



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Ramsey County, Minnesota 2017

YEAR ENDED DECEMBER 31, 2017

FINANCIAL HIGHLIGHTS

| (Dollars in thousands except per capita amounts) | | 2017 | 2016 | Percent Change |
|---|-----------------------------|-------------------|--------------------|----------------|
| Government-wide Financial Statements: | | | | |
| Assets and Deferred Outflows of Resources | | \$ 1,644,612 | \$ 1,674,290 | -1.8% |
| Liabilities and Deferred Inflows of Resources | | 814,270 | 888,680 | -8.4% |
| Net Position | | <u>\$ 830,342</u> | <u>\$ 785,610</u> | 5.7% |
| Government-wide Financial Statements: | | | | |
| Revenues | | \$ 678,191 | \$ 686,231 | -1.2% |
| Expenses | | 656,628 | 698,436 | -6.0% |
| Increase in Net Position | | <u>\$ 21,563</u> | <u>\$ (12,205)</u> | -276.7% |
| Investment/Cash Ratio | | 94.7% | 95.1% | -0.4% |
| Average Investment Book Yield | | 1.58% | 1.23% | 28.5% |
| General Obligation and Revenue Bond Debt | | \$ 193,602 | \$ 222,142 | -12.8% |
| Net General Obligation and Revenue Bond Debt Per Capita | | \$ 375.99 | \$ 444.51 | -15.4% |
| Bond Ratings | Moody's Investor Service | Aaa | Aaa | |
| | Standard and Poor's | AAA | AAA | |
| Property Taxes * | Levy (General County) | 279,639 | 272,055 | 2.8% |
| | Net Tax Capacity Rates | 51.17 | 54.01 | -5.3% |
| | Net Tax Capacity (Adjusted) | 541,767 | 503,156 | 7.7% |
| | Market Values | 44,283,106 | 41,446,692 | 6.8% |
| Number of Budgeted Employees (FTE) | | <u>3,928.96</u> | <u>3,939.69</u> | -0.3% |

* Property Tax calculations are based on payable year not levy year.

Comprehensive Annual Financial Report

of the

County of Ramsey, Minnesota

Fiscal Year Ended December 31, 2017

BOARD OF COUNTY COMMISSIONERS

District 1, Blake Huffman

District 2, Mary Jo McGuire

District 3, Janice Rettman

District 4, Toni Carter

District 5, Rafael Ortega

District 6, Jim McDonough

District 7, Victoria Reinhardt, Chair

County Manager, Julie Kleinschmidt
Chief Financial Officer, Lee Mehrkens

Prepared by: Finance Division of the County Manager's Department

TABLE OF CONTENTS

| | Page No. |
|--|-----------------|
| SECTION I – INTRODUCTORY SECTION | 1 |
| List of Principal Officials | 2 |
| Transmittal Letter | 3-8 |
| Organizational Chart | 9 |
| Certificate of Achievement for Excellence in Financial Reporting | 10 |
| SECTION II – FINANCIAL SECTION | 11 |
| Independent Auditor’s Report | 12-14 |
| Management’s Discussion and Analysis | 15-24 |
| <u>BASIC FINANCIAL STATEMENTS</u> | 25 |
| Government-Wide Financial Statements: | |
| Statement of Net Position | Exhibit 1 26-27 |
| Statement of Activities | Exhibit 2 28 |
| Fund Financial Statements: | |
| Governmental Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | Exhibit 3 29 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | Exhibit 4 30 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | Exhibit 5 31 |
| Proprietary Fund Financial Statements: | |
| Statement of Net Position – Proprietary Funds | Exhibit 6 32 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds | Exhibit 7 33 |
| Statement of Cash Flows – Proprietary Funds | Exhibit 8 34-35 |
| Fiduciary Fund Financial Statements: | |
| Statement of Fiduciary Net Position – Fiduciary Funds | Exhibit 9 36 |
| Statement of Changes in Fiduciary Net Position – Fiduciary Funds | Exhibit 10 37 |
| Notes to the Financial Statements | 38-75 |

TABLE OF CONTENTS (Continued)

| | | Page No. |
|--|-------------|----------|
| <u>REQUIRED SUPPLEMENTARY INFORMATION:</u> | | 76 |
| Schedule of Revenues, Expenditures, and Changes in Fund | | |
| Balance – Budget and Actual General Fund | Schedule 1 | 77-78 |
| Schedule of Funding Progress - Other Post-Employment Benefit Plan | Schedule 2 | 79 |
| PERA General Employees Retirement Plan Schedules | | |
| Proportionate Share of Net Pension Liability | Schedule 3 | 80 |
| Contributions | Schedule 4 | 80 |
| PERA Public Employees Police and Fire Retirement Plan Schedules | | |
| Proportionate Share of Net Pension Liability | Schedule 5 | 81 |
| Contributions | Schedule 6 | 81 |
| PERA Public Employees Correctional Plan Schedules | | |
| Proportionate Share of Net Pension Liability | Schedule 7 | 82 |
| Contributions | Schedule 8 | 82 |
| Notes to the Required Supplementary Information | | |
| Budgetary Information | | 83 |
| Defined Benefit Pension Plans | | 84-85 |
| <u>SUPPLEMENTARY INFORMATION:</u> | | |
| <u>MAJOR FUND BUDGET AND ACTUAL SCHEDULE:</u> | | 86 |
| Schedule of Revenues, Expenditures, and Changes in Fund | | |
| Balance – Budget and Actual Debt Service Fund | Schedule 9 | 87 |
| <u>COMBINING STATEMENTS:</u> | | 88 |
| Nonmajor Governmental Funds | | 89-90 |
| Combining Balance Sheet – Nonmajor Governmental Funds | Statement 1 | 91-94 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds | Statement 2 | 95-98 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual: | | |
| County Library Special Revenue Fund | Schedule 10 | 99 |
| Solid Waste/Recycling Service Fee Special Revenue Fund | Schedule 11 | 100 |
| Emergency Communications Special Revenue Fund | Schedule 12 | 101 |
| 4R Program Special Revenue Fund | Schedule 13 | 102 |
| Forfeited Property Management Special Revenue Fund | Schedule 14 | 103 |
| Regional Railroad Authority Special Revenue Fund | Schedule 15 | 104 |
| Regional Railroad Authority Debt Service Fund | Schedule 16 | 105 |
| Internal Service Funds | | 106 |
| Combining Statement of Net Position – Internal Service Funds | Statement 3 | 107 |
| Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds | Statement 4 | 108 |
| Combining Statement of Cash Flows – Internal Service Funds | Statement 5 | 109 |

TABLE OF CONTENTS (Continued)

| | Page No. |
|--|------------------------|
| <u>SUPPLEMENTARY INFORMATION:</u> (Continued) | |
| Fiduciary Funds | 110 |
| Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds | Statement 6 111 |
| Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds | Statement 7 112 |
| Statement of Changes in Assets and Liabilities – Agency Fund | Statement 8 113 |
| | |
| <u>SUPPLEMENTARY SCHEDULES:</u> | 114 |
| Schedule of Intergovernmental Revenues | Schedule 17 115-117 |
| Schedule of Expenditures of Federal Awards | Schedule 18 118-121 |
| Notes to Schedule of Expenditures of Federal Awards | 122 |
| | |
| SECTION III – STATISTICAL SECTION | 123 |
| Statistical Section Content | 124 |
| Financial Trends | |
| Net Position by Component | Table I 125 |
| Changes in Net Position | Table II 126-127 |
| Fund Balances of Governmental Funds | Table III 128 |
| Changes in Fund Balances of Governmental Funds | Table IV 129 |
| Revenue Capacity | |
| Net Tax Capacity and Market Value of Property | Table V 130 |
| Property Tax Rates and Tax Levies | Table VI 131 |
| Property Tax Levies and Collections | Table VII 132 |
| Debt Capacity | |
| Ratios of General Outstanding Debt by Type | Table VIII 133 |
| Ratios of General Bonded Debt Outstanding | Table IX 134 |
| Direct and Overlapping Governmental Activities Debt | Table X 135 |
| Legal Debt Margin Information | Table XI 136 |
| Demographic and Economic Information | |
| Principal Property Taxpayers | Table XII 137 |
| Demographic and Economic Statistics | Table XIII 138 |
| Principal Employers | Table XIV 139 |
| Operating Information | |
| Insurance in Force | Table XV 140-141 |
| Full-Time-Equivalent County Employees by Function/Program | Table XVI 142 |
| Operating Indicators by Function | Table XVII 143 |
| Capital Assets Statistics by Function | Table XVIII 144 |

SECTION I
INTRODUCTORY SECTION

RAMSEY COUNTY
LIST OF PRINCIPAL OFFICIALS
As of December 31, 2017

Elected Officials

| Commissioners | Name | Term Expires |
|----------------------|---------------------------|---------------------|
| 1st District | Blake Huffman | January 1, 2021 |
| 2nd District | Mary Jo McGuire | January 1, 2021 |
| 3rd District | Janice Rettman | January 1, 2019 |
| 4th District | Toni Carter | January 1, 2019 |
| 5th District | Rafael Ortega | January 1, 2019 |
| 6th District | Jim McDonough | January 1, 2019 |
| 7th District | Victoria Reinhardt, Chair | January 1, 2021 |
| | | |
| Officers | | |
| County Attorney | John Choi | January 1, 2019 |
| County Sheriff | John G. Serier | January 1, 2019 |

Appointed Officials

| | | |
|--|-----------------------|-------------------|
| County Manager | Julie Kleinschmidt | Indefinite |
| Chief Financial Officer | Lee Mehrkens | Indefinite |
| Deputy County Managers: | | |
| Economic Growth and Community Investment | Johanna Berg, Interim | December 31, 2017 |
| Health and Wellness | Ryan O'Connor | Indefinite |
| Information and Public Records | Johanna Berg | Indefinite |
| Safety and Justice | Scott Williams | Indefinite |
| County Assessor | Luis Rosario | December 31, 2020 |
| County Engineer | James Tolaas | May 30, 2020 |
| Human Resources Director | Gail Blackstone | Indefinite |
| Medical Examiner | Dr. Michael McGee | December 31, 2020 |

June 18, 2018

Honorable Chair and Commissioners
Ramsey County Board of Commissioners
Room 220 Court House
St. Paul, Minnesota 55102

Commissioners:

The comprehensive annual financial report of Ramsey County is submitted for the fiscal year ended December 31, 2017. This report was prepared by the Department of Finance. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with County management. This report conforms to Generally Accepted Accounting Principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB).

We believe the data are accurate in all material aspects, and set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds, and all disclosures necessary to enable maximum understanding of the County's financial affairs.

Copies of this report will be sent to elected officials, County management, credit rating agencies, financial institutions, and governmental agencies, which have expressed an interest in Ramsey County's financial affairs, and will be made available on the Ramsey County website.

The County is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management & Budget Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)." The schedule of expenditures of federal awards (SEFA) is included in this report on Schedule 18. The findings and recommendations and auditor's report on the internal control structure and compliance with applicable laws and regulations will be included in the Auditor's Management and Compliance letter to the County and is not part of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

INTERNAL CONTROL

To provide a reasonable basis for making these representations, Ramsey County has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of Ramsey County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Ramsey County's comprehensive framework of internal controls has been designed to provide a reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. All internal control evaluations occur within this framework.

GENERAL INFORMATION

Ramsey County has an area of 170.2 square miles (107,520 acres) and is the State's second most populous county. Ramsey County was organized on October 27, 1849 and is governed by the general laws of the State of Minnesota. On November 6, 1992, the County became the first Home Rule Charter County in the State, which provides additional powers to the County. The City of Saint Paul comprises slightly less than half of the County's total taxable value, and is the Minnesota State Capital and the County Seat.

GOVERNMENTAL ORGANIZATION AND SERVICES

A seven-member Board of Commissioners determines County policy and decides how money should be spent for the well-being of the people it represents. All members serve overlapping four-year terms of office. Each member also serves on numerous other boards and committees.

The Board appoints the County Manager who is the chief administrative officer of the County. The County Manager is responsible for the administration of Board policy and for the management of the various County departments.

The County provides a full range of services contemplated by statute. This includes public safety, recreation, public works, health services, cultural, human services, vital statistics, and tax assessment and collection. The County also operates, as enterprise funds, a nursing home, a home for developmentally disabled residents, a sports complex, and a community contracting service division.

REPORTING ENTITY

The financial reporting entity includes all funds of the County including component units. Component units are legally separate entities for which the primary government is financially accountable. The criteria used in determining the reporting entity are consistent with the GASB Statement 61.

Blended component units are legally separate entities which, in substance, are part of the primary government's operation and, therefore, part of the primary government. Accordingly, the Ramsey County Regional Railroad Authority and the Ramsey County Housing & Redevelopment Authority are reported as special revenue funds.

MAJOR COUNTY INITIATIVES

Ramsey County's major initiatives and achievements reflect our intensified focus on the vision, mission, and four goals adopted by the County Board. The goals are intended to support and enhance the prosperity of our residents and businesses both now and into the future.

In the 2017 Strategic Plan, we identified 13 priorities for our work in support of all four countywide goals: Well-Being, Prosperity, Opportunity, and Accountability. The following overview of Ramsey County's major initiatives and achievements in 2017 shows our progress in each strategic priority, moving us closer to our vision for a vibrant community where all are valued and thrive.

1. Inclusive, Effective and Meaningful Community Engagement

Successful community engagement that goes beyond outreach and empowers diverse community voices is resource intensive and will benefit from increased countywide coordination and support. Specific outreach to communities of color and other traditionally under-represented communities is vital to helping ensure that equity remains a central focus. In 2017, community engagement and racial equity were incorporated into the budgeting process. In 2018, work will continue to build community engagement resources and skills, improve coordination countywide, and gain a greater understanding of key needs and strategies to achieve long-term success. We will identify key barriers in current county processes and structures that limit community engagement work, share community engagement resources across county departments, and improve community engagement coordination across departments.

2. Talent Attraction, Retention and Promotion

To meet the evolving needs of our community, Ramsey County must attract, retain, and promote a diverse and talented workforce. We are working to ensure Ramsey County is recognized as the premier public-sector employer within the region. In 2017, the county conducted a major organization-wide study of employee data and perspectives to identify key themes for our efforts. In 2018, we will form cross-functional project teams, create work plans, and begin implementation of study recommendations.

3. Procurement as a Tool to Strengthen the Community

Through continued improvements in purchasing, contract preparation and contract management, coupled with a steadfast countywide commitment to prioritize Small Business Enterprises (SBE), the county can create new and expanded opportunities to grow and sustain small and diverse businesses, especially women-owned, veteran-owned,

3. Procurement as a Tool to Strengthen the Community

Through continued improvements in purchasing, contract preparation and contract management, coupled with a steadfast countywide commitment to prioritize Small Business Enterprises (SBE), the county can create new and expanded opportunities to grow and sustain small and diverse businesses, especially women-owned, veteran-owned, non-profits and minority-owned businesses. In 2017, Ramsey County expanded its database of registered SBEs to over 2000 business, nearly 400 of them located within Ramsey County itself. In 2018, Ramsey County will enhance its purchasing, contract preparation and contract management approach to create opportunities that grow prosperity for local and diverse businesses throughout the community. The 2018 Strategic Plan emphasizes the continuing importance of this priority, rephrased as “Expand Contract Opportunities for Local and Diverse Businesses to Strengthen the Economic Vitality of the Community.”

4. Proactive and Comprehensive Risk Management

To mitigate risk as an employer, service provider, contractor, and in other areas, Ramsey County implemented an Enterprise Risk Management (ERM) strategy to proactively manage risk in an integrated and strategic manner. In 2017, Ramsey County made significant progress in this area, hiring an Enterprise Risk Manager and initiating a risk management framework and a 12-month work and communications plan. In 2018, we continue to implement the framework and plan; our progress has been substantive enough that we do not need to include this priority in the 2018 Strategic Plan.

5. Placing Health and Well-being at the Center of Decision-making

The county has an important role and responsibility to advance racial and health equity, with an emphasis on fair, inclusive and transparent processes and policies. Ramsey County has initiated community-wide conversations on equity to increase awareness and accountability and, in 2017, hired a Health Equity Officer to structurally and holistically advance equity across the county. In 2018, Ramsey County will develop a comprehensive countywide approach to advance racial and health equity by being fair, inclusive, and transparent in how we serve and engage residents and communities. We continue to include this priority in the 2018 Strategic Plan as “Advancing Racial and Health Equity in All Decision-making.”

6. Enhance the Continuum of Care for Youth

Ramsey County youth thrive when they have healthy minds and bodies, feel supported by their community and hopeful about their futures. Their wellbeing exists within the context of family and caregiver well-being, race, culture, and community. In 2017, Ramsey County created the framework for a long-term effort, The Youth Continuum of Care (YCC), to examine the big picture of the county’s systems impacting youth. In 2018, the YCC will develop an implementation plan to maximize the use of current continuum of care data and analysis to inform next steps and move the YCC work forward.

7. Stability Starts with a Place to Call Home

Ramsey County is working to improve access to safe, stable housing and reduce homelessness. In 2017, a new Interdepartmental Council on Housing Stability convened to facilitate countywide coordination and leadership. Additionally, Ramsey County worked with community and law enforcement partners to implement several programs that respond to both immediate and long-term challenges of homelessness for families and single adults. In 2018, we will develop a comprehensive, countywide inventory of all housing-related resources, and identify the system gaps and barriers that may lead people who were served in public programs to later experience housing instability.

8. Comprehensive Economic Development to Build Prosperity

Economic development improves the economic and social well-being of our residents. Every year Ramsey County invests millions of dollars in the community through infrastructure projects and the construction of other community assets. These investments can be leveraged to spur additional private investment and further equity goals in our community. Ramsey County continues to push forward on several large, multi-year redevelopment and transitway corridor projects, including Riverfront and Rice Creek Commons.

Saint Paul Riverfront Project: The redevelopment of Riverfront Properties is proceeding. Riverfront Properties is a premier site overlooking the Mississippi River, where the former Adult Detention Center and Ramsey County Government Center West buildings were previously located. To prepare the site for redevelopment, Ramsey County completed the deconstruction and remediation process of the older buildings. The County is nearing completion of construction of a concrete retaining wall for long-term erosion control. Ramsey County envisions a bold, mixed-use development befitting of the site’s unique

location. The County issued a Request for Development Interest (RDI) in November 2017 as the first step in an iterative, multiphase public process to select a developer for the site. The selection of a preferred developer is anticipated in 2018.

Rice Creek Commons: The clean-up of vacant land formerly known as the Twin Cities Army Ammunition Plant (TCAAP), once the largest polluted site in the county, is complete. Ramsey County and the City of Arden Hills are currently preparing the 427-acre site, now known as Rice Creek Commons, for development, returning this formerly vacant land to the tax rolls. The vision includes both residential and commercial development that would provide an estimated 4,000 jobs as well as homes for approximately 4,000 residents. In 2018, TCAAP Joint Development Authority will finalize a Master Development Agreement with Arden Hills LLC. Engineering and design work will also be finalized in 2018. Further out, site grading and infrastructure will commence in 2019 and construction of commercial and residential buildings could begin in 2020.

Other Economic Development priorities in 2018 include the hiring of an Economic Development Director; the development of a Ramsey County economic development strategic plan; and advancing transitway corridor plans such as the Rush Line and Riverview projects.

9. Accessible Service Delivery and Facilities

Ramsey County services should be accessible, welcoming, efficient, and cost-effective while aligning with our “Residents First” approach. Residents currently visit different locations to access needed county services. Redesigning and co-locating services in current and future anchor locations would benefit community members by creating one access point in more readily-identifiable county spaces. In 2018, a cross-disciplinary, countywide steering team will draw on previous work to examine opportunities for organizational alignment and improving service delivery at accessible county facility locations, and present facilities planning options to the Board of Commissioners.

10. Data Integration to Promote Successful Outcomes for Young People

Improved data sharing and integration countywide—across social service agencies, educational institutions, and justice partners—has the potential to identify at-risk youth and facilitate early intervention. This would enable shifting resources from expensive criminal justice interventions and toward early preventive measures that improve opportunities and reduce risk for young people, especially youth of color, who are disproportionately represented in the criminal justice system. In 2017, Ramsey County progressed toward a data-sharing joint powers agreement among the County, the City of St. Paul, and St. Paul Public Schools. In 2018, using data from the schools, juvenile justice system, and child welfare offices, we will build an early-alert tool that will flag youth and their families for voluntary interventions. Ramsey County will expand its work in the area of data integration to achieve more comprehensive transparency and accountability in government decision-making, in accordance with our commitment to a “residents-first” approach. This will build upon recent success in Ramsey County’s work with the Annie E. Casey Foundation’s Juvenile Detention Alternatives Initiative, which has already reduced out-of-home placements by 40% in one year.

11. Integrated Approach to Behavioral Health and Justice

With the criminal justice system seeing more individuals with unmet mental health needs, substance abuse, and/or chronic health problems, there is increasing demand for crisis services at our correctional facilities and hospital emergency departments, which are both costly and of limited long-term effectiveness. Through 2017, Ramsey County continued to work with local providers to develop and provide robust, coordinated services and engagement to prevent justice system involvement, maintain public safety, and improve long-term outcomes for these individuals. In 2018, the County expanded its efforts with the launch of a new Integrated Health and Justice Program and designation of a full-time administrator for this initiative.

12. Open and Accessible Public Data

Providing public data in an open and accessible form is fundamental to a resident-centered, transparent, and accountable organization. Ramsey County has been working on the Open and Accessible Public Data project since 2016 and has achieved significant progress, launching the online Open Data Portal on September 23, 2017 with the first wave of data sets, identifying the next wave of data sets to be released in 2018, and hiring an Open Data Portal Coordinator. We consider our success in these efforts to be substantive enough that we have retired this priority from the Strategic Plan.

13. Enhance Countywide Communication Strategies and Resources

Making all audiences aware of what the County offers in a professional, consistent, responsive manner is integral to high-quality service delivery. A high degree of coordination is required to maintain the best and most cost-effective use of communications resources. In 2017, Ramsey County created a Communications Division and hired a division director; completed a countywide inventory of existing communications products, strategies and contracts; exceeded all website and social media goals; and published a countywide Guide to Services brochure. In 2018, staff will continue to deliver high-quality, coordinated communications products and play a critical role in the County's strategic priority of community engagement. Our achievements in communications have been comprehensive enough that we have retired this priority from the Strategic Plan.

COUNTY DEBT POLICY

Ramsey County may issue debt to finance capital assets that, because of their long-term nature or because of budgetary constraints, cannot be acquired from current or budgeted resources. Debt is not issued to finance operational needs. Debt issuance must be completed in the most cost efficient, professional manner, in accordance with the highest standards of finance, law and prudent government practices.

Ramsey County's debt program is monitored for compliance with applicable state statutes and is measured against industry standard benchmarks of affordability. The County also strives to receive the highest possible credit ratings on its debt obligations, which have been rated in the highest credit category by two credit rating agencies since 2001.

The County also participates in a cross-jurisdictional effort to coordinate and monitor the impact of debt on taxpayers in the City of St. Paul. Elected officials and executive staff representing Ramsey County, the City of St. Paul, Independent School District 625, and the St. Paul Port Authority meet regularly as the Joint Property Tax Advisory Committee (JPTAC). The JPTAC initiates cooperative efforts to jointly plan for meeting the capital needs of each jurisdiction, coordinate general obligation financing of the areas capital needs, keep financings within agreed upon debt level targets, and monitor associated impacts on property taxes in the City of St. Paul. The committee adopts target ranges for certain debt position and ability to pay indicators as benchmarks for the jurisdictions. Many of the measurements used focus on the debt service levied and its effect on City taxpayers. The benchmarks have been consistently met since 1977.

INDEPENDENT AUDIT

Minnesota State Law requires an audit to be made of the books of account, financial records, and transactions of the County. This requirement has been complied with and the Auditor's report has been included in this report.

In addition to meeting the requirements set forth in state laws, the audit is also designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB's Uniform Guidance. The County's Auditors will issue a management and compliance letter covering the review made as part of the examination of Ramsey County's system of internal control and compliance with applicable legal provisions. This letter also reflects the results of the County's single audit under provisions of the OMB's Uniform Guidance.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ramsey County for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This is the 43rd year the County has received this award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for the biennium budget for the period beginning January 1, 2017. The County has received this award for the past 34 years. To qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

The County also received the GFOA's Popular Annual Financial Reporting Award for its 2016 Financial Report to Citizens. The award is given to those State and Local governments that issue an accessible and easily understandable financial report to the general public.

ACKNOWLEDGMENTS

The preparation of this report is the result of the dedicated service of all the financial staff of the County. We would like to express our appreciation to all staff that assisted and contributed to its preparation. We would also like to thank the County Board of Commissioners for their support in maintaining the highest standards of professionalism in the management of the County's finances.

Sincerely,

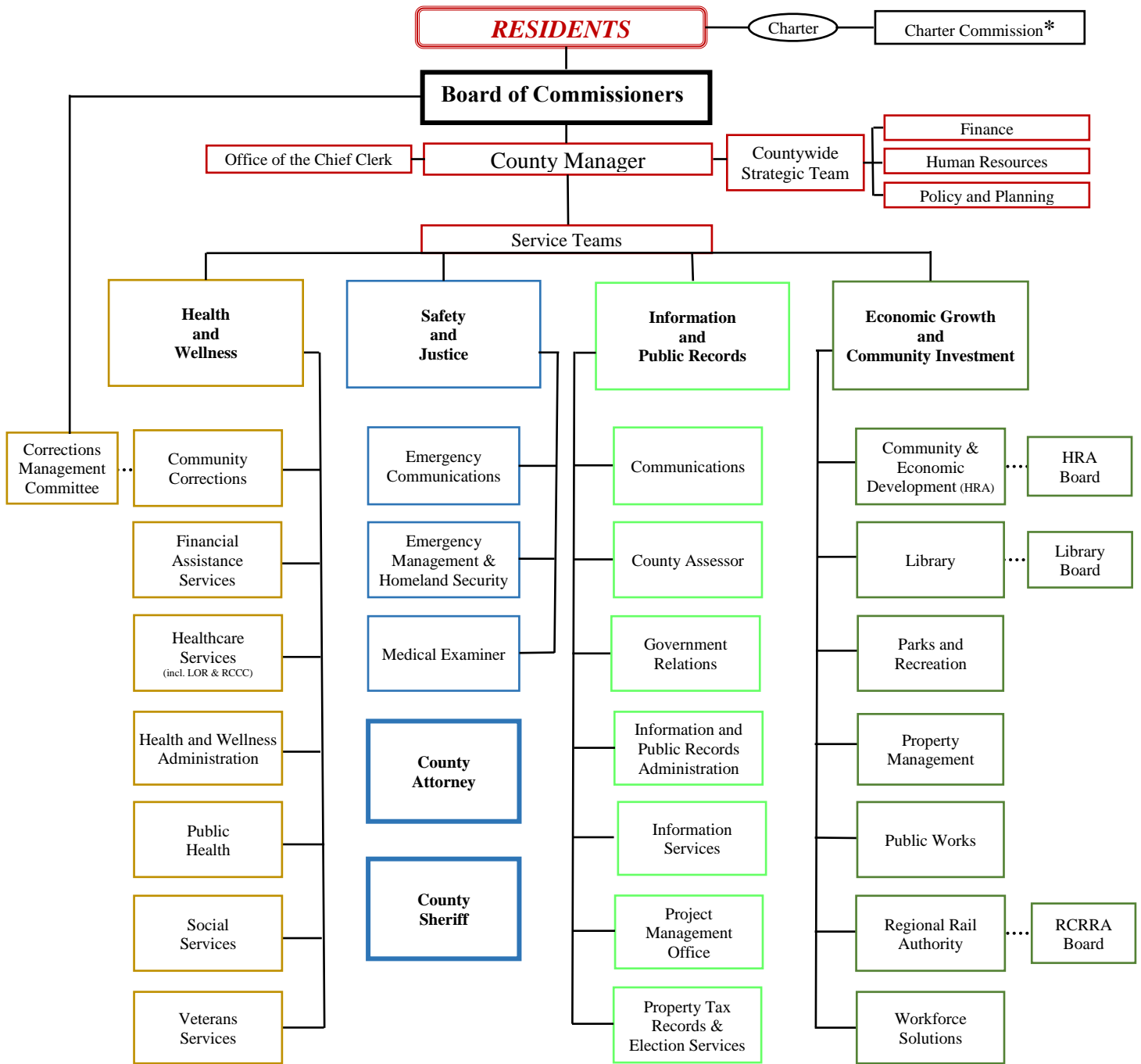


Julie Kleinschmidt
County Manager



Lee Mehrkens, Director, CFO
Finance Department

Organizational Chart



LEGEND

- * Appointed by District Court
- Policy Relationship
- BOLD** Elected Officials are strategic partners



Government Finance Officers Association

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

Presented to

**Ramsey County
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

SECTION II
FINANCIAL SECTION



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Ramsey County
Saint Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ramsey County, Minnesota, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ramsey County as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 required supplementary information 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ramsey County's basic financial statements. The introductory section, the supplementary information, and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2018, on our consideration of Ramsey County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Ramsey County’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 Ramsey County’s internal control over financial reporting and compliance.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 18, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Ramsey County offers readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2017. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on pages iii - viii of this report.

Financial Highlights

- As required by Governmental Accounting Standards Board (GASB), Ramsey County has recorded the portion of the Public Employees Retirement Association of Minnesota (PERA) liability attributed to Ramsey County employees. The total liability reflected on the financials this year is \$279,857,622.
- The assets and deferred outflow of resources of Ramsey County exceeded its liabilities and deferred inflow of resources at the close of its most recent fiscal year by \$830,342,002 (net position). Unrestricted Net Position of Ramsey County at the end of the year amounted to \$22,390,867.
- The assets and deferred outflow of resources of Ramsey County's governmental activities exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$846,206,424 (net position). Unrestricted Net Position of Ramsey County's governmental activities at the end of the year amounted to \$50,429,954.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$415,899,711 a decrease of \$5,559,519.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$218,104,849 or 47.1% of total General Fund expenditures.
- The County's total net position increased by \$23,168,216 for a prior period adjustment relating to capital assets. A further breakdown of this adjustment is included in the County's notes to the financial statements.
- The County's total General Obligation debt decreased by \$28,540,000 (12.85%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Ramsey County's basic financial statements. The financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements - The government-wide financial statements are designed to provide a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Ramsey County's assets and deferred outflow of resources and liabilities and deferred inflow of resources, 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 County is improving or deteriorating.

The statement of activities presents information showing how the County'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., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, transportation, sanitation, health, human services,

culture and recreation, conservation of natural resources, and economic development and assistance. The business-type activities of the County include a nursing home, a home for developmentally delayed residents, sports complex, and a community contracting service division.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate Regional Railroad Authority and a legally separate Housing and Redevelopment Authority for which Ramsey County is financially accountable. Although legally separate, the County Board of Commissioners serves as the governing board of these organizations. Therefore, they function as departments of the County, and have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 16 - 18 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

- 1) Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains four governmental fund types: General, Special Revenue, Debt Service, and Capital Projects. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19 - 21 of this report.

- 2) The County maintains two different types of proprietary funds: 1) Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Lake Owasso Residence, Ramsey County Care Center, Vadnais Sports Center and Law Enforcement Services operations. 2) Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Information Services, General County Building, Firearms Range, Fleet Services, Retiree Insurance (OPEB), and Employee Health Insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Lake Owasso Residence, Ramsey County Care Center, and Vadnais Sports Center, which are considered major funds, and Law Enforcement Services, which is considered a nonmajor fund. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22 - 25 of this report.

- 3) Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Data from the fiduciary funds are combined into a single aggregated presentation. Individual fund data for each fiduciary fund is provided in the form of combining statements elsewhere in this report.

The basic fiduciary fund financial statements can be found on pages 26 - 27 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 - 66 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the General Fund budget and schedules on the County's Other Post Employment Benefit (OPEB) Plan and Pension Plans. Required supplementary information can be found on pages 68 - 76 of this report. Immediately following the required supplementary information is a budget to actual presentation of the Debt Service Major Fund. After that, the combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented. Combining fund statements and schedules can be found on pages 80 - 100 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$830,342,002 at the close of the most recent fiscal year.

Ramsey County's investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt, used to acquire those assets, still outstanding amounts to 83.2% of the County's Net Position. The County uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Net Position
For the Years Ended December 31, 2017 and 2016

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------------|-------------------------|-----------------------|--------------------------|------------------------|-----------------------|-----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Current and Other Assets | \$ 661,076,118 | \$ 631,892,169 | \$ (4,054,025) | \$ (3,307,550) | \$ 657,022,093 | \$ 628,584,619 |
| Capital Assets | 853,488,869 | 832,225,235 | 14,422,298 | 14,991,481 | 867,911,167 | 847,216,716 |
| Total Assets | 1,514,564,987 | 1,464,117,404 | 10,368,273 | 11,683,931 | 1,524,933,260 | 1,475,801,335 |
| Deferred Outflows of Resources: | | | | | | |
| Deferred Pension Outflows | 115,743,077 | 191,012,098 | 3,935,272 | 7,476,426 | 119,678,349 | 198,488,524 |
| Long-term Liabilities Outstanding | 588,981,535 | 718,719,213 | 23,127,939 | 27,797,731 | 612,109,474 | 746,516,944 |
| Other Liabilities | 88,727,525 | 96,192,661 | 4,272,051 | 3,808,854 | 92,999,576 | 100,001,515 |
| Total Liabilities | 677,709,060 | 814,911,874 | 27,399,990 | 31,606,585 | 705,109,050 | 846,518,459 |
| Deferred Inflows of Resources: | | | | | | |
| Deferred Pension Inflows | 106,392,580 | 39,983,503 | 2,767,977 | 2,177,725 | 109,160,557 | 42,161,228 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 678,949,867 | 642,202,260 | 12,174,665 | 12,337,899 | 691,124,532 | 654,540,159 |
| Restricted | 116,826,603 | 127,814,838 | - | - | 116,826,603 | 127,814,838 |
| Unrestricted | 50,429,954 | 30,217,027 | (28,039,087) | (26,961,852) | 22,390,867 | 3,255,175 |
| Total Net Position | \$ 846,206,424 | \$ 800,234,125 | \$ (15,864,422) | \$ (14,623,953) | \$ 830,342,002 | \$ 785,610,172 |

The government's net position increased by \$21,563,614 for the current fiscal year activity.

Governmental Activities - Governmental activities increased the County's net position by \$22,804,083. Key elements of this increase are as follows:

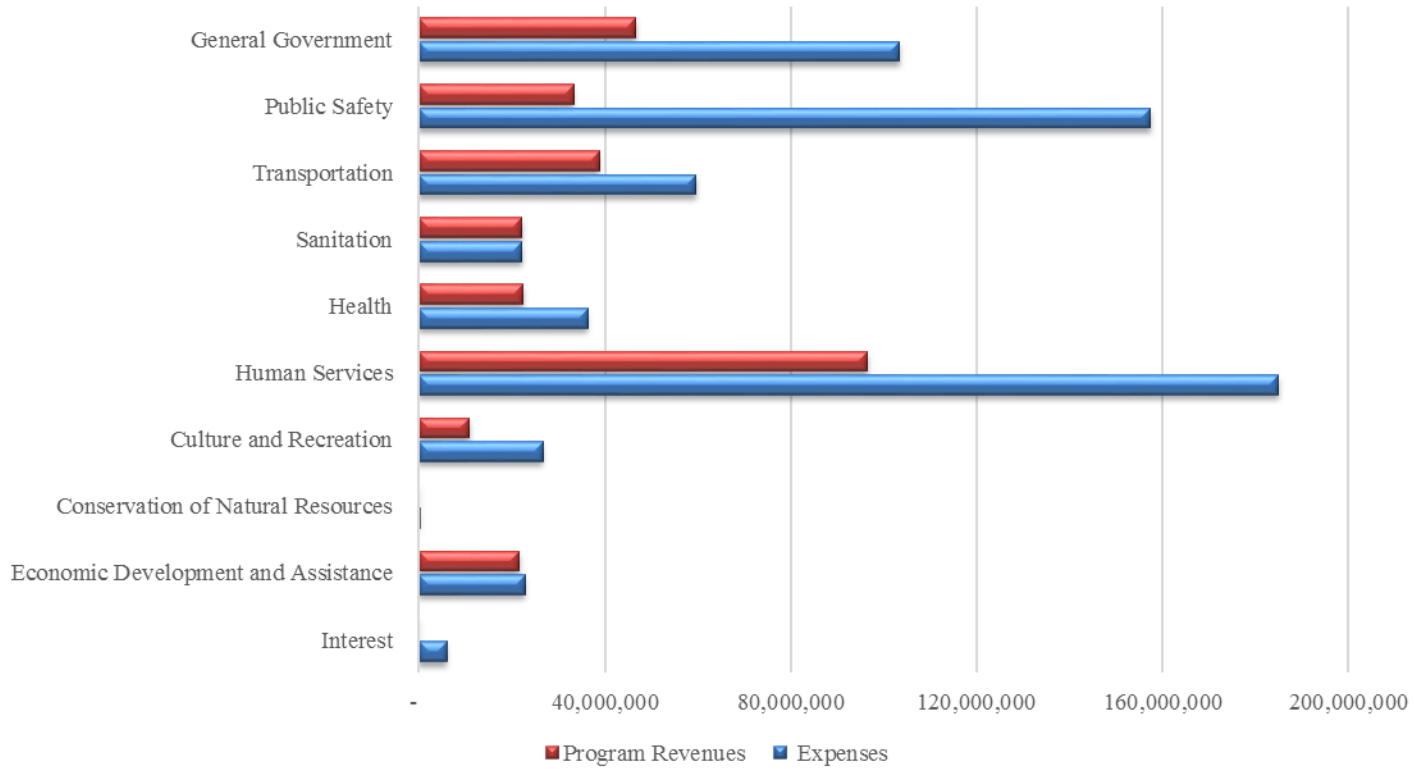
- The revenue decreased \$8,143,451 overall. Major revenue sources: in Operating Grants Transportation, but the increase in Property Taxes offset some of the shortfall.
- The expenses decreased \$41,430,023 overall. The change included a 24.7% decrease in pension expense relating to the GASB 68 calculation. Public Health and CHS recognized a decrease in personnel costs because of general vacancies seeking qualified candidates and vacant positions. Corrections recognized a reduction in expense for their juvenile facilities because of reduced out-of-home placements referrals. During 2016, some judges were not referring juveniles to Boys Totem Town. The non-referrals during 2016, affected actual expense levels during 2017. Actual expenses for Transportation's capital assets were overstated in 2016, this situation created the need for a prior period adjustment in 2017, see the Notes to the Financial Statements Note IV. C. for more details.

**Summary of Changes in Net Position
For the Years Ended December 31, 2017 and 2016**

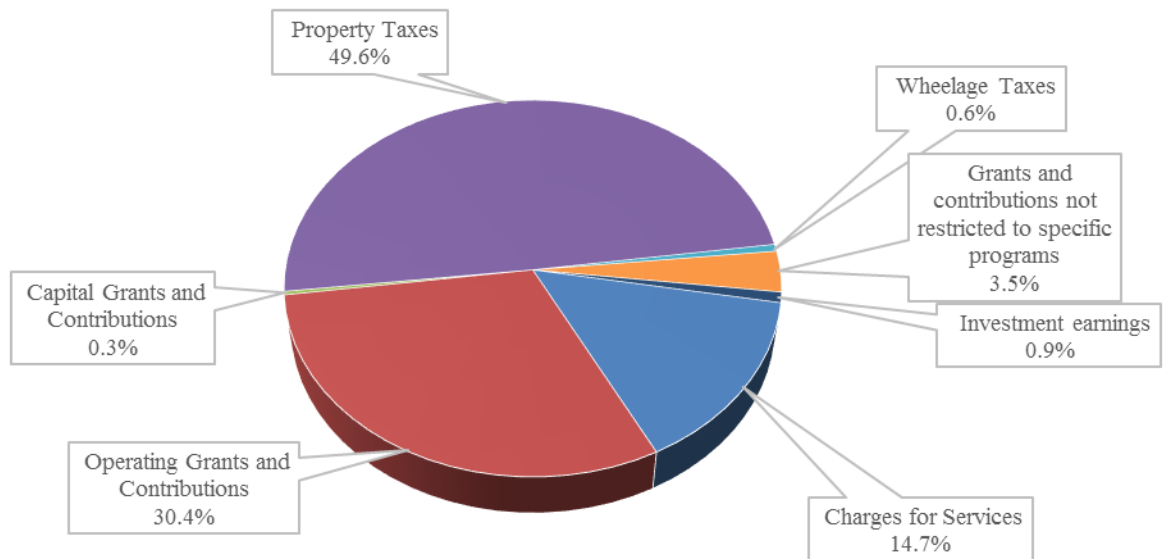
| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|-----------------------|--------------------------|------------------------|-----------------------|-----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 94,760,387 | \$ 98,454,189 | \$ 32,793,180 | \$ 32,735,720 | \$ 127,553,567 | \$ 131,189,909 |
| Operating Grants and Contributions | 195,803,479 | 210,736,726 | 432,584 | 304,292 | 196,236,063 | 211,041,018 |
| Capital Grants and Contributions | 1,661,359 | 4,677,295 | - | - | 1,661,359 | 4,677,295 |
| General Revenues: | | | | | | |
| Property Taxes | 319,856,449 | 306,970,667 | - | - | 319,856,449 | 306,970,667 |
| Wheelage Tax | 4,168,005 | 4,133,227 | - | - | 4,168,005 | 4,133,227 |
| Grants and Contributions not Restricted to Specific Programs | 22,792,438 | 23,872,813 | 5,287 | 69,592 | 22,797,725 | 23,942,405 |
| Investment Earnings (Loss) | 5,643,358 | 4,154,908 | 90,215 | 82,355 | 5,733,573 | 4,237,263 |
| Gain on Disposition of Capital Assets | 183,066 | 12,168 | 1,429 | 26,575 | 184,495 | 38,743 |
| Total Revenues | 644,868,541 | 653,011,993 | 33,322,695 | 33,218,534 | 678,191,236 | 686,230,527 |
| Expenses: | | | | | | |
| General Government | 103,481,190 | 114,022,518 | - | - | 103,481,190 | 114,022,518 |
| Public Safety | 157,405,849 | 170,336,772 | - | - | 157,405,849 | 170,336,772 |
| Transportation | 59,665,236 | 79,583,363 | - | - | 59,665,236 | 79,583,363 |
| Sanitation | 22,133,102 | 22,153,910 | - | - | 22,133,102 | 22,153,910 |
| Health | 36,304,607 | 38,177,114 | - | - | 36,304,607 | 38,177,114 |
| Human Services | 184,951,821 | 180,393,343 | - | - | 184,951,821 | 180,393,343 |
| Culture and Recreation | 26,709,251 | 24,906,568 | - | - | 26,709,251 | 24,906,568 |
| Conservation of Natural Resources | 8,733 | 246,518 | - | - | 8,733 | 246,518 |
| Economic Development and Assistance | 22,814,134 | 23,716,280 | - | - | 22,814,134 | 23,716,280 |
| Interest | 5,964,008 | 7,331,569 | - | - | 5,964,008 | 7,331,569 |
| Lake Owasso Residence | - | - | 10,495,486 | 10,793,804 | 10,495,486 | 10,793,804 |
| Ramsey County Care Center | - | - | 17,842,607 | 17,737,483 | 17,842,607 | 17,737,483 |
| Vadnais Sports Center | - | - | 1,257,880 | 1,384,081 | 1,257,880 | 1,384,081 |
| Law Enforcement Services | - | - | 7,593,718 | 7,652,534 | 7,593,718 | 7,652,534 |
| Total Expenses | 619,437,931 | 660,867,955 | 37,189,691 | 37,567,902 | 656,627,622 | 698,435,857 |
| Increase (Decrease) in Net Position Before Transfers | 25,430,610 | (7,855,962) | (3,866,996) | (4,349,368) | 21,563,614 | (12,205,330) |
| Transfers | (2,626,527) | (2,755,419) | 2,626,527 | 2,755,419 | - | - |
| Increase (Decrease) in Net Position | 22,804,083 | (10,611,381) | (1,240,469) | (1,593,949) | 21,563,614 | (12,205,330) |
| Net Position - Beginning (as restated) | 823,402,341 | 810,845,506 | (14,623,953) | (13,030,004) | 808,778,388 | 797,815,502 |
| Net Position - Ending | \$ 846,206,424 | \$ 800,234,125 | \$ (15,864,422) | \$ (14,623,953) | \$ 830,342,002 | \$ 785,610,172 |

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

Program Revenues and Expenses by Governmental Activities (in dollars)



Revenues by Source - Governmental Activities

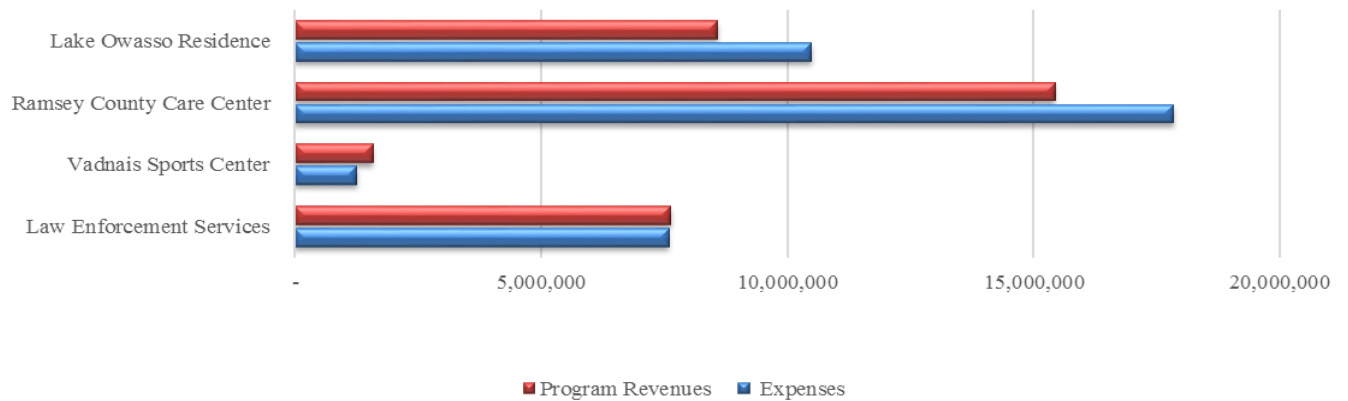


Business-type Activities - Business-type activities decreased the County’s net position by \$1,240,469. Key elements of this increase are as follows:

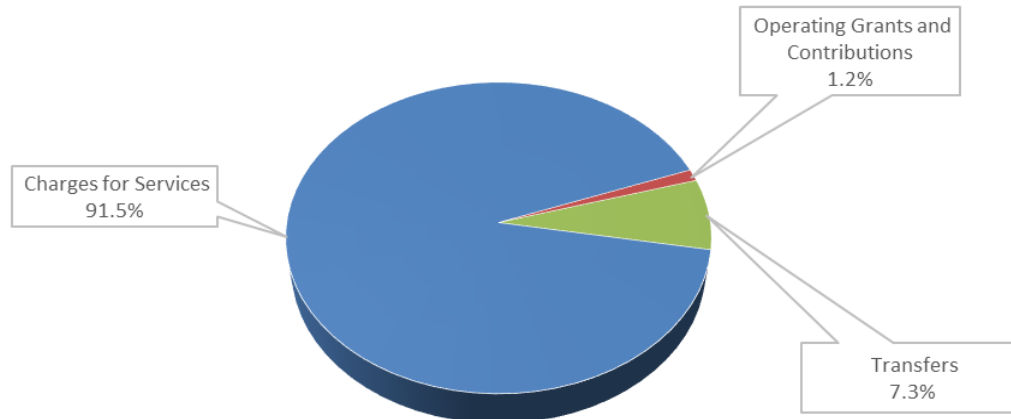
- Lake Owasso Residence had a decrease of net position of \$676,953 due to a number of variables including an occupant day rate increase, occupancy increase and transfer from the County for increased operating expenses.
- Ramsey County Care Center had a decrease in net position of \$1,050,970 due to a number of variables including a decrease in occupancy rate, increased costs and a reduction in reimbursements in rates from Medicare, HMO, and Managed Care services.
- Vadnais Sports Center had an increase in net position of \$274,674 due to increase for charges for services and a reduction in operating expenses.

The following charts provide comparisons of business-type activities’ program revenues and expenses and also show the sources of business-type activities’ revenues.

Program Revenues and Expenses by Business-Type Activities (in dollars)



Revenues by Source - Business-Type Activities



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$415,899,711 a total fund balance decrease of \$5,559,519. Approximately 66.3% of this total amount or \$273,841,861 constitutes unrestricted fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending, because the fund balance is (1) invested in assets which are in nonspendable form \$25,231,247; (2) restricted for debt service payments \$58,145,792; or (3) for a variety of other restricted purposes \$58,680,811. These other restricted purposes are described in detail in Note IV. K. to the financial statements.

The General Fund is the chief operating fund of Ramsey County. At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$218,104,849 while total fund balance reached \$247,644,030. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 47.1% of total General Fund expenditures, while total fund balance represents 53.5% of that same amount.

The General Fund fund balance increased by \$8,958,648 which included the change to inventories during the current fiscal year. Key factors due to increases in tax revenues offset by lower increases in expenditures.

The Debt Service Fund had a total fund balance of \$58,145,792, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the Debt Service Fund was \$9,490,192. The decrease in fund balance for Debt Service was due to decreased property tax revenue which was offset in part by an increase in investment earnings to cover changes to debt service requirements.

The Capital Projects Fund had a fund balance of \$29,812,241. The fund balance decreased by \$18,908,879 primarily due to a decrease in intergovernmental revenue which was offset in part by a decrease in expenditures.

Proprietary Funds – The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Lake Owasso Residence had a decrease of net position of \$676,953 due to a number of variables including an occupant day rate increase, occupancy increase and transfer from the County for increased operating expenses.

Net position of the Ramsey County Care Center at the end of the year amounted to \$(11,437,347). The total decrease in net position for the fund was \$1,050,970 due primarily to a decrease in occupancy rate and increased expenses for contracted nursing services. Revenues from Medicare, HMO and Managed Care did not increase enough to cover increased expenses.

General Fund Budgetary Highlights

The overall net change in fund balance was \$29,489,417 more than the final amended budget. This increase was largely due to lower than budgeted expenditures in County Manager, Property Records and Revenue, Attorney's Office, Computer Equipment and Software, Sheriff, Public Health, and Human Services.

Capital Asset and Debt Administration

Capital Assets – The County's investment in capital assets for its governmental and business- type activities as of December 31, 2017, amounts to \$867,911,167 (net of accumulated depreciation). This investment in capital assets

includes land, buildings, building improvements, machinery and equipment, park facilities, roads, highways, bridges, and construction in progress. The total increase in the County’s investment in capital assets for the current fiscal year was 2.4% (a 2.6% increase for governmental activities and a .2% decrease for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Infrastructure Improvements
 - Warner Bridge, East Bound Section, for \$7,983,043.
 - Road rehabilitation for \$8,902,871.

Additional information on the County’s capital assets and deferred outflow of resources can be found in Note IV.C. on page 44 of this report.

| Capital Assets, Net of Depreciation | | | | | | |
|--|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | \$148,529,048 | \$150,259,250 | \$ 1,877,153 | \$ 1,877,153 | \$150,406,201 | \$152,136,403 |
| Buildings & Improvements | 367,376,751 | 376,719,742 | 11,472,821 | 11,998,216 | 378,849,572 | 388,717,958 |
| Improvements Other Than Buildings | 20,682,108 | 21,664,949 | 331,518 | 392,890 | 21,013,626 | 22,057,839 |
| Machinery and Equipment | 27,003,658 | 28,023,727 | 740,806 | 723,222 | 27,744,464 | 28,746,949 |
| Computer Software | 3,901,255 | - | - | - | 3,901,255 | - |
| Infrastructure | 218,920,712 | 212,273,761 | - | - | 218,920,712 | 212,273,761 |
| Construction in Progress | 67,075,337 | 43,283,806 | - | - | 67,075,337 | 43,283,806 |
| Total | <u>\$853,488,869</u> | <u>\$832,225,235</u> | <u>\$14,422,298</u> | <u>\$14,991,481</u> | <u>\$867,911,167</u> | <u>\$847,216,716</u> |

Long-term Debt – At the end of the current fiscal year, the County had total General Obligation bonded debt outstanding of \$189,600,000 which is backed by the full faith and credit of the government.

| Outstanding Debt | | | | | | |
|---|-------------------------|----------------------|--------------------------|--------------------|----------------------|----------------------|
| General Obligation Debt and Loans Payable | | | | | | |
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| General Obligation Debt: | | | | | | |
| Bonds | \$ 187,560,000 | \$ 214,140,000 | \$ 2,040,000 | \$ 3,760,000 | \$ 189,600,000 | \$ 217,900,000 |
| Notes | 4,002,000 | 4,242,000 | - | - | 4,002,000 | 4,242,000 |
| Loans Payable | - | 3,371,667 | - | - | - | 3,371,667 |
| Total | <u>\$191,562,000</u> | <u>\$221,753,667</u> | <u>\$2,040,000</u> | <u>\$3,760,000</u> | <u>\$193,602,000</u> | <u>\$225,513,667</u> |

The County’s total bonded debt, note, and loans payable debt decreased by \$31,911,667 (14.2%) during the current fiscal year. The decrease was due to not issuing additional bonds in 2017.

The County maintains a “AAA” rating from Standard & Poor’s and a “Aaa” rating from Moody’s for General Obligation debt.

Minnesota state statutes limit the amount of General Obligation debt a governmental entity may issue to 3% of its Estimated Market Value (EMV) of taxable property in the County. The current debt limitation for the County is \$1,328,493,171 which is significantly in excess of the net debt applicable to this limit of \$169,790,000.

Additional information on the County’s long-term debt can be found in Note IV. I. on pages 48 - 51 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Ramsey County is currently 3.3%, which represents a decrease from a rate of 3.6% one year ago. The County unemployment rate is slightly above the state average of 2.8%, but below the 3.9% average unemployment rate in the United States.
- The County is a fully developed urban center. Its roads and transportation system make access to the County easy for all citizens. Its population continues to grow but at a slower pace than in the previous decades. In 1980, the population was 485,765. In 2016, the population estimated by the Census Bureau was 547,974.
- Estimated Market Value of Taxable Property in the County increased \$2,836,414,000 in 2017 to \$44,283,105,700 or 6.84%. Tax Capacity for Residential property recorded an increase in value of 7.61% while commercial values increased 5.36%.
- Although many of the above indicators appear to show Ramsey County as economically strong and stable, it is important to be aware of some of the other dynamics that may affect it in the coming years. Ramsey is faced with the problems of older urban counties. Its infrastructure of roads and bridges are aging and will require replacement and rebuilding in the coming years. Taxes will have to be used to effect these changes. This issue has been addressed by a functional consolidation of roads plan developed in 1993. The plan, which is complete, upgrades many roads and bridges in the County. Municipalities will become responsible for maintaining certain County roads and transfer major arterials to the County. This functional alignment focused additional funds to roads and allowed further use of County State aid funds. The Wheelage tax for 2017 totaled \$4,168,005.

All of these factors were considered in preparing the County's budget for the 2017 fiscal year.

During the current fiscal year, unrestricted fund balance in the General Fund was \$218,104,849. The 2018 approved budget included a 3.3% increase in spending over the prior year. A 4.3% increase in the 2018 Property Tax Levy was approved to partially replace state and federal aid, other revenue losses, and the inflationary cost increases of current services.

Requests for Information

This financial report is designed to provide a general overview of Ramsey County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Ramsey County Finance Department, Suite 4000, 121 7th Place East, Saint Paul, Minnesota 55101.

**BASIC FINANCIAL
STATEMENTS**

RAMSEY COUNTY, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---------------------------------------|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Pooled Investments | \$ 434,397,333 | \$ 2,699,270 | \$ 437,096,603 |
| Investment with Trustee | 72,988,125 | - | 72,988,125 |
| Restricted Cash and Cash Equivalents | 16,000 | - | 16,000 |
| Petty Cash and Change Funds | 27,455 | 21,100 | 48,555 |
| Cooperative Investment | - | 22,394 | 22,394 |
| Receivables: | | | |
| Taxes (Net) | 757,849 | - | 757,849 |
| Accounts (Net) | 11,618,958 | 674,191 | 12,293,149 |
| Accrued Interest | 1,808,363 | - | 1,808,363 |
| Internal Balances | 9,679,986 | (9,679,986) | - |
| Due from Other Governments (Net) | 66,331,332 | 2,209,006 | 68,540,338 |
| Lease Receivable | 4,002,000 | - | 4,002,000 |
| Loan Receivable | 14,413,472 | - | 14,413,472 |
| Notes Receivable | 8,414,225 | - | 8,414,225 |
| Prepaid Items | 620,570 | - | 620,570 |
| Inventories | 1,596,736 | - | 1,596,736 |
| Total Current Assets | <u>626,672,404</u> | <u>(4,054,025)</u> | <u>622,618,379</u> |
| Non Current Assets: | | | |
| Advance to Other Governments | 17,480,817 | - | 17,480,817 |
| Advance to Other Organizations | 237,555 | - | 237,555 |
| Property Held for Resale | 16,685,342 | - | 16,685,342 |
| Capital Assets not being Depreciated: | | | |
| Land | 148,529,048 | 1,877,153 | 150,406,201 |
| Construction in Progress | 67,075,337 | - | 67,075,337 |
| Capital Assets being Depreciated: | | | |
| Buildings | 476,962,507 | 16,488,090 | 493,450,597 |
| Building Improvements | 46,313,768 | 3,696,531 | 50,010,299 |
| Improvements other than Buildings | 57,930,430 | 1,537,677 | 59,468,107 |
| Machinery and Equipment | 79,813,261 | 2,411,332 | 82,224,593 |
| Computer Software | 13,507,930 | - | 13,507,930 |
| Infrastructure | 479,372,700 | - | 479,372,700 |
| Less: Accumulated Depreciation | (516,016,112) | (11,588,485) | (527,604,597) |
| Total Non Current Assets | <u>887,892,583</u> | <u>14,422,298</u> | <u>902,314,881</u> |
| Total Assets | <u>1,514,564,987</u> | <u>10,368,273</u> | <u>1,524,933,260</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Pension Outflows | <u>115,743,077</u> | <u>3,935,272</u> | <u>119,678,349</u> |

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

RAMSEY COUNTY, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

EXHIBIT 1
(continued)

| | Governmental Activities | Business-type Activities | Total |
|---|------------------------------------|-------------------------------------|-----------------------|
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Salaries Payable | 11,163,398 | 887,684 | 12,051,082 |
| Accounts Payable | 19,294,677 | 544,792 | 19,839,469 |
| Contracts Payable | 7,311,907 | - | 7,311,907 |
| Interest Payable, Current | 3,494,572 | 35,917 | 3,530,489 |
| Due to Other Governments | 6,271,720 | 810,108 | 7,081,828 |
| General Obligation Bonds Payable, Current | 18,926,384 | 398,049 | 19,324,433 |
| Claims and Judgments Payable, Current | 3,004,600 | - | 3,004,600 |
| Vacation and Compensatory Time Payable | 19,244,267 | 1,595,501 | 20,839,768 |
| Current Liabilities Payable from Restricted Assets: | | | |
| Customer Deposits Payable | 16,000 | - | 16,000 |
| Total Current Liabilities | <u>88,727,525</u> | <u>4,272,051</u> | <u>92,999,576</u> |
| Non Current Liabilities: | | | |
| Unearned Revenue | 1,658,834 | - | 1,658,834 |
| General Obligation Bonds Payable, Long-term | 184,860,343 | 1,849,584 | 186,709,927 |
| Compensated Absences Payable | 15,763,508 | 825,392 | 16,588,900 |
| Claims and Judgments Payable, Long-term | 3,239,234 | - | 3,239,234 |
| Net OPEB Liability | 118,259,670 | 5,795,287 | 124,054,957 |
| Net Pension Liability | 265,199,946 | 14,657,676 | 279,857,622 |
| Total Non Current Liabilities | <u>588,981,535</u> | <u>23,127,939</u> | <u>612,109,474</u> |
| Total Liabilities | <u>677,709,060</u> | <u>27,399,990</u> | <u>705,109,050</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows | <u>106,392,580</u> | <u>2,767,977</u> | <u>109,160,557</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 678,949,867 | 12,174,665 | 691,124,532 |
| Restricted for: | | | |
| Debt Service | 58,145,792 | - | 58,145,792 |
| Capital Projects | 13,139,534 | - | 13,139,534 |
| General Government | 2,958,512 | - | 2,958,512 |
| Public Safety | 1,414,125 | - | 1,414,125 |
| Sanitation | 21,461,743 | - | 21,461,743 |
| Culture and Recreation | 4,782,056 | - | 4,782,056 |
| Conservation of Natural Resources | 2,277,225 | - | 2,277,225 |
| Economic Development | 794,763 | - | 794,763 |
| Transportation | 6,501,300 | - | 6,501,300 |
| Other Purposes | 5,351,553 | - | 5,351,553 |
| Unrestricted | 50,429,954 | (28,039,087) | 22,390,867 |
| Total Net Position | <u>\$ 846,206,424</u> | <u>\$ (15,864,422)</u> | <u>\$ 830,342,002</u> |

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

RAMSEY COUNTY, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|-----------------------|-----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental Activities: | | | | | | | |
| General Government | \$ 103,481,190 | \$ 27,938,798 | \$ 18,713,229 | \$ - | \$ (56,829,163) | \$ - | \$ (56,829,163) |
| Public Safety | 157,405,849 | 18,198,562 | 15,087,408 | - | (124,119,879) | - | (124,119,879) |
| Transportation | 59,665,236 | 6,743,034 | 30,380,649 | 1,661,359 | (20,880,194) | - | (20,880,194) |
| Sanitation | 22,133,102 | 20,211,318 | 1,959,426 | - | 37,642 | - | 37,642 |
| Health | 36,304,607 | 7,545,377 | 14,822,062 | - | (13,937,168) | - | (13,937,168) |
| Human Services | 184,951,821 | 6,014,399 | 90,565,808 | - | (88,371,614) | - | (88,371,614) |
| Culture and Recreation | 26,709,251 | 7,105,671 | 3,690,613 | - | (15,912,967) | - | (15,912,967) |
| Conservation of Natural Resources | 8,733 | - | - | - | (8,733) | - | (8,733) |
| Economic Development and Assistance | 22,814,134 | 1,003,228 | 20,584,284 | - | (1,226,622) | - | (1,226,622) |
| Interest | 5,964,008 | - | - | - | (5,964,008) | - | (5,964,008) |
| Total Governmental Activities | <u>619,437,931</u> | <u>94,760,387</u> | <u>195,803,479</u> | <u>1,661,359</u> | <u>(327,212,706)</u> | <u>-</u> | <u>(327,212,706)</u> |
| Business-type Activities: | | | | | | | |
| Lake Owasso Residence | 10,495,486 | 8,558,612 | 19,968 | - | - | (1,916,906) | (1,916,906) |
| Ramsey County Care Center | 17,842,607 | 15,397,668 | 33,778 | - | - | (2,411,161) | (2,411,161) |
| Vadnais Sports Center | 1,257,880 | 1,588,719 | - | - | - | 330,839 | 330,839 |
| Law Enforcement Services | 7,593,718 | 7,248,181 | 378,838 | - | - | 33,301 | 33,301 |
| Total Business-type Activities | <u>37,189,691</u> | <u>32,793,180</u> | <u>432,584</u> | <u>-</u> | <u>-</u> | <u>(3,963,927)</u> | <u>(3,963,927)</u> |
| Total Government | <u>\$ 656,627,622</u> | <u>\$ 127,553,567</u> | <u>\$ 196,236,063</u> | <u>\$ 1,661,359</u> | <u>(327,212,706)</u> | <u>(3,963,927)</u> | <u>(331,176,633)</u> |
| General revenues: | | | | | | | |
| Property Taxes | | | | | 319,856,449 | - | 319,856,449 |
| Wheelage Taxes | | | | | 4,168,005 | - | 4,168,005 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 22,792,438 | 5,287 | 22,797,725 |
| Investment Earnings (Loss) | | | | | 5,643,358 | 90,215 | 5,733,573 |
| Gain on Disposition of Capital Assets | | | | | 183,066 | 1,429 | 184,495 |
| Transfers | | | | | (2,626,527) | 2,626,527 | - |
| Total General Revenues and Transfers | | | | | <u>350,016,789</u> | <u>2,723,458</u> | <u>352,740,247</u> |
| Change in Net Position | | | | | 22,804,083 | (1,240,469) | 21,563,614 |
| Net Position - Beginning | | | | | 800,234,125 | (14,623,953) | 785,610,172 |
| Restatement (see Note III. A.) | | | | | 23,168,216 | - | 23,168,216 |
| Net Position - Beginning, as Restated | | | | | <u>823,402,341</u> | <u>(14,623,953)</u> | <u>808,778,388</u> |
| Net Position - Ending | | | | | <u>\$ 846,206,424</u> | <u>\$ (15,864,422)</u> | <u>\$ 830,342,002</u> |

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

**RAMSEY COUNTY, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

EXHIBIT 3

| | General | Debt Service | Capital Projects | Total Nonmajor Funds | Total Governmental Funds |
|---|-----------------------|----------------------|----------------------|----------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 228,270,896 | \$ 37,208,297 | \$ 32,653,317 | \$ 83,961,771 | \$ 382,094,281 |
| Petty Cash and Change Funds | 25,185 | - | - | 2,195 | 27,380 |
| Receivables: | | | | | |
| Taxes (Net) | 3,393,833 | 317,436 | - | 375,049 | 4,086,318 |
| Accounts (Net) | 5,414,798 | - | 1,850 | 6,170,309 | 11,586,957 |
| Accrued Interest | 1,365,417 | - | - | 442,946 | 1,808,363 |
| Due from Other Funds | 1,266,595 | - | - | 645,729 | 1,912,324 |
| Due from Other Governments | 19,268,550 | 240,553 | 34,868,455 | 11,507,794 | 65,885,352 |
| Lease Receivable | - | 4,002,000 | - | - | 4,002,000 |
| Notes Receivable | 1,709,250 | 3,711,975 | - | 2,993,000 | 8,414,225 |
| Loans Receivable | 5,896,561 | - | - | 8,516,911 | 14,413,472 |
| Inventories | 1,308,968 | - | - | - | 1,308,968 |
| Advance to Other Funds | 23,551,527 | 811,579 | 8,660,000 | 3,056,478 | 36,079,584 |
| Advance to Other Governments | 105,817 | 17,375,000 | - | - | 17,480,817 |
| Advance to Other Organizations | 237,555 | - | - | - | 237,555 |
| Property Held for Resale | - | - | 16,217,919 | - | 16,217,919 |
| Restricted Cash and Cash Equivalents | 15,000 | - | - | - | 15,000 |
| Total Assets | <u>291,829,952</u> | <u>63,666,840</u> | <u>92,401,541</u> | <u>117,672,182</u> | <u>565,570,515</u> |
| LIABILITIES | | | | | |
| Salaries Payable | 9,511,358 | - | 6,466 | 1,143,925 | 10,661,749 |
| Accounts Payable | 8,072,061 | - | 6,027 | 2,964,718 | 11,042,806 |
| Contracts Payable | - | - | 5,870,816 | 1,441,091 | 7,311,907 |
| Due to Other Funds | 86,649 | - | - | 1,769,775 | 1,856,424 |
| Due to Other Governments | 3,090,071 | - | 6,671 | 3,049,394 | 6,146,136 |
| Unearned Revenue | - | - | 466,942 | 1,191,892 | 1,658,834 |
| Advance from Other Funds | - | 378,206 | 21,729,799 | 4,500,000 | 26,608,005 |
| Claims and Judgments Payable | 182,244 | - | - | - | 182,244 |
| Liabilities Payable from Restricted Assets | 15,000 | - | - | - | 15,000 |
| Total Liabilities | <u>20,957,383</u> | <u>378,206</u> | <u>28,086,721</u> | <u>16,060,795</u> | <u>65,483,105</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Inflows | <u>23,228,539</u> | <u>5,142,842</u> | <u>34,502,579</u> | <u>21,313,739</u> | <u>84,187,699</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 25,229,052 | - | - | 2,195 | 25,231,247 |
| Restricted | 4,310,129 | 58,145,792 | 13,139,534 | 41,231,148 | 116,826,603 |
| Committed | - | - | 16,672,707 | 5,147,754 | 21,820,461 |
| Assigned | 35,395,861 | - | - | 39,195,099 | 74,590,960 |
| Unassigned | 182,708,988 | - | - | (5,278,548) | 177,430,440 |
| Total Fund Balances | <u>247,644,030</u> | <u>58,145,792</u> | <u>29,812,241</u> | <u>80,297,648</u> | <u>415,899,711</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 291,829,952</u> | <u>\$ 63,666,840</u> | <u>\$ 92,401,541</u> | <u>\$ 117,672,182</u> | |

Amounts reported for governmental activities in the statement of net position are different because:

| | |
|--|-----------------------|
| Certain Non Current assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 832,392,240 |
| Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds. | 65,924,803 |
| Deferred outflows of resources resulting from pension obligation are not available resources and, therefore are not reported in the governmental funds. | 112,737,756 |
| Internal services funds are used by management to charge the costs of management information systems and property management services to individual funds. The assets and deferred outflow of resources and liabilities and deferred inflow of resources of the internal service funds are included in governmental activities in the Statement of Net Position. | 9,481,679 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | (500,807,211) |
| Deferred inflows resulting from pension obligations are not due and payable in the current period and therefore are not reported in governmental funds. | (89,422,554) |
| Net position of governmental activities | <u>\$ 846,206,424</u> |

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

RAMSEY COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | General | Debt Service | Capital Projects | Total Nonmajor Funds | Total Governmental Funds |
|--|-----------------------|----------------------|----------------------|----------------------------|--------------------------------|
| REVENUES | | | | | |
| Taxes | \$ 245,915,832 | \$ 24,198,448 | \$ 5,268,005 | \$ 49,163,196 | \$ 324,545,481 |
| Licenses and Permits | 1,205,453 | - | - | 1,079,125 | 2,284,578 |
| Intergovernmental | 165,716,570 | 694,008 | 15,896,897 | 26,047,776 | 208,355,251 |
| Private Grants and Donations | 184,977 | - | 3,730 | 258,694 | 447,401 |
| Charges for Services | 45,243,187 | - | - | 28,093,788 | 73,336,975 |
| Fines and Forfeitures | 149 | - | - | 741,935 | 742,084 |
| Sales | 768,760 | - | - | 4,048,773 | 4,817,533 |
| Rental Income | 958,164 | - | 97,200 | 2,578,310 | 3,633,674 |
| Investment Earnings | 3,229,835 | 975,475 | 196,069 | 1,108,134 | 5,509,513 |
| Program Recoveries - Community Human Services | 1,494,260 | - | - | - | 1,494,260 |
| Miscellaneous | 11,988,344 | - | 62,227 | 1,103,220 | 13,153,791 |
| Total Revenues | <u>476,705,531</u> | <u>25,867,931</u> | <u>21,524,128</u> | <u>114,222,951</u> | <u>638,320,541</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | 94,136,206 | - | - | 8,689,877 | 102,826,083 |
| Public Safety | 118,342,633 | - | - | 18,885,629 | 137,228,262 |
| Transportation | 15,603,099 | - | - | 10,646,155 | 26,249,254 |
| Sanitation | - | - | - | 21,061,822 | 21,061,822 |
| Health | 35,619,756 | - | - | 24,727 | 35,644,483 |
| Human Services | 185,736,894 | - | - | 55,780 | 185,792,674 |
| Culture and Recreation | 12,814,166 | - | - | 12,258,480 | 25,072,646 |
| Conservation of Natural Resources | 43,037 | - | - | - | 43,037 |
| Economic Development and Assistance | - | - | - | 22,410,495 | 22,410,495 |
| Capital Outlay: | | | | | |
| General Government | 444,930 | - | 6,854,059 | - | 7,298,989 |
| Public Safety | 80,751 | - | 479,006 | - | 559,757 |
| Transportation | 7,956 | - | 25,649,108 | 1,218,416 | 26,875,480 |
| Human Services | - | - | 66,335 | - | 66,335 |
| Culture and Recreation | 1,217 | - | 5,143,639 | - | 5,144,856 |
| Debt Service: | | | | | |
| Principal Retirement | - | 26,820,000 | - | 3,371,667 | 30,191,667 |
| Interest | - | 8,538,123 | - | 30,911 | 8,569,034 |
| Total Expenditures | <u>462,830,645</u> | <u>35,358,123</u> | <u>38,192,147</u> | <u>98,653,959</u> | <u>635,034,874</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>13,874,886</u> | <u>(9,490,192)</u> | <u>(16,668,019)</u> | <u>15,568,992</u> | <u>3,285,667</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from Sale of Assets | - | - | - | 52,336 | 52,336 |
| Transfers In | 4,451,955 | - | 400,000 | 1,670,410 | 6,522,365 |
| Transfers Out | (9,382,292) | - | (2,640,860) | (3,410,834) | (15,433,986) |
| Total Other Financing Sources (Uses) | <u>(4,930,337)</u> | <u>-</u> | <u>(2,240,860)</u> | <u>(1,688,088)</u> | <u>(8,859,285)</u> |
| Net Change in Fund Balances | 8,944,549 | (9,490,192) | (18,908,879) | 13,880,904 | (5,573,618) |
| Fund Balances - Beginning | 238,685,382 | 67,635,984 | 48,721,120 | 66,416,744 | 421,459,230 |
| Increase (decrease) in inventories | 14,099 | - | - | - | 14,099 |
| Fund Balances - Ending | <u>\$ 247,644,030</u> | <u>\$ 58,145,792</u> | <u>\$ 29,812,241</u> | <u>\$ 80,297,648</u> | <u>\$ 415,899,711</u> |

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

RAMSEY COUNTY, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

| | |
|--|----------------|
| Net change in fund balances - total governmental funds (Exhibit 4) | \$ (5,573,618) |
| Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. | (3,493,159) |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. | (702,517) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 14,843,012 |
| The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 30,191,667 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | (16,992,702) |
| Internal service funds are used by management to charge the costs of information systems, property management, fleet services, and insurance costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. | 4,531,400 |
| Net change in net position of governmental activities (Exhibit 2) | \$ 22,804,083 |

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

**RAMSEY COUNTY, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017**

EXHIBIT 6

| | Business-type Activities - Enterprise Funds | | | | Total | Governmental Activities - Internal Service Funds |
|---|---|---------------------------------|-----------------------------|--|------------------------|--|
| | Lake Owasso Residence | Ramsey County Care Center | Vadnais Sports Center | Nonmajor Law Enforcement Services | | |
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 1,992,804 | - | \$ 142,464 | \$ 564,002 | \$ 2,699,270 | \$ 52,303,052 |
| Investment with Trustee | | | | | | 72,988,125 |
| Petty Cash and Change Funds | 5,900 | 14,000 | 1,200 | - | 21,100 | 75 |
| Cooperative Investment | - | 22,394 | - | - | 22,394 | - |
| Accounts Receivable (Net) | - | 566,376 | 107,815 | - | 674,191 | 78,698 |
| Due from Other Funds | - | - | - | - | - | 10,811,957 |
| Due from Other Governments (Net) | 725,367 | 1,136,563 | - | 347,076 | 2,209,006 | 445,980 |
| Prepaid Items | - | - | - | - | - | 620,570 |
| Inventories | - | - | - | - | - | 287,768 |
| Restricted Cash and Cash Equivalents | - | - | - | - | - | 1,000 |
| Total Current Assets | <u>2,724,071</u> | <u>1,739,333</u> | <u>251,479</u> | <u>911,078</u> | <u>5,625,961</u> | <u>137,537,225</u> |
| Noncurrent Assets: | | | | | | |
| Property Held for Resale | - | - | - | - | - | 467,423 |
| Capital Assets: | | | | | | |
| Land | 7,873 | 99,200 | 1,770,080 | - | 1,877,153 | - |
| Buildings | 4,072,132 | 4,368,576 | 8,047,382 | - | 16,488,090 | - |
| Building Improvements | 7,689 | 3,688,842 | - | - | 3,696,531 | 8,152,622 |
| Improvements Other Than Buildings | 647,707 | 889,970 | - | - | 1,537,677 | 298,919 |
| Machinery and Equipment | 448,655 | 452,173 | 85,442 | 1,425,062 | 2,411,332 | 25,161,172 |
| Construction in Progress | - | - | - | - | - | 33,633 |
| Less Accumulated Depreciation | (2,687,935) | (7,363,257) | (605,747) | (931,546) | (11,588,485) | (12,549,717) |
| Total Capital Assets (Net of Accumulated Depreciation) | <u>2,496,121</u> | <u>2,135,504</u> | <u>9,297,157</u> | <u>493,516</u> | <u>14,422,298</u> | <u>21,096,629</u> |
| Total Noncurrent Assets | <u>2,496,121</u> | <u>2,135,504</u> | <u>9,297,157</u> | <u>493,516</u> | <u>14,422,298</u> | <u>21,564,052</u> |
| Total Assets | <u>5,220,192</u> | <u>3,874,837</u> | <u>9,548,636</u> | <u>1,404,594</u> | <u>20,048,259</u> | <u>159,101,277</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred Pension Outflows | <u>1,536,079</u> | <u>2,386,787</u> | <u>12,406</u> | <u>-</u> | <u>3,935,272</u> | <u>3,005,321</u> |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Salaries Payable | 271,634 | 405,067 | 22,050 | 188,933 | 887,684 | 501,649 |
| Accounts Payable | 50,311 | 438,862 | 51,103 | 4,516 | 544,792 | 8,251,871 |
| Interest Payable | 14,854 | 21,063 | - | - | 35,917 | - |
| Due to Other Funds | 2,648,384 | 3,385,483 | 40 | - | 6,033,907 | 4,833,950 |
| Due to Other Governments | 8,909 | - | 13,138 | 788,061 | 810,108 | 125,584 |
| General Obligation Bonds Payable | 279,711 | 118,338 | - | - | 398,049 | - |
| Vacation and Compensatory Time Payable | 584,214 | 543,594 | 30,285 | 437,408 | 1,595,501 | 1,032,581 |
| Payable from Restricted Assets: | | | | | | |
| Customer Deposits Payable | - | - | - | - | - | 1,000 |
| Total Current Liabilities | <u>3,858,017</u> | <u>4,912,407</u> | <u>116,616</u> | <u>1,418,918</u> | <u>10,305,958</u> | <u>14,746,635</u> |
| Noncurrent Liabilities: | | | | | | |
| General Obligation Bonds Payable | 581,352 | 1,268,232 | - | - | 1,849,584 | - |
| Advance from Other Funds | 378,206 | 433,373 | 8,660,000 | - | 9,471,579 | - |
| Compensated Absences Payable | 296,834 | 522,779 | 5,779 | - | 825,392 | 895,536 |
| Net OPEB Liability | - | - | - | - | - | 124,054,957 |
| Net Pension Liability | 5,728,398 | 8,884,448 | 44,830 | - | 14,657,676 | 10,815,279 |
| Total Noncurrent Liabilities | <u>6,984,790</u> | <u>11,108,832</u> | <u>8,710,609</u> | <u>-</u> | <u>26,804,231</u> | <u>135,765,772</u> |
| Total Liabilities | <u>10,842,807</u> | <u>16,021,239</u> | <u>8,827,225</u> | <u>1,418,918</u> | <u>37,110,189</u> | <u>150,512,407</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred Pension Inflows | <u>1,081,675</u> | <u>1,677,732</u> | <u>8,570</u> | <u>-</u> | <u>2,767,977</u> | <u>2,082,299</u> |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 1,635,058 | 748,934 | 9,297,157 | 493,516 | 12,174,665 | 21,096,629 |
| Unrestricted | (6,803,269) | (12,186,281) | (8,571,910) | (507,840) | (28,069,300) | (11,584,737) |
| Total Net Position | <u>\$ (5,168,211)</u> | <u>\$ (11,437,347)</u> | <u>\$ 725,247</u> | <u>\$ (14,324)</u> | <u>(15,894,635)</u> | <u>\$ 9,511,892</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | | | | <u>30,213</u> | |
| Net Position of Business-Type Activities | | | | | <u>\$ (15,864,422)</u> | |

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

RAMSEY COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds Total |
|--|---|---------------------------------|-----------------------------|--------------------------------|-----------------------|---|
| | Nonmajor | | | | Total | |
| | Lake Owasso Residence | Ramsey County Care Center | Vadnais Sports Center | Law Enforcement Services | | |
| OPERATING REVENUES: | | | | | | |
| Charges for Services | \$ 8,538,965 | \$ 15,355,936 | \$ 1,528,566 | \$ 7,188,158 | \$ 32,611,625 | \$ 99,687,369 |
| Sales | - | - | 30,000 | 351 | 30,351 | 325,177 |
| Rental Income | - | - | - | - | - | 100,027 |
| Miscellaneous | 19,647 | 41,733 | 30,153 | 59,672 | 151,205 | 1,097,487 |
| Total Operating Revenues | <u>8,558,612</u> | <u>15,397,669</u> | <u>1,588,719</u> | <u>7,248,181</u> | <u>32,793,181</u> | <u>101,210,060</u> |
| OPERATING EXPENSES: | | | | | | |
| Personal Services | 8,302,240 | 12,644,885 | 501,200 | 5,874,253 | 27,322,578 | 16,368,099 |
| Other Services and Charges | 1,401,192 | 3,715,925 | 516,412 | 1,225,647 | 6,859,176 | 59,624,542 |
| Supplies | 675,536 | 1,194,710 | 122,218 | 286,072 | 2,278,536 | 9,140,313 |
| OPEB Expense | - | - | - | - | - | 19,539,516 |
| Depreciation | 184,726 | 300,508 | 174,259 | 207,746 | 867,239 | 1,734,750 |
| Total Operating Expenses | <u>10,563,694</u> | <u>17,856,028</u> | <u>1,314,089</u> | <u>7,593,718</u> | <u>37,327,529</u> | <u>106,407,220</u> |
| Operating Income (Loss) | <u>(2,005,082)</u> | <u>(2,458,359)</u> | <u>274,630</u> | <u>(345,537)</u> | <u>(4,534,348)</u> | <u>(5,197,160)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | | | |
| Intergovernmental Revenue | 22,034 | 36,981 | 17 | 378,838 | 437,870 | 30,239 |
| Amortization of (Discount) Premium on Bonds | 19,711 | 58,340 | - | - | 78,051 | - |
| Interest Expense | (36,404) | (87,715) | - | - | (124,119) | - |
| Loss on Disposal of Capital Assets | - | - | - | (4,400) | (4,400) | - |
| Investment Earnings / (Loss) | - | 90,215 | - | - | 90,215 | 9,751,498 |
| Gain (Loss) on Sale of Capital Assets | 5,829 | - | - | - | 5,829 | 130,730 |
| Total Nonoperating Revenues (Expenses) | <u>11,170</u> | <u>97,821</u> | <u>17</u> | <u>374,438</u> | <u>483,446</u> | <u>9,912,467</u> |
| Income before Contributions and Transfers | <u>(1,993,912)</u> | <u>(2,360,538)</u> | <u>274,647</u> | <u>28,901</u> | <u>(4,050,902)</u> | <u>4,715,307</u> |
| Capital Contributions | - | - | - | - | - | 11,662,463 |
| Transfers In | 1,316,959 | 1,309,568 | - | - | 2,626,527 | 6,285,355 |
| Transfers Out | - | - | - | - | - | (261) |
| Change in Net Position | <u>(676,953)</u> | <u>(1,050,970)</u> | <u>274,647</u> | <u>28,901</u> | <u>(1,424,375)</u> | <u>22,662,864</u> |
| Total Net Position - Beginning | <u>(4,491,258)</u> | <u>(10,386,377)</u> | <u>450,600</u> | <u>(43,225)</u> | <u>(13,150,972)</u> | <u>(13,150,972)</u> |
| Total Net Position - Ending | <u>\$ (5,168,211)</u> | <u>\$ (11,437,347)</u> | <u>\$ 725,247</u> | <u>\$ (14,324)</u> | <u>\$ (1,424,375)</u> | <u>\$ 9,511,892</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | | | | 183,906 | |
| Change in Net Position of Business-type Activities (Exhibit 2) | | | | | <u>\$ (1,240,469)</u> | |

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

RAMSEY COUNTY, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds | |
|--|--|--|--------------------------------------|--|---|-----------------------|
| | Lake Owasso Residence | Ramsey County Care Center | Vadnais Sports Center | Nonmajor Law Enforcement Services | | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from Customers and Users | \$ 8,517,551 | \$ 15,109,039 | \$ 1,549,037 | \$ 6,902,086 | \$ 32,077,713 | \$ 5,865,210 |
| Receipts from Interfund Services Provided | - | - | - | - | - | 98,582,971 |
| Payments to Suppliers | (1,794,018) | (4,315,330) | (688,789) | (1,274,552) | (8,072,689) | (74,691,726) |
| Payments to Employees | (7,880,399) | (12,100,641) | (482,057) | (5,936,455) | (26,399,552) | (15,386,192) |
| Payments for Interfund Services Used | - | - | - | - | - | (6,042,625) |
| Net Cash Provided (Used) for Operating Activities | <u>(1,156,866)</u> | <u>(1,306,932)</u> | <u>378,191</u> | <u>(308,921)</u> | <u>(2,394,528)</u> | <u>8,327,638</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Intergovernmental Revenue | 19,968 | 33,778 | - | 378,838 | 432,584 | 26,441 |
| Interfund Loans | - | - | (490,000) | - | (490,000) | - |
| Transfers In | 1,316,959 | 1,309,568 | - | - | 2,626,527 | 6,285,355 |
| Advances from Other Funds | - | 60,778 | - | - | 60,778 | - |
| Transfers Out | - | - | - | - | - | (261) |
| Net Cash Provided (Used) for Noncapital Financing Activities | <u>1,336,927</u> | <u>1,404,124</u> | <u>(490,000)</u> | <u>378,838</u> | <u>2,629,889</u> | <u>6,311,535</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Proceeds from the Sale of Capital Assets | 5,829 | - | - | 3,600 | 9,429 | 141,906 |
| Purchases of Capital Assets | (48,549) | (26,439) | - | (231,068) | (306,056) | (4,037,021) |
| Principal Paid on Capital Debt | (280,000) | (105,000) | - | - | (385,000) | - |
| Interest Paid on Capital Debt | (37,770) | (50,788) | - | - | (88,558) | - |
| Net Cash Provided (Used) for Capital and Related Financing Activities | <u>(360,490)</u> | <u>(182,227)</u> | <u>-</u> | <u>(227,468)</u> | <u>(770,185)</u> | <u>(3,895,115)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Dividend Received | - | 84,709 | - | - | 84,709 | - |
| Investment Earnings | - | - | - | - | - | 9,751,498 |
| Net Cash Provided (Used) for Investing Activities | <u>-</u> | <u>84,709</u> | <u>-</u> | <u>-</u> | <u>84,709</u> | <u>9,751,498</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (180,429) | (326) | (111,809) | (157,551) | (450,115) | 20,495,556 |
| Cash and Cash Equivalents, January 1 | 2,173,233 | 326 | 254,273 | 721,553 | 3,149,385 | 104,796,696 |
| Cash and Cash Equivalents, December 31 | <u>\$ 1,992,804</u> | <u>\$ -</u> | <u>\$ 142,464</u> | <u>\$ 564,002</u> | <u>\$ 2,699,270</u> | <u>\$ 125,292,252</u> |

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

RAMSEY COUNTY, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | Business-type Activities - Enterprise Funds | | | | Total | Governmental Activities - Internal Service Funds |
|--|---|---------------------------------|-----------------------------|--|-----------------------|---|
| | Lake Owasso Residence | Ramsey County Care Center | Vadnais Sports Center | Nonmajor Law Enforcement Services | | |
| Reconciliation of Operating Income to Net | | | | | | |
| Cash Provided (Used) by Operating Activities: | | | | | | |
| Operating Income (Loss) | \$ (2,005,082) | \$ (2,458,360) | \$ 274,630 | \$ (345,537) | \$ (4,534,349) | \$ (5,197,160) |
| Adjustments to Reconcile Operating Income to Net | | | | | | |
| Cash Provided (Used) by Operating Activities: | | | | | | |
| Depreciation Expense | 184,726 | 300,508 | 174,259 | 207,746 | 867,239 | 1,734,750 |
| Changes in Assets and Liabilities: | | | | | | |
| (Increase) Decrease in Accounts Receivable | - | (223,359) | (39,681) | 981 | (262,059) | (34,704) |
| (Increase) Decrease in Due from Other Funds | - | - | - | - | - | 3,030,823 |
| (Increase) Decrease in Due from Other Governments | (21,440) | 54,409 | - | (347,076) | (314,107) | 241,999 |
| (Increase) Decrease in Prepaid Items | - | - | - | - | - | (118,693) |
| (Increase) Decrease in Inventories | - | - | - | - | - | 6,509 |
| (Increase) Decrease in Deferred Pension Outflows | 1,383,822 | 2,146,189 | 11,143 | - | 3,541,154 | 2,744,973 |
| Increase (Decrease) in Salaries Payable | 11,197 | (5,381) | 4,183 | (15,947) | (5,948) | (35,607) |
| Increase (Decrease) in Accounts Payable | (1,162) | 269,380 | 10,564 | (30,751) | 248,031 | 649,592 |
| Increase (Decrease) in Contracts Payable | - | - | (58,530) | - | (58,530) | - |
| Increase (Decrease) in Due to Other Funds | 264,499 | 206,537 | (7,806) | (76,420) | 386,810 | 140,246 |
| Increase (Decrease) in Due to Other Governments | (249) | (291) | 5,613 | 344,338 | 349,411 | 23,232 |
| Increase (Decrease) in Vacation and Compensatory Time Payable | 45,320 | 14,777 | 9,475 | (46,255) | 23,317 | 59,880 |
| Increase (Decrease) in Compensated Absences Payable | 812 | (30,480) | 2,549 | - | (27,119) | (5,159) |
| Increase (Decrease) in Net OPEB Liability | - | - | - | - | - | 7,013,186 |
| Increase (Decrease) in Deferred Pension Inflows | 230,660 | 357,734 | 1,858 | - | 590,252 | 515,967 |
| Increase (Decrease) in Net Pension Liability | (1,249,969) | (1,938,595) | (10,066) | - | (3,198,630) | (2,442,196) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (1,156,866)</u> | <u>\$ (1,306,932)</u> | <u>\$ 378,191</u> | <u>\$ (308,921)</u> | <u>\$ (2,394,528)</u> | <u>\$ 8,327,638</u> |
| Schedule of non-cash capital and related activities: | | | | | | |
| Net book value of capital assets disposed | | | | | | |
| Machinery and Equipment | - | - | - | 8,000 | 8,000 | 11,176 |
| On-behalf contributions related to pensions | 2,066 | 3,204 | 17 | - | 5,287 | 3,798 |

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

EXHIBIT 9

**RAMSEY COUNTY, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017**

| | Private Purpose Trust Funds | Agency Fund |
|------------------------------------|--|------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 438,829 | \$ 64,098,810 |
| Receivables: | | |
| Accounts | - | 4,207,170 |
| Due from Other Governments | - | 54,035 |
| Total Assets | 438,829 | 68,360,015 |
| LIABILITIES | | |
| Custodial Payable | 9,172 | 25,848,388 |
| Due to Other Governments | - | 42,511,627 |
| Total Liabilities | 9,172 | \$ 68,360,015 |
| NET POSITION | | |
| Held in Trust for Private Purposes | \$ 429,657 | |

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

EXHIBIT 10

**RAMSEY COUNTY, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | Private Purpose Trust Funds |
|---|--|
| ADDITIONS | |
| Receipts from Clients | \$ 308,860 |
| Investment Earnings | 433 |
| Total Additions | <u>309,293</u> |
| DEDUCTIONS | |
| Payments to Clients or on Behalf of Clients | <u>240,156</u> |
| Change in Net Position | 69,137 |
| Net Position- Beginning | <u>360,520</u> |
| Net Position - Ending | <u><u>\$ 429,657</u></u> |

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

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2017

| INDEX TO NOTES | Page |
|--|-------------|
| I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | |
| Reporting Entity | 39 |
| Government-wide and Fund Financial Statements | 39 |
| Measurement Focus, Basis of Accounting, and Financial Statement Presentation | 40 |
| Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance | 41 |
| Cash and Cash Equivalents | 41 |
| Deposits and Investments | 42 |
| Receivables and Payables | 42 |
| Inventories and Prepaid Items | 42 |
| Capital Assets | 42 |
| Compensated Absences | 43 |
| Long-Term Obligations | 43 |
| Deferred Outflows/Inflows of Resources | 43 |
| Pension Plan | 44 |
| Unearned Revenue | 44 |
| Restricted Assets/Fund Equity | 44 |
| Estimates in Financial Statements | 44 |
| II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS | |
| Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position | 44 |
| Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities | 45 |
| III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY | |
| Prior Period Adjustment | 46 |
| Deficit Fund Equity | 46 |
| Budgetary Information | 46 |
| Tax Abatement | 47 |
| IV. DETAILED NOTES ON ALL FUNDS | |
| Deposits and Investments | 48 |
| Receivables | 52 |
| Capital Assets | 53 |
| Interfund Receivables, Payables, and Transfers | 55 |
| HRA Conduit Debt Obligations | 56 |
| Leases Payable | 56 |
| Sick Leave, Vacation, and Compensatory Time | 56 |
| Unearned Revenue / Deferred Inflow of Resources | 56 |
| Long-term Obligations | 57 |
| Net Position | 60 |
| Fund Balances | 60 |
| Investment Earnings | 63 |
| V. OTHER INFORMATION | |
| Risk Management | 63 |
| Subsequent Events | 64 |
| Contingent Liabilities | 64 |
| Joint Ventures | 64 |
| Jointly Governed Organizations | 66 |
| Defined Benefit Pension Plans – Statewide | 66 |
| Other Post-Employment Benefits | 73 |

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Ramsey County, Minnesota, was created by the Legislative Assembly of the Territory of Minnesota in 1849. The County operated under a County Board-Executive Director form of government until 1992. On November 6, 1992, Ramsey County became the first County in the State to be governed by a home-rule charter. The Charter defines the powers and structure of the County. The seven members of the Board of County Commissioners are elected by district for four years. The County Manager is appointed by the Board on an indefinite basis.

As required by generally accepted accounting principles, these financial statements present Ramsey County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operations or financial relationships with the County.

Blended Component Units:

The Ramsey County Regional Railroad Authority was created, in 1987, by the Ramsey County Board pursuant to State Statute. The seven-member Regional Railroad Authority Board is appointed by the Ramsey County Board of Commissioners. Currently, the Regional Railroad Authority consists of the seven Ramsey County Commissioners. The Authority has the power to levy taxes, issue bonds and enter into contracts and agreements. The Authority is solely liable for its obligations. Management of Ramsey County has operational responsibility for the Authority. Separate financial statements can be obtained from the Ramsey County Finance Department.

The Ramsey County Housing and Redevelopment Authority was created in 1993 by the Ramsey County Board pursuant to State Statute. The seven-member Housing and Redevelopment Authority is appointed by the Ramsey County Board of Commissioners. Currently, the Housing and Redevelopment Authority consists of the seven members from the Ramsey County Board. The Authority's financial activities are presented in the Housing and Redevelopment Authority Special Revenue Fund. The Authority is fiscally dependent on Ramsey County and there is a potential financial benefit or burden relationship. Separate financial statements are not available.

Joint Ventures:

A joint powers agreement between Ramsey and Washington Counties created the Ramsey/Washington County Resource Recovery Project Board as a joint venture to administer the Recycling and Energy Board. The Recycling and Energy Board is composed of four representatives from Washington County appointed by the Washington County Board and five Ramsey County Commissioners appointed by the Ramsey County Board. All administrative decisions are made by the Recycling and Energy Board except for: budget approval, levying taxes or assessing service charges and establishing the tipping fee to be charged at the facility which requires the approval of the County Boards. Details of this joint venture can be found in Note V. D. Other jointly governed organization details can be found in Note V. E. Separate financial statements can be obtained from the Ramsey County Finance Department.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government. As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for direct interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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 fees and charges for support. In the government-wide statement of net position, the County's net position is reported in three parts: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to

meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Shared revenues are generally recognized in the period the appropriation goes into effect. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Ramsey County considers all revenues to be *available* if they are collected within 60 days after the end of the current period. Property and other taxes, shared revenues, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure (other than those financed by proprietary funds).

The County reports the following proprietary funds:

Enterprise Funds are used to account for business-type activities which sell goods or services provided to the general public:

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

The *Ramsey County Care Center Fund* provides both long-term and transitional care services.

The *Vadnais Sports Center Fund* is a sports complex that features two NHL regulation-size hockey rinks and a 100,000-square-foot sports dome. The sports dome provides spring and summer athletes a perfect place to keep their skills sharp all winter long. The dome can host soccer, baseball, softball, lacrosse, football and many other athletic activities.

Law Enforcement Services Fund provides law enforcement services to cities which do not have their own independent police department. These services are provided by the Ramsey County Sheriff's office through contract agreements for the cost incurred.

Internal service funds are used to account for goods or services provided by one department or agency to other departments or agencies of the County, or other governments, on a cost-reimbursement basis.

- Information Services was created by combining Data Processing and Telecommunications – to provide computer and telephone services to County departments and other governmental units.
- General County Buildings – to account for rents received from occupants of several County Buildings and to pay all expenses incurred in operating and maintaining the building.
- Firearms Range – to provide a Firearms Range to law enforcement personnel of the County and other local governments.
- Fleet Services – to account for revenues received and expenses incurred in operating and maintaining a centralized fleet program.
- Retiree Insurance – to provide resources for the Other Post-Employment Benefit (OPEB) Liability.
- Employee Health Insurance – to provide resources for Employee Health Insurance for employees.

Additionally, the government reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

The *private-purpose trust funds* are used to account for client resources held in trust to pay expenses on their behalf and missing heir funds until they are located.

The County has an *agency fund*, which is custodial in nature and does not present results of operations or have a measurement focus. The agency fund is accounted for using the full accrual basis of accounting. This fund is used to account for assets that the County holds for others in an agency capacity, including pass-through funds that are equivalent to pure cash conduits; inmate and other governmental agency funds held in the custody of the County; and revenues collected on behalf of other governmental units related to property taxes.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions, as well as any related interest earnings; and (3) capital grants and contributions, as well as any related interest earnings. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from 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 Lake Owasso Residence, Ramsey County Care Center, Vadnais Sports Center, and Law Enforcement Services enterprise funds, and of the government's internal service funds are charges for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Cash and Cash Equivalents

Ramsey County has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, each fund's equity in the County's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2017, based on market prices. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments of governmental and fiduciary funds are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2017 were \$ 3,229,835.

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

All trade and property tax receivables are shown net of an allowance for uncollectible. Trade accounts in excess of 120 days comprise the trade accounts receivable allowance for uncollectible. The property tax receivable allowance is equal to 1% of the current year’s property tax levy.

Property taxes are levied as of January 1st on property values assessed as of the same date. The tax levy is divided into two billings: the first billing (due from property owners on May 15th) and the second billing (due on October 15th or November 15th). Taxes, which remain unpaid by property owners at December 31st, are considered delinquent.

4. Inventories and Prepaid Items

Inventory is valued at cost using the first-in/first-out (FIFO) method. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time of purchase on the fund financial statements and converted to the consumption method for the government-wide statements.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Capital Assets

Capital assets, including property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 to more than \$100,000, depending on asset category, and an estimated useful life in excess of one year. The County, effective October 1, 2014, no longer capitalizes items that were considered high risk that no longer meets the dollar threshold. Those assets that do not meet the current policy and have not been fully depreciated will remain in the capital asset system to be retired as appropriate. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

General infrastructure assets acquired prior to January 1, 2002 consist of the road network assets that were acquired or that received substantial improvements subsequent to July 1, 1980 and are reported at actual historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. During the current year, the County did not have any capitalized interest.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings | 10-50 |
| Building Improvements | 5-20 |
| Infrastructure | 20-75 |
| Improvements Other Than Buildings | 10-20 |
| Machinery and Equipment | 2-20 |
| Computer Software | 5-10 |

6. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Under the County's personnel policies and union contracts, County employees are granted vacation and sick leave in varying amounts based on length of services. Certain County employees are also granted compensatory time. Unused accumulated vacation leave, compensatory time, and vested sick leave are paid to employees upon termination. Unvested sick leave is available to employees in the event of illness-related absences and is not paid to employees upon termination. Each permanent employee earns up to 25 days of vacation leave and 15 days of sick leave per year. Vacation and compensatory time payable is the current portion at year end, while the compensated absence payable is the long-term portion.

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The County has one item that qualifies for reporting in this category: deferred pension outflows, reported in the government-wide statement of net position. These outflows arise only under the full accrual basis of accounting and consist of pension plan contributions paid subsequent to the measurement date, differences between expected and actual pension plan economic experience, changes in actuarial assumptions, the differences between projected and actual earnings on pension plan investments, and also pension plan changes in proportionate share. In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The County has three types of items. The first, unavailable revenue, arises only under a modified accrual basis of accounting, and is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second, pension inflows, is related to pension obligations and arise only under the full accrual basis of accounting and consists of differences between expected and actual pension plan economic experience, changes in actuarial assumptions, the differences between projected and actual earnings on pension plan investments, and also pension plan changes in proportionate share. The third, prepaid taxes, arises from the property taxpayer prepaying 2018 property taxes in 2017, this tax is reported in both the government-wide statement of net position and in the governmental funds balance sheet.

9. Pension Plan

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 PERA’s fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA’s fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

10. Unearned Revenue

Governmental funds and government-wide financial statements report unearned revenue in connection with resources that have been received but not yet earned.

11. Restricted Assets/Fund Equity

Certain funds of the County are classified as restricted assets on the statement of net position because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations. These legal restrictions include:

| | |
|--------------------------------|-----------------------|
| Debt Service | \$ 58,145,792 |
| Capital Projects | 13,139,534 |
| Environmental Response Fund | 2,067,165 |
| Criminal Forfeitures | 1,414,125 |
| Sanitation | 21,461,743 |
| Library | 4,339,843 |
| Parks and Recreation | 442,213 |
| Aggregate Pit Restoration | 210,059 |
| Technology | 1,149,854 |
| Affordable Housing | 794,763 |
| Donations for Various Purposes | 605,382 |
| Child Protection | 4,100,070 |
| Transportation | 6,501,300 |
| Other | 2,454,760 |
| Total | <u>\$ 116,826,603</u> |

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

12. Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of net position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(500,807,211) difference are as follows:

| | |
|---|-------------------------|
| Bonds and Notes Payable | \$ (191,562,000) |
| Accrued Interest Payable | (3,494,568) |
| Unamortized Premium on Bonds | (12,224,727) |
| Estimated Payable for Outstanding Claims | (6,061,590) |
| Compensated Absences Payable, Vacation, & Comp Time Payable | (33,079,659) |
| Net Pension Liability | <u>(254,384,667)</u> |
| Net Adjustment to Reduce Fund Balance – Total Governmental | |
| Funds to Arrive at Net Position – Governmental Activities | <u>\$ (500,807,211)</u> |

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(3,493,159) difference are as follows:

| | |
|--|-----------------------|
| Capital Outlay | \$ 25,951,423 |
| Depreciation Expense | <u>(29,444,582)</u> |
| Net Adjustment to Increase Net Changes in Fund Balances – Total Governmental | |
| Funds to Arrive at Changes in Net Position of Governmental Activities | <u>\$ (3,493,159)</u> |

Another element of that reconciliation states that “the issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$ 30,191,667 difference are as follows:

| | |
|---|----------------------|
| General Obligation Debt | \$ 26,590,000 |
| Capital Loan from State of Minnesota for Pedestrian Tunnel | 230,000 |
| Loan for Ramsey County Regional Rail Authority | <u>3,371,667</u> |
| Net Adjustment to Increase Net Changes in Fund Balances – Total Governmental Funds to Arrive at | |
| Changes in Net Position of Governmental Activities | <u>\$ 30,191,667</u> |

Finally, the reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$(16,992,702) difference are as follows:

| | | |
|---|----|---------------------|
| Compensated Absences | \$ | 575,869 |
| Claims and Judgments | | 768,500 |
| Accrued Interest | | 305,281 |
| Amortization of Bond Premium | | 2,299,744 |
| Allowance for Doubtful Accounts | | (46,697) |
| Offset Operating Transfers from Internal Service Funds | | 6,285,094 |
| Inventory (Change From Consumption to Purchase Method) | | 14,099 |
| Deferred Outflows for Pension | | (28,216,313) |
| Net Pension Liability | | 96,334,837 |
| Deferred Inflows for Pension | | (95,313,116) |
| Net Adjustment to Increase Net Changes in Fund Balances - Total | | |
| Governmental Funds to Arrive at Changes in Net Position of Governmental | | |
| Activities | \$ | <u>(16,992,702)</u> |

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Prior Period Adjustment

A prior period adjustment was in the amount of \$23,168,216. This adjustment was due to a 2016 miscalculation in the summarization of capital assets. The adjustment column on Note IV. C. reflects the various changes required to properly reflect this miscalculation.

B. Deficit Fund Equity

Lake Owasso Residence Proprietary Fund had a negative change in net position of \$676,953 for the year, resulting in a deficit net position of \$5,168,211.

Ramsey County Care Center Proprietary Fund had a negative change in net position of \$1,050,970 for the year, resulting in a deficit net position of \$11,437,347.

The Nonmajor Law Enforcement Services Proprietary Fund had a positive change in net position of \$28,901 for the year, resulting in a deficit net position of \$14,324.

The Workforce Solutions Special Revenue Fund had a negative change in fund balances of \$5,134,346 for the year, resulting in a deficit Fund Balance of \$5,278,098.

The Retiree Insurance Internal Service Fund had a positive change in net position of \$3,810,277 for the year, resulting in a deficit net position of \$37,837,689.

C. Budgetary Information

The County Board adopts an annual budget for certain Special Revenue Funds (County Library, Solid Waste/Recycling Service Fee, Emergency Communications, Regional Railroad Authority, 4R Program, and Forfeited Property Management), Regional Railroad Authority Debt Service Fund and the County Debt Service Fund. These budgets are prepared on the modified accrual basis of accounting. Annual budgets are not adopted for the Capital Project Fund, Regional Railroad Authority Capital Project Fund, and certain Special Revenue Funds. Some of these funds have budgets, which are approved at the time the project or budget is initially authorized and overlap fiscal years. Other Special Revenue Funds are not budgeted. The following Special Revenue Funds either have budgets that overlap the County's fiscal year or are not budgeted: Housing and Redevelopment Authority, Workforce Solutions, State Funding for Courts, State Public Defender, Gifts and Donations, Sheriff, Corrections, Property Records, County Attorney, Health Promotion/Health Improvement, Parks and Recreation, Care Center Patients' Activity, and Law Library. The Capital Projects Fund, Regional Railroad Authority Capital Projects Fund, and those Special Revenue Funds, whose budgets overlap fiscal years, are not consistent with the County's method of financial reporting; therefore, comparisons between the results of operations and budgets in these funds are not relevant and are not presented.

Based on a process established by the County Manager and staff, all departments of the government submit requests for appropriations to the County Manager every two years. After review, analysis and discussions with the departments, the County Manager's proposed budget is presented to the County Board for review. The Board holds public hearings and a final budget must be prepared and adopted no later than December 31. The appropriated budget is prepared by fund, function, and department. Budgets may be amended during the year with the approval of the County Manager or County Board as required by the County's Administrative Code. The County Manager is authorized to transfer budgeted amounts within departments or appropriate certain revenues received in excess of the original budget estimate. Transfers of appropriations between departments and other transfers of appropriations require County Board approval. Supplemental appropriations are reviewed by the County Manager's office and submitted to the County Board for their approval. If approved, the adjustments are implemented by the Finance Department by budget revision. Supplemental appropriations required during the year were immaterial. Expenditures may not legally exceed budgeted appropriations at the department level. All appropriations, except the Capital Project Fund and Regional Railroad Authority Capital Project Fund, which are not expended or encumbered, as described above, lapse at year end.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts, capital reserves, and other commitments for the expenditure of monies) outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

D. Tax Abatement

The County entered into a property tax abatement agreement with the developer, Land O' Lakes, Inc., on April 12, 2016, under MN Statutes, sections 469.1812 through 469.1815, as amended. Under the statute a political subdivision may grant a current or prospective abatement of property taxes if it expects the benefits to the political subdivision of the proposed abatement agreement to at least equal the costs to the political subdivision of the proposed agreement and it will provide benefits such as increasing or preserving the tax base or providing employment opportunities in the county. The tax abatement will be for a period of 15 years effective in the years 2020 to 2034. The abatement will equal the property tax calculated on increased annual net tax capacity above the base value established January 2, 2016, less the fiscal disparity taxes, to the extent actually received by the County as its share of property taxes. The projected amount of the abatement is \$1,376,099 over the 15 year period. The total abatement amount cannot exceed \$1,500,000. The developer agrees to construct and equip a 145,000 square foot expansion to its corporate headquarters on the development property, and create at least 200 new full time jobs paying wages no less than \$18.00 per hour exclusive of benefits.

Tax Abatements – Pay-As-You-Go Tax Increment

The County is subject to tax abatements granted by Cities within the County pursuant to MN Statutes Ch 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax Increment Financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to moderate-income housing, and economic development within a City. TIF captures the increase in tax capacity and property taxes (of all taxing jurisdictions, including the County) from development or redevelopment to provide funding for the related project.

The pay-as-you-go note provides for payment to the developer of the percentage of all tax increment received in the prior six months. The payments reimburse the developer for certain public improvements. During 2017, there were 68 pay-as-you-go notes within the County. The tax increment collections during 2017 associated with these notes totaled \$10,383,129. The County's portion of the captured tax capacity and related property taxes was approximately 36% or \$3,737,925.

In the case of the County, TIF agreements of other local governments have resulted in reductions of the County property tax revenues for the year ended December 31, 2017 as shown below:

| Tax Abatement Program | Number of Pay-As-You Go | Taxes Abated | Impact to Ramsey County |
|------------------------------|--|---------------------|--|
| Tax Increment Financing | | | |
| City of: | | | |
| Arden Hills | 2 | \$ 183,598 | \$ 66,095 |
| Falcon Heights | 3 | 42,212 | 15,196 |
| Little Canada | 1 | 227,891 | 82,041 |
| Mounds View | 1 | 1,513,218 | 544,758 |
| North St. Paul | 3 | 298,852 | 107,587 |
| Roseville | 2 | 342,267 | 123,216 |
| Shoreview | 5 | 681,765 | 245,435 |
| St. Anthony | 3 | 639,224 | 230,121 |
| St. Paul | 36 | 6,237,451 | 2,245,482 |
| St. Paul Port Authority | 5 | 81,000 | 29,160 |
| White Bear Lake | 2 | 38,022 | 13,688 |
| White Bear Township | 5 | 97,629 | 35,146 |
| Total | 68 | \$ 10,383,129 | \$ 3,737,925 |

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

| | |
|--------------------------------------|----------------|
| Government-Wide | |
| Governmental Activities | |
| Cash and Pooled Investments | \$ 434,397,333 |
| Investment with Trustee | 72,988,125 |
| Restricted Cash and Cash Equivalents | 16,000 |
| Petty Cash and Change Funds | 27,455 |
| Business-Type Activities | |
| Cash and Pooled Investments | 2,699,270 |
| Petty Cash and Change Funds | 21,100 |
| Cooperative Investment | 22,394 |
| Fiduciary Funds | |
| Private Purpose Trust Funds | |
| Cash and Cash Equivalents | 438,829 |
| Agency Fund | |
| Cash and Cash Equivalents | 64,098,810 |
| Cash and Investments | \$ 574,709,316 |
| Deposits | \$ 30,626,634 |
| Investments | 471,023,608 |
| Investments with Trustee | 72,988,125 |
| Cooperative Investment | 22,394 |
| Petty Cash and Change Funds | 48,555 |
| Total Cash and Investments | \$ 574,709,316 |

1. Deposits

MN. Statutes 118A.02 and 118A.04 authorize the County to designate a depository for public funds and to invest in certificates of deposit. MN. Statute 118A.03 requires that all county deposits not protected by federal deposit insurance be protected by surety bond, or pledged collateral. The collateral must 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 furnishing the collateral.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligation municipal securities rated “A” or better, revenue obligation municipal securities rated “AA” or better; irrevocable standby letters of credit issued by a Federal Home Loan Bank; and insured certificates of deposit. The market value of collateral pledged shall be at least ten% more than the amount on deposit at the close of the financial institution’s banking day, except where the collateral is irrevocable standby letters of credit issued by Federal Home Loan Banks, the amount of collateral shall be equal to the amount on deposit at the close of the financial institution’s banking day.

Custodial Credit Risk-Deposits. Custodial credit risk for deposits is the risk that, in the event of a financial institution failure, the County’s deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk on deposits. As of December 31, 2017, County’s deposits were insured or collateralized in accordance with MN statutes and not exposed to custodial credit risk.

2. Investments

MN. Statutes 118A.04 and 118A.05 generally authorize the following types of investments as available to the County:

- (a) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, or instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as “high risk” by MN. Statute 118A.04, Subd. 6. The securities are rated AA+/Aaa by Standard & Poor’s and Moody’s respectfully;
- (b) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (c) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service. The securities need to be rated A or better by a national bond rating agency;
- (d) insured certificates of deposit and bankers’ acceptances of United States banks;
- (e) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (f) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, Ramsey County manages its exposure to declines in fair value caused by changes in interest rates by limiting the average life of its portfolio to five years. The County also invests in both shorter and longer-term investments, timing maturities so a portion of the portfolio is maturing or coming close to maturity evenly over time and providing the cash flow and liquidity needed for operations. It is the County’s general practice to hold investments to maturity.

Ramsey County has adopted a simulation model of reporting of its investments and their sensitivity to fluctuations in interest rates to comply with Government Accounting Standards Board Statement No. 40, “Deposit and Investment Risk Disclosures”. As presented, assumptions are made that interest rate changes of 50, 100, 150, and 200 basis points; occur on December 31, 2017. On December 31, 2017, the investment portfolio has an average book yield of 1.58% and an effective duration of 2.2 years.

| Ramsey County: | +50 Basis Pts | +100 Basis Pts | +150 Basis Pts | +200 Basis Pts |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| U.S. Agency Securities: | | | | |
| U.S. Treasury Notes | \$ 37,736,520 | \$ 37,587,290 | \$ 37,439,440 | \$ 37,292,940 |
| U.S. Agency Securities: | | | | |
| Federal Home Loan Bank | 48,923,000 | 48,340,000 | 47,761,000 | 47,188,000 |
| Federal Home Loan Mtg. Corp. | 64,470,000 | 63,594,300 | 62,729,270 | 61,883,170 |
| Federal National Mtg. Assn. | 61,356,170 | 60,705,360 | 60,063,600 | 59,430,750 |
| Federal Farm Credit | 49,488,940 | 49,117,420 | 48,750,810 | 48,389,040 |
| Negotiable Certificates of Deposit | 23,579,120 | 23,336,800 | 23,105,260 | 22,877,190 |
| Federal Discount Notes | 124,235,870 | 124,161,640 | 124,087,510 | 124,013,520 |
| Municipal Bonds | 33,237,740 | 32,896,640 | 32,561,000 | 32,230,840 |
| Money Market Fund | 24,998,750 | 24,997,250 | 24,996,000 | 24,994,500 |
| Total Investments | <u>\$ 468,026,110</u> | <u>\$ 464,736,700</u> | <u>\$ 461,493,890</u> | <u>\$ 458,299,950</u> |

Credit Risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the County's policy to invest only in securities that meet the ratings requirements set forth by MN. Statute 118A.

Concentration of Credit Risk. The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. The County's investment policy requires a well-diversified portfolio in order to minimize the risk of losses due to an over-concentration of assets in any type of security, specific issuer, or specific maturity. The policy allows U.S. Treasury securities held without limit and places limits on holdings of non-Treasury issuers. The policy restricts Agency bond holdings up to 60% of the portfolio, Structured Agency Notes up to 30% with no inverses, Agency Mortgage Pass-Thru's up to 30%, Agency CMO's up to 30%, and Bankers Acceptances up to 50%. County policy regarding Agency Discount Notes, Commercial Paper, Certificates of Deposits, Repurchase Agreements, and GIC's is consistent with MN. Statute 118A. County policy does not allow the use of Reverse Repurchase Agreements, Options, or Future Contracts.

Custodial Credit Risk - Investments. The custodial credit risk for investment securities is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment securities or collateral securities that are in the possession of an outside party. Ramsey County's policy states all securities purchased by the County will be held by a third-party safekeeping agency appointed as custodian by the County, consistent with MN. Statute 118A.06. The custodian shall issue a safekeeping receipt to the County for each transaction detailing all pertinent aspects of the specific security and the name and account which the security is held. All security transactions entered into by the County, with the exception of money market mutual funds, fixed income mutual fund, and repurchase agreements, shall be conducted on a delivery versus payment basis.

The County's exposure to credit risk, concentration of credit risk, and custodial credit risk as of December 31, 2017, is as follows:

| Ramsey County: | Credit Risk | Custody Credit Risk | Par | Fair Value | % of Total Portfolio |
|------------------------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| U.S. Agency Securities: | | | | | |
| Treasury Notes | AA+ / Aaa | Custody (a) | 38,000,000 | 37,887,150 | 6.96% |
| U.S. Agency Securities: | | | | | |
| Federal Home Loan Bank | AA+ / Aaa | Custody (a) | 50,000,000 | 49,478,500 | 9.10% |
| Federal Home Loan Mtg. Corp. | AA+ / Aaa | Custody (a) | 65,975,000 | 65,331,520 | 12.01% |
| Federal National Mtg. Assn. | AA+ / Aaa | Custody (a) | 63,000,000 | 62,016,110 | 11.40% |
| Federal Farm Credit | AA+ / Aaa | Custody (a) | 50,300,000 | 49,867,504 | 9.17% |
| Negotiable Certificates of Deposit | Not Rated | Custody (b) | 23,927,000 | 23,791,875 | 4.37% |
| Federal Discount Notes | AA+ / Aaa | Custody (a) | 124,500,000 | 124,320,826 | 22.85% |
| OPEB Trust Investments | Not Rated | Custody (c) | 49,484,331 | 72,988,124 | 13.42% |
| Municipal Bonds | AA / Aa2 or better | Custody (a) | 33,520,000 | 33,330,123 | 6.13% |
| Money Market Fund | AAA-mf/AaaM | Custody (a) | 25,000,000 | 25,000,000 | 4.60% |
| Total Investments | | | <u>\$523,706,331</u> | <u>\$544,011,732</u> | <u>100.00%</u> |

- (a) Securities held in Custody are in Ramsey County's name.
- (b) FDIC Insured
- (c) State run pool investments held in Custody includes equities, fixed income, and cash.

Investments for the County are stated at fair value and a market approach is used to value investments.

The County categorizes its investments using a fair value hierarchy established by generally accepted accounting principles. The hierarchy places investment in one of three categories based upon the inputs used to measure the fair value of the investment. Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted for identical securities in active markets. Debt securities classified in Level 2 of the fair value hierarchy are valued using significant other observable inputs, this might include quoted prices for similar securities in active markets. Securities classified in Level 3 of the hierarchy are valued using significant unobservable inputs, this primarily includes securities that do not have active markets.

As of December 31, 2017, County investments had the following recurring fair value measurement and leveling:

| Investment Type | 12/31/2017 | Fair Value Measurement Using | | |
|--|-----------------------|-------------------------------------|-----------------------|----------------|
| | | Level 1 | Level 2 | Level 3 |
| Investments by Fair Value level: | | | | |
| Debt securities | | | | |
| U.S. Treasury Notes | \$ 37,887,150 | \$ 37,887,150 | \$ - | \$ - |
| Federal Discount Notes | 124,320,826 | - | 124,320,826 | - |
| Federal Home Loan Bank | 49,478,500 | - | 49,478,500 | - |
| Federal Farm Credit | 49,867,504 | - | 49,867,504 | - |
| Federal National Mortgage Association | 62,016,110 | - | 62,016,110 | - |
| Federal Home Loan Mortgage Corporation | 65,331,520 | - | 65,331,520 | - |
| Municipal Bonds | 33,330,123 | - | 33,330,123 | - |
| Commercial Paper | - | - | - | - |
| Negotiable Certificates of Deposit | 23,791,875 | - | 23,791,875 | - |
| Money Market Fund | 25,000,000 | - | 25,000,000 | - |
| Total Debt Securities | <u>\$ 471,023,608</u> | <u>\$ 37,887,150</u> | <u>\$ 433,136,458</u> | <u>\$ -</u> |

The County also holds funds with the State Board of Investments, an external investment pool. At year-end the funds held were \$15,625,897 in the Fixed Income Pool, \$6,836,482 in the Cash Pool, and \$50,525,746 in the

Equity Pool. The fair value of the investments is the fair value per share of the underlying portfolio. The County invests in this pool due to the increased investment authority and historically higher rate of return on investments, as a revocable OPEB trust.

B. Receivables

The receivables are expected to be collected within one year, except for the loans receivable and notes receivable. In the Governmental Activities an allowance for delinquent taxes has been established in the amount of \$3,328,469. Governmental Activities receivables reflect an allowance for doubtful accounts in the amount of \$46,697 and Business-Type Activities receivables reflect an allowance for doubtful accounts in the amount of \$362,753.

Direct financing leases:

PEDESTRIAN CONNECTION

Using loan funds obtained through an agreement with the Minnesota Public Facilities Authority, the County built a pedestrian connection from the RiverCentre complex to the core downtown St. Paul area. Under an agreement with the City of St. Paul, the City is required to make lease payments to the County in an amount equal to 105% of the loan payments due from the County to the Minnesota Public Facilities Authority.

The City is responsible for the operation and maintenance of the pedestrian connection. At the expiration of the term of the lease in the year 2030, the connection will become the sole property of the City. As a result, the pedestrian connection is not included in the County’s capital assets.

Terms of the lease are as follows:

| <u>Year Ended December 31</u> | <u>Lease Receivable</u> |
|--------------------------------------|-------------------------|
| 2018 | 393,672 |
| 2019 | 394,697 |
| 2020 | 390,363 |
| 2021 | 390,849 |
| 2022 | 390,977 |
| 2023-2027 | 1,949,232 |
| 2028-2030 | 1,165,835 |
| | <u>5,075,625</u> |
| Less Interest | (1,073,625) |
| Present Value of Lease Receivable | <u>\$ 4,002,000</u> |

REGIONS HOSPITAL

The lease agreement granted Regions Hospital use of the property through December, 2046 under the condition that it (i) provide care to the indigent of Ramsey County throughout the lease term; (ii) pay all taxes, utilities, maintenance, and insurance costs with respect to the property; (iii) use its best efforts to continue providing, and consult with the Ramsey County Board of Commissioners before discontinuing, its major or unique services, including but not limited to the trauma center, burn unit, graduate medical education, and research services; and (iv) not assign the lease to a for-profit corporation.

The property leased is classified as a capital lease and is not included in the County’s capital assets. The lease requires that a minimum dollar amount of indigent care be provided to Ramsey County residents. In the event the value of charity care does not meet the lease requirement, the Hospital can fulfill the obligation by making capital improvements to the hospital property. The value of charity care is reduced by Ramsey County’s direct cash support, if any.

C. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

| | Beginning Balance | Adjustments | Increases | Decreases | Ending Balance |
|--|-----------------------|----------------------|----------------------|------------------------|-----------------------|
| Governmental Activities: | | | | | |
| Capital Assets not Being Depreciated: | | | | | |
| Land | \$ 150,259,250 | \$ (2,174,954) | \$ 444,752 | \$ - | \$ 148,529,048 |
| Construction in Progress | 43,283,806 | 26,109,521 | 16,879,533 | (19,197,523) | \$ 67,075,337 |
| Total Capital Assets, not Being Depreciated | <u>193,543,056</u> | <u>23,934,567</u> | <u>17,324,285</u> | <u>(19,197,523)</u> | <u>215,604,385</u> |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings | 475,879,811 | (322,768) | 1,412,176 | (6,712) | 476,962,507 |
| Buildings Improvements | 42,359,313 | 1,328,879 | 2,790,617 | (165,041) | 46,313,768 |
| Improvements Other Than Buildings | 55,801,457 | 837,484 | 1,291,489 | - | 57,930,430 |
| Machinery and Equipment | 84,700,969 | (6,819,006) | 4,387,427 | (2,456,129) | 79,813,261 |
| Computer Software | 8,810,635 | 729,475 | 3,967,820 | - | 13,507,930 |
| Infrastructure | 462,888,653 | (1,066,654) | 18,000,976 | (450,275) | 479,372,700 |
| Total Capital Assets Being Depreciated | <u>1,130,440,838</u> | <u>(5,312,590)</u> | <u>31,850,505</u> | <u>(3,078,157)</u> | <u>1,153,900,596</u> |
| Buildings | (112,911,679) | (4,648,294) | (9,690,068) | 2,697 | (127,247,344) |
| Buildings Improvements | (28,607,703) | 3,159,983 | (3,369,501) | 165,041 | (28,652,180) |
| Improvements Other Than Buildings | (34,136,508) | (837,048) | (2,274,766) | - | (37,248,322) |
| Machinery and Equipment | (56,677,242) | 6,586,544 | (4,926,807) | 2,207,902 | (52,809,603) |
| Computer Software | (8,810,635) | (729,788) | (66,252) | - | (9,606,675) |
| Infrastructure | (250,614,892) | 1,014,842 | (10,851,938) | - | (260,451,988) |
| Total Accumulated Depreciation | <u>(491,758,659)</u> | <u>4,546,239</u> | <u>(31,179,332)</u> | <u>2,375,640</u> | <u>(516,016,112)</u> |
| Total Capital Assets Being Depreciated, Net | <u>638,682,179</u> | <u>(766,351)</u> | <u>671,173</u> | <u>(702,517)</u> | <u>637,884,484</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 832,225,235</u> | <u>\$ 23,168,216</u> | <u>\$ 17,995,458</u> | <u>\$ (19,900,040)</u> | <u>\$ 853,488,869</u> |
| Business-type activities: | | | | | |
| Capital Assets not Being Depreciated: | | | | | |
| Land | \$ 1,877,153 | \$ - | \$ - | \$ - | \$ 1,877,153 |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings | 16,488,090 | - | - | - | 16,488,090 |
| Buildings Improvements | 3,696,531 | - | - | - | 3,696,531 |
| Improvements Other Than Buildings | 1,537,677 | - | - | - | 1,537,677 |
| Machinery and Equipment | 2,186,967 | - | 306,047 | (81,682) | 2,411,332 |
| Total Capital Assets Being Depreciated | <u>23,909,265</u> | <u>-</u> | <u>306,047</u> | <u>(81,682)</u> | <u>24,133,630</u> |
| Less Accumulated Depreciation for: | | | | | |
| Buildings | (6,080,983) | - | (372,383) | - | (6,453,366) |
| Buildings Improvements | (2,105,422) | - | (153,012) | - | (2,258,434) |
| Improvements Other Than Buildings | (1,144,787) | - | (61,372) | - | (1,206,159) |
| Machinery and Equipment | (1,463,745) | - | (280,472) | 73,691 | (1,670,526) |
| Total Accumulated Depreciation | <u>(10,794,937)</u> | <u>-</u> | <u>(867,239)</u> | <u>73,691</u> | <u>(11,588,485)</u> |
| Total Capital Assets Being Depreciated, Net | <u>13,114,328</u> | <u>-</u> | <u>(561,192)</u> | <u>(7,991)</u> | <u>12,545,145</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 14,991,481</u> | <u>\$ -</u> | <u>\$ (561,192)</u> | <u>\$ (7,991)</u> | <u>\$ 14,422,298</u> |

Depreciation expense was charged to functions / programs as follows:

Governmental Activities:

| | |
|--|-----------------------------|
| General Government | \$ 4,708,684 |
| Public Safety | 5,557,257 |
| Transportation, including depreciation of infrastructure assets | 14,949,268 |
| Health | 173,162 |
| Sanitation | 61,002 |
| Human Services | 491,154 |
| Culture and Recreation | 3,426,512 |
| Conservation of Natural Resources | 35,960 |
| Economic Development and Assistance | 41,583 |
| Capital assets held by the County's Internal Service funds are charged to the various functions based on their usage of the assets | <u>1,734,750</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 31,179,332</u></u> |

Business-Type Activities:

| | |
|---|--------------------------|
| Lake Owasso Residence | 184,726 |
| Ramsey County Care Center | 300,508 |
| Vadnais Sports Center | 174,259 |
| Law Enforcement Services | <u>207,746</u> |
| Total Depreciation Expense - Business-Type Activities | <u><u>\$ 867,239</u></u> |

Construction and Other Significant Commitments

The government has active construction projects as of December 31, 2017. The projects include widening and construction of existing streets and bridges, and the development of the TCAAP property held for resale. At year-end the government's commitments with contractors are as follows:

| <u>Project</u> | <u>Spent-to-date</u> | <u>Remaining Commitment</u> |
|---|----------------------|---------------------------------|
| Road and Bridge Construction | \$ 62,370,844 | \$ 5,892,941 |
| Twin Cities Army Ammunition Plant (TCAAP) | 41,856,339 | - |

The remaining commitment amounts for the Road and Bridge Construction and TCAAP were encumbered at fiscal year-end.

Encumbrances. As discussed in Note III. C., encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the number of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

| | |
|-----------------------------|-----------------------------|
| General Fund | \$ 2,406,205 |
| Capital Projects Fund | 11,600,687 |
| Nonmajor Governmental Funds | <u>1,728,536</u> |
| Total | <u><u>\$ 15,735,428</u></u> |

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2017, is as follows:

Due to/from other funds:

| Receivable Fund | Payable Fund | Amount |
|-----------------------------|-----------------------------|----------------------|
| General Fund | Nonmajor Governmental Funds | \$ 1,153,234 |
| | Lake Owasso Residence | 113,361 |
| Nonmajor Governmental Funds | General | 45,009 |
| | Nonmajor Governmental Funds | 600,720 |
| Internal Service Funds | General | 41,640 |
| | Nonmajor Governmental Funds | 15,821 |
| | Lake Owasso Residence | 2,535,023 |
| | Ramsey County Care Center | 3,385,483 |
| | Vadnais Sports Center | 40 |
| | Internal Service Funds | 4,833,950 |
| Total | | <u>\$ 12,724,281</u> |

The outstanding balances between funds result mainly from time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Lake Owasso Residence and Ramsey County Care Center also owed funds to the Debt Service Fund for principal and interest which Ramsey County had paid on their behalf.

Advances are usually loans that are outstanding more than one year.

Advances to/from other funds:

| Receivable Fund | Payable Fund | Amount |
|-----------------------------|-----------------------------|----------------------|
| General | Debt Service | \$ 378,206 |
| | Capital Projects Fund | 18,673,321 |
| | Nonmajor Governmental Funds | 4,500,000 |
| Debt Service | Lake Owasso Residence | 378,206 |
| | Ramsey County Care Center | 433,373 |
| Capital Projects | Vadnais Sports Center | 8,660,000 |
| Nonmajor Governmental Funds | Capital Projects Fund | 3,056,478 |
| Total | | <u>\$ 36,079,584</u> |

These balances are primarily working capital loans made to other funds and not scheduled to be paid back in the subsequent year.

Interfund transfers:

| | Transfers In | | | | | Total |
|-----------------------------|---------------------|-------------------------|---------------------|------------------------------|-------------------------|----------------------|
| | General | Capital Projects | Enterprise | Nonmajor Governmental | Internal Service | |
| Transfers Out | | | | | | |
| General | \$ - | \$ 400,000 | \$ 2,626,527 | \$ 70,410 | \$ 6,285,355 | \$ 9,382,292 |
| Capital Projects Funds | 2,640,860 | - | - | - | - | 2,640,860 |
| Nonmajor Governmental Funds | 1,810,834 | - | - | 1,600,000 | - | 3,410,834 |
| Internal Service Funds | 261 | - | - | - | - | 261 |
| Total transfers out | <u>\$ 4,451,955</u> | <u>\$ 400,000</u> | <u>\$ 2,626,527</u> | <u>\$ 1,670,410</u> | <u>\$ 6,285,355</u> | <u>\$ 15,434,247</u> |

Transfers are used to move revenues from the General Fund to finance various programs accounted for in other funds, move restricted funds to the Debt Service Fund, and also move revenues from the General Fund to the Retiree Insurance to partially finance the OPEB liability.

E. HRA Conduit Debt Obligations

The HRA has issued Rental Housing Revenue Bonds to facilitate the development of housing facilities designed for occupancy by persons of low or moderate income which improves the economic and housing conditions of the County. The bonds are secured by the financed property and are payable solely from the revenues of the housing projects. The HRA has issued Revenue Bonds to facilitate the development of enterprises engaged in providing health care services to residents of Ramsey County. The bonds are secured by the financial property and are payable solely from the revenues of the health care operation.

The bonds do not constitute a charge, lien, or encumbrance, legal or equitable, upon any property or funds of the HRA, nor is the HRA subject to any liability thereon. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

There was one conduit bond issuance at December 31, 2017. Conduit bonds have an outstanding principal balance of \$4,485,886 at December 31, 2017 as follows:

| | <u>Issue Year</u> | <u>Principal Balance</u> |
|--|-------------------|--------------------------|
| Centex – Chestnut Housing (Upper Landings) | 2002 | \$ 4,485,886 |

F. Leases Payable

Operating Leases

The County leases real estate and equipment under leases expiring at various dates through 2023. Total costs for such leases were \$2,554,832 for year ended December 31, 2017. The future minimum lease payments for these leases are as follows:

| <u>Year Ending December 31</u> | <u>General Fund</u> |
|------------------------------------|----------------------|
| 2018 | \$ 3,161,890 |
| 2019 | 5,239,494 |
| 2020 | 3,085,373 |
| 2021 | 2,817,524 |
| 2022 | 1,910,251 |
| 2023-2027 | 2,293,975 |
| 2028 | 78,070 |
| Total | <u>\$ 18,586,577</u> |

G. Sick Leave, Vacation, and Compensatory Time

Under the County’s personnel policies and union contracts, County employees are granted vacation and sick leave in varying amounts based on length of service. Certain employees are also granted compensatory time. Unused accumulated vacation, vested sick leave, and compensatory time are paid to employees upon termination. Each permanent employee earns up to 25 days of vacation leave and 15 days of sick leave per year.

H. Unearned Revenue / Deferred Inflow of Resources

Governmental funds report *unearned revenue and deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue and deferred inflows of resources* reported in the governmental funds were as follows:

| | Unavailable | Prepaid Taxes | Total | Unearned |
|---|----------------------|----------------------|----------------------|---------------------|
| Delinquent Property Taxes Receivable | \$ 4,086,318 | \$ - | \$4,086,318 | \$ - |
| Receivables that do not Provide Current Financial Resources | 42,652,748 | - | 42,652,748 | - |
| Loans Receivable | 14,413,472 | - | 14,413,472 | - |
| Forfeited Tax Sale Accounts Receivable | 4,435,460 | - | 4,435,460 | - |
| Notes Receivable | 3,711,972 | - | 3,711,972 | - |
| Grant Drawdowns Prior to Meeting Eligibility Requirements | - | - | - | 1,658,834 |
| Prepaid Taxes | - | 14,887,729 | 14,887,729 | - |
| Total | <u>\$ 69,299,970</u> | <u>\$ 14,887,729</u> | <u>\$ 84,187,699</u> | <u>\$ 1,658,834</u> |

I. Long-Term Obligations

General Obligation Bonds and Notes

The County issues general obligation bonds and notes to provide funding for the acquisition and construction of major capital projects. General obligation bonds and notes have been issued for both governmental and business-type activities. As of December 31, 2017, the outstanding amount of general obligation bonds and notes issued in years prior to 2017 was \$193,602,000. No general obligation bonds were issued by the County during 2017.

The following is a list of the long-term debt transactions of the County for the year ended December 31, 2017:

| | Payable January 1 | Additions | Deductions | Payable December 31 | Due Within One Year |
|---|-----------------------|----------------------|----------------------|------------------------|------------------------|
| GOVERNMENTAL ACTIVITIES: | | | | | |
| General Obligation Bonds | \$ 214,140,000 | \$ - | \$ 26,580,000 | \$ 187,560,000 | \$ 16,825,000 |
| Note Payable | 4,242,000 | - | 240,000 | 4,002,000 | 250,000 |
| Premium/Discount | 14,524,471 | - | 2,299,744 | 12,224,727 | 1,851,384 |
| Total General Obligation Bonds and Notes Payable | <u>232,906,471</u> | <u>-</u> | <u>29,119,744</u> | <u>203,786,727</u> | <u>18,926,384</u> |
| Loans Payable: | | | | | |
| Governmental Funds | 3,371,667 | - | 3,371,667 | - | - |
| Claims and Judgments Payable | | | | | |
| Governmental Funds | 7,043,196 | 3,341,125 | 4,140,487 | 6,243,834 | 3,004,600 |
| Compensated Absences: | | | | | |
| Governmental Funds | 33,655,527 | 19,090,211 | 19,666,080 | 33,079,658 | 18,211,686 |
| Internal Service Funds: | | | | | |
| Information Services | 907,736 | 483,415 | 493,141 | 898,010 | 528,848 |
| General County Buildings | 799,888 | 315,113 | 305,012 | 809,989 | 369,389 |
| Fleet Services | 215,773 | 106,297 | 101,952 | 220,118 | 134,344 |
| Total Compensated Absences | <u>35,578,924</u> | <u>19,995,036</u> | <u>20,566,185</u> | <u>35,007,775</u> | <u>19,244,267</u> |
| Governmental Activities Long-term Liabilities | <u>\$ 278,900,258</u> | <u>\$ 23,336,161</u> | <u>\$ 57,198,083</u> | <u>\$ 245,038,336</u> | <u>\$ 41,175,251</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | | |
| General Obligation Bonds: | | | | | |
| Enterprise Funds: | | | | | |
| Lake Owasso Residence | \$ 1,100,000 | \$ - | \$ 280,000 | \$ 820,000 | \$ 260,000 |
| Ramsey Care Center | 2,660,000 | - | 1,440,000 | 1,220,000 | 100,000 |
| Vadnais Sports Center | - | - | - | - | - |
| Premium/Discount | 285,684 | - | 78,051 | 207,633 | 38,049 |
| Total General Obligation Bonds | <u>4,045,684</u> | <u>-</u> | <u>1,798,051</u> | <u>2,247,633</u> | <u>398,049</u> |
| Compensated Absences: | | | | | |
| Enterprise Funds: | | | | | |
| Lake Owasso Residence | 834,916 | 437,273 | 391,141 | 881,048 | 584,214 |
| Ramsey Care Center | 1,082,076 | 595,213 | 610,916 | 1,066,373 | 543,594 |
| Vadnais Sports Center | 24,040 | 26,592 | 14,568 | 36,064 | 30,285 |
| Law Enforcement Services | 483,663 | 297,056 | 343,311 | 437,408 | 437,408 |
| Total Compensated Absences | <u>2,424,695</u> | <u>1,356,134</u> | <u>1,359,936</u> | <u>2,420,893</u> | <u>1,595,501</u> |
| Business-Type Activities Long-term Liabilities | <u>\$ 6,470,379</u> | <u>\$ 1,356,134</u> | <u>\$ 3,157,987</u> | <u>\$ 4,668,526</u> | <u>\$ 1,993,550</u> |

Internal Service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund. Long-term debt payable at December 31, 2017, comprises the following individual issues:

COUNTY GENERAL OBLIGATION DEBT:

County-wide General Obligation Bonds

| | |
|--|--------------|
| \$6,100,000 General Obligation Capital Improvement Plan (CIP) Bonds Series 2008A, annual installments of \$175,000 to \$455,000 through February 1, 2028 - interest rate 3.92% | \$ 2,555,000 |
| \$6,100,000 General Obligation CIP (Build America) Bonds Series 2009A, annual installments of \$175,000 to \$450,000 through February 1, 2029 - interest rate 3.38% | 2,940,000 |
| \$15,950,000 General Obligation Library (Build America) Bonds Series 2009B, annual installments of \$580,000 to \$1,530,000 through February 1, 2029 - interest rate 3.42% | 10,075,000 |
| \$6,950,000 General Obligation CIP Refunding Bonds Series 2010A, annual installments of \$510,000 to \$955,000 through February 1, 2021 - interest rate 2.37% | 2,370,000 |
| \$8,730,000 General Obligation CIP (Build America) Bonds Series 2010B, annual installments of \$200,000 to \$1,275,000 through February 1, 2022 - interest rate 2.48% | 3,715,000 |
| Series, 2010C annual installments of \$230,000 to \$1,040,000 through February 1, 2030 - interest rate 2.91% | 7,770,000 |
| \$18,500,000 General Obligation CIP Bonds Series 2011A, annual installments of \$390,000 to \$1,195,000 through February 1, 2031 - interest rate 3.41% | 14,050,000 |
| \$37,765,000 General Obligation CIP Refunding Bonds Series 2011B, annual installments of \$2,760,000 to \$6,115,000 through February 1, 2022 - interest rate 1.32% | 16,390,000 |
| \$18,500,000 General Obligation CIP Bonds Series 2012A, annual installments of \$195,000 to \$1,205,000 through February 1, 2032 - interest rate at 2.72% | 14,705,000 |
| \$13,185,000 General Obligation CIP Refunding Bonds Series 2012B, annual installments of \$225,000 to \$1,635,000 through February 1, 2023 - interest rate 1.30% | 9,025,000 |
| \$3,155,000 General Obligation CIP Refunding Bonds Series 2012C, annual installments of \$165,000 to \$240,000 through February 1, 2028 - interest rate 1.98% | 2,435,000 |
| \$22,700,000 General Obligation CIP Bonds Series 2013A, annual installments of \$365,000 to \$2,815,000 through February 1, 2033 - interest rate 2.41% | 18,900,000 |
| \$12,000,000 General Obligation CIP Taxable Bonds Series 2013B, annual installments of \$510,000 to \$810,000 through February 1, 2033 - interest rate 3.23% | 10,425,000 |
| \$5,680,000 General Obligation Library Refunding Bonds Series 2014A, annual installments of \$445,000 to \$685,000 through February 1, 2024 - interest rate 1.84% | 4,240,000 |
| \$9,500,000 General Obligation CIP Taxable Bonds Series 2014B, annual installments of \$370,000 to \$630,000 through February 1, 2034 - interest rate 3.52% | 8,205,000 |
| \$3,300,000 General Obligation Library Bonds Series 2014C, annual installments of \$30,000 to \$245,000 through February 1, 2034 - interest rate 3.05% | 3,100,000 |
| \$6,870,000 General Obligation CIP Refunding Bonds Series 2014D, annual installments of \$555,000 to \$800,000 through February 1, 2024 - interest rate 1.82% | 5,070,000 |
| \$3,500,000 General Obligation CIP Bonds Series 2015A, annual installments of \$255,000 to \$835,000 through February 1, 2025 - interest rate 1.69% | 2,410,000 |
| \$14,445,000 General Obligation Library Bonds Series 2015B, annual installments of \$510,000 to \$1,025,000 through February 1, 2035 - interest rate 2.78% | 13,935,000 |

| | |
|---|------------------------------|
| \$17,900,000 General Obligation Solid Waste Facility Revenue Bonds Series 2016A, annual installments of \$505,000 to \$1,000,000 through February 1, 2041 - interest rate 2.92% | 17,375,000 |
| \$5,435,000 General Obligation CIP Bonds Series 2016B, annual installments of \$200,000 to \$715,000 through February 1, 2026 - interest rate 1.38% | 5,160,000 |
| \$15,825,000 General Obligation CIP Refunding Bonds Series 2016C, annual installments of \$1,075,000 to \$2,030,000 through February 1, 2027 - interest rate 1.38% | 14,750,000 |
| Total General Obligation Bonds | <u>189,600,000</u> |
| <u>General Obligation Notes Payable:</u> | |
| \$6,872,000 2001 General Obligation Notes due in annual installments of \$150,000 to \$372,000 through August 20, 2030 - interest at 3.59% | 4,002,000 |
| Total County General Obligation Debt | <u><u>\$ 193,602,000</u></u> |

Annual Requirement to Amortize Long-Term Debt

The annual requirements to amortize all long-term debt outstanding as of December 31, 2017, carrying interest rates of 1.30% to 4.32% are:

| Years Ending December 31 | | | | |
|-----------------------------|-----------------------|----------------------|---------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 2018 | \$ 17,075,000 | \$ 7,406,394 | \$ 360,000 | \$ 79,000 |
| 2019 | 18,125,000 | 6,694,577 | 380,000 | 64,200 |
| 2020 | 18,325,000 | 5,923,489 | 395,000 | 46,725 |
| 2021 | 17,760,000 | 5,115,601 | 115,000 | 33,975 |
| 2022 | 17,220,000 | 4,321,264 | 120,000 | 28,100 |
| 2023-2027 | 54,280,000 | 13,893,299 | 670,000 | 52,150 |
| 2028-2032 | 34,772,000 | 5,279,417 | - | - |
| 2033-2037 | 10,185,000 | 1,166,589 | - | - |
| 2038-2041 | 3,820,000 | 244,313 | - | - |
| Total | <u>\$ 191,562,000</u> | <u>\$ 50,044,943</u> | <u>\$ 2,040,000</u> | <u>\$ 304,150</u> |

The County is subject to Minn. Stat., Sect. 475.53, Subd. 1, as amended in 2008, which limits the amount of bonded debt (exclusive of revenue bonds) that the County may have outstanding to 3% of the estimated market value of property within the County. At December 31, 2017, the statutory limit for the County was \$1,328,493,171 providing a debt margin of \$1,190,390,420.

There is \$58,145,792 available in the Debt Service Fund to service the General Obligation Bonds and Notes Payable. There may be limitations and restrictions contained in the various bond indentures. The County is in compliance with all significant limitations and restrictions.

The County's proportionate share of debt at December 31, 2017 of all local governmental units which provide services within the County's boundaries, and which must be borne by properties in the County, is summarized below:

| | Outstanding | Percentage Applicable To the County | County's Share Of Debt |
|-------------------------|-------------------------|---|---------------------------|
| Direct Debt | | | |
| Ramsey County | \$ 203,786,727 | 100.0% | \$ 203,786,727 |
| Overlapping Debt | | | |
| Cities | 34,404,217 | 8.5% | 2,911,717 |
| School Districts | 214,000,000 | 61.4% | 131,447,061 |
| Other | 188,620,614 | 14.8% | 27,915,851 |
| Underlying Debt | | | |
| Cities and Towns | 227,869,357 | 100.0% | 227,869,357 |
| School Districts | 538,705,000 | 100.0% | 538,705,000 |
| Other | 41,530,770 | 100.0% | 41,530,770 |
| TOTAL | <u>\$ 1,448,916,685</u> | | <u>\$ 1,174,166,483</u> |

Regional Railroad Authority Loan

On April 19, 2012, the Ramsey County Regional Railroad Authority (RCRRA) closed on two \$10,000,000 Limited Tax Obligation Notes (Union Depot Project), Series 2012A and 2012B through U.S. Bank. Loan proceeds were used to provide partial financing of construction costs to transform the Union Depot into a multi-modal transit hub. The loan terms were five years, callable at par after three years, with interest only payments beginning August 1, 2012 and February 1, 2013, respectively, and principal and interest payments beginning August 1, 2014. The final payment of both loans was paid February 1, 2017.

Bond Refunding

In August of 2016, the County issued General Obligation Capital Improvement Plan Refunding Bonds, Series 2016C in the amount of \$15,825,000. The Bonds will be general obligations of the County for which the County pledges its full faith and credit and power to levy direct general ad valorem taxes. The Series 2016C bonds refunded Series 2005B, Series 2006A, and Series 2007A bond issues to achieve interest cost savings. The refunding resulted in future debt service savings of \$2,494,853 and an economic gain of \$2,338,197. The refunded 2005B and 2006A bonds were called on October 1, 2016. The 2007A bonds were advance refunded and called on August 1, 2017.

J. Net Position

Net position in the government-wide and proprietary fund financial statements is classified in the following categories:

Net investment in capital assets is the amount of net position representing capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted net position is the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position is the amount of net position that does not meet the definition of restricted or net investment in capital assets.

K. Fund Balances

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are as follows:

Nonspendable is the amount of fund balance that cannot be spent because it is either not in spendable form or is legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted directly into cash, and includes items such as inventory and advances from the General Fund.

Restricted is the amount of fund balance subject to external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or constraints imposed by law through constitutional provisions and enabling legislation.

Committed is the amount of fund balance that can be only used for the specific purposes imposed by formal action (resolution) of the County Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned is the amount of fund balance the County intends to use for specific purposes but does not meet the criteria to be classified as “restricted” or “committed.” In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Board. The County Board has also adopted a fund balance policy that delegates authority to assign fund balance to the County Manager.

Unassigned is the residual classification for the General Fund and includes all spendable amounts not contained in the other fund balance classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

Minimum Fund Balance Policy:

The Minnesota State Auditor’s Office recommends that local governments determine, establish and maintain a desired minimum level of unrestricted fund balance of their governmental funds that is sufficient to provide cash flow until the first tax collections are received, to support self-insurance activities, and fund legal obligations that will be paid out of cash at a later date. Also, local governments need to maintain a prudent level of financial resources to protect against a forced service level reduction or having to raise taxes or fees because of unpredicted one-time expenditures. It is the policy of Ramsey County that we will follow the State Auditor’s Recommendation as stated above. Accordingly, Ramsey County policy requires 1) maintain an unrestricted General Fund Balance of no more than 50% of current year revenues, current year expenditures, or the subsequent year’s operating budget; 2) maintain an unassigned General Fund Balance of no less than two months of the subsequent year’s budget; 3) commit and transfer any unrestricted General Fund Balance in excess of the 50% threshold to the Capital Projects Fund.

Policy on Unassigned Fund Balance Process

The County’s Unassigned General Fund Balance will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

Policy on Assigned Fund Balance Process

Ramsey County’s Assigned Fund Balance consists of internally imposed constraints established by the Ramsey County Commissioners and/or management that reflect the specific purpose for which it is Ramsey County’s intended use. Pursuant to Ramsey County Resolution 2010-412, the County Manager is authorized to establish assignments of fund balance. Examples include capital expenditures and self-insurance.

Policy on Committed Fund Balance Process

Fund Balance of the County for a specific source may be committed by formal action of the Ramsey County Board. Formal action consists of internally imposed constraints established by Resolution of the Ramsey County Board. Amendments or modifications of the committed fund balance must also be approved by formal action of the Ramsey County Board. Examples include encumbrances, budget carryovers for a specific item or purpose and an appropriation of existing fund balance for a specific use.

Policy on Priority of Fund Balance Used

For eligible expenditures for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows:

When both restricted and unrestricted resources are available for use, it is Ramsey County’s policy to first use restricted resources, and then use unrestricted resources as they are needed.

When Committed, Assigned or Unassigned resources are available for use, it is Ramsey County's policy to use resources in the following order: 1) Committed, 2) Assigned and 3) Unassigned.

Fund Balance Classifications:

The fund balance of \$58,145,792 of the Debt Service Fund is restricted for debt service expenditures. The fund balance of the Capital Projects Fund has \$13,139,534 of unspent bond proceeds classified as restricted and \$16,672,707 committed for purchase and upgrade of facilities. The fund balance of the Regional Railroad Authority Capital Projects Fund is assigned to Regional Rail projects. The remaining detail of Ramsey County's fund balance classification is as follows:

| Fund Balance Classification | General Fund | Other Governmental Funds |
|------------------------------------|----------------------|---------------------------------|
| Nonspendable: | | |
| Petty Cash | \$ 25,185 | \$ 2,195 |
| Inventory | 1,308,968 | - |
| Advances | 23,894,899 | - |
| Total Nonspendable | \$ 25,229,052 | \$ 2,195 |
| Restricted | | |
| Aggregate Pit Restoration | \$ 210,059 | \$ - |
| Child Protection | 4,100,070 | - |
| Donations for various purposes | - | 605,382 |
| Criminal Forfeitures | - | 1,414,125 |
| Technology | - | 1,149,854 |
| Environmental Response Fund | - | 2,067,165 |
| Library | - | 4,339,843 |
| Sanitation | - | 21,461,743 |
| Affordable Housing | - | 794,763 |
| Parks and Recreation | - | 442,213 |
| Transportation | - | 6,501,300 |
| Other | - | 2,454,760 |
| Total Restricted | \$ 4,310,129 | \$ 41,231,148 |
| Committed | | |
| Corrections | \$ - | \$ 444,912 |
| Emergency Communications | - | 4,702,842 |
| Total Committed | \$ - | \$ 5,147,754 |
| Assigned | | |
| Capital Expenditures | \$ 4,001,099 | \$ - |
| Self-Insurance | 10,033,547 | - |
| Projects | 20,345,682 | - |
| Human Services | - | - |
| General Government | 793,035 | - |
| Public Safety | 11,060 | 196,729 |
| Highways and Streets | 37,255 | - |
| Health | 171,930 | - |
| Culture and Recreation | 2,253 | - |
| Emergency Communications | - | 8,261,188 |
| Regional Railroad Authority | - | 30,427,166 |
| Corrections | - | 310,016 |
| Total Assigned | \$ 35,395,861 | \$ 39,195,099 |

L. Investment Earnings:

Generally accepted accounting principles require the County to record the difference between the market value and cost of investments. This difference is included as a gain or loss in investment earnings. In 2017, the investment earnings for the General Fund, including unrealized gains (losses) on investments, are as follows:

| | |
|--------------------------------|---------------------|
| Interest on Investments | \$ 6,088,999 |
| Unrealized Loss on Investments | <u>(2,859,164)</u> |
| | <u>\$ 3,229,835</u> |

V. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County currently reports all of its risk management activities in its General Fund except for Solid Waste risk management activities which are reported in the Solid Waste/Recycling Service Fee Special Revenue Fund and the Ramsey County Care Center risk management activities which are reported in the Ramsey County Care Center Enterprise Fund. Premiums are paid into the General Fund by the other funds and are available to pay claims, claim reserves, and administrative costs of the program.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

| | Year Ended December 31, 2016 | Year Ended December 31, 2017 |
|---|---|---|
| Unpaid claims, beginning of fiscal year | \$ 7,018,756 | \$ 7,043,196 |
| Incurred claims (including IBNRs) | 5,316,033 | 3,341,125 |
| Claim payments | <u>(5,291,593)</u> | <u>(4,140,487)</u> |
| Unpaid claims, end of fiscal year | <u>\$ 7,043,196</u> | <u>\$ 6,243,834</u> |

The County carries commercial insurance for:

- 1) Ramsey County Care Center (self-insured for workers compensation),
- 2) Lake Owasso Residence,
- 3) Law Enforcement Service, and
- 4) Job Training Partnership Act (Administration of program only)

The County also participates in the Workers Compensation Reinsurance Association (WCRA) as required by State law. Ramsey County is responsible for costs up to \$2,000,000 for any claim. The WCRA becomes responsible for the amount in excess of \$2,000,000. The limit changes each year. A premium is paid by the County to the association based on the County’s total salary costs.

There were no significant reductions in insurance or increases in expenditures from the County’s self-insurance accounts from the previous year or settlements in excess of insurance coverage or self-insurance balances for any of the past three fiscal years.

B. Subsequent Events

\$11,200,000 of General Obligation Capital Improvement Plan Bonds, Series 2018A, financing various capital improvement projects were authorized on April 17, 2018.

\$9,150,000 of General Obligation Library Refunding Bonds, Series 2018B, to refund the Taxable General Obligation Library Bonds, Series 2009B were authorized on April 17, 2018.

\$12,205,000 of General Obligation Capital Improvement Plan Refunding Bonds, Series 2018C, to refund the Taxable General Obligation Capital Improvement Plan Bonds, Series 2009A and Taxable General Obligation Capital Improvement Plan Bonds, Series 2010A were authorized on April 17, 2018.

C. Contingent Liabilities

GRANTS

The County receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The financial assistance received may be subject to an audit pursuant to Uniform Guidance or audits by the grantor agency.

LITIGATION

The County was a defendant in a class action lawsuit filed in U.S. District Court involving exposure to a contagious disease at the Ramsey County Correctional Facility. Compensation was being sought for inmates who were exposed to tuberculosis. The County denies liability to the plaintiffs and other class members. Nevertheless, the parties have entered into a settlement.

As part of the settlement, the County agreed to make monetary payments to eligible class members as compensation for the injury they incurred and complications they experienced as a result of contracting tuberculosis (TB) at the Workhouse. The County also agreed to provide or fund medically necessary diagnostic procedures, care and treatment to the eligible class members.

The County established a fund to pay the settlement costs of plaintiff attorney fees. To date, \$9,576,000 has been paid to eligible class members, plaintiff attorney fees and County defense fees.

The file is closed in its entirety. An inmate has come forward to present a claim. The terms of the settlement agreement require testing to have been completed on or before February 11, 2011. To date the inmate has not been able to produce documentation that he was tested. Failure to comply with the terms of the settlement agreement should exclude him from receiving any settlement.

D. Joint Ventures

RECYCLING AND ENERGY BOARD

In 2012, Ramsey and Washington Counties entered into a new three-year service agreement (2013 – 2015) with the owner of the Ramsey/Washington County Resource Recovery Facility, Resource Recovery Technologies, Inc.

The Counties have a Joint Powers Agreement to administer the service agreement with Ramsey County and other joint programs. The term of the current joint powers agreement was through 2017. An Amended and Restated Joint Powers Agreement was signed in September 2015. The new agreement will continue until terminated or dissolved in accordance with Section IX.B3 of the agreement. Ramsey and Washington Counties had three previous Joint Powers Agreements (JPA) for the Resource Recovery Project from 1982 to 1984, from 1985 to 2006, and from 2007 to 2012. The Resource Recovery Project Board has since been renamed to the Ramsey/Washington Recycling and Energy Board.

In the Fall of 2015, the Resource Recovery Project Board took a significant step toward improving the environment and achieving their common vision to increase recycling and get the most value out of trash by taking an action to recommend the purchase of the Resource Recovery Technologies, Inc. facility in Newport.

The Counties funded the purchase of the processing facility by the Ramsey/Washington Recycling and Energy Board from its previous private owners in December 2015, after more than two years of studying how it could be used along with new technologies to modernize the East Metro’s trash handling system.

Ramsey County issued bonds in the amount of \$17,900,000 for its share of the purchase of the facility. These funds were in turn loaned to the Ramsey/Washington Recycling and Energy Board to fund the purchase. The joint powers agreement designates Ramsey County to serve as the administrative entity for the Energy Board. In 2016, Ramsey County advanced an additional \$2,993,000 to provide working capital funds, which will be repaid from future operations.

Ramsey County’s ongoing financial interest in the project is 73% of the obligations or resources upon termination of the agreement. Summary financial information for this joint venture as of and for the year ended December 31, 2017 have been subjected to audit in the following table:

| | <u>Total Project</u> |
|--------------------------------|----------------------|
| Total Assets | \$ 41,203,749 |
| Deferred Outflows | 179,053 |
| Total Liabilities | 33,926,737 |
| Deferred Inflows | 46,546 |
| Total Net Position | 7,409,519 |
| | |
| Total Revenues | 44,329,822 |
| Total Expenses | <u>43,006,322</u> |
| Net (Decrease) in Net Position | <u>\$ 1,323,500</u> |

Financial statements for Ramsey/Washington Recycling and Energy Board are available from the R&E Board Office 2785 White Bear Ave, Suite 350, Maplewood, MN 55109.

VERIFICATION COLLABORATIVE EXECUTIVE COMMITTEE

Ramsey County entered into a joint powers agreement pursuant to the provisions of MN Statute Sect. 471.59, to oversee any entity under contract to provide vendor certification services to the members of the Inclusiveness in Contracting Collaborative and to handle appeals of vendor certification status and other certification-related matters that may arise from time to time. The committee is composed of one representative of each of the members. Ramsey County joined with Hennepin County, the City of Minneapolis, the City of St. Paul, and Independent School District 625. Currently, a fiscal agent is not needed and no financial report is available.

COUNTIES TRANSIT IMPROVEMENT BOARD (CTIB)

CTIB was created on April 1, 2008, as required by Minn. Statute Section 297A.992, by joint powers agreement between the counties of Anoka, Dakota, Hennepin, Ramsey, and Washington. Its purpose is to receive and distribute a ¼ cent transit sales tax for the development, construction, and operation of transit ways serving the five-county area. During the June 13, 2017 board meeting, the Board of Commissioners approved resolution # B2017-142 to dissolve the Counties Transit Improvement Board effective June 30, 2017. The CTIB was replaced by the Board of Commissioner’s approval of resolution # B2017-143, which imposes a ½ cent sales tax for transit and transportation improvements. Ramsey County will be administering these funds.

METROPOLITAN EMERGENCY SERVICES BOARD

Pursuant to Minn. Stat. § 471.59, Ramsey County entered into a joint powers agreement with Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Scott, Washington Counties and the City of Minneapolis. The purposes of the agreement are: (a) the implementation and administration of a regional 911 system, and (b) encouraging the development of new resources and the coordination of emergency medical services.

The Board, consisting of one commissioner from Chisago and Isanti counties, up to four commissioners from Hennepin and Ramsey Counties and two commissioners from each of the remaining counties and the City of Minneapolis, determines the amount of contribution by each participating county according to an assessment formula.

Financial statements are prepared by Washington County and audited by Redpath, and Company. Financial statements can be obtained at the 911 Board Office, 2099 University Avenue, Saint Paul, MN 55104-3431

E. Jointly Governed Organizations

Ramsey County, in conjunction with other local governments and various private organizations have formed the collaboratives listed below:

- North Suburban Collaborative: The collaborative was established to receive and expend grant funds on new prevention and early intervention children services. The Roseville School District is the fiscal agent. Ramsey County has no operational or financial control over the collaborative. Financial statements are available from the Roseville School District, 1251 West County Road B2, Roseville, MN 55113.
- Children's Mental Health Collaborative: The collaborative was established to receive and expend grant funds on new prevention and early intervention children's mental health issues. Ramsey County is the fiscal agent. Ramsey County has no operational or financial control over the collaborative.
- Saint Paul-Ramsey County Children's Initiative Collaborative: The collaborative was established to receive and expend grant funds on new prevention and early intervention family services. Ramsey County is the fiscal agent. Ramsey County has no operational or financial control over the collaborative.
- Ramsey County LCTS Collaborative Partnership: The collaborative was established to receive and redistribute grant funds to other collaboratives. Ramsey County is the fiscal agent. Ramsey County has no operational or financial control over the collaborative.
- Inclusiveness Contracting Collaborative: The collaborative was established to create a centralized program for certification of businesses in the members' respective small businesses, minority-owned business, or women-owned business enterprise programs. An outside contractor, Impact Inc. is the fiscal agent. Ramsey County has no operational or financial control over the collaborative.
- Mental Health Crisis Alliance: A Cooperative Agreement was established with Dakota County to provide funding to increase mental health crisis services for adults. A Cooperative Agreement was created with a governing board which will be referred to as the East Metropolitan Adult Crisis Stabilization Collaborative ("EMACS"). Ramsey County is the fiscal agent. Ramsey County has no operational or financial control over the collaborative.

F. Defined Benefit Pension Plans – Statewide

Plan description:

All full-time and certain part-time employees of Ramsey County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan, the Public Employees Police and Fire Plan, and the Local Government Correctional Service Retirement Plan (the Public Employees Correctional Plan), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. Chs. 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan (GERP)

General Employees Retirement Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service.

2. Public Employees Police and Fire Plan (PEPFP)

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Plan (accounted for in the Police and Fire Fund). For members first hired after June 30,

2010, but before July 1, 2014, benefits vest on a prorated basis starting with 50% after 5 years and increasing 10% for each year of service until fully vested after 10 years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years and increasing 5% for each year of service until fully vested after 20 years.

3. Public Employees Correctional Plan (PECP)

Local government employees of a county-administered facility who are responsible for the direct security, custody, and control of the county correctional facility and its inmates are covered by the Public Employees Correctional Plan (accounted for in the Correctional Fund). For members hired after June 30, 2010, benefits vest on a prorated basis starting with 50% after 5 years and increasing 10% for each year of service until fully vested after 10 years.

Benefits Provided:

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. General Employees Retirement Plan and Public Employees Police and Fire Plan benefit recipients receive a future annual 1.0% post-retirement benefit increase, while Public Employees Correctional Plan benefit recipients receive 2.5%. For the General Employees Retirement Plan and the Public Employees Police and Fire Plan, if the funding ratio reaches 90% for two consecutive years, the benefit increase will revert to 2.5%. If, after reverting to a 2.5% benefit increase, the funding ratio declines to less than 80% for one year or less than 85% for two consecutive years, the benefit increase will decrease to 1.0%.

The benefit provisions stated in the following paragraph of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

1. GERP Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired after June 30, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. Disability benefits are available for vested members and are based upon years of service and average high-five salary.

2. PEPFP Benefits

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

3. PECP Benefits

Benefits for PECP members first hired after June 30, 2010, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. The annuity accrual rate is 1.9% of average salary for each year of service in that plan. For PECP members, normal retirement age is 55, and for members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature.

1. GERP Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.50%, respectively, of their annual covered salary in calendar year 2017. The County was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2017. The County’s contributions to the GERP for the year ended December 31, 2017, were \$16,140,658. The County’s contributions were equal to the required contributions as set by state statute.

2. PEPFP Contributions

Plan members were required to contribute 10.80% of their annual covered salary in calendar year 2017. The County was required to contribute 16.20% of pay for PEPFP members in calendar year 2017. The County’s contributions to the PEPFP for the year ended December 31, 2017, were \$3,022,165. The County’s contributions were equal to the required contributions as set by state statute.

3. PECP Contributions

In calendar year 2017 plan members were required to contribute 5.83% of their annual covered salary. The County was required to contribute 8.75% of pay for PECP members in calendar year 2017. The County’s contributions to the PECP for the year ended December 31, 2017, were \$2,196,141. The County’s contributions were equal to the required contributions as set by state statute.

Pension Costs

1. GERP Pension Costs

At December 31, 2017, the County reported a liability of \$ 217,168,667 for its proportionate share of the General Employees Retirement Plan’s net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on the County’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA’s participating employers. At June 30, 2017, the County’s proportion was 3.4018%. It was 3.2633% measured as of June 30, 2016. The County recognized pension expense of \$ 30,055,556 for its proportionate share of the General Employees Retirement Plan’s pension expense.

The County also recognized \$ 78,866 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota’s contribution to the General Employees Retirement Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute \$6 million to the General Employees Retirement Plan each year, starting September 15, 2015, through September 15, 2031.

| | | |
|--|----|--------------------|
| The County’s proportionate share of the net pension liability | \$ | 217,168,667 |
| State of Minnesota’s proportionate share of the net pension liability associated with the County | | 2,730,724 |
| Total | \$ | <u>219,899,391</u> |

The County reported its proportionate share of the General Employees Retirement Plan's 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 | \$ 7,157,217 | \$ 13,475,610 |
| Changes in actuarial assumptions | 34,586,759 | 21,771,180 |
| Difference between projected and actual investment earnings | 51,045 | - |
| Changes in proportion | 8,156,448 | 5,862,574 |
| Contributions paid to PERA subsequent to the measurement date | 8,101,766 | - |
| Total | <u>\$ 58,053,235</u> | <u>\$ 41,109,364</u> |

The \$ 8,101,766 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ended June 30 | Pension Expense Amount |
|------------------------------|---------------------------|
| 2018 | \$ 6,633,342 |
| 2019 | 13,227,098 |
| 2020 | (1,799,941) |
| 2021 | (9,218,394) |
| | <u>\$ 8,842,105</u> |

2. PEPFP Pension Costs

At December 31, 2017, the County reported a liability of \$ 26,408,328 for its proportionate share of the Public Employees Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the County's proportion was 1.956%. It was 1.729% measured as of June 30, 2016. The County recognized pension expense of \$ 6,701,531 for its proportionate share of the Public Employees Police and Fire Plan's pension expense.

The County also recognized \$ 176,040 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Public Employees Police and Fire Plan. Legislation requires the State of Minnesota to contribute \$9 million to the Police and Fire Plan each year, starting in fiscal year 2014, until the plan is 90% funded.

The County reported its proportionate share of the Public Employees Police and Fire Plan's 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 | \$ 607,866 | \$ 6,379,939 |
| Changes in actuarial assumptions | 30,549,701 | 37,493,273 |
| Difference between projected and actual investment earnings | - | 527,171 |
| Changes in proportion | 7,656,389 | 954,437 |
| Contributions paid to PERA subsequent to the measurement date | 1,495,324 | - |
| Total | <u>\$ 40,309,280</u> | <u>\$ 45,354,820</u> |

The \$ 1,495,324 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ended June 30 | Pension Expense Amount |
|------------------------------|---------------------------|
| 2018 | \$ 624,385 |
| 2019 | 624,385 |
| 2020 | (293,701) |
| 2021 | (1,637,169) |
| 2022 | (5,858,764) |
| | <u>\$ (6,540,864)</u> |

3. PECP Pension Costs

At December 31, 2017, the County reported a liability of \$ 36,280,627 for its proportionate share of the Public Employees Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the County's proportion was 12.73%. It was 13.00% measured as of June 30, 2016. The County recognized pension expense in the amount of \$ 13,726,665 for its proportionate share of the Public Employees Correctional Plan's pension expense.

The County reported its proportionate share of the Public Employees Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual economic experience | \$ 24,787 | \$ 587,248 |
| Changes in actuarial assumptions | 20,171,580 | 6,315,353 |
| Difference between projected and actual investment earnings | - | 158,739 |
| Changes in proportion | 19,325 | 747,304 |
| Contributions paid to PERA subsequent to the measurement date | 1,100,142 | - |
| Total | <u>\$ 21,315,834</u> | <u>\$ 7,808,644</u> |

The \$ 1,100,142 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ended June 30 | Pension Expense Amount |
|------------------------------|---------------------------|
| 2018 | \$ 7,805,800 |
| 2019 | 8,064,901 |
| 2020 | (2,453,718) |
| 2021 | (1,009,935) |
| | <u>\$ 12,407,048</u> |

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2017, in the amount of \$ 50,483,752.

Actuarial Assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

| | <u>Annual Rates</u> |
|------------------------------|---------------------|
| Inflation | 2.50% |
| Active Member Payroll Growth | 3.25% |
| Investment Rate of Return | 7.50% |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for all plans for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be one percent per year for the General Employees Retirement Plan through 2044 and Public Employees Police and Fire Plan through 2064 and then 2.5% thereafter for both plans, and 2.5% for all years for the Correctional Plan.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Retirement Plan was completed in 2015. The most recent five-year experience study for Public Employees Police and Fire Plan was completed in 2016. The experience study for the Public Employees Correctional Plan was completed in 2012.

The following changes in actuarial assumptions occurred in 2017:

General Employees Retirement Plan

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Public Employees Police and Fire Plan

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2 percent for non-vested 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 3.0% 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% to 60%.
- 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% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The Single Discount Rate was changed from 5.6% per annum to 7.5% per annum.

Public Employees Correctional Plan

- 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 and is applied to healthy and

disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).

- The CSA load was 30% for vested and non-vested, deferred members. The CSA has been changed to 35% for vested members and 1% for non-vested members.
- The Single Discount Rate was changed from 5.31% per annum to 5.96% per annum.

The long-term expected rate of return on pension plan investments is 7.5%. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|-------------------|--|
| Domestic stocks | 39 % | 5.10 % |
| International stocks | 19 | 5.30 |
| Bonds | 20 | 0.75 |
| Alternative assets | 20 | 5.90 |
| Cash | 2 | 0.00 |
| | 100 % | |

Discount Rate

The discount rate used to measure the total pension liability was 7.50% in 2017, which remained consistent with 2016. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Retirement Plan and the Police and Fire Plan were projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

In the Public Employees Correctional Plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2061. Beginning in fiscal years ended June 30, 2062, when projected benefit payments exceed the Plans' projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 3.56% based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.96% for the Public Employees Correctional Plan was determined that produced approximately the same present value of the projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50% applied to all years of projected benefits through the point of asset depletion and 3.56% thereafter.

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

| | Proportionate Share of the | | | | | |
|-------------|-----------------------------------|-----------------------|---------------------------------------|-----------------------|------------------------------------|-----------------------|
| | General Employees Retirement Plan | | Public Employees Police and Fire Plan | | Public Employees Correctional Plan | |
| | Discount Rate | Net Pension Liability | Discount Rate | Net Pension Liability | Discount Rate | Net Pension Liability |
| 1% Decrease | 6.50% | \$ 336,844,739 | 6.50% | \$ 49,734,586 | 4.96% | \$ 59,785,936 |
| Current | 7.50% | 217,168,667 | 7.50% | 26,408,328 | 5.96% | 36,280,627 |
| 1% Increase | 8.50% | 119,192,064 | 8.50% | 7,151,214 | 6.96% | 17,934,406 |

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; by writing to PERA at 60 Empire Drive #200, St. Paul, MN, 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

Defined Contribution Plan

Three County Board members of Ramsey County are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. Ch. 353D, which may be amended by the state legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.00% of salary, which is matched by the employer. Employee and employer 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 2.00% of employer contributions and 0.25% of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by Ramsey County during the year ended December 31, 2017, were:

| | <u>Employee</u> | <u>Employer</u> |
|-------------------------------|-----------------|-----------------|
| Contribution amount | \$ 19,863 | \$ 19,863 |
| Percentage of covered payroll | 5% | 5% |

Central Pension Fund

The County also has employees who participate in the Central Pension Fund of the International Union of Operating Engineers, Local 49. The County is not responsible for any shortages in that pension and therefore no liability for it has been recorded accordingly.

G. Other Post-Employment Benefits

Plan Description

In addition to providing the pension benefits described above, the County provides post-employment health care insurance benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the County. The activity of the plan is reported in the County’s Retiree Health Insurance Fund, an internal service fund. The County annually transfers from the General Fund to the Retiree Health Insurance Fund. The amount to date has been \$52,982,852.

Benefits Provided

The County provides post-employment health care insurance benefits to its retirees. To be eligible for benefits, an employee or elected official must qualify for retirement under the County’s retirement plan.

All health care benefits are provided through the County’s third-party health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the County’s plan becomes secondary.

Membership

At December 31, 2017, membership consisted of:

| | |
|--|--------------|
| Retirees and Beneficiaries Currently Receiving Benefits | 2,062 |
| Terminated Employees Entitled to Benefits but not yet Receiving them | 43 |
| Active Employees | <u>3,746</u> |
| Total | <u>5,851</u> |
| Participating Employers | <u>1</u> |

Funding Policy

The County negotiates the contribution percentages between the County and employees through the union contracts and personnel policy. All retirees contribute 0-25% of the actuarially determined premium to the plan and the County contributes the remainder to cover the cost of providing the benefits to the retirees via the third-party plan (pay as you go). This amount fluctuates on an annual basis. For the fiscal year ending December 31, 2017, retirees contributed \$2,640,959 and the County contributed \$12,145,892.

The County established a revocable trust to accumulate funds for the future costs of OPEB. According to GASB No. 45, because the trust is not irrevocable, the assets in the trust cannot be used to offset the actuarial accrued liability in determining the unfunded actuarial accrued liability. Therefore, as long as the County's trust is revocable, The Actuarial Value of Assets for GASB No. 45 is assumed to be \$0. During 2017, Ramsey County had a year-end balance in the OPEB revocable trust of \$72,988,124.

Annual OPEB Costs and Net OPEB Obligation

The County had an updated actuarial valuation performed for the plan as of December 1, 2016, to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended December 31, 2017. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the County's net OPEB obligation for 2017, 2016, and 2015 were as follows:

| Fiscal Year Ended December 31 | Annual OPEB Cost | Employer Contributions | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------------------|------------------|------------------------|--|---------------------|
| 2017 | \$ 19,159,078 | \$ 12,145,892 | 63.4% | \$ 124,054,957 |
| 2016 | 19,377,644 | 11,139,604 | 57.5% | 117,041,771 |
| 2015 | 19,205,533 | 11,117,160 | 57.9% | 108,803,731 |

The net OPEB obligation (NOPEBO) as of December 31, 2017, was calculated as follows:

| | |
|--|-----------------------|
| Annual Required Contribution | \$ 20,705,930 |
| Interest on Net OPEB Obligation | 6,729,902 |
| Adjustment to Annual Required Contribution | <u>(8,276,754)</u> |
| Annual OPEB Cost | 19,159,078 |
| Contributions Made | <u>(12,145,892)</u> |
| Increase (Decrease) in Net OPEB Obligation | 7,013,186 |
| Net OPEB Obligation Beginning of Year | <u>117,041,771</u> |
| Net OPEB Obligation End of Year | <u>\$ 124,054,957</u> |

Funded Status and Funding Progress. The funded status of the plan as of December 1, 2016, was as follows:

| | |
|---|----------------|
| Actuarial accrued liability (AAL) | \$ 243,582,068 |
| Actuarial value of plan assets | N/A |
| Unfunded actuarial accrued liability (UAAL) | \$ 243,582,068 |
| Funded ratio (actuarial value of plan assets/AAL) | 0% |
| Covered payroll (active plan members) | \$ 247,203,192 |
| UAAL as a percentage of covered payroll | 98.54% |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer, are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods & Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members), and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the December 1, 2016, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a discount rate of 5.75% based on the expected long-term investment return on assets used to pay benefits. The actuarial pre-Medicare healthcare cost trend assumption of 6.6% for 2017 grades down to 5% over 7 years. The actuarial post-Medicare healthcare cost trend assumption of 5.9% for 2017 grades down to 5% over 7 years. Both the discount rate and the health care trend rate include an underlying annual inflation assumption. The inflation was assumed to be 2.75% general inflation underlying the asset return.

The actuarial assets currently invested in a revocable trust are not used to reduce the unfunded actuarial accrued liability since they are not invested in irrevocable trust.

The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years.

REQUIRED SUPPLEMENTARY
INFORMATION

SCHEDULE 1

**RAMSEY COUNTY, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS ON BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|----------------------------------|-------------------------|--------------------|--|--|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Property Taxes | \$ 240,046,417 | \$ 239,967,151 | \$ 245,915,832 | \$ 5,948,681 |
| Licenses and Permits | 1,126,841 | 1,126,841 | 1,205,453 | 78,612 |
| Intergovernmental | 167,946,288 | 171,846,497 | 165,716,570 | (6,129,927) |
| Private Grants and Donations | 90,854 | 121,090 | 184,977 | 63,887 |
| Charges for Services | 43,441,312 | 44,341,726 | 45,243,187 | 901,461 |
| Fines and Forfeitures | 12,000 | 12,000 | 149 | (11,851) |
| Sales | 678,820 | 678,820 | 768,760 | 89,940 |
| Rental Income | 1,045,702 | 1,045,702 | 958,164 | (87,538) |
| Investment Earnings | 7,400,000 | 7,400,000 | 3,229,835 | (4,170,165) |
| Human Services | 3,046,231 | 5,615,533 | 1,494,260 | (4,121,273) |
| Miscellaneous | 1,727,985 | 6,479,061 | 7,489,843 | 1,010,782 |
| Total Revenues | 466,562,450 | 478,634,421 | 472,207,030 | (6,427,391) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government: | | | | |
| County Board of Commissioners | 2,276,493 | 2,211,099 | 2,211,099 | - |
| Charter Commission | 1,000 | 622 | 622 | - |
| Courts | 3,492,199 | 3,420,476 | 3,420,476 | - |
| County Manager | 13,104,783 | 13,921,785 | 12,641,798 | (1,279,987) |
| RC Service Team | 1,632,091 | 2,570,045 | 2,380,978 | (189,067) |
| Property Records and Revenue | 17,149,719 | 16,375,692 | 14,397,211 | (1,978,481) |
| Attorney | 44,363,016 | 44,283,319 | 42,521,946 | (1,761,373) |
| Property Management | 1,319,352 | 1,230,283 | 1,219,283 | (11,000) |
| Veterans Service Officer | 634,383 | 632,215 | 612,960 | (19,255) |
| Contingency | 2,000,000 | - | - | - |
| Computer Equipment and Software | 2,800,000 | 9,843,312 | 2,600,879 | (7,242,433) |
| Unallocated General Expenditures | 1,295,497 | 547,049 | 547,049 | - |
| Total General Government | 90,068,533 | 95,035,897 | 82,554,301 | (12,481,596) |
| Public Safety: | | | | |
| Sheriff | 48,480,468 | 50,737,939 | 49,542,206 | (1,195,733) |
| Community Corrections | 68,593,492 | 70,238,966 | 69,194,264 | (1,044,702) |
| Medical Examiner | 2,759,605 | 2,759,605 | 2,726,188 | (33,417) |
| Total Public Safety | 119,833,565 | 123,736,510 | 121,462,658 | (2,273,852) |
| Transportation | | | | |
| Public Works | 15,612,419 | 15,380,907 | 15,139,391 | (241,516) |
| Sanitation: | | | | |
| Environmental Health | 1,482,622 | 997,453 | 997,453 | - |
| Health: | | | | |
| Public Health | 30,753,241 | 30,910,608 | 23,684,086 | (7,226,522) |
| Miscellaneous Health | 7,472,189 | 7,424,026 | 7,424,026 | - |
| Total Health | 38,225,430 | 38,334,634 | 31,108,112 | (7,226,522) |

The notes to the required supplementary information are an integral part of this schedule.

SCHEDULE 1
(Continued)

RAMSEY COUNTY, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS ON BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|--|-------------------------|-----------------------|--|--|
| | ORIGINAL | FINAL | | |
| EXPENDITURES (continued) | | | | |
| Human Services | | | | |
| Administration | 23,459,873 | 25,546,165 | 24,491,764 | (1,054,401) |
| Income Maintenance | 29,440,191 | 30,249,834 | 30,117,469 | (132,365) |
| Social Services | 134,784,485 | 130,937,641 | 123,351,658 | (7,585,983) |
| Total Human Services | <u>187,684,549</u> | <u>186,733,640</u> | <u>177,960,891</u> | <u>(8,772,749)</u> |
| Culture and Recreation: | | | | |
| Parks and Recreation | 11,142,614 | 10,872,396 | 10,488,117 | (384,279) |
| St Paul-Ramsey Historical Society | 96,367 | 96,367 | 96,367 | - |
| Landmark Center Management | 896,700 | 896,700 | 896,700 | - |
| Total Culture and Recreation | <u>12,135,681</u> | <u>11,865,463</u> | <u>11,481,184</u> | <u>(384,279)</u> |
| Conservation of Natural Resources: | | | | |
| Extension Service | 45,221 | 43,024 | 43,024 | - |
| Total Conservation of Natural Resources | <u>45,221</u> | <u>43,024</u> | <u>43,024</u> | <u>-</u> |
| Total Expenditures | <u>465,088,020</u> | <u>472,127,528</u> | <u>440,747,014</u> | <u>(31,380,514)</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>1,474,430</u> | <u>6,506,893</u> | <u>31,460,016</u> | <u>24,953,123</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 950,869 | 1,229,260 | 4,451,955 | 3,222,695 |
| Transfers Out | <u>(1,316,959)</u> | <u>(5,530,558)</u> | <u>(4,216,959)</u> | <u>1,313,599</u> |
| Total Other Financing Sources (Uses) | <u>(366,090)</u> | <u>(4,301,298)</u> | <u>234,996</u> | <u>4,536,294</u> |
| Net Change in Fund Balance | 1,108,340 | 2,205,595 | 31,695,012 | 29,489,417 |
| Adjustment | (22,750,463) | (22,750,463) | (22,750,463) | - |
| Fund Balance - Beginning | 238,685,382 | 238,685,382 | 238,685,382 | - |
| Increase (Decrease) in Reserve for Inventories | - | - | 14,099 | 14,099 |
| Fund Balance - Ending | <u>\$ 217,043,259</u> | <u>\$ 218,140,514</u> | <u>\$ 247,644,030</u> | <u>\$ 29,503,516</u> |

The notes to the required supplementary information are an integral part of this schedule.

SCHEDULE 2

RAMSEY COUNTY, MINNESOTA
 SCHEDULE OF FUNDING PROGRESS
 OTHER POST-EMPLOYMENT BENEFIT PLAN
 December 31, 2017

| Actuarial Valuation Date | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Projected Unit Credit | (3) Funded Ratio (1) / (2) | (4) Unfunded Actuarial Accrued Liability (UAAL) (2)-(1) | (5) Active Members Covered Payroll | (6) UAAL As a Percentage of Covered Payroll (4) / (5) |
|---|--|--|---|--|---|--|
| January 1, 2013 | - | 220,835,832 | 0.00% | 220,835,832 | 220,027,341 | 100.37% |
| January 1, 2015 | - | 235,503,520 | 0.00% | 235,503,520 | 227,822,509 | 103.37% |
| December 31, 2016 | - | 243,582,068 | 0.00% | 243,582,068 | 247,203,192 | 98.54% |

SCHEDULE 3

RAMSEY COUNTY, MINNESOTA
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 PERA GENERAL EMPLOYEES RETIREMENT PLAN
 DECEMBER 31, 2017

| Measurement Date | Employer's Proportion (Percentage) of the Net Pension Liability (Asset) | Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a) | State's Proportionate Share of the Net Pension Liability Associated with Ramsey County (b) | Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a+b) | Covered Payroll (c) | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a+b/c) | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------------------|---|--|--|--|---------------------|--|--|
| 2017 | 3.4018% | \$ 217,168,667 | \$ 2,730,724 | \$ 219,899,391 | \$ 219,149,560 | 100.34% | 75.90% |
| 2016 | 3.2633% | 264,963,774 | 3,460,610 | 268,424,384 | 202,503,293 | 132.55% | 68.90% |
| 2015 | 3.3476% | 173,490,006 | N/A | 173,490,006 | 196,742,135 | 88.18% | 78.20% |

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

SCHEDULE 4

RAMSEY COUNTY, MINNESOTA
 SCHEDULE OF CONTRIBUTIONS
 PERA GENERAL EMPLOYEES RETIREMENT PLAN
 DECEMBER 31, 2017

| Year Ending | Statutorily Required Contributions (a) | Actual Contributions in Relation to the Statutorily Required Contributions (b) | Contribution (Deficiency) Excess (b-a) | Covered Payroll (c) | Actual Contribution as a Percentage of Covered Payroll (b/c) |
|-------------|--|--|--|---------------------|--|
| 2017 | \$ 16,140,658 | \$ 16,140,658 | \$ - | \$ 215,208,773 | 7.50% |
| 2016 | 15,536,717 | 15,536,717 | - | 207,156,227 | 7.50% |
| 2015 | 15,484,241 | 15,484,241 | - | 206,456,551 | 7.50% |

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

SCHEDULE 5

RAMSEY COUNTY, MINNESOTA
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 PERA PUBLIC EMPLOYEE POLICE AND FIRE RETIREMENT PLAN
 DECEMBER 31, 2017

| <u>Measurement Date</u> | <u>Employer's Proportion (Percentage) of the Net Pension Liability (Asset)</u> | <u>Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)</u> | <u>Covered Payroll (b)</u> | <u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u> |
|-------------------------|--|---|----------------------------|---|---|
| 2017 | 1.9560% | \$ 26,408,328 | \$ 20,073,185 | 131.56% | 85.43% |
| 2016 | 1.7290% | 69,387,778 | 16,609,611 | 417.76% | 63.88% |
| 2015 | 1.8550% | 21,077,141 | 16,979,853 | 124.13% | 86.60% |

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

SCHEDULE 6

RAMSEY COUNTY, MINNESOTA
 SCHEDULE OF CONTRIBUTIONS
 PERA PUBLIC EMPLOYEE POLICE AND FIRE RETIREMENT PLAN
 DECEMBER 31, 2017

| <u>Year Ending</u> | <u>Statutorily Required Contributions (a)</u> | <u>Actual Contributions in Relation to the Statutorily Required Contributions (b)</u> | <u>Contribution Deficiency (Excess) (a-b)</u> | <u>Covered Payroll (c)</u> | <u>Actual Contribution as a Percentage of Covered Payroll (b/c)</u> |
|--------------------|---|---|---|----------------------------|---|
| 2017 | \$ 3,022,167 | \$ 3,022,167 | \$ - | \$ 18,655,352 | 16.20% |
| 2016 | 2,983,284 | 2,983,284 | - | 18,415,333 | 16.20% |
| 2015 | 2,784,472 | 2,784,472 | - | 17,188,096 | 16.20% |

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

SCHEDULE 7

RAMSEY COUNTY, MINNESOTA
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
 DECEMBER 31, 2017

| <u>Measurement Date</u> | <u>Employer's Proportion (Percentage) of the Net Pension Liability (Asset)</u> | <u>Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)</u> | <u>Covered Payroll (b)</u> | <u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u> |
|-------------------------|--|---|----------------------------|---|---|
| 2017 | 12.7300% | \$ 36,280,627 | \$ 25,451,211 | 142.55% | 67.89% |
| 2016 | 13.0000% | 47,490,820 | 24,477,703 | 194.02% | 58.16% |
| 2015 | 12.7500% | 1,971,150 | 22,909,243 | 8.60% | 96.90% |

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

SCHEDULE 8

RAMSEY COUNTY, MINNESOTA
 SCHEDULE OF CONTRIBUTIONS
 PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
 DECEMBER 31, 2017

| <u>Year Ending</u> | <u>Statutorily Required Contributions (a)</u> | <u>Actual Contributions in Relation to the Statutorily Required Contributions (b)</u> | <u>Contribution Deficiency (Excess) (a-b)</u> | <u>Covered Payroll (c)</u> | <u>Actual Contribution as a Percentage of Covered Payroll (b/c)</u> |
|--------------------|---|---|---|----------------------------|---|
| 2017 | \$ 2,196,141 | \$ 2,196,141 | \$ - | \$ 25,098,754 | 8.75% |
| 2016 | 2,133,666 | 2,133,666 | - | 24,384,754 | 8.75% |
| 2015 | 2,141,634 | 2,141,634 | - | 24,475,819 | 8.75% |

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

Budgetary Information

The County Board adopts an annual budget for the General Fund.

The Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds is prepared on a GAAP basis. Results of operations included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – General Fund is presented on a Non-GAAP budgetary basis. The primary difference between the two bases of accounting is that the “actual amounts on a budgetary basis” column includes encumbrances and does not include expenditures from prior year budget reserves.

Adjustments necessary to convert actual expenditures reported on the budgetary basis in the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual to the GAAP basis as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds are:

| | <u>General</u> |
|--|-----------------------|
| Actual Expenditures – Budgetary Basis | \$ 440,747,015 |
| Decrease: | |
| Encumbrances | (6,042,308) |
| Increase: | |
| Expenditures in 2017 from December 31, 2016 | 28,125,938 |
| Expenditures – GAAP Basis | <u>\$ 462,830,645</u> |
| Unbudgeted Transfers | 5,165,333 |
| Unbudgeted Revenue | (4,498,500) |
| Encumbrances | (6,042,308) |
| Expenditures in 2017 from December 31, 2016 Reserves for Encumbrances | <u>28,125,938</u> |
| Adjustment to Reconcile Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual to Statement of Revenues, Expenditures and Changes in Fund Balances | <u>\$ 22,750,463</u> |

Based on a process established by the County Manager and staff, all departments of the government submit requests for appropriations to the County Manager every two years. After review, analysis and discussions with the departments, the County Manager’s proposed budget is presented to the County Board for review. The Board holds public hearings and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function, and department. Budgets may be amended during the year with the approval of the County Manager or County Board as required by the County’s Administrative Code. The County Manager is authorized to transfer budgeted amounts within departments or appropriate certain revenues received in excess of the original budget estimate. Transfers of appropriations between departments and other transfers of appropriations require County Board approval. Supplemental appropriations are reviewed by the County Manager’s office and submitted to the County Board for their approval. If approved, the adjustments are implemented by the Finance Department by budget revision. Supplemental appropriations required during the year were immaterial. Expenditures may not legally exceed budgeted appropriations at the department level. All appropriations, which are not expended, or encumbered, lapse at year end.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts, capital reserves, and other commitments for the expenditure of monies) outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30, 2017:

General Employees Retirement Plan

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

Public Employees Police and Fire Plan

- 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 Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested 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 3.0 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 percent to 60 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.

Public Employees Correctional Plan

- 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 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to MP-2016).

- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested, deferred members. The CSA has been changed to 35 percent for vested members and 1 percent for non-vested members.
- The Single Discount Rate was changed from 5.31 percent per annum to 5.96 percent per annum.

MAJOR FUND BUDGET
& ACTUAL SCHEDULE

RAMSEY COUNTY, MINNESOTA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL AMOUNTS ON BUDGETARY BASIS</u> | <u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u> |
|---|-------------------------|----------------------|--|--|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | |
| REVENUES | | | | |
| Taxes | \$ 23,483,602 | \$ 23,259,477 | 24,198,448 | \$ 938,971 |
| Intergovernmental | 3,100,638 | 3,324,763 | 694,008 | (2,630,755) |
| Investment Earnings | 152,288 | 152,288 | 975,475 | 823,187 |
| Total Revenues | <u>26,736,528</u> | <u>26,736,528</u> | <u>25,867,931</u> | <u>(868,597)</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal Retirement | 23,855,000 | 17,425,000 | 20,970,872 | 3,545,872 |
| Interest | 8,675,750 | 7,538,997 | 4,299,362 | (3,239,635) |
| Total Expenditures | <u>32,530,750</u> | <u>24,963,997</u> | <u>25,270,234</u> | <u>306,237</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(5,794,222)</u> | <u>1,772,531</u> | <u>597,697</u> | <u>(1,174,834)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 227,675 | 227,675 | - | (227,675) |
| Total Other Financing Sources (Uses) | <u>227,675</u> | <u>227,675</u> | <u>-</u> | <u>(227,675)</u> |
| Net Change in Fund Balance | <u>(5,566,547)</u> | <u>2,000,206</u> | <u>597,697</u> | <u>(1,402,509)</u> |
| Adjustment | (10,087,889) | (10,087,889) | (10,087,889) | - |
| Fund Balance - Beginning | 67,635,984 | 67,635,984 | 67,635,984 | - |
| Fund Balance - Ending | <u>\$ 51,981,548</u> | <u>\$ 59,548,301</u> | <u>\$ 58,145,792</u> | <u>\$ (1,402,509)</u> |

COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

County Library -To provide a public library system where governmental units do not maintain their own. The tax levy is on suburban property only.

Solid Waste/Recycling Service Fee -To account for collection of a waste management service charge imposed by the County, pursuant to Minnesota Statutes Sections 400.08 and 473.811, Subd. 3A, on all generators of mixed municipal solid waste. These funds are used to pay for waste management programs throughout the County. A portion of the funds are remitted to the Recycling and Energy Board (R&EB) for Ramsey County's share of vendor service fees for operation of a resource recovery facility. The R&EB is a joint venture with Washington County.

Housing and Redevelopment Authority -To account for funds provided by the U.S. Department of Housing and Urban Development for development projects in suburban communities benefiting persons of low and moderate income.

Workforce Solutions -Originally enacted in 1973 under the Comprehensive Employment and Training Act (CETA) and revised in 1982 by the Federal Government to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons. In addition, the fund also accounts for state dislocated worker programs and the Minnesota Youth Program. Workforce Solutions also performs services under the MFIP program to assist welfare recipients to prepare for and obtain employment.

State Funding for Courts -To account for funds provided by the State to finance the eventual takeover of the Courts system.

State Public Defender -To account for funds provided by the State to finance the operations of the Public Defender Office under the State takeover of the Courts system.

Emergency Communications – To account for funds provided by member cities and the County for multi-agency dispatching services for law enforcement, fire, and emergency medical responders.

Gifts and Donations – To account for gifts and donations made for various purposes such as books for the libraries, activities and personal hygiene items for nursing home patients, provision of Home Delivered Meals, etc.

Sheriff – To account for revenues and expenditures dedicated for specific activities and projects of the Sheriff's Department.

Corrections – To account for revenues from various sources to benefit Community Corrections clients.

Property Records -To account for certain fees which are to be used for providing modern, retrievable information from the County's system of recorded documents.

SPECIAL REVENUE FUNDS (Continued)

County Attorney - To account for revenues and expenditures dedicated for specific activities or projects of the County Attorney's Office.

Health Promotion/Health Improvement – To account for funds provided by the County's health insurer for work-site health promotion purposes.

Parks and Recreation – To account for funds provided by grants and donations to develop an inter-city skating program and replace/repair buildings and other improvements in the County's Regional Park & Trail System.

Care Center Patients' Activity – To account for revenues from donations, canteen and vending machines, and expenditures for patients' activities and recreational supplies.

4R Program – To account for the "Reuse, Recycle and Renovate for Reinvestment Program" established by the County Board, funded with Solid Waste fund balance.

Forfeited Property Management – To account for all funds collected for management and sale of forfeited real estate.

Transit and Transportation Improvements – To account for revenues collected from the ½ percent sales and use tax and expenditures for transportation improvement designated by the Board of Commissioners.

Law Library – To account for revenues and expenditures of the Law Library. Revenue is derived from fees collected from certain litigants and expenditures are primarily law books and operational costs to run the Library.

Regional Railroad Authority -To provide for the preservation of a railway corridor for future public transit use and to provide for the preservation and improvement of local rail service.

Regional Railroad Authority Debt Service Fund – To account for the resources accumulated and payments made for principal and interest on long-term debt of the Regional Rail Authority.

Regional Railroad Authority Capital Projects Fund – To account for financial resources to be used for the acquisition or construction of major capital assets by the Regional Rail Authority.

**RAMSEY COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

| | County Library Special Revenue Fund | Solid Waste/ Recycling Service Fee Special Revenue Fund | Housing and Redevelopment Authority Special Revenue Fund | Workforce Solutions Special Revenue Fund | State Funding For Courts Special Revenue Fund |
|---|--|--|---|---|--|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 5,313,897 | \$ 13,538,635 | \$ 900,211 | \$ 243,768 | \$ - |
| Petty Cash and Change Funds | 1,575 | 50 | - | 450 | - |
| Receivables: | | | | | |
| Taxes | 98,270 | - | - | - | - |
| Accounts | 51,031 | 1,611,742 | - | 5,525 | - |
| Accrued Interest | - | - | 438,849 | - | - |
| Due from Other Funds | - | 10,296 | - | 2,400 | - |
| Due from Other Governments | - | 268 | - | 5,763,833 | 290,054 |
| Notes Receivable | - | 2,993,000 | - | - | - |
| Loans Receivable | - | - | 8,382,223 | - | - |
| Advance to Other Funds | - | 3,056,478 | - | - | - |
| Total Assets | <u>5,464,773</u> | <u>21,210,469</u> | <u>9,721,283</u> | <u>6,015,976</u> | <u>290,054</u> |
| LIABILITIES | | | | | |
| Salaries Payable | 229,107 | 91,754 | 8,520 | 251,513 | 115,020 |
| Accounts Payable | 117,158 | 17,386 | 154 | 954,183 | - |
| Contracts Payable | - | 511,654 | 26,330 | - | - |
| Due to Other Funds | - | 309,868 | 2,400 | - | 175,034 |
| Due to Other Governments | 4,668 | 136,840 | 506,893 | 106,977 | - |
| Unearned Revenue | 119,846 | - | - | - | - |
| Advance from Other Funds | - | - | - | 4,500,000 | - |
| Total Liabilities | <u>470,779</u> | <u>1,067,502</u> | <u>544,297</u> | <u>5,812,673</u> | <u>290,054</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Inflows | <u>652,576</u> | <u>9,367</u> | <u>8,382,223</u> | <u>5,481,401</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 1,575 | 50 | - | 450 | - |
| Restricted | 4,339,843 | 20,133,550 | 794,763 | - | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | (5,278,548) | - |
| Total Fund Balances | <u>4,341,418</u> | <u>20,133,600</u> | <u>794,763</u> | <u>(5,278,098)</u> | <u>-</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 5,464,773</u> | <u>\$ 21,210,469</u> | <u>\$ 9,721,283</u> | <u>\$ 6,015,976</u> | <u>\$ 290,054</u> |

STATEMENT 1

| State Public Defender Special Revenue Fund | Emergency Communications Special Revenue Fund | Gifts and Donations Special Revenue Fund | Sheriff Special Revenue Fund | Corrections Special Revenue Fund | Property Records Special Revenue Fund |
|--|--|---|------------------------------------|--|--|
| \$ 1,048,011 | \$ 14,034,452 | \$ 616,535 | \$ 891,653 | \$ 785,621 | \$ 3,708,377 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 4,351 | - | - |
| - | - | - | - | - | 4,097 |
| - | - | - | 45,000 | - | 414 |
| - | 559,541 | - | 112,000 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 134,688 |
| - | - | - | - | - | - |
| <u>1,048,011</u> | <u>14,593,993</u> | <u>616,535</u> | <u>1,053,004</u> | <u>785,621</u> | <u>3,847,576</u> |
| 83,814 | 309,406 | - | - | - | - |
| - | 288,413 | 11,052 | 82,134 | 30,688 | 237,001 |
| - | - | - | - | - | - |
| - | - | - | - | - | 258,867 |
| - | 1,028,837 | 102 | 16,341 | 5 | - |
| 964,197 | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>1,048,011</u> | <u>1,626,656</u> | <u>11,154</u> | <u>98,475</u> | <u>30,693</u> | <u>495,868</u> |
| - | 3,307 | - | 112,000 | - | 134,688 |
| - | - | - | - | - | - |
| - | - | 605,381 | 645,800 | - | 3,217,020 |
| - | 4,702,842 | - | - | 444,912 | - |
| - | 8,261,188 | - | 196,729 | 310,016 | - |
| - | - | - | - | - | - |
| - | <u>12,964,030</u> | <u>605,381</u> | <u>842,529</u> | <u>754,928</u> | <u>3,217,020</u> |
| <u>\$ 1,048,011</u> | <u>\$ 14,593,993</u> | <u>\$ 616,535</u> | <u>\$ 1,053,004</u> | <u>\$ 785,621</u> | <u>\$ 3,847,576</u> |

(Continued)

**RAMSEY COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

| | County Attorney Special Revenue Fund | Health Promotion/ Health Improvement Special Revenue Fund | Parks and Recreation Special Revenue Fund | Care Center Patients' Activity Special Revenue Fund | 4R Program Special Revenue Fund |
|---|---|--|--|--|--|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 768,325 | \$ 139,158 | \$ 467,201 | \$ 18,940 | \$ 1,452,558 |
| Petty Cash and Change Funds | - | - | - | - | - |
| Receivables: | | | | | |
| Taxes | - | - | - | - | - |
| Accounts | - | - | - | - | - |
| Accrued Interest | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | 587,610 |
| Due from Other Governments | - | - | 1,000 | - | - |
| Notes Receivable | - | - | - | - | - |
| Loans Receivable | - | - | - | - | - |
| Advance to Other Funds | - | - | - | - | - |
| Total Assets | <u>768,325</u> | <u>139,158</u> | <u>468,201</u> | <u>18,940</u> | <u>2,040,168</u> |
| LIABILITIES | | | | | |
| Salaries Payable | - | - | - | - | - |
| Accounts Payable | - | 539 | 25,988 | 4,669 | 695 |
| Contracts Payable | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | 15,821 |
| Due to Other Governments | - | - | - | - | - |
| Unearned Revenue | - | - | - | - | 107,849 |
| Advance from Other Funds | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>539</u> | <u>25,988</u> | <u>4,669</u> | <u>124,365</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Inflows | - | - | - | - | 587,610 |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 768,325 | 138,619 | 442,213 | 14,271 | 1,328,193 |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances | <u>768,325</u> | <u>138,619</u> | <u>442,213</u> | <u>14,271</u> | <u>1,328,193</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 768,325</u> | <u>\$ 139,158</u> | <u>\$ 468,201</u> | <u>\$ 18,940</u> | <u>\$ 2,040,168</u> |

STATEMENT 1
(Continued)

| Forfeited Property Management Special Revenue Fund | Transit and Transportation Improvements Special Revenue Fund | Law Library Special Revenue Fund | Regional Railroad Authority Special Revenue Fund | Regional Railroad Authority Debt Service Fund | Regional Railroad Authority Capital Projects Fund | Total Nonmajor Governmental Funds |
|---|---|---|---|--|--|--|
| \$ 2,204,422 | \$ 2,800,000 | \$ 1,793,113 | \$ 16,427,907 | \$ 418,212 | \$ 16,390,775 | \$ 83,961,771 |
| - | - | 20 | 100 | - | - | 2,195 |
| - | - | - | 276,779 | - | - | 375,049 |
| 4,435,460 | - | 23 | 62,177 | - | - | 6,170,309 |
| - | - | - | - | - | - | 442,946 |
| - | - | 9 | - | - | - | 645,729 |
| - | 3,790,320 | 57,719 | 611,378 | - | 321,681 | 11,507,794 |
| - | - | - | - | - | - | 2,993,000 |
| - | - | - | - | - | - | 8,516,911 |
| - | - | - | - | - | - | 3,056,478 |
| <u>6,639,882</u> | <u>6,590,320</u> | <u>1,850,884</u> | <u>17,378,341</u> | <u>418,212</u> | <u>16,712,456</u> | <u>117,672,182</u> |
| 18,994 | - | 10,665 | 25,132 | - | - | 1,143,925 |
| 170 | - | 30,962 | 1,163,526 | - | - | 2,964,718 |
| - | - | - | 154,165 | - | 748,942 | 1,441,091 |
| 997,385 | - | 104 | 10,296 | - | - | 1,769,775 |
| 1,112,873 | 89,020 | 475 | 46,363 | - | - | 3,049,394 |
| - | - | - | - | - | - | 1,191,892 |
| - | - | - | - | - | - | 4,500,000 |
| <u>2,129,422</u> | <u>89,020</u> | <u>42,206</u> | <u>1,399,482</u> | <u>-</u> | <u>748,942</u> | <u>16,060,795</u> |
| 4,435,460 | - | - | 893,030 | - | 622,077 | 21,313,739 |
| - | - | 20 | 100 | - | - | 2,195 |
| 75,000 | 6,501,300 | 1,808,658 | - | 418,212 | - | 41,231,148 |
| - | - | - | - | - | - | 5,147,754 |
| - | - | - | 15,085,729 | - | 15,341,437 | 39,195,099 |
| - | - | - | - | - | - | (5,278,548) |
| <u>75,000</u> | <u>6,501,300</u> | <u>1,808,678</u> | <u>15,085,829</u> | <u>418,212</u> | <u>15,341,437</u> | <u>80,297,648</u> |
| <u>\$ 6,639,882</u> | <u>\$ 6,590,320</u> | <u>\$ 1,850,884</u> | <u>\$ 17,378,341</u> | <u>\$ 418,212</u> | <u>\$ 16,712,456</u> | <u>\$ 117,672,182</u> |

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | County Library Special Revenue Fund | Solid Waste/ Recycling Service Fee Special Revenue Fund | Housing and Redevelopment Authority Special Revenue Fund | Workforce Solutions Special Revenue Fund | State Funding For Courts Special Revenue Fund |
|--|--|--|---|---|--|
| REVENUES | | | | | |
| Taxes | \$ 10,022,700 | \$ 1,532 | \$ - | \$ 373,212 | \$ - |
| Licenses and Permits | - | 756,381 | - | - | - |
| Intergovernmental | 831,424 | 1,959,426 | 1,662,335 | 14,463,531 | 2,438,680 |
| Private Grants and Donations | - | - | - | 4,683 | - |
| Charges for Services | - | 19,071,780 | 7,798 | 196,790 | - |
| Fines and Forfeitures | 472,873 | - | - | - | - |
| Sales | 79,049 | - | - | - | - |
| Rental Income | 174,531 | - | - | - | - |
| Investment Earnings | 34,623 | 152,540 | 141,826 | - | - |
| Miscellaneous | 102,427 | 67,821 | 282,486 | 9,011 | - |
| Total Revenues | <u>11,717,627</u> | <u>22,009,480</u> | <u>2,094,445</u> | <u>15,047,227</u> | <u>2,438,680</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | - | - | - | - | 2,438,680 |
| Public Safety | - | - | - | - | - |
| Transportation | - | - | - | - | - |
| Sanitation | - | 20,012,607 | - | - | - |
| Health | - | - | - | - | - |
| Human Services | - | - | - | - | - |
| Culture and Recreation | 11,582,318 | - | - | - | - |
| Economic Development and Assistance | - | - | 2,158,512 | 20,251,983 | - |
| Capital Projects: | | | | | |
| Transportation | - | - | - | - | - |
| Debt Service: | | | | | |
| Principal Retirement | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Total Expenditures | <u>11,582,318</u> | <u>20,012,607</u> | <u>2,158,512</u> | <u>20,251,983</u> | <u>2,438,680</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>135,309</u> | <u>1,996,873</u> | <u>(64,067)</u> | <u>(5,204,756)</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from Sale of Assets | - | - | - | - | - |
| Transfers In | - | - | - | 70,410 | - |
| Transfers Out | - | (1,601,735) | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(1,601,735)</u> | <u>-</u> | <u>70,410</u> | <u>-</u> |
| Net Change in Fund Balances | <u>135,309</u> | <u>395,138</u> | <u>(64,067)</u> | <u>(5,134,346)</u> | <u>-</u> |
| Fund Balances - Beginning | 4,206,109 | 19,738,462 | 858,830 | (143,752) | - |
| Fund Balances - Ending | <u>\$ 4,341,418</u> | <u>\$ 20,133,600</u> | <u>\$ 794,763</u> | <u>\$ (5,278,098)</u> | <u>\$ -</u> |

STATEMENT 2

| State Public Defender Special Revenue Fund | Emergency Communications Special Revenue Fund | Gifts and Donations Special Revenue Fund | Sheriff Special Revenue Fund | Corrections Special Revenue Fund | Property Records Special Revenue Fund |
|---|--|---|---|---|--|
| \$ - | \$ 10,461,031 | \$ - | \$ - | \$ - | \$ 761,927 |
| - | - | - | 322,744 | - | - |
| 2,583,174 | 689,651 | - | - | - | - |
| - | - | 239,882 | - | 4,673 | - |
| - | 6,552,384 | - | 292,644 | 224,512 | 750,184 |
| - | - | - | 185,487 | - | - |
| - | - | - | 498,891 | 773,527 | - |
| - | - | - | - | - | - |
| - | 14,849 | 3,721 | 2,485 | 149 | 2,520 |
| 27,314 | 8,441 | 24,213 | 67,084 | 465 | - |
| <u>2,610,488</u> | <u>17,726,356</u> | <u>267,816</u> | <u>1,369,335</u> | <u>1,003,326</u> | <u>1,514,631</u> |
| 2,610,488 | - | 4,809 | - | - | 544,149 |
| - | 16,507,736 | 10,255 | 1,417,693 | 949,945 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 3,519 | - | - | - |
| - | - | 40,660 | - | - | - |
| - | - | 250,373 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>2,610,488</u> | <u>16,507,736</u> | <u>309,616</u> | <u>1,417,693</u> | <u>949,945</u> | <u>544,149</u> |
| - | 1,218,620 | (41,800) | (48,358) | 53,381 | 970,482 |
| - | - | - | 52,336 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | (1,361,932) |
| - | - | - | 52,336 | - | (1,361,932) |
| - | 1,218,620 | (41,800) | 3,978 | 53,381 | (391,450) |
| - | 11,745,410 | 647,181 | 838,551 | 701,547 | 3,608,470 |
| <u>\$ -</u> | <u>\$ 12,964,030</u> | <u>\$ 605,381</u> | <u>\$ 842,529</u> | <u>\$ 754,928</u> | <u>\$ 3,217,020</u> |

(Continued)

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | County Attorney Special Revenue Fund | Health Promotion/ Health Improvement Special Revenue Fund | Parks and Recreation Special Revenue Fund | Care Center Patients' Activity Special Revenue Fund | 4R Program Special Revenue Fund |
|--|---|--|--|--|--|
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and Permits | - | - | - | - | - |
| Intergovernmental | - | - | 520,099 | - | - |
| Private Grants and Donations | - | - | - | 9,456 | - |
| Charges for Services | - | - | - | - | - |
| Fines and Forfeitures | 83,575 | - | - | - | - |
| Sales | - | - | - | - | - |
| Rental Income | - | - | - | - | - |
| Investment Earnings | - | - | - | - | - |
| Miscellaneous | 1,785 | 9,411 | 1,000 | - | 320,192 |
| Total Revenues | 85,360 | 9,411 | 521,099 | 9,456 | 320,192 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | 90,972 | - | - | - | - |
| Public Safety | - | - | - | - | - |
| Transportation | - | - | - | - | - |
| Sanitation | - | - | - | - | 1,049,215 |
| Health | - | 21,208 | - | - | - |
| Human Services | - | - | - | 15,120 | - |
| Culture and Recreation | - | - | 425,789 | - | - |
| Economic Development and Assistance | - | - | - | - | - |
| Capital Projects: | | | | | |
| Transportation | - | - | - | - | - |
| Debt Service: | | | | | |
| Principal Retirement | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Total Expenditures | 90,972 | 21,208 | 425,789 | 15,120 | 1,049,215 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,612) | (11,797) | 95,310 | (5,664) | (729,023) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from Sale of Assets | - | - | - | - | - |
| Transfers In | - | - | - | - | 1,600,000 |
| Transfers Out | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | 1,600,000 |
| Net Change in Fund Balances | (5,612) | (11,797) | 95,310 | (5,664) | 870,977 |
| Fund Balances - Beginning | 773,937 | 150,416 | 346,903 | 19,935 | 457,216 |
| Fund Balances - Ending | \$ 768,325 | \$ 138,619 | \$ 442,213 | \$ 14,271 | \$ 1,328,193 |

STATEMENT 2
(Continued)

| Forfeited Property Management Special Revenue Fund | Transit and Transportation Improvements Special Revenue Fund | Law Library Special Revenue Fund | Regional Railroad Authority Special Revenue Fund | Regional Railroad Authority Debt Service Fund | Regional Railroad Authority Capital Projects Fund | Total Nonmajor Governmental Funds |
|---|---|---|---|--|--|--|
| \$ - | \$ 6,590,320 | \$ - | \$ 10,284,881 | \$ 3,402,578 | \$ 7,265,015 | \$ 49,163,196 |
| - | - | - | - | - | - | 1,079,125 |
| - | - | 836 | 114,877 | - | 783,743 | 26,047,776 |
| - | - | - | - | - | - | 258,694 |
| 10,923 | - | 986,773 | - | - | - | 28,093,788 |
| - | - | - | - | - | - | 741,935 |
| 2,697,306 | - | - | - | - | - | 4,048,773 |
| 5,800 | - | - | 2,397,979 | - | - | 2,578,310 |
| - | - | 15,471 | 739,950 | - | - | 1,108,134 |
| 20,959 | - | 8,252 | 152,359 | - | - | 1,103,220 |
| <u>2,734,988</u> | <u>6,590,320</u> | <u>1,011,332</u> | <u>13,690,046</u> | <u>3,402,578</u> | <u>8,048,758</u> | <u>114,222,951</u> |
| 2,287,821 | - | 712,958 | - | - | - | 8,689,877 |
| - | - | - | - | - | - | 18,885,629 |
| - | 89,020 | - | 10,557,135 | - | - | 10,646,155 |
| - | - | - | - | - | - | 21,061,822 |
| - | - | - | - | - | - | 24,727 |
| - | - | - | - | - | - | 55,780 |
| - | - | - | - | - | - | 12,258,480 |
| - | - | - | - | - | - | 22,410,495 |
| - | - | - | - | - | 1,218,416 | 1,218,416 |
| - | - | - | - | 3,371,667 | - | 3,371,667 |
| - | - | - | - | 30,911 | - | 30,911 |
| <u>2,287,821</u> | <u>89,020</u> | <u>712,958</u> | <u>10,557,135</u> | <u>3,402,578</u> | <u>1,218,416</u> | <u>98,653,959</u> |
| <u>447,167</u> | <u>6,501,300</u> | <u>298,374</u> | <u>3,132,911</u> | <u>-</u> | <u>6,830,342</u> | <u>15,568,992</u> |
| - | - | - | - | - | - | 52,336 |
| - | - | - | - | - | - | 1,670,410 |
| (447,167) | - | - | - | - | - | (3,410,834) |
| <u>(447,167)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,688,088)</u> |
| - | 6,501,300 | 298,374 | 3,132,911 | - | 6,830,342 | 13,880,904 |
| 75,000 | - | 1,510,304 | 11,952,918 | 418,212 | 8,511,095 | 66,416,744 |
| <u>\$ 75,000</u> | <u>\$ 6,501,300</u> | <u>\$ 1,808,678</u> | <u>\$ 15,085,829</u> | <u>\$ 418,212</u> | <u>\$ 15,341,437</u> | <u>\$ 80,297,648</u> |

RAMSEY COUNTY, MINNESOTA
COUNTY LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH</u> |
|--|-------------------------|---------------------|---|----------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>AMOUNTS ON</u> <u>BUDGETARY</u> <u>BASIS</u> | |
| REVENUES | | | | |
| Taxes | \$ 10,635,149 | \$ 10,022,917 | \$ 10,022,700 | \$ (217) |
| Intergovernmental | 236,652 | 855,790 | 831,424 | (24,366) |
| Fines and Forfeitures | 550,000 | 550,000 | 472,873 | (77,127) |
| Sales | 73,000 | 73,000 | 79,049 | 6,049 |
| Rental Income | 120,000 | 120,000 | 34,623 | (85,377) |
| Investment Earnings | 2,000 | 2,000 | 174,531 | 172,531 |
| Miscellaneous | - | 101,624 | 102,427 | 803 |
| Total Revenues | <u>11,616,801</u> | <u>11,725,331</u> | <u>11,717,627</u> | <u>(7,704)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and Recreation | 11,616,801 | 11,725,331 | 11,613,764 | (111,567) |
| Total Expenditures | <u>11,616,801</u> | <u>11,725,331</u> | <u>11,613,764</u> | <u>(111,567)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 103,863 | 103,863 |
| Adjustment | 31,446 | 31,446 | 31,446 | - |
| Fund Balance - Beginning | 4,206,109 | 4,206,109 | 4,206,109 | - |
| Fund Balance - Ending | <u>\$ 4,237,555</u> | <u>\$ 4,237,555</u> | <u>\$ 4,341,418</u> | <u>\$ 103,863</u> |

RAMSEY COUNTY, MINNESOTA
SOLID WASTE/RECYCLING SERVICE FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS ON A BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|--|-------------------------|----------------------|--|--|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ 1,532 | \$ 1,532 |
| Licenses and Permits | 702,000 | 702,000 | 756,381 | 54,381 |
| Intergovernmental | 1,876,632 | 2,031,708 | 1,959,426 | (72,282) |
| Charges for Services | 19,165,000 | 19,165,000 | 19,071,780 | (93,220) |
| Investment Earnings | - | - | 152,540 | 152,540 |
| Miscellaneous | - | - | 67,821 | 67,821 |
| Total Revenues | <u>21,743,632</u> | <u>21,898,708</u> | <u>22,009,480</u> | <u>110,772</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Sanitation | 20,306,452 | 18,440,524 | 18,439,606 | (918) |
| Total Expenditures | <u>20,306,452</u> | <u>18,440,524</u> | <u>18,439,606</u> | <u>(918)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,437,180</u> | <u>3,458,184</u> | <u>3,569,874</u> | <u>111,690</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (1,600,000) | (1,001,735) | (1,601,735) | (600,000) |
| Total Other Financing Sources (Uses) | <u>(1,600,000)</u> | <u>(1,001,735)</u> | <u>(1,601,735)</u> | <u>(600,000)</u> |
| Net Change in Fund Balance | (162,820) | 2,456,449 | 1,968,139 | (488,310) |
| Adjustment | (1,573,001) | (1,573,001) | (1,573,001) | - |
| Fund Balance - Beginning | 19,738,462 | 19,738,462 | 19,738,462 | - |
| Fund Balance - Ending | <u>\$ 18,002,641</u> | <u>\$ 20,621,910</u> | <u>\$ 20,133,600</u> | <u>\$ (488,310)</u> |

RAMSEY COUNTY, MINNESOTA
EMERGENCY COMMUNICATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|----------------------------|-------------------------|---------------------|---|--|
| | ORIGINAL | FINAL | AMOUNTS ON A BUDGETARY BASIS | |
| REVENUES | | | | |
| Taxes | \$ 10,461,031 | \$ 10,445,506 | \$ 10,461,031 | \$ 15,525 |
| Intergovernmental | 689,651 | 689,651 | 689,651 | - |
| Charges for Services | 6,629,152 | 6,629,152 | 6,552,384 | (76,768) |
| Investment Earnings | - | - | 14,849 | 14,849 |
| Miscellaneous | - | - | 8,441 | 8,441 |
| Total Revenues | <u>17,779,834</u> | <u>17,764,309</u> | <u>17,726,356</u> | <u>(37,953)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Safety | 18,944,551 | 19,744,551 | 15,931,400 | (3,813,151) |
| Total Expenditures | <u>18,944,551</u> | <u>19,744,551</u> | <u>15,931,400</u> | <u>(3,813,151)</u> |
| Net Change in Fund Balance | (1,164,717) | (1,980,242) | 1,794,956 | 3,775,198 |
| Adjustment | (576,336) | (576,336) | (576,336) | - |
| Fund Balance - Beginning | 11,745,410 | 11,745,410 | 11,745,410 | - |
| Fund Balance - Ending | <u>\$ 10,004,357</u> | <u>\$ 9,188,832</u> | <u>\$ 12,964,030</u> | <u>\$ 3,775,198</u> |

RAMSEY COUNTY, MINNESOTA
4R PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH</u> |
|--|-------------------------|--------------|-------------------|----------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>AMOUNTS ON</u> | |
| | | | <u>BUDGETARY</u> | <u>FINAL BUDGET</u> |
| | | | <u>BASIS</u> | <u>OVER</u> |
| | | | | <u>(UNDER)</u> |
| REVENUES | | | | |
| Miscellaneous | \$ 1,120,000 | \$ 1,120,000 | \$ 320,192 | \$ (799,808) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Sanitation | 1,120,000 | 1,120,000 | 1,049,215 | (70,785) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | (729,023) | (729,023) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 1,600,000 | 1,600,000 |
| Total Other Financing Sources (Uses) | - | - | 1,600,000 | 1,600,000 |
| Net Change in Fund Balance | - | - | 870,977 | 870,977 |
| Fund Balance - Beginning | 457,216 | 457,216 | 457,216 | - |
| Fund Balance - Ending | \$ 457,216 | \$ 457,216 | \$ 1,328,193 | \$ 870,977 |

SCHEDULE 14

RAMSEY COUNTY, MINNESOTA
FORFEITED PROPERTY MANAGEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL AMOUNTS ON BUDGETARY BASIS</u> | <u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u> |
|--|-------------------------|-----------------------|--|--|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | |
| REVENUES | | | | |
| Charges for Services | \$ 11,200 | \$ 11,200 | \$ 10,923 | \$ (277) |
| Sales | 450,740 | 555,740 | 2,697,306 | 2,141,566 |
| Rental Income | - | - | 5,800 | 5,800 |
| Investment Earnings | 20,000 | 20,000 | - | (20,000) |
| Miscellaneous | - | - | 20,959 | 20,959 |
| Total Revenues | <u>481,940</u> | <u>586,940</u> | <u>2,734,988</u> | <u>2,148,048</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | <u>481,940</u> | <u>517,445</u> | <u>592,445</u> | <u>75,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>69,495</u> | <u>2,142,543</u> | <u>2,073,048</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | - | - | (447,167) | (447,167) |
| Net Change in Fund Balance | <u>-</u> | <u>69,495</u> | <u>1,695,376</u> | <u>1,625,881</u> |
| Adjustment | (1,695,376) | (1,695,376) | (1,695,376) | - |
| Fund Balance - Beginning | 75,000 | 75,000 | 75,000 | - |
| Fund Balance - Ending | <u>\$ (1,620,376)</u> | <u>\$ (1,550,881)</u> | <u>\$ 75,000</u> | <u>\$ 1,625,881</u> |

**RAMSEY COUNTY, MINNESOTA
REGIONAL RAILROAD AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS ON A BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|--|-------------------------|----------------------|--|--|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes | \$ 9,997,733 | \$ 9,997,733 | \$ 10,284,881 | \$ 287,148 |
| Intergovernmental: | | | | |
| Grants: | | | | |
| Federal | - | - | 103,090 | 103,090 |
| State | - | - | 11,704 | 11,704 |
| Local | 400 | 400 | 83 | (317) |
| Investment Earnings | 5,000 | 5,000 | 739,950 | 734,950 |
| Rental Income | 2,065,721 | 2,065,721 | 2,397,979 | 332,258 |
| Miscellaneous | 185 | 185 | 152,359 | 152,174 |
| Total Revenues | <u>12,069,039</u> | <u>12,069,039</u> | <u>13,690,046</u> | <u>1,621,007</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation | 12,069,039 | 8,038,647 | 7,726,547 | (312,100) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>4,030,392</u> | <u>5,963,499</u> | <u>1,933,107</u> |
| Adjustment | (2,830,588) | (2,830,588) | (2,830,588) | - |
| Fund Balance - Beginning | 11,952,918 | 11,952,918 | 11,952,918 | - |
| Fund Balance - Ending | <u>\$ 9,122,330</u> | <u>\$ 13,152,722</u> | <u>\$ 15,085,829</u> | <u>\$ 1,933,107</u> |

**RAMSEY COUNTY, MINNESOTA
 REGIONAL RAILROAD AUTHORITY DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL AMOUNTS ON A BUDGETARY BASIS</u> | <u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u> |
|--|-------------------------|-------------------|--|--|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | |
| REVENUES | | | | |
| Taxes | \$ 3,402,578 | \$ 3,402,578 | \$ 3,402,578 | - |
| EXPENDITURES | | | | |
| Debt Service: | | | | |
| Principal | 3,371,667 | 3,371,667 | 3,371,667 | - |
| Interest | 30,911 | 30,911 | 30,911 | - |
| Total Expenditures | <u>3,402,578</u> | <u>3,402,578</u> | <u>3,402,578</u> | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - |
| Fund Balance - Beginning | 418,212 | 418,212 | 418,212 | - |
| Fund Balance - Ending | <u>\$ 418,212</u> | <u>\$ 418,212</u> | <u>\$ 418,212</u> | - |

INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or other governments, on a cost-reimbursement basis.

Information Services – To provide electronic data processing services to County departments and other governmental units. It also operates the telephone system in the Ramsey County Government Center-East Building and City/County Courthouse.

General County Buildings – To account for rents received from occupants of several County Buildings and to pay all expenses incurred in operating and maintaining the building.

Firearms Range – To provide a Firearms Range to law enforcement personnel of the County and other local governments.

Fleet Services – To account for the revenues and expenses of the Fleet Service operations. The Fleet Services is responsible for comprehensive Fleet operations, including the acquisition and disposal of all new and replacement vehicles and equipment for all County Departments. Fleet Services will also provide maintenance inspections, and repairs for County vehicles and equipment.

Retiree Insurance – To account for the County's contribution to Retiree Insurance and OPEB liability and expense.

Employee Health Insurance – To account for all expenses incurred in providing for Employee health insurance.

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2017

STATEMENT 3

| | Information Services | General County Buildings | Firearms Range | Fleet Services | Retiree Insurance | Employee Health Insurance | Total Internal Service Funds |
|---|---------------------------------|---|---------------------------|---------------------------|------------------------------|--|---|
| ASSETS | | | | | | | |
| Current Assets: | | | | | | | |
| Cash and Cash Equivalents | \$ 14,453,420 | \$ 23,183,181 | \$ 164,856 | \$ 1,937,596 | \$ 3,498,521 | \$ 9,065,478 | \$ 52,303,052 |
| Investment with Trustee | - | - | - | - | 72,988,125 | - | 72,988,125 |
| Petty Cash and Change Funds | 75 | - | - | - | - | - | 75 |
| Accounts Receivable | 76,317 | 2,255 | - | 126 | - | - | 78,698 |
| Due from Other Funds | 125,259 | - | - | - | 10,670,877 | 15,821 | 10,811,957 |
| Due from Other Governments | 153,456 | 238,935 | 8,360 | 45,229 | - | - | 445,980 |
| Prepaid Items | 620,570 | - | - | - | - | - | 620,570 |
| Inventories | - | - | - | 287,768 | - | - | 287,768 |
| Restricted Cash and Cash Equivalents | - | 1,000 | - | - | - | - | 1,000 |
| Total Current Assets | <u>15,429,097</u> | <u>23,425,371</u> | <u>173,216</u> | <u>2,270,719</u> | <u>87,157,523</u> | <u>9,081,299</u> | <u>137,537,225</u> |
| Noncurrent Assets: | | | | | | | |
| Property Held for Resale | - | 467,423 | - | - | - | - | 467,423 |
| Capital Assets: | | | | | | | |
| Building Improvements | 49,900 | 8,102,722 | - | - | - | - | 8,152,622 |
| Improvements Other Than Buildings | 111,005 | 187,914 | - | - | - | - | 298,919 |
| Machinery and Equipment | 6,739,176 | 649,627 | - | 17,772,369 | - | - | 25,161,172 |
| Construction in Progress | - | 33,633 | - | - | - | - | 33,633 |
| Less Accumulated Depreciation | (5,729,207) | (6,401,188) | - | (419,322) | - | - | (12,549,717) |
| Total Capital Assets (Net of Accumulated Depreciation) | <u>1,170,874</u> | <u>2,572,708</u> | <u>-</u> | <u>17,353,047</u> | <u>-</u> | <u>-</u> | <u>21,096,629</u> |
| Total Noncurrent Assets | <u>1,170,874</u> | <u>3,040,131</u> | <u>-</u> | <u>17,353,047</u> | <u>-</u> | <u>-</u> | <u>21,564,052</u> |
| Total Assets | <u>16,599,971</u> | <u>26,465,502</u> | <u>173,216</u> | <u>19,623,766</u> | <u>87,157,523</u> | <u>9,081,299</u> | <u>159,101,277</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Deferred Pension Outflows | 1,441,205 | 1,153,813 | - | 410,303 | - | - | 3,005,321 |
| Total Deferred Outflows of Resources | <u>1,441,205</u> | <u>1,153,813</u> | <u>-</u> | <u>410,303</u> | <u>-</u> | <u>-</u> | <u>3,005,321</u> |
| LIABILITIES | | | | | | | |
| Current Liabilities: | | | | | | | |
| Salaries Payable | 260,358 | 166,421 | - | 61,870 | 13,000 | - | 501,649 |
| Accounts Payable | 445,950 | 2,664,374 | - | 679,136 | 927,255 | 3,535,156 | 8,251,871 |
| Due to Other Funds | 2,485,050 | 2,348,900 | - | - | - | - | 4,833,950 |
| Due to Other Governments | 36,137 | 70,315 | - | 19,132 | - | - | 125,584 |
| Vacation and Compensatory Time Payable | 528,848 | 369,389 | - | 134,344 | - | - | 1,032,581 |
| Payable from Restricted Assets: | | | | | | | |
| Customer Deposits Payable | - | 1,000 | - | - | - | - | 1,000 |
| Total Current Liabilities | <u>3,756,343</u> | <u>5,620,399</u> | <u>-</u> | <u>894,482</u> | <u>940,255</u> | <u>3,535,156</u> | <u>14,746,635</u> |
| Noncurrent Liabilities: | | | | | | | |
| Compensated Absences Payable | 369,162 | 440,600 | - | 85,774 | - | - | 895,536 |
| Net OPEB Liability | - | - | - | - | 124,054,957 | - | 124,054,957 |
| Net Pension Liability | 5,445,678 | 3,897,941 | - | 1,471,660 | - | - | 10,815,279 |
| Total Noncurrent Liabilities | <u>5,814,840</u> | <u>4,338,541</u> | <u>-</u> | <u>1,557,434</u> | <u>124,054,957</u> | <u>-</u> | <u>135,765,772</u> |
| Total Liabilities | <u>9,571,183</u> | <u>9,958,940</u> | <u>-</u> | <u>2,451,916</u> | <u>124,995,212</u> | <u>3,535,156</u> | <u>150,512,407</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Deferred Pension Inflows | 1,056,705 | 750,271 | - | 275,323 | - | - | 2,082,299 |
| Total Deferred Inflows of Resources | <u>1,056,705</u> | <u>750,271</u> | <u>-</u> | <u>275,323</u> | <u>-</u> | <u>-</u> | <u>2,082,299</u> |
| NET POSITION | | | | | | | |
| Net Investment in Capital Assets | 1,170,874 | 2,572,708 | - | 17,353,047 | - | - | 21,096,629 |
| Unrestricted | 6,242,414 | 14,337,396 | 173,216 | (46,217) | (37,837,689) | 5,546,143 | (11,584,737) |
| Total Net Position | <u>\$ 7,413,288</u> | <u>\$ 16,910,104</u> | <u>\$ 173,216</u> | <u>\$ 17,306,830</u> | <u>\$ (37,837,689)</u> | <u>\$ 5,546,143</u> | <u>\$ 9,511,892</u> |

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

STATEMENT 4

| | Information Services | General County Buildings | Firearms Range | Fleet Services | Retiree Insurance | Employee Health Insurance | Total Internal Service Funds |
|---|---------------------------------|---|---------------------------|---------------------------|------------------------------|--|---|
| OPERATING REVENUES: | | | | | | | |
| Charges for Services | \$ 21,820,110 | \$ 20,464,582 | \$ 89,416 | \$ 263,997 | \$ 13,598,295 | \$ 43,450,969 | \$ 99,687,369 |
| Sales | - | 1,259 | 2,447 | 321,471 | - | - | 325,177 |
| Rental | - | - | - | 100,027 | - | - | 100,027 |
| Miscellaneous | 1,927 | 1,076,726 | - | 18,834 | - | - | 1,097,487 |
| Total Operating Revenues | <u>21,822,037</u> | <u>21,542,567</u> | <u>91,863</u> | <u>704,329</u> | <u>13,598,295</u> | <u>43,450,969</u> | <u>101,210,060</u> |
| OPERATING EXPENSES: | | | | | | | |
| Personal Services | 8,967,456 | 5,575,982 | - | 1,824,661 | - | - | 16,368,099 |
| Other Services and Charges | 6,953,440 | 10,204,321 | 58,650 | 422,574 | - | 41,985,557 | 59,624,542 |
| Supplies | 3,479,518 | 3,894,886 | 3,936 | 1,761,973 | - | - | 9,140,313 |
| OPEB Expense | - | - | - | - | 19,539,516 | - | 19,539,516 |
| Depreciation | 887,357 | 559,989 | - | 287,404 | - | - | 1,734,750 |
| Total Operating Expenses | <u>20,287,771</u> | <u>20,235,178</u> | <u>62,586</u> | <u>4,296,612</u> | <u>19,539,516</u> | <u>41,985,557</u> | <u>106,407,220</u> |
| Operating Income (Loss) | <u>1,534,266</u> | <u>1,307,389</u> | <u>29,277</u> | <u>(3,592,283)</u> | <u>(5,941,221)</u> | <u>1,465,412</u> | <u>(5,197,160)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | | | | |
| Intergovernmental Revenue | 21,697 | 8,075 | - | 467 | - | - | 30,239 |
| Investment Earnings (Loss) | - | - | - | - | 9,751,498 | - | 9,751,498 |
| Gain on Sale of Capital Assets | - | - | - | 130,730 | - | - | 130,730 |
| Total Nonoperating Revenues (Expenses) | <u>21,697</u> | <u>8,075</u> | <u>-</u> | <u>131,197</u> | <u>9,751,498</u> | <u>-</u> | <u>9,912,467</u> |
| Income Before Contributions and Transfers | <u>1,555,963</u> | <u>1,315,464</u> | <u>29,277</u> | <u>(3,461,086)</u> | <u>3,810,277</u> | <u>1,465,412</u> | <u>4,715,307</u> |
| Capital Contributions | - | - | - | 11,662,463 | - | - | 11,662,463 |
| Transfers In | - | - | - | 6,285,355 | - | - | 6,285,355 |
| Transfers Out | (261) | - | - | - | - | - | (261) |
| Change in Net Position | <u>1,555,702</u> | <u>1,315,464</u> | <u>29,277</u> | <u>14,486,732</u> | <u>3,810,277</u> | <u>1,465,412</u> | <u>22,662,864</u> |
| Net Position - Beginning | 5,857,586 | 15,594,640 | 143,939 | 2,820,098 | (41,647,966) | 4,080,731 | (13,150,972) |
| Net Position - Ending | <u>\$ 7,413,288</u> | <u>\$ 16,910,104</u> | <u>\$ 173,216</u> | <u>\$ 17,306,830</u> | <u>\$ (37,837,689)</u> | <u>\$ 5,546,143</u> | <u>\$ 9,511,892</u> |

**RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

STATEMENT 5

| | Information Services | General County Buildings | Firearms Range | Fleet Services | Retiree Insurance | Employee Health Insurance | Total Internal Service Funds |
|--|-------------------------|--------------------------------|-------------------|-----------------------|----------------------|---------------------------------|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts from Customers and Users | \$ 766,782 | \$ 4,238,982 | \$ 86,433 | \$ 773,013 | \$ - | \$ - | \$ 5,865,210 |
| Receipts from Interfund Services Provided | 23,067,703 | 18,982,847 | 28,258 | - | 13,069,015 | 43,435,148 | 98,582,971 |
| Payments to Suppliers | (10,092,505) | (9,635,518) | (11,539) | (1,991,304) | (11,194,134) | (41,766,726) | (74,691,726) |
| Payments to Employees | (8,563,607) | (5,087,611) | - | (1,734,974) | - | - | (15,386,192) |
| Payments for Interfund Services Used | (342,108) | (4,342,406) | (58,078) | - | (1,300,033) | - | (6,042,625) |
| Net Cash Provided (Used) for Operating Activities | <u>4,836,265</u> | <u>4,156,294</u> | <u>45,074</u> | <u>(2,953,265)</u> | <u>574,848</u> | <u>1,668,422</u> | <u>8,327,638</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | |
| Intergovernmental Revenue | 19,586 | 6,855 | - | - | - | - | 26,441 |
| Transfers In | - | - | - | 6,285,355 | - | - | 6,285,355 |
| Transfers Out | (261) | - | - | - | - | - | (261) |
| Net Cash Provided (Used) for Noncapital Financing Activities | <u>19,325</u> | <u>6,855</u> | <u>-</u> | <u>6,285,355</u> | <u>-</u> | <u>-</u> | <u>6,311,535</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | |
| Proceeds from the Sale of Capital Assets | - | - | - | 141,906 | - | - | 141,906 |
| Purchases of Capital Assets | (457,001) | (583,561) | - | (2,996,459) | - | - | (4,037,021) |
| Net Cash Provided (Used) for Capital and Related Financing Activities | <u>(457,001)</u> | <u>(583,561)</u> | <u>-</u> | <u>(2,854,553)</u> | <u>-</u> | <u>-</u> | <u>(3,895,115)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Investment Earnings (Loss) | - | - | - | - | 9,751,498 | - | 9,751,498 |
| Net Cash Provided (Used) for Investing Activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,751,498</u> | <u>-</u> | <u>9,751,498</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 4,398,589 | 3,579,588 | 45,074 | 477,537 | 10,326,346 | 1,668,422 | 20,495,556 |
| Cash and Cash Equivalents, January 1 | 10,054,906 | 19,604,593 | 119,782 | 1,460,059 | 66,160,300 | 7,397,056 | 104,796,696 |
| Cash and Cash Equivalents, December 31 | <u>14,453,495</u> | <u>23,184,181</u> | <u>164,856</u> | <u>1,937,596</u> | <u>76,486,646</u> | <u>9,065,478</u> | <u>125,292,252</u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | | | |
| Operating Income (Loss) | 1,534,266 | 1,307,389 | 29,277 | (3,592,283) | (5,941,221) | 1,465,412 | (5,197,160) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | | | |
| Depreciation Expense | 887,357 | 559,989 | - | 287,404 | - | - | 1,734,750 |
| Changes in Assets and Liabilities: | | | | | | | |
| (Increase) Decrease in Accounts Receivable | (60,631) | 25,830 | - | 97 | - | - | (34,704) |
| (Increase) Decrease in Due From Other Funds | 2,080,990 | 1,392,948 | 12,553 | 89,433 | (529,280) | (15,821) | 3,030,823 |
| (Increase) Decrease in Due From Other Governments | (7,911) | 260,482 | 10,275 | (20,847) | - | - | 241,999 |
| (Increase) Decrease in Prepaid Items | (118,693) | - | - | - | - | - | (118,693) |
| (Increase) Decrease in Inventories | - | - | - | 6,509 | - | - | 6,509 |
| (Increase) Decrease in Deferred Pension Outflows | 1,413,793 | 1,018,658 | - | 312,522 | - | - | 2,744,973 |
| Increase (Decrease) in Salaries Payable | (8,834) | (1,345) | - | 3,020 | (28,448) | - | (35,607) |
| Increase (Decrease) in Accounts Payable | (17,999) | 204,494 | (7,031) | 190,686 | 60,611 | 218,831 | 649,592 |
| Increase (Decrease) in Due to Other Funds | 120,604 | 21,092 | - | (1,450) | - | - | 140,246 |
| Increase (Decrease) in Due to Other Governments | 14,433 | 11,301 | - | (2,502) | - | - | 23,232 |
| Increase (Decrease) in Vacation and Compensatory Time Payable | 36,480 | 11,778 | - | 11,622 | - | - | 59,880 |
| Increase (Decrease) in Compensated Absences Payable | 3,794 | (1,677) | - | (7,276) | - | - | (5,159) |
| Increase (Decrease) in Net OPEB Liability Payable | - | - | - | - | 7,013,186 | - | 7,013,186 |
| Increase (Decrease) in Deferred Pension Inflows | 235,656 | 228,219 | - | 52,092 | - | - | 515,967 |
| Increase (Decrease) in Net Pension Liability | (1,277,040) | (882,864) | - | (282,292) | - | - | (2,442,196) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 4,836,265</u> | <u>\$ 4,156,294</u> | <u>\$ 45,074</u> | <u>\$ (2,953,265)</u> | <u>\$ 574,848</u> | <u>\$ 1,668,422</u> | <u>\$ 8,327,638</u> |
| Schedule of non-cash capital and related activities: | | | | | | | |
| Net book value of capital assets disposed | | | | | | | |
| Machinery and Equipment | | | | 11,176 | - | - | 11,176 |
| On-behalf contributions related to pensions | 2,111 | 1,220 | - | 467 | - | - | 3,798 |

FIDUCIARY FUNDS

To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and other governmental units.

Private Purpose Trust Funds:

Missing Heirs – To account for unclaimed funds of heirs who cannot immediately be located.

Lake Owasso Residence Client Trust – To account for residents assets held by the County.

Ramsey County Care Center Client Trust – To account for client assets held by the County.

Agency Fund:

To account for assets held by a governmental unit as an agent for individuals/private organizations, and other governmental units.

STATEMENT 6

RAMSEY COUNTY, MINNESOTA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>Missing Heirs</u> | <u>Lake Owasso Residence Client Trust</u> | <u>Ramsey Care Center Client Trust</u> | <u>Total Private Purpose Trust Funds</u> |
|------------------------------------|--------------------------|---|--|--|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 325,518 | \$ 63,212 | \$ 50,099 | \$ 438,829 |
| LIABILITIES | | | | |
| Custodial Payable | - | 4,616 | 4,556 | 9,172 |
| NET POSITION | | | | |
| Held in Trust for Private Purposes | <u>\$ 325,518</u> | <u>\$ 58,596</u> | <u>\$ 45,543</u> | <u>\$ 429,657</u> |

STATEMENT 7

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>Missing Heirs</u> | <u>Lake Owasso Residence Client Trust</u> | <u>Ramsey Care Center Client Trust</u> | <u>Total Private Purpose Trust Funds</u> |
|--|--------------------------|---|--|--|
| ADDITIONS | | | | |
| Receipts from Clients | \$ 71,646 | \$ 130,040 | \$ 107,174 | \$ 308,860 |
| Investment Earnings | - | - | 433 | 433 |
| Total Additions | <u>71,646</u> | <u>130,040</u> | <u>107,607</u> | <u>309,293</u> |
| DEDUCTIONS | | | | |
| Payments to Clients or on Behalf of Clients | <u>2</u> | <u>137,925</u> | <u>102,229</u> | <u>240,156</u> |
| Change in Net Position | 71,644 | (7,885) | 5,378 | 69,137 |
| Net Position - Beginning | <u>253,874</u> | <u>66,481</u> | <u>40,165</u> | <u>360,520</u> |
| Net Position - Ending | <u><u>\$ 325,518</u></u> | <u><u>\$ 58,596</u></u> | <u><u>\$ 45,543</u></u> | <u><u>\$ 429,657</u></u> |

RAMSEY COUNTY, MINNESOTA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

| | Balance January 1, 2017 | Additions | Deductions | Balance December 31, 2017 |
|----------------------------|--|-------------------------|-------------------------|--|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 44,296,414 | \$ 1,299,772,391 | \$ 1,279,969,995 | \$ 64,098,810 |
| Receivables: | | | | |
| Accounts | 4,360,411 | 5,461,201 | 5,614,442 | 4,207,170 |
| Due from Other Governments | 58,631 | 54,035 | 58,631 | 54,035 |
| Total Assets | <u>\$ 48,715,456</u> | <u>\$ 1,305,287,627</u> | <u>\$ 1,285,643,068</u> | <u>\$ 68,360,015</u> |
| LIABILITIES | | | | |
| Custodial Payable | \$ 25,070,237 | \$ 493,557,266 | \$ 492,779,115 | \$ 25,848,388 |
| Due to Other Governments | 23,645,219 | 811,730,361 | 792,863,953 | 42,511,627 |
| Total Liabilities | <u>\$ 48,715,456</u> | <u>\$ 1,305,287,627</u> | <u>\$ 1,285,643,068</u> | <u>\$ 68,360,015</u> |

SUPPLEMENTARY SCHEDULES

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017

| | Special Revenue Funds | | | | | State Funding For Courts |
|---|-----------------------|-------------------|--|---|------------------------|--------------------------------|
| | General Fund | County Library | Solid Waste/ Recycling Service Fee | Housing and Redevelopment Authority | Workforce Solutions | |
| Shared Revenue: | | | | | | |
| State- | | | | | | |
| Highway Users Tax | \$ 8,931,560 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Aquatic Invasive Species | 98,472 | - | - | - | - | - |
| Market Value Homestead Credit | 753 | - | - | - | - | - |
| Disparity Reduction Aid | 250,978 | 8,753 | - | - | - | - |
| County Program Aid | 16,166,430 | 566,613 | - | - | - | - |
| Police Aid | 1,537,316 | - | - | - | - | - |
| Enhanced 911 | - | - | - | - | - | - |
| PERA Rate Increase Aid | 710,788 | 21,652 | 3,718 | 824 | 9,372 | 9,182 |
| Pension Contribution | - | - | - | - | - | - |
| Total Shared Revenue | 27,696,297 | 597,018 | 3,718 | 824 | 9,372 | 9,182 |
| Reimbursement for Services: | | | | | | |
| State- | | | | | | |
| Minnesota Department of Human Services | 14,433,448 | - | - | - | - | - |
| Total Reimbursement for Services | 14,433,448 | - | - | - | - | - |
| Grants: | | | | | | |
| State- | | | | | | |
| Minnesota Department of Commerce | 281,416 | - | - | - | - | - |
| Education | 1,860 | 6,904 | - | - | - | - |
| Public Safety | 588,145 | - | - | - | - | - |
| Health | 4,409,153 | - | - | - | - | - |
| Natural Resources | 628,075 | - | - | - | - | - |
| Transportation | - | - | - | - | - | - |
| Corrections | 10,882,070 | - | - | - | - | - |
| Human Services | 34,101,554 | - | - | - | 2,075,483 | - |
| Veteran Affairs | 22,500 | - | - | - | - | - |
| Housing Finance | 1,685,629 | - | - | - | - | - |
| Employment & Economic Development | - | - | - | - | 1,137,686 | - |
| Pollution Control | - | - | 1,955,708 | - | - | - |
| Trial Courts | - | - | - | - | - | 2,429,498 |
| Public Defense Board | - | - | - | - | - | - |
| Miscellaneous Boards | 70,898 | - | - | - | - | - |
| Total State | 52,671,300 | 6,904 | 1,955,708 | - | 3,213,169 | 2,429,498 |
| Federal- | | | | | | |
| Department of Agriculture | 9,122,262 | - | - | - | 264,191 | - |
| Housing and Urban Development | 445,431 | - | - | 1,661,511 | - | - |
| Justice | 564,801 | - | - | - | - | - |
| Labor | - | - | - | - | 1,402,453 | - |
| Transportation | 505,126 | - | - | - | - | - |
| Election Assistance | 36,762 | - | - | - | - | - |
| Health and Human Services | 53,284,648 | - | - | - | 9,512,678 | - |
| Homeland Security | 723,281 | - | - | - | - | - |
| Total Federal | 64,682,311 | - | - | 1,661,511 | 11,179,322 | - |
| Local | 3,989,021 | 226,658 | - | - | 61,668 | - |
| Total Grants | 121,342,632 | 233,562 | 1,955,708 | 1,661,511 | 14,454,159 | 2,429,498 |
| Build America Bonds Interest Subsidy | 215,065 | - | - | - | - | - |
| Excess Tax Increment | 1,714,514 | - | - | - | - | - |
| Payments in lieu of taxes | 314,614 | 844 | - | - | - | - |
| Total Intergovernmental Revenue | \$ 165,716,570 | \$ 831,424 | \$ 1,959,426 | \$ 1,662,335 | \$ 14,463,531 | \$ 2,438,680 |

Special Revenue Funds

| State Public Defender | Emergency Communications | Regional Railroad Authority | Sheriff | Property Records | Parks and Recreation | Transit | Law Library | Total |
|-----------------------------|-----------------------------|-----------------------------------|-------------|---------------------|----------------------------|-------------|----------------|----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - | - |
| - | - | 52 | - | - | - | - | - | 52 |
| - | - | - | - | - | - | - | - | 8,753 |
| - | - | - | - | - | - | - | - | 566,613 |
| - | - | - | - | - | - | - | - | - |
| - | 689,651 | - | - | - | - | - | - | 689,651 |
| 9,182 | - | - | - | - | - | - | 836 | 54,766 |
| - | - | - | - | - | - | - | - | - |
| <u>9,182</u> | <u>689,651</u> | <u>52</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>836</u> | <u>1,319,835</u> |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 6,904 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 2,075,483 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 1,137,686 |
| - | - | - | - | - | - | - | - | 1,955,708 |
| - | - | - | - | - | - | - | - | 2,429,498 |
| 2,573,992 | - | - | - | - | - | - | - | 2,573,992 |
| - | - | - | - | - | - | - | - | - |
| <u>2,573,992</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,179,271</u> |
| - | - | - | - | - | - | - | - | 264,191 |
| - | - | - | - | - | - | - | - | 1,661,511 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 1,402,453 |
| - | - | 103,090 | - | - | - | - | - | 103,090 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 9,512,678 |
| - | - | - | - | - | - | - | - | - |
| - | - | <u>103,090</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,943,923</u> |
| - | - | 83 | - | - | 520,099 | - | - | 808,508 |
| 2,573,992 | - | 103,173 | - | - | 520,099 | - | - | 23,931,702 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | 11,652 | - | - | - | - | - | 12,496 |
| <u>\$ 2,583,174</u> | <u>\$ 689,651</u> | <u>\$ 114,877</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 520,099</u> | <u>\$ -</u> | <u>\$ 836</u> | <u>\$ 25,264,033</u> |

(Continued)

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017

| | Regional Railroad | | | | | Total |
|---|-------------------------|---------------------------------------|-----------------------------|---------------------|------------------------------|-----------------------|
| | Debt Service Fund | Authority Capital Projects Fund | Capital Projects Fund | Enterprise Funds | Internal Service Funds | All Funds |
| Shared Revenue: | | | | | | |
| State- | | | | | | |
| Highway Users Tax | \$ 260,058 | \$ - | \$ 3,350,563 | \$ - | \$ - | \$ 12,542,181 |
| Aquatic Invasive Species | - | - | - | - | - | 98,472 |
| Market Value Homestead Credit | - | - | - | - | - | 805 |
| Disparity Reduction Aid | 2,326 | - | - | - | - | 262,057 |
| County Program Aid | 208,132 | - | - | - | - | 16,941,175 |
| Police Aid | - | - | - | 378,292 | - | 1,915,608 |
| Enhanced 911 | - | - | - | - | - | 689,651 |
| PERA Rate Increase Aid | - | - | - | 54,292 | 26,441 | 846,287 |
| Pension Contribution | - | - | - | 5,287 | 3,798 | 9,085 |
| Total Shared Revenue | 470,516 | - | 3,350,563 | 437,871 | 30,239 | 33,305,321 |
| Reimbursement for Services: | | | | | | |
| State- | | | | | | |
| Minnesota Department of Human Services | - | - | - | - | - | 14,433,448 |
| Total Reimbursement for Services | - | - | - | - | - | 14,433,448 |
| Grants: | | | | | | |
| State- | | | | | | |
| Minnesota Department of Commerce | - | - | - | - | - | 281,416 |
| Education | - | - | - | - | - | 8,764 |
| Public Safety | - | - | - | - | - | 588,145 |
| Health | - | - | - | - | - | 4,409,153 |
| Natural Resources | - | - | - | - | - | 628,075 |
| Transportation | - | 253,320 | 9,932,532 | - | - | 10,185,852 |
| Corrections | - | - | - | - | - | 10,882,070 |
| Human Services | - | - | - | - | - | 36,177,037 |
| Veteran Affairs | - | - | - | - | - | 22,500 |
| Housing Finance | - | - | - | - | - | 1,685,629 |
| Employment & Economic Development | - | - | - | - | - | 1,137,686 |
| Pollution Control | - | - | - | - | - | 1,955,708 |
| Trial Courts | - | - | - | - | - | 2,429,498 |
| Public Defense Board | - | - | - | - | - | 2,573,992 |
| Miscellaneous Boards | - | - | - | - | - | 70,898 |
| Total State | - | 253,320 | 9,932,532 | - | - | 73,036,423 |
| Federal- | | | | | | |
| Department of Agriculture | - | - | - | - | - | 9,386,453 |
| Housing and Urban Development | - | - | - | - | - | 2,106,942 |
| Justice | - | - | - | - | - | 564,801 |
| Labor | - | - | - | - | - | 1,402,453 |
| Transportation | - | 530,423 | 1,661,359 | - | - | 2,799,998 |
| Election Assistance | - | - | - | - | - | 36,762 |
| Health and Human Services | - | - | - | - | - | 62,797,326 |
| Homeland Security | - | - | 1,612 | - | - | 724,893 |
| Total Federal | - | 530,423 | 1,662,971 | - | - | 79,819,628 |
| Local | | | | | | |
| Total Grants | - | 783,743 | 12,546,334 | - | - | 158,604,411 |
| Build America Bonds Interest Subsidy | 211,349 | - | - | - | - | 426,414 |
| Excess Tax Increment | - | - | - | - | - | 1,714,514 |
| Payments in lieu of taxes | 12,143 | - | - | - | - | 339,253 |
| Total Intergovernmental Revenue | \$ 694,008 | \$ 783,743 | \$ 15,896,897 | \$ 437,871 | \$ 30,239 | \$ 208,823,361 |

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| Federal Grantor Pass Through Agency Program or Cluster Title | Federal CFDA Number | Pass-Through Grant Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------------|------------------------------|-------------------------|---------------------------------------|
| Department of Agriculture | | | | |
| Passed Through Minnesota Department of Education: | | | | |
| <i>Child Nutrition Cluster</i> | | | | |
| School Breakfast Program | 10.553 | ED-02381-01E | \$ 30,452 | |
| National School Lunch Program | 10.555 | ED-02381-01E | 57,929 | |
| Passed Through Minnesota Department of Health: | | | | |
| Special Supplemental Nutrition Program for Women, Infants and Children (WIC) | 10.557 | 32573 | 3,053,904 | |
| Special Supplemental Nutrition Program for Women, Infants and Children (WIC) | 10.557 | 12-700-000093 | 69,693 | |
| Total CFDA # 10.557 | | | <u>3,123,597</u> | |
| Passed Through Minnesota Department of Human Services: | | | | |
| <i>SNAP Cluster</i> | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 172MN101S2520 | 15,849 | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 172MN101S2514 | 5,885,310 | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 172MN127Q7503 | 243,827 | |
| Total CFDA # 10.561 | | | <u>6,144,986</u> | |
| Passed Through Minnesota Department of Agriculture: | | | | |
| WIC Farmers' Market Nutrition Program (FMNP) | 10.572 | B0417F172615 | 5,771 | |
| Total Department of Agriculture | | | <u>9,362,735</u> | <u>-</u> |
| Department of Housing and Urban Development | | | | |
| Direct | | | | |
| <i>CDBG - Entitlement Grants Cluster</i> | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | | 812,097 | 477,569 |
| Continuum of Care Program | 14.267 | | 104,919 | |
| Passed Through Dakota County Community Development Agency | | | | |
| Home Investment Partnerships Program | 14.239 | M17DC270203 | 849,414 | |
| Passed Through Hennepin County: | | | | |
| Lead-Based Paint Hazard Control in Privately-Owned Housing | 14.900 | MNLHD0279-15 | 340,512 | |
| Total Department of Housing and Urban Development | | | <u>2,106,942</u> | <u>477,569</u> |
| Department of the Justice | | | | |
| Passed Through Minnesota Department of Public Safety: | | | | |
| Crime Victim Assistance | 16.575 | A-CVSP-2017-RAMSEYAO-00024 | 93,021 | |
| Crime Victim Assistance | 16.575 | A-CVS-2017-RAMS-SOS-00058 | 328,006 | |
| Total CFDA # 16.575 | | | <u>421,027</u> | <u>-</u> |
| Violence Against Women Formula Grants | 16.588 | A-SMART-2017-RAMS-SOS-00009 | 39,082 | |
| State Criminal Alien Assistance Program | 16.606 | H0488-MN-AP | 112,000 | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | A-JAG-2017-RAMSEYCC-00046 | 59,919 | |
| Passed Through City of St. Paul | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | BJA-2016-9020 | 12,448 | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2015-DJBX-0560 | 32,325 | |
| Total CFDA # 16.738 | | | <u>104,692</u> | <u>-</u> |
| Total Department of Justice | | | <u>676,801</u> | <u>-</u> |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| Federal Grantor Pass Through Agency Program or Cluster Title | Federal CFDA Number | Pass-Through Grant Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------------|------------------------------|-------------------------|---------------------------------------|
| Department of Labor | | | | |
| Passed Through Minnesota Department of Employment and Economic Development: | | | | |
| <i>WIOA Cluster</i> | | | | |
| WIOA - Adult Programs | 17.258 | 5153100 | 5,043 | |
| WIOA - Adult Programs | | 6153100 | 435,790 | |
| WIOA - Adult Programs | | 7153100 | 45,688 | |
| Total CFDA #17.258 | | | <u>486,521</u> | <u>-</u> |
| WIOA - Youth Activities | 17.259 | 5153601 | 63,052 | |
| WIOA - Youth Activities | | 6153600 | 399,730 | |
| WIOA - Youth Activities | | 7153600 | 89,252 | |
| Total CFDA #17.259 | | | <u>552,034</u> | <u>108,860</u> |
| WIOA - Dislocated Worker Formula Grants | 17.278 | 5158000 | 11,039 | |
| WIOA - Dislocated Worker Formula Grants | | 6158000 | 107,398 | |
| WIOA - Dislocated Worker Formula Grants | | 7158000 | 10,494 | |
| Total CFDA #17.278 | | | <u>128,931</u> | <u>-</u> |
| Workforce Investment Act (WIA) - National Emergency Grants | 17.277 | 5157200 | 234,967 | |
| Total Department of Labor | | | <u>1,402,453</u> | <u>108,860</u> |
| Department of Transportation | | | | |
| Passed Through Metropolitan Council: | | | | |
| Alternatives Analysis | 20.522 | MN-39-0002 | 103,090 | |
| Passed Through Minnesota Department of Transportation: | | | | |
| <i>Highway Planning and Construction Cluster</i> | | | | |
| Highway Planning & Construction | 20.205 | SP 31-595-023 | 1,661,359 | |
| High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants | 20.319 | 9871 | 239,295 | |
| Passed Through Minnesota Department of Public Safety: | | | | |
| <i>Highway Safety Cluster</i> | | | | |
| State and Community Highway Safety | 20.600 | SD-0016 | 97,393 | |
| State and Community Highway Safety | 20.600 | A-ENFRC17-2017-RAMSEYSD-016 | 3,009 | |
| Total CFDA # 20.600 | | | <u>100,402</u> | <u>-</u> |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | SD-016 | 251,956 | |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | A-ENFRC17-2017-RAMSEYSD-016 | 120,129 | |
| Total CFDA # 20.608 | | | <u>372,085</u> | <u>-</u> |
| <i>Highway Safety Cluster</i> | | | | |
| National Priority Safety Programs | 20.616 | SD-016 | 32,639 | |
| Total Department of Transportation | | | <u>2,508,870</u> | <u>-</u> |
| Department of Health and Human Services | | | | |
| Passed Through Minnesota Department of Human Services: | | | | |
| Guardianship Assistance | 93.090 | 1701MNGARD | 107,788 | |
| Family Planning Services | 93.217 | FPHPA056252-02-00 | 498,702 | |
| <i>TANF Cluster</i> | | | | |
| Temporary Assistance for Needy Families (TANF) | 93.558 | 1601MNTANF | 16,464,100 | 8,693,372 |
| Total CFDA # 93.558 \$17,754,514 | | | | |
| Promoting Safe and Stable Families | 93.556 | G-1601MNFPS | 315,019 | 175,801 |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| Federal Grantor Pass Through Agency Program or Cluster Title | Federal CFDA Number | Pass-Through Grant Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------------|------------------------------|--------------------------|---------------------------------------|
| Child Support Enforcement | 93.563 | 1704MNCSES | 11,512,635 | |
| Refugee and Entrant Assistance - State Administered Programs <i>CCDF Cluster</i> | 93.566 | 1701MNRDMA | 15,923 | |
| Child Care and Development Block Grant | 93.575 | G1701MNCCDF | 1,130,759 | |
| Community Based Child Abuse Prevention Grants | 93.590 | G-1502MNFPRG | 153,984 | |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | G-1601MNCWSS | 103,105 | |
| Foster Care Title IV-E | 93.658 | 1701MNFOST | 5,291,417 | |
| Adoption Assistance | 93.659 | 1701MNADPT | 510,369 | |
| Social Services Block Grant | 93.667 | G-1701MNSOSR | 3,551,684 | |
| Child Abuse and Neglect State Grants | 93.669 | G-1701MNCA01 | 2,529 | |
| Chafee Foster Care Independence Program | 93.674 | G-1601MNCILP | 31,651 | |
| Children's Health Insurance Program <i>Medicaid Cluster</i> | 93.767 | 05-1705MN0301 | 2,568 | |
| Medical Assistance Program | 93.778 | 05-1705MN5ADM | 22,450,688 | |
| Medical Assistance Program | 93.778 | 05-1705MN5MAP | 81,762 | |
| Total CFDA # 93.778 | | | <u>22,532,450</u> | |
| Section 223 Demonstration Programs to Improve Community Mental | | | | |
| Health Services | 93.829 | SM-16-001 | 33,971 | |
| Block Grant for Prevention and Treatment of Substance Abuse | 93.959 | TI010027-16 | 698,927 | |
| Passed Through Minnesota Department of Health: | | | | |
| Public Health Emergency Preparedness | 93.069 | CFC-RFA-TP12-12010302SUPP15 | 30,264 | |
| Public Health Emergency Preparedness | 93.069 | NU90TP921911-01-00 | 323,153 | |
| Total CFDA # 93.069 | | | <u>353,417</u> | |
| Affordable Care Act (ACA) Abstinence Education Program | 93.235 | 12-700-00093 | 224,310 | |
| Universal Newborn Hearing Screening | 93.251 | H61MC00035-16-02 | 6,697 | |
| Immunization Cooperative Agreements | 93.268 | 67543 | 93,757 | |
| Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program <i>Maternal, Infant, and Early Childhood Home Visiting Cluster</i> | 93.314 | 119062 | 982 | |
| Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program | 93.505 | X02MC28228 | 142,451 | |
| Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program | 93.505 | 12-700-000093 | 200,000 | |
| Total CFDA # 93.505 | | | <u>342,451</u> | |
| PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds | | | | |
| | 93.539 | 68583 | 8,550 | |
| <i>TANF Cluster</i> | | | | |
| Temporary Assistance for Needy Families (TANF) | 93.558 | 1601MNTANF | 1,243,414 | |
| Total CFDA # 93.558 \$17,754,514 | | | | |
| Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program <i>Maternal, Infant, and Early Childhood Home Visiting Cluster</i> | | | | |
| Maternal, Infant and Early Childhood Home Visiting Grant Program | 93.870 | 118110 | 1,179,100 | |
| Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs | 93.919 | SAGE | 2,199 | |
| HIV Prevention Activities Health Department Based | 93.940 | 38884 | 87,346 | |
| Maternal and Child Health Services Block Grant to the States | 93.994 | 86857 | 860,374 | |
| Passed Through Minnesota Department of Employment and Economic Development <i>TANF Cluster</i> | | | | |
| Temporary Assistance for Needy Families (TANF) | 93.558 | 8157400 | 47,000 | |
| Total CFDA # 93.558 \$17,754,514 | | | | |
| Total Department of Health and Human Services | | | <u>67,422,178</u> | <u>8,869,173</u> |
| Executive Office of the President | | | | |
| Direct | | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | | 36,762 | |
| Total Executive Office of the President | | | <u>36,762</u> | <u>-</u> |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| Federal Grantor Pass Through Agency Program or Cluster Title | Federal CFDA Number | Pass-Through Grant Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------------|------------------------------|-------------------|---------------------------------------|
| Department of Homeland Security | | | | |
| Passed Through Minnesota Department of Public Safety: | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | Not Provided | 1,612 | |
| Emergency Management Performance Grants | 97.042 | F-EMPG-2017-RAMSEYCO-064 | 197,315 | |
| Homeland Security Grant Program | 97.067 | A-UASI-2014-RAMSEYCO-00010 | 14,132 | 2,810 |
| Homeland Security Grant Program | 97.067 | A-UASI-2015-RAMSEYCO-0009 | 321,328 | 63,901 |
| Homeland Security Grant Program | 97.067 | A-UASI-2016-RAMSEYCO-0009 | 167,394 | 33,289 |
| Total CFDA # 97.067 | | | <u>502,854</u> | <u>100,000</u> |
| Passed Through Minnesota Department of Natural Resources: | | | | |
| Boating Safety Financial Assistance | 97.012 | R29G40CGFFY16 | 23,112 | |
| Total Department of Homeland Security | | | <u>724,893</u> | <u>200,000</u> |
| Total Federal Awards | | | <u>84,241,634</u> | <u>9,655,602</u> |
| Totals by Cluster | | | | |
| Total expenditures for Child Nutrition Cluster | | | 88,381 | |
| Total expenditures for SNAP Cluster | | | 6,144,986 | |
| Total expenditures for CDBG - Entitlement Grants Cluster | | | 812,097 | |
| Total expenditures for WIOA Cluster | | | 1,167,486 | |
| Total expenditures for Highway Planning and Construction Cluster | | | 1,661,359 | |
| Total expenditures for Highway Safety Cluster | | | 133,041 | |
| Total expenditures for TANF Cluster | | | 17,754,514 | |
| Total expenditures for CCDF Cluster | | | 1,130,759 | |
| Total expenditures for Medicaid Cluster | | | 22,532,450 | |
| Total expenditures for Maternal, Infant and Early Childhood Home Visiting Cluster | | | 1,521,551 | |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

RAMSEY COUNTY, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Ramsey County. Ramsey County's reporting entity is defined in Note I to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Ramsey County under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Ramsey County.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Ramsey County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Reconciliation to Schedule of Intergovernmental Revenue

| | |
|---|---------------|
| Federal grant revenue per Schedule of Intergovernmental Revenue | \$ 79,819,628 |
| Grants received more than 60 days after year-end, deferred in 2017 | |
| Promoting Safe and Stable Families | 32,005 |
| Stephanie Tubbs Jones Child Welfare Services Program | 28,722 |
| Community Based Child Abuse Prevention Grants | 65,171 |
| Chafee Foster Care Independence Program | 4,217 |
| Temporary Assistance for Needy Families (TANF) | 4,887,608 |
| State Criminal Alien Assistance Program | 112,000 |
| Grants deferred in 2016, recognized as revenue in 2017 | |
| Chafee Foster Care Independence Program | (8,922) |
| Community Based Child Abuse Prevention Grants | (21,061) |
| Projects for Assistance in Transition from Homelessness (PATH) | (19,556) |
| Promoting Safe and Stable Families | (44,680) |
| Stephanie Tubbs Jones Child Welfare Services Program | (6,274) |
| Federal Railroad Administration ; - HSIPR | (291,128) |
| Temporary Assistance for Needy Families (TANF) | (292,378) |
| State Administrative Matching Grant for the Supplemental Nutrition Assistance Program | (23,718) |
| Expenditures Per Schedule of Expenditures of Federal Awards | \$ 84,241,634 |

SECTION III
STATISTICAL SECTION

Statistical Section

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

| Contents | Page |
|--|-------------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. | 125-129 |
| Table I - Net Position By Component | |
| Table II - Changes In Net Position | |
| Table III - Fund Balances of Governmental Funds | |
| Table IV - Changes in Fund Balances of Governmental Funds | |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes. | 130-132 |
| Table V - Net Tax Capacity and Market Value of Property | |
| Table VI - Property Tax Rates and Tax Levies | |
| Table VII - Property Tax Levies and Collections | |
| Debt Capacity | |
| These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the county's ability to issue additional debt in the future. | 133-136 |
| Table VIII - Ration Of General Outstanding Debt By Type To Assessed Value, Debt Per Capita And Personal Income | |
| Table IX - Rations Of General Bonded Debt Outstanding | |
| Table X - Direct And Overlapping Governmental Activities Debt | |
| Table XI - Legal Debt Margin Information | |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place and to help make comparisons over time and with other governments. | 137-139 |
| Table XII - Principal Property Taxpayers | |
| Table XIII - Demographic And Economic Statistics | |
| Table XIV - Principal Employers | |
| Operating Information | |
| These schedules contain information about the county's operations and resources to help the reader understand how the county's financial information relates to the services the County provides and the activities it performs. | 140-144 |
| Table XV - Insurance In Force | |
| Table XVI - Full-Time Equivalent County Employees By Function/Program | |
| Table XVII - Operating Indicators By Function | |
| Table XVIII - Capital Assets Statistics By Function | |

TABLE I

**RAMSEY COUNTY, MINNESOTA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| | | | * | | ** | | | *** | **** | |
| Governmental activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 459,571,638 | \$ 490,694,178 | \$ 504,493,994 | \$ 594,662,081 | \$ 610,410,904 | \$ 621,216,506 | \$ 615,919,275 | \$ 637,343,653 | \$ 665,370,476 | \$ 678,949,867 |
| Restricted | 61,904,201 | 64,652,023 | 85,110,684 | 120,670,636 | 108,108,169 | 99,804,214 | 93,663,238 | 66,113,565 | 127,814,838 | 116,826,603 |
| Unrestricted | 223,473,920 | 213,847,774 | 203,149,528 | 158,982,129 | 210,455,168 | 229,002,705 | 250,775,590 | 107,388,288 | 30,217,027 | 50,429,954 |
| Total governmental activities net position | 744,949,759 | 769,193,975 | 792,754,206 | 874,314,846 | 928,974,241 | 950,023,425 | 960,358,103 | 810,845,506 | 823,402,341 | 846,206,424 |
| Business-type activities | | | | | | | | | | |
| Net Investment in Capital Assets | 3,645,069 | 3,824,730 | 3,402,305 | 3,400,278 | 3,343,942 | 3,369,326 | 12,857,516 | 12,349,349 | 12,337,899 | 12,174,665 |
| Unrestricted | (3,168,911) | (3,562,112) | (4,978,946) | (6,808,206) | (7,281,627) | (7,420,821) | (17,458,763) | (25,379,353) | (26,961,852) | (28,039,087) |
| Total business-type activities net position | 476,158 | 262,618 | (1,576,641) | (3,407,928) | (3,937,685) | (4,051,495) | (4,601,247) | (13,030,004) | (14,623,953) | (15,864,422) |
| Primary government | | | | | | | | | | |
| Net Investment in Capital Assets | 463,216,707 | 494,518,908 | 507,896,299 | 598,062,359 | 613,754,846 | 624,585,832 | 628,776,791 | 649,693,002 | 677,708,375 | 691,124,532 |
| Restricted | 61,904,201 | 64,652,023 | 85,110,684 | 120,670,636 | 108,108,169 | 99,804,214 | 93,663,238 | 66,113,565 | 127,814,838 | 116,826,603 |
| Unrestricted | 220,305,009 | 210,285,662 | 198,170,582 | 152,173,923 | 203,173,541 | 221,581,884 | 233,316,827 | 82,008,935 | 3,255,175 | 22,390,867 |
| Total primary government net position | \$ 745,425,917 | \$ 769,456,593 | \$ 791,177,565 | \$ 870,906,918 | \$ 925,036,556 | \$ 945,971,930 | \$ 955,756,856 | \$ 797,815,502 | \$ 808,778,388 | \$ 830,342,002 |

* 2010 Net Position were reclassified due to implementation of GASB 54.

** 2012 Business Activities charges for services were restated.

*** 2015 Governmental and Business Activities were restated due to implementation of GASB 68.

**** 2016 Governmental Activities were restated for Capital Assets.

Unaudited

TABLE II

**RAMSEY COUNTY, MINNESOTA
CHANGES IN NET POSITION
LAST TEN YEARS**

(accrual basis of accounting)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 128,943,586 | \$ 82,960,856 | \$ 115,004,474 | \$ 100,922,870 | \$ 103,272,389 | \$ 107,355,011 | \$ 127,084,891 | \$ 118,584,926 | \$ 114,022,518 | \$ 103,481,190 |
| Public safety | 95,365,044 | 126,613,064 | 123,129,484 | 120,098,178 | 126,308,615 | 122,923,626 | 139,654,941 | 133,837,013 | 170,336,772 | 157,405,849 |
| Transportation | 27,755,773 | 45,719,387 | 62,666,799 | 50,406,476 | 54,810,668 | 75,207,790 | 54,616,336 | 64,387,013 | 79,583,363 | 59,665,236 |
| Sanitation | 21,437,028 | 20,344,702 | 17,905,242 | 20,287,792 | 18,743,427 | 19,719,836 | 19,668,328 | 19,594,580 | 22,153,910 | 22,133,102 |
| Health | 30,170,924 | 29,132,076 | 37,201,753 | 40,459,379 | 45,368,902 | 36,311,200 | 38,055,782 | 43,027,461 | 38,177,114 | 36,304,607 |
| Human services | 180,681,041 | 159,164,483 | 158,887,480 | 156,795,998 | 161,457,339 | 157,082,703 | 154,505,737 | 163,632,603 | 180,393,343 | 184,951,821 |
| Culture and recreation | 24,850,816 | 30,920,839 | 19,150,384 | 25,754,548 | 27,563,253 | 23,705,512 | 25,827,682 | 26,684,186 | 24,906,568 | 26,709,251 |
| Conservation of natural resources | 127,989 | 309,757 | 363,667 | 272,732 | 333,639 | 319,019 | 318,442 | 300,474 | 246,518 | 8,733 |
| Economic development and assistance | 26,515,815 | 32,822,478 | 32,581,770 | 26,908,496 | 24,978,312 | 25,262,318 | 22,960,214 | 24,895,097 | 23,716,280 | 22,814,134 |
| Interest | 8,590,471 | 8,322,655 | 8,549,472 | 8,556,688 | 6,461,552 | 6,283,322 | 7,595,967 | 5,764,841 | 7,331,569 | 5,964,008 |
| Total governmental activities expenses | 544,438,487 | 536,310,297 | 575,440,525 | 550,463,157 | 569,298,096 | 574,170,337 | 590,288,320 | 600,708,194 | 660,867,955 | 619,437,931 |
| Business-type activities: | | | | | | | | | | |
| Lake Owasso Residence | 8,772,381 | 8,479,113 | 8,494,803 | 8,809,514 | 8,788,431 | 8,831,038 | 9,220,086 | 9,488,558 | 10,793,804 | 10,495,486 |
| Ramsey County Care Center | 14,400,779 | 15,082,263 | 15,455,058 | 15,631,570 | 15,491,080 | 15,522,140 | 16,307,818 | 17,133,429 | 17,737,483 | 17,842,607 |
| Ponds at Battle Creek | 738,633 | 655,002 | 683,309 | 668,899 | 881,119 | 611,437 | 610,213 | 571,319 | - | - |
| Vadnais Sports Center | - | - | - | - | - | - | 597,106 | 1,274,327 | 1,384,081 | 1,257,880 |
| Law Enforcement Services | 5,582,194 | 5,942,423 | 5,954,287 | 6,218,335 | 6,465,343 | 6,730,650 | 7,033,709 | 6,804,427 | 7,652,534 | 7,593,718 |
| Total business-type activities expenses | 29,493,987 | 30,158,801 | 30,587,457 | 31,328,318 | 31,625,973 | 31,695,265 | 33,768,932 | 35,272,060 | 37,567,902 | 37,189,691 |
| Total primary government expenses | 573,932,474 | 566,469,098 | 606,027,982 | 581,791,475 | 600,924,069 | 605,865,602 | 624,057,252 | 635,980,254 | 698,435,857 | 656,627,622 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General government | 20,472,751 | 19,529,671 | 20,899,775 | 20,938,831 | 21,902,274 | 23,880,255 | 26,063,756 | 31,637,055 | 27,228,290 | 27,938,798 |
| Public safety | 17,230,963 | 14,321,258 | 15,355,653 | 15,986,359 | 15,625,893 | 16,875,698 | 17,004,098 | 17,310,255 | 17,855,910 | 18,198,562 |
| Transportation | 3,582,569 | 4,021,033 | 2,140,811 | 3,808,081 | 1,912,846 | 2,442,465 | 3,610,980 | 5,389,382 | 3,091,481 | 6,743,034 |
| Sanitation | 19,041,808 | 17,766,566 | 18,331,643 | 19,067,958 | 18,952,784 | 18,420,680 | 18,549,765 | 17,171,481 | 21,285,197 | 20,211,318 |
| Health | 8,092,699 | 8,948,448 | 9,148,842 | 12,421,094 | 14,262,404 | 13,614,859 | 14,610,724 | 12,127,949 | 12,358,540 | 7,545,377 |
| Human services | 10,383,511 | 10,287,808 | 13,988,585 | 9,647,165 | 9,433,423 | 9,427,711 | 8,420,833 | 7,960,558 | 8,576,225 | 6,014,399 |
| Culture and recreation | 6,799,792 | 6,023,509 | 6,160,011 | 6,131,644 | 5,562,631 | 5,293,171 | 6,639,246 | 7,094,744 | 7,147,875 | 7,105,671 |
| Conservation of natural resources | 455 | 391 | 2,770 | - | - | - | 4,098 | - | - | - |
| Economic development and assistance | 2,220,368 | 196,245 | 1,814,382 | 127,048 | 367,361 | 1,674,251 | 784,359 | 859,614 | 910,671 | 1,003,228 |
| Operating grants and contributions: | | | | | | | | | | |
| General government | 21,246,302 | 22,576,853 | 23,323,019 | 23,919,526 | 24,750,203 | 22,947,112 | 22,219,305 | 19,110,271 | 19,673,578 | 18,713,229 |
| Public safety | 15,566,362 | 15,251,928 | 15,177,256 | 14,421,382 | 13,081,069 | 14,352,834 | 13,793,108 | 14,961,235 | 15,204,675 | 15,087,408 |
| Transportation | 4,040,531 | 6,113,663 | 7,436,879 | 8,811,046 | 8,831,400 | 10,200,915 | 32,981,077 | 38,929,189 | 43,467,776 | 30,380,649 |
| Sanitation | 1,709,892 | 2,041,267 | 2,268,498 | 3,051,744 | 2,661,784 | 1,813,817 | 1,599,690 | 1,984,594 | 1,928,920 | 1,959,426 |
| Health | 11,891,612 | 12,952,071 | 14,184,562 | 11,931,376 | 11,945,052 | 13,940,332 | 15,734,197 | 19,286,487 | 16,125,810 | 14,822,062 |
| Human services | 96,601,195 | 71,770,883 | 67,546,165 | 72,884,605 | 70,559,798 | 71,595,939 | 69,002,968 | 82,200,654 | 88,191,178 | 90,565,808 |
| Culture and recreation | 1,667,841 | 1,069,749 | 1,212,152 | 1,706,435 | 2,430,124 | 1,770,880 | 2,645,594 | 4,004,882 | 4,877,500 | 3,690,613 |
| Conservation of natural resources | - | - | - | - | - | - | - | - | - | - |
| Economic development and assistance | 25,699,726 | 32,169,680 | 31,630,902 | 25,579,558 | 23,578,147 | 23,229,417 | 21,889,720 | 23,316,643 | 21,267,289 | 20,584,284 |
| Capital grants and contributions: | | | | | | | | | | |
| General government | 3,986,939 | - | - | - | - | - | - | - | - | - |
| Public safety | 197,329 | - | 600,000 | - | - | - | - | - | - | - |
| Transportation | 12,225,205 | 20,178,993 | 43,868,783 | 77,075,784 | 49,555,988 | 31,533,762 | 1,721,516 | 3,124,690 | 4,677,295 | 1,661,359 |
| Health | - | - | - | - | 10,300,000 | - | - | - | - | - |
| Culture and recreation | 976,609 | 457,952 | 2,863,537 | 2,892,676 | 2,263,168 | 1,200,863 | - | - | - | - |
| Total governmental activities program revenues | 283,634,459 | 265,677,968 | 297,954,225 | 330,402,312 | 307,976,349 | 284,214,961 | 277,275,034 | 306,469,783 | 313,868,210 | 292,225,225 |

Unaudited

TABLE II
(Continued)

RAMSEY COUNTY, MINNESOTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|
| Business-type activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Lake Owasso Residence | 8,015,858 | 8,014,630 | 7,902,212 | 7,805,181 | 7,797,620 | 7,946,574 | 8,252,204 | 8,512,694 | 8,466,395 | 8,558,612 |
| Ramsey County Care Center | 12,910,864 | 14,464,624 | 13,725,845 | 14,112,022 | 14,169,662 | 13,804,871 | 14,438,620 | 14,615,053 | 15,745,458 | 15,397,668 |
| Ponds at Battle Creek | 465,921 | 449,980 | 430,432 | 393,612 | 568,223 | 426,384 | 453,462 | 508,564 | - | - |
| Vadnais Sports Center | - | - | - | - | - | - | 698,155 | 1,605,987 | 1,426,779 | 1,588,719 |
| Law Enforcement Services | 5,279,653 | 5,612,155 | 5,695,759 | 5,907,717 | 6,248,683 | 6,428,364 | 6,591,888 | 6,839,231 | 7,097,088 | 7,248,181 |
| Operating grants and contributions: | | | | | | | | | | |
| Lake Owasso Residence | 26,957 | 24,607 | 19,968 | 19,968 | 19,968 | 19,968 | 19,968 | 19,968 | 19,968 | 19,968 |
| Ramsey County Care Center | 60,567 | 51,619 | 33,778 | 33,778 | 33,778 | 33,778 | 33,778 | 33,778 | 33,778 | 33,778 |
| Law Enforcement Services | 290,782 | 286,049 | 273,109 | 274,446 | 243,125 | 256,555 | 335,206 | 250,546 | 250,546 | 378,838 |
| Capital grants and contributions: | | | | | | | | | | |
| Lake Owasso Residence | - | 20,713 | - | - | - | - | - | - | - | - |
| Ramsey County Care Center | - | 336,680 | - | - | - | - | - | 176,099 | - | - |
| Ponds at Battle Creek | - | - | - | - | - | 30,290 | - | - | - | - |
| Total business-type activities program revenues | 27,050,602 | 29,261,057 | 28,081,103 | 28,546,724 | 29,081,059 | 28,946,784 | 30,823,281 | 32,561,920 | 33,040,012 | 33,225,764 |
| Total primary government program revenues | 292,728,570 | 294,939,025 | 358,483,415 | 358,949,036 | 337,057,408 | 313,161,745 | 308,098,315 | 339,031,703 | 346,908,222 | 325,450,989 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | (260,804,028) | (270,632,329) | (277,486,300) | (220,060,845) | (261,321,747) | (289,955,376) | (313,013,286) | (294,238,411) | (346,999,745) | (327,212,706) |
| Business-type activities | (2,443,385) | (897,744) | (2,506,354) | (2,781,594) | (2,544,914) | (2,748,481) | (2,945,651) | (2,710,140) | (4,527,890) | (3,963,927) |
| Total primary government net expense | (263,247,413) | (271,530,073) | (279,992,654) | (222,842,439) | (263,866,661) | (292,703,857) | (315,958,937) | (296,948,551) | (351,527,635) | (331,176,633) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | 251,168,844 | 261,103,048 | 271,767,557 | 274,791,919 | 291,981,045 | 296,128,119 | 297,567,581 | 293,584,616 | 306,970,667 | 319,856,449 |
| Wheelage taxes | - | - | - | - | - | - | 3,883,855 | 4,184,673 | 4,133,227 | 4,168,005 |
| Grants and contributions not restricted to specific programs | 23,843,634 | 28,042,678 | 24,414,110 | 19,330,043 | 23,052,965 | 17,673,798 | 20,502,897 | 21,309,616 | 23,872,813 | 22,792,438 |
| Investment earnings (loss) | 15,240,509 | 5,720,578 | 4,439,391 | 5,658,590 | 2,912,916 | (322,081) | 3,337,343 | 3,139,941 | 4,154,908 | 5,643,358 |
| Gain on disposal/sale of capital assets | 2,520,956 | 641,094 | 292,520 | 391,791 | - | 106,211 | 383,780 | 239,872 | 12,168 | 183,066 |
| Special item - capital lease forgiveness | - | - | - | 2,279,995 | - | - | - | - | - | - |
| Transfers | (857,703) | (630,853) | (627,228) | (830,853) | (1,965,784) | (2,581,487) | (2,327,492) | (5,381,751) | (2,755,419) | (2,626,527) |
| Total governmental activities | 291,916,240 | 294,876,545 | 300,286,350 | 301,621,485 | 315,981,142 | 311,004,560 | 323,347,964 | 317,076,967 | 336,388,364 | 350,016,789 |
| Business-type activities: | | | | | | | | | | |
| Grants and contributions not restricted to specific programs | - | - | - | - | * | - | - | - | 69,592 | 5,287 |
| Investment earnings | 52,796 | 46,616 | 26,393 | 106,454 | 41,112 | 39,366 | 31,545 | 43,520 | 82,355 | 90,215 |
| Gain on disposal/sale of capital assets | 18,725 | 6,735 | 13,474 | 13,000 | 8,261 | 13,818 | 36,862 | (30,674) | 26,575 | 1,429 |
| Transfers | 857,703 | 630,853 | 627,228 | 830,853 | 1,965,784 | 2,581,487 | 2,327,492 | 5,381,751 | 2,755,419 | 2,626,527 |
| Total business-type activities | 929,224 | 684,204 | 667,095 | 950,307 | 2,015,157 | 2,634,671 | 2,395,899 | 5,394,597 | 2,933,941 | 2,723,458 |
| Total primary government | 292,845,464 | 295,560,749 | 300,953,445 | 302,571,792 | 317,996,299 | 313,639,231 | 325,743,863 | 322,471,564 | 339,322,305 | 352,740,247 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | 31,112,212 | 24,244,216 | 22,800,050 | 81,560,640 | 54,659,395 | 21,049,184 | 10,334,678 | 22,838,556 | (10,611,381) | 22,804,083 |
| Business-type activities | (1,514,161) | (213,540) | (1,839,259) | (1,831,287) | (529,757) | (113,810) | (549,752) | 2,684,457 | (1,593,949) | (1,240,469) |
| Total primary government | \$ 29,598,051 | \$ 24,030,676 | \$ 20,960,791 | \$ 79,729,353 | \$ 54,129,638 | \$ 20,935,374 | \$ 9,784,926 | \$ 25,523,013 | \$ (12,205,330) | \$ 21,563,614 |

* 2012 Business Activities charges for services were restated.

Unaudited

TABLE III

**RAMSEY COUNTY, MINNESOTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 24,745,093 | \$ 30,847,253 | \$ 37,133,464 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | | | | | | | | | | |
| Designated | 127,940,274 | 142,877,033 | 141,856,001 | - | - | - | - | - | - | - |
| Undesignated | 36,858,893 | 31,421,395 | 32,455,674 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | 18,675,330 | 16,836,541 | 15,168,209 | 20,041,480 | 12,178,547 | 11,034,769 | 25,229,052 |
| Restricted | - | - | - | 155,244 | 166,478 | 175,122 | 183,534 | 192,399 | 3,446,383 | 4,310,129 |
| Committed | - | - | - | 3,819,936 | 7,321,209 | 2,042,509 | 1,693,743 | 1,693,743 | - | - |
| Assigned | - | - | - | 123,848,540 | 135,304,614 | 131,842,047 | 127,675,675 | 36,771,270 | 35,011,587 | 35,395,861 |
| Unassigned | - | - | - | 68,873,130 | 63,002,311 | 73,349,901 | 79,564,043 | 178,868,624 | 189,192,643 | 182,708,988 |
| Total General Fund | <u>189,544,260</u> | <u>205,145,681</u> | <u>211,445,139</u> | <u>215,372,180</u> | <u>222,631,153</u> | <u>222,577,788</u> | <u>229,158,475</u> | <u>229,704,583</u> | <u>238,685,382</u> | <u>247,644,030</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 66,857,324 | 63,324,828 | 68,136,405 | - | - | - | - | - | - | - |
| Unreserved | | | | | | | | | | |
| Designated | | | | | | | | | | |
| Special revenue funds | 63,514,506 | 47,507,530 | 14,968,937 | - | - | - | - | - | - | - |
| Capital projects fund | - | - | (15,620,875) | - | - | - | - | - | - | - |
| Undesignated | | | | | | | | | | |
| Special revenue funds | 390,275 | 4,788,605 | 46,749,281 | - | - | - | - | - | - | - |
| Capital projects fund | (8,772,755) | 300,138 | 3,619,867 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | 184,746 | 191,986 | 199,071 | 7,892 | 5,141 | 2,195 | 2,195 |
| Restricted | - | - | - | 120,515,392 | 107,941,691 | 107,888,830 | 93,479,704 | 95,522,341 | 124,368,455 | 112,516,474 |
| Committed | - | - | - | 319,835 | 3,709,807 | 4,964,496 | 30,497,112 | 38,953,862 | 29,390,586 | 21,820,461 |
| Assigned | - | - | - | 18,877,749 | 20,860,177 | 13,422,547 | 17,084,241 | 21,605,109 | 29,156,814 | 39,195,099 |
| Unassigned | - | - | - | - | - | (3,266,335) | - | 4,618,069 | (144,202) | (5,278,548) |
| Total all other governmental funds | <u>\$ 121,989,350</u> | <u>\$ 115,921,101</u> | <u>\$ 117,853,615</u> | <u>\$ 139,897,722</u> | <u>\$ 132,703,661</u> | <u>\$ 123,208,609</u> | <u>\$ 141,068,949</u> | <u>\$ 160,704,522</u> | <u>\$ 182,773,848</u> | <u>\$ 168,255,681</u> |

Note: Ramsey County implemented GASB 54 for the fiscal year ended December 31, 2011. Prior year amounts were not restated.

Note: Ramsey County adjusted the beginning 2016 fund balance for a correction of an error. Prior year amounts were not restated.

Unaudited

RAMSEY COUNTY, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|--------------------|---------------------|---------------------|----------------------|---------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| Revenues | | | | | | | | | | |
| Property taxes | \$ 249,861,620 | \$ 260,402,097 | \$ 270,417,546 | \$ 276,637,814 | \$ 292,649,414 | \$ 297,006,997 | \$ 302,405,800 | \$ 298,815,186 | \$ 311,870,705 | \$ 324,545,481 |
| Licenses and permits | 1,639,971 | 1,625,056 | 1,604,772 | 1,684,066 | 1,916,780 | 2,153,560 | 1,998,108 | 1,981,534 | 2,312,888 | 2,284,578 |
| Intergovernmental | 225,621,020 | 215,862,442 | 233,823,832 | 258,138,049 | 226,312,391 | 198,201,205 | 216,279,971 | 227,546,693 | 229,487,446 | 208,355,251 |
| Private grants and donations | 1,468,043 | 877,888 | 836,528 | 844,288 | 600,814 | 476,655 | 377,992 | 895,221 | 459,225 | 447,401 |
| Charges for services | 68,393,453 | 67,244,221 | 68,575,275 | 70,931,808 | 71,022,943 | 71,563,871 | 71,446,921 | 70,737,847 | 73,255,161 | 73,336,975 |
| Fines and forfeitures | 733,550 | 923,872 | 807,505 | 951,329 | 1,073,697 | 884,816 | 1,070,054 | 1,098,169 | 930,690 | 742,084 |
| Sales | 2,486,445 | 2,552,113 | 2,321,665 | 3,219,897 | 2,940,134 | 3,274,937 | 3,834,945 | 4,154,900 | 4,268,763 | 4,817,533 |
| Rental income | 1,559,640 | 1,590,902 | 1,653,421 | 2,255,610 | 1,353,884 | 1,684,955 | 2,613,374 | 2,892,842 | 2,936,442 | 3,633,674 |
| Investment earnings | 16,012,013 | 5,720,578 | 4,439,391 | 5,658,590 | 2,912,916 | (322,081) | 3,020,220 | 3,118,283 | 4,087,072 | 5,509,513 |
| Program recoveries | 3,919,001 | 5,921,413 | 5,133,919 | 3,266,715 | 4,615,256 | 4,649,593 | 3,234,327 | 3,849,708 | 6,402,097 | 1,494,260 |
| Miscellaneous | 8,813,756 | 7,257,163 | 7,394,250 | 8,172,571 | 8,468,698 | 8,470,337 | 11,456,683 | 14,045,578 | 13,757,904 | 13,153,791 |
| Total revenues | <u>580,508,512</u> | <u>569,977,745</u> | <u>597,008,104</u> | <u>631,760,737</u> | <u>613,866,927</u> | <u>588,044,845</u> | <u>617,738,395</u> | <u>629,135,961</u> | <u>649,768,393</u> | <u>638,320,541</u> |
| Expenditures | | | | | | | | | | |
| General government | 99,922,521 | 88,827,004 | 98,837,741 | 101,887,173 | 93,682,790 | 97,216,767 | 90,621,432 | * 98,190,690 | 98,409,399 | 102,826,083 |
| Public safety | 116,561,185 | 117,216,770 | 114,767,782 | 115,360,087 | 118,643,759 | 120,450,958 | 126,290,684 | * 128,053,676 | 138,993,762 | 137,228,262 |
| Transportation | 15,352,544 | 34,207,811 | 53,379,274 | 106,867,710 | 19,948,611 | 46,168,113 | 25,419,208 | * 26,306,903 | 25,651,297 | 26,249,254 |
| Sanitation | 21,216,560 | 20,234,092 | 17,853,654 | 20,232,552 | 18,620,998 | 19,574,566 | 20,790,288 | * 19,130,710 | 21,887,307 | 21,061,822 |
| Health | 29,674,278 | 29,780,411 | 36,557,504 | 39,364,298 | 34,309,365 | 35,985,653 | 37,830,992 | * 40,663,466 | 36,661,380 | 35,644,483 |
| Human services | 179,189,088 | 158,512,154 | 155,917,420 | 154,412,108 | 158,943,945 | 157,930,908 | 156,653,900 | * 163,910,742 | 177,983,284 | 185,792,674 |
| Culture and recreation | 19,911,185 | 19,738,837 | 20,314,246 | 21,372,191 | 21,752,535 | 20,816,960 | 21,749,166 | * 22,488,998 | 24,137,111 | 25,072,646 |
| Conservation of natural resources | 71,516 | 50,943 | 52,899 | 44,626 | 42,286 | 39,225 | 42,133 | 43,352 | 32,929 | 43,037 |
| Economic development and assistance | 26,146,647 | 32,645,070 | 32,245,092 | 26,774,013 | 25,001,606 | 25,256,316 | 23,051,049 | 24,853,630 | 23,285,626 | 22,410,495 |
| Capital outlay | 35,478,085 | 42,417,173 | 48,901,528 | 55,988,264 | 97,658,647 | 58,460,610 | 72,308,629 | * 67,642,176 | 74,906,589 | 39,945,417 |
| Debt service: | | | | | | | | | | |
| Bond issuance costs | 66,371 | 171,873 | 296,715 | 390,268 | 390,598 | 352,841 | 298,047 | 169,555 | 472,717 | - |
| Principal | 24,429,453 | 28,525,650 | 14,699,286 | 15,330,998 | 25,710,000 | 35,035,000 | 31,576,666 | 22,723,333 | 29,913,334 | 30,191,667 |
| Payment to refunded bond escrow agent | - | - | - | - | 42,080,000 | - | - | - | - | - |
| Interest | 9,166,915 | 8,379,746 | 8,793,587 | 8,909,317 | 8,724,816 | 8,475,272 | 9,166,373 | 8,388,650 | 8,410,749 | 8,569,034 |
| Total expenditures | <u>577,186,348</u> | <u>580,707,534</u> | <u>602,616,728</u> | <u>666,933,605</u> | <u>665,509,956</u> | <u>625,763,189</u> | <u>615,798,567</u> | <u>622,565,881</u> | <u>660,745,484</u> | <u>635,034,874</u> |
| Excess of revenues over (under) expenditures | <u>3,322,164</u> | <u>(10,729,789)</u> | <u>(5,608,624)</u> | <u>(35,172,868)</u> | <u>(51,643,029)</u> | <u>(37,718,344)</u> | <u>1,939,828</u> | <u>6,570,080</u> | <u>(10,977,091)</u> | <u>3,285,667</u> |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Contract for Deed | - | - | - | - | - | - | - | - | - | - |
| Xcel Energy Loan Proceeds | - | - | - | - | - | - | - | - | - | - |
| Bonds Issued | 6,100,000 | 22,050,000 | 16,500,000 | 18,500,000 | 18,500,000 | 34,700,000 | 12,800,000 | 17,945,000 | 23,335,000 | - |
| Loans Issued | - | - | - | - | 20,000,000 | - | - | - | - | - |
| Discount/premium on bonds | 122,772 | 66,911 | 508,367 | 7,408,586 | 5,065,614 | 2,718,398 | 1,236,900 | 1,426,885 | 3,218,999 | - |
| Proceeds from Sale of Assets | 3,531,806 | - | - | 497,594 | - | - | 383,780 | 288,799 | 12,168 | 52,336 |
| Refunding Bonds Issued | - | - | 6,950,000 | 35,975,000 | 16,340,000 | - | 12,550,000 | - | 13,505,000 | - |
| Redemption of refunded bonds | (7,355,000) | - | (7,390,000) | - | - | - | - | - | - | - |
| Transfers in | 8,875,286 | 13,776,186 | 5,438,950 | 27,317,878 | 11,038,983 | 14,625,426 | 23,011,729 | 23,517,483 | 3,212,764 | 6,522,365 |
| Transfers out | (13,681,743) | (15,927,674) | (8,082,975) | (31,214,839) | (19,319,325) | (23,412,538) | (27,895,119) | (29,430,491) | (12,408,893) | (15,433,986) |
| Total other financing sources (uses) | <u>(2,406,879)</u> | <u>19,965,423</u> | <u>13,924,342</u> | <u>58,484,219</u> | <u>51,625,272</u> | <u>28,631,286</u> | <u>22,087,290</u> | <u>13,747,676</u> | <u>30,875,038</u> | <u>(8,859,285)</u> |
| Special Item: | | | | | | | | | | |
| Capital Lease Forgiveness | - | - | - | 2,279,995 | - | - | - | - | - | - |
| Net change in fund balances | <u>\$ 915,285</u> | <u>\$ 9,235,634</u> | <u>\$ 8,315,718</u> | <u>\$ 25,591,346</u> | <u>\$ (17,757)</u> | <u>\$ (9,087,058)</u> | <u>\$ 24,027,118</u> | <u>\$ 20,317,756</u> | <u>\$ 19,897,947</u> | <u>\$ (5,573,618)</u> |
| Debt service as a percentage of noncapital expenditures | 6.25% | 6.97% | 4.17% | 4.47% | 5.76% | 7.61% | 6.76% | 5.31% | 6.08% | 6.36% |

* Capital outlay amounts were reclassified.

**RAMSEY COUNTY, MINNESOTA
NET TAX CAPACITY AND MARKET VALUE OF PROPERTY
LAST TEN FISCAL YEARS**

| PAYABLE FISCAL PERIOD | REAL ESTATE | | | PERSONAL PROPERTY | | | NET FISCAL | LESS | TOTAL | | PERCENT OF | |
|-----------------------------|-------------|-------------|---------------------|----------------------------|---------------------|----------------------------|------------------|---|-------------------------|-----------------------------|----------------------------|----------------------------|
| | RESIDENTIAL | COMMERCIAL | NET TAX CAPACITY | TAXABLE MARKET VALUE | NET TAX CAPACITY | TAXABLE MARKET VALUE | DISPARITY (1) | TAX INCREMENT NET CAPTURED TAX CAPACITY | NET TAX CAPACITY (2) | TOTAL DIRECT TAX RATE | TAXABLE MARKET VALUE | TAXABLE MARKET VALUE |
| 2009 | 392,447,216 | 194,114,329 | 586,561,545 | 47,879,498,400 | 9,871,164 | 498,208,500 | 18,713,524 | 47,183,423 | 596,432,709 | 46.546 | 48,377,706,900 | 1.23% |
| 2010 | 368,364,207 | 190,868,511 | 559,232,718 | 45,426,036,700 | 9,797,013 | 495,033,100 | 19,029,175 | 44,851,268 | 543,207,638 | 50.248 | 45,921,069,800 | 1.18% |
| 2011 | 347,641,653 | 176,530,778 | 524,172,431 | 42,921,549,600 | 10,566,921 | 534,322,500 | 20,063,169 | 41,314,153 | 513,488,368 | 54.678 | 43,219,897,400 | 1.19% |
| 2012 | 311,038,207 | 169,547,611 | 480,585,818 | 38,746,044,100 | 9,821,259 | 498,346,000 | 17,187,329 | 39,567,567 | 468,026,839 | 61.317 | 39,244,390,100 | 1.19% |
| 2013 | 288,413,459 | 163,778,574 | 452,192,033 | 36,230,777,100 | 10,342,110 | 524,899,200 | 17,227,066 | 36,112,751 | 443,648,458 | 65.240 | 36,755,676,300 | 1.21% |
| 2014 | 290,467,832 | 164,323,739 | 454,791,571 | 36,478,781,600 | 10,383,426 | 528,025,300 | 17,915,338 | 34,987,307 | 448,103,028 | 63.735 | 37,006,806,900 | 1.21% |
| 2015 | 314,379,211 | 169,713,969 | 484,093,180 | 39,369,536,700 | 10,791,542 | 548,879,800 | 19,567,837 | 33,529,754 | 480,922,805 | 58.922 | 39,918,416,500 | 1.20% |
| 2016 | 336,477,866 | 164,349,138 | 500,827,004 | 40,868,476,400 | 11,332,078 | 578,215,300 | 24,505,680 | 33,509,122 | 503,155,640 | 58.885 | 41,446,691,700 | 1.21% |
| 2017 | 362,071,977 | 173,165,048 | 535,237,025 | 43,662,948,000 | 11,721,219 | 620,157,700 | 27,540,809 | 32,731,581 | 541,767,472 | 55.850 | 44,283,105,700 | 1.22% |
| 2018 | 392,016,298 | 190,183,053 | 582,199,351 | 47,328,913,200 | 12,417,256 | 660,709,800 | 28,799,899 | 36,448,315 | 586,968,191 | 53.962 | 47,989,623,000 | 1.22% |

Fiscal Disparity Net Tax Capacity is the increase in the tax base distributed to Ramsey County by the Other metropolitan counties pursuant to M.S. Chapter

(1) 473.F - Metropolitan Revenue distribution. There are no provisions in the law for calculating a market value for the Fiscal Disparity Net Tax Capacity.

All taxable property in Minnesota is listed annually and reappraised at least once every five years with reference to its value on January 2 of that year. Property is currently

(2) appraised at "Market Value," defined as the usual selling price of the property which would be obtained at private sale and not at a forced or auction sale. Statutory percentages are then applied to this value to determine a property's "Taxable Net Tax Capacity," upon which taxes are levied, extended, and collected. The total net tax capacity is reduced by the amount of the tax increment financing captured net tax capacity.

TABLE VI

**RAMSEY COUNTY, MINNESOTA
PROPERTY TAX RATES AND TAX LEVIES
LAST TEN FISCAL YEARS**

| LEVY YEAR | PAYABLE YEAR | GENERAL FUND | | GENERAL DEBT SERVICE | TOTAL GENERAL COUNTY | COUNTY LIBRARY REVENUE (1) | COUNTY LIBRARY DEBT (1) | TOTAL |
|---|-----------------|---------------------|-------------------|----------------------------|----------------------------|-------------------------------------|----------------------------------|-------------|
| | | GENERAL SERVICES | HUMAN SERVICES | | | | | |
| <u>TAX RATE AS A PERCENTAGE OF NET TAX CAPACITY (2)</u> | | | | | | | | |
| 2008 | 2009 | 26.450 | 13.623 | 3.098 | 43.171 | 2.768 | 0.607 | 46.546 |
| 2009 | 2010 | 28.075 | 15.198 | 3.325 | 46.598 | 3.051 | 0.599 | 50.248 |
| 2010 | 2011 | 31.119 | 15.968 | 3.714 | 50.801 | 3.255 | 0.622 | 54.678 |
| 2011 | 2012 | 35.119 | 17.319 | 4.507 | 56.945 | 3.675 | 0.697 | 61.317 |
| 2012 | 2013 | 37.652 | 18.265 | 4.721 | 60.638 | 3.875 | 0.727 | 65.240 |
| 2013 | 2014 | 35.999 | 18.275 | 4.831 | 59.105 | 3.828 | 0.802 | 63.735 |
| 2014 | 2015 | 33.190 | 16.813 | 4.459 | 54.462 | 3.593 | 0.867 | 58.922 |
| 2015 | 2016 | 32.654 | 17.056 | 4.302 | 54.012 | 3.796 | 1.077 | 58.885 |
| 2016 | 2017 | 47.207 | - | 3.966 | 51.173 | 3.683 | 0.994 | 55.850 |
| 2017 | 2018 | 45.800 | - | 3.673 | 49.473 | 3.602 | 0.887 | 53.962 |
| <u>TAX LEVIES</u> | | | | | | | | |
| 2008 | 2009 | 149,151,376 | 76,820,820 | 17,466,895 | 243,439,091 | 7,853,393 | 1,720,703 | 253,013,187 |
| 2009 | 2010 | 150,599,548 | 81,523,673 | 17,835,097 | 249,958,318 | 8,368,534 | 1,644,197 | 259,971,049 |
| 2010 | 2011 | 157,450,244 | 80,792,540 | 18,791,880 | 257,034,664 | 8,467,470 | 1,618,118 | 267,120,252 |
| 2011 | 2012 | 161,283,136 | 79,536,358 | 20,699,607 | 261,519,101 | 8,637,079 | 1,638,676 | 271,794,856 |
| 2012 | 2013 | 165,256,698 | 80,169,289 | 20,721,123 | 266,147,110 | 8,750,861 | 1,640,380 | 276,538,351 |
| 2013 | 2014 | 161,969,193 | 82,223,771 | 21,735,000 | 265,927,964 | 8,771,373 | 1,839,014 | 276,538,351 |
| 2014 | 2015 | 161,798,020 | 81,960,308 | 21,735,000 | 265,493,328 | 8,897,462 | 2,147,561 | 276,538,351 |
| 2015 | 2016 | 164,476,432 | 85,907,831 | 21,671,201 | 272,055,464 | 9,628,462 | 2,732,424 | 284,416,350 |
| 2016 | 2017 | 257,968,085 | - | 21,670,505 | 279,638,590 | 10,134,598 | 2,734,472 | 292,507,660 |
| 2017 | 2018 | 270,224,910 | - | 21,672,050 | 291,896,960 | 10,672,435 | 2,629,802 | 305,199,197 |

(1) Tax Levy on suburban property only.

(2) Tax rates may be lower in certain tax areas due to Disparity Reduction Aid paid by the state to governmental units in certain state determined tax areas.

TABLE VII

RAMSEY COUNTY, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

| Payable Fiscal Year | Taxes Levied for the Fiscal Year (Original Levy) | Property Tax Credits (1) | Taxes Levied on Taxpayer | Adjustments | Total Adjusted Levy | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---------------------|--|--------------------------|--------------------------|-------------|---------------------|--|---|---------------------------------|---------------------------|-----------------------------|
| | | | | | | Amount | Percentage of Original Levy on Taxpayer | | Amount | Percentage of Adjusted Levy |
| 2008 | 242,075,699 | 8,758,281 | 233,317,418 | 984,308 | 232,333,110 | 227,391,319 | 97.46% | 4,872,366 | 232,263,685 | 99.97% |
| 2009 | 253,013,187 | 8,855,957 | 243,904,310 | 638,535 | 243,265,775 | 238,336,998 | 97.72% | 4,818,559 | 243,155,557 | 99.95% |
| 2010 | 259,971,049 | 9,196,053 | 250,774,996 | 684,747 | 250,090,249 | 244,384,790 | 97.45% | 5,570,023 | 249,954,813 | 99.95% |
| 2011 | 267,120,252 | 9,736,705 | 257,383,547 | 1,311,894 | 256,071,653 | 252,154,167 | 97.97% | 3,749,529 | 255,903,696 | 99.93% |
| 2012 | 271,794,856 | 281,830 | 271,513,026 | 1,069,739 | 270,443,287 | 266,990,571 | 98.33% | 3,209,986 | 270,200,557 | 99.91% |
| 2013 | 276,538,351 | 262,647 | 276,275,704 | 1,022,703 | 275,253,001 | 272,492,451 | 98.63% | 2,586,790 | 275,079,241 | 99.94% |
| 2014 | 276,538,351 | 262,630 | 276,275,721 | 1,244,889 | 275,030,832 | 272,522,340 | 98.64% | 2,103,365 | 274,625,705 | 99.85% |
| 2015 | 276,538,351 | 262,894 | 276,275,457 | 1,012,383 | 275,263,074 | 272,896,122 | 98.78% | 1,727,924 | 274,624,046 | 99.77% |
| 2016 | 284,416,350 | 262,579 | 284,153,771 | 869,215 | 283,284,556 | 281,178,822 | 98.95% | - | 281,178,822 | 99.26% |
| 2017 | 292,507,660 | 262,812 | 292,244,848 | 1,361,339 | 290,883,509 | 288,772,474 | 98.81% | - | 288,772,474 | 99.27% |

Source: County Department of Records and Revenue

(1) Payments made by the State for Property Tax relief.

TABLE VIII

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

| YEAR | GOVERNMENTAL ACTIVITIES | | | | BUSINESS-TYPE ACTIVITIES | TOTAL PRIMARY GOVERNMENT | NET TAX CAPACITY | PERCENT OF DEBT TO TAX CAPACITY | DEBT PER CAPITA | PERCENTAGE OF PERSONAL INCOME |
|------|--------------------------------|--|------------------|------------------|--------------------------------|--------------------------------|------------------------|---------------------------------------|-----------------------|-------------------------------------|
| | GENERAL OBLIGATION BONDS | PUBLIC FACILITY LEASE REV. BONDS | NOTES PAYABLE | LOANS PAYABLE | GENERAL OBLIGATION BONDS | | | | | |
| 2008 | 176,187,000 | 11,890,000 | 5,897,000 | 35,935 | 7,840,000 | 201,849,935 | 566,514,003 | 35.63% | 390.72 | 0.85% |
| 2009 | 185,882,000 | 11,360,000 | 5,712,000 | 20,284 | 7,420,000 | 210,394,284 | 567,962,810 | 37.04% | 404.25 | 0.91% |
| 2010 | 186,548,781 | 10,810,000 | 5,522,000 | 5,998 | 7,240,897 | 210,127,676 | 544,866,274 | 38.56% | 413.12 | 0.92% |
| 2011 | 233,404,604 | 10,235,000 | 5,327,000 | - | 8,909,134 | 257,875,738 | 513,488,368 | 50.22% | 501.03 | 1.10% |
| 2012 | 213,939,833 | - | 5,122,000 | 20,000,000 | 6,254,875 | 245,316,708 | 468,026,839 | 52.42% | 471.63 | 1.02% |
| 2013 | 214,220,111 | - | 4,912,000 | 20,000,000 | 5,750,382 | 244,882,493 | 444,175,623 | 55.13% | 464.92 | 1.00% |
| 2014 | 210,783,006 | - | 4,697,000 | 16,703,334 | 5,210,889 | 237,394,229 | 448,103,028 | 52.98% | 445.68 | 0.95% |
| 2015 | 214,600,752 | - | 4,472,000 | 10,065,001 | 4,651,396 | 233,789,149 | 480,922,805 | 48.61% | 438.07 | 0.90% |
| 2016 | 228,664,470 | - | 4,242,000 | 3,371,667 | 4,045,684 | 240,323,821 | 503,155,640 | 47.76% | 444.51 | 0.92% |
| 2017 | 199,784,727 | - | 4,002,000 | - | 2,247,633 | 206,034,360 | 541,767,472 | 38.03% | 375.99 | 0.76% |

Unaudited

TABLE IX

**RAMSEY COUNTY, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

| YEAR | GENERAL OBLIGATION BONDS | LESS DEBT SERVICE FUNDS | TOTAL | PERCENTAGE OF PERSONAL INCOME | PERCENTAGE OF NET TAX CAPACITY | NET BONDED DEBT PER CAPITA |
|-------------|---|--|--------------|--|---|---|
| 2008 | 184,027,000 | 20,581,626 | 163,445,374 | 0.71% | 28.85% | 325.96 |
| 2009 | 187,590,000 | 21,405,305 | 166,184,695 | 0.74% | 30.50% | 328.25 |
| 2010 | 193,789,678 | 21,098,378 | 172,691,300 | 0.75% | 33.63% | 339.52 |
| 2011 | 242,313,738 | 76,339,533 | 165,974,205 | 0.71% | 34.15% | 322.47 |
| 2012 | 220,194,708 | 44,107,695 | 176,087,013 | 0.73% | 37.62% | 338.53 |
| 2013 | 219,970,493 | 24,629,153 | 195,341,340 | 0.80% | 43.98% | 370.87 |
| 2014 | 215,993,895 | 25,890,213 | 190,103,682 | 0.76% | 42.42% | 356.90 |
| 2015 | 216,552,148 * | 25,944,486 | 190,607,662 | 0.75% | 39.63% | 354.20 |
| 2016 | 232,710,154 | 29,974,869 | 202,735,285 | 0.78% | 40.29% | 374.99 |
| 2017 | 202,032,360 | 31,687,249 | 170,345,111 | 0.63% | 31.44% | 310.86 |

* 2015 General Obligation Bonds adjusted to reflect transfer of Ponds at Battle Creek from Business to Governmental activity.

TABLE X

**RAMSEY COUNTY, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017**

| <u>Government Unit</u> | <u>Debt Outstanding*</u> | <u>Estimated Percentage Application **</u> | <u>Estimated Share of Direct and Overlapping Debt</u> |
|--|------------------------------|--|---|
| Debt repaid with property taxes | | | |
| City of Spring Lake Park | 1,622,816 | 2.7% | 43,816 |
| City of St. Anthony | 8,985,000 | 29.8% | 2,677,530 |
| City of Blaine | 23,796,401 | 0.8% | 190,371 |
| School District #624 | 88,915,000 | 78.5% | 69,798,276 |
| School District #622 | 97,480,000 | 52.0% | 50,689,600 |
| School District #282 | 27,605,000 | 39.7% | 10,959,185 |
| Metro Council | 188,620,614 | 14.8% | 27,915,851 |
| Ramsey-Washington Metro Watershed District | 4,755,770 | 100.0% | 4,755,770 |
| Capital Region Watershed | 3,565,000 | 100.0% | 3,565,000 |
| City of Falcon Heights | 520,000 | 100.0% | 520,000 |
| City of Gem Lake | 715,000 | 100.0% | 715,000 |
| City of Little Canada | 2,975,000 | 100.0% | 2,975,000 |
| City of St. Paul | 138,246,543 | 100.0% | 138,246,543 |
| City of Maplewood | 10,755,000 | 100.0% | 10,755,000 |
| City of Mounds View | 6,802,814 | 100.0% | 6,802,814 |
| City of North St. Paul | 15,315,000 | 100.0% | 15,315,000 |
| City of Roseville | 22,790,000 | 100.0% | 22,790,000 |
| City of Shoreview | 23,585,000 | 100.0% | 23,585,000 |
| City of Vadnais Heights | 6,165,000 | 100.0% | 6,165,000 |
| School District #621 | 99,335,000 | 100.0% | 99,335,000 |
| School District #623 | 46,605,000 | 100.0% | 46,605,000 |
| School District #625 | 392,765,000 | 100.0% | 392,765,000 |
| Port Authority | 33,210,000 | 100.0% | 33,210,000 |
| Subtotal, overlapping debt | | | 970,379,756 |
| Ramsey County Direct Debt | <u>203,786,727</u> | 100.0% | <u>203,786,727</u> |
| Total direct and overlapping debt | <u>\$ 1,448,916,685</u> | | <u>\$ 1,174,166,483</u> |

* Debt Outstanding - That portion of the debt which is financed by tax levies.

** Determined by ratio of net tax capacity of property subject to taxation in overlapping unit to net tax capacity of property subject to taxation in reporting unit.

TABLE XI

**RAMSEY COUNTY, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

| Legal Debt Margin Calculation for Fiscal Year 2017 | |
|---|--------------------------------|
| Estimated Market Value | 44,283,105,700 |
| Debt Limit (3% of Estimated Market Value) | 1,328,493,171 |
| | |
| Debt applicable to limit: | |
| General obligation bonds | 169,790,000 |
| Less: Amount set aside for repayment of general obligation bonds | <u>(31,687,249)</u> |
| Total net debt applicable to limit | 138,102,751 |
| | |
| Legal Debt Margin | <u><u>\$ 1,190,390,420</u></u> |

| | <u>2008</u> | | <u>2009</u> | | <u>2010</u> | | <u>2011</u> | | <u>2012</u> | | <u>2013</u> | | <u>2014</u> | | <u>2015</u> | | <u>2016</u> | | <u>2017</u> |
|------------------------------------|--------------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|---------------------------|------------------|---------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|
| Debt limit | \$ 1,472,861,706 | \$ | 1,451,331,207 | \$ | 1,380,674,082 | \$ | 1,296,596,922 | \$ | 1,177,331,703 | \$ | 1,103,751,567 | \$ | 1,110,204,207 | \$ | 1,269,458,952 | | 1,314,211,569 | | 1,328,493,171 |
| Total net debt applicable to limit | 163,445,374 | | 171,896,695 | | 174,350,538 | | 159,522,467 | | 166,444,305 | | 185,142,847 | | 180,471,787 | | 181,777,514 | | 155,035,718 | | 138,102,751 |
| Legal Debt Margin | <u><u>\$ 1,309,416,332</u></u> | <u><u>\$</u></u> | <u><u>1,279,434,512</u></u> | <u><u>\$</u></u> | <u><u>1,206,323,544</u></u> | <u><u>\$</u></u> | <u><u>1,137,074,455</u></u> | <u><u>\$</u></u> | <u><u>1,010,887,398</u></u> | <u><u>\$</u></u> | <u><u>918,608,720</u></u> | <u><u>\$</u></u> | <u><u>929,732,420</u></u> | <u><u>\$</u></u> | <u><u>1,087,681,438</u></u> | <u><u>\$</u></u> | <u><u>1,159,175,851</u></u> | <u><u>\$</u></u> | <u><u>1,190,390,420</u></u> |

Note: Limit on debt - Minnesota Statutes, Section 475.53, Subdivision 1 - "Except as otherwise provided -- no municipality, --, shall incur or be subject to a net debt in excess of 3 percent of the Estimated Market Value of taxable property in the municipality."

TABLE XII

**RAMSEY COUNTY, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

| Taxpayer | Type of Business | Payable 2017 | | Payable 2008 | | | |
|-------------------------------------|---|--------------------------------|------|--|--------------------------------|------|--|
| | | Taxable Net Tax Capacity | Rank | Percentage of Total Taxable Net Tax Capacity | Taxable Net Tax Capacity | Rank | Percentage of Total Taxable Net Tax Capacity |
| NorthernStates Power (Excel Energy) | Utility | \$ 12,116,793 | 1 | 2.22% | \$ 8,717,391 | 1 | 1.46% |
| 3M | Industrial and Commercial Products | 4,029,001 | 2 | 0.74% | 5,723,882 | 2 | 0.96% |
| PPF RTL Roseville Shopping Ctr LLC | Rosedale Center | 3,058,478 | 3 | 0.56% | | | |
| Medtronic | Surgical & Medical Instrument Manufacturing | 2,782,230 | 4 | 0.51% | 2,784,572 | 4 | 0.46% |
| BNSF Railway Co | Railroad | 2,060,215 | 5 | 0.38% | | | |
| CSM Corporation & Investors | Property Management/ Real Estate Investing (Commercial/ Office/ Hotel/ Townhome) | 1,950,162 | 6 | 0.36% | 2,758,890 | 5 | 0.46% |
| St Paul Fire and Marine Ins Co | Insurance | 1,715,064 | 7 | 0.31% | 1,975,316 | 8 | 0.33% |
| Maplewood Mall | Real Estate | 1,607,844 | 8 | 0.29% | | | |
| St Paul Tower LP | Property Management | 1,607,676 | 9 | 0.29% | 1,899,250 | 10 | 0.32% |
| Cardiac Pacemakers, Inc. | Medical Manufacturing | 1,393,500 | 10 | 0.25% | 1,999,250 | 7 | 0.33% |
| Compass Retail Inc | Real Estate Investing (rosedale) | | | | 3,378,500 | 3 | 0.56% |
| Minnesota Mutual life Ins Co. | Insurance | | | | 2,754,790 | 6 | 0.46% |
| Target Corporation | Retail | | | | 1,913,208 | 9 | 0.32% |
| | Total | \$ 32,320,963 | | 5.91% | \$ 33,905,049 | | 5.66% |

Source: Ramsey County Department of Property Records and Revenue

TABLE XIII

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

| Year | Population^a | Personal Income (millions of dollars)^b | Per Capita Personal Income^b | Public School Enrollment (K-12)^c | Annual Average Unemployment Rate^d |
|-------------|-------------------------------|--|---|--|---|
| 2008 | 501,428 | 22,960 | 45,790 | 82,466 | 5.3% |
| 2009 | 506,278 | 22,469 | 44,381 | 84,542 | 7.8% |
| 2010 | 508,640 | 22,897 | 44,962 | 84,403 | 7.0% |
| 2011 | 514,696 | 23,349 | 45,365 | 82,953 | 6.6% |
| 2012 | 520,152 | 23,991 | 46,124 | 85,234 | 5.8% |
| 2013 | 526,714 | 24,507 | 46,529 | 86,903 | 5.0% |
| 2014 | 532,655 | 25,045 | 47,019 | 87,405 | 4.2% |
| 2015 | 533,677 | 26,076 | 48,457 | 87,312 | 3.5% |
| 2016 | 540,649 | 26,916 | 49,785 | 87,711 | 3.6% |
| 2017 | 547,974 | * | * | 92,578 | 3.3% |

* - Figure for this period is not yet available.

^a Source for 2010 is U.S. Census Bureau; all other years are estimates from the Metropolitan Council or U.S. Census Bureau.

^b U.S. Department of Commerce, Bureau of Economic Analysis.

^c State Department of Education.

^d Minnesota Department of Employment and Economic Security, Research and Planning.

TABLE XIV

**RAMSEY COUNTY, MINNESOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

| <u>Taxpayer</u> | <u>Fiscal Year 2017</u> | | | | <u>Fiscal Year 2008</u> | | | |
|---------------------------------------|--|-----|-------------|--|--|---|-------------|--|
| | <u>Approximate Number of Employees</u> | | <u>Rank</u> | <u>Percentage of Total County Employment</u> | <u>Approximate Number of Employees</u> | | <u>Rank</u> | <u>Percentage of Total County Employment</u> |
| University of Minnesota - Twin Cities | 18,000 | a,c | 1 | 6.50% | 17,446 | | 3 | 6.87% |
| State of Minnesota | 16,056 | a | 2 | 5.80% | 41,900 | | 2 | 16.50% |
| 3M Company (Maplewood) | 10,500 | | 3 | 3.79% | 14,500 | | 4 | 5.71% |
| Indep. School District #625 | 5,887 | a | 4 | 2.13% | 5,737 | | 7 | 2.26% |
| Regions Hospital (St. Paul) | 5,225 | | 5 | 1.89% | | | | |
| Ramsey County | 4,323 | | 6 | 1.56% | 4,400 | | 10 | 1.73% |
| Medtronic (Mounds View) | 4,000 | b | 7 | 1.44% | | | | |
| United/Children's Hospital | 3,947 | | 8 | 1.43% | 4,800 | | 9 | 1.89% |
| City of St. Paul | 2,935 | a | 9 | 1.06% | | | | |
| Boston Scientific (Arden Hills) | 2,532 | | 10 | 0.91% | | | | |
| Target Corporation | | | | | 11,400 | c | 5 | 4.49% |
| US Bancorp (St. Paul) | | | | | 55,000 | | 1 | 21.66% |
| Deluxe Corporation | | | | | 8,000 | | 6 | 3.15% |
| HealthEast (three care centers) | | | | | 5,120 | | 8 | 2.02% |
| | <u>73,405</u> | | | <u>26.51%</u> | <u>168,303</u> | | | <u>66.27%</u> |

a: Includes full- and part-time employees.

b: Represents employees at Mounds View location only. Previous figure represented the company's worldwide employment.

c: Includes entire Twin Cities area.

Source: Minnesota Department of Employment and Economic Security.
County's Official Statement

**RAMSEY COUNTY, MINNESOTA
INSURANCE IN FORCE
DECEMBER 31, 2017**

| COMPANY NAME | POLICY NUMBER | POLICY PERIOD | COVERAGE-DEPARTMENTS | POLICY LIMIT |
|--|----------------------|-----------------|--|--|
| Travelers | KTK-CMB-294T324-4-17 | 9/22/17-9/22/18 | COUNTY Property Fire & Extended Coverage Boiler & Machinery Vehicles & Mobile Equipment | All Risk, Full Replacement, \$100,000 Deductible B&M Perils \$500 MM \$795.8 MM Total Ins. Value |
| Travelers | 106803617 | 9/22/17-9/22/19 | Commercial Crime Including Public Employee Dishonesty coverage | \$3,000,000 \$100,000 Deductible |
| WCRA | 40014 - 2018 | 1/1/18-1/1/19 | Reinsurance - Workers' Compensation | \$2,000,000 Retention Limits |
| Ramsey County | | 1/1/17-1/1/18 | Self-Funded Vehicle | \$30,000/\$60,000/\$10,000 |
| Ramsey County | T-01-20 | 1/1/17-1/1/18 | Self-Funded Tort | \$500,000 per Claim \$1,500,000 per Occurrence |
| Ramsey County | EPP-01-23 | 1/1/17-1/1/18 | Employee Personal Prop. Loss | Per RC Board Policy up to \$250 |
| Ramsey County | P-01-24 | 1/1/17-1/1/18 | Self-Funded Property | Per State Statute - \$5,000 Deductible on purchased insurance program |
| MN Risk Management Fund | 0023PK18 | 7/1/17-7/1/18 | 800 MHZ Property Fire and Extended, Boiler and Machinery and Vehicle and Mobile Equipment | \$8,662,000 \$25,000 Deductible |
| MN Risk Management Fund | 023PK17 | 7/1/17-7/1/18 | Commercial General Liability and Cyber Liability | \$500,000 per Person/ \$1,500,000 per occurrence Cyber liability to \$100,000 |
| National Indemnity Company of America | 73 APS 069850 | 1/1/7-1/1/18 | LAKE OWASSO AND NURSING HOME Automobile | \$1,000,000 \$500 Deductible for Collision & Comprehensive |
| CNA Surety/Western Surety Co. | 0601 69042089 | 9/15/17-9/15/18 | RAMSEY COUNTY CARE CENTER Patient's Bond | \$100,000 |
| League of MN Cities | CMC1004173-1 | 9/10/17-9/10/18 | SHERIFF Violent Crime Enforcement Team | <u>Primary:</u> \$25k/\$50k/\$1k Deductible/Agg deductible/after agg deductible met <u>Excess:</u> \$1,000,000 |
| Allied World Assurance | 0308-3130 | 4/16/13-4/16/23 | COUNTY MANAGER Pollution Legal Liability - TCAAP | \$25,000,000 \$100,000 Deductible Each Incident |
| Allied World Assurance | 0308-3131 | 4/16/16-4/16/20 | Contractor's Pollution Liability - TCAAP | \$10,000,000 \$25,000 Deductible Each Occurrence |

(Continued)

Unaudited

**TABLE XV
(Continued)**

**RAMSEY COUNTY, MINNESOTA
INSURANCE IN FORCE
DECEMBER 31, 2017**

| COMPANY NAME | POLICY NUMBER | POLICY PERIOD | COVERAGE-DEPARTMENTS | POLICY LIMIT |
|--|----------------------|---|---|--|
| National Indemnity | 75APR346094 | 2/5/17-2/5/18 | EMERGENCY MANAGEMENT Emergency Management- Mobile Command Center vehicle | \$1,000,000 CSL \$25,000 physical damage \$5,000 comp; \$5,000 collision |
| Midwest Medical | | 1/1/17-1/1/18 | MEDICAL EXAMINER Professional Liability Covers McGee, Froloff, Mills, and Huston Paid Directly by Medical Examiner | \$1,000,000/\$3,000,000 Claims Made Policy |
| Travelers | 10637629 | 9/22/17-9/22/19 | COUNTY ATTORNEY Commercial Crime Including Employee Theft of Client Property | \$3,000,000 \$25,000 Deductible |
| MN Joint Underwriting Association | J040015 | 7/1/17-1/1/18 | REGIONAL RAIL General Liability | \$1,000,000 \$250 Deductible per Event |
| League of MN Cities | CMC 1003323-1 | 7/12/17-7/12/18 | Rush Line Corridor | \$100,000 Crime, \$250,000 Petrofund, \$1,500,000 Muni & Auto Liability 50/250 Defense Reimbursement |
| League of MN Cities | CMC 1004472-1 | 10/6/17-10/6/18 | Liability and Open Meeting Defense MN Hi Speed Rail Commission | \$1,500,000/\$2,000,000 Municipal, Auto, Crime, and Petrofund |
| Lexington Insurance | TBD | 1/1/17-1/1/18 | General Liability - Union Depot | \$5,000,000 \$25,000 Deductible |
| Zurich | TBD | 1/1/17-1/1/18 | Property Insurance - Union Depot | \$141,051,000 RCV \$50,000 Deductible per Occurrence |
| National Union Fire Insurance Company | 3605446 | 7/1/17-7/1/18 | Public Officials Liability | \$1,000,000 \$10,000 Deductible for Each Wrongful Act or \$25,000 for Employment Practice Violation |
| Catlin Insurance Company | TBD | 1/1/17-1/1/18 extended to align with other policies | Railroad Liability | \$50,000,000/\$100,000,000 \$500,000 Deductible per Occurrence \$2,000,000 Deductible FELA |

Unaudited

TABLE XVI

**RAMSEY COUNTY, MINNESOTA
FULL-TIME-EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

| <u>Function/Program</u> | Full-Time Equivalent Employees as of December 31 | | | | | | | | | |
|-------------------------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| General government | 720.58 | 712.23 | 707.70 | 708.70 | 684.90 | 700.90 | 709.40 | 733.90 | 740.70 | 736.70 |
| Public safety | 1,124.79 | 1,138.54 | 1,107.66 | 1,100.66 | 1,069.16 | 1,058.16 | 1,058.66 | 1,062.16 | 1,066.24 | 1,070.66 |
| Transportation | 126.68 | 117.58 | 116.58 | 116.58 | 114.58 | 114.58 | 114.58 | 114.58 | 117.58 | 117.58 |
| Health | 309.28 | 325.28 | 318.83 | 319.00 | 308.35 | 338.70 | 334.90 | 355.65 | 292.60 | 291.75 |
| Human services | 1,269.09 | 1,292.44 | 1,282.64 | 1,269.59 | 1,265.14 | 1,311.24 | 1,318.24 | 1,343.84 | 1,438.94 | 1,429.54 |
| Culture and recreation | 196.96 | 198.94 | 192.34 | 192.62 | 187.32 | 185.43 | 185.28 | 192.28 | 195.63 | 197.73 |
| Conservation of natural resources | 4.05 | - | - | - | - | - | - | - | - | - |
| Economic development and assistance | 88.40 | 90.40 | 90.40 | 91.90 | 86.00 | 87.00 | 84.00 | 84.00 | 85.00 | 85.00 |
| Total | 3,839.83 | 3,875.41 | 3,816.15 | 3,799.05 | 3,715.45 | 3,796.01 | 3,805.06 | 3,886.41 | 3,936.69 | 3,928.96 |

Source: County Finance Office

TABLE XVII

**RAMSEY COUNTY, MINNESOTA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function/Program | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | | | | | | | | | | |
| County Building Operating Cost per Net Rentable ft ² | \$ 5.62 | \$ 5.55 | \$ 5.55 | \$ 6.45 | \$ 6.62 | \$ 6.76 | \$ 6.73 | \$ 6.61 | \$ 6.74 | \$ 6.75 |
| Public Safety | | | | | | | | | | |
| Sheriff: | | | | | | | | | | |
| Jail Facility Bookings | 26,958 | 22,669 | 22,149 | 21,439 | 21,283 | 20,226 | 21,048 | 21,610 | 20,409 | 20,827 |
| Warrants Issued & Cleared | 14,637 | 9,315 | 12,572 | 24,351 | 24,154 | 22,225 | 21,070 | 24,415 | 26,163 | 27,355 |
| Corrections: | | | | | | | | | | |
| Adult Probation Cases | 30,799 | 28,529 | 27,686 | 27,112 | 21,924 | 20,406 | 19,554 | 19,282 | 18,947 | 18,285 |
| Juvenile Probation Cases | 3,504 | 3,113 | 2,276 | 2,202 | 1,277 | 1,140 | 1,064 | 1,064 | 952 | 841 |
| Average Daily Population All Facilities | 533 | 539 | 486 | 464 | 424 | 397 | 386 | 390 | 345 | 337 |
| Transportation | | | | | | | | | | |
| Average Daily Vehicle Miles Traveled on County Roads* | 2,740,986 | 2,719,998 | 2,679,069 | 2,678,420 | 2,665,947 | 2,673,051 | N/A | N/A | 2,633,744 | N/A |
| Health | | | | | | | | | | |
| WIC Nutrition Program Client Served | 30,969 | 31,465 | 31,274 | 31,324 | 31,224 | 30,474 | 30,151 | 29,397 | 28,802 | 27,918 |
| Client Personal Care Attendant Assessments | 2,008 | 2,442 | 3,257 | 2,950 | 3,616 | 3,790 | N/A | N/A | N/A | N/A |
| Financial Assistance Services | | | | | | | | | | |
| Cash, Food, and Child Care Assistance Cases | 25,779 | 30,656 | 35,699 | 41,104 | 43,693 | 45,291 | 42,204 | 39,918 | 39,135 | 38,322 |
| Medical Assistance Cases | 36,033 | 38,356 | 40,562 | 50,945 | 54,713 | 56,398 | 74,218 | 80,899 | 80,261 | 82,372 |
| Applications for Cash and Food Assistance | 18,005 | 17,354 | 18,470 | 20,395 | 24,192 | 24,587 | 24,039 | 22,781 | 20,922 | 20,295 |
| Applications for Medical Assistance | 23,243 | 24,746 | 25,531 | 38,942 | 36,576 | 40,266 | 34,351 | 32,908 | 39,116 | 38,076 |
| Social Services | | | | | | | | | | |
| Out of Home Placements** | 2,506 | 1,706 | 1,844 | 1,956 | 1,958 | 1,875 | 1,688 | 1,842 | 1,893 | 1,975 |
| Services for Disabled Adults | 1,868 | 3,454 | 3,268 | 3,307 | 3,344 | 3,390 | 3,402 | 3,208 | 3,385 | 3,336 |
| Child Maltreatment Intake Reports | 1,255 | 1,264 | 1,265 | 1,265 | 1,526 | 1,408 | 1,680 | 2,150 | 2,637 | 2,776 |
| Culture and Recreation | | | | | | | | | | |
| Parks and Recreation: | | | | | | | | | | |
| Ice Hours Rented at Ice Arenas | 15,658 | 14,832 | 13,912 | 12,657 | 13,127 | 14,240 | 15,351 | 20,491 | 18,320 | 18,266 |
| Park Shelter and Pavilion Rentals | 1,259 | 1,288 | 1,280 | 1,065 | 1,085 | 1,119 | 1,081 | 1,191 | 1,210 | 1,209 |
| Libraries: | | | | | | | | | | |
| Total Circulation | 4,589,151 | 4,556,073 | 4,517,571 | 4,713,703 | 4,772,566 | 4,596,085 | 4,308,599 | 4,095,008 | 3,850,918 | 3,689,728 |
| Visits to Library Buildings | 1,878,350 | 1,733,150 | 1,725,513 | 1,808,934 | 1,804,943 | 1,706,338 | 1,601,495 | 1,588,525 | 1,574,655 | 1,539,241 |
| Librarian Reference Assistance | 280,075 | 263,431 | 279,503 | 275,964 | 225,914 | 278,694 | 269,295 | 267,930 | 275,860 | 295,503 |
| Economic Development and Assistance | | | | | | | | | | |
| Workforce Solutions: | | | | | | | | | | |
| Percent of Participants in Voluntary Programs Employed | 80% | 80% | 85% | 83% | 80% | 82% | 79% | 85% | 86% | 86% |
| Percent of Participants in Mandatory Programs Employed | 72% | 70% | 60% | 55% | 41% | 40% | 43% | 43% | 41% | 40% |

Source: Ramsey County Finance Department and individual County departments.

* Data from MN Department of Transportation was not available for 2014, 2015, 2017.

** 2008 includes all continuous out of home placements, which could involve multiple placements.

N/A: Not available

Unaudited

TABLE XVIII

**RAMSEY COUNTY, MINNESOTA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function/Program | Fiscal Year | | | | | | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Public Safety | | | | | | | | | | |
| Patrol Station | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Law Enforcement Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Post Adjudicated Correctional Facilities | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| Pre-Adjudicated Correctional Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Transportation | | | | | | | | | | |
| Centerline Miles of County Road Maintained | 295 | 295 | 295 | 295 | 295 | 295 | 285 | 293 | 293 | 282 |
| Culture and Recreation | | | | | | | | | | |
| Parks and Recreation: | | | | | | | | | | |
| Number of Regional Parks | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Number of County Parks | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Park Acreage | 6,527 | 6,527 | 6,527 | 6,527 | 6,527 | 6,527 | 6,527 | 6,527 | 6,527 | 6,527 |
| County Golf Courses | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Golf Dome (Practice Range) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Ice Arenas | 11 | 11 | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 11 |
| Fairgrounds | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Nature Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Archery Range | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Picnic Shelters | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 |
| Pavilions | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Libraries: | | | | | | | | | | |
| Library Buildings | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |

Source: Ramsey County Finance Department and individual county departments.

**Ramsey County, Minnesota
2017 Comprehensive Annual Financial Report**

CAFR Production

Finance Department

Financial Reporting Division

Michael Webster, Financial Reporting Manager

Renee Vought, Principal Financial Management Analyst

Matt Phillips, Budget Analyst II

Budget Division

Steven Kuhn, Principal Financial Analyst

Investment Division

Mark Thompson, Investment Manager

Nathan Scott, Budget Analyst II

Other Finance Staff

Jeanne Engelsmeier, John Hanson, Carrie Learn, Moua Lee-Yang, Gregg Lydeen, Bianca Fucini and Tony Sofie
Consultant - Kiran Kumar

Countywide Administrative and Accounting Staff

Health

Daniel Rahkola, Bavong Thao and Sue Kuss

Human Services

Enrique Rivera, Don Habisch and Anna Michaud

Information Services

Tom Oertel

Lake Owasso Residence

Tracey Trover

Parks and Recreation

Trudi Winek

Public Works and Fleet Operations

Tony Lutgen

Property Management

Daniel Winek

Property Records and Revenue

Dick Sivanich

Regional Railroad Authority

Kris Longhenry

Sheriff's Office

Robert Wahlberg and Robert Azure

This Page Left Blank Intentionally

