–	332,098
Law enforcement programs	38,616	–	38,616
Tax increment	4,855,208	–	4,855,208
Unrestricted	16,759,261	46,993,793	63,753,054
Total net position	<u>82,424,115</u>	<u>102,569,004</u>	<u>184,993,119</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 121,512,707</u>	<u>\$ 103,286,625</u>	<u>\$ 224,799,332</u>

See notes to basic financial statements



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CITY OF RAMSEY

Statement of Activities
Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 5,139,352	\$ 640,173	\$ 86,437	\$ 984,058	\$ (3,428,684)	\$ –	\$ (3,428,684)
Public safety	5,844,265	1,098,016	375,389	14,704	(4,356,156)	–	(4,356,156)
Highways and streets	4,442,720	214,272	–	2,338,241	(1,890,207)	–	(1,890,207)
Culture and recreation	1,756,810	926,530	–	97,341	(732,939)	–	(732,939)
Interest and fiscal charges	845,651	–	–	–	(845,651)	–	(845,651)
Total governmental activities	18,028,798	2,878,991	461,826	3,434,344	(11,253,637)	–	(11,253,637)
Business-type activities							
Water utility	1,483,584	2,138,209	478	1,617,171	–	2,272,274	2,272,274
Sewer utility	1,631,260	1,672,072	273	681,884	–	722,969	722,969
Street light utility	171,619	217,169	–	–	–	45,550	45,550
Recycling utility	380,192	319,940	67,210	–	–	6,958	6,958
Storm water utility	590,645	1,168,494	–	297,155	–	875,004	875,004
Total business-type activities	4,257,300	5,515,884	67,961	2,596,210	–	3,922,755	3,922,755
Total governmental and business-type activities	\$ 22,286,098	\$ 8,394,875	\$ 529,787	\$ 6,030,554	(11,253,637)	3,922,755	(7,330,882)
		General revenues					
					12,894,388	–	12,894,388
					5,617	–	5,617
					1,122,573	1,462,125	2,584,698
					8,428	–	8,428
					(506,494)	506,494	–
					<u>13,524,512</u>	<u>1,968,619</u>	<u>15,493,131</u>
					2,270,875	5,891,374	8,162,249
					<u>80,153,240</u>	<u>96,677,630</u>	<u>176,830,870</u>
					<u>\$ 82,424,115</u>	<u>\$ 102,569,004</u>	<u>\$ 184,993,119</u>

See notes to basic financial statements

CITY OF RAMSEY

Balance Sheet
Governmental Funds
December 31, 2019

	Special Revenue Funds				Debt Service Funds
	General	Tax Increment	COR Land	Private Developer	2011A Armstrong/Bunker Bond
Assets					
Cash and temporary investments	\$ 8,846,081	\$ 5,082,862	\$ -	\$ 3,919,459	\$ 1,355,204
Receivables					
Unremitted taxes	93,782	-	-	-	-
Delinquent taxes	94,882	6,034	-	-	-
Unremitted special assessments	-	-	-	-	-
Delinquent special assessments	-	-	-	-	-
Deferred special assessments	-	-	-	-	672,538
Accounts	26,220	-	-	53,565	-
Notes	-	-	-	-	-
Interest	369,667	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental units	13,060	-	-	-	-
Prepays	23,640	-	-	-	-
Land held for resale	-	-	9,084,886	-	-
Advances to other funds	-	-	-	-	-
Total assets	\$ 9,467,332	\$ 5,088,896	\$ 9,084,886	\$ 3,973,024	\$ 2,027,742
Liabilities					
Accounts and contracts payable	\$ 128,816	\$ 240	\$ -	\$ 2,107	\$ -
Salaries and benefits payable	227,914	-	-	-	-
Deposits payable	129,750	-	-	3,970,917	-
Due to other governmental units	5,524	-	-	-	-
Due to other funds	-	30,000	-	-	-
Advances from other funds	-	203,448	454,949	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	492,004	233,688	454,949	3,973,024	-
Deferred inflows of resources					
Unavailable revenue - property taxes	94,882	6,034	-	-	-
Unavailable revenue - special assessments	-	-	-	-	672,538
Unavailable revenue - notes receivable	-	-	-	-	-
Total deferred inflows of resources	94,882	6,034	-	-	672,538
Fund balances					
Nonspendable	23,640	-	-	-	-
Restricted	-	4,849,174	8,629,937	-	1,355,204
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	8,856,806	-	-	-	-
Total fund balances	8,880,446	4,849,174	8,629,937	-	1,355,204
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,467,332	\$ 5,088,896	\$ 9,084,886	\$ 3,973,024	\$ 2,027,742

See notes to basic financial statements

Capital Project Funds				
Public Improvement Revolving	Road Reconstruction/ Overlay	Public Facilities Construction	Nonmajor	Totals
\$ 4,122,366	\$ 841,698	\$ 1,670,285	\$ 15,094,387	\$ 40,932,342
-	-	-	17,085	110,867
-	-	-	18,273	119,189
504	-	-	1,369	1,873
1,230	-	-	657	1,887
148,863	78,516	-	482,801	1,382,718
-	-	-	70,134	149,919
-	-	-	94,640	94,640
-	-	-	-	369,667
-	-	-	30,000	30,000
-	-	-	-	13,060
-	-	-	1,801	25,441
-	-	-	-	9,084,886
203,448	-	-	-	203,448
<u>\$ 4,476,411</u>	<u>\$ 920,214</u>	<u>\$ 1,670,285</u>	<u>\$ 15,811,147</u>	<u>\$ 52,519,937</u>
\$ -	\$ 27,133	\$ 15,399	\$ 10,895	\$ 184,590
-	-	-	-	227,914
-	-	-	-	4,100,667
-	-	-	-	5,524
-	-	-	-	30,000
-	-	371,592	-	1,029,989
-	-	-	21,672	21,672
-	27,133	386,991	32,567	5,600,356
-	-	-	18,273	119,189
150,093	78,516	-	483,458	1,384,605
-	-	-	94,640	94,640
150,093	78,516	-	596,371	1,598,434
-	-	-	1,801	25,441
-	-	-	5,123,280	19,957,595
-	-	-	1,184,262	1,184,262
4,326,318	814,565	1,283,294	8,872,866	15,297,043
-	-	-	-	8,856,806
<u>4,326,318</u>	<u>814,565</u>	<u>1,283,294</u>	<u>15,182,209</u>	<u>45,321,147</u>
<u>\$ 4,476,411</u>	<u>\$ 920,214</u>	<u>\$ 1,670,285</u>	<u>\$ 15,811,147</u>	<u>\$ 52,519,937</u>



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CITY OF RAMSEY

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2019

Total fund balances – Governmental Funds \$ 45,321,147

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in Governmental Funds.

Net cost of capital assets 66,783,317

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Bonds and capital equipment certificates	(23,890,000)
Compensated absences payable	(948,700)
Net pension liability	(4,867,794)
Total OPEB liability	(699,412)

Certain revenues (including delinquent taxes, special assessments and notes receivable) are included in net position, but are excluded from fund balances until they are available to liquidate liabilities of the current period.

1,598,434

Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.

(59,972)

Governmental funds do not report certain amounts related to pensions and OPEB:

Deferred outflows of resources for OPEB plan deferments	27,297
Deferred outflows of resources for pension plan deferments	2,745,148
Deferred inflows of resources for OPEB plan deferments	(37,433)
Deferred inflows of resources for pension plan deferments	(4,043,743)

Internal Service Funds are used to manage insurance-related activity. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

495,826

Total net position – governmental activities

\$ 82,424,115

See notes to basic financial statements

CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2019

	Special Revenue Funds				Debt Service Funds
	General	Tax Increment	COR Land	Private Developer	2011A Armstrong/Bunker Bond
Revenue					
Property taxes	\$ 9,902,811	\$ 1,074,836	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	485,327
Licenses and permits	901,222	-	-	-	-
Intergovernmental revenue	442,366	-	-	-	301,533
Charges for services	790,112	-	-	-	-
Fines and forfeits	49,479	-	-	-	-
Other revenue					
Investment earnings	202,865	165,096	-	-	26,435
Miscellaneous	16,637	-	-	106,204	-
Total revenue	<u>12,305,492</u>	<u>1,239,932</u>	<u>-</u>	<u>106,204</u>	<u>813,295</u>
Expenditures					
Current					
General government	3,386,029	622,505	-	106,204	420
Public safety	5,244,827	-	-	-	-
Highways and streets	1,827,573	297,983	-	-	-
Culture and recreation	1,266,338	-	-	-	-
Capital outlay	628,835	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	360,000
Interest and fiscal charges	61,853	12,248	-	-	69,390
Total expenditures	<u>12,415,455</u>	<u>932,736</u>	<u>-</u>	<u>106,204</u>	<u>429,810</u>
Excess (deficiency) of revenue over expenditures	(109,963)	307,196	-	-	383,485
Other financing sources (uses)					
Proceeds on sale of capital assets	-	-	-	-	-
Transfers in	903,354	-	-	-	-
Transfers (out)	(403,072)	(300,000)	-	-	-
Total other financing sources (uses)	<u>500,282</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	390,319	7,196	-	-	383,485
Fund balances					
Beginning of year	8,490,127	4,841,978	8,629,937	-	971,719
End of year	<u>\$ 8,880,446</u>	<u>\$ 4,849,174</u>	<u>\$ 8,629,937</u>	<u>\$ -</u>	<u>\$ 1,355,204</u>

See notes to basic financial statements

Capital Project Funds

Public Improvement Revolving	Road Reconstruction/ Overlay	Public Facilities Construction	Nonmajor	Totals
\$ -	\$ -	\$ 44,520	\$ 1,850,067	\$ 12,872,234
41,713	46,229	-	452,258	1,025,527
-	-	-	-	901,222
-	-	-	774,740	1,518,639
-	-	-	1,102,405	1,892,517
-	-	-	-	49,479
156,155	26,312	54,386	473,720	1,104,969
162	697	169,761	742,858	1,036,319
<u>198,030</u>	<u>73,238</u>	<u>268,667</u>	<u>5,396,048</u>	<u>20,400,906</u>
-	-	11,516	231,734	4,358,408
-	-	-	115,575	5,360,402
319,350	1,051	-	82,259	2,528,216
-	-	-	14,815	1,281,153
-	564,926	118,315	193,846	1,505,922
-	-	-	1,920,000	2,280,000
-	-	8,179	702,518	854,188
<u>319,350</u>	<u>565,977</u>	<u>138,010</u>	<u>3,260,747</u>	<u>18,168,289</u>
(121,320)	(492,739)	130,657	2,135,301	2,232,617
-	-	-	8,428	8,428
172,745	395,402	57,582	185,244	1,714,327
(125,000)	-	-	(1,392,749)	(2,220,821)
<u>47,745</u>	<u>395,402</u>	<u>57,582</u>	<u>(1,199,077)</u>	<u>(498,066)</u>
(73,575)	(97,337)	188,239	936,224	1,734,551
<u>4,399,893</u>	<u>911,902</u>	<u>1,095,055</u>	<u>14,245,985</u>	<u>43,586,596</u>
<u>\$ 4,326,318</u>	<u>\$ 814,565</u>	<u>\$ 1,283,294</u>	<u>\$ 15,182,209</u>	<u>\$ 45,321,147</u>



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CITY OF RAMSEY

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended December 31, 2019

Total net change in fund balances – Governmental Funds \$ 1,734,551

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	1,505,922
Contributed assets from Internal Service Fund	67,005
Contributed assets from developers	1,165,617
Disposals	(79,617)
Depreciation expense	(3,556,745)

Issuance of long-term debt provides current financial resources to governmental funds, while repayment of long-term liabilities is an expenditure in the Governmental Funds. Neither transaction, however, has any effect on net position.

Repayment of principal on long-term debt	2,280,000
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

8,537

Certain revenues (including delinquent taxes, special assessments, and notes receivable) are included in the change in net position, but are excluded from the change in fund balances until they are available to liquidate liabilities of the current period.

(702,674)

Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in the fund balances.

Governmental activities – compensated absences payable	(43,073)
Governmental activities – pension expense	(21,516)

Other postemployment benefits reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds until actually due.

(85,264)

Internal Service Funds are used to charge the cost of certain activities, such as insurance to individual funds. This amount represents the change in net position of the Internal Service Fund, which is reported with governmental activities.

(1,868)

Change in net position – governmental activities	\$ 2,270,875
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See notes to basic financial statements



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CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances
 General Fund – Budget and Actual
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 9,927,432	\$ 9,927,432	\$ 9,902,811	\$ (24,621)
Licenses and permits	532,300	532,300	901,222	368,922
Intergovernmental revenue	375,800	375,800	442,366	66,566
Charges for services	703,600	703,600	790,112	86,512
Fines and forfeits	61,500	61,500	49,479	(12,021)
Other revenue				
Investment earnings	90,000	90,000	202,865	112,865
Miscellaneous	15,700	15,700	16,637	937
Total revenue	<u>11,706,332</u>	<u>11,706,332</u>	<u>12,305,492</u>	<u>599,160</u>
Expenditures				
Current				
General government	3,415,224	3,415,224	3,386,029	(29,195)
Public safety	5,170,545	5,170,545	5,244,827	74,282
Highways and streets	2,091,363	2,091,363	1,827,573	(263,790)
Culture and recreation	1,230,827	1,230,827	1,266,338	35,511
Capital outlay	824,450	824,450	628,835	(195,615)
Debt service				
Interest and fiscal charges	106,373	106,373	61,853	(44,520)
Total expenditures	<u>12,838,782</u>	<u>12,838,782</u>	<u>12,415,455</u>	<u>(423,327)</u>
Excess (deficiency) of revenue over expenditures	(1,132,450)	(1,132,450)	(109,963)	1,022,487
Other financing sources (uses)				
Transfers in	1,132,450	1,132,450	903,354	(229,096)
Transfers (out)	–	–	(403,072)	(403,072)
Total other financing sources (uses)	<u>1,132,450</u>	<u>1,132,450</u>	<u>500,282</u>	<u>(632,168)</u>
Net change in fund balances	<u>\$ –</u>	<u>\$ –</u>	390,319	<u>\$ 390,319</u>
Fund balances				
Beginning of year			<u>8,490,127</u>	
End of year			<u>\$ 8,880,446</u>	

See notes to basic financial statements

CITY OF RAMSEY

Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Assets			
Current assets			
Cash and temporary investments	\$ 26,487,081	\$ 14,502,023	\$ 1,351,012
Receivables			
Delinquent special assessments	5,716	8,423	–
Deferred special assessments	112,419	128,315	–
Accounts	437,855	492,919	67,049
Due from other governmental units	–	–	–
Prepays	650	71,133	–
Total current assets	<u>27,043,721</u>	<u>15,202,813</u>	<u>1,418,061</u>
Noncurrent assets			
Advances to other Funds	599,066	227,475	–
Capital assets			
Land	868,513	–	–
Construction in progress	–	–	–
Buildings and structures	6,058,847	–	–
Improvements other than buildings	–	–	1,135,881
Machinery and equipment	163,797	496,980	–
Water and sewer lines	29,495,434	24,931,423	–
	<u>36,586,591</u>	<u>25,428,403</u>	<u>1,135,881</u>
Less accumulated depreciation	<u>11,043,354</u>	<u>8,716,586</u>	<u>626,124</u>
Net capital assets	<u>25,543,237</u>	<u>16,711,817</u>	<u>509,757</u>
Total noncurrent assets	<u>26,142,303</u>	<u>16,939,292</u>	<u>509,757</u>
Total assets	53,186,024	32,142,105	1,927,818
Deferred Outflows of Resources			
Pension plan deferments	<u>72,846</u>	<u>27,842</u>	<u>–</u>
Total assets and deferred outflows of resources	<u>\$ 53,258,870</u>	<u>\$ 32,169,947</u>	<u>\$ 1,927,818</u>
Liabilities			
Current liabilities			
Accounts and contracts payable	\$ 3,834	\$ 7,254	\$ 2,579
Due to other governmental units	25,724	4,920	58
Unearned revenue	–	35,612	2,940
Total current liabilities	<u>29,558</u>	<u>47,786</u>	<u>5,577</u>
Non-Current liabilities			
Net pension liability	<u>285,303</u>	<u>123,579</u>	<u>–</u>
Total liabilities	314,861	171,365	5,577
Deferred Inflows of Resources			
Pension plan deferments	30,763	11,758	–
Net Position			
Investment in capital assets	25,543,237	16,711,817	509,757
Unrestricted	<u>27,370,009</u>	<u>15,275,007</u>	<u>1,412,484</u>
Total net position	<u>52,913,246</u>	<u>31,986,824</u>	<u>1,922,241</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 53,258,870</u>	<u>\$ 32,169,947</u>	<u>\$ 1,927,818</u>

See notes to basic financial statements

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 287,280	\$ 2,324,753	\$ 44,952,149	\$ 496,997
-	-	14,139	-
-	-	240,734	-
97,291	344,637	1,439,751	-
37,881	-	37,881	-
-	-	71,783	-
<u>422,452</u>	<u>2,669,390</u>	<u>46,756,437</u>	<u>496,997</u>
-	-	826,541	-
-	637,583	1,506,096	-
-	662,915	662,915	-
-	-	6,058,847	-
-	14,425,545	15,561,426	-
-	411,058	1,071,835	-
-	334,379	54,761,236	-
-	<u>16,471,480</u>	<u>79,622,355</u>	-
-	<u>3,661,080</u>	<u>24,047,144</u>	-
-	<u>12,810,400</u>	<u>55,575,211</u>	-
-	<u>12,810,400</u>	<u>56,401,752</u>	-
422,452	15,479,790	103,158,189	496,997
-	27,748	128,436	-
<u>\$ 422,452</u>	<u>\$ 15,507,538</u>	<u>\$ 103,286,625</u>	<u>\$ 496,997</u>
\$ 227	\$ 30,623	\$ 44,517	\$ 1,171
-	-	30,702	-
-	-	38,552	-
<u>227</u>	<u>30,623</u>	<u>113,771</u>	<u>1,171</u>
-	135,162	544,044	-
227	165,785	657,815	1,171
-	17,285	59,806	-
-	12,810,400	55,575,211	-
422,225	2,514,068	46,993,793	495,826
<u>422,225</u>	<u>15,324,468</u>	<u>102,569,004</u>	<u>495,826</u>
<u>\$ 422,452</u>	<u>\$ 15,507,538</u>	<u>\$ 103,286,625</u>	<u>\$ 496,997</u>

CITY OF RAMSEY

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2019

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Operating revenue			
Charges for services	\$ 2,138,209	\$ 1,664,170	\$ 217,169
Sewer access surcharge	–	7,902	–
Other	–	–	–
Total operating revenue	<u>2,138,209</u>	<u>1,672,072</u>	<u>217,169</u>
Operating expenses			
Personal services	365,837	185,607	–
Supplies	159,967	30,878	–
Service charges			
Disposal charges	–	780,705	–
Other	227,495	102,654	131,611
Depreciation	<u>727,864</u>	<u>528,995</u>	<u>40,008</u>
Total operating expenses	<u>1,481,163</u>	<u>1,628,839</u>	<u>171,619</u>
Operating income (loss)	657,046	43,233	45,550
Nonoperating revenue (expense)			
Intergovernmental revenue	478	273	–
Connection fees	839,858	216,093	–
Capital contributions to governmental funds	–	–	–
Loss on disposal of assets	(2,421)	(2,421)	–
Investment earnings	<u>851,294</u>	<u>477,797</u>	<u>44,339</u>
Total nonoperating revenue (expense)	<u>1,689,209</u>	<u>691,742</u>	<u>44,339</u>
Income (loss) before contributions and transfers	2,346,255	734,975	89,889
Capital contributions	777,313	465,791	–
Transfers in	–	–	–
Transfers out	<u>(43,000)</u>	<u>(37,000)</u>	<u>(21,000)</u>
Change in net position	3,080,568	1,163,766	68,889
Net position			
Beginning of year	<u>49,832,678</u>	<u>30,823,058</u>	<u>1,853,352</u>
End of year	<u>\$ 52,913,246</u>	<u>\$ 31,986,824</u>	<u>\$ 1,922,241</u>

See notes to basic financial statements

<u>Recycling Utility</u>	<u>Storm Water Utility</u>	<u>Totals</u>	<u>Governmental Activities Internal Service</u>
\$ 319,940	\$ 1,168,494	\$ 5,507,982	\$ -
-	-	7,902	-
-	-	-	102,107
<u>319,940</u>	<u>1,168,494</u>	<u>5,515,884</u>	<u>102,107</u>
26,440	208,124	786,008	-
27,042	10,086	227,973	7,043
-	-	780,705	-
326,710	53,892	842,362	47,531
-	316,122	1,612,989	-
<u>380,192</u>	<u>588,224</u>	<u>4,250,037</u>	<u>54,574</u>
(60,252)	580,270	1,265,847	47,533
67,210	-	67,961	-
-	-	1,055,951	-
-	-	-	(67,005)
-	(2,421)	(7,263)	-
9,851	78,844	1,462,125	17,604
<u>77,061</u>	<u>76,423</u>	<u>2,578,774</u>	<u>(49,401)</u>
16,809	656,693	3,844,621	(1,868)
-	297,155	1,540,259	-
-	639,494	639,494	-
-	(32,000)	(133,000)	-
<u>16,809</u>	<u>1,561,342</u>	<u>5,891,374</u>	<u>(1,868)</u>
405,416	13,763,126	96,677,630	497,694
<u>\$ 422,225</u>	<u>\$ 15,324,468</u>	<u>\$ 102,569,004</u>	<u>\$ 495,826</u>

CITY OF RAMSEY

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2019

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Cash flows from operating activities			
Receipts from customers and users	\$ 2,135,178	\$ 1,666,431	\$ 211,232
Receipts from interfund services provided	–	–	–
Paid to suppliers/service providers	(393,208)	(922,187)	(131,729)
Paid to employees	(359,272)	(181,855)	–
Net cash flows from operating activities	<u>1,382,698</u>	<u>562,389</u>	<u>79,503</u>
Cash flows from capital and related financing activities			
Capital assets purchased and contributed to governmental activities	–	–	–
Connection fees	839,858	216,093	–
Acquisition of capital assets	(343,328)	(349,491)	–
Net cash flows from capital and related financing activities	<u>496,530</u>	<u>(133,398)</u>	<u>–</u>
Cash flows from investing activities			
Interest received on investments	851,294	477,797	44,339
Cash flows from noncapital financing activities			
Transfers in	–	–	–
Transfers (out)	(43,000)	(37,000)	(21,000)
Intergovernmental revenue	478	273	–
Repayment of advances to other funds	36,341	–	–
Net cash flows from noncapital financing activities	<u>(6,181)</u>	<u>(36,727)</u>	<u>(21,000)</u>
Net increase (decrease) in cash and temporary investments/cash equivalents	2,724,341	870,061	102,842
Cash and temporary investments/cash equivalents			
Beginning of year	<u>23,762,740</u>	<u>13,631,962</u>	<u>1,248,170</u>
End of year	<u>\$ 26,487,081</u>	<u>\$ 14,502,023</u>	<u>\$ 1,351,012</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ 657,046	\$ 43,233	\$ 45,550
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	727,864	528,995	40,008
Change in assets, deferred inflows, liabilities and deferred outflows			
Receivables			
Delinquent and deferred special assessments	(8,879)	7,410	–
Accounts	5,848	(13,771)	(1,135)
Due from other governmental units	–	–	–
Prepays	(650)	(6,074)	–
Deferred outflows - pension plan deferment	23,091	13,195	–
Accounts payable	(7,757)	3,044	(57)
Unearned revenue	–	720	(4,802)
Due to other governmental units	2,661	(4,920)	(61)
Net pension liability	467	267	–
Deferred inflows - pension plan deferment	(16,993)	(9,710)	–
Net cash flow from operating activities	<u>\$ 1,382,698</u>	<u>\$ 562,389</u>	<u>\$ 79,503</u>
Noncash, investing, capital, and financing activities			
Contributions of capital assets from developers	<u>\$ 777,313</u>	<u>\$ 465,791</u>	<u>\$ –</u>

See notes to basic financial statements

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 322,288	\$ 1,300,148	\$ 5,635,277	\$ -
-	-	-	102,107
(356,161)	(36,351)	(1,839,636)	(55,262)
(26,440)	(204,372)	(771,939)	-
<u>(60,313)</u>	<u>1,059,425</u>	<u>3,023,702</u>	<u>46,845</u>
-	-	-	(67,005)
-	-	1,055,951	-
-	(1,309,047)	(2,001,866)	-
<u>-</u>	<u>(1,309,047)</u>	<u>(945,915)</u>	<u>(67,005)</u>
9,851	78,844	1,462,125	17,604
-	639,494	639,494	-
-	(32,000)	(133,000)	-
67,210	-	67,961	-
-	-	36,341	-
<u>67,210</u>	<u>607,494</u>	<u>610,796</u>	<u>-</u>
16,748	436,716	4,150,708	(2,556)
<u>270,532</u>	<u>1,888,037</u>	<u>40,801,441</u>	<u>499,553</u>
<u>\$ 287,280</u>	<u>\$ 2,324,753</u>	<u>\$ 44,952,149</u>	<u>\$ 496,997</u>
\$ (60,252)	\$ 580,270	\$ 1,265,847	\$ 47,533
-	316,122	1,612,989	-
-	-	(1,469)	-
(826)	131,654	121,770	-
3,174	-	3,174	-
-	-	(6,724)	-
-	13,195	49,481	-
(2,409)	27,627	20,448	(688)
-	-	(4,082)	-
-	-	(2,320)	-
-	267	1,001	-
<u>-</u>	<u>(9,710)</u>	<u>(36,413)</u>	<u>-</u>
<u>\$ (60,313)</u>	<u>\$ 1,059,425</u>	<u>\$ 3,023,702</u>	<u>\$ 46,845</u>
<u>\$ -</u>	<u>\$ 297,155</u>	<u>\$ 1,540,259</u>	<u>\$ -</u>



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CITY OF RAMSEY

Statement of Fiduciary Net Position
 Fiduciary Fund
 December 31, 2019

	<u>Custodial Fund</u>
Assets	
Assets held for resale	\$ 13,582,499
Liabilities	
Loans payable to Met Council	<u>13,582,499</u>
Net Position	<u><u>\$ -</u></u>

CITY OF RAMSEY

Statement of Changes in Fiduciary Net Position
 Fiduciary Fund
 Year Ended December 31, 2019

	<u>Custodial Fund</u>
Additions	\$ -
Deductions	<u>-</u>
Net change of fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

See notes to basic financial statements



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CITY OF RAMSEY

Notes to Basic Financial Statements
December 31, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The City of Ramsey, Minnesota (the City) operates under the Home Rule Charter City form of government as defined in Minnesota Statutes. Under this plan, the government of the City is run by a City Council composed of an elected Mayor and elected Councilmembers. The City Council exercises legislative authority and determines all matters of policy. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements include the City (the primary government) and its component units. Component units are legally separate entities for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's Board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

1. Blended Component Units

The Ramsey Economic Development Authority (EDA) was created to carry out housing and economic development activities within the City. The governing board of the EDA is the City Council who approve the annual tax levy and direct the activities of the EDA's management. City employees such as the City Administrator, Deputy City Administrator, and the Economic Development Manager perform key management functions for the EDA. The activity of the EDA is reported in the Nonmajor Special Revenue Fund entitled Economic Development Authority. Separate financial statements are not prepared for the EDA.

2. Jointly Governed Organization

The City is a member of Local Governmental Information Systems (LOGIS), a consortium of Minnesota municipalities that provides data processing services and support to its members. LOGIS is a legally separate entity that is financially independent of the City. Further, the City does not appoint a voting majority of LOGIS' Board of Directors. Therefore, it has not been incorporated into the City's reporting entity. During the 2019 fiscal year, the City paid LOGIS approximately \$312,522 for services and equipment provided.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all of the financial activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments, which are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported as general revenues.

The government-wide 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 fiscal year for which they are levied. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's Enterprise Funds and other functions are not eliminated as that would distort the direct costs and program revenues reported in those functions. Depreciation expense can be specifically identified by function and is included in the direct expenses of each function. Interest on long-term debt for governmental activities is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for Governmental, Proprietary, and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental and Enterprise Funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining Nonmajor Governmental Funds is reported in a single column in the fund financial statements. A single column is presented in the Proprietary Fund statements to report Internal Service Fund activity. Fiduciary Funds are presented in the Fiduciary Fund financial statements by fund type.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are recorded in the following manner:

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 1. Revenue Recognition (Continued)** – Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Other revenue is considered measurable and available only when cash is received by the City. Proceeds of long-term debt is reported as other financing sources.

Major revenue that is susceptible to accrual includes property taxes, special assessments, intergovernmental revenue, charges for services, and interest earned on investments. Major revenue that is not susceptible to accrual includes licenses and permits, fees, and miscellaneous revenue. Such revenue is recorded only when received because it is not measurable until collected.

- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the Governmental Funds.

Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. Proprietary Funds distinguish operating revenues and expenses from non-operating 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 City's Enterprise Funds and Internal Service Funds are charges to customers for sales and services. The operating expenses for the Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Information for the Internal Service Fund is reported in a single column in the Proprietary Fund financial statements. Because the principal user of the internal services is the City's governmental activities, the financial statements of the Internal Service Fund are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the City, these funds are excluded from the government-wide statements.

Description of Funds

The City reports the following Major Governmental Funds:

General Fund – This is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Tax Increment Special Revenue Fund – This fund is used to account for resources received from general property taxes in the form of tax increments.

COR Land Special Revenue Fund – This fund is used to account for revenues and expenditures associated with land transactions within the COR area.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Private Developer Special Revenue Fund – This fund is used to account for monies deposited from developers to offset city administrative costs.

2011A Armstrong/Bunker Bond Debt Service Fund – The \$4,365,000 Series 2011A bonds will be repaid with annual allotments of Municipal State Aid and an annual assessment per the assessment agreement between the city of Ramsey and Hageman Holdings for the improvements that were necessary for the future Legacy School.

Public Improvement Revolving Capital Project Fund – This fund is used to account for the resources to be used to finance the City’s share of the annual street maintenance program.

Road Reconstruction/Overlay Capital Project Fund – This fund is used to account for all expenditures related to the reconstruction and overlay projects as outlined in the city’s long-term street maintenance plan.

Public Facilities Construction Capital Project Fund – This fund is used to account for the resources to be used for land acquisition and the construction of public facilities.

The City reports the following Major Proprietary Funds:

Water Utility Fund – This fund is used to account for the operation of the city-owned water system.

Sewer Utility Fund – This fund is used to account for the operation of the city-owned sewer system.

Street Light Utility Fund – This fund is used to account for the operation of city-owned streetlights within subdivisions and the priority streetlights throughout the City.

Recycling Utility Fund – This fund is used to account for the operation of the City’s curbside recycling program and annual recycling days.

Storm Water Utility Fund – This fund is used to account for the operation of the city-owned storm water system repair and upkeep.

The City also reports the following fund types:

Internal Service Fund – This fund is used to account for the City’s insurance refunds, dividends, and other miscellaneous insurance related revenues, and to provide for self-insuring the deductible portions of the City’s insurance policies

Custodial Fund – This fund is used to account for property purchased on behalf of the state and the related liability for future state highway improvements.

E. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in short-term investments. Earnings from the pooled investments are allocated to the individual funds based on the average monthly cash and investment balances of the respective funds.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Minnesota Municipal Money Market (4M) Fund is an external investment pool regulated by Minnesota Statutes that is not registered with the Securities and Exchange Commission (SEC). The City's investment in this fund is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. The UBS Select Prime Industrial Fund is an external investment pool that operates in conformity with the Securities and Exchange Commission's rules and are assigned a AAA rating by Moody's.

The City reports all other investments at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the City's recurring fair value measurements as of the current year-end.

F. Receivables

All miscellaneous accounts receivable are presented net of an allowance for doubtful accounts. Since the City is generally able to certify delinquent amounts to the county for collection as special assessments, no allowance for uncollectible accounts has been provided on these receivables. The only receivables not expected to be fully collected within one year are property taxes, notes, and special assessments receivable.

G. Property Taxes

Property tax levies are set by the City Council by December of each year and are certified to the County Auditor for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. A portion of the property taxes levied is paid by the state of Minnesota through various tax credits, which is included in intergovernmental revenue in the financial statements.

The county spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are due in full on May 15. The county provides tax settlements to cities and other taxing districts several times a year. Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable and are offset by deferred inflows of resources in the governmental fund financial statements.

H. Special Assessments

Special assessments primarily represent the financing for public improvements paid for by the benefiting property owners. As previously mentioned under receivables, the City is also generally able to certify delinquent amounts to the county for collection as special assessments. Special assessments are recorded as receivables upon certification to the county. Special assessments are recognized as revenue in the year levied in the government-wide financial statements and proprietary fund financial statements. In the governmental fund financial statements, special assessments are recognized as revenue when received in cash or within 60 days after year end. Governmental fund special assessments receivable which remain unpaid on December 31 are offset by a deferred inflow of resources in the governmental fund financial statements.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In governmental funds, prepaids are recognized by the consumption method, proportionately over the periods that service is provided.

J. Interfund Receivables and Payables

Activity between funds that is representative of lending or borrowing arrangements is reported as either “due to/from other funds” (current portion) or “advances to/from other funds.” 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.”

K. State-Wide Pension Plans

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from the PERA’s fiduciary net positions have been determined on the same basis as they are reported by the plan except that the PERA pension plans fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015.

L. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Financial Position will sometimes report a separate section for deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of resources (revenue) until that time.

The City reports deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) reported in the government-wide and enterprise funds Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes of assumptions, changes in proportion, differences between projected and actual earnings on pension plan investments, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

Deferred inflows of resources for unavailable revenue, arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from three sources: property taxes, special assessments, and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Land Held for Resale

Land held for resale represents various property purchases made by the City with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or acquisition value.

N. Capital Assets

Capital assets, which include property, buildings, improvements, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The City defines capital assets as those with an initial, individual cost of \$10,000 or more with an estimated useful life in excess of one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. As allowed by accounting principles generally accepted in the United States of America, the City has elected not to retroactively capitalize the infrastructure of its governmental activities acquired prior to January 1, 2004.

Capital assets are recorded in the government-wide and Proprietary Fund financial statements, but are not reported in the Governmental Fund financial statements. Interest incurred during the construction phase of capital assets for business-type activities is included as part of the capitalized value of the assets constructed. Capital assets are depreciated using the straight-line method over their estimated useful lives. Land and construction in progress are not depreciated. Useful lives vary from 15 to 50 years for buildings and improvements, 5 to 10 years for machinery, vehicles, and equipment, and 20 to 50 years for collection and distribution systems and other infrastructure.

O. Compensated Absences Payable

Certain city employees earn personal time off, vacation, compensation time, and sick leave at various rates based on longevity. These compensated absences are paid to an employee leaving in good standing, at their current rate of pay, with the exception of sick leave. A minimum of one third (based on longevity), is paid to the departing employee if they have completed 5 or more years of service prior to termination. Compensated absences payable are accounted for as long-term liabilities as described in the following section.

P. Long-Term Liabilities

In the government-wide and Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities as they accrue. Bond premiums and discounts are immaterial and are recognized in the year of bond issuance. Bond issuance costs are expensed in the period incurred.

In the Governmental Fund financial statements, long-term debt and other long-term obligations are not reported as liabilities until due. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, liabilities, deferred inflows/outflows as applicable. Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or enabling legislation.
- **Unrestricted Net Position** – All remaining net position that do not meet the definition of “restricted” or “net investment in capital assets.”

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

R. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts where there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments, or enabling legislation.
- **Committed** – Consists of amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
- **Assigned** – Consists of internally imposed constraints for amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assigned amounts represent intended uses established by the City Council itself or by an official to which the City Council delegates the authority. Pursuant to City Council Resolution, the City’s Finance Director is authorized to establish assignments of fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, the City first uses restricted resources, then use unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, the City uses resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Budgets and Budgetary Accounting

Each fall the City Council adopts a General Fund budget for the following fiscal year beginning January 1. In addition, an annual budget is legally adopted for the Economic Development Authority, a nonmajor special revenue fund. The City has established budgetary control at the function level based upon GAAP serving as the basis of budgeting. Budget appropriations lapse at year-end.

The government's department heads may make transfers of appropriations within a function. Transfers of appropriations between functions require the approval of the council. The Economic Development Authority budget is recommended by their board and final approval comes from City Council.

T. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents. The Proprietary Funds' portion in the government-wide cash and investment management pool is considered to be cash equivalent.

U. Risk Management

The City 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 City participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property and casualty, workers' compensation, and other miscellaneous insurance coverages. LMCIT operates as a common risk management and insurance program for a large number of cities in Minnesota. The City pays an annual premium to LMCIT for insurance coverage. The LMCIT agreement provides that the trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits.

The City has elected higher deductibles through LMCIT in order to keep premiums at a minimum. To supplement the commercial coverages, the City established the Self-Insurance Internal Service Fund. This fund is funded primarily through dividend paybacks from LMCIT. Expenses from this fund consist solely of payments of those insurance related costs that are below the individual and/or commutative deductible amounts. Premiums for LMCIT policies are not paid from the Self-Insurance Internal Service Fund, but rather are budgeted and paid from the respective operating funds. The City does not retain significant uncovered risk.

The City also carries commercial insurance for certain other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in the City's insurance coverage in 2019.

V. Loans Payable to Met Council

The City entered into a loan agreement with the Metropolitan (Met) Council to acquire property within the proposed right-of-way of highways designated as a part of the metropolitan highway system plan. State Highway 10, within Ramsey, is part of that highway system plan. The loans bear no interest, and are to be repaid upon the acquisition of the property by the State of Minnesota.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Use of Estimates

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

X. Change in Accounting Principle

During the year ended December 31, 2019, the City implemented GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by accounting for the use of certain own-source revenues in the City’s newly established Private Developer Special Revenue Fund and its governmental activities, rather than in a fiduciary (agency) fund as it has in the past. This change in accounting principle did not require the restatement of beginning net position or fund balances.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Deposits	\$	6,093,599
Investments		80,287,689
Cash on hand		200
Total	\$	<u>86,381,488</u>

B. Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposits.

The following is considered the most significant risk associated with deposits:

Custodial credit risk – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may be lost.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety 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. The City has no additional deposit policies addressing custodial credit risk.

At year end, the carrying amount of the City's deposits was \$6,093,599 while the balance on the bank records was \$6,307,076. At December 31, 2019, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City’s agent in the City’s name.

C. Investments

The City has the following investments at year end:

Investment Type	Credit Risk		Fair Value	Interest Risk- Maturity Duration in Years				Total
	Rating	Agency	Measurements Using	Less Than 1	1 to 5	6 to 10	11 to 15	
U.S. Agencies	AA+	S&P	Level 2	\$ -	2,022,096	\$ 1,974,947	\$ 296,235	\$ 4,293,278
Municipal Bonds	A- AAA	Moody's	Level 2	3,053,269	8,918,504	1,899,053	-	13,870,826
Municipal Bonds	A- AAA	S&P	Level 2	3,338,818	9,942,108	4,742,415	-	18,023,341
Negotiable Certificates of Deposit	N/A	N/A	Level 2	11,820,386	15,772,348	245,319	-	27,838,053
Investment pools								
Minnesota Municipal Money Market	N/R	N/A	Amortized Cost	11,755,808	-	-	-	11,755,808
UBS Select Prime Institutional Fund	AAA	Moody's	Net Asset Value	4,506,383	-	-	-	4,506,383
Total Investments								<u>\$ 80,287,689</u>

N/A Not Applicable
N/R Not Rated

The City’s investments include investment pools managed by 4M, which is an external investment pool regulated by Minnesota Statutes and is not registered with the Securities and Exchange Commission. The City’s investments in this investment pool are measured at the net asset value per share provided by the pools, which are based on amortized cost methods that approximate fair value. There are no restrictions or limitations on withdrawals from 4M. 4M Term Series Portfolios are intended to be held until maturity; a participant’s withdrawal prior to maturity will require seven-days’ notice of redemption and will likely carry a penalty, which could be substantial in that it would be intended to allow the Term Series Portfolio to recoup any associated penalties, charges, losses, or other costs associated with the early redemption of the investments therein.

The UBS Select Prime Industrial Fund includes investments primarily in short-term, high-credit-quality money market instruments that invest domestically and globally in both long and short-term common stocks across all market capitalizations. The fund aims to preserve capital, maintain liquidity and produce a competitive yield. This is an external investment pool that operates in conformity with the Securities and Exchange Commission’s rules. There are no withdrawal restrictions related to the fund. The City’s investments in this investment pool are measured at the net asset value per share provided by the pools that approximate fair value.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments are subject to various risks, the following of which are considered the most significant:

Custodial credit risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy addressing this risk, but typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Credit risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City’s investments to direct obligations or obligations guaranteed by the United States or its agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; commercial paper issued by the United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of the United States banks and Guaranteed Investment Contracts guaranteed by a United States commercial bank or domestic branch of a foreign bank, or a United States insurance company, or their Canadian subsidiary, and with a credit quality in one of the top two highest categories by a nationally recognized rating agency. The City’s investment policies do not further address credit risk.

Concentration risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5 percent or more) in the securities of a single issuer, excluding United States guaranteed investments (such as Treasuries), investment pools and mutual funds. The City’s investment policies do not limit the concentration of investments.

Interest rate risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City does not have an investment policy limiting the duration of investments.

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Short-Term Interfund Receivables/Payables

Individual interfund due from and to other funds at year-end were as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Fund	Major Governmental Fund	<u>\$ 30,000</u>
Economic Development Authority	Tax Increment	
Special Revenue Fund	Special Revenue Fund	

This internal loan was utilized for cash flow purposes.

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

B. Advances To and From Other Funds

Individual interfund advances to and from other funds at year-end were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Major Capital Project Fund; Public Improvement Revolving	Major Special Revenue Fund; Tax Increment	\$ 203,448	Internally finance TIF loan
Major Proprietary Fund; Water Utility	Major Special Revenue Fund; COR Land	227,474	Internally finance development land purchase
Major Proprietary Fund; Sewer Utility	Major Special Revenue Fund; COR Land	227,475	Internally finance development land purchase
Major Proprietary Fund; Water Utility	Major Capital Project Fund; Public Facilities Construction	371,592	Internally finance facility loan
		<u>\$ 1,029,989</u>	

C. Interfund Transfers

Transfers In

Transfers Out	Transfers In						Total
	General Fund	Public Improvement Revolving Capital Project Fund	Road Reconstruction/ Overlay Capital Project Fund	Public Facilities Construction Capital Project Fund	Nonmajor Governmental Funds	Storm Water Utility Proprietary Fund	
General Fund	\$ –	\$ 172,745	\$ –	\$ 57,582	\$ 172,745	\$ –	\$ 403,072
Tax Increment Special Revenue Fund	–	–	300,000	–	–	–	300,000
Public Improvement Revolving							
Capital Project Fund	125,000	–	–	–	–	–	125,000
Nonmajor Governmental Funds	645,354	–	95,402	–	12,499	639,494	1,392,749
Water Utility Proprietary Fund	43,000	–	–	–	–	–	43,000
Sewer Utility Proprietary Fund	37,000	–	–	–	–	–	37,000
Street Light Utility Proprietary Fund	21,000	–	–	–	–	–	21,000
Storm Water Utility Proprietary Fund	32,000	–	–	–	–	–	32,000
	<u>\$ 903,354</u>	<u>\$ 172,745</u>	<u>\$ 395,402</u>	<u>\$ 57,582</u>	<u>\$ 185,244</u>	<u>\$ 639,494</u>	<u>\$ 2,353,821</u>

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The interfund receivables, payables and transfers are used to move funds to finance various programs or projects that the City must account for in other funds in accordance with budgetary authorizations and to move revenues from the fund with collection authorization to funds where related expenditures are occurring. Interfund activity is eliminated as needed for entity-wide financial statement reporting.

NOTE 4 – CAPITAL ASSETS

A. Changes in Capital Assets Used in Governmental Activities

	Balance – Beginning of Year	Additions	Completed Construction/ Adjustments	Deletions	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 6,848,022	\$ -	\$ -	\$ -	\$ 6,848,022
Construction in progress	2,224,390	756,144	(2,263,184)	-	717,350
Capital assets, depreciated					
Buildings and structures	29,291,844	-	-	-	29,291,844
Improvements other than buildings	11,632,254	147,314	26,334	(118,197)	11,687,705
Office equipment	675,058	-	-	-	675,058
Motor vehicles	3,776,621	292,637	-	(167,567)	3,901,691
Machinery and equipment	7,042,354	516,016	53,692	(328,195)	7,283,867
Infrastructure	39,356,498	1,026,433	2,183,158	-	42,566,089
Total capital assets	<u>100,847,041</u>	<u>2,738,544</u>	<u>-</u>	<u>(613,959)</u>	<u>102,971,626</u>
Less accumulated depreciation on					
Buildings and structures	(7,175,421)	(625,327)	-	-	(7,800,748)
Improvements other than buildings	(5,033,480)	(558,971)	408,318	49,890	(5,134,243)
Office equipment	(443,623)	(33,962)	-	-	(477,585)
Motor vehicles	(3,175,140)	(249,682)	(2)	167,567	(3,257,257)
Machinery and equipment	(3,905,915)	(391,915)	-	316,885	(3,980,945)
Infrastructure	<u>(13,432,327)</u>	<u>(1,696,888)</u>	<u>(408,316)</u>	<u>-</u>	<u>(15,537,531)</u>
Total accumulated depreciation	<u>(33,165,906)</u>	<u>(3,556,745)</u>	<u>-</u>	<u>534,342</u>	<u>(36,188,309)</u>
Net capital assets	<u>\$ 67,681,135</u>	<u>\$ (818,201)</u>	<u>\$ -</u>	<u>\$ (79,617)</u>	<u>\$ 66,783,317</u>

B. Changes in Capital Assets Used in Business-Type Activities

	Balance – Beginning of Year	Additions	Completed Construction/ Adjustments	Deletions	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 868,513	\$ 637,583	\$ -	\$ -	\$ 1,506,096
Construction in progress	30,731	1,284,279	(652,095)	-	662,915
Capital assets, depreciated					
Buildings and structures	6,058,847	-	-	-	6,058,847
Improvements other than buildings	17,089,778	-	(1,528,352)	-	15,561,426
Machinery and equipment	1,101,645	42,782	-	(72,592)	1,071,835
Water and sewer lines	51,003,308	1,577,481	2,180,447	-	54,761,236
Total capital assets	<u>76,152,822</u>	<u>3,542,125</u>	<u>-</u>	<u>(72,592)</u>	<u>79,622,355</u>
Less accumulated depreciation on					
Buildings and structures	(1,622,094)	(121,091)	-	-	(1,743,185)
Improvements other than buildings	(4,026,400)	(198,734)	-	-	(4,225,134)
Machinery and equipment	(440,719)	(61,661)	-	65,329	(437,051)
Water and sewer lines	(16,410,271)	(1,231,503)	-	-	(17,641,774)
Total accumulated depreciation	<u>(22,499,484)</u>	<u>(1,612,989)</u>	<u>-</u>	<u>65,329</u>	<u>(24,047,144)</u>
Net capital assets	<u>\$ 53,653,338</u>	<u>\$ 1,929,136</u>	<u>\$ -</u>	<u>\$ (7,263)</u>	<u>\$ 55,575,211</u>

NOTE 4 – CAPITAL ASSETS (CONTINUED)

C. Depreciation Expense by Function

Governmental activities	
General government	\$ 820,366
Public safety	408,193
Highways and streets	1,885,071
Culture and recreation	443,115
Total depreciation expense – governmental activities	<u>\$ 3,556,745</u>
Business-type activities	
Water Utility	\$ 727,864
Sewer Utility	528,995
Street Light Utility	40,008
Storm Water Utility	316,122
Total depreciation expense – business-type activities	<u>\$ 1,612,989</u>

NOTE 5 – LONG-TERM DEBT

A. Components of Long-Term Debt

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Balance – End of Year</u>
Governmental activities					
Bonds payable					
General Obligation Improvement Bonds					
Series 2011A	\$ 4,365,000	2.00-3.15%	9/7/2011	2/1/2026	\$ 2,180,000
Series 2011B	\$ 3,090,000	2.00-2.70%	12/29/2011	12/15/2025	1,765,000
Series 2012A	\$ 16,875,000	3.00-3.75%	6/7/2012	12/15/2031	12,100,000
Series 2015A	\$ 3,880,000	2.00-3.50%	6/15/2015	12/1/2035	3,375,000
Series 2015B	\$ 1,205,000	2.00-2.25%	6/15/2015	12/1/2025	750,000
Series 2016A	\$ 1,650,000	2.00%	7/21/2016	12/15/2026	1,185,000
Series 2017A	\$ 895,000	1.15-2.50%	8/17/2017	12/15/2027	730,000
Series 2018A	\$ 1,175,000	3.00%	7/17/2018	12/15/2028	1,080,000
Total general obligation improvement bonds					<u>23,165,000</u>
Capital Equipment Certificates					
Series 2013A	\$ 635,000	0.50-3.00%	9/5/2013	9/1/2023	270,000
Series 2014A	\$ 875,000	0.60-2.35%	12/3/2014	12/15/2024	455,000
Total capital equipment certificates					<u>725,000</u>
Compensated absences payable					948,700
Net pension liability					4,867,794
Total OPEB liability					<u>699,412</u>
Total governmental activities					<u>30,405,906</u>
Business-type activities					
Net pension liability					<u>544,044</u>
Total government and business-type activities					<u>\$ 30,949,950</u>

B. Descriptions of Long-Term Debt

- **General Obligation Improvement Bonds –**

The Series 2011A bonds will be repaid with annual allotments of Municipal State Aid and an annual assessment per the assessment agreement between the city of Ramsey and Hageman Holdings for the improvements that were necessary for the future Legacy School.

The Series 2011B were Improvement Crossover Refunding bonds that were issued to refund the 2005B Series bonds that were called on December 15, 2014.

The Series 2012A bonds were issued to refund Public Facility Lease Revenue Bonds Series 2005A, dated June 1, 2005, issued by the Economic Development Authority (EDA) of the city of Ramsey.

NOTE 5 – LONG-TERM DEBT (CONTINUED)

- **General Obligation Improvement Bonds (continued) –**

The Series 2015A bonds were issued to finance the construction of Fire Station #2 in the City.

The Series 2015B were issued to fund the road improvements related to the reconstruction of Garnet and 168th Avenue and some overlay projects.

The Series 2016A were issued to fund the road improvements related to the reconstruction of Andrie Street and 164th Lane and some overlay projects.

The Series 2017A were issued to fund road improvements related to the reconstruction of Alpine Drive and Sunwood Drive.

The Series 2018A were issued to fund road improvements related to the reconstruction of Riversbend Avenue and Stanhope Terrace.

- **Capital Equipment Certificates –**

Series 2013A certificates were issued to finance various capital equipment purchases and will be repaid via ad valorem levies.

Series 2014A certificates were issued to finance various capital equipment purchases and will be repaid via ad valorem levies.

- **Compensated Absences** – The liability represents vested benefits earned by Governmental Fund employees through the end of the year which will be paid or used in future periods. The General Fund is the primary fund used to liquidate this liability.
- **Net Pension Liability (NPL)** – The liability represents the City’s proportionate share of PERA’s collective net pension liability. The General, Water Utility, Sewer Utility and Storm Water Utility funds will be used to liquidate this liability.
- **Total Other Post-Employment Benefits (OPEB) Liability** – The liability represents non-pension benefits provided after the termination of employment. The General Fund is the primary fund used to liquidate this liability.

C. Changes in Long-Term Debt

	Balance - Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
Governmental activities					
G.O. Improvement Bonds	\$ 25,295,000	\$ –	\$ 2,130,000	\$ 23,165,000	\$ 2,080,000
Capital Equipment Certificates	875,000	–	150,000	725,000	150,000
Compensated absences payable	905,627	694,946	651,873	948,700	616,655
Net pension liability	4,683,942	962,803	778,951	4,867,794	–
Total OPEB liability	645,239	57,649	3,476	699,412	–
Total governmental activities	32,404,808	1,715,398	3,714,300	30,405,906	2,846,655
Business type Activities					
Net pension liability	543,043	52,803	51,802	544,044	–
Total governmental and business type activities	\$ 32,947,851	\$ 1,768,201	\$ 3,766,102	\$ 30,949,950	\$ 2,846,655

NOTE 5 – LONG-TERM DEBT (CONTINUED)

D. Minimum Debt Payments

Minimum annual principal and interest payments required to retire bonds and capital equipment certificates are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,230,000	\$ 686,486
2021	2,300,000	624,143
2022	2,385,000	558,080
2023	2,155,000	500,518
2024	2,160,000	444,241
2025-2029	8,470,000	1,409,765
2030-2034	3,930,000	306,063
2035	260,000	9,100
	<u>\$ 23,890,000</u>	<u>\$ 4,538,396</u>

NOTE 6 – FUND BALANCE POLICY AND CLASSIFICATION

A. Classifications

City of Ramsey had the following classifications of fund balances in its Governmental Funds:

	Special Revenue Funds			Debt Service Fund	Capital Project Funds			Nonmajor	Total
	General	Tax Increment	COR Land	2011A Armstrong/Bunker Bond	Public Improvement Revolving	Road Reconstruction/ Overlay	Public Facilities Construction		
Fund balances									
Nonspendable									
Prepays	\$ 23,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,801	\$ 25,441
Restricted for									
Road improvements	-	-	-	-	-	-	-	1,907,396	1,907,396
Debt service	-	-	-	1,355,204	-	-	-	1,450,800	2,806,004
Economic development	-	-	-	-	-	-	-	1,394,370	1,394,370
Housing and redevelopment	-	-	8,629,937	-	-	-	-	-	8,629,937
Recreation/community programs	-	-	-	-	-	-	-	332,098	332,098
Law enforcement programs	-	-	-	-	-	-	-	38,616	38,616
Tax increment financing	-	4,849,174	-	-	-	-	-	-	4,849,174
	-	4,849,174	8,629,937	1,355,204	-	-	-	5,123,280	19,957,595
Committed									
Stormwater development projects	-	-	-	-	-	-	-	808,808	808,808
Community/business programs	-	-	-	-	-	-	-	375,454	375,454
	-	-	-	-	-	-	-	1,184,262	1,184,262
Assigned									
Road improvements	-	-	-	-	4,326,318	814,565	1,283,294	3,670,750	10,094,927
Cemetery improvements	-	-	-	-	-	-	-	63,900	63,900
Park improvements	-	-	-	-	-	-	-	4,682,220	4,682,220
Right-of-way acquisitions	-	-	-	-	-	-	-	396,589	396,589
Parking ramp maintenance	-	-	-	-	-	-	-	59,407	59,407
	-	-	-	-	4,326,318	814,565	1,283,294	8,872,866	15,297,043
Unassigned	8,856,806	-	-	-	-	-	-	-	8,856,806
Total fund balances	<u>\$ 8,880,446</u>	<u>\$ 4,849,174</u>	<u>\$ 8,629,937</u>	<u>\$ -</u>	<u>\$ 1,355,204</u>	<u>\$ 4,326,318</u>	<u>\$ 1,283,294</u>	<u>\$ 15,182,209</u>	<u>\$ 45,321,147</u>

NOTE 6 – FUND BALANCE POLICY AND CLASSIFICATION (CONTINUED)

B. Fund Balance Policy – General Fund

When General Fund actual revenues exceed actual expenditures in a given year, the excess shall be allocated as follows:

- a) Any excess shall be first allocated to "unassigned" fund balance to bring that portion of fund balance to an amount equal to fifty percent (50%) of the next years adopted operating budget plus prior-year encumbrances (if any) plus compensated absences.
- b) Any excess after complying with fund balance requirements in step “a” shall be allocated to equipment replacement, park trust, public facilities construction, and public improvement revolving funds in the following manner:

- Thirty percent (30%) to Fund #234 - Equipment Revolving Fund
- Thirty percent (30%) to Fund #810 – Capital Maintenance Fund (reported in General Fund)
- Ten percent (10%) to Fund #412 – Public Facilities Construction Fund
- Thirty percent (30%) to Fund #400 - Public Improvement Revolving Fund

When General Fund actual expenditures exceed actual revenues in a given year, the deficit shall be treated as follows:

- a) "Unassigned" fund balance shall first be adjusted to an amount equal to fifty percent (50%) of the next years adopted operating budget plus prior year encumbrances (if any) plus compensated absences.
- b) If shortage after complying with fund balance requirement in step “a” shall draw funds in the following manner:

- Thirty percent (30%) to Fund #234 - Equipment Revolving Fund
- Thirty percent (30%) to Fund #810 – Capital Maintenance Fund (reported in General Fund)
- Ten percent (10%) to Fund #412 – Public Facilities Construction Fund
- Thirty percent (30%) to Fund #400 - Public Improvement Revolving Fund

At December 31, 2019, the city fund has met its general fund balance policy.

NOTE 7 – DEFINED BENEFIT PENSION PLANS SUMMARY

The city has reported the following balances for defined benefit pension plans as detailed further in these notes:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA - GERF	\$ 2,930,253	\$ 330,848	\$ 624,820	\$ 394,493
PERA - PEPFF	2,481,585	2,542,736	3,478,729	438,589
Total - all pensions	\$ 5,411,838	\$ 2,873,584	\$ 4,103,549	\$ 833,082

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the PERA of Minnesota. The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. The PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

1. General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the GERF. GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. GERF Benefits

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 PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

Annuities, disability benefits, and survivor benefits are increased effective January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for a least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for a least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

2. PEPFF Benefits

Benefits for the PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. GERF Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2019 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2019, were \$293,639. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Plan members contribution rates increased from 10.8% to 11.3% and employer rates increased from 16.2% to 16.95% on January 1, 2019. The City's contributions to the PEPFF for the year ended December 31, 2019, were \$433,917. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. GERF Pension Costs

At December 31, 2019, the City reported a liability of \$2,930,253 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$91,163. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The City’s proportion of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA’s participating employers. At June 30, 2019, the City’s proportion share was 0.0530% which was an increase of 0.0003% from its proportion measured as of June 30, 2018.

City’s proportionate share of the net pension liability	\$2,930,253
State of Minnesota’s proportionate share of the net pension liability associated with the City	<u>91,163</u>
Total	<u>\$3,021,416</u>

For the year ended December 31, 2019, the City recognized pension expense of \$387,678 for its proportionate share of the GERS’s pension expense. In addition, the City recognized an additional \$6,815 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of sixteen million to the GERS.

At December 31, 2019, the City reported its proportionate share of the GERS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual economic experience	\$ 82,667	\$ -
<i>Changes</i> in actuarial assumptions	-	234,406
Differences between projected and actual investment earnings	-	313,807
Changes in proportion	99,767	76,607
Contributions paid to PERA subsequent to the measurement date	<u>148,414</u>	<u>-</u>
Total	<u>\$ 330,848</u>	<u>\$ 624,820</u>

\$148,414 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Pension Expense Amount</u>
2020	\$ (117,790)
2021	(275,164)
2022	(54,154)
2023	<u>4,722</u>
Total	<u>\$ (442,386)</u>

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

2. PEPFF Pension Costs

At December 31, 2019, the City reported a liability of \$2,481,585 for its proportionate share of the PEPFF’s net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA’s participating employers. At June 30, 2019, the City of Ramsey’s proportion was 0.2331% which was an increase of 0.0170% from its proportionate share measured as of June 30, 2018.

For the year ended December 31, 2019, the City recognized pension expense of \$407,121 for its proportionate share of the PEPFF’s expense. The City also recognized \$31,468 for the year ended December 31, 2019, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF each year until the plan is 90% funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

At December 31, 2019, the City reported its proportionate share of the PEPFF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual economic experience	\$ 100,278	\$ 337,417
Changes in actuarial assumptions	1,837,576	2,619,043
Difference between projected and actual investment earnings	-	492,379
Changes in proportion	380,727	29,890
Contributions paid to PERA subsequent to the measurement date	<u>224,155</u>	<u>-</u>
Total	<u>\$2,542,736</u>	<u>\$3,478,729</u>

\$224,155 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Pension Expense Amount</u>
2020	\$ (103,934)
2021	(277,173)
2022	(829,307)
2023	22,166
2024	<u>28,100</u>
Total	<u>\$(1,160,148)</u>

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

E. Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for GERF and 1 percent per year for PEPFF.

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the GERF was completed in 2019. The most recent four-year experience study for PEPFF was completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2019:

1. GERF:
 - The mortality projection scale was changed from MP-2017 to MP-2018.
2. PEPFF:
 - The mortality projection scale was changed from MP-2017 to MP-2018

The following changes in plan provisions occurred in 2019:

1. GERF:
 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The target allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.5%	5.10%
Private Markets	25.0%	5.90%
Fixed Income	20.0%	0.75%
International Equity	17.5%	5.90%
Cash Equivalents	<u>2.0%</u>	- %
Total	<u>100%</u>	

F. Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of GERF and PEPFF were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate <u>(6.5%)</u>	Current Discount Rate <u>(7.5%)</u>	1% Increase in Discount Rate <u>(8.5%)</u>
The City’s Proportionate Share of the GERF Net Pension Liability:	\$4,817,175	\$2,930,253	\$1,372,220
The City’s Proportionate Share of the PEPFF Net Pension Liability:	\$5,424,284	\$2,481,585	\$48,021

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

NOTE 9 – DEFINED CONTRIBUTION PLAN – STATE-WIDE

All City Council members of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP 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. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.25 percent) of the assets in each member's account annually.

Total contributions made by the City of Ramsey for the last three fiscal years were:

For the Year Ended:	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
December 31, 2019	\$775	\$775	5%	5%	5%
December 31, 2018	\$600	\$600	5%	5%	5%
December 31, 2017	\$600	\$600	5%	5%	5%

NOTE 10 – DEFINED CONTRIBUTION PENSION PLAN – FIRE RELIEF ASSOCIATION

A. Plan Description

Volunteer firefighters of the City are members of the Ramsey Firefighter’s Relief Association (the Association). The Association is a single-employer defined contribution pension plan that operates under the provisions of Minnesota Statutes § 69 and 424, as amended. It is governed by a Board of six officers and trustees elected by the members of the Association for three year terms. The chief of the Ramsey Volunteer Fire Department, the Mayor, and the Finance Director of the City are ex-officio members of the Board of Trustees. The City’s payroll for members of the Association for the year ended December 31, 2019 was \$214,325, compared to a total city payroll of \$7,649,815.

For financial reporting purposes, the Association’s financial statements are not included in the City’s financial statements because it is not a component unit of the City. The Association issues a publicly available financial report. A copy of the report may be obtained at Ramsey Municipal Center, 7550 Sunwood Drive Northwest, Ramsey, Minnesota 55303.

B. Pension Benefits

Minnesota Statutes Chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. In order to be entitled to a pension benefit, a firefighter must have completed a minimum of 10 years of service with the fire department, 10 years membership in the Association, and attain the age of 50 years.

**NOTE 10 – DEFINED CONTRIBUTION PENSION PLAN – FIRE RELIEF ASSOCIATION
(CONTINUED)**

The firefighter will then be 60% vested with every year after that at 4% per year until the 20th year when 100% vesting will occur. Because this plan is a defined contribution plan, the amount of the retirement benefit is not predetermined, but rather is based on the individual member's allocable portion of contributions made during the participation period.

Firefighters also have the availability of other pensions such as deferred pension, disability pension, death benefits, and supplemental death benefits. Each of these other pensions are determined based on age and years of service.

C. Contributions Required and Contributions Made

Contributions to the plan include State Fire Aid pursuant to Minnesota Statutes Chapter 69. In addition, the City is allowed to make voluntary contributions of other public funds pursuant to Minnesota Statutes Chapter 69. The City's contribution to the Association in 2019, including both city and state fire aid passed through the City totaled \$193,987. This contribution represents nearly 91% of the current 2019 covered payroll of \$214,325.

There were no current year changes in plan provisions.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

The City provides post-employment health care benefits for retired employees through a single employer defined benefit plan. The term *plan* refers to the City's requirement by State Statute to provide retirees with access to health insurance. The OPEB plan is administered by the City. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical and dental insurance. Per state statutes, the City is also required to contribute towards the cost of continued health insurance coverage for officers and firefighters disabled or killed in the line of duty.

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility, whether the premiums are paid the by the City or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City's younger and statistically healthier active employees.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City’s current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$11,686.

D. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	0
Active plan members	<u>73</u>
Total members	<u><u>73</u></u>

E. Total OPEB Liability of the City

The City’s total OPEB liability of \$699,412 as of year-end was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2018.

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2018, using the entry age normal level percent of pay method. The following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.09%
20-year municipal bond yield	4.09%
Inflation rate	2.75%
Salary increases	3.50%
Medical trend rate	10.00% grading to 5.00% over 10 years

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

Mortality rates were based on the RP-2014 mortality tables used in the PERA plan of which the employee, retiree, or beneficiary is a participant.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

G. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Beginning balance	\$ 645,239
Changes for the year	
Service cost	74,389
Interest	24,695
Changes of assumptions	(41,435)
Benefit payments	<u>(3,476)</u>
Total net changes	<u>54,173</u>
Ending balance	<u>\$ 699,412</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.44 percent to 4.09 percent.

H. Total OPEB Liability Sensitivity to Discount and Health-Care cost Trend Rate Changes

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	3.09%	4.09%	5.09%
Total OPEB liability	\$ 763,940	\$ 699,412	\$ 639,478

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
OPEB healthcare trend rate	9.00% decreasing to 4.00% over 10 years	10.00% decreasing to 5.00% over 10 years	11.00% decreasing to 6.00% over 10 years
Total OPEB liability	\$ 599,082	\$ 699,412	\$ 820,679

I. OPEB Expense and Related Deferred Outflow of Resources and Deferred Inflows of Resources

For the current year ended, the City recognized OPEB expense of \$96,950. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 15,611	\$ 37,433
City contributions subsequent to the measurement date	11,686	-
Total	<u>\$ 27,297</u>	<u>\$ 37,433</u>

A total of \$11,686 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>OPEB Expense Amount</u>
2020	\$ (2,134)
2021	\$ (2,134)
2022	\$ (2,134)
2023	\$ (2,134)
2024	\$ (2,134)
Thereafter	\$ (11,152)

NOTE 12 – FLEXIBLE BENEFIT PLAN

The City has a flexible benefit plan which is classified as a “cafeteria plan” (the Plan) under § 125 of the Internal Revenue Code. All full-time and part-time regular employees of the City are eligible. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the Plan for health and dental care, dependent care, life insurance premiums, and disability insurance benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

Before the beginning of the plan year, which is from January 1 to December 31, each participant designates a total amount of pre-tax dollars to be contributed to the Plan during the year. At December 31, the City is contingently liable for claims against the total amount of participants’ annual contributions to the health and dental care portion of the Plan, whether or not such contributions have been made.

The City serves as trustee and utilized the service of Total Administrative Services Corporation (TASC) - Genesis to handle all plan record keeping. The Plan is included within the General Fund in the financial statements.

All property of the Plan and income attributable to that property is solely the property of the City subject to the claims of the City’s general creditors. Participants’ rights under the Plan are equal to those of general creditors of the City in an amount equal to the eligible healthcare and dependent care expenses incurred by the participants. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 13 – TAX ABATEMENT AGREEMENTS

The City, in order to spur economic development, housing and redevelopment will enter into private development and redevelopment agreements to encourage a developer to construct, expand, or improve new or existing properties and buildings or clean-up and redevelop blighted properties. The City has five private development agreements: three redevelopment and two housing that would be considered a tax abatement under GASB Statement 77 as of December 31, 2019.

The City issued these five agreements through the economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base established on the date that the tax increment district is created. Per these agreements, the developer shall initially pay for the development property and any site improvements with the City reimbursing these expenses through the issuance of a tax increment revenue note payable solely from the tax increments generated from the project.

The City is authorized to create a tax increment financing plan under Minnesota Statute 469.175. Under this statute, the following criteria must be met:

- Proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future;
- The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan. The requirements of this item do not apply if the district is a housing district;

NOTE 13 – TAX ABATEMENT AGREEMENTS (CONTINUED)

- The tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole;
- The tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

For the fiscal year ended December 31, 2019, the City abated property taxes totaling \$366,691 related to the following:

- Housing Development: \$20,700 abated towards a \$711,000 Tax Increment Revenue Note issued in 2004 for the construction of a 31 unit townhome project. Final note payment date is February 2025 or sooner if the revenue note is retired.
- Redevelopment: \$15,899 abated for a \$238,491 Tax Increment Revenue note issued in 2007 for the construction of an office and warehouse building. Final note payment date is December 2028.
- Redevelopment: \$166,782 abated towards a \$3,000,000 Tax Increment Revenue note issued in 2015 for the construction of a 230 unit apartment building. Final note payment date is February 2038.
- Redevelopment: \$48,811 abated for a \$224,000 Tax Increment Revenue note issued in 2017 for a 48,325 square foot expansion of an office and warehouse building. Final note payment is February 2033.
- Housing: \$114,499 abated towards a \$500,000 Tax Increment Revenue note issued in 2017 for the construction of a 121 unit apartment building. Final note payment date is February 2022.

The outstanding principal balance as of December 31, 2019 for all of these agreements was \$3,431,334.

This amount is not included in long-term debt because of the nature of these notes in that repayment is required only if sufficient tax increments are received. The City's position is that these are obligations to assign future and uncertain revenue sources and these obligations are not actual debt in substance.

NOTE 14 – INDUSTRIAL AND LEASE REVENUE BONDS

From time to time, the City has issued Industrial Revenue Bonds and Lease Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the state of Minnesota, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019, there was one series of Industrial Revenue Bonds and one Lease Revenue Bond outstanding with aggregate principal amounts payable of \$1,300,000 and \$9,000,000 respectively.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

A. Commitments for Construction

At December 31, 2019, the City is committed to various construction contracts for the improvement of city property. The City's remaining commitment under these contracts is \$159,183. The City has resources available to cover these commitments.

B. Federal and State Revenue

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of claims which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

C. Legal Claims

The City has the usual and customary type of miscellaneous legal claims pending at year-end. Although the outcome of these lawsuits is not presently determinable, the City's management believes that the City will not incur any material monetary loss resulting from these claims. No loss has been recorded on the City's financial statements relating to these claims.

D. Tax Increment Districts

The City's tax increment districts are subject to review by the state of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

NOTE 16 – OPERATING LEASE

The City is the lessor of an operating lease. In February 2010, the City of Ramsey entered into a five-year agreement to lease approximately 2200 square feet of office space on the ground floor of the Ramsey Municipal Center to Anoka County for the operation of a license center. As part of the original lease, the tenant may extend the contract for three (3) five (5) year terms. Anoka County authorized a five (5) year extension in March 2020. The cost of the leased spaced is included in the total municipal center building cost of \$12,856,588, of which \$3,342,446 has been depreciated to date. These amounts are recorded in the City's capital assets. The City of Ramsey collected \$49,318 in lease revenue for the fiscal year ended December 31, 2019. The following is an estimate of the future lease payments:

<u>Year Ending December 31,</u>	<u>Lease Payments</u>
2020	\$ 53,072
2021	56,326
2022	59,538
2023	63,060
2024	66,911
January 1 -June 30, 2025	34,464
Total	<u>\$ 333,371</u>

NOTE 16 – OPERATING LEASE (CONTINUED)

Lease payments may increase each year based on the increase in the Consumer Price Index – U.S. City Averages for ALL Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor for Urban Wage Earners and Clerical Workers for All Items (CPI-W).

NOTE 17 – SUBSEQUENT EVENTS – INVESTMENT FAIR VALUES

The City generally reports its investments at fair value based on standards described earlier in these notes. Subsequent to year end, the Novel Coronavirus (COVID – 19) pandemic has caused significant volatility in economic conditions, including substantial reductions in the quoted active-market prices of some investments. The City’s portfolio consists primarily of shorter-term investments, many with guaranteed maturity values. The City does not expect any losses ultimately realized from this market decline to be material. However, the potential negative impact could be heightened if increased demand on City resources and/or a sustained economic downturn hampers the City’s ability to hold such investments to maturity as planned. The potential future impact of these conditions on the fair value of the City’s investment portfolio is not determinable at this time.

REQUIRED SUPPLEMENTARY INFORMATION



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CITY OF RAMSEY

PERA – General Employees Retirement Fund
 Schedule of City’s and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Proportionate Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City’s Share of the State of Minnesota’s Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.0508%	\$ 2,632,720	\$ –	\$ 2,632,720	\$ 2,984,866	88.20%	78.20%
12/31/2016	06/30/2016	0.0508%	\$ 4,124,708	\$ 53,908	\$ 4,178,616	\$ 3,154,867	130.74%	68.90%
12/31/2017	06/30/2017	0.0551%	\$ 3,517,550	\$ 44,220	\$ 3,561,770	\$ 3,550,067	99.08%	75.90%
12/31/2018	06/30/2018	0.0527%	\$ 2,923,581	\$ 95,848	\$ 3,019,429	\$ 3,542,360	82.53%	79.50%
12/31/2019	06/30/2019	0.0530%	\$ 2,930,253	\$ 91,163	\$ 3,021,416	\$ 3,752,320	78.09%	80.20%

PERA – General Employees Retirement Fund
 Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 238,004	\$ 238,004	\$ –	\$ 3,173,387	7.50%
12/31/2016	\$ 247,279	\$ 247,279	\$ –	\$ 3,297,053	7.50%
12/31/2017	\$ 261,117	\$ 261,117	\$ –	\$ 3,481,560	7.50%
12/31/2018	\$ 271,321	\$ 271,321	\$ –	\$ 3,617,613	7.50%
12/31/2019	\$ 293,639	\$ 293,639	\$ –	\$ 3,915,187	7.50%

Note 1: The City implemented GASB Statement No. 68 in fiscal 2015. This information is not available for previous fiscal years. Additional years' information will be displayed as it becomes available.

CITY OF RAMSEY

PERA – Public Employees Police and Fire Fund
 Schedule of City's Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.2090%	\$ 2,374,729	\$ 1,917,443	123.85%	86.60%
12/31/2016	06/30/2016	0.2080%	\$ 8,347,402	\$ 2,000,574	417.25%	63.90%
12/31/2017	06/30/2017	0.2190%	\$ 2,956,761	\$ 2,243,957	131.77%	85.40%
12/31/2018	06/30/2018	0.2161%	\$ 2,303,404	\$ 2,277,516	101.14%	88.80%
12/31/2019	06/30/2019	0.2331%	\$ 2,481,585	\$ 2,404,437	103.21%	89.30%

PERA – Public Employees Police and Fire Fund
 Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 326,419	\$ 326,419	\$ –	\$ 2,014,315	16.20%
12/31/2016	\$ 339,699	\$ 339,699	\$ –	\$ 2,096,907	16.20%
12/31/2017	\$ 357,524	\$ 357,524	\$ –	\$ 2,206,938	16.20%
12/31/2018	\$ 382,968	\$ 382,968	\$ –	\$ 2,364,000	16.20%
12/31/2019	\$ 433,917	\$ 433,917	\$ –	\$ 2,559,982	16.95%

Note 1: The City implemented GASB Statement No. 68 in fiscal 2015. This information is not available for previous fiscal years. Additional years' information will be displayed as it becomes available.

CITY OF RAMSEY

Other Post-Employment Benefits Plan
 Schedule of Changes in the City's Total
 OPEB Liability and Related Ratios

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 74,389	\$ 40,892
Interest	24,695	22,858
Changes of assumptions	(41,435)	19,347
Benefit payments	<u>(3,476)</u>	<u>(3,349)</u>
Net change in total OPEB liability	54,173	79,748
Total OPEB liability – beginning of year	<u>645,239</u>	<u>565,491</u>
Total OPEB liability – end of year	<u>\$ 699,412</u>	<u>\$ 645,239</u>
Covered payroll	<u>\$ 5,600,000</u>	<u>\$ 5,400,000</u>
Total OPEB liability as a percentage of covered payroll	<u>12.49%</u>	<u>11.95%</u>

Note 1: **Changes in Actuarial Assumptions.** (1) 2019 Changes - The discount rate was changed from 3.44 percent to 4.09 percent.
 (2) 2018 Changes - The discount rate was changed from 4.50 percent to 3.44 percent.

Note 2: The City implemented GASB Statement No. 75 in fiscal 2018. This information is not available for previous fiscal years. Additional years' information will be displayed as it becomes available.

CITY OF RAMSEY

Notes to Required Supplementary Information
Year Ended December 31, 2019

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 CHANGES IN PLAN PROVISIONS

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state’s special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044, and 2.50 percent per year thereafter, to 1.25 percent per year.

2018 CHANGES IN PLAN PROVISIONS

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

CITY OF RAMSEY

Notes to Required Supplementary Information (continued)
Year Ended December 31, 2019

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

2017 CHANGES IN PLAN PROVISIONS

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

2015 CHANGES IN PLAN PROVISIONS

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892.0 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

CITY OF RAMSEY

Notes to Required Supplementary Information (continued)
Year Ended December 31, 2019

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2017 to MP-2018.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2016 to MP-2017.

2018 CHANGES IN PLAN PROVISIONS

- Post-retirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100.00 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019, and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019, and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

CITY OF RAMSEY

Notes to Required Supplementary Information (continued)
Year Ended December 31, 2019

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30.00 percent for vested and nonvested deferred members. The CSA has been changed to 33.00 percent for vested members, and 2.00 percent for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 Fully Generational Table to the RP-2014 Fully Generational Table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years, to 1.00 percent per year through 2064, and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

CITY OF RAMSEY

Notes to Required Supplementary Information (continued)
Year Ended December 31, 2019

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND (CONTINUED)

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037, and 2.50 percent per year thereafter, to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2037, and 2.50 percent per year thereafter.

2015 CHANGES IN PLAN PROVISIONS

- The post-retirement benefit increase to be paid after attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.

COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES



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CITY OF RAMSEY

Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2019

	Special Revenue	Debt Service	Capital Project	Totals
Assets				
Cash and temporary investments	\$ 2,908,166	\$ 1,433,802	\$ 10,752,419	\$ 15,094,387
Receivables				
Unremitted taxes	948	16,137	-	17,085
Delinquent taxes	1,131	17,142	-	18,273
Unremitted special assessments	-	861	508	1,369
Delinquent special assessments	-	653	4	657
Deferred special assessments	-	411,416	71,385	482,801
Accounts	17,776	-	52,358	70,134
Notes	94,640	-	-	94,640
Due from other funds	30,000	-	-	30,000
Prepays	1,801	-	-	1,801
	<u>\$ 3,054,462</u>	<u>\$ 1,880,011</u>	<u>\$ 10,876,674</u>	<u>\$ 15,811,147</u>
Liabilities				
Accounts and contracts payable	\$ 7,544	\$ -	\$ 3,351	\$ 10,895
Unearned revenue	-	-	21,672	21,672
Total liabilities	7,544	-	25,023	32,567
Deferred inflows of resources				
Unavailable revenue - property taxes	1,131	17,142	-	18,273
Unavailable revenue - special assessments	-	412,069	71,389	483,458
Unavailable revenue - notes receivable	94,640	-	-	94,640
Total deferred inflows of resources	95,771	429,211	71,389	596,371
Fund balances				
Nonspendable	1,801	-	-	1,801
Restricted	1,765,084	1,450,800	1,907,396	5,123,280
Committed	1,184,262	-	-	1,184,262
Assigned	-	-	8,872,866	8,872,866
Total fund balance	<u>2,951,147</u>	<u>1,450,800</u>	<u>10,780,262</u>	<u>15,182,209</u>
	<u>\$ 3,054,462</u>	<u>\$ 1,880,011</u>	<u>\$ 10,876,674</u>	<u>\$ 15,811,147</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,054,462</u>	<u>\$ 1,880,011</u>	<u>\$ 10,876,674</u>	<u>\$ 15,811,147</u>



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CITY OF RAMSEY

Nonmajor Governmental Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2019

	Special Revenue	Debt Service	Capital Project	Totals
Revenue				
Property taxes	\$ 99,855	\$ 1,750,212	\$ -	\$ 1,850,067
Special assessments	-	101,085	351,173	452,258
Intergovernmental revenue	21,196	487,846	265,698	774,740
Charges for services	-	-	1,102,405	1,102,405
Other revenue				
Investment earnings	102,512	71,438	299,770	473,720
Miscellaneous	549,309	106	193,443	742,858
Total revenue	<u>772,872</u>	<u>2,410,687</u>	<u>2,212,489</u>	<u>5,396,048</u>
Expenditures				
Current				
General government	127,577	-	104,157	231,734
Public safety	115,575	-	-	115,575
Highways and streets	-	-	82,259	82,259
Culture and recreation	-	-	14,815	14,815
Capital outlay	29,592	-	164,254	193,846
Debt service				
Principal retirement	-	1,920,000	-	1,920,000
Interest and fiscal charges	-	702,518	-	702,518
Total expenditures	<u>272,744</u>	<u>2,622,518</u>	<u>365,485</u>	<u>3,260,747</u>
Excess (deficiency) of revenue over expenditures	500,128	(211,831)	1,847,004	2,135,301
Other financing sources (uses)				
Proceeds on sale of capital assets	8,428	-	-	8,428
Transfers in	-	12,499	172,745	185,244
Transfers (out)	(821,896)	-	(570,853)	(1,392,749)
Total other financing sources (uses)	<u>(813,468)</u>	<u>12,499</u>	<u>(398,108)</u>	<u>(1,199,077)</u>
Net change in fund balances	(313,340)	(199,332)	1,448,896	936,224
Fund balances				
Beginning of year	<u>3,264,487</u>	<u>1,650,132</u>	<u>9,331,366</u>	<u>14,245,985</u>
End of year	<u>\$ 2,951,147</u>	<u>\$ 1,450,800</u>	<u>\$ 10,780,262</u>	<u>\$ 15,182,209</u>



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NONMAJOR SPECIAL REVENUE FUNDS

Nonmajor Special Revenue Funds are used to account for revenue derived from specific revenue sources that are legally restricted or committed to expenditures for specific purposes.

Revolving Loan Fund – used to account for loans authorized by the City to prospective private businesses in accordance with Chapter 469 of the Minnesota Statutes.

Future Sealcoating Fund – used to account for contributions from developers/owners for sealcoating. The city is no longer collecting contributions from developers/owners as per a change in city policy.

Lawful Gambling Fund – used to account for lawful gambling revenues received by the City as authorized by Minnesota State Statutes Chapter 349.

Peace Officers Fund – used to account for post-board reimbursement and other restricted revenues which must be used exclusively for in-service training and other expenditures as specified.

Developer's Fees Fund – used to account for demand fees that will be used for storm water management.

General Govt Special Projects Fund – used to account for resources accumulated and expenditures related to special General Government projects.

Economic Development Authority Fund – used to account for revenues and expenditures associated with economic development activities within the City.

CITY OF RAMSEY

Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2019

	<u>Revolving Loan</u>	<u>Future Sealcoating</u>	<u>Lawful Gambling</u>	<u>Peace Officers</u>
Assets				
Cash and temporary investments	\$ 250,036	\$ -	\$ 319,322	\$ 41,160
Receivables				
Unremitted taxes	-	-	-	-
Delinquent taxes	-	-	-	-
Accounts	-	-	17,776	-
Notes	94,640	-	-	-
Due from other funds	-	-	-	-
Prepays	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 344,676</u>	<u>\$ -</u>	<u>\$ 337,098</u>	<u>\$ 41,160</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ 5,000	\$ 2,544
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - notes receivable	94,640	-	-	-
Total deferred inflows of resources	<u>94,640</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	-	332,098	38,616
Committed	250,036	-	-	-
Total fund balances	<u>250,036</u>	<u>-</u>	<u>332,098</u>	<u>38,616</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 344,676</u>	<u>\$ -</u>	<u>\$ 337,098</u>	<u>\$ 41,160</u>

Developer's Fees	General Govt Special Projects	Economic Development Authority	Totals
\$ 796,058	\$ 138,168	\$ 1,363,422	\$ 2,908,166
-	-	948	948
-	-	1,131	1,131
-	-	-	17,776
-	-	-	94,640
-	-	30,000	30,000
-	-	1,801	1,801
<u>\$ 796,058</u>	<u>\$ 138,168</u>	<u>\$ 1,397,302</u>	<u>\$ 3,054,462</u>
\$ -	\$ -	\$ -	\$ 7,544
-	-	1,131	1,131
-	-	-	94,640
-	-	1,131	95,771
-	-	1,801	1,801
-	-	1,394,370	1,765,084
796,058	138,168	-	1,184,262
<u>796,058</u>	<u>138,168</u>	<u>1,396,171</u>	<u>2,951,147</u>
<u>\$ 796,058</u>	<u>\$ 138,168</u>	<u>\$ 1,397,302</u>	<u>\$ 3,054,462</u>

CITY OF RAMSEY

Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2019

	Revolving Loan	Future Sealcoating	Lawful Gambling	Peace Officers
Revenue				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	21,196
Other revenue				
Investment earnings	8,228	-	9,322	2,117
Miscellaneous	8,287	-	97,342	46,807
Total revenue	<u>16,515</u>	<u>-</u>	<u>106,664</u>	<u>70,120</u>
Expenditures				
Current				
General government	-	-	20,000	-
Public Safety	-	-	-	115,575
Capital outlay	-	-	-	29,592
Total expenditures	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>145,167</u>
Excess (deficiency) of revenue over expenditures	16,515	-	86,664	(75,047)
Other financing sources (uses)				
Proceeds on sale of capital assets	-	-	-	-
Transfers (out)	-	(95,402)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(95,402)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	16,515	(95,402)	86,664	(75,047)
Fund balances				
Beginning of year	<u>233,521</u>	<u>95,402</u>	<u>245,434</u>	<u>113,663</u>
End of year	<u>\$ 250,036</u>	<u>\$ -</u>	<u>\$ 332,098</u>	<u>\$ 38,616</u>

Developer's Fees	General Govt Special Projects	Economic Development Authority	Totals
\$ –	\$ –	\$ 99,855	\$ 99,855
–	–	–	21,196
41,897	5,920	35,028	102,512
288,306	61,595	46,972	549,309
<u>330,203</u>	<u>67,515</u>	<u>181,855</u>	<u>772,872</u>
–	47,947	59,630	127,577
–	–	–	115,575
–	–	–	29,592
<u>–</u>	<u>47,947</u>	<u>59,630</u>	<u>272,744</u>
330,203	19,568	122,225	500,128
–	8,428	–	8,428
(639,494)	(87,000)	–	(821,896)
<u>(639,494)</u>	<u>(78,572)</u>	<u>–</u>	<u>(813,468)</u>
(309,291)	(59,004)	122,225	(313,340)
<u>1,105,349</u>	<u>197,172</u>	<u>1,273,946</u>	<u>3,264,487</u>
<u>\$ 796,058</u>	<u>\$ 138,168</u>	<u>\$ 1,396,171</u>	<u>\$ 2,951,147</u>



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CITY OF RAMSEY

Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Economic Development Authority – Budget and Actual
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 101,663	\$ 101,663	\$ 99,855	\$ (1,808)
Other revenue				
Investment earnings	7,500	7,500	35,028	27,528
Miscellaneous	–	–	46,972	46,972
Total revenue	<u>109,163</u>	<u>109,163</u>	<u>181,855</u>	<u>72,692</u>
Expenditures				
Current				
General government	<u>109,163</u>	<u>109,163</u>	<u>59,630</u>	<u>(49,533)</u>
Net change in fund balances	<u>\$ –</u>	<u>\$ –</u>	122,225	<u>\$ 122,225</u>
Fund balances				
Beginning of year			<u>1,273,946</u>	
End of year			<u>\$ 1,396,171</u>	



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NONMAJOR DEBT SERVICE FUNDS

Nonmajor Debt Service Funds are used to account for the accumulation of resources used for the payment of principal and interest on long term debt.

2011B Refund GO Improvement Bonds – In 2011, \$3,090,000 Series 2011B Improvement Crossover Refunding bonds were issued to refund the 2005B Series AUAR roadway bonds that were called on December 15, 2014.

2009A State Aid Road Bond – The \$1,340,000 General Obligation Tax State Aid Road Bond is to finance the construction of Sunfish Lake Boulevard.

2012A GO Refund Improvement Bond – The Series 2012A \$16,875,000 General Obligation Capital Improvement Plan Bond was issued to refund the The 2005A Public Project Lease Revenue Bond that was issued to finance the construction of the city's municipal center.

2013A Capital Equipment Certificates – The Series 2013A \$635,000 General Obligation Capital Equipment Certificate of Indebtedness is to finance the acquisition of capital equipment.

2014A Capital Equipment Certificates – The Series 2014A \$875,000 General Obligation Capital Equipment Certificate of Indebtedness is to finance the acquisition of capital equipment.

2015A GO Capital Improvement Bond – The \$3,880,000 General Obligation Capital Improvement Bond is to finance the construction of the city's Fire Station #2.

2015B GO Street Reconstruction Bond – The \$1,205,000 General Obligation Street Reconstruction Bonds is to finance the reconstruction of Garnet Street and 168th Avenue.

2016A GO Street Reconstruction Bond – The \$1,650,000 General Obligation Street Reconstruction Bonds is to finance the reconstruction of Andrie Street and 164th Lane.

2017A GO Street Reconstruction Bond – The \$895,000 General Obligation Street Reconstruction Bonds is to finance the reconstruction of Alpine Drive and Sunwood Drive.

2018A GO Street Reconstruction Bond – The \$1,175,000 General Obligation Street Reconstruction Bond is to finance the reconstruction of Riversbend Avenue and Stanhope Terrace.

CITY OF RAMSEY

Nonmajor Debt Service Funds
 Combining Balance Sheet
 December 31, 2019

	2011B Refund G.O. Improvement Bonds	2009A State Aid Road Bond	2012A GO Refund Improvement Bond	2013A Capital Equipment Certificates
Assets				
Cash and temporary investments	\$ 190,508	\$ 93,140	\$ 761,974	\$ 34,009
Receivables				
Unremitted taxes	-	-	10,439	710
Delinquent taxes	-	-	11,089	754
Unremitted special assessments	-	-	-	-
Delinquent special assessments	-	-	-	-
Deferred special assessments	-	-	-	-
Total assets	<u>\$ 190,508</u>	<u>\$ 93,140</u>	<u>\$ 783,502</u>	<u>\$ 35,473</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	\$ -	\$ -	\$ 11,089	\$ 754
Unavailable revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>11,089</u>	<u>754</u>
Fund balances				
Restricted	<u>190,508</u>	<u>93,140</u>	<u>772,413</u>	<u>34,719</u>
Total deferred inflows of resources and fund balances	<u>\$ 190,508</u>	<u>\$ 93,140</u>	<u>\$ 783,502</u>	<u>\$ 35,473</u>

<u>2014A Capital Equipment Certificates</u>	<u>2015A GO Capital Improvement Bond</u>	<u>2015B GO Street Reconstruction Bond</u>	<u>2016A GO Street Reconstruction Bond</u>	<u>2017A GO Street Reconstruction Bond</u>	<u>2018A GO Street Reconstruction Bond</u>	<u>Totals</u>
\$ 20,582	\$ 70,584	\$ 80,489	\$ 84,571	\$ 9,576	\$ 88,369	\$ 1,433,802
926	1,888	524	712	428	510	16,137
984	2,006	557	756	454	542	17,142
–	–	49	17	592	203	861
–	–	40	431	–	182	653
–	–	53,915	191,795	36,556	129,150	411,416
<u>\$ 22,492</u>	<u>\$ 74,478</u>	<u>\$ 135,574</u>	<u>\$ 278,282</u>	<u>\$ 47,606</u>	<u>\$ 218,956</u>	<u>\$ 1,880,011</u>
\$ 984	\$ 2,006	\$ 557	\$ 756	\$ 454	\$ 542	\$ 17,142
–	–	53,955	192,226	36,557	129,331	412,069
<u>984</u>	<u>2,006</u>	<u>54,512</u>	<u>192,982</u>	<u>37,011</u>	<u>129,873</u>	<u>429,211</u>
<u>21,508</u>	<u>72,472</u>	<u>81,062</u>	<u>85,300</u>	<u>10,595</u>	<u>89,083</u>	<u>1,450,800</u>
<u>\$ 22,492</u>	<u>\$ 74,478</u>	<u>\$ 135,574</u>	<u>\$ 278,282</u>	<u>\$ 47,606</u>	<u>\$ 218,956</u>	<u>\$ 1,880,011</u>

CITY OF RAMSEY

Nonmajor Debt Service Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2019

	2011B Refund G.O. Improvement Bonds	2009A State Aid Road Bond	2012A GO Refund Improvement Bond	2013A Capital Equipment Certificates
Revenue				
Property taxes	\$ -	\$ -	\$ 1,132,212	\$ 77,010
Special assessments	-	-	-	-
Intergovernmental revenue	338,511	149,335	-	-
Other revenue				
Investment earnings	14,235	3,105	30,419	771
Miscellaneous	-	-	-	-
Total revenue	<u>352,746</u>	<u>152,440</u>	<u>1,162,631</u>	<u>77,781</u>
Expenditures				
Debt service				
Principal retirement	275,000	145,000	720,000	65,000
Interest and fiscal charges	47,753	3,263	417,033	9,503
Total expenditures	<u>322,753</u>	<u>148,263</u>	<u>1,137,033</u>	<u>74,503</u>
Excess (deficiency) of revenues over expenditures	29,993	4,177	25,598	3,278
Other financing sources (uses)				
Transfers in	-	-	-	-
Net change in fund balances	29,993	4,177	25,598	3,278
Fund balances				
Beginning of year	<u>160,515</u>	<u>88,963</u>	<u>746,815</u>	<u>31,441</u>
End of year	<u>\$ 190,508</u>	<u>\$ 93,140</u>	<u>\$ 772,413</u>	<u>\$ 34,719</u>

<u>2014A Capital Equipment Certificates</u>	<u>2015A GO Capital Improvement Bond</u>	<u>2015B GO Street Reconstruction Bond</u>	<u>2016A GO Street Reconstruction Bond</u>	<u>2017A GO Street Reconstruction Bond</u>	<u>2018A GO Street Reconstruction Bond</u>	<u>Totals</u>
\$ 100,462	\$ 204,775	\$ 56,881	\$ 77,185	\$ 46,380	\$ 55,307	\$ 1,750,212
–	–	12,627	41,559	6,461	40,438	101,085
–	–	–	–	–	–	487,846
1,198	4,381	4,681	5,757	2,056	4,835	71,438
–	–	10	33	44	19	106
<u>101,660</u>	<u>209,156</u>	<u>74,199</u>	<u>124,534</u>	<u>54,941</u>	<u>100,599</u>	<u>2,410,687</u>
85,000	170,000	115,000	165,000	85,000	95,000	1,920,000
12,045	100,208	18,845	27,895	15,532	50,441	702,518
<u>97,045</u>	<u>270,208</u>	<u>133,845</u>	<u>192,895</u>	<u>100,532</u>	<u>145,441</u>	<u>2,622,518</u>
4,615	(61,052)	(59,646)	(68,361)	(45,591)	(44,842)	(211,831)
–	12,499	–	–	–	–	12,499
4,615	(48,553)	(59,646)	(68,361)	(45,591)	(44,842)	(199,332)
16,893	121,025	140,708	153,661	56,186	133,925	1,650,132
<u>\$ 21,508</u>	<u>\$ 72,472</u>	<u>\$ 81,062</u>	<u>\$ 85,300</u>	<u>\$ 10,595</u>	<u>\$ 89,083</u>	<u>\$ 1,450,800</u>



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NONMAJOR CAPITAL PROJECTS FUNDS

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

State-Aid Construction Fund – used to account for state-aid allotments used by the City for improvement projects to thoroughfare roads within the City.

Revolving Acquisition Loan Fund (RALF) Funded Projects Fund – This fund is used to account for resources and expenditures related to the purchase of property for future state road development.

Trott Brook Cemetery Perpetual Care Fund – used to account for perpetual care fees collected on the sale of cemetery plots in Trott Brook Cemetery.

Park Improvement Fund – used to account for all park dedication fees to be used for land acquisition and park development.

Parking Ramp Maintenance Fund – used to account for all expenditures that the City incurs to operate, maintain, and repair the parking ramp with costs to be allocated to the affected users.

Sunwood Drive Realignment Fund – used to account for all costs that are associated with the realignment of Sunwood Drive within The COR.

Puma/Bunker Street Improvement Fund – used to account for the resources used to finance the construction of Puma Street and Bunker Lake Boulevard near the City's new business park.

Landfill Fund – Used to account for certain landfill-related revenue, the expenditures the City may incur in relation to the landfill, and any other expenditures for improvements providing a benefit to the entire city. The fund does not present a potential liability for landfill closure and post closure care costs as defined by GASB Statement No. 18 as the landfill is not owned by the City.

Equipment Revolving Fund – used to account for resources to finance the replacement of city equipment, vehicles, and/or building facilities.

Fire Station #2 Fund – used to account for the resources used to finance the construction of the city's second fire station.

CITY OF RAMSEY

Nonmajor Capital Project Funds
 Combining Balance Sheet
 December 31, 2019

	<u>State-Aid Construction</u>	<u>RALF Funded Projects</u>	<u>Trott Brook Cemetery Perpetual Care</u>	<u>Park Improvement</u>	<u>Parking Ramp Maintenance</u>
Assets					
Cash and temporary investments	\$ 1,907,396	\$ 420,476	\$ 63,900	\$ 4,682,220	\$ 8,185
Receivables					
Unremitted special assessments	-	-	-	-	-
Delinquent special assessments	-	-	-	-	-
Deferred special assessments	-	-	-	-	-
Accounts	-	752	-	-	51,606
Total assets	<u>\$ 1,907,396</u>	<u>\$ 421,228</u>	<u>\$ 63,900</u>	<u>\$ 4,682,220</u>	<u>\$ 59,791</u>
Liabilities					
Accounts and contracts payable	\$ -	\$ 2,967	\$ -	\$ -	\$ 384
Unearned revenue	-	21,672	-	-	-
Total liabilities	<u>-</u>	<u>24,639</u>	<u>-</u>	<u>-</u>	<u>384</u>
Deferred inflows of resources					
Unavailable revenue - special assessments	-	-	-	-	-
Fund balances					
Restricted	1,907,396	-	-	-	-
Assigned	-	396,589	63,900	4,682,220	59,407
Total fund balances	<u>1,907,396</u>	<u>396,589</u>	<u>63,900</u>	<u>4,682,220</u>	<u>59,407</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,907,396</u>	<u>\$ 421,228</u>	<u>\$ 63,900</u>	<u>\$ 4,682,220</u>	<u>\$ 59,791</u>

<u>Sunwood Drive Realignment</u>	<u>Puma/Bunker Street Improvement</u>	<u>Landfill</u>	<u>Equipment Revolving</u>	<u>Fire Station #2</u>	<u>Totals</u>
\$ 310,509	\$ 363,571	\$ 2,200,312	\$ 795,850	\$ -	\$ 10,752,419
-	508	-	-	-	508
-	4	-	-	-	4
-	71,385	-	-	-	71,385
-	-	-	-	-	52,358
<u>\$ 310,509</u>	<u>\$ 435,468</u>	<u>\$ 2,200,312</u>	<u>\$ 795,850</u>	<u>\$ -</u>	<u>\$ 10,876,674</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,351
-	-	-	-	-	21,672
-	-	-	-	-	25,023
-	71,389	-	-	-	71,389
-	-	-	-	-	1,907,396
310,509	364,079	2,200,312	795,850	-	8,872,866
<u>310,509</u>	<u>364,079</u>	<u>2,200,312</u>	<u>795,850</u>	<u>-</u>	<u>10,780,262</u>
<u>\$ 310,509</u>	<u>\$ 435,468</u>	<u>\$ 2,200,312</u>	<u>\$ 795,850</u>	<u>\$ -</u>	<u>\$ 10,876,674</u>

CITY OF RAMSEY

Nonmajor Capital Project Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2019

	State-Aid Construction	RALF Funded Projects	Trott Brook Cemetery Perpetual Care	Park Improvement	Parking Ramp Maintenance
Revenue					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	265,698	-	-	-	-
Charges for services	-	188,383	-	914,022	-
Other revenue					
Investment earnings	61,789	-	2,131	122,064	284
Miscellaneous	79	-	2,600	-	113,606
Total revenue	<u>327,566</u>	<u>188,383</u>	<u>4,731</u>	<u>1,036,086</u>	<u>113,890</u>
Expenditures					
Current					
General government	-	-	-	-	103,377
Highways and streets	-	82,259	-	-	-
Culture and recreation	-	-	-	14,815	-
Capital outlay	<u>50,929</u>	<u>-</u>	<u>-</u>	<u>35,205</u>	<u>24,917</u>
Total expenditures	<u>50,929</u>	<u>82,259</u>	<u>-</u>	<u>50,020</u>	<u>128,294</u>
Excess (deficiency) of revenue over expenditures	276,637	106,124	4,731	986,066	(14,404)
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	276,637	106,124	4,731	986,066	(14,404)
Fund balances					
Beginning of year	<u>1,630,759</u>	<u>290,465</u>	<u>59,169</u>	<u>3,696,154</u>	<u>73,811</u>
End of year	<u>\$ 1,907,396</u>	<u>\$ 396,589</u>	<u>\$ 63,900</u>	<u>\$ 4,682,220</u>	<u>\$ 59,407</u>

<u>Sunwood Drive Realignment</u>	<u>Puma/Bunker Street Improvement</u>	<u>Landfill</u>	<u>Equipment Revolving</u>	<u>Fire Station #2</u>	<u>Totals</u>
\$ -	\$ 351,173	\$ -	\$ -	\$ -	\$ 351,173
-	-	-	-	-	265,698
-	-	-	-	-	1,102,405
-	-	73,624	39,878	-	299,770
46,971	10,187	-	20,000	-	193,443
<u>46,971</u>	<u>361,360</u>	<u>73,624</u>	<u>59,878</u>	<u>-</u>	<u>2,212,489</u>
-	-	-	-	780	104,157
-	-	-	-	-	82,259
-	-	-	-	-	14,815
-	10,422	-	42,781	-	164,254
<u>-</u>	<u>10,422</u>	<u>-</u>	<u>42,781</u>	<u>780</u>	<u>365,485</u>
46,971	350,938	73,624	17,097	(780)	1,847,004
-	-	-	172,745	-	172,745
<u>-</u>	<u>-</u>	<u>-</u>	<u>(558,354)</u>	<u>(12,499)</u>	<u>(570,853)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(385,609)</u>	<u>(12,499)</u>	<u>(398,108)</u>
46,971	350,938	73,624	(368,512)	(13,279)	1,448,896
<u>263,538</u>	<u>13,141</u>	<u>2,126,688</u>	<u>1,164,362</u>	<u>13,279</u>	<u>9,331,366</u>
<u>\$ 310,509</u>	<u>\$ 364,079</u>	<u>\$ 2,200,312</u>	<u>\$ 795,850</u>	<u>\$ -</u>	<u>\$ 10,780,262</u>



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STATISTICAL SECTION (UNAUDITED)



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STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	<u>134-139</u>
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	<u>140-143</u>
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	<u>144-147</u>
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	<u>148-149</u>
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	<u>150-152</u>

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Ramsey
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 38,466,812	\$ 39,794,321	\$ 41,998,822	\$ 40,374,256	\$ 41,657,601	\$ 41,216,689	\$ 42,170,710	\$ 42,129,791	\$ 43,551,135	\$ 44,658,317
Restricted	21,604,295	22,103,948	14,632,006	16,128,452	15,273,582	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537
Unrestricted	14,450,911	14,433,838	7,298,825	8,107,485	8,120,953	13,292,971	13,832,461	13,559,175	15,666,889	16,759,261
Total governmental activities net position	<u>\$ 74,522,018</u>	<u>\$ 76,332,107</u>	<u>\$ 63,929,653</u>	<u>\$ 64,610,193</u>	<u>\$ 65,052,136</u>	<u>\$ 72,939,801</u>	<u>\$ 74,327,101</u>	<u>\$ 75,368,400</u>	<u>\$ 80,153,240</u>	<u>\$ 82,424,115</u>
Business-type activities										
Net investment in capital assets	\$ 52,500,049	\$ 51,748,092	\$ 50,843,868	\$ 50,494,576	\$ 50,427,367	\$ 49,340,145	\$ 51,959,594	\$ 53,855,285	\$ 53,653,338	\$ 55,575,211
Unrestricted	22,845,759	23,764,060	27,486,732	28,969,730	30,915,832	34,206,676	35,953,541	38,306,851	43,024,292	46,993,793
Total business-type activities net position	<u>\$ 75,345,808</u>	<u>\$ 75,512,152</u>	<u>\$ 78,330,600</u>	<u>\$ 79,464,306</u>	<u>\$ 81,343,199</u>	<u>\$ 83,546,821</u>	<u>\$ 87,913,135</u>	<u>\$ 92,162,136</u>	<u>\$ 96,677,630</u>	<u>\$ 102,569,004</u>
Total government										
Net investment in capital assets	\$ 90,966,861	\$ 91,542,413	\$ 92,842,690	\$ 90,868,832	\$ 92,084,968	\$ 90,556,834	\$ 94,130,304	\$ 95,985,076	\$ 97,204,473	\$ 100,233,528
Restricted	21,604,295	22,103,948	14,632,006	16,128,452	15,273,582	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537
Unrestricted	37,296,670	38,197,898	34,785,557	37,077,215	39,036,785	47,499,647	49,786,002	51,866,026	58,691,181	63,753,054
Total government net position	<u>\$ 149,867,826</u>	<u>\$ 151,844,259</u>	<u>\$ 142,260,253</u>	<u>\$ 144,074,499</u>	<u>\$ 146,395,335</u>	<u>\$ 156,486,622</u>	<u>\$ 162,240,236</u>	<u>\$ 167,530,536</u>	<u>\$ 176,830,870</u>	<u>\$ 184,993,119</u>

Note 1: The City implemented GASB Statement No. 68 in fiscal 2015, recording a change in accounting principle that decreased unrestricted net position. Prior year balances are not restated.

Note 2: The City reported a prior period adjustment in fiscal 2016 that increased the net investment in capital assets. Prior year balances are not restated.

City of Ramsey
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 4,998,807	\$ 5,559,732	\$ 18,976,842	\$ 3,735,657	\$ 4,087,755	\$ 4,075,505	\$ 4,528,920	\$ 4,992,809	\$ 5,078,516	\$ 5,139,352
Public safety	4,153,361	4,307,045	4,218,066	4,074,688	4,079,362	4,349,763	5,875,567	5,782,563	5,167,897	5,844,265
Highways and streets	5,791,896	6,129,272	5,659,428	5,215,260	4,263,552	3,197,571	3,826,143	4,254,234	4,191,395	4,442,720
Culture and recreation	1,048,690	1,267,292	1,216,583	1,415,736	1,422,810	1,867,274	1,931,537	2,384,845	1,751,345	1,756,810
Interest and fiscal charges	1,316,893	1,302,228	2,555,567	1,220,471	1,168,513	983,379	890,305	952,965	883,292	845,651
Total governmental activities expenses	<u>17,309,647</u>	<u>18,565,569</u>	<u>32,626,486</u>	<u>15,661,812</u>	<u>15,021,992</u>	<u>14,473,492</u>	<u>17,052,472</u>	<u>18,367,416</u>	<u>17,072,445</u>	<u>18,028,798</u>
Business-type activities:										
Water utility	1,295,721	1,358,050	1,228,012	1,293,201	1,221,211	1,278,204	1,489,070	1,396,021	1,590,737	1,483,584
Sewer utility	1,101,554	1,149,318	1,152,760	1,190,551	1,282,302	1,291,509	1,438,141	1,535,664	1,523,670	1,631,260
Street light utility	158,369	163,758	165,651	176,736	161,733	178,666	176,732	159,378	160,952	171,619
Recycling utility	307,662	302,947	302,936	308,629	321,321	320,901	359,418	373,775	380,055	380,192
Storm water utility	350,521	410,666	496,309	491,370	509,709	557,267	742,043	633,101	573,878	590,645
Total business-type activities	<u>3,213,827</u>	<u>3,384,739</u>	<u>3,345,668</u>	<u>3,460,487</u>	<u>3,496,276</u>	<u>3,626,547</u>	<u>4,205,404</u>	<u>4,097,939</u>	<u>4,229,292</u>	<u>4,257,300</u>
Total government expenses	<u>\$ 20,523,474</u>	<u>\$ 21,950,308</u>	<u>\$ 35,972,154</u>	<u>\$ 19,122,299</u>	<u>\$ 18,518,268</u>	<u>\$ 18,100,039</u>	<u>\$ 21,257,876</u>	<u>\$ 22,465,355</u>	<u>\$ 21,301,737</u>	<u>\$ 22,286,098</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 344,922	\$ 313,195	\$ 416,152	\$ 479,970	\$ 461,538	\$ 529,820	\$ 457,901	\$ 571,464	\$ 691,819	\$ 640,173
Public safety	979,828	918,296	1,177,840	901,570	626,844	946,887	698,310	878,141	1,168,258	1,098,016
Highways and streets	487,507	738,136	81,159	239,234	266,447	347,984	261,658	235,020	229,555	214,272
Culture and recreation	27,016	9,910	628,571	158,376	173,310	815,511	483,727	585,033	1,355,365	926,530
Operating grants and contributions	326,986	298,077	2,008,709	1,180,725	385,574	9,999,527	508,694	379,185	368,099	461,826
Capital grants and contributions	2,828,240	4,187,265	3,866,331	3,208,950	3,023,145	3,124,565	3,809,965	5,026,857	4,765,578	3,434,344
Total governmental activities program revenues	<u>4,994,499</u>	<u>6,464,879</u>	<u>8,178,762</u>	<u>6,168,825</u>	<u>4,936,858</u>	<u>15,764,294</u>	<u>6,220,255</u>	<u>7,675,700</u>	<u>8,578,674</u>	<u>6,775,161</u>
Business-type activities:										
Charges for services:										
Water utility	1,633,461	1,821,386	2,131,460	1,997,302	1,860,380	2,045,225	1,953,478	2,772,003	3,484,687	2,138,209
Sewer utility	1,261,609	1,236,771	1,324,342	1,341,674	1,393,157	1,392,101	1,458,250	1,784,755	2,182,944	1,672,072
Street light utility	179,272	178,850	179,124	177,158	188,185	190,872	196,253	204,418	211,360	217,169
Recycling utility	294,617	297,226	296,358	298,034	309,160	307,128	308,052	310,471	317,090	319,940
Storm water utility	617,598	617,579	647,169	677,936	706,135	770,812	1,034,552	958,960	1,057,705	1,168,494
Operating grants and contributions	49,873	50,279	57,239	79,358	65,817	39,423	67,100	92,602	72,257	67,961
Capital grants and contributions	310,040	88,349	1,315,030	488,687	101,107	1,185,135	1,799,057	1,864,137	906,190	2,596,210
Total business-type activities program revenues	<u>4,346,470</u>	<u>4,290,440</u>	<u>5,950,722</u>	<u>5,060,149</u>	<u>4,623,941</u>	<u>5,930,696</u>	<u>6,816,742</u>	<u>7,987,346</u>	<u>8,232,233</u>	<u>8,180,055</u>
Total government program revenues	<u>\$ 9,340,969</u>	<u>\$ 10,755,319</u>	<u>\$ 14,129,484</u>	<u>\$ 11,228,974</u>	<u>\$ 9,560,799</u>	<u>\$ 21,694,990</u>	<u>\$ 13,036,997</u>	<u>\$ 15,663,046</u>	<u>\$ 16,810,907</u>	<u>\$ 14,955,216</u>
Net (expense)/revenue										
Governmental activities	\$ (12,315,148)	\$ (12,100,690)	\$ (24,447,724)	\$ (9,492,987)	\$ (10,085,134)	\$ 1,290,802	\$ (10,832,217)	\$ (10,691,716)	\$ (8,493,771)	\$ (11,253,637)
Business-type activities	1,132,643	905,701	2,605,054	1,599,662	1,127,665	2,304,149	2,611,338	3,889,407	4,002,941	3,922,755
Total government net expense	<u>\$ (11,182,505)</u>	<u>\$ (11,194,989)</u>	<u>\$ (21,842,670)</u>	<u>\$ (7,893,325)</u>	<u>\$ (8,957,469)</u>	<u>\$ 3,594,951</u>	<u>\$ (8,220,879)</u>	<u>\$ (6,802,309)</u>	<u>\$ (4,490,830)</u>	<u>\$ (7,330,882)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 12,144,908	\$ 11,671,760	\$ 11,454,519	\$ 10,421,456	\$ 9,423,457	\$ 10,064,621	\$ 10,674,696	\$ 11,136,810	\$ 12,384,300	\$ 12,894,388
General grants and contributions	114,692	120,932	9,175	38,577	3,198	4,204	3,905	3,586	102,994	5,617
Investment earnings (charges)	1,283,533	903,786	474,076	(411,446)	980,922	422,405	280,597	454,089	578,770	1,122,573
Gain on sale of capital assets	-	14,716	-	12,940	-	8,914	-	5,530	75,047	8,428
Transfers	(125,751)	1,199,585	107,500	112,000	119,500	124,000	214,445	133,000	137,500	(506,494)
Total governmental activities	<u>13,417,382</u>	<u>13,910,779</u>	<u>12,045,270</u>	<u>10,173,527</u>	<u>10,527,077</u>	<u>10,624,144</u>	<u>11,173,643</u>	<u>11,733,015</u>	<u>13,278,611</u>	<u>13,524,512</u>
Business-type activities:										
Investment earnings (charges)	631,042	460,228	320,894	(353,956)	870,728	385,490	325,628	492,594	650,053	1,462,125
Transfers	125,751	(1,199,585)	(107,500)	(112,000)	(119,500)	(124,000)	(214,445)	(133,000)	(137,500)	506,494
Total business-type activities	<u>756,793</u>	<u>(739,357)</u>	<u>213,394</u>	<u>(465,956)</u>	<u>751,228</u>	<u>261,490</u>	<u>111,183</u>	<u>359,594</u>	<u>512,553</u>	<u>1,968,619</u>
Total government	<u>\$ 14,174,175</u>	<u>\$ 13,171,422</u>	<u>\$ 12,258,664</u>	<u>\$ 9,707,571</u>	<u>\$ 11,278,305</u>	<u>\$ 10,885,634</u>	<u>\$ 11,284,826</u>	<u>\$ 12,092,609</u>	<u>\$ 13,791,164</u>	<u>\$ 15,493,131</u>
Change in Net Position										
Governmental activities	\$ 1,102,234	\$ 1,810,089	\$ (12,402,454)	\$ 680,540	\$ 441,943	\$ 11,914,946	\$ 341,426	\$ 1,041,299	\$ 4,784,840	\$ 2,270,875
Business-type activities	1,889,436	166,344	2,818,448	1,133,706	1,878,893	2,565,639	2,722,521	4,249,001	4,515,494	5,891,374
Total government	<u>\$ 2,991,670</u>	<u>\$ 1,976,433</u>	<u>\$ (9,584,006)</u>	<u>\$ 1,814,246</u>	<u>\$ 2,320,836</u>	<u>\$ 14,480,585</u>	<u>\$ 3,063,947</u>	<u>\$ 5,290,300</u>	<u>\$ 9,300,334</u>	<u>\$ 8,162,249</u>

City of Ramsey
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increment</u>	<u>Total</u>
2010	\$ 8,531,043	\$ 3,613,865	\$ 12,144,908
2011	8,048,173	3,623,587	11,671,760
2012	8,750,754	2,703,765	11,454,519
2013	8,186,852	2,234,604	10,421,456
2014	8,755,276	668,181	9,423,457
2015	9,393,365	671,256	10,064,621
2016	9,974,695	700,001	10,674,696
2017	10,423,864	712,946	11,136,810
2018	11,400,536	983,764	12,384,300
2019	11,819,552	1,074,836	12,894,388

City of Ramsey
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund										
Reserved	\$ 14,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	6,045,644	-	-	-	-	-	-	-	-	-
Nonspendable	-	9,929	4,042	50,561	4,805	1,613	15,431	12,393	21,335	23,640
Assigned	-	125,015	142,419	175,008	-	-	-	-	-	-
Unassigned	-	6,253,688	6,578,822	6,545,825	6,977,764	7,271,432	7,501,962	7,900,225	8,468,792	8,856,806
Total general fund	<u>\$ 6,059,759</u>	<u>\$ 6,388,632</u>	<u>\$ 6,725,283</u>	<u>\$ 6,771,394</u>	<u>\$ 6,982,569</u>	<u>\$ 7,273,045</u>	<u>\$ 7,517,393</u>	<u>\$ 7,912,618</u>	<u>\$ 8,490,127</u>	<u>\$ 8,880,446</u>
All other governmental funds										
Reserved	\$ 12,906,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	6,632,439	-	-	-	-	-	-	-	-	-
Debt service funds	2,524,951	-	-	-	-	-	-	-	-	-
Capital projects funds	10,291,562	-	-	-	-	-	-	-	-	-
Nonspendable	-	304	-	590	-	-	450	920	1,205	1,801
Restricted	-	25,032,219	17,606,291	19,148,705	15,295,400	18,484,179	18,377,993	18,187,321	19,369,642	19,957,595
Committed	-	819,839	946,312	927,557	743,944	890,603	1,041,932	1,226,234	1,631,444	1,184,262
Assigned	-	10,552,354	9,962,381	10,719,398	10,651,554	12,645,683	13,331,150	13,394,815	14,094,178	15,297,043
Unassigned	-	(853,086)	(456,692)	(282,159)	(110,979)	(556,135)	(87,659)	-	-	-
Total all other governmental funds	<u>\$ 32,355,232</u>	<u>\$ 35,551,630</u>	<u>\$ 28,058,292</u>	<u>\$ 30,514,091</u>	<u>\$ 26,579,919</u>	<u>\$ 31,464,330</u>	<u>\$ 32,663,866</u>	<u>\$ 32,809,290</u>	<u>\$ 35,096,469</u>	<u>\$ 36,440,701</u>

Note: The City implemented GASB Statement No. 54 in fiscal year 2011. Redefined fund balance for categories nonspendable, restricted, committed, assigned, and unassigned is not available for previous fiscal years.

City of Ramsey
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Property taxes	\$ 12,151,317	\$ 11,709,649	\$ 11,545,803	\$ 10,490,825	\$ 9,544,771	\$ 10,175,399	\$ 10,684,896	\$ 11,150,611	\$ 12,416,534	\$ 12,872,234
Special assessments	492,870	545,764	436,854	370,791	326,465	468,844	444,235	959,217	559,599	1,025,527
Licenses and permits	412,071	368,153	534,910	718,875	458,532	784,954	526,008	732,129	1,031,944	901,222
Intergovernmental revenue	2,029,558	3,140,747	3,736,095	2,919,701	2,615,851	2,052,791	1,795,988	2,213,034	2,947,966	1,518,639
Charges for services	1,319,586	1,517,320	1,681,400	877,849	966,951	1,779,697	1,298,085	1,469,703	2,355,969	1,892,517
Fines and forfeits	100,199	105,833	75,562	73,110	72,216	60,236	66,410	59,701	46,651	49,479
Investment earnings (charges)	1,269,263	895,184	468,032	(403,836)	965,382	416,508	276,142	447,200	570,243	1,104,969
Other	838,148	746,505	1,909,229	1,402,508	596,208	10,679,794	773,836	707,675	765,601	1,036,319
Total Revenues	<u>18,613,012</u>	<u>19,029,155</u>	<u>20,387,885</u>	<u>16,449,823</u>	<u>15,546,376</u>	<u>26,418,223</u>	<u>15,865,600</u>	<u>17,739,270</u>	<u>20,694,507</u>	<u>20,400,906</u>
Expenditures										
General government	4,280,825	4,847,669	18,291,512	2,837,610	3,175,959	3,119,273	3,537,925	4,031,933	4,212,365	4,358,408
Public safety	3,779,318	3,886,613	3,860,697	3,740,132	3,809,209	4,011,871	4,234,482	4,727,493	4,788,902	5,360,402
Highways and streets	2,753,505	4,944,097	4,391,415	3,883,519	2,930,144	1,815,409	2,199,615	2,542,463	2,390,707	2,528,216
Culture and recreation	817,538	857,927	836,452	1,013,089	1,004,750	1,428,116	1,478,090	1,960,624	1,291,816	1,281,153
Capital outlay	6,353,954	6,589,201	3,370,128	705,383	3,688,952	6,314,573	2,756,193	1,922,947	3,568,285	1,505,922
Debt service										
Principal	2,235,000	1,810,000	1,485,000	1,315,000	1,580,000	8,780,000	1,735,000	2,085,000	2,100,000	2,280,000
Interest	1,322,871	1,220,906	2,681,176	1,213,120	1,179,859	1,103,614	965,474	967,281	923,125	854,188
Total Expenditures	<u>21,543,011</u>	<u>24,156,413</u>	<u>34,916,380</u>	<u>14,707,853</u>	<u>17,368,873</u>	<u>26,572,856</u>	<u>16,906,779</u>	<u>18,237,741</u>	<u>19,275,200</u>	<u>18,168,289</u>
Excess (deficiency) of revenues over expenditures	(2,929,999)	(5,127,258)	(14,528,495)	1,741,970	(1,822,497)	(154,633)	(1,041,179)	(498,471)	1,419,307	2,232,617
Other financing sources (uses)										
Bonds issued	–	4,365,000	7,320,000	635,000	875,000	5,085,000	1,650,000	895,000	1,175,000	–
Refunding bonds issued	–	3,090,000	16,875,000	–	–	–	–	–	–	–
Premium/(Discount) on debt issues	–	(22,036)	284,907	–	–	111,606	69,482	5,590	35,246	–
Payments on refunded bonds	–	–	(17,227,352)	–	(2,895,000)	–	–	–	–	–
Proceeds on sale of capital assets	8,361	19,980	11,753	12,940	–	8,914	–	5,530	75,047	8,428
Transfers in	7,782,837	3,864,855	6,237,727	2,606,637	2,329,539	3,642,196	2,183,931	1,536,025	1,447,137	1,714,327
Transfers (out)	(7,455,903)	(2,665,270)	(6,130,227)	(2,494,637)	(2,210,039)	(3,518,196)	(1,418,350)	(1,403,025)	(1,287,049)	(2,220,821)
Total other financing sources (uses)	<u>335,295</u>	<u>8,652,529</u>	<u>7,371,808</u>	<u>759,940</u>	<u>(1,900,500)</u>	<u>5,329,520</u>	<u>2,485,063</u>	<u>1,039,120</u>	<u>1,445,381</u>	<u>(498,066)</u>
Net change in fund balances	<u>\$ (2,594,704)</u>	<u>\$ 3,525,271</u>	<u>\$ (7,156,687)</u>	<u>\$ 2,501,910</u>	<u>\$ (3,722,997)</u>	<u>\$ 5,174,887</u>	<u>\$ 1,443,884</u>	<u>\$ 540,649</u>	<u>\$ 2,864,688</u>	<u>\$ 1,734,551</u>
Debt service as a percentage of noncapital expenditures	<u>23.42%</u>	<u>17.25%</u>	<u>13.21%</u>	<u>18.05%</u>	<u>20.17%</u>	<u>48.79%</u>	<u>19.08%</u>	<u>18.71%</u>	<u>19.25%</u>	<u>18.81%</u>

City of Ramsey
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increment</u>	<u>Total</u>
2010	\$ 8,537,452	\$ 3,613,865	\$ 12,151,317
2011	8,086,062	3,623,587	11,709,649
2012	8,842,038	2,703,765	11,545,803
2013	8,256,221	2,234,604	10,490,825
2014	8,876,590	668,181	9,544,771
2015	9,504,143	671,256	10,175,399
2016	9,984,895	700,001	10,684,896
2017	10,437,665	712,946	11,150,611
2018	11,432,770	983,764	12,416,534
2019	11,797,398	1,074,836	12,872,234

City of Ramsey
Taxable Market Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended Dec 31	Real Property		Personal Property	Total Taxable Market Value	Tax Capacity Value	Total Direct Tax Rate	Estimated Actual Value	Tax Capacity Value as a Percentage of Market Value
	Residential Property	Commercial Property	Other					
2010	\$ 1,845,420,600	\$ 327,882,200	\$ 17,277,000	\$ 2,190,579,800	\$ 23,787,900	37.811	\$ 2,232,018,600	1.09%
2011	1,659,908,100	301,333,900	18,253,100	1,979,495,100	20,609,005	39.801	2,015,100,000	1.04%
2012	1,606,421,000	282,627,300	17,640,900	1,906,689,200	19,881,220	44.174	1,939,707,200	1.04%
2013	1,498,299,700	257,979,400	18,811,000	1,775,090,100	18,068,054	44.290	1,806,808,800	1.02%
2014	1,500,637,400	245,491,800	17,567,700	1,763,696,900	19,356,717	44.237	1,795,975,400	1.10%
2015	1,720,911,700	251,254,300	16,579,800	1,988,745,800	21,196,036	42.259	2,025,977,100	1.07%
2016	1,797,814,500	259,553,800	20,929,000	2,078,297,300	22,262,546	43.316	2,116,664,200	1.07%
2017	1,900,784,000	272,746,700	21,166,600	2,194,697,300	23,635,124	42.454	2,236,219,500	1.08%
2018	2,116,035,700	276,246,500	24,178,500	2,416,460,700	26,075,064	41.730	2,460,843,300	1.08%
2019	2,266,117,300	303,286,800	27,720,100	2,597,124,200	28,214,447	40.355	2,645,430,600	1.09%

Note: The tax capacity value of property is calculated by applying a statutory formula to the estimated market value of the property.

Source: Anoka County records were the source of taxable market value and estimated actual values.

**City of Ramsey
Property Tax Rates (1)
Direct and Overlapping (2) Governments
Last Ten Fiscal Years**

Fiscal Year	City of Ramsey			County	School District		Other	Total	
	General Operating Levy	Debt Service Levy	Total City Levy	Anoka County	ISD No 11	ISD No 728	Special Taxing Districts (3)	Direct & Overlapping Rates-ISD No 11	Direct & Overlapping Rates-ISD No 728
Tax rates per \$100 of tax capacity									
2010	33.080	4.731	37.811	36.855	19.939	39.967	4.961	99.566	119.594
2011	35.840	3.961	39.801	41.708	23.999	43.489	4.905	110.413	129.903
2012	37.186	6.988	44.174	43.298	23.325	45.548	4.124	114.921	137.144
2013	41.500	2.790	44.290	45.453	26.751	51.290	4.146	120.640	145.179
2014	37.073	7.164	44.237	44.495	28.265	51.286	6.031	123.028	146.049
2015	36.208	6.051	42.259	38.443	22.482	42.483	5.226	108.410	128.411
2016	36.185	7.131	43.316	39.398	20.885	39.266	5.448	109.047	127.428
2017	35.564	6.890	42.454	37.273	18.590	36.659	5.087	103.404	121.473
2018	34.830	6.900	41.730	35.820	18.392	36.137	4.902	100.844	118.589
2019	34.483	5.872	40.355	34.908	16.330	32.865	4.619	96.212	112.747

Source: Anoka County records

- (1) Information reflects total tax rates levied by each entity. Tax rates are expressed as a percent of "net tax capacity." A property's tax capacity is determined by multiplying its taxable market value by a state-determined class rate. Class rates vary by property type and change periodically based on state legislation.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City of Ramsey. Not all overlapping rates apply to all City of Ramsey property owners (e.g., the rates for special districts may apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)
- (3) Other taxing districts include the Metropolitan Council, Regional Transit Area, Mosquito Control, and the Anoka County Regional Railroad Authority.

**City of Ramsey
Principal Property Taxpayers
Current Year And Nine Years Ago**

Taxpayer	2019			2010		
	<u>Taxable Market Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Market Value</u>	<u>Taxable Market Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Market Value</u>
Residence at the COR Apartments	\$ 36,843,200	1	1.42%	\$ –	–	N/A
PSD LLC	18,620,700	2	0.72%	5,487,800	8	0.25%
Connexus Energy/Anoka Electric	16,774,400	3	0.65%	22,733,000	1	1.04%
Minnegasco/Centerpoint	14,862,400	4	0.57%	9,656,600	3	0.44%
Parkview East, LLC	14,825,400	5	0.57%	–	–	N/A
Life Fitness LLC	13,680,800	6	0.53%	–	–	N/A
S & A Partners, LLC	11,629,500	7	0.45%	12,544,100	2	0.57%
Northstar Marketplace Station	9,670,400	8	0.37%	–	–	N/A
Knoll Properties	7,767,200	9	0.30%	–	–	N/A
Vision Ease/Insight Equity	6,433,700	10	0.25%	6,823,200	7	0.31%
Anchorbank FSB	–	–	NA	9,192,400	4	0.42%
Sophia-Ramsey LLC	–	–	NA	8,911,200	5	0.41%
Brunswick Corporation	–	–	NA	7,048,200	6	0.32%
Santarsiero, Daniel B	–	–	NA	5,356,500	9	0.24%
Zero-Zone Refrigeration	–	–	NA	5,037,100	10	0.23%
Total principal property taxpayers	<u>\$ 151,107,700</u>		<u>5.82%</u>	<u>\$92,790,100</u>		<u>4.24%</u>

Source: County Board of Equalization and Assessment

**City of Ramsey
Property Tax Levies and Collections (1)
Last Ten Fiscal Years**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy (2)		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 8,994,443	\$ 8,432,354	93.75%	\$ 559,978	\$ 8,992,332	99.98%
2011	8,497,158	7,975,431	93.86%	519,495	8,494,926	99.97%
2012	8,782,330	8,616,750	98.11%	163,286	8,780,036	99.97%
2013	8,185,481	7,961,650	97.27%	222,073	8,183,723	99.98%
2014	8,772,143	8,649,053	98.60%	121,028	8,770,081	99.98%
2015	9,407,821	9,330,900	99.18%	72,455	9,403,355	99.95%
2016	9,971,075	9,890,058	99.19%	75,946	9,966,004	99.95%
2017	10,479,058	10,409,108	99.33%	58,669	10,467,777	99.89%
2018	11,374,395	11,314,369	99.47%	34,917	11,349,286	99.78%
2019	11,831,335	11,736,217	99.20%	–	11,736,217	99.20%

Source: Anoka County records

- (1) Includes general, debt service and HRA levy.
- (2) Includes property tax credit collections shown in intergovernmental revenue.

**City of Ramsey
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	General Obligation Bonded Debt	Capital Equipment Certificates			
2010	\$ 24,695,000	\$ 335,000	\$ 25,030,000	2.64%	\$ 1,058
2011	30,505,000	170,000	30,675,000	3.34%	1,294
2012	36,345,000	-	36,345,000	5.02%	1,525
2013	35,030,000	635,000	35,665,000	4.69%	1,467
2014	30,615,000	1,450,000	32,065,000	4.04%	1,286
2015	27,060,000	1,310,000	28,370,000	3.40%	1,108
2016	27,120,000	1,165,000	28,285,000	3.28%	1,093
2017	26,075,000	1,020,000	27,095,000	2.93%	1,032
2018	25,295,000	875,000	26,170,000	2.77%	989
2019	23,165,000	725,000	23,890,000	2.30%	883

Note: Details regarding the city's outstanding debt can be found in the notes to the basic financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Ramsey
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund (3)</u>	<u>Total</u>	<u>Percentage of Total Taxable Market Value of Property(1)</u>	<u>Per Capita(2)</u>
2010	\$ 24,695,000	\$ 2,524,951	\$ 22,170,049	1.01%	\$ 937
2011	30,505,000	5,753,130	24,751,870	1.25%	1,044
2012	36,345,000	5,618,631	30,726,369	1.61%	1,289
2013	35,030,000	4,963,143	30,066,857	1.69%	1,237
2014	30,615,000	1,914,472	28,700,528	1.63%	1,151
2015	27,060,000	1,721,796	25,338,204	1.27%	990
2016	27,120,000	1,778,495	25,341,505	1.22%	980
2017	26,075,000	2,380,281	23,694,719	1.08%	903
2018	25,295,000	2,573,517	22,721,483	0.94%	859
2019	23,165,000	2,749,777	20,415,223	0.79%	755

Note: Details regarding the city's outstanding debt can be found in the notes to the basic financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

(3) The City is using governmental fund net position restricted for debt service. We believe this to be the best amount available to present a consistent net amount when refunding bonds are held for payment, which are not restricted on entity-wide statements due to conversion for full accrual accounting.

**City of Ramsey
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable(1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Anoka County	\$ 95,550,000	7.37%	\$ 7,042,035
ISD No. 11, Anoka-Hennepin	175,390,000	9.88%	17,329,502
ISD No. 728, Elk River	207,155,000	3.47%	<u>7,186,228</u>
Subtotal, overlapping debt			<u>31,557,765</u>
City of Ramsey direct debt	23,890,000	100.00%	<u>23,890,000</u>
Total direct and overlapping debt			<u>\$ 55,447,765</u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Ramsey. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the city's boundaries and dividing it by the county's total taxable assessed value.

**City of Ramsey
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 65,717,394	\$ 59,384,853	\$ 57,200,676	\$ 53,252,703	\$ 52,910,907	\$ 59,662,374	\$ 62,348,919	\$ 65,840,919	\$ 72,493,821	\$ 77,913,726
Total net debt applicable to limit	<u>16,465,049</u>	<u>12,206,870</u>	<u>15,675,147</u>	<u>15,993,070</u>	<u>16,141,727</u>	<u>19,191,513</u>	<u>18,316,143</u>	<u>17,454,836</u>	<u>16,444,851</u>	<u>15,298,888</u>
Legal debt margin	<u>\$ 49,252,345</u>	<u>\$ 47,177,983</u>	<u>\$ 41,525,529</u>	<u>\$ 37,259,633</u>	<u>\$ 36,769,180</u>	<u>\$ 40,470,861</u>	<u>\$ 44,032,776</u>	<u>\$ 48,386,083</u>	<u>\$ 56,048,970</u>	<u>\$ 62,614,838</u>
Total net debt applicable to limit as a percentage of debt limit	25.05%	20.56%	27.40%	30.03%	30.51%	32.17%	29.38%	26.51%	22.68%	19.64%

Legal Debt Margin Calculation for Fiscal Year 2019

Taxable Market value	\$ 2,597,124,200
Debt limit (3% of market value)	77,913,726
Debt applicable to limit:	
Total bonded debt and certificates	\$ 23,890,000
Less:	
Obligations issued with special assessments	(7,690,000)
Amounts available in respective Debt Service Funds	<u>(901,112)</u>
Total deductions	<u>(8,591,112)</u>
	<u>15,298,888</u>
Legal debt margin	<u>\$ 62,614,838</u>

Note: Under state finance law, the City of Ramsey's outstanding general obligation debt should not exceed 3 percent of total taxable market value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**City of Ramsey
Demographic and Economic Statistics
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
2010	23,668	\$ 949,086,800	\$ 40,100	5,503	7.3%
2011	23,702	917,504,420	38,710	3,757	6.7%
2012	23,835	724,488,660	30,396	3,714	5.2%
2013	24,306	760,381,280	31,754	4,979	5.0%
2014	24,935	793,032,740	31,804	5,012	5.3%
2015	25,598	834,034,036	32,582	5,126	3.8%
2016	25,868	863,189,292	33,369	5,217	3.7%
2017	26,251	925,584,009	35,259	5,410	3.0%
2018	26,462	945,222,640	35,720	5,449	2.5%
2019	27,051	1,037,649,309	38,359	5,503	3.2%

(1) In 2010, the population is based on the United States Census Bureau completing its decennial census. 2011-current year data based off of 2010 census and City of Ramsey estimates.

(2) Calculated based on Per Capita Personal Income (Anoka County average) times Ramsey population.

(3) U.S. Department of Commerce, Bureau of Economic Analysis - Anoka County Average.

(4) Anoka-Hennepin School District #11 and Elk River School District #728.

(5) Minnesota Department of Employment and Economic Development

**City of Ramsey
Principal Employers
Current Year And Nine Years Ago**

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Life Fitness/Parabody Inc.	350	1	5.06%	265	2	5.01%
Anderson & Dahlen (Knoll Properties)	270	2	3.90%	150	4	2.84%
BMC Vision Ease Lens	250	3	3.62%	355	1	6.71%
Connexus Energy/Anoka Electric	203	4	2.94%	230	3	4.35%
Coborns Superstore	185	5	2.68%	—	—	0.00%
Zero Zone Refrigeration	157	6	2.27%	—	—	0.00%
Sign Zone	152	7	2.20%	90	10	1.70%
Diamond Graphic	151	8	2.18%	—	—	0.00%
ISD No. 11 (located in Ramsey)	148	9	2.14%	135	5	2.55%
In'Tech Industries	145	10	2.10%	—	—	0.00%
Altron Inc.	—	—	0.00%	110	6	2.08%
Waltek	—	—	0.00%	108	7	2.04%
RJM Distributing	—	—	0.00%	103	8	1.95%
Command Tooling	—	—	0.00%	100	9	1.89%
Total	2,011		29.08%	1,646		31.12%

Source: State Department of Employment and Economic Development

(1) Full-time equivalent

City of Ramsey
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>
General government	20.22	19.10	18.60	16.00	20.00	19.13	17.36	18.36	18.86	18.92
Public safety										
Police										
Officers	23.00	23.00	23.00	22.00	22.00	24.00	24.00	26.26	26.26	27.00
Civilians	5.00	5.00	5.00	5.00	5.50	4.00	4.00	3.50	3.50	4.74
Fire										
Firefighters and officers	9.58	9.58	9.58	9.58	9.58	9.58	9.58	9.58	9.58	10.58
Civilians	1.00	1.00	0.50	0.50	0.50	0.50	1.00	0.70	0.70	0.70
Protective Inspections	2.00	1.00	1.00	2.00	3.25	3.75	3.75	3.75	3.25	2.81
Highways and streets										
Engineering	6.48	6.60	6.60	6.30	6.30	7.00	7.00	7.00	6.00	6.00
Streets	7.00	7.00	7.00	7.00	7.00	7.50	8.50	8.50	10.50	10.00
Maintenance	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.13
Culture and recreation	2.47	3.47	3.47	5.47	3.97	3.97	3.97	3.97	3.97	8.50
Water	2.00	2.00	2.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00
Total	<u>84.75</u>	<u>82.75</u>	<u>81.75</u>	<u>82.85</u>	<u>86.10</u>	<u>88.43</u>	<u>88.16</u>	<u>90.62</u>	<u>91.62</u>	<u>96.38</u>

Source: City Budget documents

* Beginning with 2019 reporting, several positions have moved between departments.

**City of Ramsey
Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police										
Number of arrests	352	463	416	465	377	358	273	255	289	331
Motor Vehicle Accidents	465	631	471	493	279	279	289	162	466	423
Traffic violations	4,008	3,488	3,292	4,453	4,182	5,378	4,855	2,997	1,812	1,278
Fire										
Number of calls answered	481	483	459	443	486	460	498	698	821	975
Inspections*	177	260	303	205	177	196	134	158	194	508
Highways and streets										
Street resurfacing (miles)	16.59	14.86	22.00	14.50	14.25	15.74	19.84	13.41	15.45	16.27
Culture and recreation										
Park Acreage maintained	565	565	565	571	571	571	571	571	571	572
Trails/sidewalks maintained (miles)**	40	45	45	46	50	50	50	55	55	97
Water										
Number of connections	3,962	4,013	4,087	4,228	4,308	4,406	4,510	4,611	4,777	4,884
Water main breaks	–	2	–	–	–	–	1	–	–	–
Average daily consumption (gallons)	1,753,425	1,616,376	1,890,290	1,697,771	1,610,006	1,811,752	1,645,027	1,923,213	1,948,161	1,755,575

Source: Various City departments

* Beginning in 2019, inspections include all inspections done by Fire Department, including construction and building inspections

** In 2019 the trails were mapped with GIS and provided a more accurate number. This basis will be used going forward.

**City of Ramsey
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	6	6	6	10	10	10	11
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles) ***	168.00	168.00	172.88	172.88	172.88	180.40	183.27	184.70	186.01	181.80
Streetlights	626	631	659	659	1,060	1,166	1,179	1,194	1,213	1,226
Culture and recreation										
Parks acreage	565	565	565	565	565	565	585	585	585	586
Parks *	35	35	35	38	38	38	38	38	38	39
Tennis courts	12	12	10	10	10	10	10	10	10	10
Water										
Water mains (miles)	87	89	90	90	91	91	91	94	97	98
Fire hydrants	1,000	1,020	1,030	1,030	1,045	1,047	1,047	1,079	1,100	1,150
Maximum daily capacity **	5,100,000	5,100,000	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	4,837,000
Sewer										
Sanitary sewers (miles)	48	63	63	63	64	65	65	67	69	72
Storm sewers (miles)	21	25	28	34	36	39	43	46	47	54

Source: Various City departments

* The city has 39 total parks with 32 receiving some form of maintenance

** Maximum water city is able to produce in 12 hour period

*** Street (miles) were previously reported including unbuilt MSA segment roads.

Beginning in 2019 they will be excluded. 2019 MSA roads = 4.81 miles