

Minnesota

*Annual Comprehensive
Financial Report*

Year Ended December 31, 2021

CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

Annual Comprehensive Financial Report
Year Ended
December 31, 2021

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, 2021

CITY COUNCIL

Mark Kuzma	Mayor
Ryan Heineman	Councilmember
Chelsee Howell	Councilmember
Debra Musgrove	Councilmember
Chris Riley	Councilmember
Dan Specht	Councilmember
Matt Woestehoff	Councilmember

CITY OFFICIALS

Kurt Ulrich	City Administrator
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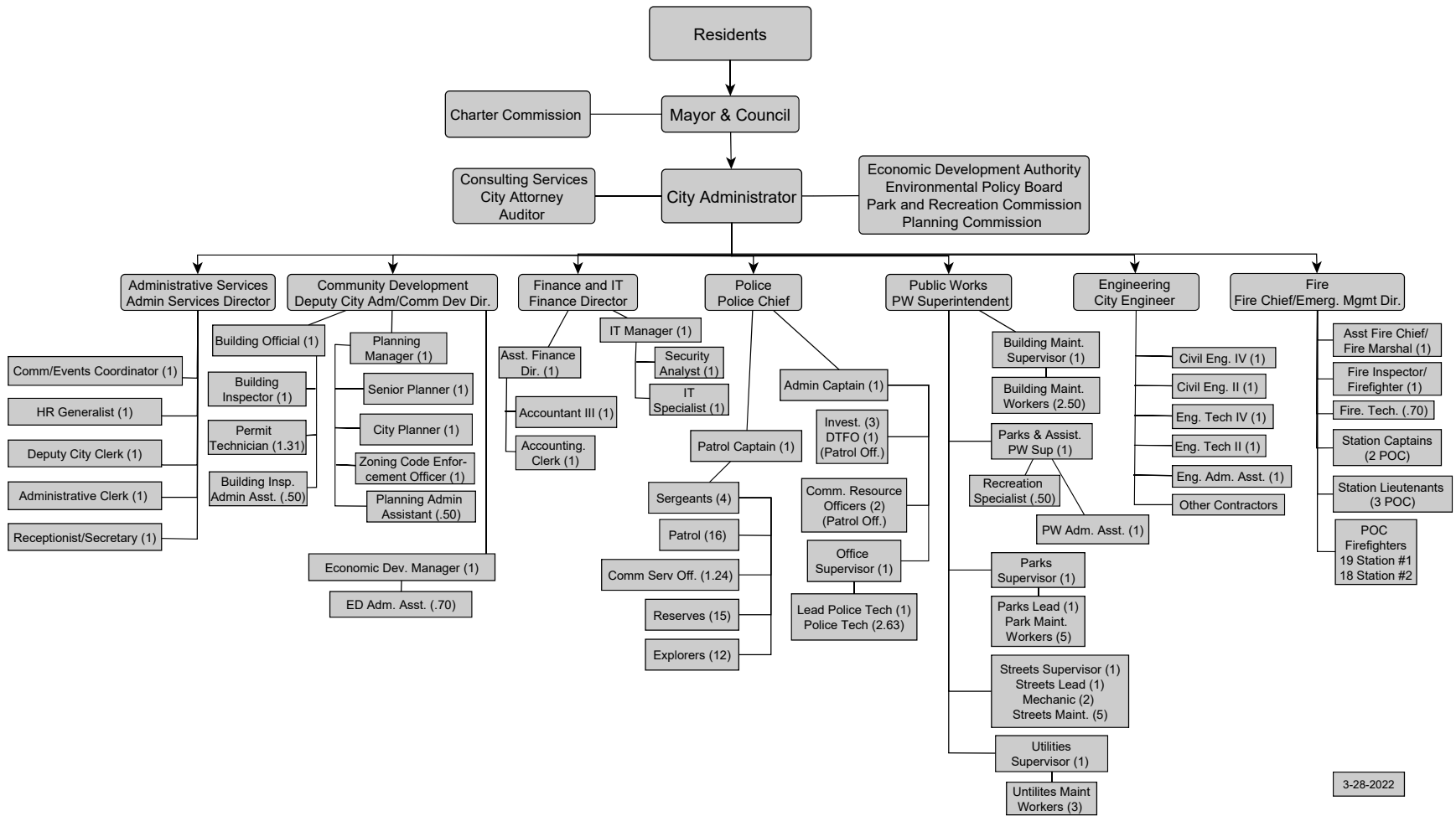
DEPARTMENT HEADS

Brian Hagen	Deputy City Administrator/ Community Development Director
Matthew Kohner	Fire Chief/ Emergency Management Director
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

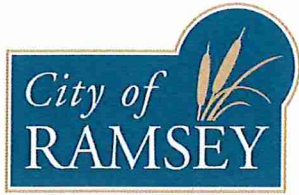
Excellence and Quality in
the Delivery of Service

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

June 1, 2022

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

The annual comprehensive financial report of the City of Ramsey, Minnesota (the City) for the fiscal year ended December 31, 2021 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 2.2% in comparison to the state average of 2.6%. Ramsey has an employed labor force of 16,261. Anoka County, in which Ramsey is located, has an employed labor force of 196,309 and an unemployment rate of 2.5%.

There are approximately 7,313 detached single-family homes and 2,513 multifamily units located within the City. In addition, there were 168 single-family homes and 15 multi-family units constructed in 2021.

Five hundred and eighty-one businesses call Ramsey home; those businesses employ nearly 7,100 people. In 2021, approximately 31,000 square feet of retail space was added in the City. The new retail included a multi-tenant retail building, Gigi's, a luxury salon and an O'Reilly's Auto Parts store. There was over 132,000 square feet of new industrial development completed or under construction in 2021. The largest industrial project was for Anderson Dahlen with the construction of a 64,000 square-foot building.

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. 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.

The city completed construction of a new 92,300 square foot public works campus in the fall of 2021. The campus houses all operations of streets, park and utilities.

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. This project, with an estimated cost of \$138 million, is fully funded as of July 2021, and construction is set to begin in fall 2023 with the final touches completed in 2026.

The City refinanced its municipal center debt in 2021 taking advantage of record-low interest rates. The City will save over one-million dollars in future debt service payments due to the refinancing. The rating firm of Standard and Poor's reaffirmed the City's AA+ bond rating with this debt issue.

The City will begin construction of a water treatment facility in the summer of 2022. The project is estimated to cost approximately \$32 million and be completed in the fall of 2023. Funding is proposed to come from the City's Enterprise Funds in which the city has been budgeting for the project since 2004.

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 Annual Comprehensive Financial Report for the year ended December 31, 2020. This was the twenty-seventh 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 Annual Comprehensive Financial Report continues to meet the CAEFR Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

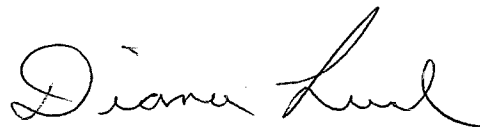
ACKNOWLEDGMENT

The 2021 Annual Comprehensive Financial Report 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 Annual Comprehensive
Financial Report
for the Fiscal Year Ended

December 31, 2020

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

OPINIONS

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, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2021, 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.

BASIS FOR OPINIONS

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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RESPONSIBILITIES OF MANAGEMENT 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’s ability to continue as a going concern within 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

(continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

(continued)

Supplementary 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 combining and individual fund statements and schedules, as listed in the table of contents, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2022 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
June 1, 2022



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CITY OF RAMSEY

Management's Discussion and Analysis Year Ended December 31, 2021

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, 2021. The discussion and analysis is intended to be considered in conjunction with the additional information that we have furnished in our letter of transmittal, located earlier in this report, and the City's financial statements contained within this report.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2021 by \$206,017,246 (net position).
- Government-wide revenues totaled \$36,460,400 and were \$11,068,377 more than expenses.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$46,751,006, a decrease of \$11,070,361 from the prior fiscal year, largely due to the construction of the public works campus.
- At the end of the current fiscal year the General Fund equity balance of \$10,449,489 included \$36,195 of nonspendable fund balance and \$10,413,294 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, culture and recreation, and economic development. The business-type activities of the City include enterprises for water, sewer, street light, recycling, and storm water utilities.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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 insurance 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 City. 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 annual comprehensive financial report 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 \$206,017,246 at the close of December 2021. Total net position increased by \$11,068,377 from current year operating results.

By far, the largest portion of the City's net position (56 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 is 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:

	Summary Statement of Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 56,014,868	\$ 66,140,545	\$ 48,675,454	\$ 45,267,792	\$ 104,690,322	\$ 111,408,337
Capital assets, net of depreciation	84,205,527	71,275,456	58,014,508	56,166,921	142,220,035	127,442,377
Total assets	\$ 140,220,395	\$ 137,416,001	\$ 106,689,962	\$ 101,434,713	\$ 246,910,357	\$ 238,850,714
Deferred outflows of resources						
OPEB plan deferments	\$ 87,802	\$ 65,284	\$ -	\$ -	\$ 87,802	\$ 65,284
Pension plan deferments	5,479,282	2,118,987	318,114	62,276	5,797,396	2,181,263
Total deferred outflows of resources	\$ 5,567,084	\$ 2,184,271	\$ 318,114	\$ 62,276	\$ 5,885,198	\$ 2,246,547
Liabilities						
Current and other liabilities	\$ 5,991,152	\$ 6,417,792	\$ 182,082	\$ 226,705	\$ 6,173,234	\$ 6,644,497
Long-term liabilities	32,905,558	36,499,319	395,230	509,015	33,300,788	37,008,334
Total liabilities	\$ 38,896,710	\$ 42,917,111	\$ 577,312	\$ 735,720	\$ 39,474,022	\$ 43,652,831
Deferred inflows of resources						
OPEB plan deferments	\$ 325,258	\$ 365,833	\$ -	\$ -	\$ 325,258	\$ 365,833
Pension plan deferments	6,614,912	2,103,893	364,117	25,835	6,979,029	2,129,728
Total deferred inflows of resources	\$ 6,940,170	\$ 2,469,726	\$ 364,117	\$ 25,835	\$ 7,304,287	\$ 2,495,561
Net position						
Net investment in capital assets	\$ 57,322,004	\$ 52,756,077	\$ 57,940,442	\$ 56,166,921	\$ 115,262,446	\$ 108,922,998
Restricted	19,886,753	18,957,706	-	-	19,886,753	18,957,706
Unrestricted	22,741,842	22,499,652	48,126,205	44,568,513	70,868,047	67,068,165
Total net position	\$ 99,950,599	\$ 94,213,435	\$ 106,066,647	\$ 100,735,434	\$ 206,017,246	\$ 194,948,869

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. The City's AA+ bond rating was reaffirmed by Standard and Poor's (S&P) in September 2021. 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 City also issued debt in the prior year to finance a portion of the construction of a new public works facility, which changed assets from current and other assets, to capital assets, net of depreciation.

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

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 3,022,077	\$ 2,142,064	\$ 6,723,121	\$ 5,957,197	\$ 9,745,198	\$ 8,099,261
Operating grants and contributions	774,960	603,389	73,524	57,865	848,484	661,254
Capital grants and contributions	5,637,619	4,930,496	3,756,359	1,683,338	9,393,978	6,613,834
General revenues						
Property taxes	14,761,012	13,744,948	-	-	14,761,012	13,744,948
Franchise fees	2,071,476	423,045	-	-	2,071,476	423,045
General grants and contributions	2,963	2,053,933	-	-	2,963	2,053,933
Investment earnings (charges)	(164,122)	1,035,274	(220,914)	1,391,802	(385,036)	2,427,076
Gain on sale of capital assets	22,325	2,372	-	-	22,325	2,372
Total revenues	26,128,310	24,935,521	10,332,090	9,090,202	36,460,400	34,025,723
Expenses						
General government	4,568,229	5,640,679	-	-	4,568,229	5,640,679
Public safety	6,363,724	6,468,397	-	-	6,363,724	6,468,397
Highways and streets	4,686,416	4,028,294	-	-	4,686,416	4,028,294
Culture and recreation	1,834,153	1,917,228	-	-	1,834,153	1,917,228
Economic development	2,140,267	481,858	-	-	2,140,267	481,858
Interest and fiscal charges	883,504	839,444	-	-	883,504	839,444
Water utility	-	-	1,772,358	1,657,356	1,772,358	1,657,356
Sewer utility	-	-	1,742,380	1,723,238	1,742,380	1,723,238
Street light utility	-	-	178,576	169,463	178,576	169,463
Recycling utility	-	-	507,067	366,764	507,067	366,764
Storm water utility	-	-	715,349	777,252	715,349	777,252
Total expenses	20,476,293	19,375,900	4,915,730	4,694,073	25,392,023	24,069,973
Changes in net position before transfers	5,652,017	5,559,621	5,416,360	4,396,129	11,068,377	9,955,750
Transfers	85,147	6,229,699	(85,147)	(6,229,699)	-	-
Changes in net position	5,737,164	11,789,320	5,331,213	(1,833,570)	11,068,377	9,955,750
Net position - beginning	94,213,435	82,424,115	100,735,434	102,569,004	194,948,869	184,993,119
Net position - ending	\$ 99,950,599	\$ 94,213,435	\$ 106,066,647	\$ 100,735,434	\$ 206,017,246	\$ 194,948,869

Governmental Activities – Governmental activities account for a \$5,737,164 increase in the City's net position. Charges for services increased by \$880,013 to reflect the increase in park dedication fees collected.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Investment earnings decreased \$1,199,396. 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. Property tax collections saw an increase of \$1,016,064 or 7% which was attributed to the City increasing their 2021 tax levy by 4% over the 2020 adopted levy. Franchise fees increased by \$1,648,431 in 2021 as this was the first full-year that the fees were collected. General grants and contributions decreased by \$2,050,970 as the City recognized over \$2 million dollars of Coronavirus Relief Funds in 2020. Transfers decreased by \$6,144,552 as the City transferred significant funds in 2020 to finance the new public works campus from the Water Utility, Sewer Utility, Street Light Utility and Storm Water Utility.

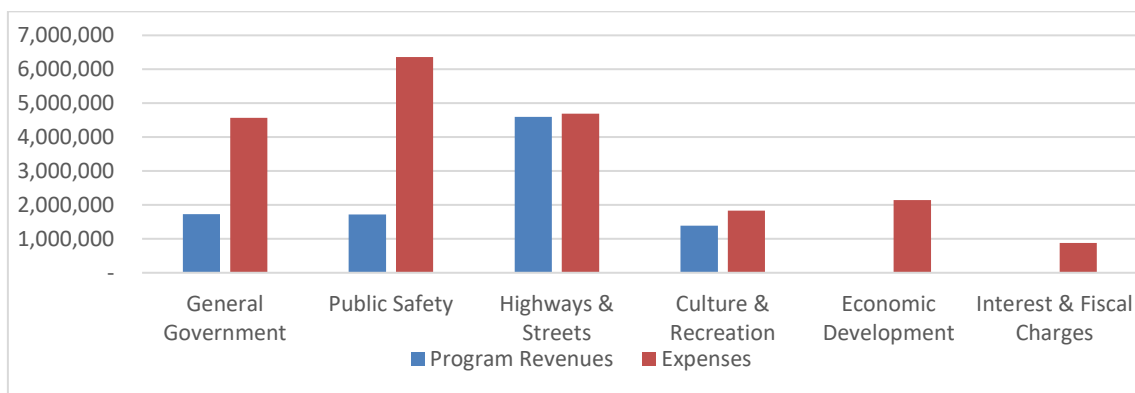
The general government function experienced a \$1,072,450 expense decrease due largely to tax increment expenditures now included in the function of economic development. Highways and streets expense increased by \$658,122 due to an increase in depreciation expense on the new public works campus and newly constructed roads. The economic development function increased by \$1,658,409 attributed largely to the reclassification in function from general government to economic development in the COR area.

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 \$5,331,213. Key elements of this increase are as follows.

- Revenues exceeded expenses before transfers by \$5,416,360, with this excess increasing \$1,020,231 from the prior year.
- Charges for services increased \$765,924 from the prior year. This is primarily due to an increase in utility rates and increase in water usage due to a lack of rainfall during the year.
- Capital grants and contributions increased by \$2,073,021 from the prior year. This is primarily due to an increase in capital contributions from developers for water, sewer and storm water utility improvements.
- Investment earnings decreased \$1,612,716. 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.
- Transfers out decreased significantly by \$6,144,552 as previously discussed with prior year transfers for the new public works campus in 2020.

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

Expenses and Program Revenues – Governmental Activities

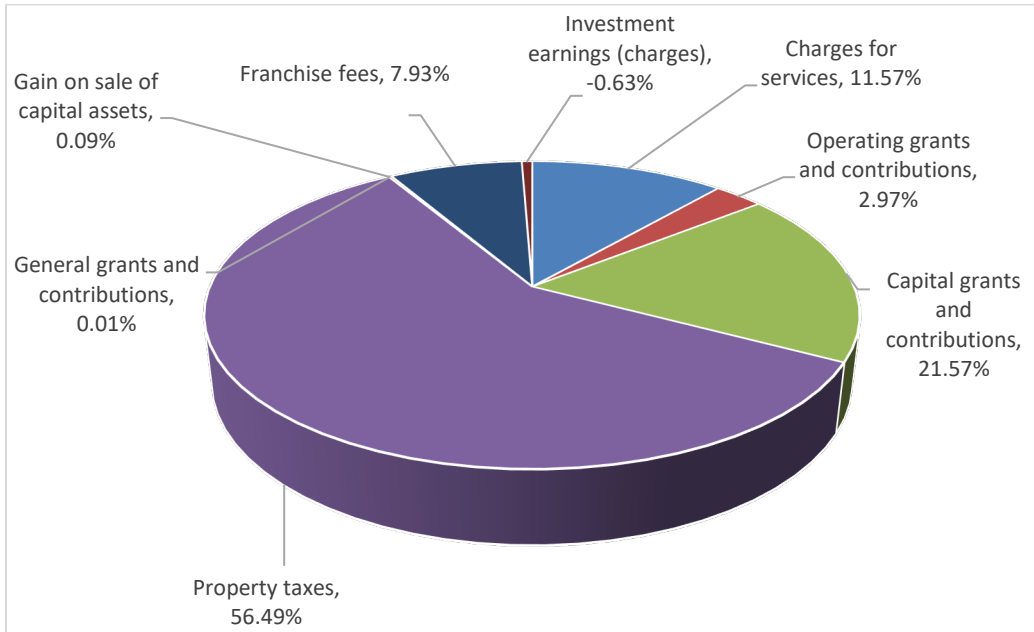


The graph clearly reflects the need for property taxes to supplement the governmental activities of the City. The trend of property taxes shows an increasing reliance on this source of revenue.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

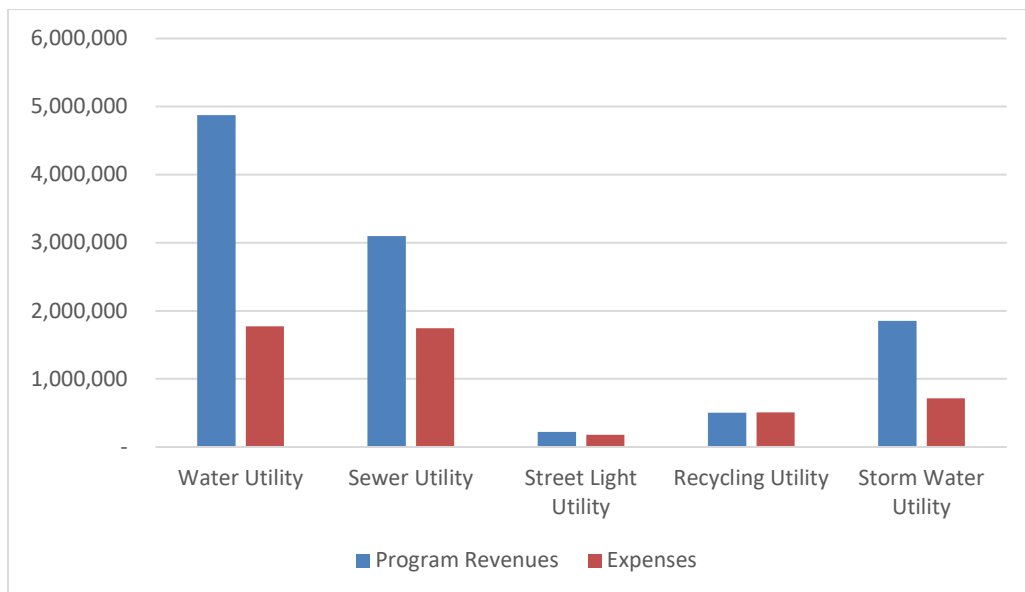
Governmental Activities – The following chart illustrates the City’s governmental activities revenues:

Revenue by Source – Governmental Activities



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

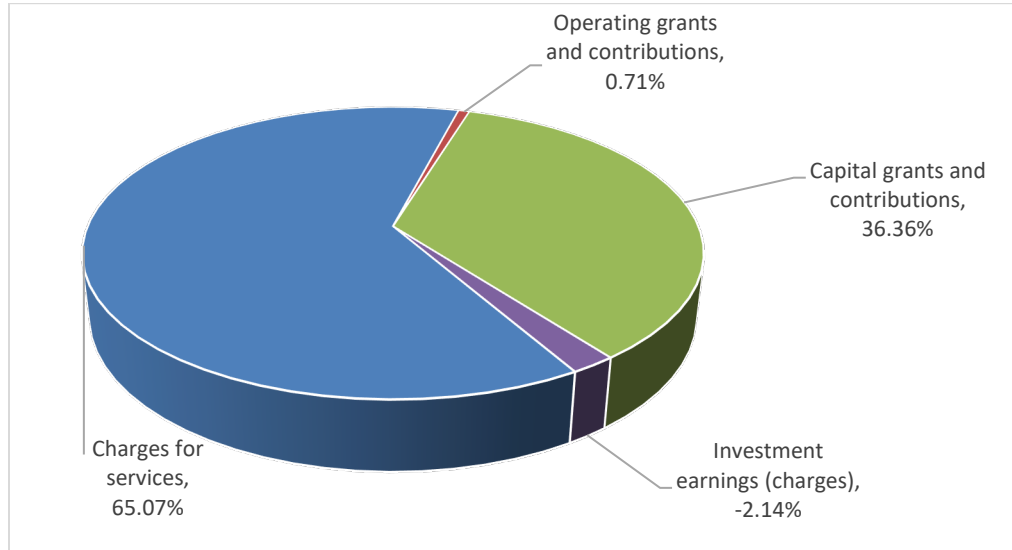
Expenses and Program Revenues – Business-Type Activities



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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

Revenues By Source – Business-Type Activities



Charges for services (65.07%) and Capital grants and contributions (36.36%) are the main sources of revenue for the business-type activities, which represent the Utility Funds.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Governmental Funds – At the end of the fiscal year, the City’s Governmental Funds reported combined ending fund balances of \$46,751,006, a decrease of \$11,070,361 in comparison with the prior year. The decrease is largely attributed to the construction of the new public works campus in 2021. The General Fund reported a fund balance increase of \$359,436 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:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>	<u>% Over (Under) Budget</u>
Revenue	\$ 12,961,148	\$ 12,961,148	\$ 13,613,351	\$ 652,203	5.03%
Expenditures	14,383,348	14,383,348	14,166,403	(216,945)	-1.51%
Excess (deficiency) of revenue over expenditures	(1,422,200)	(1,422,200)	(553,052)	869,148	
Other financing sources (uses)	1,422,200	1,422,200	912,488	(509,712)	
Net change in fund balances	<u>\$ –</u>	<u>\$ –</u>	359,436	<u>\$ 359,436</u>	
Fund balances					
Beginning of year			<u>10,090,053</u>		
End of year			<u>\$ 10,449,489</u>		

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

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 presented monthly to City Council and responsible staff.

The city experienced a favorable revenue variance in that actual revenues exceeded budgeted revenues by \$652,203. 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 \$216,945 and is 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 \$359,436 to an ending fund balance of \$10,449,489. The city's ending fund balance increase of \$359,436 is determined by its fund balance policy which for year ending 2021 is summarized as follows:

- \$109,292 increase based on 50% increase in next years adopted budget
- \$230,958 increase in prior year encumbrances related to public safety personnel costs, worker's compensation, general liabilities and capital maintenance transfer
- \$19,186 increase in compensated absences liability

Tax Increment Fund – This Special Revenue Fund had a year-end fund balance of \$5,043,300 which reflects a decrease of \$265,319 from 2020. The decrease was due to the decertification of the City's Tax Increment District #8 and the return of excess increment to the County.

COR Land Fund – This Special Revenue Fund held a constant year-end fund balance of \$8,148,079.

Private Developer Fund – This Special Revenue Fund was previously reported as an Agency fund in years prior to 2019. There is no fund balance recorded for 2021.

Federal Relief Fund – This Special Revenue Fund had a year-end fund balance of \$0. The City had not expended any Coronavirus State and Local Fiscal Rescue Funds (SLFRF) authorized by the American Recovery Plan Act of 2021 in the current year.

State-Aid Construction Fund – This Capital Project Fund saw an overall decrease in fund balance of \$421,676, due to the construction of Riverdale Drive.

Pavement Management Program Fund – This Capital Project Fund saw an increase in fund balance of \$202,038 due to the collection of franchise fees and other revenues exceeding current year spending for road improvements.

Public Works Campus Fund – This Capital Project Fund had a year-end fund balance of \$1,251,372, or an \$11,881,734 reduction from 2020. The reduction was due to construction of the public works campus.

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 \$106,066,647 at December 31, 2021. 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 \$467,903.

The Enterprise Funds consist of the Water Utility Fund, Sewer Utility Fund, Street Light Utility Fund, Recycling Utility Fund, and Storm Water Utility Fund.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets – The City’s investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2021 are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Capital Assets - Not Depreciated	\$ 7,800,527	\$ 14,002,341	\$ 1,740,097	\$ 1,506,096	\$ 9,540,624	\$ 15,508,437
Capital Assets - Depreciated	76,405,000	57,273,115	56,274,411	54,660,825	132,679,411	111,933,940
Total capital assets, net of depreciation	<u>\$ 84,205,527</u>	<u>\$ 71,275,456</u>	<u>\$ 58,014,508</u>	<u>\$ 56,166,921</u>	<u>\$ 142,220,035</u>	<u>\$ 127,442,377</u>
Depreciation expense	<u>\$ 4,230,458</u>	<u>\$ 3,618,521</u>	<u>\$ 1,754,541</u>	<u>\$ 1,686,932</u>	<u>\$ 5,984,999</u>	<u>\$ 5,305,453</u>

The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounts to approximately \$142 million (net of accumulated depreciation).

The governmental activities show a net increase of \$12,930,071 in capital assets attributable to the construction of the public works campus. Business-type activities show a net increase of \$1,847,587 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, fund balance was \$977,067 restricted for debt service.

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

	2021	2020
Governmental Activities		
G.O. improvement bonds	\$ 25,885,000	\$ 28,325,000
Capital equipment certificates	420,000	575,000
Unamortized bond premiums	795,714	-
Compensated absences payable	1,113,049	1,093,863
Net pension liability	4,128,461	6,043,916
Total OPEB liability	<u>563,334</u>	<u>461,540</u>
Subtotal	32,905,558	36,499,319
Business-type Activities		
Net pension liability	<u>395,230</u>	<u>509,015</u>
Total	<u>\$ 33,300,788</u>	<u>\$ 37,008,334</u>

During the current fiscal year, the City saw a decrease of \$2,595,000 in bonds and certificates. The City had one debt issuance during the current year. The series 2021A, were \$9,845,000 General Obligation Capital Improvement Plan Bonds that were issued to refund the 2012A General Obligation Capital Improvement Bond that had refunded the 2005A Public Project Lease Revenue that was issued to finance the construction of the City’s Municipal Center. The new bond issue resulted in a bond premium. The amount of unamortized bond premiums is attributed to this issue. Due to higher wages and employees retaining larger balances at year end, the compensated absence liability increased by \$19,186. Net pension liability saw a decrease of \$2,029,240 to reflect the change in the City’s proportionate share of the state-wide PERA pension plan obligation. Other Post-Employment Benefits (OPEB) increased \$101,794 due to costs exceeding the annual OPEB contributions as actuarially determined with the parameters of GASB Statement No. 75.

CAPITAL ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

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 \$65,526,968.

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 2.2%, which is a decrease from a rate of 4.4% a year ago. The state of Minnesota shows an average unemployment rate of 2.6%, whereas, nationally the unemployment rate is 3.7%.
- The booming housing market has increased Ramsey's estimated market value from \$3.346 billion in 2021 to \$4.140 billion in 2022 for a percentage increase of approximately 24%.
- The COVID-19 pandemic, beginning in year 2020, caused substantial volatility in the economy and changes to the City's operations and is expected to continue to impact the City's finances and operations in fiscal 2022 and beyond. Significant uncertainty remains about the breadth and duration of the pandemic. At this time, the City is unable to determine what effect this may have on its future financial condition.

All of these factors were considered in preparing the City of Ramsey's budget for the 2022 fiscal year.

The water and recycling utility rates were increased for the 2022 budget year. The water utility, which has a tiered rate structure, will increase by an average of 2.5% for all customers. The sewer utility, which has a flat rate structure for residential accounts only, will see an increase of 1%. Commercial sewer accounts, whose charges are based on their water usage, will also see a rate increase of 1%. The increased rates not only offset current maintenance costs and depreciation, but help finance future utility improvements that are documented in the City's ten-year Capital Improvement Plan. Most notably, the city's water treatment facility that is to begin construction in the summer of 2022.

The funding mechanism for the City's Pavement Management Program has changed for 2022. The city will no longer be collecting quarterly franchise fees from the respective gas and electric utilities, but have instead placed the respective funding for roads on the property tax levy.

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, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and temporary investments	\$ 44,214,495	\$ 46,419,126	\$ 90,633,621
Receivables			
Unremitted taxes	173,525	-	173,525
Delinquent taxes	92,968	-	92,968
Unremitted special assessments	26,583	-	26,583
Delinquent special assessments	3,273	15,182	18,455
Deferred special assessments	445,333	202,813	648,146
Accounts	595,421	1,643,280	2,238,701
Interest	266,586	-	266,586
Internal balances	(296,713)	296,713	-
Due from other governmental units	2,371,199	15,882	2,387,081
Prepays	36,247	82,458	118,705
Land held for resale	8,085,951	-	8,085,951
Capital assets			
Not depreciated	7,800,527	1,740,097	9,540,624
Depreciated	76,405,000	56,274,411	132,679,411
Total capital assets, net of depreciation	<u>84,205,527</u>	<u>58,014,508</u>	<u>142,220,035</u>
Total assets	140,220,395	106,689,962	246,910,357
Deferred outflows of resources			
OPEB plan deferments	87,802	-	87,802
Pension plan deferments	5,479,282	318,114	5,797,396
Total deferred outflows of resources	<u>5,567,084</u>	<u>318,114</u>	<u>5,885,198</u>
Total assets and deferred outflows of resources	<u>\$ 145,787,479</u>	<u>\$ 107,008,076</u>	<u>\$ 252,795,555</u>
Liabilities			
Accounts and contracts payable	\$ 1,160,381	\$ 111,206	\$ 1,271,587
Salaries and benefits payable	335,859	-	335,859
Accrued interest payable	75,700	-	75,700
Deposits payable	2,900,601	-	2,900,601
Due to other governmental units	3,905	70,876	74,781
Unearned revenue	1,514,706	-	1,514,706
Long-term liabilities			
Due within one year	2,638,482	-	2,638,482
Due in more than one year	30,267,076	395,230	30,662,306
Total long-term liabilities	<u>32,905,558</u>	<u>395,230</u>	<u>33,300,788</u>
Total liabilities	38,896,710	577,312	39,474,022
Deferred inflows of resources			
OPEB plan deferments	325,258	-	325,258
Pension plan deferments	6,614,912	364,117	6,979,029
Total deferred inflows of resources	<u>6,940,170</u>	<u>364,117</u>	<u>7,304,287</u>
Net Position			
Net investment in capital assets	57,322,004	57,940,442	115,262,446
Restricted for			
Road improvements	3,849,568	-	3,849,568
Debt service	1,184,009	-	1,184,009
Economic development	1,188,753	-	1,188,753
Housing and redevelopment	8,148,079	-	8,148,079
Recreation/community programs	419,568	-	419,568
Law enforcement programs	44,999	-	44,999
Tax increment	5,051,777	-	5,051,777
Unrestricted	22,741,842	48,126,205	70,868,047
Total net position	<u>99,950,599</u>	<u>106,066,647</u>	<u>206,017,246</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 145,787,479</u>	<u>\$ 107,008,076</u>	<u>\$ 252,795,555</u>

See notes to basic financial statements



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CITY OF RAMSEY

Balance Sheet
Governmental Funds
December 31, 2021

	Special Revenue Funds				
	General	Tax Increment	COR Land	Private Developer	Federal Relief
Assets					
Cash and temporary investments	\$ 10,548,733	\$ 5,057,171	\$ 62,128	\$ 2,749,352	\$ 1,514,706
Receivables					
Unremitted taxes	133,761	17,578	-	-	-
Delinquent taxes	68,329	8,477	-	-	-
Unremitted special assessments	-	-	-	-	-
Delinquent special assessments	-	-	-	-	-
Deferred special assessments	-	-	-	-	-
Accounts	16,702	-	-	46,910	-
Interest	266,586	-	-	-	-
Due from other governmental units	13,067	-	-	-	-
Due from other funds	-	-	-	-	-
Prepays	36,195	-	-	-	-
Land held for resale	-	-	8,085,951	-	-
	<u>\$ 11,083,373</u>	<u>\$ 5,083,226</u>	<u>\$ 8,148,079</u>	<u>\$ 2,796,262</u>	<u>\$ 1,514,706</u>
Liabilities					
Accounts and contracts payable	\$ 113,477	\$ 1,465	\$ -	\$ 7,975	\$ -
Salaries and benefits payable	335,859	-	-	-	-
Deposits payable	112,360	-	-	2,788,241	-
Due to other governmental units	3,859	-	-	46	-
Due to other funds	-	29,984	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	1,514,706
Total liabilities	<u>565,555</u>	<u>31,449</u>	<u>-</u>	<u>2,796,262</u>	<u>1,514,706</u>
Deferred inflows of resources					
Unavailable revenue - long-term receivables	-	-	-	-	-
Unavailable revenue - property taxes	68,329	8,477	-	-	-
Unavailable revenue - special assessments	-	-	-	-	-
Total deferred inflows of resources	<u>68,329</u>	<u>8,477</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable	36,195	-	-	-	-
Restricted	-	5,043,300	8,148,079	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	10,413,294	-	-	-	-
Total fund balances	<u>10,449,489</u>	<u>5,043,300</u>	<u>8,148,079</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,083,373</u>	<u>\$ 5,083,226</u>	<u>\$ 8,148,079</u>	<u>\$ 2,796,262</u>	<u>\$ 1,514,706</u>

See notes to basic financial statements

Capital Project Funds

<u>State-Aid Construction</u>	<u>Pavement Management Program</u>	<u>Public Works Campus</u>	<u>Nonmajor</u>	<u>Totals</u>
\$ 1,562,109	\$ 1,316,382	\$ 2,069,779	\$ 18,865,756	\$ 43,746,116
-	-	-	22,186	173,525
-	-	-	16,162	92,968
-	-	-	26,583	26,583
-	-	-	3,273	3,273
-	58,333	-	387,000	445,333
-	510,564	4,750	16,495	595,421
-	-	-	-	266,586
2,338,933	-	-	19,199	2,371,199
-	-	-	29,984	29,984
-	-	-	52	36,247
-	-	-	-	8,085,951
<u>\$ 3,901,042</u>	<u>\$ 1,885,279</u>	<u>\$ 2,074,529</u>	<u>\$ 19,386,690</u>	<u>\$ 55,873,186</u>
\$ 51,474	\$ 120,327	\$ 823,157	\$ 42,030	\$ 1,159,905
-	-	-	-	335,859
-	-	-	-	2,900,601
-	-	-	-	3,905
-	-	-	-	29,984
-	-	-	296,713	296,713
-	-	-	-	1,514,706
51,474	120,327	823,157	338,743	6,241,673
2,338,933	-	-	-	2,338,933
-	-	-	16,162	92,968
-	58,333	-	390,273	448,606
2,338,933	58,333	-	406,435	2,880,507
-	-	-	52	36,247
1,510,635	-	-	2,629,628	17,331,642
-	-	-	1,611,150	1,611,150
-	1,706,619	1,251,372	14,400,682	17,358,673
-	-	-	-	10,413,294
1,510,635	1,706,619	1,251,372	18,641,512	46,751,006
<u>\$ 3,901,042</u>	<u>\$ 1,885,279</u>	<u>\$ 2,074,529</u>	<u>\$ 19,386,690</u>	<u>\$ 55,873,186</u>



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CITY OF RAMSEY

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2021

Total fund balances – Governmental Funds \$ 46,751,006

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 book value of capital assets 84,205,527

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	(26,305,000)
Unamortized bond premiums	(795,714)
Compensated absences payable	(1,113,049)
Net pension liability	(4,128,461)
Total OPEB liability	(563,334)

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

2,880,507

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

(75,700)

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

Deferred outflows of resources for OPEB plan deferments	87,802
Deferred outflows of resources for pension plan deferments	5,479,282
Deferred inflows of resources for OPEB plan deferments	(325,258)
Deferred inflows of resources for pension plan deferments	(6,614,912)

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.

467,903

Total net position – governmental activities

\$ 99,950,599

See notes to basic financial statements

CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2021

	Special Revenue Funds				
	General	Tax Increment	COR Land	Private Developer	Federal Relief
Revenue					
Property taxes	\$ 11,184,493	\$ 1,754,914	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-	-
Special assessments	-	-	-	-	-
Licenses and permits	917,645	-	-	-	-
Intergovernmental revenue	706,660	-	-	-	-
Charges for services	760,740	-	-	-	-
Fines and forfeits	51,153	-	-	-	-
Other revenue					
Investment earnings (charges)	(36,541)	(23,377)	-	-	-
Miscellaneous	29,201	-	-	104,352	-
Total revenue	<u>13,613,351</u>	<u>1,731,537</u>	<u>-</u>	<u>104,352</u>	<u>-</u>
Expenditures					
Current					
General government	3,543,561	-	-	104,352	-
Public safety	6,305,076	-	-	-	-
Highways and streets	1,942,497	-	-	-	-
Culture and recreation	1,397,460	-	-	-	-
Economic development	-	1,828,773	-	-	-
Capital outlay	977,809	2,083	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>14,166,403</u>	<u>1,830,856</u>	<u>-</u>	<u>104,352</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(553,052)	(99,319)	-	-	-
Other financing sources (uses)					
Refunding debt issued	-	-	-	-	-
Payment on refunded debt	-	-	-	-	-
Premium on debt issues	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-
Transfers in	1,261,201	-	-	-	-
Transfers (out)	(348,713)	(166,000)	-	-	-
Total other financing sources (uses)	<u>912,488</u>	<u>(166,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	359,436	(265,319)	-	-	-
Fund balances					
Beginning of year	<u>10,090,053</u>	<u>5,308,619</u>	<u>8,148,079</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 10,449,489</u>	<u>\$ 5,043,300</u>	<u>\$ 8,148,079</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to basic financial statements

Capital Project Funds

<u>State-Aid Construction</u>	<u>Pavement Management Program</u>	<u>Public Works Campus</u>	<u>Nonmajor</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 1,907,165	\$14,846,572
-	2,071,476	-	-	2,071,476
-	11,424	-	754,707	766,131
-	-	-	-	917,645
355,122	-	-	548,696	1,610,478
-	1,140	-	1,276,240	2,038,120
-	-	-	-	51,153
(8,670)	(7,170)	(1,333)	(84,599)	(161,690)
-	300,004	8,011	622,927	1,064,495
<u>346,452</u>	<u>2,376,874</u>	<u>6,678</u>	<u>5,025,136</u>	<u>23,204,380</u>
-	-	97,824	195,667	3,941,404
-	-	-	110,435	6,415,511
619	19,422	-	201,788	2,164,326
-	-	-	19,791	1,417,251
-	-	-	311,494	2,140,267
933,509	2,155,414	11,790,588	166,997	16,026,400
-	-	-	1,930,000	1,930,000
-	-	-	851,152	851,152
<u>934,128</u>	<u>2,174,836</u>	<u>11,888,412</u>	<u>3,787,324</u>	<u>34,886,311</u>
(587,676)	202,038	(11,881,734)	1,237,812	(11,681,931)
-	-	-	9,845,000	9,845,000
-	-	-	(10,510,000)	(10,510,000)
-	-	-	809,201	809,201
-	-	-	46,443	46,443
166,000	-	-	622,639	2,049,840
-	-	-	(1,114,201)	(1,628,914)
<u>166,000</u>	<u>-</u>	<u>-</u>	<u>(300,918)</u>	<u>611,570</u>
(421,676)	202,038	(11,881,734)	936,894	(11,070,361)
<u>1,932,311</u>	<u>1,504,581</u>	<u>13,133,106</u>	<u>17,704,618</u>	<u>57,821,367</u>
<u>\$ 1,510,635</u>	<u>\$ 1,706,619</u>	<u>\$ 1,251,372</u>	<u>\$ 18,641,512</u>	<u>\$46,751,006</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, 2021

Total net change in fund balances – Governmental Funds \$ (11,070,361)

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	16,026,400
Contributed assets from Internal Service Fund	39,625
Contributed assets from developers	1,454,401
Utility infrastructure constructed by capital project funds not reported as governmental activities	(335,779)
Disposals	(24,118)
Depreciation expense	(4,230,458)

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.

Issuance of new debt	(9,845,000)
Repayment of principal on long-term debt	12,440,000
Debt premiums	(795,714)

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.

(45,839)

Certain revenues (including long-term receivables, delinquent taxes and special assessments) 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.

1,431,111

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	(19,186)
Governmental activities – pension expense	764,731

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.

(38,701)

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.

(13,948)

Change in net position – governmental activities \$ 5,737,164

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, 2021

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 11,109,848	\$ 11,109,848	\$ 11,184,493	\$ 74,645
Licenses and permits	629,800	629,800	917,645	287,845
Intergovernmental revenue	433,800	433,800	706,660	272,860
Charges for services	621,500	621,500	760,740	139,240
Fines and forfeits	45,500	45,500	51,153	5,653
Other revenue				
Investment earnings (charges)	100,000	100,000	(36,541)	(136,541)
Miscellaneous	20,700	20,700	29,201	8,501
Total revenue	<u>12,961,148</u>	<u>12,961,148</u>	<u>13,613,351</u>	<u>652,203</u>
Expenditures				
Current				
General government	3,685,946	3,685,946	3,543,561	(142,385)
Public safety	5,951,740	5,951,740	6,305,076	353,336
Highways and streets	2,188,999	2,188,999	1,942,497	(246,502)
Culture and recreation	1,360,090	1,360,090	1,397,460	37,370
Capital outlay	1,090,200	1,090,200	977,809	(112,391)
Debt service				
Interest and fiscal charges	106,373	106,373	–	(106,373)
Total expenditures	<u>14,383,348</u>	<u>14,383,348</u>	<u>14,166,403</u>	<u>(216,945)</u>
Excess (deficiency) of revenue over expenditures	(1,422,200)	(1,422,200)	(553,052)	869,148
Other financing sources (uses)				
Transfers in	1,422,200	1,422,200	1,261,201	(160,999)
Transfers (out)	–	–	(348,713)	(348,713)
Total other financing sources (uses)	<u>1,422,200</u>	<u>1,422,200</u>	<u>912,488</u>	<u>(509,712)</u>
Net change in fund balances	<u>\$ –</u>	<u>\$ –</u>	359,436	<u>\$ 359,436</u>
Fund balances				
Beginning of year			<u>10,090,053</u>	
End of year			<u>\$ 10,449,489</u>	

See notes to basic financial statements

CITY OF RAMSEY

Statement of Net Position
 Proprietary Funds
 December 31, 2021

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Assets			
Current assets			
Cash and temporary investments	\$ 28,636,950	\$ 13,326,601	\$ 1,258,598
Receivables			
Delinquent special assessments	7,591	7,591	–
Deferred special assessments	95,719	107,094	–
Accounts	576,449	524,892	68,311
Due from other governmental units	9,600	–	–
Prepays	–	82,458	–
Total current assets	<u>29,326,309</u>	<u>14,048,636</u>	<u>1,326,909</u>
Noncurrent assets			
Advances to other Funds	296,713	–	–
Capital assets			
Land	868,513	–	–
Construction in progress	234,001	–	–
Buildings and structures	6,177,522	–	–
Improvements other than buildings	–	–	1,135,881
Machinery and equipment	172,992	621,833	–
Water and sewer lines	<u>31,520,652</u>	<u>26,778,236</u>	<u>–</u>
	38,973,680	27,400,069	1,135,881
Less accumulated depreciation	<u>12,545,292</u>	<u>9,852,740</u>	<u>699,345</u>
Net capital assets	<u>26,428,388</u>	<u>17,547,329</u>	<u>436,536</u>
Total noncurrent assets	<u>26,725,101</u>	<u>17,547,329</u>	<u>436,536</u>
Total assets	56,051,410	31,595,965	1,763,445
Deferred Outflows of Resources			
Pension plan deferments	<u>148,454</u>	<u>84,830</u>	<u>–</u>
Total assets and deferred outflows of resources	<u>\$ 56,199,864</u>	<u>\$ 31,680,795</u>	<u>\$ 1,763,445</u>
Liabilities			
Current liabilities			
Accounts and contracts payable	\$ 91,229	\$ 4,534	\$ 10,388
Due to other governmental units	<u>33,846</u>	<u>36,902</u>	<u>128</u>
Total current liabilities	125,075	41,436	10,516
Noncurrent liabilities			
Net pension liability	<u>184,440</u>	<u>105,395</u>	<u>–</u>
Total liabilities	309,515	146,831	10,516
Deferred Inflows of Resources			
Pension plan deferments	169,921	97,098	–
Net Position			
Net investment in capital assets	26,354,322	17,547,329	436,536
Unrestricted	<u>29,366,106</u>	<u>13,889,537</u>	<u>1,316,393</u>
Total net position	<u>55,720,428</u>	<u>31,436,866</u>	<u>1,752,929</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 56,199,864</u>	<u>\$ 31,680,795</u>	<u>\$ 1,763,445</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>
\$ 287,193	\$ 2,909,784	\$ 46,419,126	\$ 468,379
–	–	15,182	–
–	–	202,813	–
133,365	340,263	1,643,280	–
6,282	–	15,882	–
–	–	82,458	–
<u>426,840</u>	<u>3,250,047</u>	<u>48,378,741</u>	<u>468,379</u>
–	–	296,713	–
–	637,583	1,506,096	–
–	–	234,001	–
–	–	6,177,522	–
–	16,577,646	17,713,527	–
–	411,058	1,205,883	–
–	334,378	58,633,266	–
–	17,960,665	85,470,295	–
–	4,358,410	27,455,787	–
–	13,602,255	58,014,508	–
–	13,602,255	58,311,221	–
426,840	16,852,302	106,689,962	468,379
–	84,830	318,114	–
<u>\$ 426,840</u>	<u>\$ 16,937,132</u>	<u>\$ 107,008,076</u>	<u>\$ 468,379</u>
\$ 1,363	\$ 3,692	\$ 111,206	\$ 476
–	–	70,876	–
<u>1,363</u>	<u>3,692</u>	<u>182,082</u>	<u>476</u>
–	105,395	395,230	–
1,363	109,087	577,312	476
–	97,098	364,117	–
–	13,602,255	57,940,442	–
425,477	3,128,692	48,126,205	467,903
<u>425,477</u>	<u>16,730,947</u>	<u>106,066,647</u>	<u>467,903</u>
<u>\$ 426,840</u>	<u>\$ 16,937,132</u>	<u>\$ 107,008,076</u>	<u>\$ 468,379</u>

CITY OF RAMSEY

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2021

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Operating revenue			
Charges for services	\$ 3,057,474	\$ 1,799,725	\$ 222,364
Sewer access surcharge	–	5,889	–
Other	–	–	–
Total operating revenue	<u>3,057,474</u>	<u>1,805,614</u>	<u>222,364</u>
Operating expenses			
Personal services	386,666	191,334	–
Supplies	253,241	28,138	–
Service charges			
Disposal charges	–	845,201	–
Other	353,342	96,468	142,792
Depreciation	779,109	581,239	35,784
Total operating expenses	<u>1,772,358</u>	<u>1,742,380</u>	<u>178,576</u>
Operating income (loss)	1,285,116	63,234	43,788
Nonoperating revenue (expense)			
Intergovernmental revenue	10,054	260	–
Capital contributions to governmental funds	–	–	–
Investment earnings (charges)	(131,858)	(65,897)	(6,322)
Total nonoperating revenue (expense)	<u>(121,804)</u>	<u>(65,637)</u>	<u>(6,322)</u>
Income (loss) before contributions and transfers	1,163,312	(2,403)	37,466
Capital contributions - developer contributions	892,511	869,905	–
Capital contributions - governmental funds	160,180	111,795	–
Capital contributions - connection fees	913,082	423,965	–
Transfers in	61,853	–	–
Transfers (out)	(207,180)	(152,795)	(23,000)
Change in net position	2,983,758	1,250,467	14,466
Net position			
Beginning of year	<u>52,736,670</u>	<u>30,186,399</u>	<u>1,738,463</u>
End of year	<u>\$ 55,720,428</u>	<u>\$ 31,436,866</u>	<u>\$ 1,752,929</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>
\$ 440,097	\$ 1,197,572	\$ 6,717,232	\$ -
-	-	5,889	-
-	-	-	122,877
<u>440,097</u>	<u>1,197,572</u>	<u>6,723,121</u>	<u>122,877</u>
29,621	219,618	827,239	-
24,969	6,626	312,974	68,521
-	-	845,201	-
452,477	130,696	1,175,775	26,247
-	358,409	1,754,541	-
<u>507,067</u>	<u>715,349</u>	<u>4,915,730</u>	<u>94,768</u>
(66,970)	482,223	1,807,391	28,109
62,950	260	73,524	-
-	-	-	(39,625)
<u>(1,459)</u>	<u>(15,378)</u>	<u>(220,914)</u>	<u>(2,432)</u>
<u>61,491</u>	<u>(15,118)</u>	<u>(147,390)</u>	<u>(42,057)</u>
(5,479)	467,105	1,660,001	(13,948)
-	656,896	2,419,312	-
-	63,804	335,779	-
-	-	1,337,047	-
-	-	61,853	-
-	(99,804)	(482,779)	-
(5,479)	1,088,001	5,331,213	(13,948)
<u>430,956</u>	<u>15,642,946</u>	<u>100,735,434</u>	<u>481,851</u>
<u>\$ 425,477</u>	<u>\$ 16,730,947</u>	<u>\$ 106,066,647</u>	<u>\$ 467,903</u>

CITY OF RAMSEY

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2021

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Cash flows from operating activities			
Receipts from customers and users	\$ 2,968,949	\$ 1,746,288	\$ 218,635
Receipts from interfund services provided	–	–	–
Paid to suppliers/service providers	(520,896)	(971,067)	(132,898)
Paid to employees	(401,295)	(199,689)	–
Net cash flows from operating activities	<u>2,046,758</u>	<u>575,532</u>	<u>85,737</u>
Cash flows from capital and related financing activities			
Capital assets purchased and contributed to governmental activities	–	–	–
Capital contributions - connection fees	913,082	423,965	–
Transfers (out)	(207,180)	(152,795)	(23,000)
Acquisition of capital assets	(457,833)	(52,216)	–
Net cash flows from capital and related financing activities	<u>248,069</u>	<u>218,954</u>	<u>(23,000)</u>
Cash flows from investing activities			
Interest and changes in fair value on investments	(131,858)	(65,897)	(6,322)
Cash flows from noncapital financing activities			
Transfers in	61,853	–	–
Intergovernmental revenue	10,054	260	–
Repayment of advances to other funds	265,283	227,475	–
Net cash flows from noncapital financing activities	<u>337,190</u>	<u>227,735</u>	<u>–</u>
Net increase (decrease) in cash and temporary investments/cash equivalents	2,500,159	956,324	56,415
Cash and temporary investments/cash equivalents			
Beginning of year	<u>26,136,791</u>	<u>12,370,277</u>	<u>1,202,183</u>
End of year	<u>\$ 28,636,950</u>	<u>\$ 13,326,601</u>	<u>\$ 1,258,598</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ 1,285,116	\$ 63,234	\$ 43,788
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	779,109	581,239	35,784
Change in assets, deferred inflows, liabilities and deferred outflows			
Receivables			
Delinquent and deferred special assessments	(1,595)	16,300	–
Accounts	(77,330)	(26,720)	(3,239)
Due from other governmental units	(9,600)	–	–
Prepays	–	(11,710)	–
Deferred outflows - pension plan deferments	(119,392)	(68,223)	–
Accounts payable	81,980	610	10,010
Unearned revenue	–	(48,906)	(490)
Due to other governmental units	3,707	9,840	(116)
Net pension liability	(53,101)	(30,341)	–
Deferred inflows - pension plan deferments	157,864	90,209	–
Net cash flow from operating activities	<u>\$ 2,046,758</u>	<u>\$ 575,532</u>	<u>\$ 85,737</u>
Noncash, investing, capital, and financing activities			
Contributions of capital assets from governmental funds	<u>\$ 160,180</u>	<u>\$ 111,795</u>	<u>\$ –</u>
Contributions of capital assets from developers	<u>\$ 892,511</u>	<u>\$ 869,905</u>	<u>\$ –</u>

See notes to basic financial statements

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 419,754	\$ 1,188,206	\$ 6,541,832	\$ -
-	-	-	122,877
(476,609)	(239,416)	(2,340,886)	(94,461)
(29,621)	(227,975)	(858,580)	-
<u>(86,476)</u>	<u>720,815</u>	<u>3,342,366</u>	<u>28,416</u>
-	-	-	(39,625)
-	-	1,337,047	-
-	(99,804)	(482,779)	-
-	(336,988)	(847,037)	-
<u>-</u>	<u>(436,792)</u>	<u>7,231</u>	<u>(39,625)</u>
(1,459)	(15,378)	(220,914)	(2,432)
-	-	61,853	-
62,950	260	73,524	-
-	-	492,758	-
<u>62,950</u>	<u>260</u>	<u>628,135</u>	<u>-</u>
(24,985)	268,905	3,756,818	(13,641)
312,178	2,640,879	42,662,308	482,020
<u>\$ 287,193</u>	<u>\$ 2,909,784</u>	<u>\$ 46,419,126</u>	<u>\$ 468,379</u>
\$ (66,970)	\$ 482,223	\$ 1,807,391	\$ 28,109
-	358,409	1,754,541	-
-	-	14,705	-
(39,025)	(9,366)	(155,680)	-
18,682	-	9,082	-
-	-	(11,710)	-
-	(68,223)	(255,838)	-
837	(102,080)	(8,643)	307
-	-	(49,396)	-
-	(14)	13,417	-
-	(30,343)	(113,785)	-
<u>-</u>	<u>90,209</u>	<u>338,282</u>	<u>-</u>
<u>\$ (86,476)</u>	<u>\$ 720,815</u>	<u>\$ 3,342,366</u>	<u>\$ 28,416</u>
<u>\$ -</u>	<u>\$ 63,804</u>	<u>\$ 335,779</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 656,896</u>	<u>\$ 2,419,312</u>	<u>\$ -</u>



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CITY OF RAMSEY

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021

	<u>Custodial Fund</u>
Assets	
Assets held for resale	\$ 13,582,499
Liabilities	
Due to other governmental units	<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, 2021

	<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, 2021

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 (GAAP).

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 2021 fiscal year, the City paid LOGIS approximately \$288,256 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 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. For this purpose, the City considers revenues to be available if collected within 60 days after year-end. 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.

Federal Relief Special Revenue Fund – This fund is used to account for the funds received from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), authorized by the American Rescue Plan Act of 2021.

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

Pavement Management Program Capital Project Fund – This fund is used to account for the resources to be used for road reconstructions and overlays per the City’s Pavement Management Program.

Public Works Campus Capital Project Fund – This fund is used to account for the resources to be used for the construction of the public works campus.

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 is assigned a AAA rating by Moody's.

The City reports all other investments at fair value except for certain investment pools reported at amortized cost. 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 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 PERA. 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.

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, net collective difference 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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: long-term receivables, property taxes, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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. 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 structures and improvements other than buildings, 5 to 10 years for office equipment, motor vehicles and machinery and equipment, and 20 to 50 years for water and sewer lines and 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 of unused sick leave (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 that are material are amortized over the life of the bond issue. 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, proprietary fund, and fiduciary 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **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.

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.

For the year ended December 31, 2021, expenditures were over budget in the Economic Development Authority Fund by \$241,285.

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 2021.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. 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.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	\$	3,594,479
Investments		87,038,842
Cash on hand		300
Total	\$	<u>90,633,621</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.

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 \$3,594,479 while the balance on the bank Records was \$3,622,987. At December 31, 2021, 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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The City has the following investments at year end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk-Maturity Duration in Years			Total
	Rating	Agency		Less Than 1	1 to 5	6 to 10	
U.S. Agencies	AA+	S&P	Level 2	\$ 75	\$ 1,030	\$ -	\$ 1,105
U.S. Treasuries	N/R	N/A	Level 1	7,432,425	-	-	7,432,425
Municipal Bonds	A-AAA	Moodys	Level 2	2,962,545	10,281,934	7,880,123	21,124,602
Municipal Bonds	A-AAA	S&P	Level 2	2,181,403	14,536,315	16,112,992	32,830,710
Negotiable Certificates of Deposit	N/A	N/A	Level 2	1,489,970	2,696,797	242,486	4,429,253
Commercial Paper	A1	S&P	Level 1	4,996,300	-	-	4,996,300
Investment pools							
Minnesota Municipal Money Market	N/R	N/A	Amortized Cost	15,909,640	-	-	15,909,640
UBS Select Prime Institutional Fund	AAA	Moodys	Net Asset Value	314,807	-	-	314,807
Total Investments							\$ 87,038,842

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 (SEC) that follows the same regulatory rules of the SEC. 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. The 4M Fund is sponsored by the League of Minnesota Cities. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the liquid class; the redemption period is 14 days for the Plus Class.

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.

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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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. At December 31, 2021, the City held commercial paper issued by Credit Suisse First Boston in New York that represented 5.7 percent of the investment portfolio.

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 Economic Development Authority Special Revenue Fund	Major Governmental Fund Tax Increment Special Revenue Fund	<u>\$ 29,984</u>

This internal loan was utilized for cash flow purposes.

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 Enterprise Fund; Water Utility	Nonmajor Capital Project Fund; Public Facilities Construction	\$ 296,713	Internally finance facility loan

The fund is to be repaid by 2028 with a stated rate of interest of 2%.

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

C. Interfund Transfers

Transfers Out	Transfers In				Total
	General Fund	State-Aid Construction Capital Project Fund	Nonmajor Governmental Funds	Water Utility Enterprise Fund	
General Fund	\$ -	\$ -	\$ 286,860	\$ 61,853	\$ 348,713
Tax Increment Special Revenue Fund	-	166,000	-	-	166,000
Nonmajor Governmental Funds	1,114,201	-	-	-	1,114,201
Water Utility Enterprise Fund	47,000	-	160,180	-	207,180
Sewer Utility Enterprise Fund	41,000	-	111,795	-	152,795
Street Light Utility Enterprise Fund	23,000	-	-	-	23,000
Storm Water Utility Enterprise Fund	36,000	-	63,804	-	99,804
Total	\$ 1,261,201	\$ 166,000	\$ 622,639	\$ 61,853	\$ 2,111,693

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.

In 2021, the General Fund transferred \$122,940 each to the Public Improvement Revolving Fund and Equipment Revolving Fund and \$40,980 to the Public Facilities Construction Fund for their respective shares as outlined in the City’s Fund Balance Policy. The General Fund transferred \$61,853 to the water fund for its annual repayment of the Municipal Center capital contribution.

The Tax Increment Special Revenue Fund transferred \$166,000 to the State Aid Construction Fund for capital purposes.

The Public Improvement Revolving Fund transferred \$125,000 to the General Fund for operating purposes.

The Landfill Fund transferred \$989,201 to the General Fund for capital equipment purchases.

The Water Utility Fund transferred \$47,000 to the General Fund for operating purposes and \$160,180 to Riverdale Drive Street Improvement Fund for its share of water capital improvements.

The Sewer Utility Fund transferred \$41,000 to the General Fund for operating purposes and \$111,795 to Riverdale Drive Street Improvement Fund for its share of sewer capital improvements.

The Street Light Utility Fund transferred \$23,000 to the General Fund for operating purposes.

The Storm Water Utility Fund transferred \$36,000 to the General Fund for operating purposes and \$63,804 to the Riverdale Drive Street Improvement Fund for its share of storm water capital improvements.

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	7,154,319	938,200	(7,140,014)	-	952,505
Total capital assets, not depreciated	14,002,341	938,200	(7,140,014)	-	7,800,527
Capital assets, depreciated					
Buildings and structures	29,291,844	11,724,138	4,194,168	-	45,210,150
Improvements other than buildings	11,687,705	16,939	-	-	11,704,644
Office equipment	711,375	-	(6,662)	-	704,713
Motor vehicles	4,034,637	171,397	-	(261,658)	3,944,376
Machinery and equipment	7,295,085	897,239	277,288	(194,163)	8,275,449
Infrastructure	43,847,386	3,772,513	2,339,441	-	49,959,340
Total capital assets, depreciated	96,868,032	16,582,226	6,804,235	(455,821)	119,798,672
Less accumulated depreciation on					
Buildings and structures	(8,427,788)	(943,484)	-	-	(9,371,272)
Improvements other than buildings	(6,100,511)	(558,119)	-	-	(6,658,630)
Office equipment	(518,916)	(41,218)	6,662	-	(553,472)
Motor vehicles	(3,452,555)	(204,688)	-	261,658	(3,395,585)
Machinery and equipment	(4,206,173)	(469,146)	(6,662)	170,045	(4,511,936)
Infrastructure	(16,888,974)	(2,013,803)	-	-	(18,902,777)
Total accumulated depreciation	(39,594,917)	(4,230,458)	-	431,703	(43,393,672)
Total capital assets, depreciated, net	57,273,115	12,351,768	6,804,235	(24,118)	76,405,000
Net capital assets	\$ 71,275,456	\$ 13,289,968	\$ (335,779)	\$ (24,118)	\$ 84,205,527

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	\$ 1,506,096	\$ -	\$ -	\$ -	\$ 1,506,096
Construction in progress	-	234,001	-	-	234,001
Total capital assets, not depreciated	1,506,096	234,001	-	-	1,740,097
Capital assets, depreciated					
Buildings and structures	6,058,847	118,675	-	-	6,177,522
Improvements other than buildings	16,655,839	993,884	63,804	-	17,713,527
Machinery and equipment	1,190,099	43,216	-	(27,432)	1,205,883
Water and sewer lines	56,484,718	1,876,573	271,975	-	58,633,266
Total capital assets, depreciated	80,389,503	3,032,348	335,779	(27,432)	83,730,198
Less accumulated depreciation on					
Buildings and structures	(1,864,608)	(123,463)	-	-	(1,988,071)
Improvements other than buildings	(4,580,447)	(373,804)	-	-	(4,954,251)
Machinery and equipment	(509,214)	(84,790)	-	27,432	(566,572)
Water and sewer lines	(18,774,409)	(1,172,484)	-	-	(19,946,893)
Total accumulated depreciation	(25,728,678)	(1,754,541)	-	27,432	(27,455,787)
Total capital assets, depreciated, net	54,660,825	1,277,807	335,779	-	56,274,411
Net capital assets	\$56,166,921	\$ 1,511,808	\$ 335,779	\$ -	\$ 58,014,508

NOTE 4 – CAPITAL ASSETS (CONTINUED)

C. Depreciation Expense by Function

Governmental activities	
General government	\$ 835,502
Public safety	406,404
Highways and streets	2,539,788
Culture and recreation	448,764
Total depreciation expense – governmental activities	<u>\$ 4,230,458</u>
Business-type activities	
Water Utility	\$ 779,109
Sewer Utility	581,239
Street Light Utility	35,784
Storm Water Utility	358,409
Total depreciation expense – business-type activities	<u>\$ 1,754,541</u>

NOTE 5 – LONG-TERM DEBT

A. Components of Long-Term Debt

	Original Issue	Interest Rate	Issue Date	Final Maturity Date	Balance – End of Year
Governmental activities					
Bonds payable					
General Obligation Improvement Bonds					
Series 2011B	\$ 3,090,000	2.00-2.70%	12/29/2011	12/15/2025	\$ 1,200,000
Series 2015A	\$ 3,880,000	2.00-3.50%	6/15/2015	12/1/2035	3,020,000
Series 2015B	\$ 1,205,000	2.00-2.25%	6/15/2015	12/1/2025	510,000
Series 2016A	\$ 1,650,000	2.00%	7/21/2016	12/15/2026	855,000
Series 2017A	\$ 895,000	1.15-2.50%	8/17/2017	12/15/2027	550,000
Series 2018A	\$ 1,175,000	3.00%	7/17/2018	12/15/2028	850,000
Series 2020A	\$ 9,055,000	1.00-1.65%	12/30/2020	12/15/2041	9,055,000
Series 2021A	\$ 9,845,000	2.00-3.00%	10/19/2021	12/15/2031	9,845,000
Total general obligation improvement bonds					<u>25,885,000</u>
Capital Equipment Certificates					
Series 2013A	\$ 635,000	0.50-3.00%	9/5/2013	9/1/2023	140,000
Series 2014A	\$ 875,000	0.60-2.35%	12/3/2014	12/15/2024	280,000
Total capital equipment certificates					<u>420,000</u>
Unamortized bond premiums					795,714
Compensated absences payable					1,113,049
Net pension liability					4,128,461
Total OPEB liability					<u>563,334</u>
Total governmental activities					<u>32,905,558</u>
Business-type activities					
Net pension liability					<u>395,230</u>
Total government and business-type activities					<u>\$ 33,300,788</u>

B. Descriptions of Long-Term Debt

- **General Obligation Improvement Bonds –**

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 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.

NOTE 5 – LONG-TERM DEBT (CONTINUED)

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

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

The Series 2020A were issued to fund approximately 50% of the construction costs of the Public Works Facility in the City.

The Series 2021A, a \$9,845,000 Capital Improvement Plan Bond, was issued to refund the 2012A Series bonds that were called on December 15, 2021. In October 2021, the City issued \$9,845,000 of General Obligation Refunding Bonds, Series 2021A. The proceeds of this issue were used to refund, in advance of their stated maturities, the remaining maturities of the City's General Obligation Bonds, Series 2012A on December 15, 2021. This current refunding reduced the City's total future debt service payments by \$1,120,152, and resulted in a present value savings of \$1,063,618.

- **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.

Debt service is covered respectively by special assessments, state aids, and general property taxes. General Obligation bonds and equipment certificates are direct obligations and have the pledge of the full faith and credit of the City.

- **Unamortized Bond Premiums** – This amount represents the remaining bond premium that will be written off against interest expense in the future.
- **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.

NOTE 5 – LONG-TERM DEBT (CONTINUED)

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	\$ 28,325,000	\$ 9,845,000	\$ 12,285,000	\$ 25,885,000	\$ 1,755,000
Capital Equipment Certificates	575,000	–	155,000	420,000	160,000
Unamortized bond premiums	–	809,201	13,487	795,714	–
Compensated absences payable	1,093,863	741,485	722,299	1,113,049	723,482
Net pension liability	6,043,916	6,546,629	8,462,084	4,128,461	–
Total OPEB liability	461,540	110,905	9,111	563,334	–
Total governmental activities	36,499,319	18,053,220	21,646,981	32,905,558	2,638,482
Business type Activities					
Net pension liability	509,015	417,313	531,098	395,230	–
Total governmental and business type activities	\$ 37,008,334	\$ 18,470,533	\$ 22,178,079	\$ 33,300,788	\$ 2,638,482

D. Minimum Debt Payments

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

Year Ending December 31,	Governmental Activities Bonded and Capital Equipment Certificate Debt	
	Principal	Interest
2022	\$ 1,915,000	\$ 616,201
2023	2,010,000	526,875
2024	2,010,000	474,977
2025	1,975,000	421,757
2026	1,575,000	368,565
2027-2031	6,775,000	1,243,275
2032-2036	5,370,000	602,068
2037-2041	4,675,000	224,160
	\$ 26,305,000	\$ 4,477,878

NOTE 6 – NET INVESTMENT IN CAPITAL ASSETS

A. Net Investment in Capital Assets

The government-wide statement of net position at December 31, 2021 includes the City’s net investment in capital assets calculated as follows:

	Governmental Activities	Business-Type Activities	Total
Net investment in capital assets:			
Capital assets			
Not depreciated	\$ 7,800,527	\$ 1,740,097	\$ 9,540,624
Depreciated	76,405,000	56,274,411	132,679,411
Less capital-related long-term debt outstanding	(25,900,714)	–	(25,900,714)
Less capital-related accounts, contracts, and retainage payables	(982,809)	(74,066)	(1,056,875)
Total net investments in capital assets	\$ 57,322,004	\$ 57,940,442	\$ 115,262,446

NOTE 7 – FUND BALANCE POLICY AND CLASSIFICATION

A. Classifications

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

	Special Revenue Funds					Capital Project Funds				Total
	General	Tax Increment	COR Land	Private Developer	Federal Relief Funds	State-Aid Construction	Pavement Management Program	Public Works Campus	Nonmajor	
Fund balances										
Nonspendable										
Prepays	\$ 36,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52	\$ 36,247
Restricted for										
Road improvements	-	-	-	-	-	1,510,635	-	-	-	1,510,635
Debt service	-	-	-	-	-	-	-	-	977,067	977,067
Economic development	-	-	-	-	-	-	-	-	1,187,994	1,187,994
Housing and redevelopment	-	-	8,148,079	-	-	-	-	-	-	8,148,079
Recreation/community programs	-	-	-	-	-	-	-	-	419,568	419,568
Law enforcement programs	-	-	-	-	-	-	-	-	44,999	44,999
Tax increment financing	-	5,043,300	-	-	-	-	-	-	-	5,043,300
	-	5,043,300	8,148,079	-	-	1,510,635	-	-	2,629,628	17,331,642
Committed										
Stormwater development projects	-	-	-	-	-	-	-	-	1,046,658	1,046,658
Community/business programs	-	-	-	-	-	-	-	-	564,492	564,492
	-	-	-	-	-	-	-	-	1,611,150	1,611,150
Assigned										
Road improvements	-	-	-	-	-	-	1,706,619	-	5,908,441	7,615,060
Capital improvements	-	-	-	-	-	-	-	1,251,372	1,473,687	2,725,059
Cemetery improvements	-	-	-	-	-	-	-	-	78,467	78,467
Park improvements	-	-	-	-	-	-	-	-	6,313,263	6,313,263
Right-of-way acquisitions	-	-	-	-	-	-	-	-	526,427	526,427
Parking ramp maintenance	-	-	-	-	-	-	-	-	100,397	100,397
	-	-	-	-	-	-	1,706,619	1,251,372	14,400,682	17,358,673
Unassigned	10,413,294	-	-	-	-	-	-	-	-	10,413,294
Total fund balances	<u>\$ 10,449,489</u>	<u>\$ 5,043,300</u>	<u>\$ 8,148,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,510,635</u>	<u>\$ 1,706,619</u>	<u>\$ 1,251,372</u>	<u>\$ 18,641,512</u>	<u>\$ 46,751,006</u>

NOTE 7 – 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, 2021, the City has met its general fund balance policy goal.

NOTE 8 – 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	\$ 2,634,866	\$ 2,120,762	\$ 2,427,446	\$ 138,366
PERA – PEPFF	1,888,825	3,676,634	4,551,583	(5,961)
Total - all pensions	<u>\$ 4,523,691</u>	<u>\$ 5,797,396</u>	<u>\$ 6,979,029</u>	<u>\$ 132,405</u>

NOTE 9 – 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 Public Employees Retirement Association (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 (IRC).

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 the PERA.

B. Benefits Provided

The 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 Plan members is 1.20% of average salary for each of the first 10 years of service and 1.70% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.70% 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.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.00% of the cost of living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1.00% and a maximum of 1.50%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. 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 9 – 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.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is fixed at 1.00%. 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. 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. GERS Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2021 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the GERS for the year ended December 31, 2021, were \$330,724. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2021 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the PEPFF for the year ended December 31, 2021, were \$541,368. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. GERS Pension Costs

At December 31, 2021, the City reported a liability of \$2,634,866 for its proportionate share of the GERS'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 2021. 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 \$80,483. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 9 – 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.0617% at the end of the measurement period and 0.0566% for the beginning of the period.

The amount recognized by the City as its proportionate share of the net pension liability, the direct aid and total portion of the net pension liability that was associated with the City were as follows:

City’s proportionate share of the net pension liability	\$2,634,866
State of Minnesota’s proportionate share of the net pension liability associated with the City	<u>80,483</u>
Total	<u>\$2,715,349</u>

For the year ended December 31, 2021, the City recognized pension expense of \$131,872 for its proportionate share of the GERP’s pension expense. In addition, the City recognized an additional \$6,494 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$16.0 million to the GERP.

At December 31, 2021, the City reported its proportionate share of the GERP’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	\$ 13,905	\$ 79,863
Changes in actuarial assumptions	1,608,795	52,386
Net collective difference between projected and actual investment earnings	-	2,295,197
Changes in proportion	333,005	-
Contributions paid to the PERA subsequent to the measurement date	<u>165,057</u>	<u>-</u>
Total	<u>\$ 2,120,762</u>	<u>\$2,427,446</u>

A total of \$165,057 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 ending December 31, 2022. 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>
2022	\$ 21,624
2023	80,500
2024	48,530
2025	<u>(622,395)</u>
Total	<u>\$ (471,741)</u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

2. PEPFF Pension Costs

At December 31, 2021, the City reported a liability of \$1,888,825 for its proportionate share of the PEPFF’s net pension liability. The net pension liability was measured as of June 30, 2021, 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 July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.2447% at the end of the measurement period and 0.2397% for the beginning of the period.

The State of Minnesota also contributed \$18 million to the PEPFF in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9.0 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9.0 million of direct state was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9 million to the PEPFF until full funding is reached by July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota Retirement System) is 90% funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9.0 million in direct state aid. PEPFF employers need to recognize their proportionate share of the State of Minnesota’s pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2021, the City recognized negative pension expense of \$(21,426) for its proportionate share of the PEPFF’s pension expense. The City recognized \$15,465 as grant revenue for its proportionate share of the State of Minnesota’s pension expense for the contribution of \$9.0 million to the PEPFF.

The amount recognized by the City as its proportionate share of the net pension liability, the direct aid and total portion of the net pension liability that was associated with the City were as follows:

City’s proportionate share of the net pension liability	\$1,888,825
State of Minnesota’s proportionate share of the net pension liability associated with the City	<u>84,916</u>
Total	<u>\$1,973,741</u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The State of Minnesota is not included as a non-employer contributing entity in the PEPFF allocation schedules for the \$9 million in supplemental state aid. The City also recognized \$22,023 for the year ended December 31, 2021 as revenue and an off-setting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the PEPFF.

At December 31, 2021, 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	\$ 357,250	\$ -
Changes in actuarial assumptions	2,776,077	933,206
Net collective difference between projected and actual investment earnings	-	3,605,326
Changes in proportion	265,997	13,051
Contributions paid to the PERA subsequent to the measurement date	<u>277,310</u>	<u>-</u>
Total	<u>\$3,676,634</u>	<u>\$4,551,583</u>

A total of \$277,310 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 ending December 31, 2022. 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>
2022	\$ (1,043,091)
2023	(191,613)
2024	(185,680)
2025	(350,596)
2026	<u>618,721</u>
Total	<u>\$ (1,152,259)</u>

E. Long-Term Expected Return on Investments

The Minnesota State Board of Investment, which manages the investments of the 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 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The target allocation and best-estimates of geometric real rates of return for each major asset 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	33.50%	5.10%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Markets	<u>25.00%</u>	5.90%
Total	<u>100.00%</u>	

F. Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of total liability is 6.50%. This assumption is based on review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the GERF and 2.25% for the PEPFF. Benefit increases after retirement are assumed to be 1.25% for the GERF. The PEPFF benefit increase is fixed at 1.00% per year and that increase was used in the valuation.

Salary growth assumptions in the GERF range in annual increments from 10.25% after one year of service to 3.00% after 29 years of service, and 6.00% per year thereafter. In the PEPFF, salary growth assumptions range from 11.75% after one year of service to 3.00% after 24 years of service.

Mortality rates for the GERF are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the PEPFF are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit the PERA's experience.

Actuarial assumptions for the GERF are reviewed every four years. The most recent four-year experience study for the GERF was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the PEPFF was completed in 2020, adopted by the Board, and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions occurred in 2021:

1. GERF:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

2. PEPFF:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption rate was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

G. Discount Rate

The discount rate used to measure the total pension liability in 2021 was 6.5%. 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 GEF 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.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

H. 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>(5.5%)</u>	Current Discount Rate <u>(6.5%)</u>	1% Increase in Discount Rate <u>(7.5%)</u>
The City’s Proportionate Share of the GERP Net Pension Liability:	\$5,373,782	\$2,634,866	\$ 387,419
The City’s Proportionate Share of the PEPFF Net Pension Liability (Asset):	\$5,996,699	\$1,888,825	\$(1,478,614)

I. 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 10 – 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.

NOTE 10 – DEFINED CONTRIBUTION PLAN – STATE-WIDE (CONTINUED)

Total contributions made by the City 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, 2021	\$1,300	\$1,300	5%	5%	5%
December 31, 2020	\$1,002	\$1,002	5%	5%	5%
December 31, 2019	\$ 775	\$ 775	5%	5%	5%

NOTE 11 – 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, 2021 was \$227,471, compared to a total city payroll of \$8,779,616.

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.

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 2021, including both city and state fire aid passed through the City totaled \$218,584. This contribution represents nearly 96% of the current 2021 covered payroll of \$227,471. There were no current year changes in plan provisions.

NOTE 12 – 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 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.

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 \$13,939.

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>83</u>
Total members	<u><u>83</u></u>

E. Total OPEB Liability of the City

The City's total OPEB liability of \$563,334 as of year-end was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2020.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, 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	2.12%
20-year municipal bond yield	2.12%
Inflation rate	2.00%
Salary increases	3.25%
Healthcare cost trend rate	7.33% 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.

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Beginning Balance	\$ 461,540
Changes for the year	
Service cost	69,584
Interest	14,428
Differences between expected and actual experience	6,307
Changes of assumptions	20,586
Benefit payments	<u>(9,111)</u>
Total net changes	<u>101,794</u>
Ending Balance	<u>\$ 563,334</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 2.74 percent to 2.12 percent.
- The healthcare trend rates were updated for changes in recent studies and inflationary adjustments.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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	1.12%	2.12%	3.12%
Total OPEB liability	\$ 607,564	\$ 563,334	\$ 520,267

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 Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
OPEB healthcare trend rate	6.33% decreasing to 4.00% over 10 years	7.33% decreasing to 5.00% over 10 years	8.33% decreasing to 6.00% over 10 years
Total OPEB liability	\$ 478,490	\$ 563,334	\$ 666,845

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 \$52,640. 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>
Differences between expected and actual experience	\$ 5,682	\$ 295,829
Changes of assumptions	68,181	29,429
City contributions subsequent to the measurement date	<u>13,939</u>	<u>-</u>
Total	<u>\$ 87,802</u>	<u>\$ 325,258</u>

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

A total of \$13,939 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	OPEB Expense Amount
2022	(31,372)
2023	(31,372)
2024	(31,372)
2025	(31,372)
2026	(31,372)
Thereafter	(94,535)
Total	<u>\$ (251,395)</u>

NOTE 13 – 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 14 – 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 eight private development agreements: five redevelopment and three housing that would be considered a tax abatement under GASB Statement 77 as of December 31, 2021.

NOTE 14 – TAX ABATEMENT AGREEMENTS(CONTINUED)

The City issued these eight 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;
- 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, 2021, the City abated property taxes totaling \$572,712 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: \$200,769 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: \$58,132 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 date is February 2033.
- Housing: \$151,466 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.

NOTE 14 – TAX ABATEMENT AGREEMENTS(CONTINUED)

- Redevelopment: \$36,980 abated for a \$218,000 Tax Increment Revenue Note issued in 2019 for a 56,000 square-foot industrial building in Bunker Lake Business Park. Final note payment date is February 2028.
- Housing: \$87,409 abated for a \$681,395 Tax Increment Revenue Note issued in 2020 for a 174-unit senior living facility. Final note payment date is February 2040.
- Redevelopment: \$1,357 abated for a \$972,000 Tax Increment Revenue Note issued in 2021 for a 210,000 square-foot manufacturing building in Bunker Lake Business Park. Final note payment date is February 2030.

The outstanding principal balance as of December 31, 2021 for all of these agreements was \$4,080,330.

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 15 – 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, 2021, there was one series of Industrial Revenue Bonds and one Lease Revenue Bond outstanding with aggregate principal amounts payable of \$670,000 and \$8,175,000 respectively.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

A. Commitments for Construction

At December 31, 2021, the City is committed to various construction contracts for the improvement of city property. The City’s remaining commitment under these contracts is \$16,241. 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.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

E. COVID-19 Pandemic

The COVID-19 pandemic has had significant financial and operational impacts on the City for the last two fiscal years. Any potential impact it may have on the City’s future operations and financial condition cannot be determined at this time and has not been reflected in these financial statements.

NOTE 17 – 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 2,200 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 space is included in the total municipal center building cost of \$12,856,588, of which \$3,857,047 has been depreciated to date. These amounts are recorded in the City’s capital assets. The City of Ramsey collected \$54,153 in lease revenue for the fiscal year ended December 31, 2021. The following is an estimate of the future lease payments:

<u>Year Ending December 31,</u>	<u>Lease Payments</u>
2022	\$ 59,358
2023	63,060
2024	66,911
January 1 -June 30, 2025	34,464
Total	<u>\$ 223,793</u>

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 18 – SUBSEQUENT EVENTS

A. Franchise Fees

The city will no longer be collecting quarterly franchise fees from the respective gas and electric utilities as a funding source for the City's Pavement Management Program. The funding for this program will now come from the annual property tax levy.

B. New Accounting Standards

A new standard has been issued by GASB that will result in significant changes in the reporting of leases once it becomes effective for governmental entities. This standard will be adopted by the City beginning in 2022, and will require the restatement of certain balances reported as of December 31, 2021. The effects of this change have not yet been determined and are not reflected in these financial statements.

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%
12/31/2020	06/30/2020	0.0566%	\$ 3,393,429	\$ 104,560	\$ 3,497,989	\$ 4,036,013	84.08%	79.10%
12/31/2021	06/30/2021	0.0617%	\$ 2,634,866	\$ 80,483	\$ 2,715,349	\$ 4,313,560	61.08%	87.00%

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%
12/31/2020	\$ 312,137	\$ 312,137	\$ –	\$ 4,161,827	7.50%
12/31/2021	\$ 330,724	\$ 330,724	\$ –	\$ 4,409,653	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 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	0.2090%	\$ 2,374,729	\$ –	\$ 2,374,729	\$ 1,917,443	123.85%	86.60%
12/31/2016	06/30/2016	0.2080%	\$ 8,347,402	\$ –	\$ 8,347,402	\$ 2,000,574	417.25%	63.90%
12/31/2017	06/30/2017	0.2190%	\$ 2,956,761	\$ –	\$ 2,956,761	\$ 2,243,957	131.77%	85.40%
12/31/2018	06/30/2018	0.2161%	\$ 2,303,404	\$ –	\$ 2,303,404	\$ 2,277,516	101.14%	88.80%
12/31/2019	06/30/2019	0.2331%	\$ 2,481,585	\$ –	\$ 2,481,585	\$ 2,458,454	100.94%	89.30%
12/31/2020	06/30/2020	0.2397%	\$ 3,159,502	\$ 74,418	\$ 3,233,920	\$ 2,703,294	116.88%	87.20%
12/31/2021	06/30/2021	0.2447%	\$ 1,888,825	\$ 84,916	\$ 1,973,741	\$ 2,891,892	65.31%	93.70%

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%
12/31/2020	\$ 492,217	\$ 492,217	\$ –	\$ 2,780,887	17.70%
12/31/2021	\$ 541,368	\$ 541,368	\$ –	\$ 3,058,576	17.70%

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

	Fiscal Year			
	2018	2019	2020	2021
Total OPEB liability				
Service cost	\$ 40,892	\$ 74,389	\$ 55,942	\$ 69,584
Interest	22,858	24,695	30,837	14,428
Differences between expected and actual experience	–	–	(368,975)	6,307
Changes of assumptions	19,347	(41,435)	47,099	20,586
Benefit payments	(3,349)	(3,476)	(2,775)	(9,111)
Net change in total OPEB liability	79,748	54,173	(237,872)	101,794
Total OPEB liability – beginning of year	565,491	645,239	699,412	461,540
Total OPEB liability – end of year	<u>\$ 645,239</u>	<u>\$ 699,412</u>	<u>\$ 461,540</u>	<u>\$ 563,334</u>
Covered-employee payroll	<u>\$ 5,400,000</u>	<u>\$ 5,600,000</u>	<u>\$ 6,400,000</u>	<u>\$ 6,700,000</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>11.95%</u>	<u>12.49%</u>	<u>7.21%</u>	<u>8.41%</u>

Note 1: **Changes in Actuarial Assumptions.** (1) 2021 Changes - The discount rate was changed from 2.74 percent to 2.12 percent. The healthcare trend rates were updated for changes in recent studies and inflationary adjustments. (2) 2020 Changes - The discount rate was changed from 4.09 percent to 2.74 percent. The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments. (3) 2019 Changes - The discount rate was changed from 3.44 percent to 4.09 percent. (4) 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 General Employees Retirement Fund Year Ended December 31, 2021

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2020 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100 percent Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

CITY OF RAMSEY

Notes to Required Supplementary Information
General Employees Retirement Fund (continued)
Year Ended December 31, 2021

2020 CHANGES IN PLAN PROVISIONS

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023 and zero percent after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

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 General Employees Retirement Fund (continued) Year Ended December 31, 2021

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 Public Employees Police and Fire Fund Year Ended December 31, 2021

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 Public Safety Mortality Table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 Healthy Annuitant Mortality Table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety Disabled Annuitant Mortality Table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes would result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2018 to MP-2019.

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.

CITY OF RAMSEY

Notes to Required Supplementary Information Public Employees Police and Fire Fund (continued) Year Ended December 31, 2021

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.

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.

CITY OF RAMSEY

Notes to Required Supplementary Information Public Employees Police and Fire Fund (continued) Year Ended December 31, 2021

- 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.

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.



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COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES



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CITY OF RAMSEY

Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2021

	Special Revenue	Debt Service	Capital Project	Totals
Assets				
Cash and temporary investments	\$ 3,208,700	\$ 956,144	\$ 14,700,912	\$ 18,865,756
Receivables				
Unremitted taxes	914	21,272	-	22,186
Delinquent taxes	707	15,455	-	16,162
Unremitted special assessments	-	1,951	24,632	26,583
Delinquent special assessments	-	183	3,090	3,273
Deferred special assessments	-	267,004	119,996	387,000
Accounts	13,990	-	2,505	16,495
Due from other governmental units	19,199	-	-	19,199
Due from other funds	29,984	-	-	29,984
Prepays	52	-	-	52
	<u>\$ 3,273,546</u>	<u>\$ 1,262,009</u>	<u>\$ 14,851,135</u>	<u>\$ 19,386,690</u>
Liabilities				
Accounts and contracts payable	\$ 9,076	\$ 2,300	\$ 30,654	\$ 42,030
Advances from other funds	-	-	296,713	296,713
Total liabilities	<u>9,076</u>	<u>2,300</u>	<u>327,367</u>	<u>338,743</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	707	15,455	-	16,162
Unavailable revenue - special assessments	-	267,187	123,086	390,273
Total deferred inflows of resources	<u>707</u>	<u>282,642</u>	<u>123,086</u>	<u>406,435</u>
Fund balances				
Nonspendable	52	-	-	52
Restricted	1,652,561	977,067	-	2,629,628
Committed	1,611,150	-	-	1,611,150
Assigned	-	-	14,400,682	14,400,682
Total fund balance	<u>3,263,763</u>	<u>977,067</u>	<u>14,400,682</u>	<u>18,641,512</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,273,546</u>	<u>\$ 1,262,009</u>	<u>\$ 14,851,135</u>	<u>\$ 19,386,690</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, 2021

	Special Revenue	Debt Service	Capital Project	Totals
Revenue				
Property taxes	\$ 76,133	\$ 1,786,512	\$ 44,520	\$ 1,907,165
Special assessments	-	77,099	677,608	754,707
Intergovernmental revenue	83,366	338,510	126,820	548,696
Charges for services	-	-	1,276,240	1,276,240
Other revenue				
Investment earnings (charges)	(13,108)	(17,408)	(54,083)	(84,599)
Miscellaneous	452,475	151	170,301	622,927
Total revenue	<u>598,866</u>	<u>2,184,864</u>	<u>2,241,406</u>	<u>5,025,136</u>
Expenditures				
Current				
General government	82,423	-	113,244	195,667
Public safety	110,435	-	-	110,435
Highways and streets	-	-	201,788	201,788
Culture and recreation	-	-	19,791	19,791
Economic development	311,494	-	-	311,494
Capital outlay	15,151	-	151,846	166,997
Debt service				
Principal retirement	-	1,930,000	-	1,930,000
Interest and fiscal charges	-	844,442	6,710	851,152
Total expenditures	<u>519,503</u>	<u>2,774,442</u>	<u>493,379</u>	<u>3,787,324</u>
Excess (deficiency) of revenue over expenditures	79,363	(589,578)	1,748,027	1,237,812
Other financing sources (uses)				
Refunding debt issued	-	9,845,000	-	9,845,000
Payment on refunded debt	-	(10,510,000)	-	(10,510,000)
Premium on debt issues	-	809,201	-	809,201
Proceeds on sale of capital assets	46,443	-	-	46,443
Transfers in	-	-	622,639	622,639
Transfers (out)	-	-	(1,114,201)	(1,114,201)
Total other financing sources (uses)	<u>46,443</u>	<u>144,201</u>	<u>(491,562)</u>	<u>(300,918)</u>
Net change in fund balances	125,806	(445,377)	1,256,465	936,894
Fund balances				
Beginning of year	<u>3,137,957</u>	<u>1,422,444</u>	<u>13,144,217</u>	<u>17,704,618</u>
End of year	<u>\$ 3,263,763</u>	<u>\$ 977,067</u>	<u>\$ 14,400,682</u>	<u>\$ 18,641,512</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.

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, 2021

	Revolving Loan	Lawful Gambling	Peace Officers	Developer's Fees
Assets				
Cash and temporary investments	\$ 353,274	\$ 405,578	\$ 32,699	\$ 1,046,658
Receivables				
Unremitted taxes	-	-	-	-
Delinquent taxes	-	-	-	-
Accounts	-	13,990	-	-
Due from other governmental units	-	-	19,199	-
Due from other funds	-	-	-	-
Prepays	-	-	-	-
	<u>353,274</u>	<u>419,568</u>	<u>51,898</u>	<u>1,046,658</u>
Total assets	<u>\$ 353,274</u>	<u>\$ 419,568</u>	<u>\$ 51,898</u>	<u>\$ 1,046,658</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ 6,899	\$ -
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	419,568	44,999	-
Committed	353,274	-	-	1,046,658
Total fund balances	<u>353,274</u>	<u>419,568</u>	<u>44,999</u>	<u>1,046,658</u>
	<u>\$ 353,274</u>	<u>\$ 419,568</u>	<u>\$ 51,898</u>	<u>\$ 1,046,658</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 353,274</u>	<u>\$ 419,568</u>	<u>\$ 51,898</u>	<u>\$ 1,046,658</u>

General Govt Special Projects	Economic Development Authority	Totals
\$ 211,218	\$ 1,159,273	\$ 3,208,700
-	914	914
-	707	707
-	-	13,990
-	-	19,199
-	29,984	29,984
-	52	52
<u>\$ 211,218</u>	<u>\$ 1,190,930</u>	<u>\$ 3,273,546</u>
\$ -	\$ 2,177	\$ 9,076
-	707	707
-	52	52
-	1,187,994	1,652,561
211,218	-	1,611,150
<u>211,218</u>	<u>1,188,046</u>	<u>3,263,763</u>
<u>\$ 211,218</u>	<u>\$ 1,190,930</u>	<u>\$ 3,273,546</u>

CITY OF RAMSEY

Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2021

	<u>Revolving Loan</u>	<u>Lawful Gambling</u>	<u>Peace Officers</u>	<u>Developer's Fees</u>
Revenue				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	83,366	-
Other revenue				
Investment earnings (charges)	(1,803)	(1,781)	(187)	(4,580)
Miscellaneous	-	133,179	24,909	249,107
Total revenue	<u>(1,803)</u>	<u>131,398</u>	<u>108,088</u>	<u>244,527</u>
Expenditures				
Current				
General government	-	34,150	-	-
Public Safety	-	-	110,435	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>34,150</u>	<u>110,435</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(1,803)	97,248	(2,347)	244,527
Other financing sources				
Proceeds on sale of capital assets	-	-	-	-
Net change in fund balances	(1,803)	97,248	(2,347)	244,527
Fund balances				
Beginning of year	<u>355,077</u>	<u>322,320</u>	<u>47,346</u>	<u>802,131</u>
End of year	<u>\$ 353,274</u>	<u>\$ 419,568</u>	<u>\$ 44,999</u>	<u>\$ 1,046,658</u>

General Govt Special Projects	Economic Development Authority	Totals
\$ –	\$ 76,133	\$ 76,133
–	–	83,366
(1,084)	(3,673)	(13,108)
45,270	10	452,475
<u>44,186</u>	<u>72,470</u>	<u>598,866</u>
48,273	–	82,423
–	–	110,435
–	311,494	311,494
–	15,151	15,151
<u>48,273</u>	<u>326,645</u>	<u>519,503</u>
(4,087)	(254,175)	79,363
46,443	–	46,443
<u>42,356</u>	<u>(254,175)</u>	<u>125,806</u>
168,862	1,442,221	3,137,957
<u>\$ 211,218</u>	<u>\$ 1,188,046</u>	<u>\$ 3,263,763</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, 2021

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 75,360	\$ 75,360	\$ 76,133	\$ 773
Other revenue				
Investment earnings (charges)	10,000	10,000	(3,673)	(13,673)
Miscellaneous	–	–	10	10
Total revenue	<u>85,360</u>	<u>85,360</u>	<u>72,470</u>	<u>(12,890)</u>
Expenditures				
Current				
Economic development	85,360	85,360	311,494	226,134
Capital Outlay	–	–	15,151	15,151
Total expenditures	<u>85,360</u>	<u>85,360</u>	<u>326,645</u>	<u>241,285</u>
Net change in fund balances	<u>\$ –</u>	<u>\$ –</u>	(254,175)	<u>\$ (254,175)</u>
Fund balances				
Beginning of year			<u>1,442,221</u>	
End of year			<u>\$ 1,188,046</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.

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.

2020A GO Capital Improvement Bond – The \$9,055,000 General Obligation Capital Improvement Bond is to finance the construction of the city's Public Works Campus.

2021A/2012A GO Refund Improvement Bond – The \$9,845,000 General Obligation Capital Improvement Bond were issued to refund the 2012A General Obligation Capital Improvement Bond that had refunded the 2005A Public Project Lease Revenue Bond that was issued to finance the construction of the city's Municipal Center.

CITY OF RAMSEY

Nonmajor Debt Service Funds
 Combining Balance Sheet
 Year Ended December 31, 2021

	2011B Refund GO Improvement Bonds	2013A Capital Equipment Certificates	2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond
Assets					
Cash and temporary investments	\$ 235,274	\$ 26,118	\$ 32,573	\$ 82,529	\$ 23,259
Receivables					
Unremitted taxes	-	851	1,276	2,340	1,276
Delinquent taxes	-	672	858	1,989	233
Unremitted special assessments	-	-	-	-	46
Delinquent special assessments	-	-	-	-	124
Deferred special assessments	-	-	-	-	35,063
Total assets	\$ 235,274	\$ 27,641	\$ 34,707	\$ 86,858	\$ 60,001
Liabilities					
Accounts and contracts payable	\$ -	\$ -	\$ 100	\$ 475	\$ 475
Deferred inflows of resources					
Unavailable revenue - property taxes	-	672	858	1,989	233
Unavailable revenue - special assessments	-	-	-	-	35,187
Total deferred inflows of resources	-	672	858	1,989	35,420
Fund balances					
Restricted	235,274	26,969	33,749	84,394	24,106
Total deferred inflows of resources and fund balances	\$ 235,274	\$ 27,641	\$ 34,707	\$ 86,858	\$ 60,001

2016A GO Street Reconstruction Bond	2017A GO Street Reconstruction Bond	2018A GO Street Reconstruction Bond	2020A GO Capital Improvement Bond	2021A/2012A GO Refund Improvement Bond	Totals
\$ 90,139	\$ 9,375	\$ 75,281	\$ 6,507	\$ 375,089	\$ 956,144
1,915	1,064	1,276	1,489	9,785	21,272
330	250	293	907	9,923	15,455
833	553	519	–	–	1,951
–	–	59	–	–	183
<u>123,723</u>	<u>27,417</u>	<u>80,801</u>	<u>–</u>	<u>–</u>	<u>267,004</u>
<u>\$ 216,940</u>	<u>\$ 38,659</u>	<u>\$ 158,229</u>	<u>\$ 8,903</u>	<u>\$ 394,797</u>	<u>\$ 1,262,009</u>
\$ –	\$ –	\$ –	\$ –	\$ 1,250	\$ 2,300
330	250	293	907	9,923	15,455
<u>123,723</u>	<u>27,417</u>	<u>80,860</u>	<u>–</u>	<u>–</u>	<u>267,187</u>
124,053	27,667	81,153	907	9,923	282,642
<u>92,887</u>	<u>10,992</u>	<u>77,076</u>	<u>7,996</u>	<u>383,624</u>	<u>977,067</u>
<u>\$ 216,940</u>	<u>\$ 38,659</u>	<u>\$ 158,229</u>	<u>\$ 8,903</u>	<u>\$ 394,797</u>	<u>\$ 1,262,009</u>

CITY OF RAMSEY

Nonmajor Debt Service Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2021

	2011B Refund GO Improvement Bonds	2013A Capital Equipment Certificates	2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond
Revenue					
Property taxes	\$ -	\$ 71,460	\$ 107,191	\$ 196,516	\$ 107,192
Special assessments	-	-	-	-	10,504
Intergovernmental revenue	338,510	-	-	-	-
Other revenue					
Investment earnings (charges)	(2,408)	(94)	(233)	(770)	(253)
Miscellaneous	-	-	-	-	28
Total revenue	<u>336,102</u>	<u>71,366</u>	<u>106,958</u>	<u>195,746</u>	<u>117,471</u>
Expenditures					
Debt service					
Principal retirement	285,000	65,000	90,000	180,000	120,000
Interest and fiscal charges	36,653	7,123	9,240	91,307	14,145
Total expenditures	<u>321,653</u>	<u>72,123</u>	<u>99,240</u>	<u>271,307</u>	<u>134,145</u>
Excess (deficiency) of revenues over expenditures	14,449	(757)	7,718	(75,561)	(16,674)
Other financing sources (uses)					
Refunding debt issued	-	-	-	-	-
Payment on refunded debt	-	-	-	-	-
Premium on debt issues	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	14,449	(757)	7,718	(75,561)	(16,674)
Fund balances					
Beginning of year	<u>220,825</u>	<u>27,726</u>	<u>26,031</u>	<u>159,955</u>	<u>40,780</u>
End of year	<u>\$ 235,274</u>	<u>\$ 26,969</u>	<u>\$ 33,749</u>	<u>\$ 84,394</u>	<u>\$ 24,106</u>

2016A GO Street Reconstruction Bond	2017A GO Street Reconstruction Bond	2018A GO Street Reconstruction Bond	2020A GO Capital Improvement Bond	2021A/2012A GO Refund Improvement Bond	Totals
\$ 160,786	\$ 89,325	\$ 107,191	\$ 125,056	\$ 821,795	\$ 1,786,512
34,443	6,041	26,111	-	-	77,099
-	-	-	-	-	338,510
(611)	(175)	(563)	(1)	(12,300)	(17,408)
29	41	53	-	-	151
<u>194,647</u>	<u>95,232</u>	<u>132,792</u>	<u>125,055</u>	<u>809,495</u>	<u>2,184,864</u>
165,000	90,000	115,000	-	820,000	1,930,000
21,295	13,295	33,668	117,059	500,657	844,442
<u>186,295</u>	<u>103,295</u>	<u>148,668</u>	<u>117,059</u>	<u>1,320,657</u>	<u>2,774,442</u>
8,352	(8,063)	(15,876)	7,996	(511,162)	(589,578)
-	-	-	-	9,845,000	9,845,000
-	-	-	-	(10,510,000)	(10,510,000)
-	-	-	-	809,201	809,201
-	-	-	-	144,201	144,201
8,352	(8,063)	(15,876)	7,996	(366,961)	(445,377)
84,535	19,055	92,952	-	750,585	1,422,444
<u>\$ 92,887</u>	<u>\$ 10,992</u>	<u>\$ 77,076</u>	<u>\$ 7,996</u>	<u>\$ 383,624</u>	<u>\$ 977,067</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.

Public Improvement Revolving Fund – used to account for the resources to be used to finance the City's share of the annual street maintenance program.

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.

Riverdale Drive Street Improvement Fund – used to account for the resources used to finance the construction of Riverdale Drive.

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.

Public Facilities Construction Fund – used to account for the resources to be used for land acquisition and the construction of public utilities.

CITY OF RAMSEY

Nonmajor Capital Project Funds
 Combining Balance Sheet
 December 31, 2021

	Public Improvement Revolving	RALF Funded Projects	Trott Brook Cemetery Perpetual Care	Park Improvement	Parking Ramp Maintenance
Assets					
Cash and temporary investments	\$ 5,239,438	\$ 528,525	\$ 78,467	\$ 6,313,263	\$ 105,197
Receivables					
Unremitted special assessments	493	-	-	-	-
Delinquent special assessments	3,090	-	-	-	-
Deferred special assessments	119,996	-	-	-	-
Accounts	-	2,505	-	-	-
Total assets	<u>\$ 5,363,017</u>	<u>\$ 531,030</u>	<u>\$ 78,467</u>	<u>\$ 6,313,263</u>	<u>\$ 105,197</u>
Liabilities					
Accounts and contracts payable	\$ 7,852	\$ 4,603	\$ -	\$ -	\$ 4,800
Advances from other funds	-	-	-	-	-
Total liabilities	<u>7,852</u>	<u>4,603</u>	<u>-</u>	<u>-</u>	<u>4,800</u>
Deferred inflows of resources					
Unavailable revenue - special assessments	123,086	-	-	-	-
Fund balances					
Assigned	<u>5,232,079</u>	<u>526,427</u>	<u>78,467</u>	<u>6,313,263</u>	<u>100,397</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,363,017</u>	<u>\$ 531,030</u>	<u>\$ 78,467</u>	<u>\$ 6,313,263</u>	<u>\$ 105,197</u>

Riverdale Drive Street Improvement	Landfill	Equipment Revolving	Public Facilities Construction	Totals
\$ 665,194	\$ 69,563	\$ 842,954	\$ 858,311	\$ 14,700,912
24,139	-	-	-	24,632
-	-	-	-	3,090
-	-	-	-	119,996
-	-	-	-	2,505
<u>\$ 689,333</u>	<u>\$ 69,563</u>	<u>\$ 842,954</u>	<u>\$ 858,311</u>	<u>\$ 14,851,135</u>
\$ 12,971	\$ -	\$ -	\$ 428	\$ 30,654
-	-	-	296,713	296,713
12,971	-	-	297,141	327,367
-	-	-	-	123,086
<u>676,362</u>	<u>69,563</u>	<u>842,954</u>	<u>561,170</u>	<u>14,400,682</u>
<u>\$ 689,333</u>	<u>\$ 69,563</u>	<u>\$ 842,954</u>	<u>\$ 858,311</u>	<u>\$ 14,851,135</u>

CITY OF RAMSEY

Nonmajor Capital Project Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2021

	Public Improvement Revolving	RALF Funded Projects	Trott Brook Cemetery Perpetual Care	Park Improvement	Parking Ramp Maintenance
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	500,808	-	-	-	-
Intergovernmental revenue	-	-	-	126,820	-
Charges for services	-	159,958	-	1,116,282	-
Other revenue					
Investment earnings (charges)	(20,827)	-	(369)	(17,906)	(149)
Miscellaneous	10,272	-	11,700	-	126,365
Total revenue	<u>490,253</u>	<u>159,958</u>	<u>11,331</u>	<u>1,225,196</u>	<u>126,216</u>
Expenditures					
Current					
General government	-	-	-	-	99,210
Highways and streets	114,624	87,164	-	-	-
Culture and recreation	-	-	-	19,791	-
Capital outlay	-	-	-	16,939	-
Debt service					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>114,624</u>	<u>87,164</u>	<u>-</u>	<u>36,730</u>	<u>99,210</u>
Excess (deficiency) of revenue over expenditures	375,629	72,794	11,331	1,188,466	27,006
Other financing sources (uses)					
Transfers in	122,940	-	-	-	-
Transfers (out)	(125,000)	-	-	-	-
Total other financing sources (uses)	<u>(2,060)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	373,569	72,794	11,331	1,188,466	27,006
Fund balances					
Beginning of year	<u>4,858,510</u>	<u>453,633</u>	<u>67,136</u>	<u>5,124,797</u>	<u>73,391</u>
End of year	<u>\$ 5,232,079</u>	<u>\$ 526,427</u>	<u>\$ 78,467</u>	<u>\$ 6,313,263</u>	<u>\$ 100,397</u>

Riverdale Drive Street Improvement	Landfill	Equipment Revolving	Public Facilities Construction	Totals
\$ -	\$ -	\$ -	\$ 44,520	\$ 44,520
176,800	-	-	-	677,608
-	-	-	-	126,820
-	-	-	-	1,276,240
(1,559)	(5,016)	(3,923)	(4,334)	(54,083)
1,964	-	20,000	-	170,301
<u>177,205</u>	<u>(5,016)</u>	<u>16,077</u>	<u>40,186</u>	<u>2,241,406</u>
-	-	1,000	13,034	113,244
-	-	-	-	201,788
-	-	-	-	19,791
29,290	-	101,642	3,975	151,846
-	-	-	6,710	6,710
<u>29,290</u>	<u>-</u>	<u>102,642</u>	<u>23,719</u>	<u>493,379</u>
147,915	(5,016)	(86,565)	16,467	1,748,027
335,779	-	122,940	40,980	622,639
<u>-</u>	<u>(989,201)</u>	<u>-</u>	<u>-</u>	<u>(1,114,201)</u>
<u>335,779</u>	<u>(989,201)</u>	<u>122,940</u>	<u>40,980</u>	<u>(491,562)</u>
483,694	(994,217)	36,375	57,447	1,256,465
192,668	1,063,780	806,579	503,723	13,144,217
<u>\$ 676,362</u>	<u>\$ 69,563</u>	<u>\$ 842,954</u>	<u>\$ 561,170</u>	<u>\$ 14,400,682</u>



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STATISTICAL SECTION (UNAUDITED)



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STATISTICAL SECTION

This part of the City of Ramsey's annual comprehensive 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>138-143</u>
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	<u>144-147</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>148-151</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>152-153</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>154-156</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 41,998,822	\$ 40,374,256	\$ 41,657,601	\$ 41,216,689	\$ 42,170,710	\$ 42,129,791	\$ 43,551,135	\$ 44,658,317	\$ 52,756,077	\$ 57,322,004
Restricted	14,632,006	16,128,452	15,273,582	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706	19,886,753
Unrestricted	7,298,825	8,107,485	8,120,953	13,292,971	13,832,461	13,559,175	15,666,889	16,759,261	22,499,652	22,741,842
Total governmental activities net position	\$ <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>	\$ <u>94,213,435</u>	\$ <u>99,950,599</u>
Business-type activities										
Net investment in capital assets	\$ 50,843,868	\$ 50,494,576	\$ 50,427,367	\$ 49,340,145	\$ 51,959,594	\$ 53,855,285	\$ 53,653,338	\$ 55,575,211	\$ 56,166,921	\$ 57,940,442
Unrestricted	27,486,732	28,969,730	30,915,832	34,206,676	35,953,541	38,306,851	43,024,292	46,993,793	44,568,513	48,126,205
Total business-type activities net position	\$ <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>	\$ <u>100,735,434</u>	\$ <u>106,066,647</u>
Total government										
Net investment in capital assets	\$ 92,842,690	\$ 90,868,832	\$ 92,084,968	\$ 90,556,834	\$ 94,130,304	\$ 95,985,076	\$ 97,204,473	\$ 100,233,528	\$ 108,922,998	\$ 115,262,446
Restricted	14,632,006	16,128,452	15,273,582	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706	19,886,753
Unrestricted	34,785,557	37,077,215	39,036,785	47,499,647	49,786,002	51,866,026	58,691,181	63,753,054	67,068,165	70,868,047
Total government net position	\$ <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>	\$ <u>194,948,869</u>	\$ <u>206,017,246</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 18,976,842	\$ 3,735,657	\$ 4,087,755	\$ 4,075,505	\$ 4,528,920	\$ 4,992,809	\$ 5,078,516	\$ 5,139,352	\$ 5,640,679	\$ 4,568,229
Public safety	4,218,066	4,074,688	4,079,362	4,349,763	5,875,567	5,782,563	5,167,897	5,844,265	6,468,397	6,363,724
Highways and streets	5,659,428	5,215,260	4,263,552	3,197,571	3,826,143	4,254,234	4,191,395	4,442,720	4,028,294	4,686,416
Culture and recreation	1,216,583	1,415,736	1,422,810	1,867,274	1,931,537	2,384,845	1,751,345	1,756,810	1,917,228	1,834,153
Economic development	-	-	-	-	-	-	-	-	481,858	2,140,267
Interest and fiscal charges	2,555,567	1,220,471	1,168,513	983,379	890,305	952,965	883,292	845,651	839,444	883,504
Total governmental activities expenses	32,626,486	15,661,812	15,021,992	14,473,492	17,052,472	18,367,416	17,072,445	18,028,798	19,375,900	20,476,293
Business-type activities:										
Water utility	1,228,012	1,293,201	1,221,211	1,278,204	1,489,070	1,396,021	1,590,737	1,483,584	1,657,356	1,772,358
Sewer utility	1,152,760	1,190,551	1,282,302	1,291,509	1,438,141	1,535,664	1,523,670	1,631,260	1,723,238	1,742,380
Street light utility	165,651	176,736	161,733	178,666	176,732	159,378	160,952	171,619	169,463	178,576
Recycling utility	302,936	308,629	321,321	320,901	359,418	373,775	380,055	380,192	366,764	507,067
Storm water utility	496,309	491,370	509,709	557,267	742,043	633,101	573,878	590,645	777,252	715,349
Total business-type activities	3,345,668	3,460,487	3,496,276	3,626,547	4,205,404	4,097,939	4,229,292	4,257,300	4,694,073	4,915,730
Total government expenses	\$ 35,972,154	\$ 19,122,299	\$ 18,518,268	\$ 18,100,039	\$ 21,257,876	\$ 22,465,355	\$ 21,301,737	\$ 22,286,098	\$ 24,069,973	\$ 25,392,023
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 416,152	\$ 479,970	\$ 461,538	\$ 529,820	\$ 457,901	\$ 571,464	\$ 691,819	\$ 640,173	\$ 534,279	\$ 574,117
Public safety	1,177,840	901,570	626,844	946,887	698,310	878,141	1,168,258	1,098,016	974,955	1,010,111
Highways and streets	81,159	239,234	266,447	347,984	261,658	235,020	229,555	214,272	259,161	311,408
Culture and recreation	628,571	158,376	173,310	815,511	483,727	585,033	1,355,365	926,530	373,669	1,126,441
Operating grants and contributions	2,008,709	1,180,725	385,574	9,999,527	508,694	379,185	368,099	461,826	603,389	774,960
Capital grants and contributions	3,866,331	3,208,950	3,023,145	3,124,565	3,809,965	5,026,857	4,765,578	3,434,344	4,930,496	5,637,619
Total governmental activities program revenues	8,178,762	6,168,825	4,936,858	15,764,294	6,220,255	7,675,700	8,578,674	6,775,161	7,675,949	9,434,656
Business-type activities:										
Charges for services:										
Water utility	2,131,460	1,997,302	1,860,380	2,045,225	1,953,478	2,772,003	3,484,687	2,138,209	2,541,651	3,057,474
Sewer utility	1,324,342	1,341,674	1,393,157	1,392,101	1,458,250	1,784,755	2,182,944	1,672,072	1,714,469	1,805,614
Street light utility	179,124	177,158	188,185	190,872	196,253	204,418	211,360	217,169	216,545	222,364
Recycling utility	296,358	298,034	309,160	307,128	308,052	310,471	317,090	319,940	319,664	440,097
Storm water utility	647,169	677,936	706,135	770,812	1,034,552	958,960	1,057,705	1,168,494	1,164,868	1,197,572
Operating grants and contributions	57,239	79,358	65,817	39,423	67,100	92,602	72,257	67,961	57,865	73,524
Capital grants and contributions	1,315,030	488,687	101,107	1,185,135	1,799,057	1,864,137	906,190	2,596,210	1,683,338	3,756,359
Total business-type activities program revenues	5,950,722	5,060,149	4,623,941	5,930,696	6,816,742	7,987,346	8,232,233	8,180,055	7,698,400	10,553,004
Total government program revenues	\$ 14,129,484	\$ 11,228,974	\$ 9,560,799	\$ 21,694,990	\$ 13,036,997	\$ 15,663,046	\$ 16,810,907	\$ 14,955,216	\$ 15,374,349	\$ 19,987,660
Net (expense)/revenue										
Governmental activities	\$ (24,447,724)	\$ (9,492,987)	\$ (10,085,134)	\$ 1,290,802	\$ (10,832,217)	\$ (10,691,716)	\$ (8,493,771)	\$ (11,253,637)	\$ (11,699,951)	\$ (11,041,637)
Business-type activities	2,605,054	1,599,662	1,127,665	2,304,149	2,611,338	3,889,407	4,002,941	3,922,755	3,004,327	5,637,274
Total government net expense	\$ (21,842,670)	\$ (7,893,325)	\$ (8,957,469)	\$ 3,594,951	\$ (8,220,879)	\$ (6,802,309)	\$ (4,490,830)	\$ (7,330,882)	\$ (8,695,624)	\$ (5,404,363)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 11,454,519	\$ 10,421,456	\$ 9,423,457	\$ 10,064,621	\$ 10,674,696	\$ 11,136,810	\$ 12,384,300	\$ 12,894,388	\$ 13,744,948	\$ 14,761,012
Franchise fees	-	-	-	-	-	-	-	-	423,045	2,071,476
General grants and contributions	9,175	38,577	3,198	4,204	3,905	3,586	102,994	5,617	2,053,933	2,963
Investment earnings (charges)	474,076	(411,446)	980,922	422,405	280,597	454,089	578,770	1,122,573	1,035,274	(164,122)
Gain on sale of capital assets	-	12,940	-	8,914	-	5,530	75,047	8,428	2,372	22,325
Transfers	107,500	112,000	119,500	124,000	214,445	133,000	137,500	(506,494)	6,229,699	85,147
Total governmental activities	12,045,270	10,173,527	10,527,077	10,624,144	11,173,643	11,733,015	13,278,611	13,524,512	23,489,271	16,778,801
Business-type activities:										
Investment earnings (charges)	320,894	(353,956)	870,728	385,490	325,628	492,594	650,053	1,462,125	1,391,802	(220,914)
Transfers	(107,500)	(112,000)	(119,500)	(124,000)	(214,445)	(133,000)	(137,500)	506,494	(6,229,699)	(85,147)
Total business-type activities	213,394	(465,956)	751,228	261,490	111,183	359,594	512,553	1,968,619	(4,837,897)	(306,061)
Total government	\$ 12,258,664	\$ 9,707,571	\$ 11,278,305	\$ 10,885,634	\$ 11,284,826	\$ 12,092,609	\$ 13,791,164	\$ 15,493,131	\$ 18,651,374	\$ 16,472,740
Change in Net Position										
Governmental activities	\$ (12,402,454)	\$ 680,540	\$ 441,943	\$ 11,914,946	\$ 341,426	\$ 1,041,299	\$ 4,784,840	\$ 2,270,875	\$ 11,789,320	\$ 5,737,164
Business-type activities	2,818,448	1,133,706	1,878,893	2,565,639	2,722,521	4,249,001	4,515,494	5,891,374	(1,833,570)	5,331,213
Total government	\$ (9,584,006)	\$ 1,814,246	\$ 2,320,836	\$ 14,480,585	\$ 3,063,947	\$ 5,290,300	\$ 9,300,334	\$ 8,162,249	\$ 9,955,750	\$ 11,068,377

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>Franchise Fees</u>	<u>Total</u>
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
2020	12,515,773	1,229,175	423,045	14,167,993
2021	13,006,098	1,754,914	2,071,476	16,832,488

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General fund										
Nonspendable	\$ 4,042	\$ 50,561	\$ 4,805	\$ 1,613	\$ 15,431	\$ 12,393	\$ 21,335	\$ 23,640	\$ 16,849	\$ 36,195
Assigned	142,419	175,008	—	—	—	—	—	—	—	—
Unassigned	6,578,822	6,545,825	6,977,764	7,271,432	7,501,962	7,900,225	8,468,792	8,856,806	10,073,204	10,413,294
Total general fund	<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>	<u>\$ 10,090,053</u>	<u>\$ 10,449,489</u>
Nonspendable	\$ —	\$ 590	\$ —	\$ —	\$ 450	\$ 920	\$ 1,205	\$ 1,801	\$ 295	\$ 52
Restricted	17,606,291	19,148,705	15,295,400	18,484,179	18,377,993	18,187,321	19,369,642	19,957,595	27,518,666	17,331,642
Committed	946,312	927,557	743,944	890,603	1,041,932	1,226,234	1,631,444	1,184,262	1,326,070	1,611,150
Assigned	9,962,381	10,719,398	10,651,554	12,645,683	13,331,150	13,394,815	14,094,178	15,297,043	18,886,283	17,358,673
Unassigned	(456,692)	(282,159)	(110,979)	(556,135)	(87,659)	—	—	—	—	—
Total all other governmental funds	<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>	<u>\$ 47,731,314</u>	<u>\$ 36,301,517</u>

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Property taxes	\$ 11,545,803	\$ 10,490,825	\$ 9,544,771	\$ 10,175,399	\$ 10,684,896	\$ 11,150,611	\$ 12,416,534	\$ 12,872,234	\$ 13,682,348	\$ 14,846,572
Franchise fees	-	-	-	-	-	-	-	-	423,045	2,071,476
Special assessments	436,854	370,791	326,465	468,844	444,235	959,217	559,599	1,025,527	484,810	766,131
Licenses and permits	534,910	718,875	458,532	784,954	526,008	732,129	1,031,944	901,222	850,504	917,645
Intergovernmental revenue	3,736,095	2,919,701	2,615,851	2,052,791	1,795,988	2,213,034	2,947,966	1,518,639	5,793,188	1,610,478
Charges for services	1,681,400	877,849	966,951	1,779,697	1,298,085	1,469,703	2,355,969	1,892,517	1,246,378	2,038,120
Fines and forfeits	75,562	73,110	72,216	60,236	66,410	59,701	46,651	49,479	34,735	51,153
Investment earnings (charges)	468,032	(403,836)	965,382	416,508	276,142	447,200	570,243	1,104,969	1,020,655	(161,690)
Other	1,909,229	1,402,508	596,208	10,679,794	773,836	707,675	765,601	1,036,319	842,747	1,064,495
Total Revenues	<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>	<u>24,378,410</u>	<u>23,204,380</u>
Expenditures										
General government	18,291,512	2,837,610	3,175,959	3,119,273	3,537,925	4,031,933	4,212,365	4,358,408	4,849,293	3,941,404
Public safety	3,860,697	3,740,132	3,809,209	4,011,871	4,234,482	4,727,493	4,788,902	5,360,402	5,967,770	6,415,511
Highways and streets	4,391,415	3,883,519	2,930,144	1,815,409	2,199,615	2,542,463	2,390,707	2,528,216	2,068,827	2,164,326
Culture and recreation	836,452	1,013,089	1,004,750	1,428,116	1,478,090	1,960,624	1,291,816	1,281,153	1,476,727	1,417,251
Economic development	-	-	-	-	-	-	-	-	481,858	2,140,267
Capital outlay	3,370,128	705,383	3,688,952	6,314,573	2,756,193	1,922,947	3,568,285	1,505,922	7,406,231	16,026,400
Debt service										
Principal	1,485,000	1,315,000	1,580,000	8,780,000	1,735,000	2,085,000	2,100,000	2,280,000	4,045,000	1,930,000
Interest	2,681,176	1,213,120	1,179,859	1,103,614	965,474	967,281	923,125	854,188	873,623	851,152
Total Expenditures	<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>	<u>27,169,329</u>	<u>34,886,311</u>
Excess (deficiency) of revenues over expenditures	(14,528,495)	1,741,970	(1,822,497)	(154,633)	(1,041,179)	(498,471)	1,419,307	2,232,617	(2,790,919)	(11,681,931)
Other financing sources (uses)										
Debt issued	7,320,000	635,000	875,000	5,085,000	1,650,000	895,000	1,175,000	-	9,055,000	-
Refunding debt issued	16,875,000	-	-	-	-	-	-	-	-	9,845,000
Payments on refunded debt	(17,227,352)	-	(2,895,000)	-	-	-	-	-	-	(10,510,000)
Premium on debt issues	284,907	-	-	111,606	69,482	5,590	35,246	-	4,068	809,201
Proceeds on sale of capital assets	11,753	12,940	-	8,914	-	5,530	75,047	8,428	2,372	46,443
Transfers in	6,237,727	2,606,637	2,329,539	3,642,196	2,183,931	1,536,025	1,447,137	1,714,327	11,238,331	2,049,840
Transfers (out)	(6,130,227)	(2,494,637)	(2,210,039)	(3,518,196)	(1,418,350)	(1,403,025)	(1,287,049)	(2,220,821)	(5,008,632)	(1,628,914)
Total other financing sources (uses)	<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>	<u>15,291,139</u>	<u>611,570</u>
Net change in fund balances	<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>	<u>\$ 12,500,220</u>	<u>\$ (11,070,361)</u>
Debt service as a percentage of noncapital expenditures	<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>	<u>24.89%</u>	<u>14.75%</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>Franchise Fees</u>	<u>Total</u>
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
2020	12,453,173	1,229,175	423,045	14,105,393
2021	13,091,658	1,754,914	2,071,476	16,918,048

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					
2012	\$ 1,475,770,635	\$ 282,627,300	\$ 17,640,900	\$ 1,776,038,835	\$ 19,881,220	44.174	\$ 1,939,707,200	1.12%
2013	1,360,374,300	257,979,400	18,811,000	1,637,164,700	18,068,054	44.290	1,806,808,800	1.10%
2014	1,362,070,464	245,491,800	17,567,700	1,625,129,964	19,356,717	44.237	1,795,975,400	1.19%
2015	1,598,276,536	251,254,300	16,579,800	1,866,110,636	21,196,036	42.259	2,025,977,100	1.14%
2016	1,680,308,461	259,553,800	20,929,000	1,960,791,261	22,262,546	43.316	2,116,664,200	1.14%
2017	1,788,112,555	272,746,700	21,166,600	2,082,025,855	23,635,124	42.454	2,236,219,500	1.14%
2018	2,017,773,356	276,246,500	24,178,500	2,318,198,356	26,075,064	41.730	2,460,843,300	1.12%
2019	2,173,440,579	298,573,500	27,720,100	2,499,734,179	28,214,447	40.355	2,645,430,600	1.13%
2020	2,364,387,414	320,472,500	29,789,700	2,714,649,614	30,594,502	39.592	2,856,636,800	1.13%
2021	2,546,762,283	332,693,800	31,551,800	2,911,007,883	32,823,984	39.251	3,043,492,300	1.13%

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									
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
2020	34.063	5.529	39.592	33.483	16.948	34.371	4.361	94.384	111.807
2021	33.882	5.369	39.251	31.567	16.152	31.717	4.236	91.206	106.771

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	2021			2012		
	Taxable Market Value	Rank	Percentage of Total Taxable Market Value	Taxable Market Value	Rank	Percentage of Total Taxable Market Value
Residence at the COR Apartments	\$ 33,275,950	1	1.14%	\$ –	–	N/A
Connexus Energy/Anoka Electric	25,871,950	2	0.89%	20,112,200	1	1.13%
PSD LLC/Affinity at Ramsey	25,042,650	3	0.86%	6,263,500	7	0.35%
Minnegasco/Centerpoint	24,848,650	4	0.85%	5,941,500	8	0.33%
Life Fitness LLC	22,055,050	5	0.76%	–	–	N/A
Northstar Marketplace Station	15,181,500	6	0.52%	–	–	N/A
Parkview East, LLC	13,376,600	7	0.46%	–	–	N/A
Knoll Properties	12,178,250	8	0.42%	–	–	N/A
Cars-DB4/Lazydays RV	11,782,850	9	0.40%	–	–	N/A
Vision Ease/Insight Equity	10,078,600	10	0.35%	–	–	N/A
S & A Partners, LLC	–	–	N/A	11,985,700	2	0.67%
Sophia-Ramsey LLC	–	–	N/A	8,599,300	3	0.48%
Brunswick Corporation	–	–	N/A	8,447,200	4	0.48%
21st Century Bank	–	–	N/A	7,352,700	5	0.41%
Insight Equity APX	–	–	N/A	6,995,200	6	0.39%
Zero-Zone Refrigeration	–	–	N/A	5,104,800	9	0.29%
Molin Concrete	–	–	N/A	4,569,100	10	0.26%
Total principal property taxpayers	<u>\$ 193,692,050</u>		<u>6.65%</u>	<u>\$ 85,371,200</u>		<u>4.81%</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
2012	\$ 8,782,330	\$ 8,616,750	98.11%	\$ 165,107	\$ 8,781,857	99.99%
2013	8,185,481	7,961,650	97.27%	222,872	8,184,522	99.99%
2014	8,772,143	8,649,053	98.60%	122,079	8,771,132	99.99%
2015	9,407,821	9,330,900	99.18%	74,940	9,405,840	99.98%
2016	9,971,075	9,890,058	99.19%	78,968	9,969,026	99.98%
2017	10,479,058	10,409,108	99.33%	66,750	10,475,858	99.97%
2018	11,374,395	11,314,369	99.47%	54,109	11,368,478	99.95%
2019	11,831,335	11,736,217	99.20%	79,229	11,815,446	99.87%
2020	12,509,232	12,405,409	99.17%	–	12,405,409	99.17%
2021	13,009,808	12,956,334	99.59%	–	12,956,334	99.59%

Source: Anoka County records

(1) Includes general, debt service and EDA 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	Unamortized Bond Premiums	Capital Equipment Certificates			
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
2020	28,325,000	-	575,000	28,900,000	2.75%	1,060
2021	25,885,000	795,714	420,000	27,100,714	2.57%	970

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>Unamortized Bond Premiums</u>	<u>Capital Equipment Certificates</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>
2012	\$ 36,345,000	\$ -	\$ -	\$ 5,618,631	\$ 30,726,369	1.73%	\$ 1,289
2013	35,030,000	-	635,000	4,963,143	30,701,857	1.88%	1,263
2014	30,615,000	-	1,450,000	1,914,472	30,150,528	1.86%	1,209
2015	27,060,000	-	1,310,000	1,721,796	26,648,204	1.43%	1,041
2016	27,120,000	-	1,165,000	1,778,495	26,506,505	1.35%	1,025
2017	26,075,000	-	1,020,000	2,380,281	24,714,719	1.19%	941
2018	25,295,000	-	875,000	2,573,517	23,596,483	1.02%	892
2019	23,165,000	-	725,000	2,749,777	21,140,223	0.85%	781
2020	28,325,000	-	575,000	1,422,444	27,477,556	1.01%	1,008
2021	25,885,000	795,714	420,000	977,067	26,123,647	0.90%	935

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, 2021

<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	\$ 49,315,000	7.30%	\$ 3,599,946
ISD No. 11, Anoka-Hennepin	251,620,000	9.82%	24,704,052
ISD No. 728, Elk River	302,775,000	3.44%	10,413,946
Metropolitan Council	193,320,000	0.69%	<u>1,333,908</u>
Subtotal, overlapping debt			<u>40,051,852</u>
City of Ramsey direct debt	27,100,714	100.00%	<u>27,100,714</u>
Total direct and overlapping debt			<u>\$ 67,152,566</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**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Fiscal Year 2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Limit	\$ 57,200,676	\$ 53,252,703	\$ 52,910,907	\$ 59,662,374	\$ 62,348,919	\$ 65,840,919	\$ 72,493,821	\$ 77,913,726	\$ 81,439,488	\$ 87,330,236
Total net debt applicable to limit	<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>	<u>23,195,703</u>	<u>21,803,268</u>
Legal debt margin	<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>	<u>\$ 58,243,785</u>	<u>\$ 65,526,968</u>
Total net debt applicable to limit as a percentage of debt limit	27.40%	30.03%	30.51%	32.17%	29.38%	26.51%	22.68%	19.64%	28.48%	24.97%

Legal Debt Margin Calculation for Fiscal Year 2021

Taxable Market value	\$ 2,911,007,883
Debt limit (3% of market value)	87,330,236
Debt applicable to limit:	
Total bonded debt and certificates	\$ 26,305,000
Less:	
Obligations issued with special assessments	(3,965,000)
Amounts available in respective Debt Service Funds	<u>(536,732)</u>
Total deductions	<u>(4,501,732)</u>
	<u>21,803,268</u>
Legal debt margin	<u>\$ 65,526,968</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**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (5)
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	5,464	3.2%
2020	27,263	1,049,407,396	38,492	5,395	4.4%
2021	27,946	1,056,470,584	37,804	5,346	2.2%

(1) Calculated based on census data and City of Ramsey community development 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) Source: US Census Bureau. Anoka-Hennepin School District #11 and Elk River School District #728. Only includes schools located in Ramsey City limits.

(5) Minnesota Department of Employment and Economic Development.

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

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees*</u>	<u>Rank</u>	<u>Percentage of Total City Employment**</u>	<u>Employees*</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Anderson & Dahlen (Knoll Properties)	325	1	4.60%	150	4	2.84%
BMC/Hoya Vision Ease/Care	263	2	3.72%	355	1	6.71%
Life Fitness/Parabody Inc.	237	3	3.35%	350	2	6.62%
ISD No. 11 (located in Ramsey)	235	4	3.32%	135	5	2.55%
Showdown Displays	234	5	3.31%	–	–	N/A
Connexus Energy/Anoka Electric	217	6	3.07%	230	3	4.35%
Diamond Graphics	181	7	2.56%	100	9	1.89%
Delta ModTech	180	8	2.55%	–	–	N/A
Coborns Superstore	155	9	2.19%	–	–	N/A
Green Valley Greenhouse	155	9	2.19%	–	–	N/A
Zero Zone Refrigeration	–	–	N/A	130	6	2.46%
Altron Inc	–	–	N/A	120	7	2.27%
Waltek	–	–	N/A	108	8	2.04%
RJM Distributing	–	–	N/A	100	9	1.89%
Total	2,182		30.86%	1,778		33.62%

* Source: City Inquiries with Businesses / Full-time Equivalent

** Source 2021 Q3: DEED Employment; Workforce 7,070

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

<u>Function</u>	<u>Fiscal Year</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>	<u>2020</u>	<u>2021</u>
General government	18.60	16.00	20.00	19.13	17.36	18.36	18.86	18.92	19.10	19.20
Public safety										
Police										
Officers	23.00	22.00	22.00	24.00	24.00	26.26	26.26	27.00	27.00	29.00
Civilians	5.00	5.00	5.50	4.00	4.00	3.50	3.50	4.74	4.84	5.52
Fire										
Firefighters and officers	9.58	9.58	9.58	9.58	9.58	9.58	9.58	10.58	10.58	10.58
Civilians	0.50	0.50	0.50	0.50	1.00	0.70	0.70	0.70	0.70	0.70
Protective Inspections	1.00	2.00	3.25	3.75	3.75	3.75	3.25	2.81	2.81	3.82
Highways and streets										
Engineering	6.60	6.30	6.30	7.00	7.00	7.00	6.00	6.00	6.00	6.00
Streets	7.00	7.00	7.00	7.50	8.50	8.50	10.50	10.00	9.00	9.00
Maintenance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.13	3.13	3.50
Culture and recreation	3.47	5.47	3.97	3.97	3.97	3.97	3.97	8.50	8.50	9.50
Water	2.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total	<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>	<u>95.66</u>	<u>100.82</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police*										
Number of arrests	416	465	377	358	273	255	289	331	292	331
Motor Vehicle Accidents	471	493	279	279	289	162	466	423	335	403
Traffic violations	3,292	4,453	4,182	5,378	4,855	2,997	1,812	1,278	1,094	1,234
Fire										
Number of calls answered	459	443	486	460	498	698	821	975	1133	1301
Inspections**	303	205	177	196	134	158	194	508	209	414
Highways and streets										
Street resurfacing (miles)	22.00	14.50	14.25	15.74	19.84	13.41	15.45	16.27	2.52	7.3
Culture and recreation										
Park Acreage maintained	565	571	571	571	571	571	571	572	572	572
Trails/sidewalks maintained (miles)***	45	46	50	50	50	55	55	97	97	100
Water										
Number of connections	4,087	4,228	4,308	4,406	4,510	4,611	4,777	4,884	5,038	5,210
Water main breaks	-	-	-	-	1	-	-	-	-	-
Average daily consumption (gallons)	1,890,290	1,697,771	1,610,006	1,811,752	1,645,027	1,923,213	1,948,161	1,755,575	2,004,024	2,402,742

Source: Various City departments

* Beginning in 2018 new calculations and tracking processes were used for the Police statistics and are not able to be accurately used as comparisons to prior years.

** 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	6	10	10	10	11	11	11
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles) *	172.88	172.88	172.88	182.04	183.27	184.70	186.01	186.59	187.80	188.55
Streetlights	659	659	1,060	1,166	1,179	1,194	1,213	1,226	1,243	1,255
Culture and recreation										
Parks acreage	565	565	565	565	585	585	585	586	586	586
Parks **	35	38	38	38	38	38	38	39	39	39
Tennis/pickleball courts ***	10	10	10	10	10	10	10	10	10	14
Water										
Water mains (miles)	90	90	91	91	91	94	97	98	99	100
Fire hydrants	1,030	1,030	1,045	1,047	1,047	1,079	1,100	1,150	1,160	1,194
Maximum daily capacity ****	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	4,837,000	4,837,000	6,300,000
Sewer										
Sanitary sewers (miles)	63	63	64	65	65	67	69	72	73	75
Storm sewers (miles)	28	34	36	39	43	46	47	54	55	62

Source: Various City departments

* Street (miles) were previously reported including unbuilt MSA segment roads.
Beginning in 2019 they will be excluded. 2019 MSA roads = 4.81 miles

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

*** In 2021 pickleball courts were added.

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