

Minnesota

*Annual Comprehensive
Financial Report*

Year Ended December 31, 2025

CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

Annual Comprehensive Financial Report
Year Ended
December 31, 2025

Prepared by
Finance Department

Diana Lund
Finance Director



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY
 ANOKA COUNTY, MINNESOTA

Table of Contents

	Page
INTRODUCTORY SECTION	
City Council and Other Officials	9
Organizational Chart	11
City Goals/Imperatives, Measures of Success and Core Values	13
Letter of Transmittal	15–17
Certificate of Achievement for Excellence in Financial Reporting	19
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	23–25
MANAGEMENT’S DISCUSSION AND ANALYSIS	27–36
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	39
Statement of Activities	41
Fund Financial Statements	
Governmental Funds	
Balance Sheet	42–43
Reconciliation of the Balance Sheet to the Statement of Net Position	45
Statement of Revenue, Expenditures, and Changes in Fund Balances	46–47
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	49
Statement of Revenue, Expenditures, and Changes in Fund Balances – General Fund – Budget and Actual	51
Proprietary Fund	
Statement of Net Position	52–53
Statement of Revenue, Expenses, and Changes in Net Position	54–55
Statement of Cash Flows	56–57
Fiduciary Funds	
Statement of Fiduciary Net Position	59
Statement of Changes in Fiduciary Net Position	59
Notes to Basic Financial Statements	61–95
REQUIRED SUPPLEMENTARY INFORMATION	
PERA – General Employees Retirement Fund	
Schedule of City’s and Nonemployer Proportionate Share of Net Pension Liability	99
Schedule of City Contributions	99
PERA – Public Employees Police and Fire Fund	
Schedule of City’s and Nonemployer Proportionate Share of Net Pension Liability	100
Schedule of City Contributions	100
Other Post-Employment Benefits Plan-Schedule of Changes in the City's Total OPEB Liability and Related Ratios	101
Notes to Required Supplementary Information-General Employees Retirement Fund	102-105
Notes to Required Supplementary Information-Public Employees Police and Fire Fund	106-109

CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

Table of Contents (continued)

	Page
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Nonmajor Governmental Funds	
Combining Balance Sheet	113
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	115
Nonmajor Special Revenue Funds	
Combining Balance Sheet	118–119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	120–121
Schedule of Revenue, Expenditures, and Changes in Fund Balances	
Economic Development Authority – Budget and Actual	123
Nonmajor Debt Service Funds	
Combining Balance Sheet	126–127
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	128–129
Nonmajor Capital Projects Funds	
Combining Balance Sheet	132–133
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	134–135
STATISTICAL SECTION (UNAUDITED)	
Statistical Section Summary	139
Net Position by Component	140
Changes in Net Position	141
Governmental Activities Tax Revenues by Source	142
Fund Balances of Governmental Funds	143
Changes in Fund Balances of Governmental Funds	144
General Government Tax Revenues by Source	145
Tax Capacity, Market Value, and Estimated Actual Value of Taxable Property	146
Property Tax Rates – Direct and Overlapping Governments	147
Principal Property Taxpayers	148
Property Tax Levies and Collections	149
Ratios of Outstanding Debt by Type	150
Ratios of General Bonded Debt Outstanding	151
Direct and Overlapping Governmental Activities Debt	152
Legal Debt Margin Information	153
Demographic and Economic Statistics	154
Principal Employers	155
Full-Time Equivalent City Government Employees by Function	156
Operating Indicators by Function	157
Capital Asset Statistics by Function	158

INTRODUCTORY SECTION



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

City Council and City Officials
Year Ended December 31, 2025

CITY COUNCIL

Ryan Heineman	Mayor
Kirsten Buscher	Councilmember
Michael Olson	Councilmember
Eric Peters	Councilmember
Chris Riley	Councilmember
Dan Specht	Councilmember
Shanna Stewart	Councilmember

CITY OFFICIALS

Brian Hagen	City Administrator
-------------	--------------------

DEPARTMENT HEADS

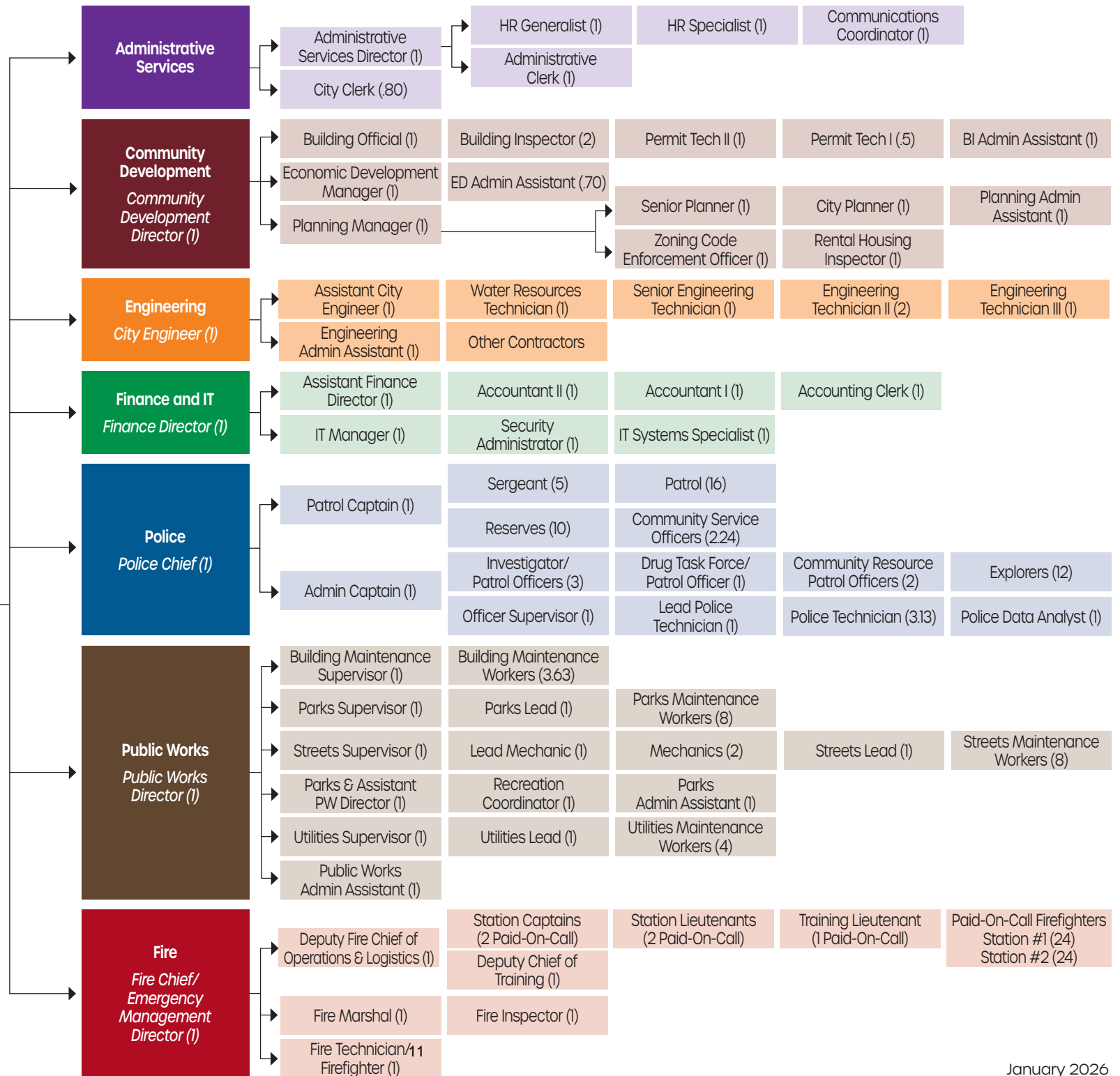
Brad Bluml	Police Chief
Stephanie Hanson	Community Development Director
Matthew Kohner	Fire Chief/Emergency Management Director
Colleen Lasher	Administrative Services Director
Diana Lund	Finance Director
Bruce Westby	City Engineer/Public Works Director



PAGE INTENTIONALLY LEFT BLANK

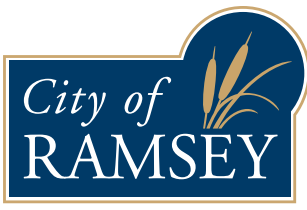


Organizational Chart





PAGE INTENTIONALLY LEFT BLANK



Goals/Imperatives

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 & Engaged 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.

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 & Efficient 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

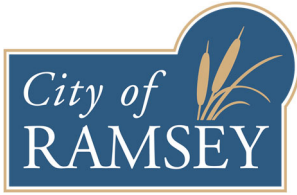
Excellence and Quality in the Delivery of Service

Serving People with Respect and Fairness

Adaptability and Continuous Learning



PAGE INTENTIONALLY LEFT BLANK



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

June 1, 2026

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

The annual comprehensive financial report of the City of Ramsey, Minnesota (the City) for the fiscal year ended December 31, 2025 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 LB Carlson, LLP, 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 4.3% in comparison to the state average of 4.3%. Ramsey has an employed labor force of 15,863. Anoka County, in which Ramsey is located, has an employed labor force of 207,107 and an unemployment rate of 4.1%. The median household income is \$116,415.

There are approximately 10,726 housing units in the City. The median home value is \$388,141. In addition, there were 179 new single-family homes and 50 multi-family housing units with a valuation of \$71.6 million constructed in 2025. The new 133-unit Skyline Apartment on Sunwood opened in the fall of 2025. The apartment complex includes 12,000 square feet of retail space on the first floor. T Sharp hair salon is the first lessee and will be opening in the spring of 2026. A few of the other housing projects that were authorized in 2025 include Riverstone 6th addition with 14 single family homes, Rivenwick Village 4th addition with 27 townhomes, Brookside Terrace with 6 single family homes and O'Shaughnessy 3rd addition with 4 single family homes.

Six hundred and twenty-six businesses call Ramsey home; those businesses employ nearly 7,534 people. Six new commercial permits were issued in 2025 with a permit valuation of \$18.6 million. Some of the commercial projects completed in 2025 were Complete Auto Service, H2O Innovation USA, MKP Motors, True North Outdoor Services, HHH Pediatric Therapy, Lightbridge Academy Day Care, Blue Lagoon Hot Tubs, Beeline Plumbing and Zero Zone expansion. The City also saw new hospitality/entertainment development with the addition of SUR by Vita Bella Restaurant, Taco Bell (the 100th store in Minnesota), King Baguette, Home 2 Suites by Hilton, and In the Game Pickleball and Golf. A Chipolte restaurant is set to open in the spring of 2026.

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 984,000 square feet of industrial buildings constructed and has over 50 acres left for development. Upon completion, this 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 (if any). 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 concluded working with the State and County in what is termed the Ramsey Gateway Project. The Ramsey Gateway Project provides grade separations of US Highway 10/169 and the BNSF Railway. Highway 10 improvements at Sunfish Lake and Ramsey Boulevard were part of the project plan. This was a \$138 million project that had nine different state and local funding sources. The Sunfish Lake interchange was completed and in full operation in mid-November 2024 with the Ramsey Boulevard interchange in operation in the fall of 2025. Ramsey's contribution to the project was \$4,000,000. With the Ramsey Gateway Project completed, the focus now shifts to redevelopment opportunities on parcels that were purchased for right of way under an old design that can now be sold back to the private market.

A water treatment plant was substantially completed in late winter 2025. Major construction, along with the installation of trunk watermain connections were undertaken in 2024. The plant with a total construction cost of \$39 million, which included trunk watermain construction, will treat 10 million gallons per day.

The Waterfront Park in the COR area is to be the home of an approximately \$4 million water-play area which will include a splash pad, a fishing pier and a prefab restroom. July, 2026 is the target date for opening.

CERTIFICATE OF ACHIEVEMENT

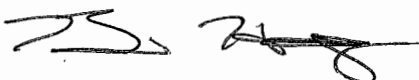
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting (CAEFR) to the City for its Annual Comprehensive Financial Report for the year ended December 31, 2024. This was the thirty-first year the City 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.

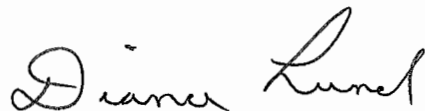
ACKNOWLEDGMENT

The 2025 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



PAGE INTENTIONALLY LEFT BLANK



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, 2024

Christopher P. Morill

Executive Director/CEO



PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION



PAGE INTENTIONALLY LEFT BLANK



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, 2025, 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, 2025, 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 the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER INFORMATION

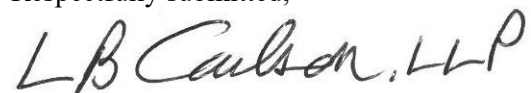
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2026, 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.

Respectfully submitted,



LB CARLSON, LLP
Minneapolis, Minnesota

June 1, 2026



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY

Management's Discussion and Analysis Year Ended December 31, 2025

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, 2025. 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, 2025 by \$271,861,837 (net position).
- Government-wide revenues totaled \$57,133,346 and were \$20,159,402 more than expenses.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$57,685,204 a decrease of \$1,857,629 from the prior fiscal year, largely attributed to the continued reconstruction of city streets via the City's Pavement Management Program.
- At the end of the current fiscal year the General Fund equity balance of \$14,462,749 included \$26,466 of nonspendable fund balance and \$14,436,283 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).

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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 \$271,861,837 at December 31, 2025. Total net position increased by \$20,159,402 from current year operating results.

By far, the largest portion of the City's net position (72 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:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 64,587,872	\$ 66,922,957	\$ 27,075,972	\$ 32,966,160	\$ 91,663,844	\$ 99,889,117
Capital assets, net of depreciation	119,556,986	111,196,429	114,179,524	97,821,087	233,736,510	209,017,516
Total assets	\$184,144,858	\$178,119,386	\$141,255,496	\$130,787,247	\$325,400,354	\$308,906,633
Deferred outflows of resources						
OPEB plan deferments	\$ 794,118	\$ 899,946	\$ –	\$ –	\$ 794,118	\$ 899,946
Pension plan deferments	4,964,317	6,174,804	149,572	111,213	5,113,889	6,286,017
Total assets	\$ 5,758,435	\$ 7,074,750	\$ 149,572	\$ 111,213	\$ 5,908,007	\$ 7,185,963
Liabilities						
Current and other liabilities	\$ 4,050,369	\$ 4,119,931	\$ 2,236,794	\$ 2,319,569	\$ 6,287,163	\$ 6,439,500
Long-term liabilities	44,647,118	48,048,879	362,265	370,664	45,009,383	48,419,543
Total liabilities	\$ 48,697,487	\$ 52,168,810	\$ 2,599,059	\$ 2,690,233	\$ 51,296,546	\$ 54,859,043
Deferred inflows of resources						
Leases receivable for subsequent years	\$ 987,781	\$ 1,178,551	\$ –	\$ –	\$ 987,781	\$ 1,178,551
OPEB plan deferments	501,015	552,416	–	–	501,015	552,416
Pension plan deferments	6,433,677	7,553,769	227,505	246,382	6,661,182	7,800,151
Total deferred inflows of resources	\$ 7,922,473	\$ 9,284,736	\$ 227,505	\$ 246,382	\$ 8,149,978	\$ 9,531,118
Net position						
Net investment in capital assets	\$ 82,689,945	\$ 72,783,568	\$112,202,886	\$ 95,749,335	\$194,892,831	\$168,532,903
Restricted	11,974,763	14,022,396	–	–	11,974,763	14,022,396
Unrestricted	38,618,625	36,934,626	26,375,618	32,212,510	64,994,243	69,147,136
Total net position	\$133,283,333	\$123,740,590	\$138,578,504	\$127,961,845	\$271,861,837	\$251,702,435

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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 last 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.

At the end of the current fiscal year, the City reported 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. Ongoing construction and reconstruction of City streets, spending for a new water treatment plant, and its respective trunk watermain improvements increased capital assets and the net investment in capital assets portion of net position, while reducing current and other assets.

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	\$ 2,995,895	\$ 3,155,387	\$ 8,502,169	\$ 7,656,188	\$ 11,498,064	\$ 10,811,575
Operating grants and contributions	1,344,633	996,098	70,390	88,200	1,415,023	1,084,298
Capital grants and contributions	9,265,973	9,887,748	6,732,029	7,812,542	15,998,002	17,700,290
General revenues						
Property taxes	23,699,395	23,041,341	–	–	23,699,395	23,041,341
General grants and contributions	135,308	3,760	–	–	135,308	3,760
Investment earnings	2,084,759	2,530,184	2,243,120	1,940,725	4,327,879	4,470,909
Gain on sale of capital assets	59,675	94,090	–	–	59,675	94,090
Total revenues	<u>39,585,638</u>	<u>39,708,608</u>	<u>17,547,708</u>	<u>17,497,655</u>	<u>57,133,346</u>	<u>57,206,263</u>
Expenses						
General government	6,126,045	5,645,480	–	–	6,126,045	5,645,480
Public safety	9,597,991	8,894,134	–	–	9,597,991	8,894,134
Highways and streets	9,194,282	7,783,629	–	–	9,194,282	7,783,629
Culture and recreation	2,682,150	2,430,888	–	–	2,682,150	2,430,888
Economic development	1,342,690	1,488,674	–	–	1,342,690	1,488,674
Interest	1,134,749	1,317,942	–	–	1,134,749	1,317,942
Water utility	–	–	2,360,896	2,243,736	2,360,896	2,243,736
Sewer utility	–	–	2,539,590	2,411,209	2,539,590	2,411,209
Street light utility	–	–	216,126	167,123	216,126	167,123
Recycling utility	–	–	580,435	549,993	580,435	549,993
Storm water utility	–	–	1,198,990	1,022,935	1,198,990	1,022,935
Total expenses	<u>30,077,907</u>	<u>27,560,747</u>	<u>6,896,037</u>	<u>6,394,996</u>	<u>36,973,944</u>	<u>33,955,743</u>
Change in net position before transfers	9,507,731	12,147,861	10,651,671	11,102,659	20,159,402	23,250,520
Transfers	35,012	(694,468)	(35,012)	694,468	–	–
Change in net position	9,542,743	11,453,393	10,616,659	11,797,127	20,159,402	23,250,520
Net position						
Beginning	<u>123,740,590</u>	<u>112,287,197</u>	<u>127,961,845</u>	<u>116,164,718</u>	<u>251,702,435</u>	<u>228,451,915</u>
Ending	<u>\$ 133,283,333</u>	<u>\$ 123,740,590</u>	<u>\$ 138,578,504</u>	<u>\$ 127,961,845</u>	<u>\$ 271,861,837</u>	<u>\$ 251,702,435</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities – Governmental activities account for a \$9,542,743 increase in the City’s net position. Capital grants and contributions decreased by \$621,775 due to a decrease in park dedication contributions. Operating grants and contributions increased by \$348,535 as the City received \$316,780 from the State of Minnesota in 2025 for a new program known as the Local Affordable Housing Aid.

Investment earnings decreased \$445,425. The City is required per the Governmental Accounting Standards Board to reflect most investments at fair value as of December 31st of the current year. The City reflects any changes in fair value against interest earnings. The City also saw a decrease on the interest collected on internal loans. Property taxes saw an increase of \$658,054 or 3% which was the net effect of the City increasing their 2025 tax levy by approximately 8% over the 2024 adopted levy, but lower property tax collections due to the abatement of 2024 market valuations on several properties. Charges for services decreased by \$159,492 as the City reduced the annual rental license fees in 2025.

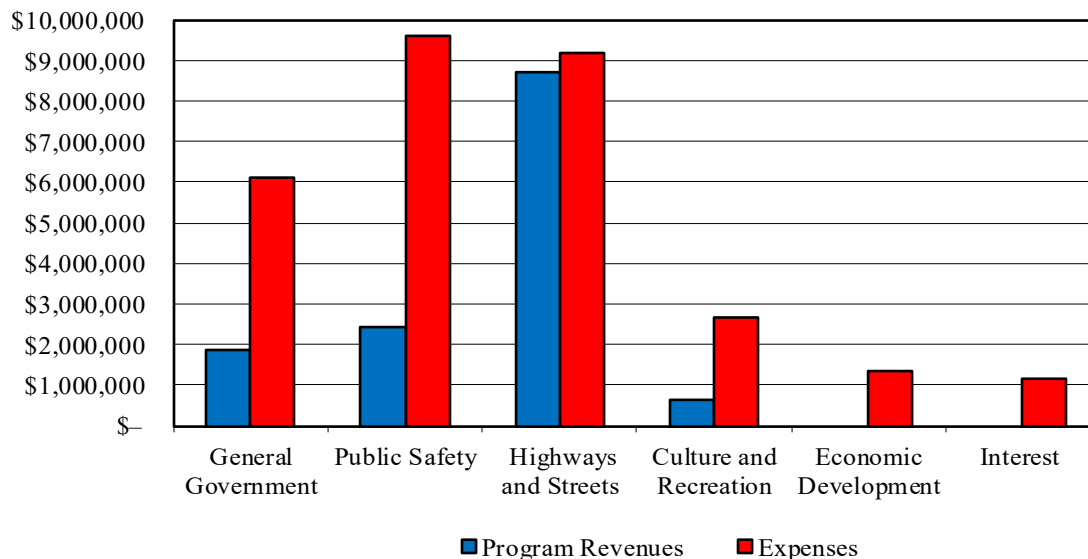
Expenses for the general government function increased by \$480,565 due largely to personnel costs. The public safety function increase of \$703,857 was also attributed to personnel costs. Highways and streets expense increased by \$1,410,653 due to an increase in the number of street maintenance projects. Culture and recreation increased \$251,262 due largely to the improvements of playground equipment. The economic development function decreased by \$145,984 due to a decrease of expenses in the COR area. Interest had a decrease of \$183,193 for payment of debt service.

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 \$10,616,659. Key elements of this increase are as follows:

- Charges for services increased by \$845,981 from the prior year. This is primarily due to an increase in collections from quarterly utility billing collections related to the water, sewer and storm water utility.
- Capital grants and contributions decreased \$1,080,513. In 2024, the City had received a \$3.2 million dollar state grant for the construction of a water treatment plant.
- Investment earnings increased \$302,395. The city is required per the Governmental Accounting Standards Board to reflect most investments at fair value as of December 31st of the current year. The city reflects any changes in fair value against interest earnings.

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

Program Revenues and Expenses – Governmental Activities

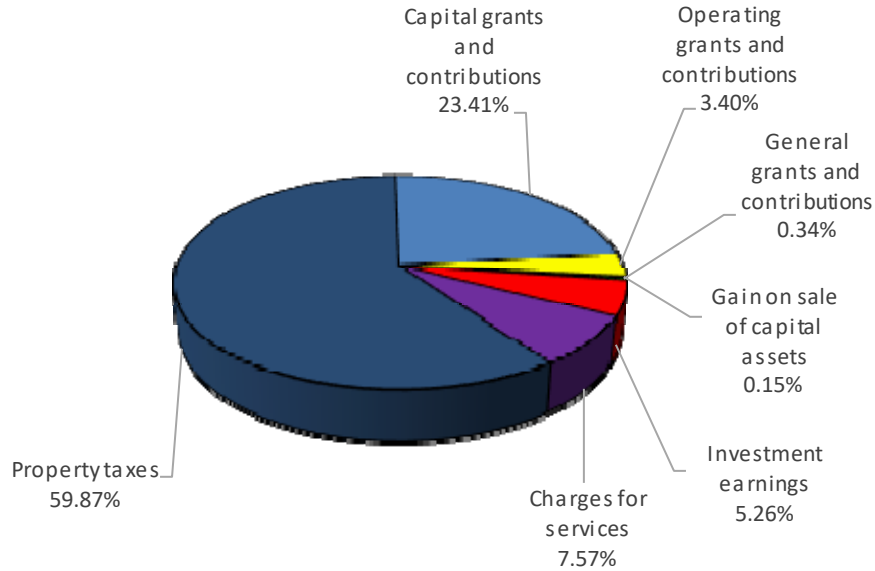


GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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

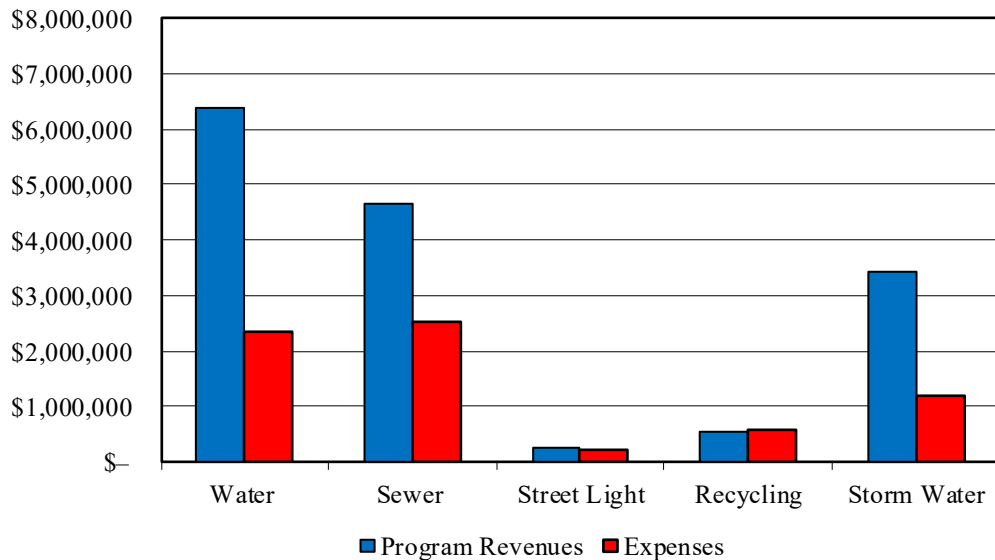
Governmental Activities – The following chart illustrates the City’s governmental activities revenues:

Revenue by Source – Governmental Activities



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

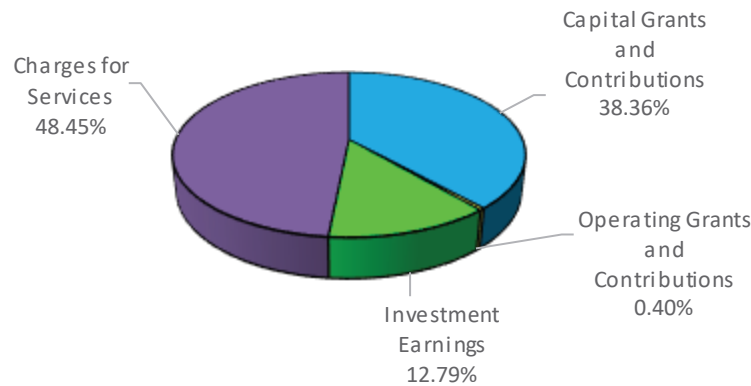
Program Revenues and Expenses – Business-Type Activities



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



Capital grants and contributions (38.36%) and charges for services (48.45%) are the main sources of revenue for the business-type activities, which represent the utility funds. Investment earnings (12.79%) resulted from returns from stable 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 \$57,685,204, a decrease of \$1,857,629 in comparison with the prior year. The decrease is largely attributed to current year operating and capital spending of resources. The General Fund reported a fund balance increase of \$1,138,376 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). 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 and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Percent Over (Under) Budget</u>
Revenue	\$ 19,490,216	\$ 20,688,086	\$ 1,197,870	6.15%
Expenditures	<u>20,373,610</u>	<u>19,309,070</u>	<u>(1,064,540)</u>	-5.23%
Excess (deficiency) of revenue over expenditures	(883,394)	1,379,016	2,262,410	
Other financing sources (uses)	<u>883,394</u>	<u>(240,640)</u>	<u>(1,124,034)</u>	
Net change in fund balances	<u>\$ –</u>	1,138,376	<u>\$ 1,138,376</u>	
Fund balances				
Beginning of year		<u>13,324,373</u>		
End of year		<u>\$ 14,462,749</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 \$1,197,870. The majority of the variance was attributed to conservative budgeting with most sources surpassing budget expectations. The largest variances occurred in licenses and permits (\$486,014) due to an increase in building construction and charges for services (\$433,238) with more development activity than anticipated.

The difference between the final expenditure budget and actual was \$1,064,540. All current functions came in underbudget due to several individual line items within each function spending less than originally requested. Final budget numbers are based on past history and expected needs.

Overall fund balance increased by \$1,138,376 to an ending fund balance of \$14,462,749. The city's ending fund balance increase of \$1,138,376 is determined by its fund balance policy which for the year ending is summarized:

- \$1,207,995 increase based on 50% increase in next years adopted budget
- \$(69,619) decrease in prior year encumbrances relate to personal costs and general liabilities.

Tax Increment Fund – This Special Revenue Fund had a year-end fund balance of \$2,780,887 which reflects a decrease of \$581,626 from 2024. The decrease was largely due to economic development spending and transfers to several funds that contributed to the development of the COR area.

COR Land Fund – This Special Revenue Fund decreased \$1,632,075 to a year-end fund balance of \$6,965,191. The decrease was attributed to transfers to the Park Improvement Fund for the construction costs of the Draw Park.

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 2025.

RALF Funded Projects Fund – This Capital Project Fund had a year-end fund balance of \$273,915. The decrease in fund balance by \$126,922 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 \$32,428.

Pavement Management Program Fund – This Capital Project Fund saw a decrease in fund balance of \$3,104,805 due to a significant increase in street reconstruction projects. The ending fund balance for 2025 was \$8,813,381.

Park Improvement Fund – This Capital Project Fund had a year-end fund balance of \$11,066,067, or a \$1,978,472 increase from 2024. The increase was due to the transfer from the COR Land Fund for the construction costs of the Draw Park in the COR.

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 \$138,578,504 at December 31, 2025. 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 \$439,765.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

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, 2025 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Capital assets - not depreciated	\$ 11,797,451	\$ 19,744,715	\$ 35,551,809	\$ 23,943,526	\$ 47,349,260	\$ 43,688,241
Capital assets - depreciated	107,759,535	91,451,714	78,627,715	73,877,561	186,387,250	165,329,275
Total capital assets, net of depreciation	<u>\$119,556,986</u>	<u>\$111,196,429</u>	<u>\$114,179,524</u>	<u>\$ 97,821,087</u>	<u>\$233,736,510</u>	<u>\$209,017,516</u>
Depreciation expense	<u>\$ 6,565,986</u>	<u>\$ 5,844,465</u>	<u>\$ 2,418,234</u>	<u>\$ 2,265,148</u>	<u>\$ 8,984,220</u>	<u>\$ 8,109,613</u>

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025 amounts to approximately \$234 million (net of accumulated depreciation).

The governmental activities show a net increase of \$8,360,557 in capital assets attributable to the construction and reconstruction of City streets. Business-type activities show a net increase of \$16,358,437 in capital assets. The increase is attributable to 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 \$622,753 restricted for debt service.

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Governmental activities						
G.O. improvement bonds	\$ 33,875,000	\$ 36,740,000	\$ –	\$ –	\$ 33,875,000	\$ 36,740,000
Capital equipment certificates	1,180,000	1,295,000	–	–	1,180,000	1,295,000
Unamortized bond premiums	1,730,740	1,915,176	–	–	1,730,740	1,915,176
Compensated absences payable	1,467,069	1,270,328	–	–	1,467,069	1,270,328
Net pension liability	4,936,498	5,448,915	–	–	4,936,498	5,448,915
Total OPEB liability	1,457,811	1,379,460	–	–	1,457,811	1,379,460
Business-type activities						
Net pension liability			362,265	370,664	362,265	370,664
Total	<u>\$ 44,647,118</u>	<u>\$ 48,048,879</u>	<u>\$ 362,265</u>	<u>\$ 370,664</u>	<u>\$ 45,009,383</u>	<u>\$ 48,419,543</u>

During the current fiscal year, the City saw a decrease of \$2,980,000 in bonds and certificates. Compensated absences liability increased by \$196,741. Net pension liability saw a decrease of \$520,816 to reflect the change in the City's proportionate share of the state-wide PERA pension plan obligations. Other Post-Employment Benefits (OPEB) increased \$78,351 due to experience losses.

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 \$96,927,627.

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 4.3%, which is an increase from a rate of 3.0% a year ago. The state of Minnesota shows an average unemployment rate of 4.3%, whereas, nationally the unemployment rate is 4.1%.
- The housing market has increased the City's estimated market value from \$4.529 billion in 2024/taxes payable 2025 to \$4.561 billion in 2025/taxes payable 2026 for a percentage increase of approximately 1%.
- 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 2026 fiscal year.

The water, sewer and storm utility rates were increased for the 2026 budget year. The water utility, which has a tiered rate structure, will increase by an average of 6% for all customers. The sewer utility, which has a flat rate structure for residential accounts only, will see an increase of 6%. Commercial sewer accounts, whose charges are based on their water usage, will also see a rate increase of 6%. Storm water utility will increase an average of 15%. The increased rates not only offset current maintenance costs and depreciation, but are being used to finance future utility improvements that are documented in the City's ten-year Capital Improvement Plan.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY

Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and temporary investments	\$ 57,274,605	\$ 23,036,656	\$ 80,311,261
Receivables			
Unremitted taxes	264,081	-	264,081
Delinquent taxes	222,469	-	222,469
Unremitted special assessments	1,697	-	1,697
Delinquent special assessments	49,617	12,610	62,227
Deferred special assessments	149,471	347,678	497,149
Accounts	73,039	2,212,788	2,285,827
Notes	131,523	-	131,523
Interest	499,374	-	499,374
Internal balances	(920,653)	920,653	-
Leases	987,781	-	987,781
Due from other governmental units	1,073,483	424,232	1,497,715
Prepays	29,459	121,355	150,814
Land held for resale	4,751,926	-	4,751,926
Capital assets			
Not depreciated	11,797,451	35,551,809	47,349,260
Depreciated	107,759,535	78,627,715	186,387,250
Total capital assets, net of depreciation	<u>119,556,986</u>	<u>114,179,524</u>	<u>233,736,510</u>
Total assets	184,144,858	141,255,496	325,400,354
Deferred outflows of resources			
OPEB plan deferments	794,118	-	794,118
Pension plan deferments	4,964,317	149,572	5,113,889
Total deferred outflows of resources	<u>5,758,435</u>	<u>149,572</u>	<u>5,908,007</u>
Total assets and deferred outflows of resources	<u>\$ 189,903,293</u>	<u>\$ 141,405,068</u>	<u>\$ 331,308,361</u>
Liabilities			
Accounts and contracts payable	\$ 471,060	\$ 2,072,001	\$ 2,543,061
Salaries and benefits payable	595,222	-	595,222
Accrued interest payable	69,172	-	69,172
Deposits payable	2,841,536	-	2,841,536
Due to other governmental units	73,379	79,224	152,603
Unearned revenue	-	85,569	85,569
Long-term liabilities			
Due within one year	2,758,225	-	2,758,225
Due in more than one year	41,888,893	362,265	42,251,158
Total long-term liabilities	<u>44,647,118</u>	<u>362,265</u>	<u>45,009,383</u>
Total liabilities	48,697,487	2,599,059	51,296,546
Deferred inflows of resources			
Leases receivable for subsequent years	987,781	-	987,781
OPEB plan deferments	501,015	-	501,015
Pension plan deferments	6,433,677	227,505	6,661,182
Total deferred inflows of resources	<u>7,922,473</u>	<u>227,505</u>	<u>8,149,978</u>
Net Position			
Net investment in capital assets	82,689,945	112,202,886	194,892,831
Restricted for			
Street improvements	1,375,332	-	1,375,332
Debt service	643,790	-	643,790
Economic development	1,764,394	-	1,764,394
Housing and redevelopment	4,751,926	-	4,751,926
Recreation/community programs	166,166	-	166,166
Public safety	483,390	-	483,390
Tax increment	2,789,765	-	2,789,765
Unrestricted	38,618,625	26,375,618	64,994,243
Total net position	<u>133,283,333</u>	<u>138,578,504</u>	<u>271,861,837</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 189,903,293</u>	<u>\$ 141,405,068</u>	<u>\$ 331,308,361</u>

See notes to basic financial statements



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY

Balance Sheet
Governmental Funds
December 31, 2025

	Special Revenue Funds				
	General	Tax Increment	COR Land	Formerly Major Fund Developer's Fees	Private Developer
Assets					
Cash and temporary investments	\$ 14,619,900	\$ 5,045,628	\$ 2,213,265	\$ -	\$ 2,772,609
Receivables					
Unremitted taxes	203,106	1,023	-	-	-
Delinquent taxes	162,462	8,878	-	-	-
Unremitted special assessments	58	-	-	-	-
Delinquent special assessments	46,980	-	-	-	-
Deferred special assessments	3,190	-	-	-	-
Accounts	21,050	-	-	-	15,846
Notes	-	-	-	-	-
Interest	499,374	-	-	-	-
Leases	952,135	-	-	-	-
Due from other governmental units	71,524	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Prepays	26,466	-	-	-	-
Land held for resale	-	-	4,751,926	-	-
Total assets	\$ 16,606,245	\$ 5,055,529	\$ 6,965,191	\$ -	\$ 2,788,455
Liabilities					
Accounts and contracts payable	\$ 311,842	\$ 3,720	\$ -	\$ -	\$ 3,719
Salaries and benefits payable	595,222	-	-	-	-
Deposits payable	56,800	-	-	-	2,784,736
Due to other governmental units	14,865	143	-	-	-
Due to other funds	-	25,000	-	-	-
Advances from other funds	-	2,236,901	-	-	-
Total liabilities	978,729	2,265,764	-	-	2,788,455
Deferred inflows of resources					
Leases receivable for subsequent years	952,135	-	-	-	-
Unavailable revenue - MSA allocation	-	-	-	-	-
Unavailable revenue - property taxes	162,462	8,878	-	-	-
Unavailable revenue - special assessments	50,170	-	-	-	-
Unavailable revenue - notes	-	-	-	-	-
Total deferred inflows of resources	1,164,767	8,878	-	-	-
Fund balances					
Nonspendable	26,466	-	-	-	-
Restricted	-	2,780,887	4,751,926	-	-
Committed	-	-	-	-	-
Assigned	-	-	2,213,265	-	-
Unassigned	14,436,283	-	-	-	-
Total fund balances	14,462,749	2,780,887	6,965,191	-	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,606,245	\$ 5,055,529	\$ 6,965,191	\$ -	\$ 2,788,455

See notes to basic financial statements

Capital Project Funds

RALF Funded Projects	State-Aid Construction	Pavement Management Program	Park Improvement	Nonmajor	Totals
\$ 253,164	\$ 445,454	\$ 8,859,090	\$ 11,113,297	\$ 11,504,533	\$ 56,826,940
-	-	23,144	-	36,808	264,081
-	-	19,414	-	31,715	222,469
-	-	318	-	1,321	1,697
-	-	-	-	2,637	49,617
-	-	26,349	-	119,932	149,471
23,510	-	-	-	12,633	73,039
-	-	-	-	131,523	131,523
-	-	-	-	-	499,374
35,646	-	-	-	-	987,781
-	940,845	-	-	61,114	1,073,483
-	-	-	-	25,000	25,000
-	-	-	-	1,454,009	1,454,009
-	-	-	-	2,993	29,459
-	-	-	-	-	4,751,926
<u>\$ 312,320</u>	<u>\$ 1,386,299</u>	<u>\$ 8,928,315</u>	<u>\$ 11,113,297</u>	<u>\$ 13,384,218</u>	<u>\$ 66,539,869</u>
\$ 2,759	\$ 10,967	\$ 69,171	\$ 47,230	\$ 13,752	\$ 463,160
-	-	-	-	-	595,222
-	-	-	-	-	2,841,536
-	-	-	-	58,371	73,379
-	-	-	-	-	25,000
-	-	-	-	137,761	2,374,662
2,759	10,967	69,171	47,230	209,884	6,372,959
35,646	-	-	-	-	987,781
-	940,845	-	-	-	940,845
-	-	19,414	-	31,715	222,469
-	-	26,349	-	122,569	199,088
-	-	-	-	131,523	131,523
35,646	940,845	45,763	-	285,807	2,481,706
-	-	-	-	2,993	29,459
-	434,487	-	-	3,032,850	11,000,150
-	-	-	-	1,891,396	1,891,396
273,915	-	8,813,381	11,066,067	7,961,288	30,327,916
-	-	-	-	-	14,436,283
273,915	434,487	8,813,381	11,066,067	12,888,527	57,685,204
<u>\$ 312,320</u>	<u>\$ 1,386,299</u>	<u>\$ 8,928,315</u>	<u>\$ 11,113,297</u>	<u>\$ 13,384,218</u>	<u>\$ 66,539,869</u>



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2025

Total fund balances – Governmental Funds \$ 57,685,204

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 119,556,986

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	(35,055,000)
Unamortized bond premiums	(1,730,740)
Compensated absences payable	(1,467,069)
Net pension liability	(4,936,498)
Total OPEB liability	(1,457,811)

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.

1,493,925

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

(69,172)

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

Deferred outflows of resources for OPEB plan deferments	794,118
Deferred outflows of resources for pension plan deferments	4,964,317
Deferred inflows of resources for OPEB plan deferments	(501,015)
Deferred inflows of resources for pension plan deferments	(6,433,677)

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.

439,765

Total net position – governmental activities

\$ 133,283,333

See notes to basic financial statements

CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2025

	Special Revenue Funds				
	General	Tax Increment	COR Land	Formerly Major Fund Developer's Fees	Private Developer
Revenue					
Property taxes	\$ 16,534,327	\$ 2,194,648	\$ -	\$ -	\$ -
Special assessments	7,502	-	-	-	-
Licenses and permits	1,446,884	-	-	-	-
Intergovernmental revenue	1,016,315	-	-	-	-
Charges for services	1,213,938	-	-	-	-
Contributions	-	-	-	-	-
Fines and forfeits	53,017	-	-	-	-
Other revenue					
Investment earnings	406,084	229,032	122,122	-	-
Miscellaneous	10,019	-	-	-	104,912
Total revenue	<u>20,688,086</u>	<u>2,423,680</u>	<u>122,122</u>	<u>-</u>	<u>104,912</u>
Expenditures					
Current					
General government	5,078,117	-	-	-	104,912
Public safety	8,764,030	-	-	-	-
Highways and streets	2,824,235	-	-	-	-
Culture and recreation	2,008,760	-	-	-	-
Economic development	-	1,147,454	-	-	-
Capital outlay	633,928	51,349	-	-	-
Debt service					
Principal retirement	-	340,000	-	-	-
Interest	-	330,734	-	-	-
Total expenditures	<u>19,309,070</u>	<u>1,869,537</u>	<u>-</u>	<u>-</u>	<u>104,912</u>
Excess (deficiency) of revenue over expenditures	1,379,016	554,143	122,122	-	-
Other financing sources (uses)					
Proceeds on sale of capital assets	14,000	-	-	-	-
Transfers in	813,408	-	413,760	-	-
Transfers (out)	(1,068,048)	(1,135,769)	(2,167,957)	-	-
Total other financing sources (uses)	<u>(240,640)</u>	<u>(1,135,769)</u>	<u>(1,754,197)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,138,376	(581,626)	(1,632,075)	-	-
Fund balances					
Beginning of year, as previously reported	13,324,373	3,362,513	8,597,266	1,056,708	-
Change within financial reporting entity	-	-	-	(1,056,708)	-
Beginning of year, as adjusted	<u>13,324,373</u>	<u>3,362,513</u>	<u>8,597,266</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 14,462,749</u>	<u>\$ 2,780,887</u>	<u>\$ 6,965,191</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to basic financial statements

Capital Project Funds

RALF Funded Projects	State-Aid Construction	Pavement Management Program	Park Improvement	Nonmajor	Totals
\$ -	\$ -	\$ 1,894,341	\$ -	\$ 3,054,072	\$23,677,388
-	-	9,364	-	64,823	81,689
-	-	-	-	-	1,446,884
-	1,883,060	-	6,915	758,404	3,664,694
267,653	-	-	-	-	1,481,591
-	27,600	59,460	472,927	221,077	781,064
-	-	-	-	-	53,017
-	9,880	421,042	383,990	493,146	2,065,296
-	51,000	39	-	636,243	802,213
<u>267,653</u>	<u>1,971,540</u>	<u>2,384,246</u>	<u>863,832</u>	<u>5,227,765</u>	<u>34,053,836</u>
-	-	-	-	296,462	5,479,491
-	-	-	-	101,233	8,865,263
394,575	830,646	42,061	-	696,054	4,787,571
-	-	-	36,188	-	2,044,948
-	-	-	-	195,236	1,342,690
-	1,655,280	5,479,190	1,017,129	337,187	9,174,063
-	-	-	-	2,640,000	2,980,000
-	-	-	-	996,792	1,327,526
<u>394,575</u>	<u>2,485,926</u>	<u>5,521,251</u>	<u>1,053,317</u>	<u>5,262,964</u>	<u>36,001,552</u>
(126,922)	(514,386)	(3,137,005)	(189,485)	(35,199)	(1,947,716)
-	-	-	-	41,075	55,075
-	481,958	32,200	2,167,957	1,736,480	5,645,763
-	-	-	-	(1,238,977)	(5,610,751)
<u>-</u>	<u>481,958</u>	<u>32,200</u>	<u>2,167,957</u>	<u>538,578</u>	<u>90,087</u>
(126,922)	(32,428)	(3,104,805)	1,978,472	503,379	(1,857,629)
400,837	466,915	11,918,186	9,087,595	11,328,440	59,542,833
-	-	-	-	1,056,708	-
<u>400,837</u>	<u>466,915</u>	<u>11,918,186</u>	<u>9,087,595</u>	<u>12,385,148</u>	<u>59,542,833</u>
<u>\$ 273,915</u>	<u>\$ 434,487</u>	<u>\$ 8,813,381</u>	<u>\$ 11,066,067</u>	<u>\$ 12,888,527</u>	<u>\$57,685,204</u>



PAGE INTENTIONALLY LEFT BLANK

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, 2025

Total net change in fund balances – Governmental Funds \$ (1,857,629)

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	9,174,063
Contributed assets from developers	5,659,755
Depreciation expense	(6,565,986)

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

Repayment of principal on long-term debt	2,980,000
Debt premiums	184,436

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

8,341

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.

(172,350)

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	(196,741)
Governmental activities – pension expense	422,022

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.

(132,778)

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.

(53,115)

Change in net position – governmental activities \$ 9,542,743

See notes to basic financial statements



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances
 General Fund – Budget and Actual
 Year Ended December 31, 2025

	Original and Final Budget	Actual	Over (Under) Final Budget
Revenue			
Property taxes	\$ 16,874,046	\$ 16,534,327	\$ (339,719)
Special assessments	–	7,502	7,502
Licenses and permits	960,870	1,446,884	486,014
Intergovernmental revenue	756,000	1,016,315	260,315
Charges for services	780,700	1,213,938	433,238
Fines and forfeits	48,000	53,017	5,017
Other revenue			
Investment earnings	50,000	406,084	356,084
Miscellaneous	20,600	10,019	(10,581)
Total revenue	<u>19,490,216</u>	<u>20,688,086</u>	<u>1,197,870</u>
Expenditures			
Current			
General government	5,224,939	5,078,117	(146,822)
Public safety	9,094,448	8,764,030	(330,418)
Highways and streets	3,256,189	2,824,235	(431,954)
Culture and recreation	2,114,661	2,008,760	(105,901)
Capital outlay	577,000	633,928	56,928
Debt service			
Interest and fiscal charges	106,373	–	(106,373)
Total expenditures	<u>20,373,610</u>	<u>19,309,070</u>	<u>(1,064,540)</u>
Excess (deficiency) of revenue over expenditures	(883,394)	1,379,016	2,262,410
Other financing sources (uses)			
Proceeds on sale of capital assets	–	14,000	14,000
Transfers in	883,394	813,408	(69,986)
Transfers (out)	–	(1,068,048)	(1,068,048)
Total other financing sources (uses)	<u>883,394</u>	<u>(240,640)</u>	<u>(1,124,034)</u>
Net change in fund balances	<u>\$ –</u>	<u>1,138,376</u>	<u>\$ 1,138,376</u>
Fund balances			
Beginning of year		<u>13,324,373</u>	
End of year		<u>\$ 14,462,749</u>	

See notes to basic financial statements

CITY OF RAMSEY

Statement of Net Position
 Proprietary Funds
 December 31, 2025

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Assets			
Current assets			
Cash and temporary investments	\$ 12,047,677	\$ 6,707,023	\$ 1,699,730
Receivables			
Delinquent special assessments	6,305	6,305	–
Deferred special assessments	173,991	173,687	–
Accounts	742,670	781,182	82,586
Due from other governmental units	393,663	–	–
Prepays	4,800	116,555	–
Total current assets	<u>13,369,106</u>	<u>7,784,752</u>	<u>1,782,316</u>
Noncurrent assets			
Advances to other funds	485,761	21,000	48,892
Capital assets			
Land	868,513	–	–
Construction in progress	33,379,927	229,729	–
Buildings and structures	6,177,522	–	–
Improvements other than buildings	–	–	1,135,881
Machinery and equipment	389,810	843,601	–
Water and sewer lines	45,632,067	34,174,320	–
	<u>86,447,839</u>	<u>35,247,650</u>	<u>1,135,881</u>
Less accumulated depreciation	16,400,886	12,307,638	825,241
Net capital assets	<u>70,046,953</u>	<u>22,940,012</u>	<u>310,640</u>
Total noncurrent assets	<u>70,532,714</u>	<u>22,961,012</u>	<u>359,532</u>
Total assets	<u>83,901,820</u>	<u>30,745,764</u>	<u>2,141,848</u>
Deferred Outflows of Resources			
Pension plan deferments	69,800	39,886	–
Total assets and deferred outflows of resources	<u>\$ 83,971,620</u>	<u>\$ 30,785,650</u>	<u>\$ 2,141,848</u>
Liabilities			
Current liabilities			
Accounts and contracts payable	\$ 2,043,179	\$ 7,204	\$ 10,908
Due to other governmental units	56,954	22,141	129
Unearned revenue	–	77,035	8,534
Total current liabilities	<u>2,100,133</u>	<u>106,380</u>	<u>19,571</u>
Noncurrent liabilities			
Net pension liability	169,057	96,604	–
Total liabilities	<u>2,269,190</u>	<u>202,984</u>	<u>19,571</u>
Deferred Inflows of Resources			
Pension plan deferments	106,169	60,668	–
Net Position			
Net investment in capital assets	68,078,599	22,938,540	310,640
Unrestricted	13,517,662	7,583,458	1,811,637
Total net position	<u>81,596,261</u>	<u>30,521,998</u>	<u>2,122,277</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 83,971,620</u>	<u>\$ 30,785,650</u>	<u>\$ 2,141,848</u>

See notes to basic financial statements

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 220,443	\$ 2,361,783	\$ 23,036,656	\$ 447,665
-	-	12,610	-
-	-	347,678	-
149,090	457,260	2,212,788	-
30,569	-	424,232	-
-	-	121,355	-
<u>400,102</u>	<u>2,819,043</u>	<u>26,155,319</u>	<u>447,665</u>
-	365,000	920,653	-
-	637,583	1,506,096	-
-	436,057	34,045,713	-
-	-	6,177,522	-
-	24,548,604	25,684,485	-
-	1,077,978	2,311,389	-
-	334,378	80,140,765	-
-	<u>27,034,600</u>	<u>149,865,970</u>	-
-	<u>6,152,681</u>	<u>35,686,446</u>	-
-	<u>20,881,919</u>	<u>114,179,524</u>	-
-	<u>21,246,919</u>	<u>115,100,177</u>	-
400,102	24,065,962	141,255,496	447,665
-	<u>39,886</u>	<u>149,572</u>	-
<u>\$ 400,102</u>	<u>\$ 24,105,848</u>	<u>\$ 141,405,068</u>	<u>\$ 447,665</u>
\$ 65	\$ 10,645	\$ 2,072,001	\$ 7,900
-	-	79,224	-
-	-	85,569	-
<u>65</u>	<u>10,645</u>	<u>2,236,794</u>	<u>7,900</u>
-	<u>96,604</u>	<u>362,265</u>	-
65	107,249	2,599,059	7,900
-	60,668	227,505	-
-	20,875,107	112,202,886	-
400,037	3,062,824	26,375,618	439,765
<u>400,037</u>	<u>23,937,931</u>	<u>138,578,504</u>	<u>439,765</u>
<u>\$ 400,102</u>	<u>\$ 24,105,848</u>	<u>\$ 141,405,068</u>	<u>\$ 447,665</u>

CITY OF RAMSEY

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2025

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Operating revenue			
Charges for services	\$ 3,610,668	\$ 2,553,638	\$ 257,712
Sewer access surcharge	–	6,983	–
Other	–	–	–
Total operating revenue	<u>3,610,668</u>	<u>2,560,621</u>	<u>257,712</u>
Operating expenses			
Personal services	556,844	334,605	–
Supplies	374,898	11,914	–
Service charges			
Disposal charges	–	1,277,649	–
Other	354,683	95,247	185,475
Depreciation	<u>1,074,471</u>	<u>750,634</u>	<u>30,651</u>
Total operating expenses	<u>2,360,896</u>	<u>2,470,049</u>	<u>216,126</u>
Operating income (loss)	1,249,772	90,572	41,586
Nonoperating revenue			
Intergovernmental revenue	–	–	–
Capital contributions to governmental activities	–	–	–
Loss on disposal of assets	–	(69,541)	–
Investment earnings	<u>1,480,054</u>	<u>576,107</u>	<u>67,188</u>
Total nonoperating revenue	<u>1,480,054</u>	<u>506,566</u>	<u>67,188</u>
Income (loss) before contributions and transfers	2,729,826	597,138	108,774
Capital contributions - developer contributions	1,492,959	1,925,282	–
Capital contributions - capital grants	393,391	–	–
Capital contributions - connection fees	889,637	176,314	–
Transfers in	81,172	16,718	6,437
Transfers (out)	<u>(59,000)</u>	<u>(53,000)</u>	<u>(31,000)</u>
Change in net position	5,527,985	2,662,452	84,211
Net position			
Beginning of year	<u>76,068,276</u>	<u>27,859,546</u>	<u>2,038,066</u>
End of year	<u>\$ 81,596,261</u>	<u>\$ 30,521,998</u>	<u>\$ 2,122,277</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>
\$ 483,595	\$ 1,589,573	\$ 8,495,186	\$ -
-	-	6,983	-
-	-	-	74,771
<u>483,595</u>	<u>1,589,573</u>	<u>8,502,169</u>	<u>74,771</u>
54,984	422,385	1,368,818	-
36,671	32,767	456,250	44,265
-	-	1,277,649	-
488,780	132,031	1,256,216	10,359
-	562,478	2,418,234	-
<u>580,435</u>	<u>1,149,661</u>	<u>6,777,167</u>	<u>54,624</u>
(96,840)	439,912	1,725,002	20,147
70,390	-	70,390	-
-	-	-	(92,725)
-	(49,329)	(118,870)	-
9,493	110,278	2,243,120	19,463
<u>79,883</u>	<u>60,949</u>	<u>2,194,640</u>	<u>(73,262)</u>
(16,957)	500,861	3,919,642	(53,115)
-	1,854,446	5,272,687	-
-	-	393,391	-
-	-	1,065,951	-
-	52,661	156,988	-
-	(49,000)	(192,000)	-
<u>(16,957)</u>	<u>2,358,968</u>	<u>10,616,659</u>	<u>(53,115)</u>
416,994	21,578,963	127,961,845	492,880
<u>\$ 400,037</u>	<u>\$ 23,937,931</u>	<u>\$ 138,578,504</u>	<u>\$ 439,765</u>

CITY OF RAMSEY

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2025

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Cash flows from operating activities			
Receipts from customers and users	\$ 3,670,898	\$ 2,566,334	\$ 253,467
Receipts from interfund services provided	–	–	–
Paid to suppliers/service providers	(669,711)	(1,472,922)	(174,614)
Paid to employees	(587,473)	(352,108)	–
Net cash flows from operating activities	<u>2,413,714</u>	<u>741,304</u>	<u>78,853</u>
Cash flows from capital and related financing activities			
Capital assets purchased and contributed to governmental activities	–	–	–
Capital contributions - connection fees	889,637	176,314	–
Capital contributions - capital grants	393,391	–	–
Acquisition of capital assets	(11,813,858)	(620,418)	–
Proceeds from sale of capital assets	–	26,600	–
Net cash flows from capital and related financing activities	<u>(10,530,830)</u>	<u>(417,504)</u>	<u>–</u>
Cash flows from investing activities			
Interest and changes in fair value on investments	1,480,054	576,107	67,188
Cash flows from noncapital financing activities			
Transfers in	81,172	16,718	6,437
Transfers (out)	(59,000)	(53,000)	(31,000)
Intergovernmental revenue	–	–	–
Advances repaid from other funds	40,926	–	–
Net cash flows from noncapital financing activities	<u>63,098</u>	<u>(36,282)</u>	<u>(24,563)</u>
Net increase (decrease) in cash and temporary investments/cash equivalents	(6,573,964)	863,625	121,478
Cash and temporary investments/cash equivalents			
Beginning of year	<u>18,621,641</u>	<u>5,843,398</u>	<u>1,578,252</u>
End of year	<u>\$ 12,047,677</u>	<u>\$ 6,707,023</u>	<u>\$ 1,699,730</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ 1,249,772	\$ 90,572	\$ 41,586
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	1,074,471	750,634	30,651
Change in assets, deferred inflows, liabilities and deferred outflows			
Receivables			
Delinquent and deferred special assessments	1,819	7,765	–
Accounts	(45,624)	(19,447)	(6,597)
Due from other governmental units	104,035	–	–
Prepays	925	(10,084)	–
Deferred outflows - pension plan deferments	(17,901)	(10,229)	–
Accounts payable and contracts payable	43,402	(1,764)	10,867
Unearned revenue	–	17,395	2,352
Due to other governmental units	15,543	(76,264)	(6)
Net pension liability	(3,919)	(2,240)	–
Deferred inflows - pension plan deferments	(8,809)	(5,034)	–
Net cash flow from operating activities	<u>\$ 2,413,714</u>	<u>\$ 741,304</u>	<u>\$ 78,853</u>
Noncash, investing, capital, and financing activities			
Contributions of capital assets from developers	\$ 1,492,959	\$ 1,925,282	\$ –
Change in capital assets purchased on account	\$ (90,169)	\$ (2,219)	\$ –

See notes to basic financial statements

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 488,155	\$ 1,527,744	\$ 8,506,598	\$ -
-	-	-	74,771
(525,427)	(164,009)	(3,006,683)	(46,724)
(54,984)	(439,888)	(1,434,453)	-
<u>(92,256)</u>	<u>923,847</u>	<u>4,065,462</u>	<u>28,047</u>
-	-	-	(92,725)
-	-	1,065,951	-
-	-	393,391	-
-	(1,361,692)	(13,795,968)	-
-	51,400	78,000	-
<u>-</u>	<u>(1,310,292)</u>	<u>(12,258,626)</u>	<u>(92,725)</u>
9,493	110,278	2,243,120	19,463
-	52,661	156,988	-
-	(49,000)	(192,000)	-
70,390	-	70,390	-
-	-	40,926	-
<u>70,390</u>	<u>3,661</u>	<u>76,304</u>	<u>-</u>
(12,373)	(272,506)	(5,873,740)	(45,215)
232,816	2,634,289	28,910,396	492,880
<u>\$ 220,443</u>	<u>\$ 2,361,783</u>	<u>\$ 23,036,656</u>	<u>\$ 447,665</u>
\$ (96,840)	\$ 439,912	\$ 1,725,002	\$ 20,147
-	562,478	2,418,234	-
-	-	9,584	-
(6,103)	(61,829)	(139,600)	7,900
10,663	-	114,698	-
-	-	(9,159)	-
-	(10,229)	(38,359)	-
24	789	53,318	-
-	-	19,747	-
-	-	(60,727)	-
-	(2,240)	(8,399)	-
-	(5,034)	(18,877)	-
<u>\$ (92,256)</u>	<u>\$ 923,847</u>	<u>\$ 4,065,462</u>	<u>\$ 28,047</u>
\$ -	\$ 1,854,446	\$ 5,272,687	\$ -
\$ -	\$ (2,726)	\$ (95,114)	\$ -



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2025

	<u>Custodial Fund</u>
Assets	
Land held for resale	\$ 9,536,772
Liabilities	
Due to other governmental units	<u>9,536,772</u>
Net Position	<u><u>\$ -</u></u>

CITY OF RAMSEY

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2025

	<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



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY

Notes to Basic Financial Statements
December 31, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The City of Ramsey, Minnesota (the City) operates under the Home Rule Charter City form of government as defined in Minnesota Statutes. Under this plan, the government of the City is run by a City Council composed of an elected Mayor and elected Councilmembers. The City Council exercises legislative authority and determines all matters of policy.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The 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 2025 fiscal year, the City paid LOGIS approximately \$437,145 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.

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments (Continued)

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. Notes receivable are reported at net of collections for year. 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, notes receivable, delinquent property taxes receivable, delinquent and deferred special assessments receivable, and other long-term receivables.

G. Property Taxes

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

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

H. Special Assessments

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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.

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Land Held for Resale

Land held for resale represents various property purchases made by the City with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or acquisition value. The City currently retains parcels that will be available for future commercial development along Highway 10 now that the interchange projects on the highway have been 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. Groups of similar assets acquired at or near the same time for a single objective, with individual costs above \$50,000, are also capitalized as the cost is considered significant. 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.

O. Compensated Absences Payable

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or paid in cash to the employee or payment to a health care savings account during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences – compensatory time, vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Compensatory Time

The City's personnel policy and union contracts permits employees to accumulate earned but unused compensatory time, which are eligible for payment at the employee's current pay rate upon separation from employment.

Vacation

The City's personnel policy permits employees to accumulate earned but unused vacation time, which are eligible for payment at the employee's current pay rate upon separation from employment.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Compensated Absences Payable (Continued)

Sick

The City’s personnel policy permits employees to accumulate earned but unused 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 separation. A liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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)

R. Fund Balance Classifications (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.

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 cumulative 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 2025.

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	\$ 80,310,961
Cash on hand	<u>300</u>
Total	<u>\$ 80,311,261</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)

B. Deposits (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 \$5,114. At December 31, 2025, 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	
Municipal bonds	A-AAA	Moody’s	Level 2	\$ 2,235,610	\$ 6,899,603	\$ 9,135,213
Municipal bonds	A-AAA	S&P	Level 2	5,744,020	24,014,434	29,758,454
Negotiable certificates of deposit	N/A	N/A	Level 2	244,062	1,217,919	1,461,981
Investment pools						
Minnesota Municipal Money Market						
4MPlus Fund	AAA	S&P	Amortized Cost	3,758,103	–	3,758,103
Term Series	N/R	N/A	Amortized Cost	22,000,000	4,000,000	26,000,000
Invesco Money Market Fund	AAA	S&P	NAV	2,268,217	–	2,268,217
UBS SelectPrime Institutional Fund	AAA	Moody’s	NAV	7,928,993	–	7,928,993
Total investments				<u>\$ 44,179,005</u>	<u>\$ 36,131,956</u>	<u>\$ 80,310,961</u>

N/A – Not Applicable
N/R – Not Rated
NAV – Net Asset Value

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The City's investments include the following investment pools:

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.

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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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 \$89,385.

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 2040. During the current year, the City received principal and interest payments on these leases of \$303,137.

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

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Due From and Due To Other Funds

A \$25,000 internal loan from the Nonmajor Economic Development Authority Fund payable by the Tax Increment Fund was utilized for cash flow purposes.

B. Advance To and From Other Funds

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

Receivable Fund	Payable Fund		Amount
	Tax Increment Special Revenue Fund	Nonmajor Governmental Funds	
Nonmajor Governmental Funds	\$ 1,454,009	\$ –	\$ 1,454,009
Water Utility Enterprise Fund	348,000	137,761	485,761
Sewer Utility Enterprise Fund	21,000	–	21,000
Street Light Utility Enterprise Fund	48,892	–	48,892
Storm Water Utility Enterprise Fund	365,000	–	365,000
Total	\$ 2,236,901	\$ 137,761	\$ 2,374,662

The Tax Increment Fund advances from other funds of \$2,236,901 was used to finance improvements in the COR. All funds are to be repaid by 2038. The \$137,761 is to internally finance a facility loan. The Water Utility Fund is to be repaid by 2028 with a stated rate of interest of 2%.

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

C. Interfund Transfers

Transfers Out	Transfers In										Total
	General Fund	COR Land Special Revenue Fund	State-Aid Construction Capital Project Fund	Pavement Management Program Capital Project Fund	Park Improvement Capital Project Fund	Nonmajor Governmental Funds	Water Utility Enterprise Fund	Sewer Utility Enterprise Fund	Street Light Utility Enterprise Fund	Storm Water Utility Enterprise Fund	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,006,195	\$ 61,853	\$ -	\$ -	\$ -	\$ 1,068,048
Tax Increment Special Revenue Fund	-	413,760	281,958	-	-	344,916	19,319	16,718	6,437	52,661	1,135,769
COR Land Special Revenue Fund	-	-	-	-	2,167,957	-	-	-	-	-	2,167,957
Nonmajor Governmental Funds	621,408	-	200,000	32,200	-	385,369	-	-	-	-	1,238,977
Water Utility Enterprise Fund	59,000	-	-	-	-	-	-	-	-	-	59,000
Sewer Utility Enterprise Fund	53,000	-	-	-	-	-	-	-	-	-	53,000
Street Light Utility Enterprise Fund	31,000	-	-	-	-	-	-	-	-	-	31,000
Storm Water Utility Enterprise Fund	49,000	-	-	-	-	-	-	-	-	-	49,000
Total	\$ 813,408	\$ 413,760	\$ 481,958	\$ 32,200	\$ 2,167,957	\$ 1,736,480	\$ 81,172	\$ 16,718	\$ 6,437	\$ 52,661	\$ 5,802,751

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 2025, the General Fund transferred \$431,226 each to the Public Improvement Revolving Fund and Equipment Revolving Fund and \$143,742 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 \$413,760 to the COR Land Fund, \$281,958 to the State-Aid Construction Fund, \$78,167 to the Developer’s Fee Fund, \$264,188 to the Public Improvement Revolving Fund, \$2,562 to the Equipment Revolving Fund, \$19,319 to the Water Utility Fund, \$16,718 to the Sewer Utility Fund, \$6,437 to the Street Light Utility Fund and \$52,661 to the Storm Water Utility Fund to reimburse back these funds for prior expenses related to the development of the COR area as allowed by Special Legislation.

The COR Land Fund transferred \$2,167,957 to the Park Improvement Fund for the repayment of the Draw Park in the COR area.

The Federal/State Relief Fund transferred \$23,408 to the General Fund for capital equipment purchases.

The General Govt Special Projects Fund transferred \$30,000 to the General Fund for capital equipment purchases.

The 2011B Refund GO Improvement Bonds Fund transferred \$40,000 to the 2020A GO Capital Improvement Bond fund and \$300,000 to the 2021A/2012A GO Refund Improvement Bond Fund with remaining debt service funds.

The 2013 Capital Equipment Certificates Fund transferred \$369 to the 2021A/2012A GO Refund Improvement Bond Fund with remaining debt service funds.

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

C. Interfund Transfers (Continued)

The 2014 Capital Equipment Certificates Fund transferred \$45,000 to the 2023A Capital Equipment Certificates Fund with remaining debt service funds.

The Public Improvement Revolving Fund transferred \$200,000 to the General Fund for street maintenance purposes. The Public Improvement Revolving Fund transferred \$200,000 to the State-Aid Construction Fund and \$32,200 to the Pavement Management Program Fund for street funding contributions.

The Equipment Revolving Fund transferred \$368,000 to the General Fund for capital equipment purchases.

The Water Utility Fund transferred \$59,000 to the General Fund for operating purposes.

The Sewer Utility Fund transferred \$53,000 to the General Fund for operating purposes.

The Street Light Utility Fund transferred \$31,000 to the General Fund for operating purposes.

The Storm Water Utility Fund transferred \$49,000 to the General Fund for operating purposes.

NOTE 5 – CAPITAL ASSETS

A. Changes in Capital Assets Used in Governmental Activities

	Balance - Beginning of Year	Additions	Completed Construction/ Adjustments	Deletions	Balance - End of Year
Capital assets, not depreciated					
Land	\$ 7,077,591	\$ –	\$ –	\$ –	\$ 7,077,591
Construction in progress	12,667,124	4,590,071	(12,537,335)	–	4,719,860
Total capital assets, not depreciated	19,744,715	4,590,071	(12,537,335)	–	11,797,451
Capital assets, depreciated					
Buildings and structures	45,725,837	90,465	–	–	45,816,302
Improvements other than buildings	11,936,241	1,534,932	–	–	13,471,173
Office equipment	725,752	–	–	–	725,752
Motor vehicles	5,507,602	141,923	–	(201,884)	5,447,641
Machinery and equipment	11,665,137	923,470	–	(73,539)	12,515,068
Infrastructure	73,765,423	7,645,682	12,537,335	–	93,948,440
Total capital assets, depreciated	149,325,992	10,336,472	12,537,335	(275,423)	171,924,376
Less accumulated depreciation on					
Buildings and structures	(12,224,950)	(942,099)	–	–	(13,167,049)
Improvements other than buildings	(8,370,623)	(602,824)	–	–	(8,973,447)
Office equipment	(683,144)	(35,929)	–	–	(719,073)
Motor vehicles	(3,686,758)	(444,019)	–	201,884	(3,928,893)
Machinery and equipment	(6,309,159)	(800,694)	–	73,539	(7,036,314)
Infrastructure	(26,599,644)	(3,740,421)	–	–	(30,340,065)
Total accumulated depreciation	(57,874,278)	(6,565,986)	–	275,423	(64,164,841)
Total capital assets, depreciated, net	91,451,714	3,770,486	12,537,335	–	107,759,535
Net capital assets	\$ 111,196,429	\$ 8,360,557	\$ –	\$ –	\$ 119,556,986

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	22,437,430	12,146,998	(538,715)	–	34,045,713
Total capital assets, not depreciated	23,943,526	12,146,998	(538,715)	–	35,551,809
Capital assets, depreciated					
Buildings and structures	6,177,522	–	–	–	6,177,522
Improvements other than buildings	22,887,041	2,304,767	492,677	–	25,684,485
Machinery and equipment	1,809,735	1,033,827	–	(532,173)	2,311,389
Water and sewer lines	76,606,778	3,487,949	46,038	–	80,140,765
Total capital assets, depreciated	107,481,076	6,826,543	538,715	(532,173)	114,314,161
Less accumulated depreciation on					
Buildings and structures	(2,358,799)	(123,463)	–	–	(2,482,262)
Improvements other than buildings	(6,265,551)	(527,982)	–	–	(6,793,533)
Machinery and equipment	(894,616)	(163,328)	–	335,303	(722,641)
Water and sewer lines	(24,084,549)	(1,603,461)	–	–	(25,688,010)
Total accumulated depreciation	(33,603,515)	(2,418,234)	–	335,303	(35,686,446)
Total capital assets, depreciated, net	73,877,561	4,408,309	538,715	(196,870)	78,627,715
Net capital assets	\$ 97,821,087	\$ 16,555,307	\$ –	\$ (196,870)	\$ 114,179,524

C. Depreciation Expense by Function

Governmental activities		
General government		\$ 830,460
Public safety		671,675
Highways and streets		4,419,375
Culture and recreation		644,476
Total depreciation – governmental activities		<u>\$ 6,565,986</u>
Business-type activities		
Water utility		\$ 1,074,471
Sewer utility		750,634
Street light utility		30,651
Storm water utility		562,478
Total depreciation – business-type activities		<u>\$ 2,418,234</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 2015A	\$ 3,880,000	2.00-3.50%	06/15/2015	12/01/2035	\$ 2,270,000
Series 2016A	\$ 1,650,000	2.00%	07/21/2016	12/15/2026	175,000
Series 2017A	\$ 895,000	1.15-2.50%	08/17/2017	12/15/2027	190,000
Series 2018A	\$ 1,175,000	3.00%	07/17/2018	12/15/2028	375,000
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	6,330,000
Series 2022A	\$ 10,765,000	5.00%	12/06/2022	12/15/2037	9,205,000
Series 2023A	\$ 6,915,000	4.25-5.00%	11/15/2023	12/15/2038	6,275,000
Total general obligation improvement bonds					<u>33,875,000</u>
Capital Equipment Certificates					
Series 2023A	\$ 1,400,000	5.00%	11/15/2023	12/15/2033	1,180,000
Unamortized bond premiums					
					1,730,740
Compensated absences payable					
					1,467,069
Net pension liability					
					4,936,498
Total OPEB liability					
					<u>1,457,811</u>
Total governmental activities					
					<u>44,647,118</u>
Business-type activities					
Net pension liability					
					<u>362,265</u>
Total government and business-type activities					
					<u>\$ 45,009,383</u>

B. Descriptions of Long-Term Debt

- **General Obligation Improvement Bonds –**

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

The Series 2016A were issued to fund the street improvements related to the reconstruction of Andrie Street and 164th 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 (SROP).

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

NOTE 6 – LONG-TERM DEBT (CONTINUED)

- **Capital Equipment Certificates –**

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

C. Changes in Long-Term Debt

	Balance - Beginning of Year	Additions	Deletions	Balance - End of Year	Due Within One Year
Governmental activities					
G.O. Improvement Bonds	\$ 36,740,000	\$ –	\$ 2,865,000	\$ 33,875,000	\$ 2,510,000
Capital Equipment Certificates	1,295,000	–	115,000	1,180,000	125,000
Unamortized bond premiums	1,915,176	–	184,436	1,730,740	–
Compensated absences payable	1,270,328	1,143,599	946,858	1,467,069	69,000
Net pension liability	5,448,915	9,786,211	10,298,628	4,936,498	–
Total OPEB liability	1,379,460	166,774	88,423	1,457,811	54,225
Total governmental activities	48,048,879	11,096,584	14,498,345	44,647,118	2,758,225
Business-type activities					
Net pension liability	370,664	703,010	711,409	362,265	–
Total governmental and business type activities	\$ 48,419,543	\$ 11,799,594	\$ 15,209,754	\$ 45,009,383	\$ 2,758,225

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
2026	\$ 2,635,000	\$ 1,175,209
2027	2,550,000	1,078,159
2028	2,545,000	979,959
2029	2,515,000	880,309
2030	2,610,000	790,959
2031-2035	12,915,000	2,575,831
2036-2040	8,320,000	588,895
2041	965,000	15,923
	<u>\$ 35,055,000</u>	<u>\$ 8,085,243</u>

NOTE 7 – NET INVESTMENT IN CAPITAL ASSETS

The government-wide statement of net position at December 31, 2025 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	\$ 11,797,451	\$ 35,551,809	\$ 47,349,260
Depreciated	107,759,535	78,627,715	186,387,250
Less bonds payable	(33,875,000)	–	(33,875,000)
Less capital equipment certificates	(1,180,000)	–	(1,180,000)
Less unamortized bond premiums	(1,730,740)	–	(1,730,740)
Less capital related payables	(81,301)	(1,976,638)	(2,057,939)
 Total net investment in capital assets	 <u>\$ 82,689,945</u>	 <u>\$ 112,202,886</u>	 <u>\$ 194,892,831</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	RALF Funded Projects	State-Aid Construction	Pavement Management Program	Park Improvement	Nonmajor	
Fund balances									
Nonspendable									
Prepays	\$ 26,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,993	\$ 29,459
Restricted for									
Street improvements	-	-	-	-	434,487	-	-	-	434,487
Debt service	-	-	-	-	-	-	-	622,753	622,753
Economic development	-	-	-	-	-	-	-	1,760,541	1,760,541
Housing and redevelopment	-	-	4,751,926	-	-	-	-	-	4,751,926
Recreation/community programs	-	-	-	-	-	-	-	166,166	166,166
Public safety	-	-	-	-	-	-	-	483,390	483,390
Tax increment financing	-	2,780,887	-	-	-	-	-	-	2,780,887
	-	2,780,887	4,751,926	-	434,487	-	-	3,032,850	11,000,150
Committed									
Stormwater development projects	-	-	-	-	-	-	-	1,544,495	1,544,495
Community/business programs	-	-	-	-	-	-	-	346,901	346,901
	-	-	-	-	-	-	-	1,891,396	1,891,396
Assigned									
Street improvements	-	-	-	-	-	8,813,381	-	4,767,891	13,581,272
Housing and redevelopment	-	-	2,213,265	-	-	-	-	-	2,213,265
Capital improvements	-	-	-	-	-	-	-	2,818,463	2,818,463
Cemetery improvements	-	-	-	-	-	-	-	98,770	98,770
Park improvements	-	-	-	-	-	-	11,066,067	-	11,066,067
Right-of-way acquisitions	-	-	-	273,915	-	-	-	-	273,915
Parking ramp maintenance	-	-	-	-	-	-	-	276,164	276,164
	-	-	2,213,265	273,915	-	8,813,381	11,066,067	7,961,288	30,327,916
Unassigned	14,436,283	-	-	-	-	-	-	-	14,436,283
Total	\$ 14,462,749	\$ 2,780,887	\$ 6,965,191	\$ 273,915	\$ 434,487	\$ 8,813,381	\$ 11,066,067	\$ 12,888,527	\$ 57,685,204

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).
- 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

NOTE 8 – FUND BALANCE POLICY AND CLASSIFICATION (CONTINUED)

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).
- 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, 2025, 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	\$ 2,415,103	\$ 997,143	\$ 1,516,700	\$ 85,075
PERA - PEPFF	2,883,660	4,116,746	5,144,482	762,072
Total - all pensions	<u>\$ 5,298,763</u>	<u>\$ 5,113,889</u>	<u>\$ 6,661,182</u>	<u>\$ 847,147</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. These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan’s financial reporting requirements. 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)

Membership in the GERF includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

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

2. Public Employees Police and Fire Fund (PEPFF)

Membership in the PEPFF includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the City's governing body. The resolution must state that the position meets plan requirements.

B. Benefits Provided

The PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

1. GERF Benefits

GERF requires three years of service to vest. 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 GERF members. Members hired prior to July 1, 1989, receive the higher of Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, GERF members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, GERF members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced retirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows GERF members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989, or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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 SSA, with a minimum increase of at least 1.00% and a maximum of 1.50%. The 2025 annual increase was 1.25%. 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 prorated increase.

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

2. PEPFF Benefits

Benefits for the PEPFF members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50.00% vested after five years of service and 100% vested after 10 years. After five years, vesting increases by 10.00% each full year of service until members are 100% vested after ten years. PEPFF members receive 3.00% of highest average salary for all years of service. PEPFF members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

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 prorated increase.

C. Contributions

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. GERF Contributions

GERF members were required to contribute 6.50% of their annual covered salary in fiscal year 2025, and the City was required to contribute 7.50% for GERF members. The City's contributions to the GERF for the year ended December 31, 2025, were \$531,570. 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 2025, and the City was required to contribute 17.70% for PEPFF members. The City's contributions to the PEPFF for the year ended December 31, 2025, were \$698,091. The City's contributions were equal to the required contributions as set by state statutes.

D. Pension Costs

1. GERF Pension Costs

At December 31, 2025, the City reported a liability of \$2,415,103 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. 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 \$58,260.

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

City’s proportionate share of the net pension liability	\$ 2,415,103
State of Minnesota’s proportionate share of the net pension liability associated with the City	<u>58,260</u>
Total	<u>\$ 2,473,363</u>

The net pension liability was measured as of June 30, 2025, 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 proportion of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024, through June 30, 2025, relative to the total employer contributions received from all of the PERA’s participating employers. The City’s proportionate share was 0.0729% at the end of the measurement period and 0.0668% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of \$94,011 for its proportionate share of the GERS’s pension expense. In addition, the City recognized an additional \$8,936 as negative pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$16 million to the GERS.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 230,106	\$ –
Changes in actuarial assumptions	58,190	555,707
Net difference between projected and actual earnings on pension plan investments	–	960,993
Changes in proportion	438,552	–
Employer contributions subsequent to the measurement date	<u>270,295</u>	<u>–</u>
Total	<u>\$ 997,143</u>	<u>\$ 1,516,700</u>

The \$270,295 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, 2026.

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

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2026	\$ (82,659)
2027	(291,924)
2028	(243,596)
2029	<u>(171,673)</u>
Total	<u>\$ (789,852)</u>

2. PEPFF Pension Costs

At December 31, 2025, the City reported a liability of \$2,883,660 for its proportionate share of the PEPFF’s net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates July 1, 2024, through June 30, 2025, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.2461% at the end of the measurement period and 0.2545% for the beginning of the period.

The State of Minnesota contributed \$18 million to the PEPFF in the plan fiscal year ended June 30, 2025. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2024. The direct state aid payment will increase by \$17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay \$26.7 million to the PEPFF until the fund is 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis). The \$9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years (on an actuarial value of assets basis). The State of Minnesota’s proportionate share of the net pension liability associated with the City totaled \$99,962.

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

City’s proportionate share of the net pension liability	\$ 2,883,660
State of Minnesota’s proportionate share of the net pension liability associated with the City	<u>99,962</u>
Total	<u>\$ 2,983,622</u>

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

For the year ended December 31, 2025, the City recognized pension expense of \$713,706 for its proportionate share of the PEPFF Plan’s pension expense. The City recognized \$48,366 as grant revenue and pension expense for its proportionate share of the State of Minnesota’s pension expense for the contribution of \$9 million to the PEPFF special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the PEPFF pension allocation schedules for the \$9 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$65,713 for the year ended December 31, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the PEPFF.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 1,332,343	\$ –
Changes in actuarial assumptions	2,186,739	3,613,105
Net difference between projected and actual earnings on pension plan investments	–	1,287,018
Changes in proportion	233,455	244,359
Employer contributions subsequent to the measurement date	<u>364,209</u>	<u>–</u>
Total	<u>\$ 4,116,746</u>	<u>\$ 5,144,482</u>

The \$364,209 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, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2026	\$ 692,985
2027	(637,040)
2028	(1,436,587)
2029	(62,691)
2030	<u>51,388</u>
Total	<u>\$ (1,391,945)</u>

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

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	25.00	5.90 %
Total	<u>100.00 %</u>	

F. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.0%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

Inflation is assumed to be 2.25% for the GERF and the PEPFF. Benefit increases after retirement are assumed to be 1.5% for the GERF and 1.0% for the PEPFF.

Salary growth assumptions in the GERF range in annual increments from 11.5% after one year of service to 3.00% after 27 years of service. In the PEPFF, salary growth assumptions range in annual increments from 10.75% after one year of service to 3.00% after 23 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 PERA's experience.

Actuarial assumptions for the GERF are reviewed every four years. The GERF was last reviewed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The PEPFF Plan was reviewed in 2024. The assumption changes were adopted by the Board and became effective with the July 1, 2025 actuarial valuation.

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

The following changes in actuarial assumptions occurred in 2025:

1. GERF

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%

2. PEPFF

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

The following changes in plan provisions occurred in 2025:

1. GERF

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2. PEPFF

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA PEPFF and MSRS State Patrol for three consecutive years to 100% funded for both PERA PEPFF and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

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

G. Discount Rate

The discount rate used to measure the total pension liability in 2025 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 GERP 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.

H. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase in Discount Rate <u>8.00%</u>
The City's Proportionate Share of the GERP Net Pension Liability:	\$ 5,865,907	\$ 2,415,103	\$ (384,275)
The City's Proportionate Share of the PEPFF Net Pension Liability:	\$ 7,555,800	\$ 2,883,660	\$ (952,905)

I. Pension Plan Fiduciary Net Position

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

NOTE 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 and 356, 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.

NOTE 11 – DEFINED CONTRIBUTION PLAN – STATE-WIDE (CONTINUED)

Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.25 percent) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2025 were:

For the Year Ended:	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
December 31, 2025	\$900	\$900	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, 2025 was \$344,528, compared to a total city payroll of \$13,049,273.

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 2025, including both city and state fire aid passed through the City totaled \$294,644. This contribution represents nearly 86% of the current 2025 covered payroll of \$344,528. 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 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 \$54,225.

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>100</u>
Total members	<u><u>104</u></u>

E. Total OPEB Liability of the City

The City’s total OPEB liability of \$1,457,811 as of year-end was measured as of December 31, 2024, and was determined by an actuarial valuation as of December 31, 2023.

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, 2023, 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	4.08%
20-year municipal bond yield	4.08%
Inflation rate	2.60%
Salary increases	3.00%
Healthcare cost trend rate	7.75% grading to 4.00% 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	\$ 1,379,460
Changes for the year	
Service cost	117,053
Interest	55,482
Differences between expected and actual experience	(5,761)
Changes of assumptions	(38,715)
Benefit payments	(49,708)
Total net changes	<u>78,351</u>
Ending balance	<u>\$ 1,457,811</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 3.77 percent to 4.08 percent.

H. Total OPEB Liability Sensitivity to Discount and Healthcare 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	3.08%	4.08%	5.08%
Total OPEB liability	\$ 1,586,501	\$ 1,457,811	\$ 1,339,991

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

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

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
OPEB healthcare trend	6.75% grading to 3.00% over several decades	7.75% grading to 4.00% over several decades	8.75% grading to 5.00% over several decades
Total OPEB liability	\$ 1,276,714	\$ 1,457,811	\$ 1,673,500

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 \$187,003. 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 economic experience	\$ 652,037	\$ 154,748
Changes of assumptions	87,856	346,267
City contributions subsequent to the measurement date	54,225	–
Total	<u>\$ 794,118</u>	<u>\$ 501,015</u>

A total of \$54,225 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>December 31,</u>	<u>Amount</u>
2026	\$ 14,468
2027	14,468
2028	13,267
2029	15,187
2030	45,670
Thereafter	<u>135,818</u>
Total	<u>\$ 238,878</u>

NOTE 14 – TAX ABATEMENT AGREEMENTS

The City, in order to spur economic development, housing and redevelopment will enter into private development and redevelopment agreements to encourage a developer to construct, expand, or improve new or existing properties and buildings or clean-up and redevelop blighted properties. The City made payments on four private development agreements for redevelopment that would be considered a tax abatement under GASB Statement 77 as of December 31, 2025.

The City issued these four 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, 2025, the City abated property taxes totaling \$539,688 related to the following:

- Redevelopment: \$231,080 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: \$9,117 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 was February 2025.
- Redevelopment: \$170,814 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 14 – TAX ABATEMENT AGREEMENTS (CONTINUED)

- Redevelopment: \$128,677 abated for a \$1,172,000 Tax Increment Revenue Note issued in 2023 for a 2,940,000 square-foot manufacturing building in Bunker Lake Business Park. Final note payment date is February 2032.

The outstanding principal balance as of December 31, 2025 for all agreements was \$2,441,731.

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

NOTE 15 – INDUSTRIAL AND LEASE REVENUE BONDS

From time to time, the City has issued Industrial Revenue Bonds and Lease Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the state of Minnesota, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2025, there was one series of a Lease Revenue Bond outstanding with an aggregate principal amount payable of \$41,395,000.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

A. Commitments for Construction

At December 31, 2025, the City is committed to various construction contracts for the improvement of city property. The City's remaining commitment under these contracts is \$1,124,901. The City has resources available to cover these commitments.

B. Federal and State Revenue

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

C. Legal Claims

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

D. Tax Increment Districts

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



PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY

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

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Proportionate Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City’s Share of the State of Minnesota’s Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2016	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%
12/31/2024	06/30/2024	0.0668%	\$ 2,471,091	\$ 63,897	\$ 2,534,988	\$ 5,657,184	43.68%	89.10%
12/31/2025	06/30/2025	0.0729%	\$ 2,415,103	\$ 58,260	\$ 2,473,363	\$ 6,601,070	36.59%	90.80%

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
12/31/2016	\$ 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%
12/31/2024	\$ 454,460	\$ 454,460	\$ –	\$ 6,060,123	7.50%
12/31/2025	\$ 531,570	\$ 531,570	\$ –	\$ 7,087,602	7.50%

CITY OF RAMSEY

PERA – Public Employees Police and Fire Fund
 Schedule of City’s and Nonemployer 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 State of Minnesota’s Share of the Net Pension Liability	City’s Covered Payroll	City’s 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 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
12/31/2016	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%
12/31/2024	06/30/2024	0.2545%	\$ 3,348,488	\$ 127,643	\$ 3,476,131	\$ 3,524,438		95.01%	90.20%
12/31/2025	06/30/2025	0.2461%	\$ 2,883,660	\$ 99,962	\$ 2,983,622	\$ 3,735,246		77.20%	91.80%

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
12/31/2016	\$ 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%
12/31/2024	\$ 641,383	\$ 641,383	\$ –	\$ 3,623,633	17.70%
12/31/2025	\$ 698,091	\$ 698,091	\$ –	\$ 3,944,013	17.70%

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	2024	2025
Total OPEB liability								
Service cost	\$ 40,892	\$ 74,389	\$ 55,942	\$ 69,584	\$ 81,145	\$ 119,416	\$ 91,803	\$ 117,053
Interest	22,858	24,695	30,837	14,428	13,589	18,686	35,055	55,482
Differences between expected and actual experience	-	-	(368,975)	6,307	510,595	1,371	433,178	(5,761)
Changes of assumptions	19,347	(41,435)	47,099	20,586	(365,412)	(123,730)	66,721	(38,715)
Benefit payments	(3,349)	(3,476)	(2,775)	(9,111)	(6,965)	(17,207)	(42,119)	(49,708)
Net change in total OPEB liability	79,748	54,173	(237,872)	101,794	232,952	(1,464)	584,638	78,351
Total OPEB liability – beginning of year	565,491	645,239	699,412	461,540	563,334	796,286	794,822	1,379,460
Total OPEB liability – end of year	\$ 645,239	\$ 699,412	\$ 461,540	\$ 563,334	\$ 796,286	\$ 794,822	\$ 1,379,460	\$ 1,457,811
Covered-employee payroll	\$ 5,400,000	\$ 5,600,000	\$ 6,400,000	\$ 6,700,000	\$ 6,800,000	\$ 7,600,000	\$ 8,300,000	\$ 9,500,000
Total OPEB liability as a percentage of covered-employee payroll	11.95%	12.49%	7.21%	8.41%	11.71%	10.46%	16.62%	15.35%

Note 1: **Changes in Actuarial Assumptions.** (1) 2025 Changes - The discount rate was changed from 3.77 percent to 4.08 percent. (2) 2024 Changes - The discount rate was changed from 4.05 percent to 3.77 percent. Inflation rate was changed from 2.50 percent to 2.60 percent. The healthcare trend rates were updated for changes in recent studies and inflationary adjustments. (3) 2023 Changes - The discount rate was changed from 2.06 percent to 4.05 percent. (4) 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. (5) 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. (6) 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. (7) 2019 Changes - The discount rate was changed from 3.44 percent to 4.09 percent. (8) 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, 2025

2025 CHANGES IN ACTUARIAL ASSUMPTIONS

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

2025 CHANGES IN PLAN PROVISIONS

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50.00% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

2024 CHANGES IN PLAN PROVISIONS

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

CITY OF RAMSEY

Notes to Required Supplementary Information General Employees Retirement Fund (continued) Year Ended December 31, 2025

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-2021 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.

CITY OF RAMSEY

Notes to Required Supplementary Information General Employees Retirement Fund (continued) Year Ended December 31, 2025

2020 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- 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.
- 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.

CITY OF RAMSEY

Notes to Required Supplementary Information
General Employees Retirement Fund (continued)
Year Ended December 31, 2025

2018 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- 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 for inflation.

CITY OF RAMSEY

Notes to Required Supplementary Information Public Employees Police and Fire Fund Year Ended December 31, 2025

2025 CHANGES IN ACTUARIAL ASSUMPTIONS

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages of age 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

2025 CHANGES IN PLAN PROVISIONS

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA PEPFF and MSRS State Patrol for three consecutive years to 100% funded for both PERA PEPFF and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

CITY OF RAMSEY

Notes to Required Supplementary Information Public Employees Police and Fire Fund (continued) Year Ended December 31, 2025

2024 CHANGES IN PLAN PROVISIONS

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

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.

CITY OF RAMSEY

Notes to Required Supplementary Information Public Employees Police and Fire Fund (continued) Year Ended December 31, 2025

2021 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

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.

CITY OF RAMSEY

Notes to Required Supplementary Information Public Employees Police and Fire Fund (continued) Year Ended December 31, 2025

2018 CHANGES IN PLAN PROVISIONS (CONTINUED)

- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30.00 percent for vested and nonvested deferred members. The CSA has been changed to 33.00 percent for vested members, and 2.00 percent for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 Fully Generational Table to the RP-2014 Fully Generational Table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- 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.



PAGE INTENTIONALLY LEFT BLANK

COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY

Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2025

	Special Revenue	Debt Service	Capital Project	Totals
Assets				
Cash and temporary investments	\$ 4,267,609	\$ 587,148	\$ 6,649,776	\$ 11,504,533
Receivables				
Unremitted taxes	1,033	35,775	-	36,808
Delinquent taxes	860	30,855	-	31,715
Unremitted special assessments	-	701	620	1,321
Delinquent special assessments	-	395	2,242	2,637
Deferred special assessments	-	58,959	60,973	119,932
Accounts	12,633	-	-	12,633
Notes	131,523	-	-	131,523
Due from other governmental units	61,114	-	-	61,114
Due from other funds	25,000	-	-	25,000
Advances to other funds	-	-	1,454,009	1,454,009
Prepays	2,993	-	-	2,993
	<u>\$ 4,502,765</u>	<u>\$ 713,833</u>	<u>\$ 8,167,620</u>	<u>\$ 13,384,218</u>
Liabilities				
Accounts and contracts payable	\$ 7,525	\$ 871	\$ 5,356	\$ 13,752
Due to other governmental units	58,371	-	-	58,371
Advances from other funds	-	-	137,761	137,761
Total liabilities	<u>65,896</u>	<u>871</u>	<u>143,117</u>	<u>209,884</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	860	30,855	-	31,715
Unavailable revenue - special assessments	-	59,354	63,215	122,569
Unavailable revenue - notes	131,523	-	-	131,523
Total deferred inflows of resources	<u>132,383</u>	<u>90,209</u>	<u>63,215</u>	<u>285,807</u>
Fund balances				
Nonspendable	2,993	-	-	2,993
Restricted	2,410,097	622,753	-	3,032,850
Committed	1,891,396	-	-	1,891,396
Assigned	-	-	7,961,288	7,961,288
Total fund balance	<u>4,304,486</u>	<u>622,753</u>	<u>7,961,288</u>	<u>12,888,527</u>
	<u>\$ 4,502,765</u>	<u>\$ 713,833</u>	<u>\$ 8,167,620</u>	<u>\$ 13,384,218</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,502,765</u>	<u>\$ 713,833</u>	<u>\$ 8,167,620</u>	<u>\$ 13,384,218</u>



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY

Nonmajor Governmental Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2025

	Special Revenue	Debt Service	Capital Project	Totals
Revenue				
Property taxes	\$ 84,509	\$ 2,925,043	\$ 44,520	\$ 3,054,072
Special assessments	-	53,336	11,487	64,823
Intergovernmental revenue	419,894	338,510	-	758,404
Contributions	221,077	-	-	221,077
Other revenue				
Investment earnings	160,736	60,026	272,384	493,146
Miscellaneous	457,654	129	178,460	636,243
Total revenue	<u>1,343,870</u>	<u>3,377,044</u>	<u>506,851</u>	<u>5,227,765</u>
Expenditures				
Current				
General government	104,681	-	191,781	296,462
Public safety	101,233	-	-	101,233
Highways and streets	-	-	696,054	696,054
Economic development	195,236	-	-	195,236
Capital outlay	325,335	-	11,852	337,187
Debt service				
Principal retirement	-	2,640,000	-	2,640,000
Interest	-	993,198	3,594	996,792
Total expenditures	<u>726,485</u>	<u>3,633,198</u>	<u>903,281</u>	<u>5,262,964</u>
Excess (deficiency) of revenue over expenditures	617,385	(256,154)	(396,430)	(35,199)
Other financing sources (uses)				
Proceeds on sale of capital assets	41,075	-	-	41,075
Transfers in	78,167	385,369	1,272,944	1,736,480
Transfers (out)	(53,408)	(385,369)	(800,200)	(1,238,977)
Total other financing sources (uses)	<u>65,834</u>	<u>-</u>	<u>472,744</u>	<u>538,578</u>
Net change in fund balances	683,219	(256,154)	76,314	503,379
Fund balances				
Beginning of year, as previously reported	2,564,559	878,907	7,884,974	11,328,440
Change within financial reporting entity	1,056,708	-	-	1,056,708
Beginning of year, as adjusted	<u>3,621,267</u>	<u>878,907</u>	<u>7,884,974</u>	<u>12,385,148</u>
End of year	<u>\$ 4,304,486</u>	<u>\$ 622,753</u>	<u>\$ 7,961,288</u>	<u>\$ 12,888,527</u>



PAGE INTENTIONALLY LEFT BLANK

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. This fund was a major government fund in 2024.

State Relief Fund – used to account for the funds received from the State of Minnesota known as Local Affordable Housing Aid to be used on qualifying projects.

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

Lodging Tax Fund – used to account for lodging tax revenues received by the City that shall be used in accordance with Minnesota Statutes 469.190.

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, 2025

	Revolving Loan	Lawful Gambling	Peace Officers	Formerly Major Developer's Fees
Assets				
Cash and temporary investments	\$ 269,137	\$ 153,845	\$ 34,891	\$ 1,544,495
Receivables				
Unremitted taxes	-	-	-	-
Delinquent taxes	-	-	-	-
Accounts	-	12,321	-	-
Notes	131,523	-	-	-
Due from other governmental units	-	-	61,114	-
Due from other funds	-	-	-	-
Prepays	-	-	-	-
Total assets	<u>\$ 400,660</u>	<u>\$ 166,166</u>	<u>\$ 96,005</u>	<u>\$ 1,544,495</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ 7,185	\$ -
Due to other governmental units	-	-	52,532	-
Total liabilities	<u>-</u>	<u>-</u>	<u>59,717</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - notes	131,523	-	-	-
Total deferred inflows of resources	<u>131,523</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	166,166	36,288	-
Committed	269,137	-	-	1,544,495
Total fund balances	<u>269,137</u>	<u>166,166</u>	<u>36,288</u>	<u>1,544,495</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 400,660</u>	<u>\$ 166,166</u>	<u>\$ 96,005</u>	<u>\$ 1,544,495</u>

State Relief	General Govt Special Projects	Lodging Tax	Economic Development Authority	Totals
\$ 447,102	\$ 77,764	\$ 8,348	\$ 1,732,027	\$ 4,267,609
-	-	-	1,033	1,033
-	-	-	860	860
-	-	312	-	12,633
-	-	-	-	131,523
-	-	-	-	61,114
-	-	-	25,000	25,000
-	-	-	2,993	2,993
<u>\$ 447,102</u>	<u>\$ 77,764</u>	<u>\$ 8,660</u>	<u>\$ 1,761,913</u>	<u>\$ 4,502,765</u>
\$ -	\$ -	\$ -	\$ 340	\$ 7,525
-	-	5,839	-	58,371
-	-	5,839	340	65,896
-	-	-	860	860
-	-	-	-	131,523
-	-	-	860	132,383
-	-	-	2,993	2,993
447,102	-	2,821	1,757,720	2,410,097
-	77,764	-	-	1,891,396
<u>447,102</u>	<u>77,764</u>	<u>2,821</u>	<u>1,760,713</u>	<u>4,304,486</u>
<u>\$ 447,102</u>	<u>\$ 77,764</u>	<u>\$ 8,660</u>	<u>\$ 1,761,913</u>	<u>\$ 4,502,765</u>

CITY OF RAMSEY

Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2025

	Revolving Loan	Lawful Gambling	Peace Officers	Formerly Major Developer's Fees
Revenue				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	101,114	-
Contributions	-	-	-	221,077
Other revenue				
Investment earnings	11,143	10,397	1,141	56,227
Miscellaneous	23,838	105,840	12,201	156,675
Total revenue	<u>34,981</u>	<u>116,237</u>	<u>114,456</u>	<u>433,979</u>
Expenditures				
Current				
General government	-	24,435	-	-
Public safety	-	-	101,233	-
Economic development	149,999	-	-	-
Capital outlay	-	300,976	-	24,359
Total expenditures	<u>149,999</u>	<u>325,411</u>	<u>101,233</u>	<u>24,359</u>
Excess (deficiency) of revenue over expenditures	(115,018)	(209,174)	13,223	409,620
Other financing sources (uses)				
Proceeds on sale of capital assets	-	-	-	-
Transfers in	-	-	-	78,167
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,167</u>
Net change in fund balances	(115,018)	(209,174)	13,223	487,787
Fund balances				
Beginning of year, as previously reported	384,155	375,340	23,065	-
Change within financial reporting entity	-	-	-	1,056,708
Beginning of year, as adjusted	<u>384,155</u>	<u>375,340</u>	<u>23,065</u>	<u>1,056,708</u>
End of year	<u>\$ 269,137</u>	<u>\$ 166,166</u>	<u>\$ 36,288</u>	<u>\$ 1,544,495</u>

State Relief	General Govt Special Projects	Lodging Tax	Economic Development Authority	Totals
\$ -	\$ -	\$ -	\$ 84,509	\$ 84,509
318,780	-	-	-	419,894
-	-	-	-	221,077
9,425	4,353	165	67,885	160,736
-	68,668	7,656	82,776	457,654
<u>328,205</u>	<u>73,021</u>	<u>7,821</u>	<u>235,170</u>	<u>1,343,870</u>
-	80,246	-	-	104,681
-	-	-	-	101,233
-	-	5,000	40,237	195,236
-	-	-	-	325,335
<u>-</u>	<u>80,246</u>	<u>5,000</u>	<u>40,237</u>	<u>726,485</u>
328,205	(7,225)	2,821	194,933	617,385
-	41,075	-	-	41,075
-	-	-	-	78,167
(23,408)	(30,000)	-	-	(53,408)
<u>(23,408)</u>	<u>11,075</u>	<u>-</u>	<u>-</u>	<u>65,834</u>
304,797	3,850	2,821	194,933	683,219
142,305	73,914	-	1,565,780	2,564,559
-	-	-	-	1,056,708
<u>142,305</u>	<u>73,914</u>	<u>-</u>	<u>1,565,780</u>	<u>3,621,267</u>
<u>\$ 447,102</u>	<u>\$ 77,764</u>	<u>\$ 2,821</u>	<u>\$ 1,760,713</u>	<u>\$ 4,304,486</u>



PAGE INTENTIONALLY LEFT BLANK

CITY OF RAMSEY

Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Economic Development Authority – Budget and Actual
 Year Ended December 31, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue			
Property taxes	\$ 86,367	\$ 84,509	\$ (1,858)
Other revenue			
Investment earnings	5,000	67,885	62,885
Miscellaneous	–	82,776	82,776
Total revenue	<u>91,367</u>	<u>235,170</u>	<u>143,803</u>
Expenditures			
Current			
Economic development	<u>91,367</u>	<u>40,237</u>	<u>(51,130)</u>
Net change in fund balances	<u>\$ –</u>	194,933	<u>\$ 194,933</u>
Fund balances			
Beginning of year		<u>1,565,780</u>	
End of year		<u>\$ 1,760,713</u>	



PAGE INTENTIONALLY LEFT BLANK

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.

2023A Capital Equipment Certificates – The Series 2023A \$1,400,000 General Obligation Capital Equipment Certificate of Indebtedness is to finance the acquisition of capital equipment.

CITY OF RAMSEY

Nonmajor Debt Service Funds
 Combining Balance Sheet
 December 31, 2025

	2011B Refund GO Improvement Bonds	2013A Capital Equipment Certificates	2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond	2016A GO Street Reconstruction Bond
Assets						
Cash and temporary investments	\$ 29,726	\$ -	\$ 2,182	\$ 133,071	\$ 4,779	\$ 83,617
Receivables						
Unremitted taxes	-	-	-	2,528	1,017	1,306
Delinquent taxes	-	-	-	2,899	1,179	1,518
Unremitted special assessments	-	-	-	-	3	698
Delinquent special assessments	-	-	-	-	395	-
Deferred special assessments	-	-	-	-	-	21,426
Total assets	<u>\$ 29,726</u>	<u>\$ -</u>	<u>\$ 2,182</u>	<u>\$ 138,498</u>	<u>\$ 7,373</u>	<u>\$ 108,565</u>
Liabilities						
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred inflows of resources						
Unavailable revenue - property taxes	-	-	-	2,899	1,179	1,518
Unavailable revenue - special assessments	-	-	-	-	395	21,426
Total deferred inflows of resources	-	-	-	2,899	1,574	22,944
Fund balances						
Restricted	29,726	-	2,182	135,599	5,799	85,621
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,726</u>	<u>\$ -</u>	<u>\$ 2,182</u>	<u>\$ 138,498</u>	<u>\$ 7,373</u>	<u>\$ 108,565</u>

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	2023A Capital Equipment Certificates	Totals
\$ 6,628	\$ 25,906	\$ 60,578	\$ 58,392	\$ 128,342	\$ 53,927	\$ 587,148
820	1,015	1,135	16,592	9,692	1,670	35,775
951	1,159	1,308	9,618	10,539	1,684	30,855
-	-	-	-	-	-	701
-	-	-	-	-	-	395
<u>9,139</u>	<u>28,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,959</u>
<u>\$ 17,538</u>	<u>\$ 56,474</u>	<u>\$ 63,021</u>	<u>\$ 84,602</u>	<u>\$ 148,573</u>	<u>\$ 57,281</u>	<u>\$ 713,833</u>
\$ -	\$ 91	\$ -	\$ -	\$ -	\$ 780	\$ 871
951	1,159	1,308	9,618	10,539	1,684	30,855
<u>9,139</u>	<u>28,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,354</u>
10,090	29,553	1,308	9,618	10,539	1,684	90,209
<u>7,448</u>	<u>26,830</u>	<u>61,713</u>	<u>74,984</u>	<u>138,034</u>	<u>54,817</u>	<u>622,753</u>
<u>\$ 17,538</u>	<u>\$ 56,474</u>	<u>\$ 63,021</u>	<u>\$ 84,602</u>	<u>\$ 148,573</u>	<u>\$ 57,281</u>	<u>\$ 713,833</u>

CITY OF RAMSEY

Nonmajor Debt Service Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2025

	2011B Refund GO Improvement Bonds	2013A Capital Equipment Certificates	2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond	2016A GO Street Reconstruction Bond
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ 276,787	\$ 111,333	\$ 142,927
Special assessments	-	-	-	-	8,667	24,411
Intergovernmental revenue	338,510	-	-	-	-	-
Other revenue						
Investment earnings	23,358	-	1,761	6,009	1,359	5,055
Miscellaneous	-	-	-	-	-	20
Total revenue	<u>361,868</u>	<u>-</u>	<u>1,761</u>	<u>282,796</u>	<u>121,359</u>	<u>172,413</u>
Expenditures						
Debt service						
Principal retirement	310,000	-	-	195,000	130,000	170,000
Interest	8,836	-	-	81,178	8,391	7,841
Total expenditures	<u>318,836</u>	<u>-</u>	<u>-</u>	<u>276,178</u>	<u>138,391</u>	<u>177,841</u>
Excess (deficiency) of revenue over expenditures	43,032	-	1,761	6,618	(17,032)	(5,428)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(340,000)	(369)	(45,000)	-	-	-
Total other financing sources (uses)	<u>(340,000)</u>	<u>(369)</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(296,968)	(369)	(43,239)	6,618	(17,032)	(5,428)
Fund balances						
Beginning of year	<u>326,694</u>	<u>369</u>	<u>45,421</u>	<u>128,981</u>	<u>22,831</u>	<u>91,049</u>
End of year	<u>\$ 29,726</u>	<u>\$ -</u>	<u>\$ 2,182</u>	<u>\$ 135,599</u>	<u>\$ 5,799</u>	<u>\$ 85,621</u>

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	2023A Capital Equipment Certificates	Totals
\$ 89,725	\$ 111,098	\$ 124,230	\$ 822,875	\$ 1,062,291	\$ 183,777	\$ 2,925,043
5,200	15,058	-	-	-	-	53,336
-	-	-	-	-	-	338,510
1,044	2,445	769	8,336	8,600	1,290	60,026
109	-	-	-	-	-	129
<u>96,078</u>	<u>128,601</u>	<u>124,999</u>	<u>831,211</u>	<u>1,070,891</u>	<u>185,067</u>	<u>3,377,044</u>
90,000	125,000	-	955,000	550,000	115,000	2,640,000
7,401	16,032	122,156	186,591	488,691	66,081	993,198
<u>97,401</u>	<u>141,032</u>	<u>122,156</u>	<u>1,141,591</u>	<u>1,038,691</u>	<u>181,081</u>	<u>3,633,198</u>
(1,323)	(12,431)	2,843	(310,380)	32,200	3,986	(256,154)
-	-	40,000	300,369	-	45,000	385,369
-	-	-	-	-	-	(385,369)
-	-	40,000	300,369	-	45,000	-
(1,323)	(12,431)	42,843	(10,011)	32,200	48,986	(256,154)
8,771	39,261	18,870	84,995	105,834	5,831	878,907
<u>\$ 7,448</u>	<u>\$ 26,830</u>	<u>\$ 61,713</u>	<u>\$ 74,984</u>	<u>\$ 138,034</u>	<u>\$ 54,817</u>	<u>\$ 622,753</u>



PAGE INTENTIONALLY LEFT BLANK

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.

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.

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

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

CITY OF RAMSEY

Nonmajor Capital Project Funds
 Combining Balance Sheet
 December 31, 2025

	<u>Public Improvement Revolving</u>	<u>Trott Brook Cemetery Perpetual Care</u>	<u>Parking Ramp Maintenance</u>
Assets			
Cash and temporary investments	\$ 4,592,271	\$ 98,770	\$ 281,520
Receivables			
Unremitted special assessments	620	-	-
Delinquent special assessments	2,242	-	-
Deferred special assessments	60,973	-	-
Advances to other funds	<u>175,000</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 4,831,106</u>	<u>\$ 98,770</u>	<u>\$ 281,520</u>
Liabilities			
Accounts and contracts payable	\$ -	\$ -	\$ 5,356
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>5,356</u>
Deferred inflows of resources			
Unavailable revenue - special assessments	63,215	-	-
Fund balances			
Assigned	<u>4,767,891</u>	<u>98,770</u>	<u>276,164</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,831,106</u>	<u>\$ 98,770</u>	<u>\$ 281,520</u>

Equipment Revolving	Public Facilities Construction	Totals
\$ 731,813	\$ 945,402	\$ 6,649,776
-	-	620
-	-	2,242
-	-	60,973
<u>1,279,009</u>	<u>-</u>	<u>1,454,009</u>
<u>\$ 2,010,822</u>	<u>\$ 945,402</u>	<u>\$ 8,167,620</u>
\$ -	\$ -	\$ 5,356
-	137,761	137,761
<u>-</u>	<u>137,761</u>	<u>143,117</u>
-	-	63,215
<u>2,010,822</u>	<u>807,641</u>	<u>7,961,288</u>
<u>\$ 2,010,822</u>	<u>\$ 945,402</u>	<u>\$ 8,167,620</u>

CITY OF RAMSEY

Nonmajor Capital Project Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2025

	Public Improvement Revolving	Trott Brook Cemetery Perpetual Care	Parking Ramp Maintenance
Revenue			
Property taxes	\$ -	\$ -	\$ -
Special assessments	11,487	-	-
Other revenue			
Investment earnings	177,337	3,881	7,507
Miscellaneous	429	5,800	152,231
Total revenue	<u>189,253</u>	<u>9,681</u>	<u>159,738</u>
Expenditures			
Current			
General government	-	-	112,938
Highways and streets	696,054	-	-
Capital outlay	-	-	-
Debt service			
Interest	-	-	-
Total expenditures	<u>696,054</u>	<u>-</u>	<u>112,938</u>
Excess (deficiency) of revenue over expenditures	(506,801)	9,681	46,800
Other financing sources (uses)			
Transfers in	695,414	-	-
Transfers (out)	(432,200)	-	-
Total other financing sources	<u>263,214</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(243,587)	9,681	46,800
Fund balances			
Beginning of year	<u>5,011,478</u>	<u>89,089</u>	<u>229,364</u>
End of year	<u>\$ 4,767,891</u>	<u>\$ 98,770</u>	<u>\$ 276,164</u>

<u>Equipment Revolving</u>	<u>Public Facilities Construction</u>	<u>Totals</u>
\$ -	\$ 44,520	\$ 44,520
-	-	11,487
49,216	34,443	272,384
<u>20,000</u>	<u>-</u>	<u>178,460</u>
<u>69,216</u>	<u>78,963</u>	<u>506,851</u>
14,525	64,318	191,781
-	-	696,054
-	11,852	11,852
-	<u>3,594</u>	<u>3,594</u>
<u>14,525</u>	<u>79,764</u>	<u>903,281</u>
54,691	(801)	(396,430)
433,788	143,742	1,272,944
<u>(368,000)</u>	<u>-</u>	<u>(800,200)</u>
<u>65,788</u>	<u>143,742</u>	<u>472,744</u>
120,479	142,941	76,314
<u>1,890,343</u>	<u>664,700</u>	<u>7,884,974</u>
<u>\$ 2,010,822</u>	<u>\$ 807,641</u>	<u>\$ 7,961,288</u>



PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION (UNAUDITED)



PAGE INTENTIONALLY LEFT BLANK

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>140-145</u>
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	<u>146-149</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>150-153</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>154-155</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>156-158</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>2016</u>	<u>2017</u>	<u>2018</u>	<u>Fiscal Year 2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental activities										
Net investment in capital assets	\$ 42,170,710	\$ 42,129,791	\$ 43,551,135	\$ 44,658,317	\$ 52,756,077	\$ 57,322,004	\$ 63,796,121	\$ 66,959,661	\$ 72,783,568	\$ 82,689,945
Restricted	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706	19,886,753	20,624,484	18,598,778	14,022,396	11,974,763
Unrestricted	13,832,461	13,559,175	15,666,889	16,759,261	22,499,652	22,741,842	23,405,779	26,728,758	36,934,626	38,618,625
Total governmental activities net position	<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>	<u>\$ 123,740,590</u>	<u>\$ 133,283,333</u>
Business-type activities										
Net investment in capital assets	\$ 51,959,594	\$ 53,855,285	\$ 53,653,338	\$ 55,575,211	\$ 56,166,921	\$ 57,940,442	\$ 63,486,708	\$ 71,932,644	\$ 95,749,335	\$ 112,202,886
Unrestricted	35,953,541	38,306,851	43,024,292	46,993,793	44,568,513	48,126,205	43,879,636	44,232,074	32,212,510	26,375,618
Total business-type activities net position	<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>	<u>\$ 127,961,845</u>	<u>\$ 138,578,504</u>
Total government										
Net investment in capital assets	\$ 94,130,304	\$ 95,985,076	\$ 97,204,473	\$ 100,233,528	\$ 108,922,998	\$ 115,262,446	\$ 127,282,829	\$ 138,892,305	\$ 168,532,903	\$ 194,892,831
Restricted	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706	19,886,753	20,624,484	18,598,778	14,022,396	11,974,763
Unrestricted	49,786,002	51,866,026	58,691,181	63,753,054	67,068,165	70,868,047	67,285,415	70,960,832	69,147,136	64,994,243
Total government net position	<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>	<u>\$ 251,702,435</u>	<u>\$ 271,861,837</u>

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Fiscal Year 2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Expenses										
Governmental activities:										
General government	\$ 4,528,920	\$ 4,992,809	\$ 5,078,516	\$ 5,139,352	\$ 5,640,679	\$ 4,568,229	\$ 4,967,112	\$ 5,347,691	\$ 5,645,480	\$ 6,126,045
Public safety	5,875,567	5,782,563	5,167,897	5,844,265	6,468,397	6,363,724	7,989,480	8,717,911	8,894,134	9,597,991
Highways and streets	3,826,143	4,254,234	4,191,395	4,442,720	4,028,294	4,686,416	5,308,212	8,670,486	7,783,629	9,194,282
Culture and recreation	1,931,537	2,384,845	1,751,345	1,756,810	1,917,228	1,834,153	1,997,522	2,194,755	2,430,888	2,682,150
Economic development	-	-	-	-	481,858	2,140,267	1,096,422	1,705,446	1,488,674	1,342,690
Interest and fiscal charges	890,305	952,965	883,292	845,651	839,444	883,504	564,462	1,258,959	1,317,942	1,134,749
Total governmental activities expenses	<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>	<u>27,560,747</u>	<u>30,077,907</u>
Business-type activities:										
Water utility	1,489,070	1,396,021	1,590,737	1,483,584	1,657,356	1,772,358	1,895,776	2,062,314	2,243,736	2,360,896
Sewer utility	1,438,141	1,535,664	1,523,670	1,631,260	1,723,238	1,742,380	1,947,356	2,209,802	2,411,209	2,539,590
Street light utility	176,732	159,378	160,952	171,619	169,463	178,576	172,765	173,924	167,123	216,126
Recycling utility	359,418	373,775	380,055	380,192	366,764	507,067	514,231	527,182	549,993	580,435
Storm water utility	742,043	633,101	573,878	590,645	777,252	715,349	791,605	864,721	1,022,935	1,198,990
Total business-type activities	<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>	<u>6,394,996</u>	<u>6,896,037</u>
Total government expenses	<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>	<u>\$ 33,955,743</u>	<u>\$ 36,973,944</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 457,901	\$ 571,464	\$ 691,819	\$ 640,173	\$ 534,279	\$ 574,117	\$ 676,862	\$ 759,513	\$ 923,139	\$ 929,249
Public safety	698,310	878,141	1,168,258	1,098,016	974,955	1,010,111	911,592	1,109,495	1,667,291	1,521,500
Highways and streets	261,658	235,020	229,555	214,272	259,161	311,408	315,999	494,732	509,082	502,436
Culture and recreation	483,727	585,033	1,355,365	926,530	373,669	1,126,441	13,869	37,474	55,875	42,710
Operating grants and contributions	508,694	379,185	368,099	461,826	603,389	774,960	707,228	2,004,445	996,098	1,349,233
Capital grants and contributions	3,809,965	5,026,857	4,765,578	3,434,344	4,930,496	5,637,619	9,697,841	5,163,608	9,887,748	9,265,973
Total governmental activities program revenues	<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>	<u>14,039,233</u>	<u>13,611,101</u>
Business-type activities:										
Charges for services:										
Water utility	1,953,478	2,772,003	3,484,687	2,138,209	2,541,651	3,057,474	2,962,563	3,574,961	3,168,402	3,610,668
Sewer utility	1,458,250	1,784,755	2,182,944	1,672,072	1,714,469	1,805,614	1,876,957	1,994,465	2,425,906	2,560,621
Street light utility	196,253	204,418	211,360	217,169	216,545	222,364	230,392	234,607	242,950	257,712
Recycling utility	308,052	310,471	317,090	319,940	319,664	440,097	452,107	456,106	468,514	483,595
Storm water utility	1,034,552	958,960	1,057,705	1,168,494	1,164,868	1,197,572	1,230,582	1,252,659	1,350,416	1,589,573
Operating grants and contributions	67,100	92,602	72,257	67,961	57,865	73,524	57,700	100,369	88,200	70,390
Capital grants and contributions	1,799,057	1,864,137	906,190	2,596,210	1,683,338	3,756,359	4,839,693	3,949,772	7,812,542	6,732,029
Total business-type activities program revenues	<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>	<u>15,556,930</u>	<u>15,304,588</u>
Total government program revenues	<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>	<u>\$ 29,596,163</u>	<u>\$ 28,915,689</u>
Net (expense)/revenue										
Governmental activities	\$ (10,832,217)	\$ (10,691,716)	\$ (8,493,771)	\$ (11,253,637)	\$ (11,699,951)	\$ (11,041,637)	\$ (9,599,819)	\$ (18,325,981)	\$ (13,521,514)	\$ (16,466,806)
Business-type activities	2,611,338	3,889,407	4,002,941	3,922,755	3,004,327	5,637,274	6,328,261	5,724,996	9,161,934	8,408,551
Total government net expense	<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>	<u>\$ (4,359,580)</u>	<u>\$ (8,058,255)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 10,674,696	\$ 11,136,810	\$ 12,384,300	\$ 12,894,388	\$ 13,744,948	\$ 14,761,012	\$ 17,637,477	\$ 20,126,982	\$ 23,041,341	\$ 23,699,395
Franchise fees	-	-	-	-	423,045	2,071,476	4,859	-	-	-
General grants and contributions	3,905	3,586	102,994	5,617	2,053,933	2,963	3,644	3,223	3,760	135,308
Investment earnings (charges)	280,597	454,089	578,770	1,122,573	1,035,274	(164,122)	(286,023)	2,562,165	2,530,184	2,084,759
Gan on sale of capital assets	-	5,530	75,047	8,428	2,372	22,325	22,500	20,000	94,090	55,075
Transfers	214,445	133,000	137,500	(506,494)	6,229,699	85,147	93,147	74,424	(694,468)	35,012
Total governmental activities	<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>	<u>24,974,907</u>	<u>26,009,549</u>
Business-type activities:										
Investment earnings (charges)	325,628	492,594	650,053	1,462,125	1,391,802	(220,914)	(4,935,417)	3,147,802	1,940,725	2,243,120
Transfers	(214,445)	(133,000)	(137,500)	506,494	(6,229,699)	(85,147)	(93,147)	(74,424)	694,468	(35,012)
Total business-type activities	<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>	<u>2,635,193</u>	<u>2,208,108</u>
Total government	<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>	<u>\$ 27,610,100</u>	<u>\$ 28,217,657</u>
Change in Net Position										
Governmental activities	\$ 341,426	\$ 1,041,299	\$ 4,784,840	\$ 2,270,875	\$ 11,789,320	\$ 5,737,164	\$ 7,875,785	\$ 4,460,813	\$ 11,453,393	\$ 9,542,743
Business-type activities	2,722,521	4,249,001	4,515,494	5,891,374	(1,833,570)	5,331,213	1,299,697	8,798,374	11,797,127	10,616,659
Total government	<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>	<u>\$ 23,250,520</u>	<u>\$ 20,159,402</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>		
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
2024	19,752,163	3,289,178	-	23,041,341
2025	21,504,747	2,194,648	-	23,699,395

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)

	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General fund										
Nonspendable	\$ 15,431	\$ 12,393	\$ 21,335	\$ 23,640	\$ 16,849	\$ 36,195	\$ 30,636	\$ 28,616	\$ 13,012	\$ 26,466
Unassigned	<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>	<u>13,311,361</u>	<u>14,436,283</u>
Total general fund	<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>	<u>\$ 13,324,373</u>	<u>\$ 14,462,749</u>
Nonspendable	\$ 450	\$ 920	\$ 1,205	\$ 1,801	\$ 295	\$ 52	\$ 6,274	\$ 4,755	\$ 1,044	\$ 2,993
Restricted	18,377,993	18,187,321	19,369,642	19,957,595	27,518,666	17,331,642	30,308,803	29,623,622	14,953,404	11,000,150
Committed	1,041,932	1,226,234	1,631,444	1,184,262	1,326,070	1,611,150	1,682,136	1,932,107	1,514,777	1,891,396
Assigned	13,331,150	13,394,815	14,094,178	15,297,043	18,886,283	17,358,673	18,344,251	20,878,473	29,749,235	30,327,916
Unassigned	<u>(87,659)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>\$ 46,218,460</u>	<u>\$ 43,222,455</u>

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property taxes	\$ 10,684,896	\$ 11,150,611	\$ 12,416,534	\$ 12,872,234	\$ 13,682,348	\$ 14,846,572	\$ 17,632,758	\$ 19,751,514	\$ 23,350,614	\$ 23,677,388
Franchise fees	-	-	-	-	423,045	2,071,476	4,859	-	-	-
Special assessments	444,235	959,217	559,599	1,025,527	484,810	766,131	104,223	562,227	105,484	81,689
Licenses and permits	526,008	732,129	1,031,944	901,222	850,504	917,645	843,010	1,058,097	1,610,437	1,446,884
Intergovernmental revenue	1,795,988	2,213,034	2,947,966	1,518,639	5,793,188	1,610,478	6,223,407	5,526,102	3,455,486	3,664,694
Charges for services	1,298,085	1,469,703	2,355,969	1,892,517	1,246,378	2,038,120	1,852,610	1,301,177	1,508,990	1,481,591
Contributions	-	-	-	-	-	-	-	779,800	2,481,859	781,064
Fines and forfeits	66,410	59,701	46,651	49,479	34,735	51,153	45,717	39,681	8,603	53,017
Investment earnings (charges)	276,142	447,200	570,243	1,104,969	1,020,655	(161,690)	(282,114)	2,542,431	2,509,879	2,065,296
Other	773,836	707,675	765,601	1,036,319	842,747	1,064,495	1,490,779	813,340	1,363,671	802,213
Total Revenues	<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>	<u>36,395,023</u>	<u>34,053,836</u>
Expenditures										
General government	3,537,925	4,031,933	4,212,365	4,358,408	4,849,293	3,941,404	4,047,511	4,455,734	4,881,806	5,479,491
Public safety	4,234,482	4,727,493	4,788,902	5,360,402	5,967,770	6,415,511	6,829,377	7,412,982	8,160,476	8,865,263
Highways and streets	2,199,615	2,542,463	2,390,707	2,528,216	2,068,827	2,164,326	2,497,987	5,552,834	4,054,306	4,787,571
Culture and recreation	1,478,090	1,960,624	1,291,816	1,281,153	1,476,727	1,417,251	1,467,113	1,679,826	1,883,848	2,044,948
Economic development	-	-	-	-	481,858	2,140,267	1,096,422	1,705,446	1,488,674	1,342,690
Capital outlay	2,756,193	1,922,947	3,568,285	1,505,922	7,406,231	16,026,400	6,857,075	13,278,567	15,862,434	9,174,063
Debt service										
Principal	1,735,000	2,085,000	2,100,000	2,280,000	4,045,000	1,930,000	1,915,000	2,495,000	2,940,000	2,980,000
Interest	965,474	967,281	923,125	854,188	873,623	851,152	640,244	1,249,179	1,685,140	1,327,526
Total Expenditures	<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>	<u>40,956,684</u>	<u>36,001,552</u>
Excess (deficiency) of revenues over expenditures	(1,041,179)	(498,471)	1,419,307	2,232,617	(2,790,919)	(11,681,931)	2,564,520	(5,455,199)	(4,561,661)	(1,947,716)
Other financing sources (uses)										
Debt issued	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	-	-	-	-	-	(10,510,000)	-	-	-	-
Premium on debt issues	69,482	5,590	35,246	-	4,068	809,201	1,240,343	314,131	-	-
Proceeds on sale of capital assets	-	5,530	75,047	8,428	2,372	46,443	46,443	20,000	94,090	55,075
Transfers in	2,183,931	1,536,025	1,447,137	1,714,327	11,238,331	2,049,840	2,049,840	2,028,162	6,680,170	5,645,763
Transfers (out)	(1,418,350)	(1,403,025)	(1,287,049)	(2,220,821)	(5,008,632)	(1,628,914)	(1,628,914)	(1,953,738)	(7,374,638)	(5,610,751)
Total other financing sources (uses)	<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>	<u>(600,378)</u>	<u>90,087</u>
Net change in fund balances	<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>	<u>\$ (5,162,039)</u>	<u>\$ (1,857,629)</u>
Debt service as a percentage of noncapital expenditures	<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>	<u>18.43%</u>	<u>16.06%</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>		
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
2024	20,061,436	3,289,178	-	23,350,614
2025	21,482,740	2,194,648	-	23,677,388

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
Tax Capacity, Market Value, and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended Dec 31	Real Property		Personal Property	Total Taxable Market Value	Tax Capacity Value	Total Direct Tax Rate	Estimated Actual Value	Tax Capacity Value as a Percentage of Market Value
	Residential Property	Commercial Property	Other					
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%
2024	3,725,554,018	643,059,500	29,174,400	4,397,787,918	51,107,789	41.430	4,498,605,200	1.16%
2025	3,671,654,312	650,275,400	37,246,900	4,359,176,612	50,609,145	46.214	4,528,945,500	1.16%

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									
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
2024	34.514	6.916	41.430	25.629	13.592	23.924	3.481	84.132	94.464
2025	39.905	6.309	46.214	30.245	13.598	25.252	3.590	93.647	105.301

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	2025			2016		
	Taxable Market Value	Rank	Percentage of Total Taxable Market Value	Taxable Market Value	Rank	Percentage of Total Taxable Market Value
Residence at the COR Apartments	\$ 43,000,000	1	0.99%	\$ 27,019,400	1	1.38%
Affinity at Ramsey, LLC	32,468,000	2	0.74%	–	–	N/A
AMP Ex, LLC	24,426,900	3	0.56%	–	–	N/A
Minnegaso Inc.	23,899,200	4	0.55%	6,531,300	8	0.33%
Parkview East, LLC	22,506,000	5	0.52%	–	–	N/A
Sapphire Apartments	22,000,000	6	0.50%	–	–	N/A
Ramsey Industrial - Oppidan Building 2	19,247,300	7	0.44%	–	–	N/A
Ramsey Industrial - Oppidan Building 1	19,202,400	8	0.44%	–	–	N/A
Life Fitness LLC	18,800,000	9	0.43%	–	–	N/A
Knoll Properties	16,500,000	10	0.38%	–	–	N/A
Connexus Energy/Anoka Electric	–	–	N/A	15,020,600	2	0.77%
PSD, LLC	–	–	N/A	10,553,600	3	0.54%
S & A Partners, LLC	–	–	N/A	9,371,200	4	0.48%
Sophia-Ramsey LLC	–	–	N/A	8,373,900	5	0.40%
Brunswick Corporation	–	–	N/A	7,966,700	6	0.41%
Northstar Marketplace Station	–	–	N/A	7,415,900	7	0.38%
Vision Ease/Insight Equity APX	–	–	N/A	5,724,900	9	0.29%
Zero-Zone Refrigeration	–	–	N/A	4,385,100	10	0.22%
Total principal property taxpayers	\$ 242,049,800		5.54%	\$ 102,362,600		5.20%

Source: County Board of Equalization and Assessment

N/A - Not Applicable

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy (2)		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	55,542	18,098,029	99.25%
2024	20,279,701	20,155,145	99.39%	–	20,155,145	99.39%
2025	21,950,694	21,507,139	97.98%	–	21,507,139	97.98%

Source: Anoka County records

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

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	General Obligation Bonded Debt	Unamortized Bond Premiums	Capital Equipment Certificates			
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
2024	36,740,000	1,915,176	1,295,000	39,950,176	3.10%	1,385
2025	33,875,000	1,730,740	1,180,000	36,785,740	2.72%	1,268

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>
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	2,749,577	21,140,423	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
2024	36,740,000	1,915,176	1,295,000	878,907	39,071,269	0.89%	1,354
2025	33,875,000	1,730,740	1,180,000	622,753	36,162,987	0.83%	1,246

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 balance 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, 2025

<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	\$ 53,310,000	7.95%	\$ 4,239,733
ISD No. 11, Anoka-Hennepin	223,625,000	10.63%	23,772,355
ISD No. 728, Elk River	280,715,000	3.17%	8,899,473
Metropolitan Council	202,510,308	0.78%	<u>1,574,621</u>
Subtotal, overlapping debt			<u>38,486,183</u>
City of Ramsey direct debt	36,785,740	100.00%	<u>36,785,740</u>
Total direct and overlapping debt			<u>\$ 75,271,923</u>

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

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

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

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 62,348,919	\$ 65,840,919	\$ 72,493,821	\$ 77,913,726	\$ 81,439,488	\$ 87,330,236	\$ 96,699,532	\$ 120,961,681	\$ 131,933,638	\$ 130,775,298
Total net debt applicable to limit	<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>	<u>36,085,530</u>	<u>33,847,671</u>
Legal debt margin	<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>	<u>\$ 95,848,108</u>	<u>\$ 96,927,627</u>
Total net debt applicable to limit as a percentage of debt limit	29.38%	26.51%	22.68%	19.64%	28.48%	24.97%	32.78%	31.63%	27.35%	25.88%

Legal Debt Margin Calculation for Fiscal Year 2025

Taxable Market value	\$ 4,359,176,612
Debt limit (3% of market value)	130,775,298
Debt applicable to limit:	
Total bonded debt and certificates	\$ 35,055,000
Less:	
Obligations issued with special assessments	(740,000)
Amounts available in respective Debt Service Funds	<u>(467,329)</u>
Total deductions	<u>(1,207,329)</u>
	<u>33,847,671</u>
Legal debt margin	<u>\$ 96,927,627</u>

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

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
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%
2024	28,850	1,290,172,000	44,720	6,892	3.0%
2025	29,012	1,352,597,464	46,622	6,749	4.3%

(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>2025</u>			<u>2016</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>
Life Fitness/Parabody Inc.	363	1	4.82%	460	1	7.48%
BMC/Hoya Vision Ease/Care	301	2	4.00%	300	2	4.88%
ISD No. 11 (located in Ramsey)	275	3	3.65%	126	7	2.05%
Anderson & Dahlen (Knoll Properties)	269	4	3.57%	150	5	2.44%
Pact Charter School	233	5	3.09%	–	–	N/A
Showdown Displays	228	6	3.03%	252	3	4.10%
Connexus Energy/Anoka Electric	218	7	2.89%	250	4	4.07%
Green Valley Greenhouse	208	8	2.76%	–	–	N/A
Zero Zone Refrigeration	207	9	2.75%	–	–	N/A
Delta ModTech	205	10	2.72%	–	–	N/A
Coborns	–	–	N/A	130	6	2.11%
Ham Lake Haulers	–	–	N/A	104	8	1.69%
RJM Distributing	–	–	N/A	100	9	1.63%
City of Ramsey	–	–	N/A	86	10	1.40%
Total	2,507		33.28%	1,958		31.85%

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

** Source 2025 Q4: DEED Employment; Workforce 7,534

N/A - Not Applicable

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

<u>Function</u>	<u>Fiscal Year</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>	<u>2024</u>	<u>2025</u>
General government	17.36	18.36	18.86	18.92	19.10	19.20	21.70	22.50	24.60	26.70
Public safety										
Police										
Officers	24.00	26.26	26.26	27.00	27.00	29.00	29.00	30.00	30.00	30.00
Civilians	4.00	3.50	3.50	4.74	4.84	5.52	6.13	6.13	6.13	6.63
Fire										
Firefighters and officers	9.58	9.58	9.58	10.58	10.58	10.58	11.58	11.58	14.00	15.00
Civilians	1.00	0.70	0.70	0.70	0.70	0.70	-	-	-	-
Protective Inspections	3.75	3.75	3.25	2.81	2.81	3.82	4.85	4.85	5.20	5.50
Highways and streets										
Engineering	7.00	7.00	6.00	6.00	6.00	6.00	6.00	7.00	8.00	8.00
Streets	8.50	8.50	10.50	10.00	9.00	9.00	9.00	11.00	11.00	11.00
Maintenance	5.00	5.00	5.00	3.13	3.13	3.50	3.50	3.63	3.00	3.00
Culture and recreation	3.97	3.97	3.97	8.50	8.50	9.50	9.50	11.00	12.00	12.00
Water	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Total	88.16	90.62	91.62	96.38	95.66	100.82	105.26	112.69	118.93	122.83

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	<u>2016</u>	<u>2017</u>	<u>2018</u>	Fiscal Year <u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Police*										
Number of arrests	273	255	289	331	292	331	214	269	274	318
Motor Vehicle Accidents	289	162	466	423	335	403	468	384	387	417
Traffic violations	4,855	2,997	1,812	1,278	1,094	1,234	954	968	1,481	1,513
Fire										
Number of calls answered	498	698	821	975	1,133	1,301	1,381	1,735	2,016	2,284
Inspections**	134	158	194	508	209	414	446	448	604	1,126
Highways and streets										
Street resurfacing (miles)	19.84	13.41	15.45	16.27	2.52	7.3	5.9	8.46	11.36	9.35
Culture and recreation										
Park Acreage maintained	571	571	571	572	572	572	572	580	589	605
Trails/sidewalks maintained (miles)***	50	55	55	97	97	100	100	119	120	120
Water										
Number of connections	4,510	4,611	4,777	4,884	5,038	5,210	5,370	5,519	5,650	5,954
Water main breaks	1	0	0	0	0	0	0	0	3	0
Average daily consumption (gallons)	1,645,027	1,923,213	1,948,161	1,755,575	2,004,024	2,402,742	2,236,545	2,483,054	2,013,405	2,261,400

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	10	10	10	11	11	11	12	12	12	13
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles) *	183.27	184.70	186.01	186.59	187.80	188.55	189.85	190.27	190.47	192.16
Streetlights	1,179	1,194	1,213	1,226	1,243	1,255	1,272	1,351	1,364	1,369
Culture and recreation										
Parks acreage	585	585	585	586	586	586	586	587	603	619
Parks **	38	38	38	39	39	39	39	39	40	41
Tennis/pickleball courts ***	10	10	10	10	10	14	14	14	14	14
Water										
Water mains (miles)	91	94	97	98	99	100	101	107	112	114
Fire hydrants	1,047	1,079	1,100	1,150	1,160	1,194	1,239	1,260	1,300	1,315
Maximum daily capacity ****	5,112,000	5,112,000	5,112,000	5,112,000	5,112,000	5,112,000	5,112,000	5,112,000	5,112,000	4,356,000
Sewer										
Sanitary sewers (miles)	65	67	69	72	73	75	75	78	81	83
Storm sewers (miles)	43	46	47	54	55	62	64	65	66	67

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 40 total parks with 33 receiving some form of maintenance

*** In 2021 pickleball courts were added.

**** Maximum water city is able to produce in 12 hour period. Well #1 taken off-line in 2025.