

*Minnesota*

*Annual Comprehensive  
Financial Report*

*Year Ended December 31, 2023*



CITY OF RAMSEY  
ANOKA COUNTY, MINNESOTA

Annual Comprehensive Financial Report  
Year Ended  
December 31, 2023

Prepared by  
Finance Department

Diana Lund  
Finance Director



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CITY OF RAMSEY  
ANOKA COUNTY, MINNESOTA

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CITY OF RAMSEY  
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, 2023

**CITY COUNCIL**

Mark Kuzma	Mayor
Chelsee Howell	Councilmember
Debra Musgrove	Councilmember
Michael Olson	Councilmember
Chris Riley	Councilmember
Dan Specht	Councilmember
Matt Woestehoff	Councilmember

**CITY OFFICIALS**

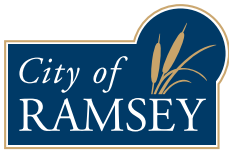
Brian Hagen	City Administrator
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**DEPARTMENT HEADS**

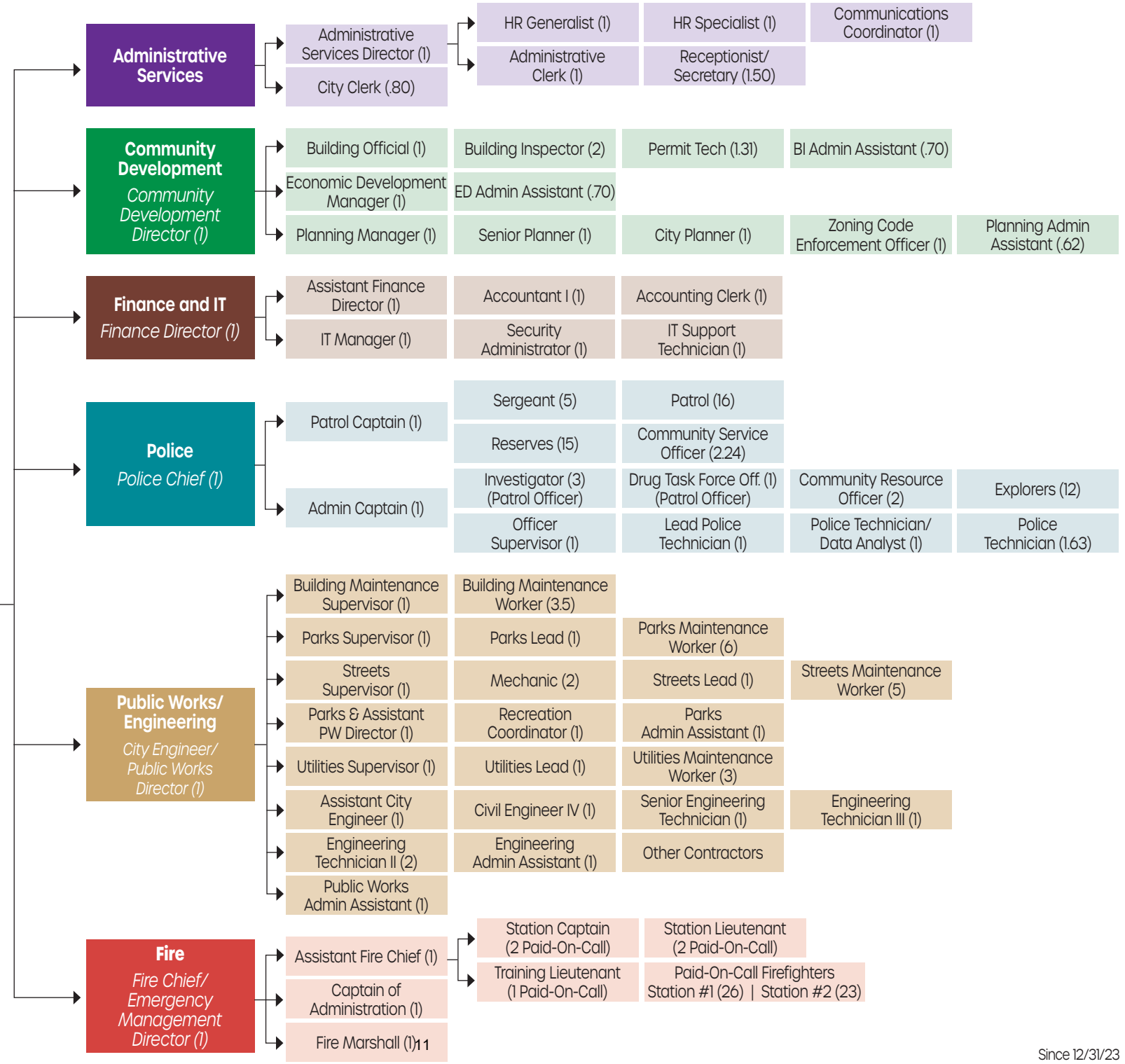
Stephanie Hanson	Community Development Director
Jeff Katers	Police Chief
	Fire Chief/
Matthew Kohner	Emergency Management Director
Colleen Lasher	Administrative Services Director
Diana Lund	Finance Director
	City Engineer/
Bruce Westby	Public Works Director



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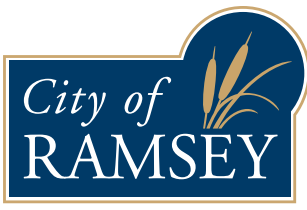


# Organizational Chart





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# Goals/Imperatives

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## **Financial Stability**

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

## **A Balance of Rural Character & Suburban Growth**

Continue to respect the balance and connectivity between our unique suburban, 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

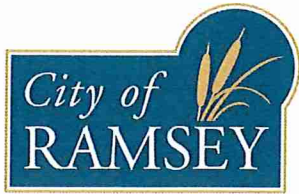
Excellence and Quality in the Delivery of Service

Treating People with Respect and Fairness

Adaptability and Continuous Learning



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City Hall: 763-427-1410 • Fax: 763-427-5543  
[www.cityoframsey.com](http://www.cityoframsey.com)

June 17, 2024  
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, 2023 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 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 function 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 16,362. Anoka County, in which Ramsey is located, has an employed labor force of 197,480 and an unemployment rate of 2.5%.

There are approximately 10,433 housing units in the City. Of these, 8,674 are owner occupied and 1,397 are renter occupied. The average home value is \$373,072 with a median value of \$351,943. In addition, there were 125 new single-family homes and 60 multi-family housing units with a valuation of \$52.2 million constructed in 2023.

Six hundred and twenty businesses call Ramsey home; those businesses employ nearly 7,362 people. Ten new commercial permits were issued in 2023 with a permit valuation of \$33.5 million. Some of the projects completed in 2023 were the Pact Charter School with 67,000 square feet, Lil Explorers Childcare – 16,300 square feet, and Blue Line Collision with 10,000 square feet. The third building of Oppidan was completed in 2023 which added another 146,700 square feet. Norhart Apartments signed a purchase agreement/contract with the city in 2023 to construct a 200-unit, market-rate apartment in 2024. Hilton Home 2 has also been approved to construct a 98 unit hotel with construction to be complete in 2024.

The City has three major industrial districts containing multiple business parks with a combined capacity of over 500 acres and 70 industrial/office buildings. Bunker Lake Industrial Park, the newest 115-acre business park, west of Armstrong Boulevard, opened in 2018 and now has 843,900 square feet of industrial buildings constructed. Upon completion, this new business park is estimated to generate around three million dollars in annual property taxes and create about 1,500 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.

### **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 unassigned General Fund balance in an amount equal to 50% of the following years adopted operating budget, plus prior year encumbrances, plus compensated absences. 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, was fully funded as of July 2021, and construction began in the fall of 2023. The majority of the project is slated to be completed in the fall of 2025 with final cosmetic touches completed in the spring of 2026. Ramsey's contribution to the project is estimated at \$4,000,000.

The City issued \$8,315,000 of General Obligation Bonds in 2023. This bond consisted of two issues: \$6,915,000 Tax Increment for major improvements in the COR related to tree clearing and mass grading. The remaining \$1,400,000 was a Capital Equipment Certificate issue that will be used to help fund some of the capital equipment outlined in the city's 2024 General Fund budget. The rating firm of Standard and Poor's reaffirmed the City's AA+ bond rating with this debt issue.

The City broke ground on a ten-million-gallons-per-day water treatment plant in the spring of 2023. In November 2023, the watermain improvements that will service the water treatment plant were approved and construction is scheduled for the spring of 2024. The combined projects of the building and the watermain lines is approximately \$42 million. Funding is proposed to come from the City's Enterprise Funds in which the City has been budgeting for the project since 2004 and also a \$3.2 million state grant.

## 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, 2022. This was the twenty-ninth 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.

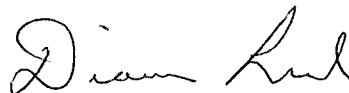
## ACKNOWLEDGMENT

The 2023 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,



Brian Hagen  
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, 2022**

*Christopher P. Morill*

Executive Director/CEO



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FINANCIAL SECTION



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**PRINCIPALS**

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

**INDEPENDENT AUDITOR'S REPORT**

To the City Council and Management  
City of Ramsey, Minnesota

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**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, 2023, 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, 2023, 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 for 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 accompanying 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 17, 2024, 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 17, 2024



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## CITY OF RAMSEY

### Management's Discussion and Analysis Year Ended December 31, 2023

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, 2023. 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, 2023 by \$228,451,915 (net position).
- Government-wide revenues totaled \$46,992,378 and were \$13,259,187 more than expenses.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$64,704,872, an increase of \$3,268,356 from the prior fiscal year, largely due to the increase in investment earnings due to a higher rate of return.
- At the end of the current fiscal year the General Fund equity balance of \$12,265,915 included \$28,616 of nonspendable fund balance and \$12,237,299 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 \$228,451,915 at December 31, 2023. Total net position increased by \$13,259,187 from current year operating results.

By far, the largest portion of the City's net position (61 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 Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 72,408,674	\$ 72,626,918	\$ 44,940,105	\$ 44,461,716	\$ 117,348,779	\$ 117,088,634
Capital assets, net of depreciation	97,844,103	88,271,396	73,355,151	63,486,708	171,199,254	151,758,104
Total assets	<u>\$ 170,252,777</u>	<u>\$ 160,898,314</u>	<u>\$ 118,295,256</u>	<u>\$ 107,948,424</u>	<u>\$ 288,548,033</u>	<u>\$ 268,846,738</u>
<b>Deferred outflows of resources</b>						
OPEB plan deferments	\$ 502,803	\$ 539,144	\$ -	\$ -	\$ 502,803	\$ 539,144
Pension plan deferments	7,594,871	9,240,986	157,822	232,460	7,752,693	9,473,446
Total deferred outflows of resources	<u>\$ 8,097,674</u>	<u>\$ 9,780,130</u>	<u>\$ 157,822</u>	<u>\$ 232,460</u>	<u>\$ 8,255,496</u>	<u>\$ 10,012,590</u>
<b>Liabilities</b>						
Current and other liabilities	\$ 4,384,112	\$ 6,466,702	\$ 1,592,532	\$ 80,941	\$ 5,976,644	\$ 6,547,643
Long-term liabilities	52,336,569	54,229,001	520,046	716,367	52,856,615	54,945,368
Total liabilities	<u>\$ 56,720,681</u>	<u>\$ 60,695,703</u>	<u>\$ 2,112,578</u>	<u>\$ 797,308</u>	<u>\$ 58,833,259</u>	<u>\$ 61,493,011</u>
<b>Deferred inflows of resources</b>						
Leases receivable for subsequent years	\$ 1,167,032	\$ 1,379,641	\$ -	\$ -	\$ 1,167,032	\$ 1,379,641
OPEB plan deferments	644,049	611,952	-	-	644,049	611,952
Pension plan deferments	7,531,492	164,764	175,782	17,232	7,707,274	181,996
Total deferred inflows of resources	<u>\$ 9,342,573</u>	<u>\$ 2,156,357</u>	<u>\$ 175,782</u>	<u>\$ 17,232</u>	<u>\$ 9,518,355</u>	<u>\$ 2,173,589</u>
<b>Net position</b>						
Net investment in capital assets	\$ 66,959,661	\$ 63,796,121	\$ 71,932,644	\$ 63,486,708	\$ 138,892,305	\$ 127,282,829
Restricted	18,598,778	20,624,484	-	-	18,598,778	20,624,484
Unrestricted	26,728,758	23,405,779	44,232,074	43,879,636	70,960,832	67,285,415
Total net position	<u>\$ 112,287,197</u>	<u>\$ 107,826,384</u>	<u>\$ 116,164,718</u>	<u>\$ 107,366,344</u>	<u>\$ 228,451,915</u>	<u>\$ 215,192,728</u>

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 a high-quality bond rating. The City's AA+ bond rating was reaffirmed by Standard and Poor's (S&P) in October 2023. 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 start of construction on a new water treatment plant and significant developer contributions reported increased capital assets, net of depreciation in the current year.

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

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 2,401,214	\$ 1,918,322	\$ 7,512,798	\$ 6,752,601	\$ 9,914,012	\$ 8,670,923
Operating grants and contributions	2,004,445	707,228	100,369	57,700	2,104,814	764,928
Capital grants and contributions	5,163,608	9,697,841	3,949,772	4,839,693	9,113,380	14,537,534
General revenues						
Property taxes	20,126,982	17,637,477	-	-	20,126,982	17,637,477
Franchise fees	-	4,859	-	-	-	4,859
General grants and contributions	3,223	3,644	-	-	3,223	3,644
Investment earnings (charges)	2,562,165	(286,023)	3,147,802	(4,935,417)	5,709,967	(5,221,440)
Gain on sale of capital assets	20,000	22,500	-	-	20,000	22,500
Total revenues	<u>32,281,637</u>	<u>29,705,848</u>	<u>14,710,741</u>	<u>6,714,577</u>	<u>46,992,378</u>	<u>36,420,425</u>
<b>Expenses</b>						
General government	5,347,691	4,967,112	-	-	5,347,691	4,967,112
Public safety	8,717,911	7,989,480	-	-	8,717,911	7,989,480
Highways and streets	8,670,486	5,308,212	-	-	8,670,486	5,308,212
Culture and recreation	2,194,755	1,997,522	-	-	2,194,755	1,997,522
Economic development	1,705,446	1,096,422	-	-	1,705,446	1,096,422
Interest and fiscal charges	1,258,959	564,462	-	-	1,258,959	564,462
Water utility	-	-	2,062,314	1,895,776	2,062,314	1,895,776
Sewer utility	-	-	2,209,802	1,947,356	2,209,802	1,947,356
Street light utility	-	-	173,924	172,765	173,924	172,765
Recycling utility	-	-	527,182	514,231	527,182	514,231
Storm water utility	-	-	864,721	791,605	864,721	791,605
Total expenses	<u>27,895,248</u>	<u>21,923,210</u>	<u>5,837,943</u>	<u>5,321,733</u>	<u>33,733,191</u>	<u>27,244,943</u>
Changes in net position before transfers	4,386,389	7,782,638	8,872,798	1,392,844	13,259,187	9,175,482
Transfers	<u>74,424</u>	<u>93,147</u>	<u>(74,424)</u>	<u>(93,147)</u>	<u>-</u>	<u>-</u>
Changes in net position	4,460,813	7,875,785	8,798,374	1,299,697	13,259,187	9,175,482
Net position - beginning	<u>107,826,384</u>	<u>99,950,599</u>	<u>107,366,344</u>	<u>106,066,647</u>	<u>215,192,728</u>	<u>206,017,246</u>
Net position - ending	<u>\$ 112,287,197</u>	<u>\$ 107,826,384</u>	<u>\$ 116,164,718</u>	<u>\$ 107,366,344</u>	<u>\$ 228,451,915</u>	<u>\$ 215,192,728</u>

**Governmental Activities** – Governmental activities account for a \$4,460,813 increase in the City's net position. Capital grants and contributions decreased by \$4,534,233 due to less street reconstruction funding and less developer contributions. Operating grants and contributions increased by \$1,297,217. The City received \$1,248,044 from the State of Minnesota at year end 2023 to be used for public safety expenditures.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

Investment earnings (charges) increased \$2,848,188. The City is required per the Governmental Accounting Standards Board to reflect most investments at fair value as of December 31<sup>st</sup> of the current year. The City was able to take advantage of the rising interest rates that the Federal Reserve implemented in 2022. The City reflects any changes in fair value against interest earnings (charges). Property taxes saw an increase of \$2,489,505 or 14% which was attributed to the City increasing their 2023 tax levy by approximately 11% over the 2022 adopted levy. Charges for services increased by \$482,892 as the City saw an increase in building permit related activity.

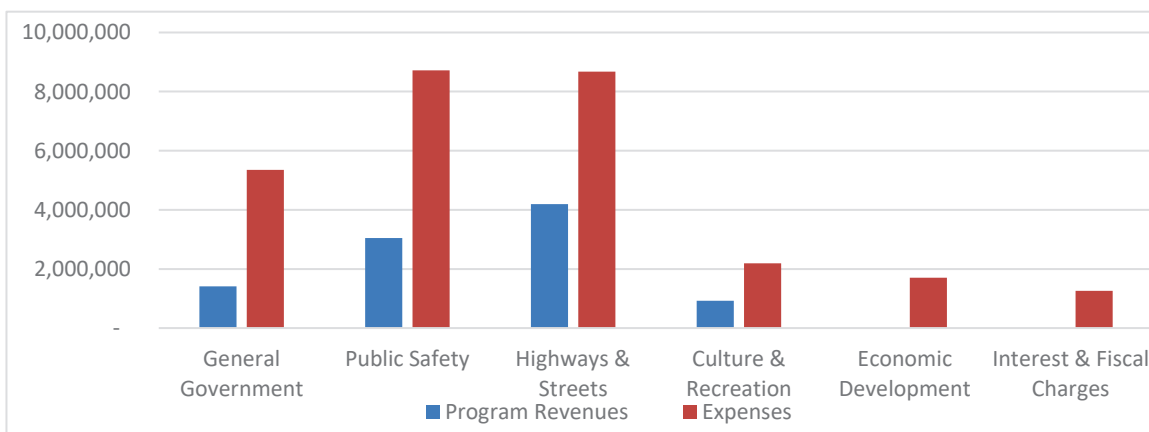
Expenses for the public safety function increased by \$728,431 due largely to personnel costs and the purchase of police and fire vehicles that were not received in 2022 due to supply chain shortages. Highways and streets expense increased by \$3,362,274 as the City issued a \$10,765,000 GO Street Reconstruction Bond in late 2022 to improve the number of streets that need to be reconstructed in the City. The City completed significant street repairs in fiscal 2023. The economic development function increased by \$609,024 due to an increase of expenses in the COR area. Interest and fiscal charges increased by \$694,497 with more debt issued in recent years.

**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 \$8,798,374. Key elements of this increase are as follows.

- Revenues exceeded expenses before transfers by \$8,872,798, with this excess increasing \$7,479,954 from the prior year.
- Charges for services increased by \$760,197 from the prior year. This is primarily due to an increase in collections from quarterly utility billing collections related to the water and sewer utility.
- Investment earnings increased \$8,083,219. The city is required per the Governmental Accounting Standards Board to reflect most investments at fair value as of December 31<sup>st</sup> of the current year. The city reflects any changes in fair value against interest earnings (charges). In 2022, due to a large cash inflow needed for the city’s proposed water treatment plant, the city’s investments, due to the requirement to write down to fair value, were greatly affected by the sharp and quick increase in interest rates by the Federal Reserve. The city was able to take advantage of these improved rates in year 2023.

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

**Expenses and Program Revenues – Governmental Activities**

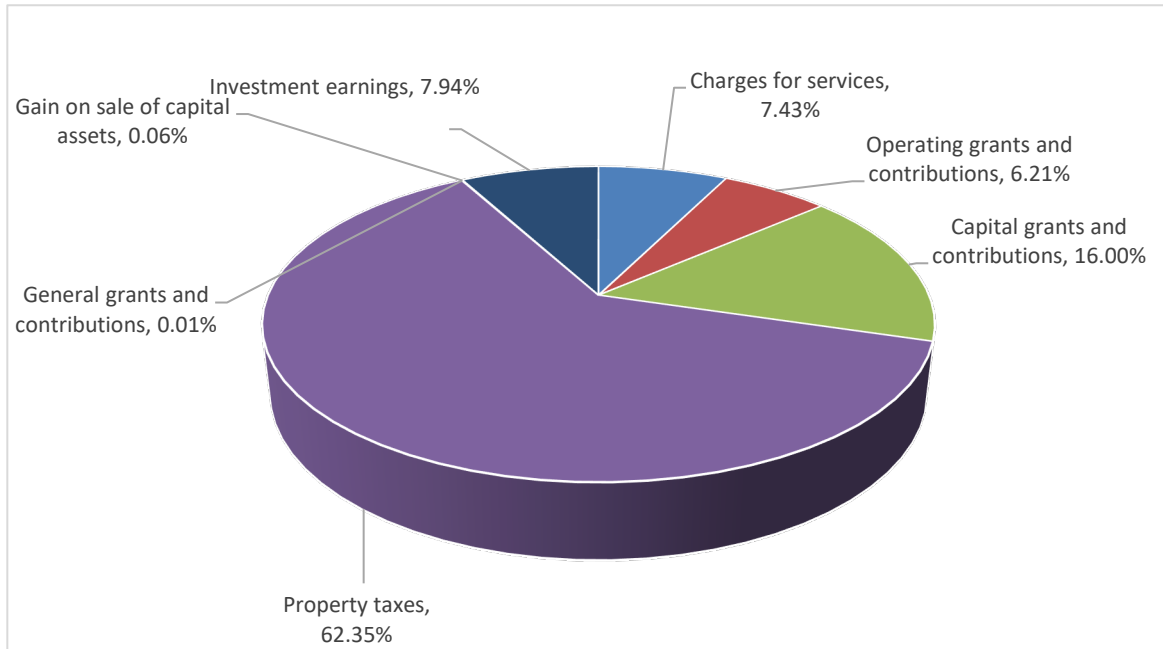


The graph clearly reflects the need for property taxes to supplement the governmental activities of the City. The trend of property taxes shows an increasing reliance on this source of revenue.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

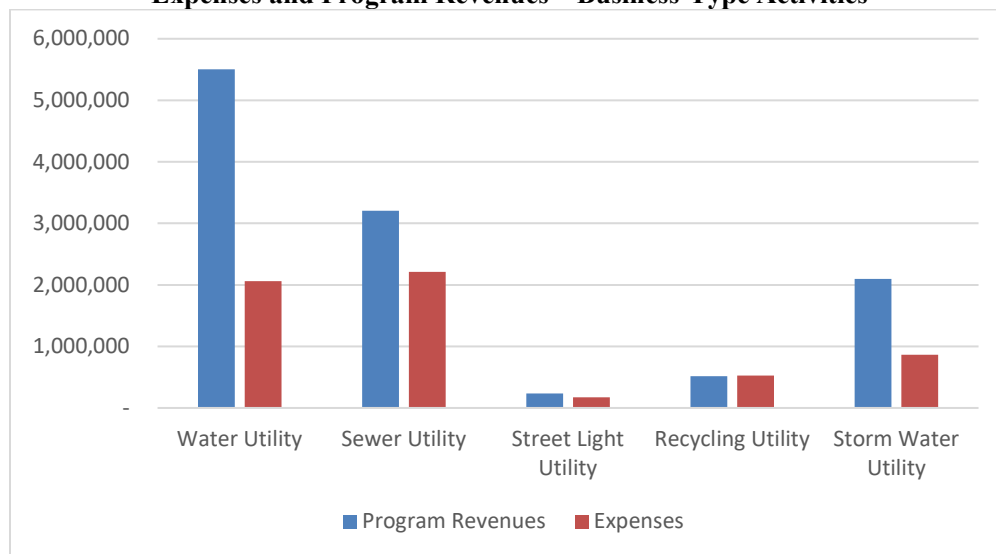
**Governmental Activities** – The following chart illustrates the City’s governmental activities revenues:

**Revenue by Source – Governmental Activities**



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

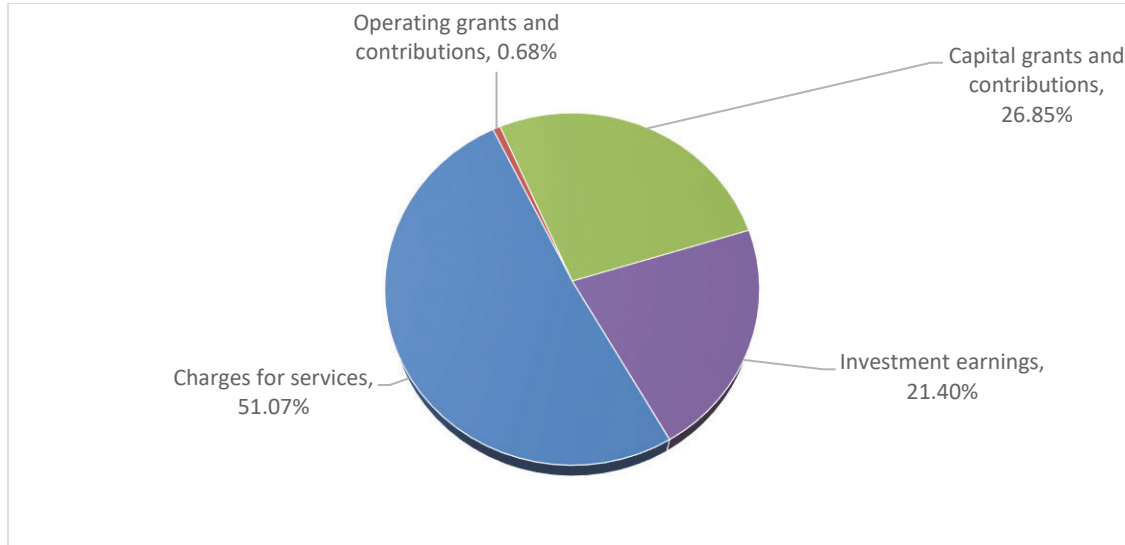
**Expenses and Program Revenues – Business-Type Activities**



**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 (51.07%) and Capital grants and contributions (26.85%) are the main sources of revenue for the business-type activities, which represent the Utility Funds. Investment earnings (21.40%) resulted from higher returns from increased interest rates.

**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 \$64,704,872, an increase of \$3,268,356 in comparison with the prior year. The increase is largely attributed to the issuance of \$8,315,000 General Obligation Bonds in 2023. The General Fund reported a fund balance increase of \$1,170,863 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. The favorable revenue variance helped the City to meet the fund balance policy goal.

**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	\$ 15,197,970	\$ 15,197,970	\$ 16,896,225	\$ 1,698,255	11.17%
Expenditures	<u>17,055,153</u>	<u>17,055,153</u>	<u>17,228,845</u>	<u>173,692</u>	1.02%
Excess (deficiency) of revenue over expenditures	(1,857,183)	(1,857,183)	(332,620)	1,524,563	
Other financing sources (uses)	<u>1,857,183</u>	<u>1,857,183</u>	<u>1,503,483</u>	<u>(353,700)</u>	
Net change in fund balances	<u>\$ —</u>	<u>\$ —</u>	1,170,863	<u>\$ 1,170,863</u>	
Fund balances					
Beginning of year			<u>11,095,052</u>		
End of year			<u>\$ 12,265,915</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.

Actual revenues exceeded budgeted revenues by \$1,698,255. The majority of the variance was attributed to conservative budgeting with most sources surpassing budget expectations. The largest variances occurred in intergovernmental (\$811,705) with the City recognizing COVID-related funding that was not included in the budget and charges for services (\$444,892) with more development activity than anticipated.

The difference between the final expenditure budget and actual was \$173,692 and is attributed to the highways and streets function in regards to patching and repairing potholes due to a freeze/thaw winter that took a toll on the city's streets. These expenditures came in higher than expected. Final budget numbers are based on past history and expected needs.

Overall fund balance increased by \$1,170,863 to an ending fund balance of \$12,265,915. The city's ending fund balance increase of \$1,170,863 is determined by its fund balance policy which for the year ending is summarized:

- \$1,108,298 increase based on 50% increase in next years adopted budget
- \$(64,987) decrease in prior year encumbrances related to personnel costs, general liabilities and capital maintenance transfer
- \$127,552 increase in compensated absences liability

**Tax Increment Fund** – This Special Revenue Fund had a year-end fund balance of \$6,730,012 which reflects an increase of \$898,308 from 2022. The increase was due to the issuance of a \$8,315,000 General Obligation Bond issue that had \$6,915,000 appropriated to the Tax Increment Fund for COR improvements.

**COR Land Fund** – This Special Revenue Fund increased \$195,224 to a year-end fund balance of \$8,343,303.

**Private Developer Fund** – This Special Revenue Fund is used to account for monies deposited from developers to offset city administrative costs. There is no fund balance recorded for 2023.

**RALF Funded Projects Fund** – This Capital Project Fund had a year-end fund balance of \$210,223. The reduction in fund balance by \$294,997 was the return of rental income to Met Council.

**State-Aid Construction Fund** – This Capital Project Fund saw an overall decrease in fund balance of \$1,465,288, due to the reconstructions of 161<sup>st</sup> and 167<sup>th</sup> Avenues.

**Pavement Management Program Fund** – This Capital Project Fund saw a slight decrease in fund balance of \$97,798. The ending fund balance for 2023 was \$15,004,728.

**Park Improvement Fund** – This Capital Project Fund had a year-end fund balance of \$7,683,511, or a \$742,822 increase from 2022. The increase was due to the collection of park dedication fees.

**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 \$116,164,718 at December 31, 2023. 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 \$436,956.

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, 2023 are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Capital Assets - Not Depreciated	\$ 18,176,090	\$ 10,772,232	\$ 9,717,921	\$ 2,329,071	\$ 27,894,011	\$ 13,101,303
Capital Assets - Depreciated	79,668,013	77,499,164	63,637,230	61,157,637	143,305,243	138,656,801
Total capital assets, net of depreciation	<u>\$ 97,844,103</u>	<u>\$ 88,271,396</u>	<u>\$ 73,355,151</u>	<u>\$ 63,486,708</u>	<u>\$ 171,199,254</u>	<u>\$ 151,758,104</u>
Depreciation expense	\$ 4,809,070	\$ 4,535,799	\$ 1,983,473	\$ 1,893,088	\$ 6,792,543	\$ 6,428,887

The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounts to approximately \$171 million (net of accumulated depreciation).

The governmental activities show a net increase of \$9,572,707 in capital assets attributable to the construction and reconstruction of City streets. Business-type activities show a net increase of \$9,868,443 in capital assets. The increase is attributable to developer contributions to the City’s utility system as part of their private developments and the construction of a water treatment plant. Additional details of capital asset activity for the year can be found in Note 5 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, the City had fund balance of \$780,840 restricted for debt service.

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

	2023	2022
<b>Governmental Activities</b>		
G.O. improvement bonds	\$ 39,480,000	\$ 34,895,000
Capital equipment certificates	1,495,000	260,000
Unamortized bond premiums	2,099,612	1,951,694
Arbitrage liability	166,156	-
Compensated absences payable	1,197,478	1,069,926
Net pension liability	7,103,501	15,256,095
Total OPEB liability	794,822	796,286
Subtotal	<u>52,336,569</u>	<u>54,229,001</u>
<b>Business-type Activities</b>		
Net pension liability	520,046	716,367
<b>Total</b>	<u>\$ 52,856,615</u>	<u>\$ 54,945,368</u>

During the current fiscal year, the City saw an increase of \$5,820,000 in bonds and certificates. The City had one debt issuance during the current year. The series 2023A, were \$8,315,000 General Obligation Bonds and was broke into two issues: \$6,915,000 applicable to the Tax Increment Fund and \$1,400,000 to Capital Equipment. The Tax Increment Fund portion of the bond was issued to fund infrastructure improvements in the COR area such as mass grading, tree clearing and Ferret Street reconstruction. The Capital Equipment portion will be used to fund some of the capital equipment purchases outlined in the City’s 2024 General Fund Budget. The new bond issue resulted in an increase in bond premium. Arbitrage liability was calculated on the 2022A bond issue based on gains made in 2023. Due to higher wages and employees retaining larger balances at year end, the compensated absence liability increased by \$127,552. Net pension liability saw a large decrease of \$8,348,915 to reflect the change in the City’s proportionate share of the state-wide PERA pension plan obligations. Other Post-Employment Benefits (OPEB) decreased \$1,464 due to annual OPEB contributions slightly exceeding costs 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 \$82,652,170.

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 6 of the notes to basic financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- The unemployment rate for the City is currently 2.2%, which is a decrease from a rate of 2.6% a year ago. The state of Minnesota shows an average unemployment rate of 2.6%, whereas, nationally the unemployment rate is 3.5%.
- The housing market has increased the City's estimated market value from \$4.125 billion in 2022/taxes payable 2023 to \$4.499 billion in 2023/taxes payable 2024 for a percentage increase of approximately 9%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Ramsey's budget for the 2024 fiscal year.

The water, sewer and storm utility rates were increased for the 2024 budget year. The water utility, which has a tiered rate structure, will increase by an average of 5% for all customers. The sewer utility, which has a flat rate structure for residential accounts only, will see an increase of 10%. Commercial sewer accounts, whose charges are based on their water usage, will also see a rate increase of 10%. Storm water utility will increase an average of 5%. The increased rates not only offset current maintenance costs and depreciation, but are being used to finance the construction of the water treatment plant and other future utility improvements that are documented in the City's ten-year Capital Improvement Plan.

## **REQUESTS FOR INFORMATION**

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

BASIC FINANCIAL STATEMENTS



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CITY OF RAMSEY

Statement of Net Position  
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and temporary investments	\$ 61,792,693	\$ 42,315,163	\$ 104,107,856
Receivables			
Unremitted taxes	201,156	-	201,156
Delinquent taxes	491,435	-	491,435
Unremitted special assessments	981	-	981
Delinquent special assessments	2,664	11,790	14,454
Deferred special assessments	314,513	299,875	614,388
Accounts	99,963	1,957,467	2,057,430
Interest	491,408	-	491,408
Internal balances	(218,810)	218,810	-
Leases	1,167,032	-	1,167,032
Due from other governmental units	1,021,290	31,980	1,053,270
Prepays	33,371	105,020	138,391
Land held for resale	7,010,978	-	7,010,978
Capital assets			
Not depreciated	18,176,090	9,717,921	27,894,011
Depreciated	79,668,013	63,637,230	143,305,243
Total capital assets, net of depreciation	<u>97,844,103</u>	<u>73,355,151</u>	<u>171,199,254</u>
Total assets	170,252,777	118,295,256	288,548,033
<b>Deferred outflows of resources</b>			
OPEB plan deferments	502,803	-	502,803
Pension plan deferments	7,594,871	157,822	7,752,693
Total deferred outflows of resources	<u>8,097,674</u>	<u>157,822</u>	<u>8,255,496</u>
Total assets and deferred outflows of resources	<u>\$ 178,350,451</u>	<u>\$ 118,453,078</u>	<u>\$ 296,803,529</u>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 892,189	\$ 1,535,014	\$ 2,427,203
Salaries and benefits payable	389,062	-	389,062
Accrued interest payable	94,119	-	94,119
Deposits payable	2,664,763	-	2,664,763
Due to other governmental units	243,979	56,048	300,027
Unearned revenue	100,000	1,470	101,470
Long-term liabilities			
Due within one year	3,760,480	-	3,760,480
Due in more than one year	48,576,089	520,046	49,096,135
Total long-term liabilities	<u>52,336,569</u>	<u>520,046</u>	<u>52,856,615</u>
Total liabilities	56,720,681	2,112,578	58,833,259
<b>Deferred inflows of resources</b>			
Leases receivable for subsequent years	1,167,032	-	1,167,032
OPEB plan deferments	644,049	-	644,049
Pension plan deferments	7,531,492	175,782	7,707,274
Total deferred inflows of resources	<u>9,342,573</u>	<u>175,782</u>	<u>9,518,355</u>
<b>Net Position</b>			
Net investment in capital assets	66,959,661	71,932,644	138,892,305
Restricted for			
Street improvements	1,431,798	-	1,431,798
Debt service	891,184	-	891,184
Economic development	1,475,401	-	1,475,401
Housing and redevelopment	7,010,978	-	7,010,978
Recreation/community programs	488,707	-	488,707
Public safety	1,267,887	-	1,267,887
Tax increment	6,032,823	-	6,032,823
Unrestricted	26,728,758	44,232,074	70,960,832
Total net position	<u>112,287,197</u>	<u>116,164,718</u>	<u>228,451,915</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 178,350,451</u>	<u>\$ 118,453,078</u>	<u>\$ 296,803,529</u>

See notes to basic financial statements



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CITY OF RAMSEY

Statement of Activities  
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 5,347,691	\$ 759,513	\$ 142,726	\$ 504,220	\$ (3,941,232)	\$ -	\$ (3,941,232)
Public safety	8,717,911	1,109,495	1,861,719	78,840	(5,667,857)	-	(5,667,857)
Highways and streets	8,670,486	494,732	-	3,694,243	(4,481,511)	-	(4,481,511)
Culture and recreation	2,194,755	37,474	-	886,305	(1,270,976)	-	(1,270,976)
Economic development	1,705,446	-	-	-	(1,705,446)	-	(1,705,446)
Interest and fiscal charges	1,258,959	-	-	-	(1,258,959)	-	(1,258,959)
Total governmental activities	<u>27,895,248</u>	<u>2,401,214</u>	<u>2,004,445</u>	<u>5,163,608</u>	<u>(18,325,981)</u>	<u>-</u>	<u>(18,325,981)</u>
Business-type activities							
Water utility	2,062,314	3,574,961	30	1,930,489	-	3,443,166	3,443,166
Sewer utility	2,209,802	1,994,465	39,613	1,172,901	-	997,177	997,177
Street light utility	173,924	234,607	-	-	-	60,683	60,683
Recycling utility	527,182	456,106	60,709	-	-	(10,367)	(10,367)
Storm water utility	864,721	1,252,659	17	846,382	-	1,234,337	1,234,337
Total business-type activities	<u>5,837,943</u>	<u>7,512,798</u>	<u>100,369</u>	<u>3,949,772</u>	<u>-</u>	<u>5,724,996</u>	<u>5,724,996</u>
Total governmental and business-type activities	<u>\$ 33,733,191</u>	<u>\$ 9,914,012</u>	<u>\$ 2,104,814</u>	<u>\$ 9,113,380</u>	<u>(18,325,981)</u>	<u>5,724,996</u>	<u>(12,600,985)</u>
General revenues							
Property taxes					20,126,982	-	20,126,982
General grants and contributions					3,223	-	3,223
Investment earnings					2,562,165	3,147,802	5,709,967
Gain on sale of capital assets					20,000	-	20,000
Transfers					74,424	(74,424)	-
Total general revenues and transfers					<u>22,786,794</u>	<u>3,073,378</u>	<u>25,860,172</u>
Change in net position					4,460,813	8,798,374	13,259,187
Net position - beginning					<u>107,826,384</u>	<u>107,366,344</u>	<u>215,192,728</u>
Net position - ending					<u>\$ 112,287,197</u>	<u>\$ 116,164,718</u>	<u>\$ 228,451,915</u>

See notes to basic financial statements

CITY OF RAMSEY

Balance Sheet  
Governmental Funds  
December 31, 2023

	Special Revenue Funds			
	General	Tax Increment	COR Land	Private Developer
<b>Assets</b>				
Cash and temporary investments	\$ 12,382,617	\$ 7,300,036	\$ 1,332,325	\$ 2,556,174
Receivables				
Unremitted taxes	-	201,156	-	-
Delinquent taxes	200,932	229,616	-	-
Unremitted special assessments	-	-	-	-
Delinquent special assessments	-	-	-	-
Deferred special assessments	29,870	-	-	-
Accounts	43,947	-	-	42,943
Interest	451,108	-	-	-
Leases	810,769	-	-	-
Due from other governmental units	11,697	-	-	-
Due from other funds	-	-	-	-
Prepays	28,616	-	-	-
Land held for resale	-	-	7,010,978	-
	<u>\$ 13,959,556</u>	<u>\$ 7,730,808</u>	<u>\$ 8,343,303</u>	<u>\$ 2,599,117</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 157,931	\$ 545,800	\$ -	\$ 2,146
Salaries and benefits payable	389,062	-	-	-
Deposits payable	67,792	-	-	2,596,971
Due to other governmental units	37,285	200,380	-	-
Due to other funds	-	25,000	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>652,070</u>	<u>771,180</u>	<u>-</u>	<u>2,599,117</u>
<b>Deferred inflows of resources</b>				
Leases receivable for subsequent years	810,769	-	-	-
Unavailable revenue - MSA allocation	-	-	-	-
Unavailable revenue - property taxes	200,932	229,616	-	-
Unavailable revenue - special assessments	29,870	-	-	-
Total deferred inflows of resources	<u>1,041,571</u>	<u>229,616</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>				
Nonspendable	28,616	-	-	-
Restricted	-	6,730,012	7,010,978	-
Committed	-	-	-	-
Assigned	-	-	1,332,325	-
Unassigned	12,237,299	-	-	-
Total fund balances	<u>12,265,915</u>	<u>6,730,012</u>	<u>8,343,303</u>	<u>-</u>
	<u>\$ 13,959,556</u>	<u>\$ 7,730,808</u>	<u>\$ 8,343,303</u>	<u>\$ 2,599,117</u>

See notes to basic financial statements

Capital Project Funds

RALF Funded Projects	State-Aid Construction	Pavement Management Program	Park Improvement	Nonmajor	Totals
\$ 210,148	\$ 488,341	\$ 15,055,560	\$ 7,689,327	\$ 14,341,209	\$ 61,355,737
-	-	-	-	-	201,156
-	-	13,786	-	47,101	491,435
-	-	95	-	886	981
-	-	184	-	2,480	2,664
-	-	41,907	-	242,736	314,513
1,028	-	-	-	12,045	99,963
-	-	40,300	-	-	491,408
356,263	-	-	-	-	1,167,032
-	1,001,209	-	-	8,384	1,021,290
-	-	-	-	25,000	25,000
-	-	-	-	4,755	33,371
-	-	-	-	-	7,010,978
<u>\$ 567,439</u>	<u>\$ 1,489,550</u>	<u>\$ 15,151,832</u>	<u>\$ 7,689,327</u>	<u>\$ 14,684,596</u>	<u>\$ 72,215,528</u>
\$ 953	\$ 57,221	\$ 91,227	\$ 5,816	\$ 31,095	\$ 892,189
-	-	-	-	-	389,062
-	-	-	-	-	2,664,763
-	531	-	-	5,783	243,979
-	-	-	-	-	25,000
-	-	-	-	218,810	218,810
-	-	-	-	100,000	100,000
953	57,752	91,227	5,816	355,688	4,533,803
356,263	-	-	-	-	1,167,032
-	1,001,209	-	-	-	1,001,209
-	-	13,786	-	47,101	491,435
-	-	42,091	-	245,216	317,177
356,263	1,001,209	55,877	-	292,317	2,976,853
-	-	-	-	4,755	33,371
-	430,589	9,980,695	-	5,471,348	29,623,622
-	-	-	-	1,932,107	1,932,107
210,223	-	5,024,033	7,683,511	6,628,381	20,878,473
-	-	-	-	-	12,237,299
<u>210,223</u>	<u>430,589</u>	<u>15,004,728</u>	<u>7,683,511</u>	<u>14,036,591</u>	<u>64,704,872</u>
<u>\$ 567,439</u>	<u>\$ 1,489,550</u>	<u>\$ 15,151,832</u>	<u>\$ 7,689,327</u>	<u>\$ 14,684,596</u>	<u>\$ 72,215,528</u>



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CITY OF RAMSEY

Reconciliation of the Balance Sheet  
to the Statement of Net Position  
Governmental Funds  
December 31, 2023

Total fund balances – Governmental Funds \$ 64,704,872

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 97,844,103

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	(40,975,000)
Unamortized bond premiums	(2,099,612)
Arbitrage liability	(166,156)
Compensated absences payable	(1,197,478)
Net pension liability	(7,103,501)
Total OPEB liability	(794,822)

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.

1,809,821

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

(94,119)

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

Deferred outflows of resources for OPEB plan deferments	502,803
Deferred outflows of resources for pension plan deferments	7,594,871
Deferred inflows of resources for OPEB plan deferments	(644,049)
Deferred inflows of resources for pension plan deferments	(7,531,492)

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.

436,956

Total net position – governmental activities

\$ 112,287,197

See notes to basic financial statements

CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended December 31, 2023

	Special Revenue Funds			
	General	Tax Increment	COR Land	Private Developer
Revenue				
Property taxes	\$ 12,827,463	\$ 1,864,647	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	1,058,097	-	-	-
Intergovernmental revenue	1,508,405	-	-	-
Charges for services	1,067,192	-	-	-
Contributions	-	-	-	-
Fines and forfeits	39,681	-	-	-
Other revenue				
Investment earnings	367,513	386,634	21,667	-
Miscellaneous	27,874	-	-	84,548
Total revenue	16,896,225	2,251,281	21,667	84,548
Expenditures				
Current				
General government	4,053,311	-	-	84,548
Public safety	7,358,699	-	-	-
Highways and streets	3,066,934	-	-	-
Culture and recreation	1,628,642	-	-	-
Economic development	-	1,681,819	-	-
Capital outlay	1,121,259	6,342,293	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	115,080	-	-
Total expenditures	17,228,845	8,139,192	-	84,548
Excess (deficiency) of revenue over expenditures	(332,620)	(5,887,911)	21,667	-
Other financing sources (uses)				
Debt issued	-	6,915,000	-	-
Premium on debt issues	-	230,910	-	-
Proceeds on sale of capital assets	-	-	-	-
Transfers in	1,630,265	-	173,557	-
Transfers (out)	(126,782)	(359,691)	-	-
Total other financing sources (uses)	1,503,483	6,786,219	173,557	-
Net change in fund balances	1,170,863	898,308	195,224	-
Fund balances				
Beginning of year	11,095,052	5,831,704	8,148,079	-
End of year	\$ 12,265,915	\$ 6,730,012	\$ 8,343,303	\$ -

See notes to basic financial statements

Capital Project Funds

RALF Funded Projects	State-Aid Construction	Pavement Management Program	Park Improvement	Nonmajor	Totals
\$ -	\$ -	\$ 1,739,254	\$ -	\$ 3,320,150	\$19,751,514
-	-	9,858	-	552,369	562,227
-	-	-	-	-	1,058,097
-	2,396,520	-	-	1,621,177	5,526,102
233,985	-	-	-	-	1,301,177
-	-	-	779,800	-	779,800
-	-	-	-	-	39,681
-	80,584	706,002	351,709	628,322	2,542,431
-	-	-	121	700,797	813,340
<u>233,985</u>	<u>2,477,104</u>	<u>2,455,114</u>	<u>1,131,630</u>	<u>6,822,815</u>	<u>32,374,369</u>
-	-	-	-	317,875	4,455,734
-	-	-	-	54,283	7,412,982
528,982	1,132,197	31,158	-	793,563	5,552,834
-	-	-	51,184	-	1,679,826
-	-	-	-	23,627	1,705,446
-	2,899,334	2,521,754	337,624	56,303	13,278,567
-	-	-	-	2,495,000	2,495,000
-	-	-	-	1,134,099	1,249,179
<u>528,982</u>	<u>4,031,531</u>	<u>2,552,912</u>	<u>388,808</u>	<u>4,874,750</u>	<u>37,829,568</u>
(294,997)	(1,554,427)	(97,798)	742,822	1,948,065	(5,455,199)
-	-	-	-	1,400,000	8,315,000
-	-	-	-	83,221	314,131
-	-	-	-	20,000	20,000
-	89,139	-	-	135,201	2,028,162
-	-	-	-	(1,467,265)	(1,953,738)
-	<u>89,139</u>	<u>-</u>	<u>-</u>	<u>171,157</u>	<u>8,723,555</u>
(294,997)	(1,465,288)	(97,798)	742,822	2,119,222	3,268,356
<u>505,220</u>	<u>1,895,877</u>	<u>15,102,526</u>	<u>6,940,689</u>	<u>11,917,369</u>	<u>61,436,516</u>
<u>\$ 210,223</u>	<u>\$ 430,589</u>	<u>\$ 15,004,728</u>	<u>\$ 7,683,511</u>	<u>\$ 14,036,591</u>	<u>\$64,704,872</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, 2023

Total net change in fund balances – Governmental Funds \$ 3,268,356

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	13,278,567
Contributed assets from developers	1,103,210
Depreciation expense	(4,809,070)

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	(8,315,000)
Repayment of principal on long-term debt	2,495,000
Debt premiums	(147,918)
Arbitrage liability	(166,156)

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.

(9,837)

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.

(1,199,594)

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	(127,552)
Governmental activities – pension expense	(860,249)

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.

(66,974)

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.

18,030

Change in net position – governmental activities \$ 4,460,813

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, 2023

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 13,088,820	\$ 13,088,820	\$ 12,827,463	\$ (261,357)
Licenses and permits	699,400	699,400	1,058,097	358,697
Intergovernmental revenue	696,700	696,700	1,508,405	811,705
Charges for services	622,300	622,300	1,067,192	444,892
Fines and forfeits	50,000	50,000	39,681	(10,319)
Other revenue				
Investment earnings	25,000	25,000	367,513	342,513
Miscellaneous	15,750	15,750	27,874	12,124
Total revenue	<u>15,197,970</u>	<u>15,197,970</u>	<u>16,896,225</u>	<u>1,698,255</u>
Expenditures				
Current				
General government	4,221,644	4,221,644	4,053,311	(168,333)
Public safety	7,631,603	7,631,603	7,358,699	(272,904)
Highways and streets	2,418,914	2,418,914	3,066,934	648,020
Culture and recreation	1,602,436	1,602,436	1,628,642	26,206
Capital outlay	1,074,183	1,074,183	1,121,259	47,076
Debt service				
Interest and fiscal charges	106,373	106,373	–	(106,373)
Total expenditures	<u>17,055,153</u>	<u>17,055,153</u>	<u>17,228,845</u>	<u>173,692</u>
Excess (deficiency) of revenue over expenditures	(1,857,183)	(1,857,183)	(332,620)	1,524,563
Other financing sources (uses)				
Transfers in	1,857,183	1,857,183	1,630,265	(226,918)
Transfers (out)	–	–	(126,782)	(126,782)
Total other financing sources (uses)	<u>1,857,183</u>	<u>1,857,183</u>	<u>1,503,483</u>	<u>(353,700)</u>
Net change in fund balances	<u>\$ –</u>	<u>\$ –</u>	<u>1,170,863</u>	<u>\$ 1,170,863</u>
Fund balances				
Beginning of year			<u>11,095,052</u>	
End of year			<u>\$ 12,265,915</u>	

See notes to basic financial statements

CITY OF RAMSEY

Statement of Net Position  
 Proprietary Funds  
 December 31, 2023

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
<b>Assets</b>			
<b>Current assets</b>			
Cash and temporary investments	\$ 26,287,609	\$ 11,307,068	\$ 1,438,160
<b>Receivables</b>			
Delinquent special assessments	5,895	5,895	–
Deferred special assessments	146,176	153,699	–
Accounts	747,799	628,221	74,459
Due from other governmental units	–	–	–
Prepays	–	105,020	–
<b>Total current assets</b>	<u>27,187,479</u>	<u>12,199,903</u>	<u>1,512,619</u>
<b>Noncurrent assets</b>			
Advances to other Funds	218,810	–	–
<b>Capital assets</b>			
Land	868,513	–	–
Construction in progress	7,424,941	138,216	–
Buildings and structures	6,177,522	–	–
Improvements other than buildings	–	–	1,135,881
Machinery and equipment	233,756	625,948	–
Water and sewer lines	34,684,805	31,766,421	–
	<u>49,389,537</u>	<u>32,530,585</u>	<u>1,135,881</u>
Less accumulated depreciation	<u>14,220,024</u>	<u>11,160,803</u>	<u>763,855</u>
<b>Net capital assets</b>	<u>35,169,513</u>	<u>21,369,782</u>	<u>372,026</u>
<b>Total noncurrent assets</b>	<u>35,388,323</u>	<u>21,369,782</u>	<u>372,026</u>
<b>Total assets</b>	<u>62,575,802</u>	<u>33,569,685</u>	<u>1,884,645</u>
<b>Deferred Outflows of Resources</b>			
Pension plan deferments	<u>73,650</u>	<u>42,086</u>	<u>–</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 62,649,452</u>	<u>\$ 33,611,771</u>	<u>\$ 1,884,645</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts and contracts payable	\$ 1,438,913	\$ 80,874	\$ 10,261
Due to other governmental units	46,079	9,841	128
Unearned revenue	–	–	1,470
<b>Total current liabilities</b>	<u>1,484,992</u>	<u>90,715</u>	<u>11,859</u>
<b>Noncurrent liabilities</b>			
Net pension liability	<u>242,688</u>	<u>138,679</u>	<u>–</u>
<b>Total liabilities</b>	<u>1,727,680</u>	<u>229,394</u>	<u>11,859</u>
<b>Deferred Inflows of Resources</b>			
Pension plan deferments	82,032	46,875	–
<b>Net Position</b>			
Net investment in capital assets	33,820,835	21,295,953	372,026
Unrestricted	<u>27,018,905</u>	<u>12,039,549</u>	<u>1,500,760</u>
<b>Total net position</b>	<u>60,839,740</u>	<u>33,335,502</u>	<u>1,872,786</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 62,649,452</u>	<u>\$ 33,611,771</u>	<u>\$ 1,884,645</u>

See notes to basic financial statements

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 242,237	\$ 3,040,089	\$ 42,315,163	\$ 436,956
-	-	11,790	-
-	-	299,875	-
142,551	364,437	1,957,467	-
31,980	-	31,980	-
-	-	105,020	-
<u>416,768</u>	<u>3,404,526</u>	<u>44,721,295</u>	<u>436,956</u>
-	-	218,810	-
-	637,583	1,506,096	-
-	648,668	8,211,825	-
-	-	6,177,522	-
-	19,486,842	20,622,723	-
-	524,025	1,383,729	-
-	334,378	66,785,604	-
-	<u>21,631,496</u>	<u>104,687,499</u>	-
-	<u>5,187,666</u>	<u>31,332,348</u>	-
-	<u>16,443,830</u>	<u>73,355,151</u>	-
-	<u>16,443,830</u>	<u>73,573,961</u>	-
416,768	19,848,356	118,295,256	436,956
-	42,086	157,822	-
<u>\$ 416,768</u>	<u>\$ 19,890,442</u>	<u>\$ 118,453,078</u>	<u>\$ 436,956</u>
\$ 68	\$ 4,898	\$ 1,535,014	\$ -
-	-	56,048	-
-	-	1,470	-
<u>68</u>	<u>4,898</u>	<u>1,592,532</u>	<u>-</u>
-	138,679	520,046	-
68	143,577	2,112,578	-
-	46,875	175,782	-
-	16,443,830	71,932,644	-
416,700	3,256,160	44,232,074	436,956
<u>416,700</u>	<u>19,699,990</u>	<u>116,164,718</u>	<u>436,956</u>
<u>\$ 416,768</u>	<u>\$ 19,890,442</u>	<u>\$ 118,453,078</u>	<u>\$ 436,956</u>

CITY OF RAMSEY

Statement of Revenue, Expenses, and Changes in Net Position  
 Proprietary Funds  
 Year Ended December 31, 2023

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Operating revenue			
Charges for services	\$ 3,574,961	\$ 1,986,513	\$ 234,607
Sewer access surcharge	–	7,952	–
Other	–	–	–
Total operating revenue	<u>3,574,961</u>	<u>1,994,465</u>	<u>234,607</u>
Operating expenses			
Personal services	483,708	270,498	–
Supplies	367,112	26,412	–
Service charges			
Disposal charges	–	1,138,899	–
Other	361,729	95,989	142,299
Depreciation	849,765	678,004	31,625
Total operating expenses	<u>2,062,314</u>	<u>2,209,802</u>	<u>173,924</u>
Operating income (loss)	1,512,647	(215,337)	60,683
Nonoperating revenue			
Intergovernmental revenue	30	39,613	–
Investment earnings	2,072,701	850,112	64,707
Total nonoperating revenue	<u>2,072,731</u>	<u>889,725</u>	<u>64,707</u>
Income before contributions and transfers	3,585,378	674,388	125,390
Capital contributions - developer contributions	869,797	1,035,124	–
Capital contributions - connection fees	1,060,692	137,777	–
Transfers in	76,550	12,026	–
Transfers (out)	<u>(51,000)</u>	<u>(45,000)</u>	<u>(27,000)</u>
Change in net position	5,541,417	1,814,315	98,390
Net position			
Beginning of year	<u>55,298,323</u>	<u>31,521,187</u>	<u>1,774,396</u>
End of year	<u>\$ 60,839,740</u>	<u>\$ 33,335,502</u>	<u>\$ 1,872,786</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>
\$ 456,106	\$ 1,252,659	\$ 7,504,846	\$ -
-	-	7,952	-
-	-	-	48,466
<u>456,106</u>	<u>1,252,659</u>	<u>7,512,798</u>	<u>48,466</u>
31,203	303,172	1,088,581	-
29,201	28,230	450,955	7,609
-	-	1,138,899	-
466,778	109,240	1,176,035	42,561
-	424,079	1,983,473	-
<u>527,182</u>	<u>864,721</u>	<u>5,837,943</u>	<u>50,170</u>
(71,076)	387,938	1,674,855	(1,704)
60,709	17	100,369	-
11,447	148,835	3,147,802	19,734
<u>72,156</u>	<u>148,852</u>	<u>3,248,171</u>	<u>19,734</u>
1,080	536,790	4,923,026	18,030
-	846,382	2,751,303	-
-	-	1,198,469	-
-	-	88,576	-
-	(40,000)	(163,000)	-
1,080	1,343,172	8,798,374	18,030
<u>415,620</u>	<u>18,356,818</u>	<u>107,366,344</u>	<u>418,926</u>
<u>\$ 416,700</u>	<u>\$ 19,699,990</u>	<u>\$ 116,164,718</u>	<u>\$ 436,956</u>

CITY OF RAMSEY

Statement of Cash Flows  
 Proprietary Funds  
 Year Ended December 31, 2023

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Cash flows from operating activities			
Receipts from customers and users	\$ 3,399,369	\$ 1,898,041	\$ 232,956
Receipts from interfund services provided	–	–	–
Paid to suppliers/service providers	(648,448)	(1,265,289)	(142,493)
Paid to employees	(466,503)	(260,667)	–
Net cash flows from operating activities	<u>2,284,418</u>	<u>372,085</u>	<u>90,463</u>
Cash flows from capital and related financing activities			
Capital contributions - connection fees	1,060,692	137,777	–
Acquisition of capital assets	(5,314,052)	(1,615,968)	–
Net cash flows from capital and related financing activities	<u>(4,253,360)</u>	<u>(1,478,191)</u>	<u>–</u>
Cash flows from investing activities			
Interest and changes in fair value on investments	2,072,701	850,112	64,707
Cash flows from noncapital financing activities			
Transfers in	76,550	12,026	–
Transfers (out)	(51,000)	(45,000)	(27,000)
Intergovernmental revenue	30	39,613	–
Repayment of advances to other funds	39,338	–	–
Net cash flows from noncapital financing activities	<u>64,918</u>	<u>6,639</u>	<u>(27,000)</u>
Net increase (decrease) in cash and temporary investments/cash equivalents	168,677	(249,355)	128,170
Cash and temporary investments/cash equivalents			
Beginning of year	<u>26,118,932</u>	<u>11,556,423</u>	<u>1,309,990</u>
End of year	<u>\$ 26,287,609</u>	<u>\$ 11,307,068</u>	<u>\$ 1,438,160</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ 1,512,647	\$ (215,337)	\$ 60,683
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	849,765	678,004	31,625
Change in assets, deferred inflows, liabilities and deferred outflows			
Receivables			
Delinquent and deferred special assessments	(17,533)	(15,607)	–
Accounts	(158,059)	(80,817)	(3,121)
Due from other governmental units	–	–	–
Prepays	–	(10,112)	–
Deferred outflows - pension plan deferments	34,832	19,903	–
Accounts payable and contracts payable	66,741	(1,258)	(195)
Unearned revenue	–	–	1,470
Due to other governmental units	13,652	7,381	1
Net pension liability	(91,617)	(52,352)	–
Deferred inflows - pension plan deferments	73,990	42,280	–
Net cash flow from operating activities	<u>\$ 2,284,418</u>	<u>\$ 372,085</u>	<u>\$ 90,463</u>
Noncash, investing, capital, and financing activities			
Contributions of capital assets from developers	\$ 869,797	\$ 1,035,124	\$ –
Change in capital assets purchased on account	\$ 1,348,678	\$ 73,829	\$ –

See notes to basic financial statements

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 446,476	\$ 1,240,831	\$ 7,217,673	\$ -
-	-	-	48,466
(496,003)	(136,155)	(2,688,388)	(50,170)
(31,203)	(293,341)	(1,051,714)	-
<u>(80,730)</u>	<u>811,335</u>	<u>3,477,571</u>	<u>(1,704)</u>
-	-	1,198,469	-
-	(748,086)	(7,678,106)	-
-	(748,086)	(6,479,637)	-
11,447	148,835	3,147,802	19,734
-	-	88,576	-
-	(40,000)	(163,000)	-
60,709	17	100,369	-
-	-	39,338	-
<u>60,709</u>	<u>(39,983)</u>	<u>65,283</u>	<u>-</u>
(8,574)	172,101	211,019	18,030
<u>250,811</u>	<u>2,867,988</u>	<u>42,104,144</u>	<u>418,926</u>
<u>\$ 242,237</u>	<u>\$ 3,040,089</u>	<u>\$ 42,315,163</u>	<u>\$ 436,956</u>
\$ (71,076)	\$ 387,938	\$ 1,674,855	\$ (1,704)
-	424,079	1,983,473	-
-	-	(33,140)	-
(5,118)	(11,828)	(258,943)	-
(4,512)	-	(4,512)	-
-	-	(10,112)	-
-	19,903	74,638	-
(24)	1,315	66,579	-
-	-	1,470	-
-	-	21,034	-
-	(52,352)	(196,321)	-
-	42,280	158,550	-
<u>\$ (80,730)</u>	<u>\$ 811,335</u>	<u>\$ 3,477,571</u>	<u>\$ (1,704)</u>
\$ -	\$ 846,382	\$ 2,751,303	\$ -
\$ -	\$ -	\$ 1,422,507	\$ -



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CITY OF RAMSEY

Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2023

	<u>Custodial Fund</u>
Assets	
Assets held for resale	\$ 10,048,247
Liabilities	
Due to other governmental units	<u>10,048,247</u>
Net Position	<u><u>\$ -</u></u>

CITY OF RAMSEY

Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
Year Ended December 31, 2023

	<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, 2023

### 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 2023 fiscal year, the City paid LOGIS approximately \$351,733 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. 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.

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

**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.

**Park Improvement Capital Project Fund** – This fund is used to account for all park dedication fees to be used for land acquisition and park development.

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. Bond proceeds are held in separate accounts with investment earnings recorded directly to the applicable fund.

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**

Utility and miscellaneous accounts receivable are reported at gross. 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 leases receivable, property taxes receivable 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. Prepaids**

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. Deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods. These separate financial statement elements will not be recognized as an outflow of resources (expense/expenditure) or an inflow of resources (revenue) until that time.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

The City reports deferred inflows of resources related to lease receivables, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease. The City currently reports deferred inflows of resources for leases in the government-wide statement of net position and governmental funds balance sheet.

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 and MSA allocation 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. The City currently retains parcels that will be available for future commercial development along Highway 10 in the city after the interchange projects on the highway are completed in 2025.

### **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. 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 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.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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.

### 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.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

### 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, 2023, expenditures were over budget in the General Fund by \$173,692.

### 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.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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 2023.

### 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:

Investments	\$ 104,107,556
Cash on hand	300
Total	<u>\$ 104,107,856</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.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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 \$0 while the balance on the bank records was \$15,526. At December 31, 2023, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City’s agent in the City’s name.

### C. Investments

The City has the following investments at year end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk-Maturity Duration in Years			Total
	Rating	Agency		Less Than 1	1 to 5	6 to 10	
U.S. Agencies	AAA	Moody's	Level 2	\$ 1,513,538	\$ 2,921,696	\$ -	\$ 4,435,234
U.S. Treasuries	N/A	N/A	Level 2	\$ 2,570,479	\$ -	\$ -	\$ 2,570,479
Municipal Bonds	A-AAA	Moody's	Level 2	\$ 1,892,625	\$ 8,760,632	\$ 394,048	\$ 11,047,305
Municipal Bonds	A-AAA	S&P	Level 2	\$ 2,889,068	\$ 23,756,263	\$ 6,561,052	\$ 33,206,383
Negotiable Certificates of Deposit	N/A	N/A	Level 2	\$ 3,337,259	\$ 936,058	\$ -	\$ 4,273,317
Investment Pools							
Dreyfus Money Market Fund	AAA	S&P	Level 1	\$ 6,490	\$ -	\$ -	\$ 6,490
Minnesota Municipal Money Market 4M Plus Fund	N/R	N/A	Amortized Cost	\$ 19,574,888	\$ -	\$ -	\$ 19,574,888
Term Series	N/R	N/A	Amortized Cost	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
Invesco Money Market Fund	AAA	S&P	Net Asset Value	\$ 8,045,377	\$ -	\$ -	\$ 8,045,377
UBS Select Prime Institutional Fund	AAA	Moody's	Net Asset Value	\$ 10,948,083	\$ -	\$ -	\$ 10,948,083
Total Investments							<u>\$ 104,107,556</u>

N/A Not Applicable

N/R Not Rated

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The City's investments include the following investment pools:

The Dreyfus Money Market 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 assigned a AAA rating by S&P.

Investment pools managed by the Minnesota Municipal Money Market (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 – 4M Plus Fund and Term Series 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 Term Series has a 7-day redemption notice requirement.

The Invesco Money Market 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 assigned a AAA rating by S&P.

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 assigned a AAA rating by Moody's.

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.

**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 – LEASE RECEIVABLE**

The City has entered into lease receivable agreements for cell tower rental space on city property. These leases are reported using an incremental borrowing rate of 3.25 percent with final maturities through fiscal 2032. During the current year, the City received principal and interest payments on these leases of \$81,464.

The City has entered into lease receivable agreements for rental space in city owned buildings and vacant land. These leases are reported using an incremental borrowing rate of 3.25 percent with final maturities through 2030. During the current year, the City received principal and interest payments on these leases of \$261,988.

Leasing assets to other entities is not a principal ongoing operation of the city.

**NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**A. Short-Term Interfund Receivables/Payables**

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

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Fund	Major Governmental Fund	<u>\$ 25,000</u>
Economic Development Authority	Tax Increment	
Special Revenue Fund	Special Revenue Fund	

This internal loan was utilized for cash flow purposes.

**NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

**B. Advances To and From Other Funds**

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

Receivable Fund	Payable Fund	Amount	Purpose
Major Enterprise Fund; Water Utility	Nonmajor Capital Project Fund; Public Facilities Construction	\$ 218,810	Internally finance facility loan

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

**C. Interfund Transfers**

Transfers Out	Transfers In						Total
	General Fund	COR Land Special Revenue Fund	State-Aid Construction Capital Project Fund	Nonmajor Governmental Funds	Water Utility Enterprise Fund	Sewer Utility Enterprise Fund	
General Fund	\$ -	\$ -	\$ -	\$ 64,929	\$ 61,853	\$ -	\$ 126,782
Tax Increment Special Revenue Fund	-	173,557	89,139	70,272	14,697	12,026	359,691
Nonmajor Governmental Funds	1,467,265	-	-	-	-	-	1,467,265
Water Utility Enterprise Fund	51,000	-	-	-	-	-	51,000
Sewer Utility Enterprise Fund	45,000	-	-	-	-	-	45,000
Street Light Utility Enterprise Fund	27,000	-	-	-	-	-	27,000
Storm Water Utility Enterprise Fund	40,000	-	-	-	-	-	40,000
Total	<u>\$ 1,630,265</u>	<u>\$ 173,557</u>	<u>\$ 89,139</u>	<u>\$ 135,201</u>	<u>\$ 76,550</u>	<u>\$ 12,026</u>	<u>\$ 2,116,738</u>

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 2023, the General Fund transferred \$27,827 each to the Public Improvement Revolving Fund and Equipment Revolving Fund and \$9,275 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 Utility Fund for its annual repayment of the Municipal Center capital contribution.

The Tax Increment Fund transferred \$173,557 to the COR Land Fund, \$89,139 to the State-Aid Construction Fund, \$24,929 to the Developer’s Fee Fund, \$45,343 to the Public Improvement Revolving Fund, \$14,697 to the Water Utility Fund and \$12,026 to the Sewer Utility Fund to reimburse back these funds for prior expenses related to the development of the COR area as allowed by Special Legislation put in place in 2010.

The General Government Special Projects Fund transferred \$93,066 to the General Fund for capital equipment purchases.

**NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

**C. Interfund Transfers (continued) -**

The Public Improvement Revolving Fund transferred \$597,595 to the General Fund for street maintenance purposes.

The Equipment Revolving Fund transferred \$608,673 to the General Fund for capital equipment purchases.

The Public Works Campus Fund transferred \$167,931 to the General Fund for capital equipment purchases.

The Water Utility Fund transferred \$51,000 to the General Fund for operating purposes.

The Sewer Utility Fund transferred \$45,000 to the General Fund for operating purposes.

The Street Light Utility Fund transferred \$27,000 to the General Fund for operating purposes.

The Storm Water Utility Fund transferred \$40,000 to the General Fund for operating purposes.

**NOTE 5 – CAPITAL ASSETS**

**A. Changes in Capital Assets Used in Governmental Activities**

	Beginning of Year	Additions	Construction/ Adjustments	Deletions	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 7,077,591	\$ -	\$ -	\$ -	\$ 7,077,591
Construction in progress	3,694,641	10,990,758	(3,586,900)	-	11,098,499
Total capital assets, not depreciated	<u>10,772,232</u>	<u>10,990,758</u>	<u>(3,586,900)</u>	<u>-</u>	<u>18,176,090</u>
Capital assets, depreciated					
Buildings and structures	45,210,150	-	515,687	-	45,725,837
Improvements other than buildings	11,896,107	-	-	-	11,896,107
Office equipment	725,752	-	-	-	725,752
Motor vehicles	3,763,001	502,486	-	-	4,265,487
Machinery and equipment	9,046,061	452,305	-	(19,087)	9,479,279
Infrastructure	54,572,321	2,436,228	3,071,213	-	60,079,762
Total capital assets, depreciated	<u>125,213,392</u>	<u>3,391,019</u>	<u>3,586,900</u>	<u>(19,087)</u>	<u>132,172,224</u>
Less accumulated depreciation on					
Buildings and structures	(10,314,756)	(953,790)	-	-	(11,268,546)
Improvements other than buildings	(7,228,858)	(569,529)	-	-	(7,798,387)
Office equipment	(596,657)	(43,184)	-	-	(639,841)
Motor vehicles	(3,401,543)	(211,347)	-	-	(3,612,890)
Machinery and equipment	(5,054,343)	(584,749)	-	19,087	(5,620,005)
Infrastructure	(21,118,071)	(2,446,471)	-	-	(23,564,542)
Total accumulated depreciation	<u>(47,714,228)</u>	<u>(4,809,070)</u>	<u>-</u>	<u>19,087</u>	<u>(52,504,211)</u>
Total capital assets, depreciated, net	<u>77,499,164</u>	<u>(1,418,051)</u>	<u>3,586,900</u>	<u>-</u>	<u>79,668,013</u>
Net capital assets	<u>\$ 88,271,396</u>	<u>\$ 9,572,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,844,103</u>

## NOTE 5 – CAPITAL ASSETS (CONTINUED)

### 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	822,975	7,388,850	-	-	8,211,825
Total capital assets, not depreciated	2,329,071	7,388,850	-	-	9,717,921
Capital assets, depreciated					
Buildings and structures	6,177,522	-	-	-	6,177,522
Improvements other than buildings	19,676,922	945,801	-	-	20,622,723
Machinery and equipment	1,322,965	60,764	-	-	1,383,729
Water and sewer lines	63,329,103	3,456,501	-	-	66,785,604
Total capital assets, depreciated	90,506,512	4,463,066	-	-	94,969,578
Less accumulated depreciation on					
Buildings and structures	(2,111,534)	(123,463)	-	-	(2,234,997)
Improvements other than buildings	(5,364,399)	(427,789)	-	-	(5,792,188)
Machinery and equipment	(659,711)	(96,802)	-	-	(756,513)
Water and sewer lines	(21,213,231)	(1,335,419)	-	-	(22,548,650)
Total accumulated depreciation	(29,348,875)	(1,983,473)	-	-	(31,332,348)
Total capital assets, depreciated, net	61,157,637	2,479,593	-	-	63,637,230
Net capital assets	\$63,486,708	\$ 9,868,443	\$ -	\$ -	\$ 73,355,151

### C. Depreciation Expense by Function

Governmental activities	
General government	\$ 839,685
Public safety	474,125
Highways and streets	3,038,748
Culture and recreation	456,512
Total depreciation expense – governmental activities	<u>\$ 4,809,070</u>
Business-type activities	
Water Utility	\$ 849,765
Sewer Utility	678,004
Street Light Utility	31,625
Storm Water Utility	424,079
Total depreciation expense – business-type activities	<u>\$ 1,983,473</u>

## NOTE 6 – LONG-TERM DEBT

### A. Components of Long-Term Debt

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Balance – End of Year</u>
Governmental activities					
Bonds payable					
General Obligation Improvement Bonds					
Series 2011B	\$ 3,090,000	2.00-2.70%	12/29/2011	12/15/2025	\$ 615,000
Series 2015A	\$ 3,880,000	2.00-3.50%	6/15/2015	12/1/2035	2,655,000
Series 2015B	\$ 1,205,000	2.00-2.25%	6/15/2015	12/1/2025	260,000
Series 2016A	\$ 1,650,000	2.00%	7/21/2016	12/15/2026	515,000
Series 2017A	\$ 895,000	1.15-2.50%	8/17/2017	12/15/2027	370,000
Series 2018A	\$ 1,175,000	3.00%	7/17/2018	12/15/2028	620,000
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	8,195,000
Series 2022A	\$ 10,765,000	5.00%	12/6/2022	12/15/2037	10,280,000
Series 2023A	\$ 6,915,000	4.25-5.00%	11/15/2023	12/15/2038	6,915,000
Total general obligation improvement bonds					<u>39,480,000</u>
Capital Equipment Certificates					
Series 2014A	\$ 875,000	0.60-2.35%	12/3/2014	12/15/2024	95,000
Series 2023A	\$ 1,400,000	5.00%	11/15/2023	12/15/2033	1,400,000
Total capital equipment certificates					<u>1,495,000</u>
Unamortized bond premiums					2,099,612
Arbitrage liability					166,156
Compensated absences payable					1,197,478
Net pension liability					7,103,501
Total OPEB liability					794,822
Total governmental activities					<u>52,336,569</u>
Business-type activities					
Net pension liability					<u>520,046</u>
Total government and business-type activities					<u>\$ 52,856,615</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 street improvements related to the reconstruction of Garnet and 168<sup>th</sup> Avenue and some overlay projects.

The Series 2016A were issued to fund the street improvements related to the reconstruction of Andrie Street and 164<sup>th</sup> Lane and some overlay projects.

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

The Series 2018A were issued to fund street 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.

The Series 2022A were issued to fund the reconstruction and overlay street improvement projects as outlined in the City's 5-Year Street Reconstruction and Overlay Plan (SRQP).

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

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

The Series 2023A, has \$6,915,000 of the total \$8,315,000 issue to fund improvements in the COR area.

- **Capital Equipment Certificates –**

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

Series 2023A, has \$1,400,000 of the total \$8,315,000 issue to finance 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 amortized against interest expense in the future.
- **Arbitrage liability** – This amount represents the liability related to the 2022A bond issue. The Pavement Management Program Fund will fund this liability.
- **Compensated Absences** – The liability represents vested benefits earned by Governmental Fund employees through the end of the year which will be paid or used in future periods. The General Fund is the primary fund used to liquidate this liability.
- **Net Pension Liability (NPL)** – The liability represents the City’s proportionate share of PERA’s collective net pension liability. The General, Water Utility, Sewer Utility and Storm Water Utility funds will be used to liquidate this liability.
- **Total Other Post-Employment Benefits (OPEB) Liability** – The liability represents non-pension benefits provided after the termination of employment. The General Fund is the primary fund used to liquidate this liability.

**C. Changes in Long-Term Debt**

	Balance - Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
<b>Governmental activities</b>					
G.O. Improvement Bonds	\$ 34,895,000	\$ 6,915,000	\$ 2,330,000	\$ 39,480,000	\$ 2,740,000
Capital Equipment Certificates	260,000	1,400,000	165,000	1,495,000	200,000
Unamortized bond premiums	1,951,694	314,131	166,213	2,099,612	–
Arbitrage liability	–	166,156	–	166,156	–
Compensated absences payable	1,069,926	816,229	688,677	1,197,478	778,361
Net pension liability	15,256,095	2,431,226	10,583,820	7,103,501	–
Total OPEB liability	796,286	15,743	17,207	794,822	42,119
<b>Total governmental activities</b>	<b>54,229,001</b>	<b>12,058,485</b>	<b>13,950,917</b>	<b>52,336,569</b>	<b>3,760,480</b>
<b>Business type Activities</b>					
Net pension liability	716,367	105,665	301,986	520,046	–
<b>Total governmental and business type activities</b>	<b>\$ 54,945,368</b>	<b>\$ 12,164,150</b>	<b>\$ 14,252,903</b>	<b>\$ 52,856,615</b>	<b>\$ 3,760,480</b>

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

**D. Minimum Debt Payments**

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

Year Ending December 31,	Governmental Activities	
	Bonded and Capital Equipment Certificate Debt	
	Principal	Interest
2024	\$ 2,940,000	\$ 1,410,821
2025	2,980,000	1,278,651
2026	2,635,000	1,175,209
2027	2,550,000	1,078,159
2028	2,545,000	979,959
2029-2033	12,940,000	3,484,006
2034-2038	11,535,000	1,275,250
2039-2041	2,850,000	92,660
	<u>\$ 40,975,000</u>	<u>\$ 10,774,715</u>

**NOTE 7 – NET INVESTMENT IN CAPITAL ASSETS**

The government-wide statement of net position at December 31, 2023 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	\$ 18,176,090	\$ 9,717,921	\$ 27,894,011
Depreciated	79,668,013	63,637,230	143,305,243
Less bonds payable	(39,480,000)	–	(39,480,000)
Less capital equipment certificates	(1,495,000)	–	(1,495,000)
Less unamortized bond premiums	(2,099,612)	–	(2,099,612)
Less capital related payables	(631,041)	(1,422,507)	(2,053,548)
Adjustment for debt not used for capital assets	615,000	–	615,000
Debt adjustment for unspent proceeds	12,206,211	–	12,206,211
Total net investments in capital assets	<u>\$ 66,959,661</u>	<u>\$ 71,932,644</u>	<u>\$ 138,892,305</u>

**NOTE 8 – 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	RALF Funded Projects	State-Aid Construction	Pavement Management Program	Park Improvement	Nonmajor	
Fund balances										
Nonspendable										
Prepays	\$ 28,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,755	\$ 33,371
Restricted for										
Street improvements	-	-	-	-	-	430,589	9,980,695	-	1,464,867	11,876,151
Debt service	-	-	-	-	-	-	-	-	780,840	780,840
Economic development	-	-	-	-	-	-	-	-	1,472,788	1,472,788
Housing and redevelopment	-	-	7,010,978	-	-	-	-	-	-	7,010,978
Recreation/community programs	-	-	-	-	-	-	-	-	488,707	488,707
Public safety	-	-	-	-	-	-	-	-	1,264,146	1,264,146
Tax increment financing	-	6,730,012	-	-	-	-	-	-	-	6,730,012
	-	6,730,012	7,010,978	-	-	430,589	9,980,695	-	5,471,348	29,623,622
Committed										
Stormwater development projects	-	-	-	-	-	-	-	-	1,441,919	1,441,919
Community/business programs	-	-	-	-	-	-	-	-	490,188	490,188
	-	-	-	-	-	-	-	-	1,932,107	1,932,107
Assigned										
Street improvements	-	-	-	-	-	-	5,024,033	-	5,079,095	10,103,128
Housing and redevelopment	-	-	1,332,325	-	-	-	-	-	-	1,332,325
Capital improvements	-	-	-	-	-	-	-	-	1,286,662	1,286,662
Cemetery improvements	-	-	-	-	-	-	-	-	86,397	86,397
Park improvements	-	-	-	-	-	-	-	7,683,511	-	7,683,511
Right-of-way acquisitions	-	-	-	-	210,223	-	-	-	-	210,223
Parking ramp maintenance	-	-	-	-	-	-	-	-	176,227	176,227
	-	-	1,332,325	-	210,223	-	5,024,033	7,683,511	6,628,381	20,878,473
Unassigned	12,237,299	-	-	-	-	-	-	-	-	12,237,299
Total fund balances	\$ 12,265,915	\$ 6,730,012	\$ 8,343,303	\$ -	\$ 210,223	\$ 430,589	\$ 15,004,728	\$ 7,683,511	\$ 14,036,591	\$ 64,704,872

**NOTE 8 – 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, 2023, the City has met its general fund balance policy goal.

**NOTE 9 – 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	\$ 3,466,971	\$ 1,052,146	\$ 1,171,879	\$ 647,035
PERA – PEPFF	4,156,576	6,700,547	6,535,395	1,253,995
Total - all pensions	<u>\$ 7,623,547</u>	<u>\$ 7,752,693</u>	<u>\$ 7,707,274</u>	<u>\$ 1,901,030</u>

## **NOTE 10 – 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 statutes 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% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.70% 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

## **NOTE 10 – 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. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available 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.

In 2023, the legislature allocated funding for a one-time lump-sum payment to the GERS and the PEPFF benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

### **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 2023, 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, 2023, were \$400,688. The City's contributions were equal to the required contributions as set by state statutes.

#### **2. PEPFF Contributions**

Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023, 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, 2023, were \$591,359. The City's contributions were equal to the required contributions as set by state statutes.

### **D. Pension Costs**

#### **1. GERS Pension Costs**

At December 31, 2023, the City reported a liability of \$3,466,971 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. 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 \$95,709. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

The City’s proportionate share of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of the PERA’s participating employers. The City’s proportionate share was 0.0620% at the end of the measurement period and 0.0603% 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	\$3,466,971
State of Minnesota’s proportionate share of the net pension liability associated with the City	<u>95,709</u>
Total	<u>\$3,562,680</u>

For the year ended December 31, 2023, the City recognized pension expense of \$646,606 for its proportionate share of the GERS’ pension expense. In addition, the City recognized an additional \$429 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$16.0 million to the GERS.

At December 31, 2023, the City reported its proportionate share of the GERS’ 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	\$ 113,107	\$ 23,768
Changes in actuarial assumptions	558,033	950,267
Net collective difference between projected and actual investment earnings	-	167,951
Changes in proportion	177,422	29,893
Contributions paid to the PERA subsequent to the measurement date	<u>203,584</u>	<u>-</u>
Total	<u>\$ 1,052,146</u>	<u>\$1,171,879</u>

A total of \$203,584 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, 2024. Other amounts reported as deferred outflows and deferred 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>
2024	\$ 160,195
2025	(510,731)
2026	102,430
2027	<u>(75,211)</u>
Total	<u>\$ (323,317)</u>

## NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

### 2. PEPFF Pension Costs

At December 31, 2023, the City reported a liability of \$4,156,576 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2023, 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 the PERA during the measurement period for employer payroll paid dates July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 0.2407% at the end of the measurement period and 0.2573% 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, 2023. The contribution consisted of \$9.0 million in direct state aid that meets 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 aid was paid on October 1, 2022. 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. The state of Minnesota's proportionate share of the net pension liability associated with the City totaled \$167,433.

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	\$4,156,576
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>167,433</u>
Total	<u>\$4,324,009</u>

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan 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. Police and Fire Plan 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 June 30, 2023, the City recognized pension expense of \$1,264,079 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$10,084 as a reduction to grant revenue and pension expense for its proportionate share of the state of Minnesota's pension expense for the contribution of \$9.0 million to the PEPFF.

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 \$21,663 for the year ended December 31, 2023 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.

**NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

At December 31, 2023, 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	\$ 1,169,157	\$ -
Changes in actuarial assumptions	5,070,248	5,843,862
Net collective difference between projected and actual investment earnings	-	89,561
Changes in proportion	151,442	601,972
Contributions paid to the PERA subsequent to the measurement date	<u>309,700</u>	<u>-</u>
Total	<u>\$6,700,547</u>	<u>\$6,535,395</u>

A total of \$309,700 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, 2024. Other amounts reported as deferred outflows and deferred 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>
2024	\$ 229,801
2025	64,885
2026	1,034,202
2027	(321,768)
2028	<u>(1,151,668)</u>
Total	<u>\$ (144,548)</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.

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>	

## NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

### F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, 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 7.0%. 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 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the GERF and the PEPFF. Benefit increases after retirement are assumed to be 1.25% for the GERF and 1.0% for the PEPFF.

Salary growth assumptions in the GERF range in annual increments from 10.25% after one year of service to 3.00% after 27 years of service. 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 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 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 2023:

#### 1. GERF

- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

#### 2. PEPFF

- The investment return assumption was changed from 6.5% to 7.0%.
- The single discount rate was changed from 5.4% to 7.0%.

The following changes in plan provisions occurred in 2023:

#### 1. GERF

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.

## **NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

### **1. GERF (Continued)**

- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in lump sum for calendar year 2024 by March 31, 2024.

### **2. PEPFF**

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50.0% vesting after five years, increasing incrementally to 100.0% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

### **G. Discount Rate**

The discount rate used to measure the total pension liability in 2023 was 7.0%. 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 the GERF and the 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 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**H. Pension Liability Sensitivity**

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

	1% Decrease in Discount Rate <u>(6.0%)</u>	Current Discount Rate <u>(7.0%)</u>	1% Increase in Discount Rate <u>(8.0%)</u>
The City’s Proportionate Share of the GERS Net Pension Liability:	\$6,133,349	\$3,466,971	\$1,273,773
The City’s Proportionate Share of the PEPFF Net Pension Liability:	\$8,247,143	\$4,156,576	\$ 793,853

**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](http://www.mnpera.org).

**NOTE 11 – 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 their 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 11 – 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, 2023	\$1,600	\$1,600	5%	5%	5%
December 31, 2022	\$1,300	\$1,300	5%	5%	5%
December 31, 2021	\$1,300	\$1,300	5%	5%	5%

**NOTE 12 – 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, 2023 was \$243,579, compared to a total city payroll of \$10,168,918.

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 2023, including both city and state fire aid passed through the City totaled \$226,570. This contribution represents nearly 93% of the current 2023 covered payroll of \$243,579. There were no current year changes in plan provisions.

## NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

### A. Plan Description

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

### B. Benefits Provided

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

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

### 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 \$42,119.

### D. Membership

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

Retirees and beneficiaries receiving benefits	4
Active plan members	<u>94</u>
Total members	<u><u>98</u></u>

### E. Total OPEB Liability of the City

The City’s total OPEB liability of \$794,822 as of year-end was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2021.

## NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

### F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, using the entry age normal level percent of pay method. The following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.05%
20-year municipal bond yield	4.05%
Inflation rate	2.50%
Salary increases	3.00%
Healthcare cost trend rate	6.20% grading to 3.90% over several decades

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

### G. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Beginning Balance	\$ 796,286
Changes for the year	
Service cost	119,416
Interest	18,686
Differences between expected and actual experience	1,371
Changes of assumptions	(123,730)
Benefit payments	<u>(17,207)</u>
Total net changes	<u>(1,464)</u>
Ending Balance	<u>\$ 794,822</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 2.06 percent to 4.05 percent.

**NOTE 13 – 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	3.05%	4.05%	5.05%
Total OPEB liability	\$ 856,232	\$ 794,822	\$ 736,026

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	5.20% grading to 2.9% over several decades	6.20% grading to 3.9% over several decades	7.20% grading to 4.9% over several decades
Total OPEB liability	\$ 685,891	\$ 794,822	\$ 925,384

**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 \$109,113. 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	\$ 409,659	\$ 222,683
Changes of assumptions	51,025	421,366
City contributions subsequent to the measurement date	42,119	-
Total	<u>\$ 502,803</u>	<u>\$ 644,049</u>

**NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)**

A total of \$42,119 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, 2023. 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
2024	(28,989)
2025	(28,989)
2026	(28,989)
2027	(28,989)
2028	(30,190)
Thereafter	(37,219)
Total	<u>\$ (183,365)</u>

**NOTE 14 – 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 15 – 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 made payments on five private development agreements: three redevelopment and two housing that would be considered a tax abatement under GASB Statement 77 as of December 31, 2023.

## NOTE 15 – TAX ABATEMENT AGREEMENTS(CONTINUED)

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

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

- Proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future;
- The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan. The requirements of this item do not apply if the district is a housing district;
- 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, 2023, the City abated property taxes totaling \$727,022 related to the following:

- Housing Development: \$53,400 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 2024.
- Redevelopment: \$243,724 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: \$45,906 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: \$240,028 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: \$143,964 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.

## **NOTE 15 – TAX ABATEMENT AGREEMENTS(CONTINUED)**

The outstanding principal balance as of December 31, 2023 for all agreements was \$3,918,884.

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 16 – 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, 2023, there was one series of a Lease Revenue Bond outstanding with an aggregate principal amount payable of \$41,465,000.

## **NOTE 17 – COMMITMENTS AND CONTINGENCIES**

### **A. Commitments for Construction**

At December 31, 2023, the City is committed to various construction contracts for the improvement of city property. The City's remaining commitment under these contracts is \$25,842,901. The City has resources available to cover these commitments.

## **NOTE 17 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

### **B. Federal and State Revenue**

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

### **C. Legal Claims**

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

### **D. Tax Increment Districts**

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

**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 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%
12/31/2022	06/30/2022	0.0603%	\$ 4,775,781	\$ 140,084	\$ 4,915,865	\$ 4,518,169	105.70%	76.70%
12/31/2023	06/30/2023	0.0620%	\$ 3,466,971	\$ 95,709	\$ 3,562,680	\$ 4,933,640	70.27%	83.10%

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%
12/31/2022	\$ 346,788	\$ 346,788	\$ –	\$ 4,624,488	7.50%
12/31/2023	\$ 400,688	\$ 400,688	\$ –	\$ 5,342,507	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 Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.2090%	\$ 2,374,729	\$ –	\$ 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%
12/31/2022	06/30/2022	0.2573%	\$ 11,196,681	\$ 489,060	\$ 11,685,741	\$ 3,125,648	358.22%	70.50%
12/31/2023	06/30/2023	0.2407%	\$ 4,156,576	\$ 167,433	\$ 4,324,009	\$ 3,160,708	131.51%	86.50%

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%
12/31/2022	\$ 553,715	\$ 553,715	\$ –	\$ 3,128,333	17.70%
12/31/2023	\$ 591,359	\$ 591,359	\$ –	\$ 3,341,011	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	2022	2023
Total OPEB liability						
Service cost	\$ 40,892	\$ 74,389	\$ 55,942	\$ 69,584	\$ 81,145	\$ 119,416
Interest	22,858	24,695	30,837	14,428	13,589	18,686
Differences between expected and actual experience	–	–	(368,975)	6,307	510,595	1,371
Changes of assumptions	19,347	(41,435)	47,099	20,586	(365,412)	(123,730)
Benefit payments	<u>(3,349)</u>	<u>(3,476)</u>	<u>(2,775)</u>	<u>(9,111)</u>	<u>(6,965)</u>	<u>(17,207)</u>
Net change in total OPEB liability	79,748	54,173	(237,872)	101,794	232,952	(1,464)
Total OPEB liability – beginning of year	<u>565,491</u>	<u>645,239</u>	<u>699,412</u>	<u>461,540</u>	<u>563,334</u>	<u>796,286</u>
Total OPEB liability – end of year	<u>\$ 645,239</u>	<u>\$ 699,412</u>	<u>\$ 461,540</u>	<u>\$ 563,334</u>	<u>\$ 796,286</u>	<u>\$ 794,822</u>
Covered-employee payroll	<u>\$ 5,400,000</u>	<u>\$ 5,600,000</u>	<u>\$ 6,400,000</u>	<u>\$ 6,700,000</u>	<u>\$ 6,800,000</u>	<u>\$ 7,600,000</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>	<u>11.71%</u>	<u>10.46%</u>

Note 1: **Changes in Actuarial Assumptions.** (1) 2023 Changes - The discount rate was changed from 2.06 percent to 4.05 percent. (2) 2022 Changes - The discount rate was changed from 2.12 percent to 2.06 percent. The healthcare trend rates and plan experience assumptions were updated for changes in recent studies and inflationary adjustments. (3) 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. (4) 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. (5) 2019 Changes - The discount rate was changed from 3.44 percent to 4.09 percent. (6) 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.

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. There are no factors that affect trends in the amounts reported, such as changes in benefit terms or assumptions.

## CITY OF RAMSEY

### Notes to Required Supplementary Information General Employees Retirement Fund Year Ended December 31, 2023

#### **2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.

#### **2023 CHANGES IN PLAN PROVISIONS**

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024 was eliminated.
- A one-time, non-compounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

#### **2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-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.

## CITY OF RAMSEY

### Notes to Required Supplementary Information General Employees Retirement Fund (continued) Year Ended December 31, 2023

#### **2020 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)**

- 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.

#### **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.

## CITY OF RAMSEY

### Notes to Required Supplementary Information General Employees Retirement Fund (continued) Year Ended December 31, 2023

#### **2018 CHANGES IN PLAN PROVISIONS (CONTINUED)**

- 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.

#### **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.

## **CITY OF RAMSEY**

### **Notes to Required Supplementary Information General Employees Retirement Fund (continued) Year Ended December 31, 2023**

#### **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, 2023

#### **2023 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.

#### **2023 CHANGES IN PLAN PROVISIONS**

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50.00 percent vesting after five years, increasing incrementally to 100.00 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.00 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

#### **2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate was changed from 6.50 percent to 5.40 percent.

#### **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.

## CITY OF RAMSEY

### Notes to Required Supplementary Information Public Employees Police and Fire Fund (continued) Year Ended December 31, 2023

#### **2021 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)**

- 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.

#### **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.

## CITY OF RAMSEY

### Notes to Required Supplementary Information Public Employees Police and Fire Fund (continued) Year Ended December 31, 2023

#### **2017 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)**

- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years, to 1.00 percent per year through 2064, and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

#### **2016 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

#### **2015 CHANGES IN ACTUARIAL ASSUMPTIONS**

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

#### **2015 CHANGES IN PLAN PROVISIONS**

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

**COMBINING AND INDIVIDUAL FUND STATEMENTS**  
**AND SCHEDULES**



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CITY OF RAMSEY

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 December 31, 2023

	Special Revenue	Debt Service	Capital Project	Totals
<b>Assets</b>				
Cash and temporary investments	\$ 5,218,452	\$ 779,961	\$ 8,342,796	\$ 14,341,209
Receivables				
Delinquent taxes	1,599	45,502	-	47,101
Unremitted special assessments	-	879	7	886
Delinquent special assessments	-	91	2,389	2,480
Deferred special assessments	-	158,870	83,866	242,736
Accounts	12,045	-	-	12,045
Due from other governmental units	8,384	-	-	8,384
Due from other funds	25,000	-	-	25,000
Prepays	4,755	-	-	4,755
	<u>\$ 5,270,235</u>	<u>\$ 985,303</u>	<u>\$ 8,429,058</u>	<u>\$ 14,684,596</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 6,133	\$ -	\$ 24,962	\$ 31,095
Due to other governmental units	-	-	5,783	5,783
Advances from other funds	-	-	218,810	218,810
Unearned revenue	100,000	-	-	100,000
Total liabilities	<u>106,133</u>	<u>-</u>	<u>249,555</u>	<u>355,688</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	1,599	45,502	-	47,101
Unavailable revenue - special assessments	-	158,961	86,255	245,216
Total deferred inflows of resources	<u>1,599</u>	<u>204,463</u>	<u>86,255</u>	<u>292,317</u>
<b>Fund balances</b>				
Nonspendable	4,755	-	-	4,755
Restricted	3,225,641	780,840	1,464,867	5,471,348
Committed	1,932,107	-	-	1,932,107
Assigned	-	-	6,628,381	6,628,381
Total fund balance	<u>5,162,503</u>	<u>780,840</u>	<u>8,093,248</u>	<u>14,036,591</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,270,235</u>	<u>\$ 985,303</u>	<u>\$ 8,429,058</u>	<u>\$ 14,684,596</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, 2023

	Special Revenue	Debt Service	Capital Project	Totals
<b>Revenue</b>				
Property taxes	\$ 80,610	\$ 3,195,020	\$ 44,520	\$ 3,320,150
Special assessments	-	61,637	490,732	552,369
Intergovernmental revenue	1,282,667	338,510	-	1,621,177
<b>Other revenue</b>				
Investment earnings	174,042	66,383	387,897	628,322
Miscellaneous	494,554	64	206,179	700,797
Total revenue	<u>2,031,873</u>	<u>3,661,614</u>	<u>1,129,328</u>	<u>6,822,815</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	217,860	-	100,015	317,875
Public safety	54,283	-	-	54,283
Highways and streets	-	-	793,563	793,563
Economic development	23,627	-	-	23,627
Capital outlay	28,600	-	27,703	56,303
<b>Debt service</b>				
Principal retirement	-	2,495,000	-	2,495,000
Interest and fiscal charges	-	1,099,430	34,669	1,134,099
Total expenditures	<u>324,370</u>	<u>3,594,430</u>	<u>955,950</u>	<u>4,874,750</u>
Excess of revenue over expenditures	1,707,503	67,184	173,378	1,948,065
<b>Other financing sources (uses)</b>				
Debt issued	-	-	1,400,000	1,400,000
Premium on debt issued	-	-	83,221	83,221
Proceeds on sale of capital assets	20,000	-	-	20,000
Transfers in	24,929	-	110,272	135,201
Transfers (out)	(93,066)	-	(1,374,199)	(1,467,265)
Total other financing sources (uses)	<u>(48,137)</u>	<u>-</u>	<u>219,294</u>	<u>171,157</u>
Net change in fund balances	1,659,366	67,184	392,672	2,119,222
<b>Fund balances</b>				
Beginning of year	<u>3,503,137</u>	<u>713,656</u>	<u>7,700,576</u>	<u>11,917,369</u>
End of year	<u>\$ 5,162,503</u>	<u>\$ 780,840</u>	<u>\$ 8,093,248</u>	<u>\$ 14,036,591</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.

**Federal/State Relief Fund** – used to account for the funds received from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), authorized by the American Rescue Plan and public safety aid received from the State of Minnesota.

**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, 2023

	Revolving Loan	Lawful Gambling	Peace Officers	Developer's Fees
<b>Assets</b>				
Cash and temporary investments	\$ 367,037	\$ 476,662	\$ 13,774	\$ 1,441,919
Receivables				
Delinquent taxes	-	-	-	-
Accounts	-	12,045	-	-
Due from other governmental units	-	-	8,384	-
Due from other funds	-	-	-	-
Prepays	-	-	3,741	-
	<u>367,037</u>	<u>488,707</u>	<u>25,899</u>	<u>1,441,919</u>
Total assets	<u>\$ 367,037</u>	<u>\$ 488,707</u>	<u>\$ 25,899</u>	<u>\$ 1,441,919</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ -	\$ 6,056	\$ -
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>6,056</u>	<u>-</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>Fund balances</b>				
Nonspendable	-	-	3,741	-
Restricted	-	488,707	16,102	-
Committed	367,037	-	-	1,441,919
Total fund balances	<u>367,037</u>	<u>488,707</u>	<u>19,843</u>	<u>1,441,919</u>
	<u>\$ 367,037</u>	<u>\$ 488,707</u>	<u>\$ 25,899</u>	<u>\$ 1,441,919</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 367,037</u>	<u>\$ 488,707</u>	<u>\$ 25,899</u>	<u>\$ 1,441,919</u>

Federal/State Relief	General Govt Special Projects	Economic Development Authority	Totals
\$ 1,348,044	\$ 123,151	\$ 1,447,865	\$ 5,218,452
-	-	1,599	1,599
-	-	-	12,045
-	-	-	8,384
-	-	25,000	25,000
-	-	1,014	4,755
<u>\$ 1,348,044</u>	<u>\$ 123,151</u>	<u>\$ 1,475,478</u>	<u>\$ 5,270,235</u>
\$ -	\$ -	\$ 77	\$ 6,133
100,000	-	-	100,000
<u>100,000</u>	<u>-</u>	<u>77</u>	<u>106,133</u>
-	-	1,599	1,599
-	-	1,014	4,755
1,248,044	-	1,472,788	3,225,641
-	123,151	-	1,932,107
<u>1,248,044</u>	<u>123,151</u>	<u>1,473,802</u>	<u>5,162,503</u>
<u>\$ 1,348,044</u>	<u>\$ 123,151</u>	<u>\$ 1,475,478</u>	<u>\$ 5,270,235</u>

CITY OF RAMSEY

Nonmajor Special Revenue Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended December 31, 2023

	Revolving Loan	Lawful Gambling	Peace Officers	Developer's Fees
<b>Revenue</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	29,898	-
<b>Other revenue</b>				
Investment earnings	16,838	21,603	1,322	58,287
Miscellaneous	-	101,658	8,840	276,926
<b>Total revenue</b>	<u>16,838</u>	<u>123,261</u>	<u>40,060</u>	<u>335,213</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	40,900	-	-
Public Safety	-	-	54,283	-
Economic development	-	-	-	-
<b>Capital outlay</b>	<u>-</u>	<u>28,600</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>-</u>	<u>69,500</u>	<u>54,283</u>	<u>-</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>16,838</b>	<b>53,761</b>	<b>(14,223)</b>	<b>335,213</b>
<b>Other financing sources (uses)</b>				
Proceeds on sale of capital assets	-	-	-	-
Transfers in	-	-	-	24,929
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,929</u>
<b>Net change in fund balances</b>	<b>16,838</b>	<b>53,761</b>	<b>(14,223)</b>	<b>360,142</b>
<b>Fund balances</b>				
Beginning of year	<u>350,199</u>	<u>434,946</u>	<u>34,066</u>	<u>1,081,777</u>
End of year	<u>\$ 367,037</u>	<u>\$ 488,707</u>	<u>\$ 19,843</u>	<u>\$ 1,441,919</u>

Federal/State Relief	General Govt Special Projects	Economic Development Authority	Totals
\$ -	\$ -	\$ 80,610	\$ 80,610
1,248,044	4,725	-	1,282,667
-	11,438	64,554	174,042
-	106,854	276	494,554
<u>1,248,044</u>	<u>123,017</u>	<u>145,440</u>	<u>2,031,873</u>
-	176,960	-	217,860
-	-	-	54,283
-	-	23,627	23,627
-	-	-	28,600
<u>-</u>	<u>176,960</u>	<u>23,627</u>	<u>324,370</u>
1,248,044	(53,943)	121,813	1,707,503
-	20,000	-	20,000
-	-	-	24,929
<u>-</u>	<u>(93,066)</u>	<u>-</u>	<u>(93,066)</u>
<u>-</u>	<u>(73,066)</u>	<u>-</u>	<u>(48,137)</u>
1,248,044	(127,009)	121,813	1,659,366
-	250,160	1,351,989	3,503,137
<u>\$ 1,248,044</u>	<u>\$ 123,151</u>	<u>\$ 1,473,802</u>	<u>\$ 5,162,503</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, 2023

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 82,610	\$ 82,610	\$ 80,610	\$ (2,000)
Other revenue				
Investment earnings	5,000	5,000	64,554	59,554
Miscellaneous	–	–	276	276
Total revenue	<u>87,610</u>	<u>87,610</u>	<u>145,440</u>	<u>57,830</u>
Expenditures				
Current				
Economic development	<u>87,610</u>	<u>87,610</u>	<u>23,627</u>	<u>(63,983)</u>
Net change in fund balances	<u>\$ –</u>	<u>\$ –</u>	121,813	<u>\$ 121,813</u>
Fund balances				
Beginning of year			<u>1,351,989</u>	
End of year			<u>\$ 1,473,802</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.

**2022A GO Street Reconstruction Bond** – The \$10,765,000 General Obligation Street Reconstruction Bonds is to finance the reconstruction of several streets as outlined in the City's Capital Improvement Plan for years 2023 through 2025.

CITY OF RAMSEY

Nonmajor Debt Service Funds  
 Combining Balance Sheet  
 December 31, 2023

	2011B Refund GO Improvement Bonds	2013A Capital Equipment Certificates	2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond
<b>Assets</b>					
Cash and temporary investments	\$ 283,777	\$ 28,419	\$ 43,647	\$ 114,353	\$ 6,719
Receivables					
Delinquent taxes	-	1,806	2,191	4,519	2,144
Unremitted special assessments	-	-	-	-	85
Delinquent special assessments	-	-	-	-	91
Deferred special assessments	-	-	-	-	16,875
	<u>283,777</u>	<u>30,225</u>	<u>45,838</u>	<u>118,872</u>	<u>25,914</u>
Total assets	<u>\$ 283,777</u>	<u>\$ 30,225</u>	<u>\$ 45,838</u>	<u>\$ 118,872</u>	<u>\$ 25,914</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	\$ -	\$ 1,806	\$ 2,191	\$ 4,519	\$ 2,144
Unavailable revenue - special assessments	-	-	-	-	16,966
Total deferred inflows of resources	<u>-</u>	<u>1,806</u>	<u>2,191</u>	<u>4,519</u>	<u>19,110</u>
<b>Fund balances</b>					
Restricted	<u>283,777</u>	<u>28,419</u>	<u>43,647</u>	<u>114,353</u>	<u>6,804</u>
	<u>283,777</u>	<u>30,225</u>	<u>45,838</u>	<u>118,872</u>	<u>25,914</u>
Total deferred inflows of resources and fund balances	<u>\$ 283,777</u>	<u>\$ 30,225</u>	<u>\$ 45,838</u>	<u>\$ 118,872</u>	<u>\$ 25,914</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	2022A GO Street Reconstruction Bond	Totals
\$ 90,706	\$ 8,613	\$ 51,607	\$ 15,045	\$ 84,025	\$ 53,050	\$ 779,961
2,899	1,858	2,306	2,208	18,434	7,137	45,502
794	-	-	-	-	-	879
-	-	-	-	-	-	91
<u>70,252</u>	<u>18,278</u>	<u>53,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,870</u>
<u>\$ 164,651</u>	<u>\$ 28,749</u>	<u>\$ 107,378</u>	<u>\$ 17,253</u>	<u>\$ 102,459</u>	<u>\$ 60,187</u>	<u>\$ 985,303</u>
\$ 2,899	\$ 1,858	\$ 2,306	\$ 2,208	\$ 18,434	\$ 7,137	\$ 45,502
<u>70,252</u>	<u>18,278</u>	<u>53,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,961</u>
73,151	20,136	55,771	2,208	18,434	7,137	204,463
<u>91,500</u>	<u>8,613</u>	<u>51,607</u>	<u>15,045</u>	<u>84,025</u>	<u>53,050</u>	<u>780,840</u>
<u>\$ 164,651</u>	<u>\$ 28,749</u>	<u>\$ 107,378</u>	<u>\$ 17,253</u>	<u>\$ 102,459</u>	<u>\$ 60,187</u>	<u>\$ 985,303</u>

CITY OF RAMSEY

Nonmajor Debt Service Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended December 31, 2023

	2011B Refund GO Improvement Bonds	2013A Capital Equipment Certificates	2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond
<b>Revenue</b>					
Property taxes	\$ -	\$ 73,604	\$ 101,821	\$ 276,200	\$ 112,070
Special assessments	-	-	-	-	10,143
Intergovernmental revenue	338,510	-	-	-	-
Other revenue					
Investment earnings	20,310	1,087	2,849	5,716	1,398
Miscellaneous	-	-	-	-	10
Total revenue	<u>358,820</u>	<u>74,691</u>	<u>104,670</u>	<u>281,916</u>	<u>123,621</u>
<b>Expenditures</b>					
Debt service					
Principal retirement	295,000	70,000	95,000	185,000	125,000
Interest and fiscal charges	<u>24,145</u>	<u>7,523</u>	<u>5,463</u>	<u>84,110</u>	<u>9,248</u>
Total expenditures	<u>319,145</u>	<u>77,523</u>	<u>100,463</u>	<u>269,110</u>	<u>134,248</u>
Net change in fund balances	39,675	(2,832)	4,207	12,806	(10,627)
<b>Fund balances</b>					
Beginning of year	<u>244,102</u>	<u>31,251</u>	<u>39,440</u>	<u>101,547</u>	<u>17,431</u>
End of year	<u>\$ 283,777</u>	<u>\$ 28,419</u>	<u>\$ 43,647</u>	<u>\$ 114,353</u>	<u>\$ 6,804</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	2022A GO Street Reconstruction Bond	Totals
\$ 147,561	\$ 92,327	\$ 105,296	\$ 124,544	\$ 1,081,647	\$ 1,079,950	\$ 3,195,020
27,694	5,621	18,179	-	-	-	61,637
-	-	-	-	-	-	338,510
6,072	1,311	3,921	508	12,507	10,704	66,383
46	-	8	-	-	-	64
<u>181,373</u>	<u>99,259</u>	<u>127,404</u>	<u>125,052</u>	<u>1,094,154</u>	<u>1,090,654</u>	<u>3,661,614</u>
170,000	90,000	115,000	-	865,000	485,000	2,495,000
14,598	10,553	25,525	125,863	239,798	552,604	1,099,430
<u>184,598</u>	<u>100,553</u>	<u>140,525</u>	<u>125,863</u>	<u>1,104,798</u>	<u>1,037,604</u>	<u>3,594,430</u>
(3,225)	(1,294)	(13,121)	(811)	(10,644)	53,050	67,184
<u>94,725</u>	<u>9,907</u>	<u>64,728</u>	<u>15,856</u>	<u>94,669</u>	<u>-</u>	<u>713,656</u>
<u>\$ 91,500</u>	<u>\$ 8,613</u>	<u>\$ 51,607</u>	<u>\$ 15,045</u>	<u>\$ 84,025</u>	<u>\$ 53,050</u>	<u>\$ 780,840</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.

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

**Public Works Campus Fund** – used to account for the resources used for the construction of the public works campus and its amenities.

**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.

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

**Capital Equipment 2024 Fund** – used to account for the resources to be used for capital equipment purchases slated for year 2024.

**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, 2023

	Public Improvement Revolving	Trott Brook Cemetery Perpetual Care	Public Works Campus	Parking Ramp Maintenance
<b>Assets</b>				
Cash and temporary investments	\$ 5,026,059	\$ 86,397	\$ 571,972	\$ 180,092
Receivables				
Unremitted special assessments	7	-	-	-
Delinquent special assessments	2,389	-	-	-
Deferred special assessments	83,866	-	-	-
	<u>83,866</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 5,112,321</u>	<u>\$ 86,397</u>	<u>\$ 571,972</u>	<u>\$ 180,092</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ -	\$ 20,000	\$ 3,865
Due to other governmental units	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>3,865</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - special assessments	86,255	-	-	-
<b>Fund balances</b>				
Restricted	-	-	-	-
Assigned	5,026,066	86,397	551,972	176,227
Total fund balances	<u>5,026,066</u>	<u>86,397</u>	<u>551,972</u>	<u>176,227</u>
	<u>\$ 5,112,321</u>	<u>\$ 86,397</u>	<u>\$ 571,972</u>	<u>\$ 180,092</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,112,321</u>	<u>\$ 86,397</u>	<u>\$ 571,972</u>	<u>\$ 180,092</u>

Riverdale Drive Street Improvement	Equipment Revolving	Capital Equipment 2024	Public Facilities Construction	Totals
\$ 53,029	\$ 226,080	\$ 1,464,867	\$ 734,300	\$ 8,342,796
-	-	-	-	7
-	-	-	-	2,389
-	-	-	-	83,866
<u>\$ 53,029</u>	<u>\$ 226,080</u>	<u>\$ 1,464,867</u>	<u>\$ 734,300</u>	<u>\$ 8,429,058</u>
\$ -	\$ -	\$ -	\$ 1,097	\$ 24,962
-	-	-	5,783	5,783
-	-	-	218,810	218,810
-	-	-	225,690	249,555
-	-	-	-	86,255
-	-	1,464,867	-	1,464,867
53,029	226,080	-	508,610	6,628,381
<u>53,029</u>	<u>226,080</u>	<u>1,464,867</u>	<u>508,610</u>	<u>8,093,248</u>
<u>\$ 53,029</u>	<u>\$ 226,080</u>	<u>\$ 1,464,867</u>	<u>\$ 734,300</u>	<u>\$ 8,429,058</u>

CITY OF RAMSEY

Nonmajor Capital Project Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended December 31, 2023

	Public Improvement Revolving	Trott Brook Cemetery Perpetual Care	Public Works Campus	Parking Ramp Maintenance
<b>Revenue</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	490,732	-	-	-
<b>Other revenue</b>				
Investment earnings	264,751	3,917	34,263	4,106
Miscellaneous	41,548	1,300	1,601	141,730
Total revenue	<u>797,031</u>	<u>5,217</u>	<u>35,864</u>	<u>145,836</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	-	98,303
Highways and streets	764,972	-	-	-
Capital outlay	-	-	-	-
<b>Debt service</b>				
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>764,972</u>	<u>-</u>	<u>-</u>	<u>98,303</u>
Excess (deficiency) of revenue over expenditures	32,059	5,217	35,864	47,533
<b>Other financing sources (uses)</b>				
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	73,170	-	-	-
Transfers (out)	<u>(597,595)</u>	<u>-</u>	<u>(167,931)</u>	<u>-</u>
Total other financing sources (uses)	<u>(524,425)</u>	<u>-</u>	<u>(167,931)</u>	<u>-</u>
Net change in fund balances	(492,366)	5,217	(132,067)	47,533
<b>Fund balances</b>				
Beginning of year	<u>5,518,432</u>	<u>81,180</u>	<u>684,039</u>	<u>128,694</u>
End of year	<u>\$ 5,026,066</u>	<u>\$ 86,397</u>	<u>\$ 551,972</u>	<u>\$ 176,227</u>

Riverdale Drive Street Improvement	Equipment Revolving	Capital Equipment 2024	Public Facilities Construction	Totals
\$ -	\$ -	\$ -	\$ 44,520	\$ 44,520
-	-	-	-	490,732
-	34,788	11,132	34,940	387,897
-	20,000	-	-	206,179
-	54,788	11,132	79,460	1,129,328
138	1,574	-	-	100,015
-	-	-	28,591	793,563
27,703	-	-	-	27,703
-	-	29,486	5,183	34,669
27,841	1,574	29,486	33,774	955,950
(27,841)	53,214	(18,354)	45,686	173,378
-	-	1,400,000	-	1,400,000
-	-	83,221	-	83,221
-	27,827	-	9,275	110,272
-	(608,673)	-	-	(1,374,199)
-	(580,846)	1,483,221	9,275	219,294
(27,841)	(527,632)	1,464,867	54,961	392,672
80,870	753,712	-	453,649	7,700,576
\$ 53,029	\$ 226,080	\$ 1,464,867	\$ 508,610	\$ 8,093,248



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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 annual comprehensive financial reports for the relative year.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Fiscal Year</u> <u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 41,657,601	\$ 41,216,689	\$ 42,170,710	\$ 42,129,791	\$ 43,551,135	\$ 44,658,317	\$ 52,756,077	\$ 57,322,004	\$ 63,796,121	\$ 66,959,661
Restricted	15,273,582	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706	19,886,753	20,624,484	18,598,778
Unrestricted	8,120,953	13,292,971	13,832,461	13,559,175	15,666,889	16,759,261	22,499,652	22,741,842	23,405,779	26,728,758
Total governmental activities net position	<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>	<u>\$ 107,826,384</u>	<u>\$ 112,287,197</u>
Business-type activities										
Net investment in capital assets	\$ 50,427,367	\$ 49,340,145	\$ 51,959,594	\$ 53,855,285	\$ 53,653,338	\$ 55,575,211	\$ 56,166,921	\$ 57,940,442	\$ 63,486,708	\$ 71,932,644
Unrestricted	30,915,832	34,206,676	35,953,541	38,306,851	43,024,292	46,993,793	44,568,513	48,126,205	43,879,636	44,232,074
Total business-type activities net position	<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>	<u>\$ 107,366,344</u>	<u>\$ 116,164,718</u>
Total government										
Net investment in capital assets	\$ 92,084,968	\$ 90,556,834	\$ 94,130,304	\$ 95,985,076	\$ 97,204,473	\$ 100,233,528	\$ 108,922,998	\$ 115,262,446	\$ 127,282,829	\$ 138,892,305
Restricted	15,273,582	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706	19,886,753	20,624,484	18,598,778
Unrestricted	39,036,785	47,499,647	49,786,002	51,866,026	58,691,181	63,753,054	67,068,165	70,868,047	67,285,415	70,960,832
Total government net position	<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>	<u>\$ 215,192,728</u>	<u>\$ 228,451,915</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,087,755	\$ 4,075,505	\$ 4,528,920	\$ 4,992,809	\$ 5,078,516	\$ 5,139,352	\$ 5,640,679	\$ 4,568,229	\$ 4,967,112	\$ 5,347,691
Public safety	4,079,362	4,349,763	5,875,567	5,782,563	5,167,897	5,844,265	6,468,397	6,363,724	7,989,480	8,717,911
Highways and streets	4,263,552	3,197,571	3,826,143	4,254,234	4,191,395	4,442,720	4,028,294	4,686,416	5,308,212	8,670,486
Culture and recreation	1,422,810	1,867,274	1,931,537	2,384,845	1,751,345	1,756,810	1,917,228	1,834,153	1,997,522	2,194,755
Economic development	-	-	-	-	-	-	481,858	2,140,267	1,096,422	1,705,446
Interest and fiscal charges	1,168,513	983,379	890,305	952,965	883,292	845,651	839,444	883,504	564,462	1,258,959
Total governmental activities expenses	<u>15,021,992</u>	<u>14,473,492</u>	<u>17,052,472</u>	<u>18,367,416</u>	<u>17,072,445</u>	<u>18,028,798</u>	<u>19,375,900</u>	<u>20,476,293</u>	<u>21,923,210</u>	<u>27,895,248</u>
Business-type activities:										
Water utility	1,221,211	1,278,204	1,489,070	1,396,021	1,590,737	1,483,584	1,657,356	1,772,358	1,895,776	2,062,314
Sewer utility	1,282,302	1,291,509	1,438,141	1,535,664	1,523,670	1,631,260	1,723,238	1,742,380	1,947,356	2,209,802
Street light utility	161,733	178,666	176,732	159,378	160,952	171,619	169,463	178,576	172,765	173,924
Recycling utility	321,321	320,901	359,418	373,775	380,055	380,192	366,764	507,067	514,231	527,182
Storm water utility	509,709	557,267	742,043	633,101	573,878	590,645	777,252	715,349	791,605	864,721
Total business-type activities	<u>3,496,276</u>	<u>3,626,547</u>	<u>4,205,404</u>	<u>4,097,939</u>	<u>4,229,292</u>	<u>4,257,300</u>	<u>4,694,073</u>	<u>4,915,730</u>	<u>5,321,733</u>	<u>5,837,943</u>
Total government expenses	<u>\$ 18,518,268</u>	<u>\$ 18,100,039</u>	<u>\$ 21,257,876</u>	<u>\$ 22,465,355</u>	<u>\$ 21,301,737</u>	<u>\$ 22,286,098</u>	<u>\$ 24,069,973</u>	<u>\$ 25,392,023</u>	<u>\$ 27,244,943</u>	<u>\$ 33,733,191</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 461,538	\$ 529,820	\$ 457,901	\$ 571,464	\$ 691,819	\$ 640,173	\$ 534,279	\$ 574,117	\$ 676,862	\$ 759,513
Public safety	626,844	946,887	698,310	878,141	1,168,258	1,098,016	974,955	1,010,111	911,592	1,109,495
Highways and streets	266,447	347,984	261,658	235,020	229,555	214,272	259,161	311,408	315,999	494,732
Culture and recreation	173,310	815,511	483,727	585,033	1,355,365	926,530	373,669	1,126,441	13,869	37,474
Operating grants and contributions	385,574	9,999,527	508,694	379,185	368,099	461,826	603,389	774,960	707,228	2,004,445
Capital grants and contributions	3,023,145	3,124,565	3,809,965	5,026,857	4,765,578	3,434,344	4,930,496	5,637,619	9,697,841	5,163,608
Total governmental activities program revenues	<u>4,936,858</u>	<u>15,764,294</u>	<u>6,220,255</u>	<u>7,675,700</u>	<u>8,578,674</u>	<u>6,775,161</u>	<u>7,675,949</u>	<u>9,434,656</u>	<u>12,323,391</u>	<u>9,569,267</u>
Business-type activities:										
Charges for services:										
Water utility	1,860,380	2,045,225	1,953,478	2,772,003	3,484,687	2,138,209	2,541,651	3,057,474	2,962,563	3,574,961
Sewer utility	1,393,157	1,392,101	1,458,250	1,784,755	2,182,944	1,672,072	1,714,469	1,805,614	1,876,957	1,994,465
Street light utility	188,185	190,872	196,253	204,418	211,360	217,169	216,545	222,364	230,392	234,607
Recycling utility	309,160	307,128	308,052	310,471	317,090	319,940	319,664	440,097	452,107	456,106
Storm water utility	706,135	770,812	1,034,552	958,960	1,057,705	1,168,494	1,164,868	1,197,572	1,230,582	1,252,659
Operating grants and contributions	65,817	39,423	67,100	92,602	72,257	67,961	57,865	73,524	57,700	100,369
Capital grants and contributions	101,107	1,185,135	1,799,057	1,864,137	906,190	2,596,210	1,683,338	3,756,359	4,839,693	3,949,772
Total business-type activities program revenues	<u>4,623,941</u>	<u>5,930,696</u>	<u>6,816,742</u>	<u>7,987,346</u>	<u>8,232,233</u>	<u>8,180,055</u>	<u>7,698,400</u>	<u>10,553,004</u>	<u>11,649,994</u>	<u>11,562,939</u>
Total government program revenues	<u>\$ 9,560,799</u>	<u>\$ 21,694,990</u>	<u>\$ 13,036,997</u>	<u>\$ 15,663,046</u>	<u>\$ 16,810,907</u>	<u>\$ 14,955,216</u>	<u>\$ 15,374,349</u>	<u>\$ 19,987,660</u>	<u>\$ 23,973,385</u>	<u>\$ 21,132,206</u>
Net (expense)/revenue										
Governmental activities	\$ (10,085,134)	\$ 1,290,802	\$ (10,832,217)	\$ (10,691,716)	\$ (8,493,771)	\$ (11,253,637)	\$ (11,699,951)	\$ (11,041,637)	\$ (9,599,819)	\$ (18,325,981)
Business-type activities	1,127,665	2,304,149	2,611,338	3,889,407	4,002,941	3,922,755	3,004,327	5,637,274	6,328,261	5,724,996
Total government net expense	<u>\$ (8,957,469)</u>	<u>\$ 3,594,951</u>	<u>\$ (8,220,879)</u>	<u>\$ (6,802,309)</u>	<u>\$ (4,490,830)</u>	<u>\$ (7,330,882)</u>	<u>\$ (8,695,624)</u>	<u>\$ (5,404,363)</u>	<u>\$ (3,271,558)</u>	<u>\$ (12,600,985)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 9,423,457	\$ 10,064,621	\$ 10,674,696	\$ 11,136,810	\$ 12,384,300	\$ 12,894,388	\$ 13,744,948	\$ 14,761,012	\$ 17,637,477	\$ 20,126,982
Franchise fees	-	-	-	-	-	-	423,045	2,071,476	4,859	-
General grants and contributions	3,198	4,204	3,905	3,586	102,994	5,617	2,053,933	2,963	3,644	3,223
Investment earnings (charges)	980,922	422,405	280,597	454,089	578,770	1,122,573	1,035,274	(164,122)	(286,023)	2,562,165
Gan on sale of capital assets	-	8,914	-	5,530	75,047	8,428	2,372	22,325	22,500	20,000
Transfers	119,500	124,000	214,445	133,000	137,500	(506,494)	6,229,699	85,147	93,147	74,424
Total governmental activities	<u>10,527,077</u>	<u>10,624,144</u>	<u>11,173,643</u>	<u>11,733,015</u>	<u>13,278,611</u>	<u>13,524,512</u>	<u>23,489,271</u>	<u>16,778,801</u>	<u>17,475,604</u>	<u>22,786,794</u>
Business-type activities:										
Investment earnings (charges)	870,728	385,490	325,628	492,594	650,053	1,462,125	1,391,802	(220,914)	(4,935,417)	3,147,802
Transfers	(119,500)	(124,000)	(214,445)	(133,000)	(137,500)	506,494	(6,229,699)	(85,147)	(93,147)	(74,424)
Total business-type activities	<u>751,228</u>	<u>261,490</u>	<u>111,183</u>	<u>359,594</u>	<u>512,553</u>	<u>1,968,619</u>	<u>(4,837,897)</u>	<u>(306,061)</u>	<u>(5,028,564)</u>	<u>3,073,378</u>
Total government	<u>\$ 11,278,305</u>	<u>\$ 10,885,634</u>	<u>\$ 11,284,826</u>	<u>\$ 12,092,609</u>	<u>\$ 13,791,164</u>	<u>\$ 15,493,131</u>	<u>\$ 18,651,374</u>	<u>\$ 16,472,740</u>	<u>\$ 12,447,040</u>	<u>\$ 25,860,172</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 441,943	\$ 11,914,946	\$ 341,426	\$ 1,041,299	\$ 4,784,840	\$ 2,270,875	\$ 11,789,320	\$ 5,737,164	\$ 7,875,785	\$ 4,460,813
Business-type activities	1,878,893	2,565,639	2,722,521	4,249,001	4,515,494	5,891,374	(1,833,570)	5,331,213	1,299,697	8,798,374
Total government	<u>\$ 2,320,836</u>	<u>\$ 14,480,585</u>	<u>\$ 3,063,947</u>	<u>\$ 5,290,300</u>	<u>\$ 9,300,334</u>	<u>\$ 8,162,249</u>	<u>\$ 9,955,750</u>	<u>\$ 11,068,377</u>	<u>\$ 9,175,482</u>	<u>\$ 13,259,187</u>

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

<u>Fiscal Year</u>	<u>Property Tax</u>		<u>Franchise Fees</u>	<u>Total</u>
	<u>Ad Valorem</u>	<u>Tax Increment</u>		
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
2022	15,648,606	1,988,871	4,859	17,642,336
2023	18,262,335	1,864,647	-	20,126,982

Franchise fees were implemented in 2020 with a full year of collections in 2021. The franchise fee was rescinded for year beginning 2022.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Fiscal Year</u> <u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund										
Nonspendable	\$ 4,805	\$ 1,613	\$ 15,431	\$ 12,393	\$ 21,335	\$ 23,640	\$ 16,849	\$ 36,195	\$ 30,636	\$ 28,616
Unassigned	<u>6,977,764</u>	<u>7,271,432</u>	<u>7,501,962</u>	<u>7,900,225</u>	<u>8,468,792</u>	<u>8,856,806</u>	<u>10,073,204</u>	<u>10,413,294</u>	<u>11,064,416</u>	<u>12,237,299</u>
Total general fund	<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>	<u>\$ 11,095,052</u>	<u>\$ 12,265,915</u>
Nonspendable	\$ -	\$ -	\$ 450	\$ 920	\$ 1,205	\$ 1,801	\$ 295	\$ 52	\$ 6,274	\$ 4,755
Restricted	15,295,400	18,484,179	18,377,993	18,187,321	19,369,642	19,957,595	27,518,666	17,331,642	30,308,803	29,623,622
Committed	743,944	890,603	1,041,932	1,226,234	1,631,444	1,184,262	1,326,070	1,611,150	1,682,136	1,932,107
Assigned	10,651,554	12,645,683	13,331,150	13,394,815	14,094,178	15,297,043	18,886,283	17,358,673	18,344,251	20,878,473
Unassigned	<u>(110,979)</u>	<u>(556,135)</u>	<u>(87,659)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>\$ 50,341,464</u>	<u>\$ 52,438,957</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Fiscal Year 2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Revenues</b>										
Property taxes	\$ 9,544,771	\$ 10,175,399	\$ 10,684,896	\$ 11,150,611	\$ 12,416,534	\$ 12,872,234	\$ 13,682,348	\$ 14,846,572	\$ 17,632,758	\$ 19,751,514
Franchise fees	-	-	-	-	-	-	423,045	2,071,476	4,859	-
Special assessments	326,465	468,844	444,235	959,217	559,599	1,025,527	484,810	766,131	104,223	562,227
Licenses and permits	458,532	784,954	526,008	732,129	1,031,944	901,222	850,504	917,645	843,010	1,058,097
Intergovernmental revenue	2,615,851	2,052,791	1,795,988	2,213,034	2,947,966	1,518,639	5,793,188	1,610,478	6,223,407	5,526,102
Charges for services	966,951	1,779,697	1,298,085	1,469,703	2,355,969	1,892,517	1,246,378	2,038,120	1,852,610	1,301,177
Contributions	-	-	-	-	-	-	-	-	-	779,800
Fines and forfeits	72,216	60,236	66,410	59,701	46,651	49,479	34,735	51,153	45,717	39,681
Investment earnings (charges)	965,382	416,508	276,142	447,200	570,243	1,104,969	1,020,655	(161,690)	(282,114)	2,542,431
Other	596,208	10,679,794	773,836	707,675	765,601	1,036,319	842,747	1,064,495	1,490,779	813,340
<b>Total Revenues</b>	<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>	<u>27,915,249</u>	<u>32,374,369</u>
<b>Expenditures</b>										
General government	3,175,959	3,119,273	3,537,925	4,031,933	4,212,365	4,358,408	4,849,293	3,941,404	4,047,511	4,455,734
Public safety	3,809,209	4,011,871	4,234,482	4,727,493	4,788,902	5,360,402	5,967,770	6,415,511	6,829,377	7,412,982
Highways and streets	2,930,144	1,815,409	2,199,615	2,542,463	2,390,707	2,528,216	2,068,827	2,164,326	2,497,987	5,552,834
Culture and recreation	1,004,750	1,428,116	1,478,090	1,960,624	1,291,816	1,281,153	1,476,727	1,417,251	1,467,113	1,679,826
Economic development	-	-	-	-	-	-	481,858	2,140,267	1,096,422	1,705,446
Capital outlay	3,688,952	6,314,573	2,756,193	1,922,947	3,568,285	1,505,922	7,406,231	16,026,400	6,857,075	13,278,567
Debt service										
Principal	1,580,000	8,780,000	1,735,000	2,085,000	2,100,000	2,280,000	4,045,000	1,930,000	1,915,000	2,495,000
Interest	1,179,859	1,103,614	965,474	967,281	923,125	854,188	873,623	851,152	640,244	1,249,179
<b>Total Expenditures</b>	<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>	<u>25,350,729</u>	<u>37,829,568</u>
Excess (deficiency) of revenues over expenditures	(1,822,497)	(154,633)	(1,041,179)	(498,471)	1,419,307	2,232,617	(2,790,919)	(11,681,931)	2,564,520	(5,455,199)
<b>Other financing sources (uses)</b>										
Debt issued	875,000	5,085,000	1,650,000	895,000	1,175,000	-	9,055,000	-	10,765,000	8,315,000
Refunding debt issued	-	-	-	-	-	-	-	9,845,000	-	-
Payments on refunded debt	(2,895,000)	-	-	-	-	-	-	(10,510,000)	-	-
Premium on debt issues	-	111,606	69,482	5,590	35,246	-	4,068	809,201	1,240,343	314,131
Proceeds on sale of capital assets	-	8,914	-	5,530	75,047	8,428	2,372	46,443	46,443	20,000
Transfers in	2,329,539	3,642,196	2,183,931	1,536,025	1,447,137	1,714,327	11,238,331	2,049,840	2,049,840	2,028,162
Transfers (out)	(2,210,039)	(3,518,196)	(1,418,350)	(1,403,025)	(1,287,049)	(2,220,821)	(5,008,632)	(1,628,914)	(1,628,914)	(1,953,738)
<b>Total other financing sources (uses)</b>	<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>	<u>12,472,712</u>	<u>8,723,555</u>
<b>Net change in fund balances</b>	<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>	<u>\$ 15,037,232</u>	<u>\$ 3,268,356</u>
Debt service as a percentage of noncapital expenditures	<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>	<u>13.82%</u>	<u>15.25%</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>Franchise Fees</u>	<u>Total</u>
	<u>Ad Valorem</u>	<u>Tax Increment</u>		
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
2022	15,643,887	1,988,871	4,859	17,637,617
2023	17,886,867	1,864,647	-	19,751,514

Franchise fees were implemented in 2020 with a full year of collections in 2021. The franchise fee was rescinded for year beginning 2022.

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

<b>Fiscal Year Ended Dec 31</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Total Taxable Market Value</b>	<b>Tax Capacity Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Tax Capacity Value as a Percentage of Market Value</b>
	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Other</b>					
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%
2022	2,814,558,929	377,854,900	30,903,900	3,223,317,729	36,435,817	42.239	3,345,686,400	1.13%
2023	3,561,238,647	440,521,400	30,296,000	4,032,056,047	45,290,995	40.429	4,124,767,000	1.12%

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									
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
2022	37.131	5.108	42.239	29.605	16.319	30.889	4.063	92.226	106.796
2023	33.224	7.205	40.429	24.482	13.671	26.605	3.508	82.090	95.024

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	2023			2014		
	<u>Taxable Market Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Market Value</u>	<u>Taxable Market Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Market Value</u>
Residence at the COR Apartments	\$ 48,984,800	1	1.21%	\$ 3,827,933	7	0.24%
Affinity at Ramsey, LLC	40,000,000	2	0.99%	—	—	N/A
Sapphire Apartments	23,910,300	3	0.59%	—	—	N/A
Parkview East, LLC	21,986,100	4	0.55%	—	—	N/A
Minnegaso Inc.	21,119,900	5	0.52%	4,019,133	6	0.25%
AMP Ex, LLC	18,905,500	6	0.47%	—	—	N/A
Life Fitness LLC	18,000,200	7	0.45%	—	—	N/A
Crystal Clear Investments, LLC	15,427,400	8	0.38%	—	—	N/A
Knoll Properties	12,579,900	9	0.31%	2,535,800	10	0.16%
Connexus Energy/Anoka Electric	11,932,300	10	0.30%	10,285,467	1	0.63%
S & A Partners, LLC	—	—	N/A	5,908,267	2	0.36%
Brunswick Corporation	—	—	N/A	4,653,333	3	0.29%
PSD, LLC	—	—	N/A	4,607,300	4	0.28%
Northstar Marketplace Station	—	—	N/A	4,463,867	5	0.27%
Insight Equity APX	—	—	N/A	3,618,933	8	0.22%
Zero-Zone Refrigeration	—	—	N/A	2,772,933	9	0.17%
<b>Total principal property taxpayers</b>	<b><u>\$ 232,846,400</u></b>		<b><u>5.76%</u></b>	<b><u>\$ 46,692,966</u></b>		<b><u>2.87%</u></b>

Source: County Board of Equalization and Assessment

N/A - Not Applicable

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

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy (2)</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
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%	99,386	12,504,795	99.96%
2021	13,009,808	12,956,334	99.59%	49,258	13,005,592	99.97%
2022	15,312,856	15,230,344	99.46%	63,543	15,293,887	99.88%
2023	18,235,180	18,042,487	98.94%	—	18,042,487	98.94%

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**

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Total Primary Government</b>	<b>Percentage of Personal Income(1)</b>	<b>Per Capita(1)</b>
	<b>General Obligation Bonded Debt</b>	<b>Unamortized Bond Premiums</b>	<b>Capital Equipment Certificates</b>			
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
2022	34,895,000	1,951,694	260,000	37,106,694	3.12%	1,301
2023	39,480,000	2,099,612	1,495,000	43,074,612	3.29%	1,500

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>
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
2022	34,895,000	1,951,694	260,000	713,656	36,393,038	1.13%	1,276
2023	39,480,000	2,099,612	1,495,000	780,840	42,293,772	1.05%	1,473

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, 2023**

<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	\$ 39,760,000	7.82%	\$ 3,109,232
ISD No. 11, Anoka-Hennepin	238,210,000	10.42%	24,821,482
ISD No. 728, Elk River	285,730,000	3.44%	9,829,112
Metropolitan Council	238,225,000	0.76%	<u>1,810,510</u>
Subtotal, overlapping debt			<u>39,570,337</u>
City of Ramsey direct debt	43,074,612	100.00%	<u>43,074,612</u>
Total direct and overlapping debt			<u>\$ 82,644,949</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Fiscal Year 2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 52,910,907	\$ 59,662,374	\$ 62,348,919	\$ 65,840,919	\$ 72,493,821	\$ 77,913,726	\$ 81,439,488	\$ 87,330,236	\$ 96,699,532	\$ 120,961,681
Total net debt applicable to limit	<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>	<u>31,697,237</u>	<u>38,256,461</u>
Legal debt margin	<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>	<u>\$ 65,002,295</u>	<u>\$ 82,705,220</u>
Total net debt applicable to limit as a percentage of debt limit	30.51%	32.17%	29.38%	26.51%	22.68%	19.64%	28.48%	24.97%	32.78%	31.63%

**Legal Debt Margin Calculation for Fiscal Year 2023**

Taxable Market value	\$ 4,032,056,047
Debt limit (3% of market value)	120,961,681
Debt applicable to limit:	
Total bonded debt and certificates	\$ 40,975,000
Less:	
Obligations issued with special assessments	(2,380,000)
Amounts available in respective Debt Service Funds	(338,539)
Total deductions	<u>(2,718,539)</u>
	<u>38,256,461</u>
Legal debt margin	<u>\$ 82,705,220</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**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2014	24,935	\$ 793,032,740	\$ 31,804	5,012	3.2%
2015	25,598	834,034,036	32,582	5,126	3.1%
2016	25,868	863,189,292	33,369	5,217	3.7%
2017	26,251	925,584,009	35,259	5,410	3.1%
2018	26,462	945,222,640	35,720	5,449	3.2%
2019	27,051	1,037,649,309	38,359	5,464	3.1%
2020	27,263	1,049,407,396	38,492	5,395	4.6%
2021	27,946	1,178,426,928	42,168	5,346	2.4%
2022	28,520	1,264,862,000	44,350	6,160	2.6%
2023	28,712	1,308,434,552	45,571	6,027	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>2023</u>			<u>2014</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>
BMC/Hoya Vision Ease/Care	306	1	4.16%	300	2	2.11%
Life Fitness/Parabody Inc.	272	2	3.69%	400	1	2.81%
Anderson & Dahlen (Knoll Properties)	270	3	3.67%	150	5	1.05%
Showdown Displays	258	4	3.50%	–	–	N/A
ISD No. 11 (located in Ramsey)	247	5	3.36%	130	6	0.91%
Connexus Energy/Anoka Electric	224	6	3.04%	250	4	1.76%
Delta ModTech	219	7	2.97%	–	–	N/A
Pact Charter School	204	8	2.77%	–	–	N/A
Zero Zone Refrigeration	204	8	2.77%	–	–	N/A
Diamond Graphics	191	10	2.59%	–	–	N/A
Sign Zone	–	–	N/A	252	3	1.77%
Coborns Superstore	–	–	N/A	130	6	0.91%
Ham Lake Haulers	–	–	N/A	104	8	0.73%
RJM Distributing	–	–	N/A	100	9	0.70%
City of Ramsey	–	–	N/A	86	10	0.59%
<b>Total</b>	<b>2,395</b>		<b>32.53%</b>	<b>1,902</b>		<b>13.34%</b>

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

\*\* Source 2023 Q3: DEED Employment; Workforce 7,362

N/A - Not Applicable

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

<u>Function</u>	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government	20.00	19.13	17.36	18.36	18.86	18.92	19.10	19.20	21.70	22.50
Public safety										
Police										
Officers	22.00	24.00	24.00	26.26	26.26	27.00	27.00	29.00	29.00	30.00
Civilians	5.50	4.00	4.00	3.50	3.50	4.74	4.84	5.52	6.13	6.13
Fire										
Firefighters and officers	9.58	9.58	9.58	9.58	9.58	10.58	10.58	10.58	11.58	11.58
Civilians	0.50	0.50	1.00	0.70	0.70	0.70	0.70	0.70	-	-
Protective Inspections	3.25	3.75	3.75	3.75	3.25	2.81	2.81	3.82	4.85	4.85
Highways and streets										
Engineering	6.30	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	7.00
Streets	7.00	7.50	8.50	8.50	10.50	10.00	9.00	9.00	9.00	11.00
Maintenance	5.00	5.00	5.00	5.00	5.00	3.13	3.13	3.50	3.50	3.63
Culture and recreation	3.97	3.97	3.97	3.97	3.97	8.50	8.50	9.50	9.50	11.00
Water	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
<b>Total</b>	<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>	<u>105.26</u>	<u>112.69</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police*										
Number of arrests	377	358	273	255	289	331	292	331	214	269
Motor Vehicle Accidents	279	279	289	162	466	423	335	403	468	384
Traffic violations	4182	5378	4855	2997	1812	1278	1094	1234	954	968
Fire										
Number of calls answered	486	460	498	698	821	975	1133	1301	1381	1735
Inspections**	177	196	134	158	194	508	209	414	446	448
Highways and streets										
Street resurfacing (miles)	14.25	15.74	19.84	13.41	15.45	16.27	2.52	7.3	5.9	8.46
Culture and recreation										
Park Acreage maintained	571	571	571	571	571	572	572	572	572	580
Trails/sidewalks maintained (miles)***	50	50	50	55	55	97	97	100	100	119
Water										
Number of connections	4308	4406	4510	4611	4777	4884	5038	5210	5370	5519
Water main breaks	-	-	1	-	-	-	-	-	-	-
Average daily consumption (gallons)	1,610,006	1,811,752	1,645,027	1,923,213	1,948,161	1,755,575	2,004,024	2,402,742	2,236,545	2,483,054

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	10	10	10	11	11	11	12	12
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles) *	172.88	182.04	183.27	184.70	186.01	186.59	187.80	188.55	189.85	190.27
Streetlights	1,060	1,166	1,179	1,194	1,213	1,226	1,243	1,255	1,272	1,351
Culture and recreation										
Parks acreage	565	565	585	585	585	586	586	586	586	587
Parks **	38	38	38	38	38	39	39	39	39	39
Tennis/pickleball courts ***	10	10	10	10	10	10	10	14	14	14
Water										
Water mains (miles)	91	91	91	94	97	98	99	100	101	107
Fire hydrants	1,045	1,047	1,047	1,079	1,100	1,150	1,160	1,194	1,239	1,260
Maximum daily capacity ****	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	4,837,000	4,837,000	5,256,000	5,256,000	6,365,000
Sewer										
Sanitary sewers (miles)	64	65	65	67	69	72	73	75	75	78
Storm sewers (miles)	36	39	43	46	47	54	55	62	64	65

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