

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Ramsey County, Minnesota

YEAR ENDED DECEMBER 31, 2018

FINANCIAL HIGHLIGHTS

(Dollars in thousands except per capita amounts)		2018	2017	Percent Change
Government-wide Financial Statements:				
Assets and Deferred Outflows of Resources	\$	1,585,505	\$ 1,644,612	-3.6%
Liabilities and Deferred Inflows of Resources		856,070	814,270	5.1%
Change in Accounting Principle and Prior Period Adj.			(206,824)	
Net Position	\$	<u>729,435</u>	<u>\$ 623,518</u>	17.0%
Government-wide Financial Statements:				
Revenues	\$	750,291	\$ 678,191	10.6%
Expenses		<u>644,375</u>	<u>656,628</u>	-1.9%
Increase in Net Position	\$	<u>105,916</u>	<u>\$ 21,563</u>	391.2%
Investment/Cash Ratio				
		97.2%	94.7%	2.5%
Average Investment Book Yield		2.24%	1.58%	41.8%
General Obligation and Revenue Bond Debt	\$	182,657	\$ 193,602	-5.7%
Net General Obligation and Revenue Bond Debt Per Capita	\$	362.80	\$ 375.99	-3.5%
Bond Ratings	Moody's Investor Service	Aaa	Aaa	
	Standard and Poor's	AAA	AAA	
Property Taxes *				
Levy (General County)		291,897	279,639	4.4%
	Net Tax Capacity Rates	49.47	51.17	-3.3%
	Net Tax Capacity (Adjusted)	586,968	541,767	8.3%
	Market Values	47,989,623	44,283,106	8.4%
Number of Budgeted Employees (FTE)				
		4,054.91	3,928.96	3.2%

* 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, 2018

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, Chair

District 7, Victoria Reinhardt

County Manager, Ryan O'Connor
Chief Financial Officer, Lee Mehrkens

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

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SECTION I
INTRODUCTORY SECTION

RAMSEY COUNTY
LIST OF PRINCIPAL OFFICIALS
As of December 31, 2018

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, Chair	January 1, 2019
7th District	Victoria Reinhardt	January 1, 2021

Officers

County Attorney	John Choi	January 1, 2019
County Sheriff	John G. Serier	January 1, 2019

Appointed Officials

County Manager	Ryan O'Connor	Indefinite
Chief Financial Officer	Lee Mehrkens	Indefinite
Deputy County Managers:		
Economic Growth and Community Investment	Johanna Berg	Indefinite
Health and Wellness	Paul Allwood	Indefinite
Information and Public Records	Karen Francois	Indefinite
Safety and Justice	Scott Williams	Indefinite
County Assessor	Luis Rosario	December 31, 2020
County Engineer	Ted Schoenecker	May 30, 2022
Human Resources Director	Gail Blackstone	Indefinite
Medical Examiner	Dr. Michael McGee	December 31, 2020

June 13, 2019

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, 2018. This report was prepared by the Finance Department. 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 is 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 19. 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, 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, sports complex, and a law enforcement 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

Guided by Ramsey County's four goals (Well-Being, Prosperity, Opportunity, and Accountability), the 2018 Strategic Plan identified 11 priorities for the County's work. The following overview of Ramsey County's progress in each of these priorities highlights major initiatives and achievements in 2018, moving us closing to our vision for a vibrant community where all are valued and thrive.

1. Inclusive, Effective and Meaningful Community Engagement

Ramsey County has actively engaged in authentic and constructive community dialogue to build a more responsive and effective organization.

Ramsey County residents and communities are at the center of all county programs and services, and demand a more accountable and responsive government. Ramsey County has been developing, identifying, and using a broad range of strategies for authentic and inclusive engagement to ensure all residents and communities have a voice in realizing beneficial outcomes across the County.

In 2018, Ramsey County collaborated with community partners to achieve the following:

- Ramsey County has increased contracting opportunities for community organizations to partner with the County in its community engagement work.
- Ramsey County and the City of Saint Paul worked with community representatives to establish a joint fund for legal defense of immigrants facing deportation proceedings and for support services for them and their families. This will improve legal outcomes, stabilize families and community, and increase the economic potential of immigrants.
- The County partners with community, city government, schools, and the judiciary on its Juvenile Detention Alternatives Initiatives, which has significantly reduced out-of-home placements for system-engaged youth.
- Warrant Resolution Day, which engages community to develop an equitable process to resolve outstanding warrants and promote criminal justice system reform. In 2018, this event led to the resolution of almost 200 warrants and the reinstatement of almost 400 driver's licenses.

2. Talent Attraction, Retention and Promotion

Ramsey County is working to be recognized by current employees and talented job seekers as the premier public sector employer within the region. To meet the evolving demographics and dynamically changing workforce needs of our community locally and regionally, Ramsey County must attract, retain, and promote a diverse and talented workforce and be

viewed by all employees across races, classes and cultures as a welcoming place where they can contribute, thrive and represent our community effectively and efficiently.

In 2018, a countywide project to incorporate data and the views of employees from across the organization to identify key themes, including (1) a reexamination of our organizational culture, (2) reassessment of our personnel rules, (3) job classification plan, and (4) compensation plan. Ramsey County also works with local and regional partners to ensure that we build a diverse workforce in the public sector.

In partnership with Saint Paul College and Metropolitan State University, Ramsey County is expanding internship and fellowship opportunities for talented, diverse students and preparing them with the experience, skills, and connections that can lead to rewarding careers in the public sector.

3. Expand Contract Opportunities for Diverse Businesses to Strengthen the Economic Vitality of the Community

Ramsey County is creating new and expanded opportunities to grow and sustain small and diverse businesses, especially minority-owned, women-owned, and veteran-owned small businesses and non-profit organizations, through its purchases of goods and services. Current initiatives to improve County processes in purchasing, contract preparation and contract management, as well as enhanced efforts to make County processes more accessible to diverse small businesses, will grow prosperity throughout the community. Ramsey County made significant progress in this area in 2018, including:

- The development of metrics to report race- and gender-related data on vendors in the annual Small Business Enterprises utilization report
- Adoption of countywide workforce inclusion goals that mirror those set by the State of Minnesota's Department of Human Rights
- Creating opportunities for current and potential vendors attending the 2018 Procurement Fair to provide input on how Ramsey County can help them do business with the County more successfully

4. Advancing Racial and Health Equity in All Decision-making

County programs and services are connected to the health and wellbeing of all residents. 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 is developing a comprehensive countywide approach to advancing racial and health equity by being fair, inclusive, and transparent in how we serve and engage residents and communities. To attain equitable outcomes, Ramsey County is engaging with the community on how to strengthen the programs and services that impact them, so they can contribute to improving outcomes and ensure that all residents have opportunities to prosper.

In 2018, the County launched a Racial Equity Action Team, which includes cross-service team staff as well as County residents and community members, to remove barriers in the County system and advance racial and health equity. Additionally, formal leaders and new employees from across the County were trained in foundational "Role in Government in Racial Equity" workshops in 2018.

5. Enhance the Continuum of Care for Youth and Families

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. Ramsey County is strengthening its future civic and economic wellbeing by ensuring healthy futures for its youth and promoting prevention, early intervention, and wellness opportunities for all children and their families in their communities.

The Youth Continuum of Care (YCC) is a long-term effort to look at the big picture of the County's systems impacting youth. The YCC is the place where leaders from the County, community and systems partners who serve youth ages 0-24 discuss, collaborate, coordinate, prioritize and review our efforts to improve outcomes for Ramsey County youth.

Ramsey County also participates in the Pritzker Children's Initiative Network, a national effort to promote high-quality early learning and development for children from birth to age three to improve kindergarten readiness. For families and children visiting its East Kellogg Building, Ramsey County has improved customer experience and provides a higher quality of service at its childcare drop-off center.

6. Stability Starts with a Place to Call Home

Safe shelter is a basic need. Without stable housing, children, adults and families face significant challenges to their wellbeing and will be unable to thrive. Ramsey County is improving access to safe, stable housing and reducing homelessness by effectively engaging with residents and partners and maximizing coordination and leadership within and across County departments and programs. Additionally, the County is leveraging data to provide improved understanding and coordination to decrease the chances that people enrolled in County programs will exit into homelessness.

In 2018, Ramsey County participated in the Redirecting Users of Shelter to Housing (RUSH) program, in partnership with the St. Paul Foundation, F.R. Bigelow Foundation, and Catholic Charities. Working together, the County and its partners are finding stable homes and support services for the longest-term users of the Higher Ground Saint Paul Shelter.

7. 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. Ramsey County is leveraging public infrastructure and workforce investments through coordinated and strategic economic development to spur additional private investment, build prosperity and opportunity, and advance toward equity goals in our community.

In 2018, Ramsey County released the Ramsey County 2040 Comprehensive Plan Update, which describes the County's role in regional planning over the next 20 years. The plan addresses Parks and Trails, Transportation, Water Resources, Housing, Economic Competitiveness, and Land Use, among other topics.

Ramsey County hired its first Director of Community and Economic Development to advance the County's economic development initiatives. With the deconstruction of the Adult Detention Center and Ramsey County Government Center West buildings and the construction of a retaining wall for long-term erosion control now completed, the Ramsey County Riverfront Property is now development ready. Ramsey County issued a Request for Development Interest that culminated in the selection of a preferred developer in 2018 and entering into a preliminary development agreement for due diligence activities. A development agreement is anticipated in 2019. Planning continues for major redevelopment at the 427-acre Rice Creek Commons in Arden Hills.

Also, in 2018, Ramsey County advanced planning on the Riverview, Rush Line, and Metro Gold Line Corridors. The Riverview project will run a modern streetcar along West 7th Street, connecting downtown St. Paul, the Minneapolis – Saint Paul airport, Mall of America, and neighborhoods in between. The Rush Line bus rapid transit project will connect northeast Ramsey County to downtown St. Paul. The Metro Gold Line bus rapid transit plan formally entered the project development stage.

8. Accessible Service Delivery and Facilities

Ramsey County services should be accessible, welcoming, efficient, and cost-effective while aligning with our "Residents First" approach. Ramsey County is working to enhance resident access to County facilities and improve service delivery by redesigning and co-locating County services in current and future anchor locations.

The Accessible Service Delivery and Facilities work team mapped County demographics, population served, and transit and transportation trends; surveyed staff in designated County locations and community service providers; engaged with the community at point of contact to understand customer service and facility needs; toured County facilities and other peer County service centers; and presented to County Board results of assessments and facility co-location options for future planning.

9. Enhance Data Sharing and Integration to Improve Decision-making

Ramsey County is committed to be a resident-centered organization that delivers greater transparency and accountability in government decision-making. The ability to share data and improve integrations between technology systems, both within the County and with external partners, is essential to increasing accountability and efficiency and informing policies and practices. Where possible and where there are clear benefits to all, Ramsey County has been integrating technology systems and establishing data sharing policies that enable data driven analysis and decision-making countywide and with external partners and stakeholders.

10. Integrated Approach to Health and Justice

The justice system is seeing an increasing number of individuals with unmet mental health, substance abuse, and/or chronic health needs. These unmet needs often result in crisis services provided through our correctional facilities or hospital emergency departments, which come at great expense and offer limited long-term benefits to our community. To realize our vision of a community where all are valued and thrive, Ramsey County is working at the intersection of the health and justice systems to build a comprehensive, integrated approach to improve outcomes and reduce the number of individuals with behavioral health needs who come into contact with the justice system. Ramsey County is working with local service and health care 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 dedicated new resources to expand mental health services at the Adult Detention Center and was awarded federal grant funding to implement a co-responder model with the Saint Paul Police Department in 2019.

11. Effective and Efficient Operations that Put Residents First

Ramsey County is committed to be a resident-centered organization that delivers effective and efficient services that meet and exceed the expectations of the community. As outdated processes and technology systems are replaced, Ramsey County is engaging residents to help shape new processes and systems that will better match current and future needs and expectations.

In 2018, the Information and Public Records Service Team continued its intensive review and transformation of all processes, technology, organizational structure, and culture, with the focus of putting residents and customers first. With the success of these ongoing efforts, Ramsey County is undertaking similar initiatives countywide.

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 area's 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 and updated, as needed, due to changes in rating agency metrics.

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, 2017. This is the 44th 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, 2018. The County has received this award for the past 35 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 2017 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 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,

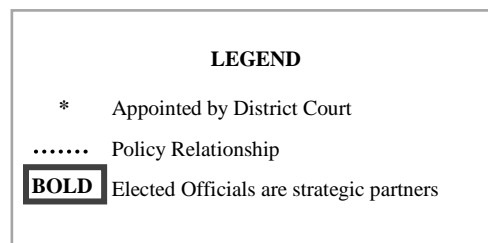
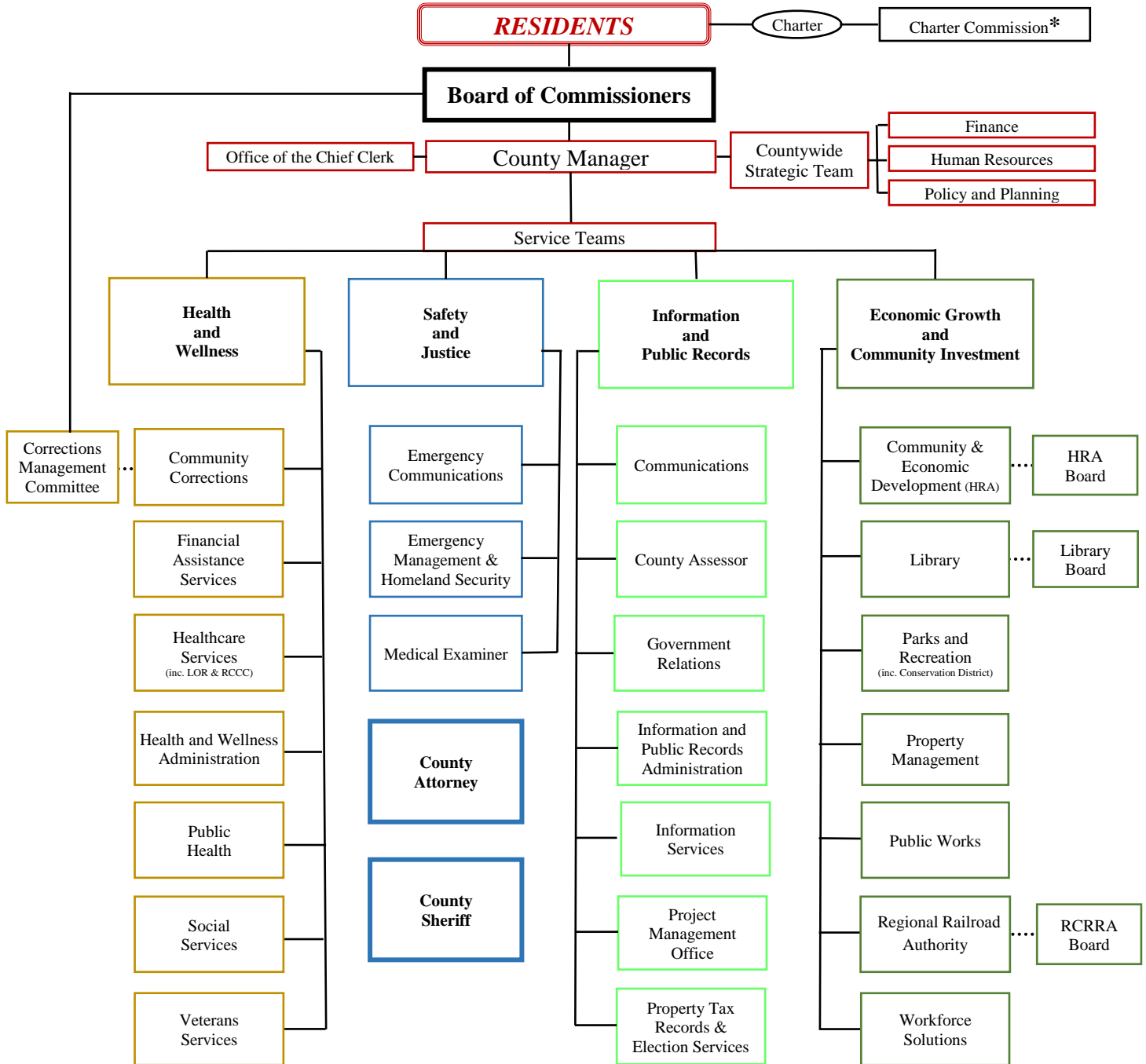


Ryan O'Connor
County Manager



Lee Mehrkens, Director, CFO
Finance Department

Organizational Chart





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, 2017

Christopher P. Morill

Executive Director/CEO

SECTION II
FINANCIAL SECTION



JULIE BLAHA
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

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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, 2018, 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, 2018, 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note I.E. to the financial statements, in 2018, the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which represents a change in accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and 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 GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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

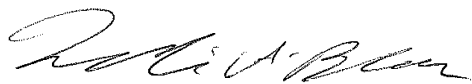
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ramsey County's basic financial statements. The Introductory Section, the Supplementary Information, and the Statistical Section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information as listed in the table of contents 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 Supplementary 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 13, 2019, 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.



JULIE BLAHA
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 13, 2019

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, 2018. 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

- The total net position of Ramsey County increased from a restated net position at the end of 2017 in the amount of \$623,518,206 to a net position of \$729,434,727 at the end of 2018. The restatement increase is related to the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 75 as described below. The County also recognized an increase in revenue from property tax, wheelage tax, transit and transportation sales and use tax, and investment income.
- This is the first year the County implemented the new Other Postemployment Benefit (OPEB) accounting and financial reporting standard authorized by the Governmental Accounting Standards Board (GASB). To comply with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, the County restated beginning net position to reflect the OPEB liability as of the beginning of the year.
- During 2018, the County converted the OPEB Trust from revocable to irrevocable. An irrevocable trust will:
 1. Ensure the funds in the trust will be used to satisfy the County's OPEB liabilities and not be diverted to another purpose.
 2. Minnesota Statute Section 471.6175 states that funds in an irrevocable OPEB trust, are held in trust for the exclusive benefit of former officers and employees of the County and are not subject to claims by creditors of the state, the County, or former or current employees of the county, or trust administrator.
 3. The conversion will minimize the negative effects to the County's financial statements, and it allows assets in an irrevocable trust to be used to offset the OPEB liabilities in the County's financial statements.

The presentation of the irrevocable trust has been changed to reflect the irrevocable trust information in a separate fund. See Exhibit 9 and Exhibit 10, pages 26 – 27, for financial information of the OPEB Trust.

- GASB 74 and GASB 75 requires the entire unfunded accrued liability to be included on the face of the financial statements. To accurately reflect 2018 activity, the County recognized a prior period adjustment in the amount of \$200,276,436. The reduction in fund balance for the governmental fund was \$188,923,127 and the enterprise fund reduction was \$11,353,309. The OPEB liability at the end of 2017 was \$279,857,622 and after this change in accounting principle, establishment of an irrevocable trust, and the current year activity, the OPEB liability decreased to \$149,931,886 at the end of 2018. Due to the activity related to GASB 74 and GASB 75, the County recognized a decrease in expense related to OPEB in the amount of \$103,491,272.
- The County's total net position decreased by \$6,547,360 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 \$10,945,000 (5.65%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are 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 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 disabled residents, sports complex, and a law enforcement 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, Transit and Transportation Improvement Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, which are 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 Buildings, Firearms Range, Fleet Services, Retiree Insurance, 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 - 69 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, the Transit and Transportation Improvement Special Revenue Fund budget, and schedules on the Other Post Employment Benefit (OPEB), and the County's Pension Plans. Required supplementary information can be found on pages 72 - 83 of this report. Immediately following the required supplementary information is 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 90 - 111 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. The County's total net position increased by \$105,916,521 for the current fiscal year activity. The County's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$729,434,727 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 94.4% 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, 2018 and 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 658,695,631	\$ 661,076,118	\$ (3,526,556)	\$ (4,054,025)	\$ 655,169,075	\$ 657,022,093
Capital Assets	833,148,368	853,488,869	13,776,210	14,422,298	846,924,578	867,911,167
Total Assets	1,491,843,999	1,514,564,987	10,249,654	10,368,273	1,502,093,653	1,524,933,260
Deferred Outflows of Resources:						
Deferred Pension Outflows	76,467,396	115,743,077	2,446,594	3,935,272	78,913,990	119,678,349
Deferred OPEB Outflows	4,259,363	-	237,781	-	4,497,144	-
Total Deferred Outflows	80,726,759	115,743,077	2,684,375	3,935,272	83,411,134	119,678,349
Long-term Liabilities Outstanding	527,314,775	588,981,535	22,340,392	23,127,939	549,655,167	612,109,474
Current and Other Liabilities	91,068,723	88,727,525	4,679,846	4,272,051	95,748,569	92,999,576
Total Liabilities	618,383,498	677,709,060	27,020,238	27,399,990	645,403,736	705,109,050
Deferred Inflows of Resources:						
Deferred Pension Inflows	120,403,185	106,392,580	3,620,088	2,767,977	124,023,273	109,160,557
Deferred OPEB Inflows	82,061,913	-	4,581,138	-	86,643,051	-
Total Deferred Inflows	202,465,098	106,392,580	8,201,226	2,767,977	210,666,324	109,160,557
Net Position:						
Net Investment in Capital Assets	676,647,005	678,949,867	11,926,626	12,174,665	688,573,631	691,124,532
Restricted	172,934,163	116,826,603	-	-	172,934,163	116,826,603
Unrestricted	(97,859,006)	50,429,954	(34,214,061)	(28,039,087)	(132,073,067)	22,390,867
Total Net Position, as reported	\$ 751,722,162	846,206,424	\$ (22,287,435)	(15,864,422)	\$ 729,434,727	830,342,002
Change in Accounting Principle *		(188,923,127)		(11,353,309)		(200,276,436)
Prior Period Adjustment		(6,547,360)		-		(6,547,360)
Total Net Position, as restated		\$ 650,735,937		\$ (27,217,731)		\$ 623,518,206

* This is the first year the County implemented the new OPEB accounting and financial reporting standard authorized by the Governmental Accounting Standards Board (GASB). To comply with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The County restated beginning net position to reflect the OPEB liability as of the beginning of the year. See Note I.E.

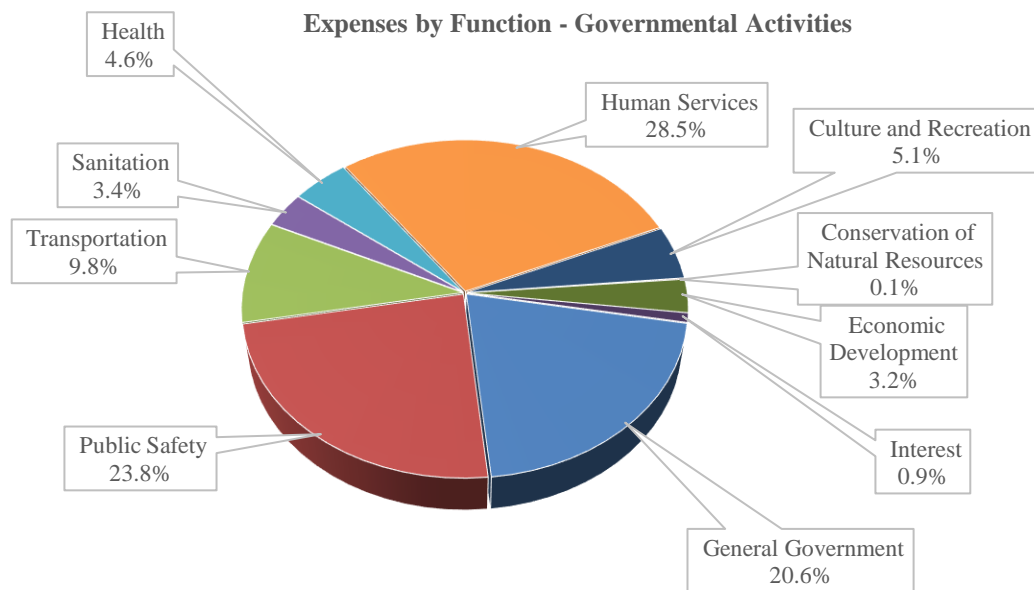
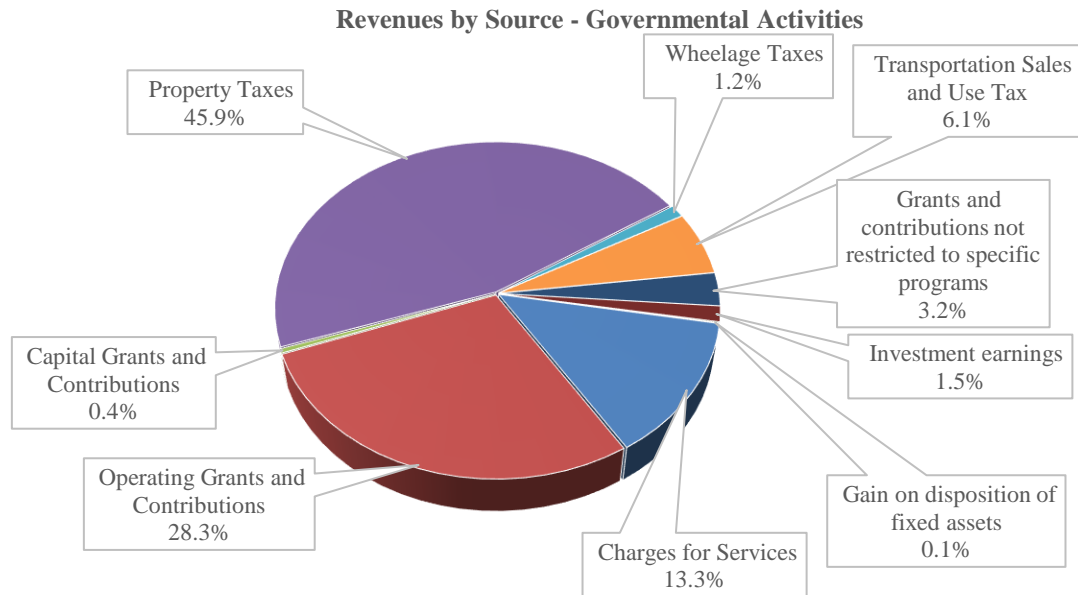
Governmental Activities - Governmental activities increased the County's net position by \$100,986,225. Key elements of this increase are as follows:

- The revenue increased \$69,116,374 overall. The major revenue changes included property tax, wheelage tax, transportation sales and use tax, and investment earnings. Transportation Sales and Use Tax revenue was the major source of this increase.
- The expenses decreased \$8,259,344 overall. The change included a reduction in pension expense in the amount of \$7,858,358 and a reduction in OPEB expense in the amount of \$18,063,811, due to the changes in actuary information provided. The reduction in expenses was offset by the administration fee associated with the Transportation Sales and Use Tax in the amount of \$6,648,870 and a variety of other minor fluctuations in expenses. On January 1, 2018, the Conservation District was consolidated with the General Fund. Also, during 2018, the County recognized expenses relating to health insurance, claims, and compensated absences.

Summary of Changes in Net Position
For the Years Ended December 31, 2018 and 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	94,729,795	\$ 94,760,387	\$ 35,770,144	\$ 32,793,180	\$ 130,499,939	\$ 127,553,567
Operating Grants and Contributions	202,111,496	195,803,479	397,258	432,584	202,508,754	196,236,063
Capital Grants and Contributions	2,850,779	1,661,359	550	-	2,851,329	1,661,359
General Revenues:						
Property Taxes	328,410,636	319,856,449	-	-	328,410,636	319,856,449
Wheelage Taxes	8,282,277	4,168,005	-	-	8,282,277	4,168,005
Transportation Sales and Use Tax	43,476,884	-	-	-	43,476,884	-
Grants and Contributions not Restricted to Specific Programs	22,841,846	22,792,438	92,133	5,287	22,933,979	22,797,725
Investment Earnings (Loss)	10,920,165	5,643,358	23,084	90,215	10,943,249	5,733,573
Gain on Disposition of Capital Assets	361,037	183,066	23,154	1,429	384,191	184,495
Total Revenues	713,984,915	644,868,541	36,306,323	33,322,695	750,291,238	678,191,236
Expenses:						
General Government	125,813,744	103,481,190	-	-	125,813,744	103,481,190
Public Safety	145,625,968	157,405,849	-	-	145,625,968	157,405,849
Transportation	59,996,674	59,665,236	-	-	59,996,674	59,665,236
Sanitation	20,692,584	22,133,102	-	-	20,692,584	22,133,102
Health	27,950,169	36,304,607	-	-	27,950,169	36,304,607
Human Services	174,022,357	184,951,821	-	-	174,022,357	184,951,821
Culture and Recreation	31,159,845	26,709,251	-	-	31,159,845	26,709,251
Conservation of Natural Resources	874,211	8,733	-	-	874,211	8,733
Economic Development and Assistance	19,513,477	22,814,134	-	-	19,513,477	22,814,134
Interest	5,529,558	5,964,008	-	-	5,529,558	5,964,008
Lake Owasso Residence	-	-	8,125,845	10,495,486	8,125,845	10,495,486
Ramsey County Care Center	-	-	14,951,449	17,842,607	14,951,449	17,842,607
Vadnais Sports Center	-	-	1,348,616	1,257,880	1,348,616	1,257,880
Law Enforcement Services	-	-	8,770,220	7,593,718	8,770,220	7,593,718
Total Expenses	611,178,587	619,437,931	33,196,130	37,189,691	644,374,717	656,627,622
Increase (Decrease) in Net Position Before Transfers	102,806,328	25,430,610	3,110,193	(3,866,996)	105,916,521	21,563,614
Transfers	(1,820,103)	(2,626,527)	1,820,103	2,626,527	-	-
Increase (Decrease) in Net Position	100,986,225	22,804,083	4,930,296	(1,240,469)	105,916,521	21,563,614
Net Position - Beginning (as reported)	650,735,937	823,402,341	(27,217,731)	(14,623,953)	623,518,206	808,778,388
Change in Accounting Principle (Note I.E.)	-	(188,923,127)	-	(11,353,309)	-	(200,276,436)
Prior Period Adjustment (Note III.A.)	-	(6,547,360)	-	-	-	(6,547,360)
Net Position - Ending	\$751,722,162	\$650,735,937	\$ (22,287,435)	\$ (27,217,731)	\$ 729,434,727	\$623,518,206

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



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, 2018, amounts to \$846,924,758 (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 decrease in the County's investment in capital assets for the current fiscal year

was 1.68% (a 1.63% decrease for governmental activities and a .05% decrease for business-type activities) due to the recognition of depreciation expense.

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

Infrastructure Improvements

- Maryland Avenue Bridge over Soo Line Railroad for \$1,289,539
- Road reconstruction for \$11,904,585
- Traffic Signal Construction \$3,035,315

Additional information on the County's capital assets and deferred outflow of resources can be found in Note IV.C. on page 46 of this report.

Capital Assets, Net of Depreciation

	Governmental Activities		Business-type Activities		Total	
	2018	2017 as restated	2018	2017	2018	2017 as restated
Land	\$ 151,714,186	\$ 148,529,048	\$ 1,877,153	\$ 1,877,153	\$ 153,591,339	\$ 150,406,201
Buildings & Improvements	355,098,148	367,376,751	10,727,170	11,472,821	365,825,318	378,849,572
Improvements Other Than Buildings	20,600,378	20,682,108	396,408	331,518	20,996,786	21,013,626
Machinery and Equipment	21,774,821	20,456,298	775,479	740,806	22,550,300	21,197,104
Computer Software	3,107,573	3,901,255	-	-	3,107,573	3,901,255
Infrastructure	223,751,870	218,920,712	-	-	223,751,870	218,920,712
Construction in Progress	57,101,392	67,075,337	-	-	57,101,392	67,075,337
Total	<u>\$ 833,148,368</u>	<u>\$ 846,941,509</u>	<u>\$ 13,776,210</u>	<u>\$ 14,422,298</u>	<u>\$ 846,924,578</u>	<u>\$ 861,363,807</u>

Long-term Debt – At the end of the current fiscal year, the County had total General Obligation bonded debt outstanding of \$178,905,000 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	
	2018	2017	2018	2017	2018	2017
General Obligation Debt:						
Bonds	\$ 177,225,000	\$ 187,560,000	\$ 1,680,000	\$ 2,040,000	\$ 178,905,000	\$ 189,600,000
Notes	3,752,000	4,002,000	-	-	3,752,000	4,002,000
Total	<u>\$ 180,977,000</u>	<u>\$ 191,562,000</u>	<u>\$ 1,680,000</u>	<u>\$ 2,040,000</u>	<u>\$ 182,657,000</u>	<u>\$ 193,602,000</u>

The County's total bonded debt and notes payable debt decreased by \$10,945,000 (5.65%) during the current fiscal year. The decrease was due to the issuing of bonds at a lower amount than the retirement of older debt.

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 the Estimated Market Value (EMV) of taxable property in the County. The current debt limitation for the County is \$1,506,115,047 which is significantly in excess of the net debt applicable to this limit of \$129,117,490.

Additional information on the County's long-term debt can be found in Note IV. I. on pages 50 - 53 of this report.

Government Funds Financial Analysis

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. Unrestricted fund balance serves 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 \$506,635,151 for a total fund balance increase of \$90,735,440. Approximately 62.9% of this total amount or \$318,786,770 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 non-spendable form \$14,914,218; (2) restricted for debt service payments \$56,404,073; or (3) for a variety of other restricted purposes \$116,530,090. 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 \$234,673,606 while total fund balance reached \$254,796,638. 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 50.0% of total General Fund expenditures, while total fund balance represents 54.3% of that same amount.

The General Fund fund balance increased by \$7,152,608 which included the change to inventories during the current fiscal year and a transfer to the Capital Projects Fund as noted below. The General Fund recognized an increase in revenue of approximately \$25.3 million due to increased property taxes, investment earnings, and intergovernmental revenue. During 2018, the County’s investment earnings increased by \$4.9 million. The County was successful in acquiring and retaining intergovernmental grants during 2018, for an increase in intergovernmental revenue of \$12.1 million. Although overall expenditures increased in 2018, the expenditure increase was only 1.4% over 2017.

The Transit and Transportation Improvement Special Revenue Fund fund balance increased by \$38,388,549. Ramsey County imposed .5% sales and use tax effective in October 2017. During 2018, the tax was in effect the entire year that raised \$43,476,884 in revenue while the Board of Commissioners only approved \$8,000,000 worth of spending authority for 2018 for transit projects.

The Debt Service Fund fund balance decreased by \$1,741,719. The decrease in fund balance for Debt Service was due to a County decision to eliminate all outstanding Federal subsidy bonds. Due to Federal budgetary sequestration, the Federal government has reduced the subsidy payment due to the County. Redemption of the outstanding Federal subsidy bonds was done to insulate the County from continuing Federal reimbursement reductions, achieve future debt service savings, and reduce administrative workload.

The Capital Projects Fund fund balance increased by \$33,310,218. The increase is primarily due to a transfer from the General Fund in the amount of \$14,989,083 at the end of 2018, in accordance with the County’s General Fund fund balance policy. The issuance of \$11.2 million in bonds, and an increase in Intergovernmental Revenue. The increase in intergovernmental revenue was due to the Board of Commissioners authorizing an increase in wheelage tax from \$10 per vehicle to \$20 per vehicle effective October 2017.

General Fund Budgetary Highlights

The overall net change in General Fund fund balance was \$29,390,823 more than the final amended budget. This increase was largely due to lower than budgeted expenditures for Computer Equipment and Software. The purchasing of new computer equipment has been postponed until 2019. Other contributing factors to the increase in fund balance was due to increases in grant revenue and the decrease in personnel.

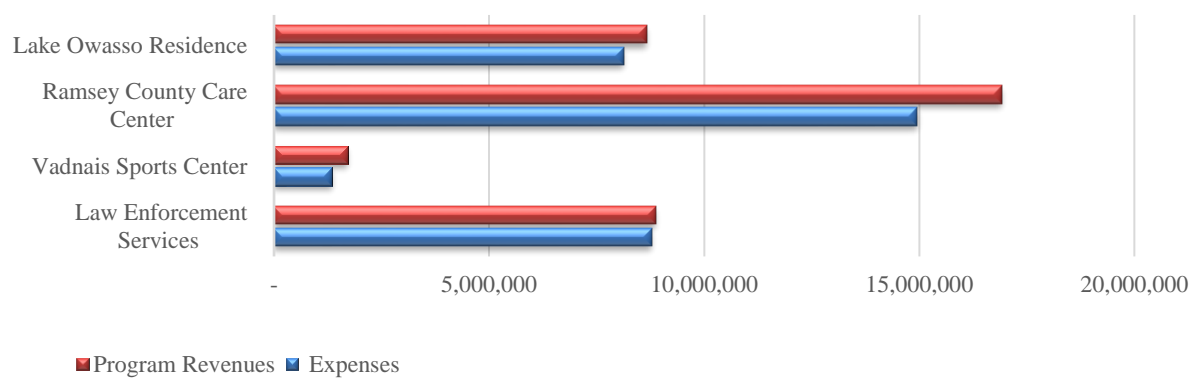
During the current fiscal year, unrestricted fund balance in the General Fund was \$234,673,606. The 2019 approved budget included a 3.4% increase in spending over the prior year. A 4.3% increase in the 2019 Property Tax Levy was approved to fund strategic initiatives and to offset inflationary costs of current services.

Business-type Activities Financial Analysis

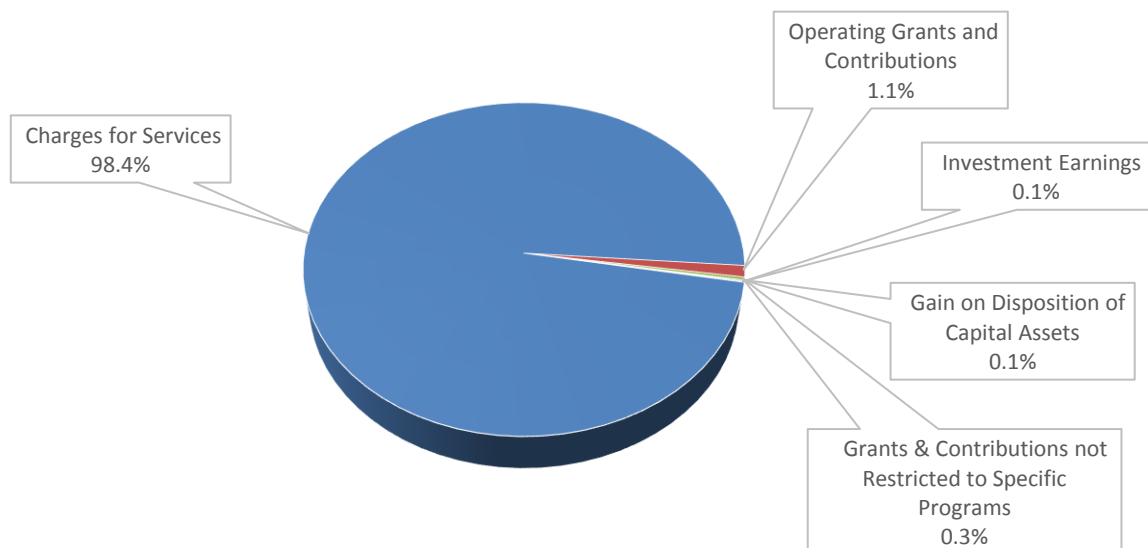
Business-type activities increased the County's net position by \$4,930,296, this is primarily the result of the implementation of GASB 75, which reduced current year expenses for OPEB.

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



Revenues by Source - Business-Type Activities



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 an increase of net position of \$1,933,794. The increase in net position is due to the implementation of GASB 75 which decreased the current year expenses for OPEB by \$2,058,153.

Ramsey County Care Center had an increase in net position of \$2,540,503. The increase in net position is due to the implementation of GASB 75 which decreased the current year expenses for OPEB by \$2,673,145.

Vadnais Sports Center had an increase in net position of \$412,845. The increase in net position is mainly due to the implementation of GASB 75 which decreased the current year expenses for OPEB by \$146,490.

Economic Factors and Looking Forward to 2019

- The unemployment rate for Ramsey County is currently 2.7%, which represents a decrease from a rate of 3.3% one year ago. The County unemployment rate is the same as the state average at 3.2%, but below the 3.8% 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 has been increasing slightly over the past years. In 1980, the population was 485,765. In 2018, the population estimated by the Census Bureau was 537,983.
- Estimated Market Value of Taxable Property in the County increased \$3,618,047,300 in 2018 to \$50,203,834,900 or 7.8%. Tax Capacity for Residential property recorded an increase in value of 8.27% while commercial values increased 9.83%.
- Effective January 1, 2019, the Board of Commissioners authorized a change in reporting to include Vadnais Sports Center with all other culture and recreational activities reported for the County. The Vadnais Sports Center will no longer be a separate proprietary fund. The revenues and expenses for Vadnais Sports Center will be consolidated within the General Fund for 2019 and future years for budgeting and financial reporting purposes. This program will be included in the Parks and Recreation Department's operating budget along with all other County ice arenas.
- Effective January 1, 2019, the Board of Commissioners authorized a change in reporting for multimodal planning. Multimodal planning revenues and expenses will be consolidated within the Public Works Department. This will be reported in the General Fund for the County in 2019 and future years for budgeting and financial reporting purposes. The expenses incurred by multimodal planning relating to Regional Railroad Authority will be charged to the Authority.
- A new fund will be added to account for the tax levy imposed by the Regional Railroad Authority. This fund will account for the taxes received and the expenses related to the Regional Railroad Authority.

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**

EXHIBIT 1

**RAMSEY COUNTY, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Pooled Investments	\$ 511,999,540	\$ 2,860,424	\$ 514,859,964
Restricted Cash and Cash Equivalents	16,000	-	16,000
Petty Cash and Change Funds	21,530	2,575	24,105
Cooperative Investment	-	43,379	43,379
Receivables:			
Taxes (Net)	827,745	-	827,745
Accounts (Net)	11,390,758	535,841	11,926,599
Accrued Interest	2,976,279	-	2,976,279
Internal Balances	9,307,714	(9,307,714)	-
Due from Other Governments (Net)	56,013,102	2,338,939	58,352,041
Lease Receivable	3,752,000	-	3,752,000
Loan Receivable	14,971,660	-	14,971,660
Notes Receivable	9,337,979	-	9,337,979
Prepaid Items	898,953	-	898,953
Inventories	1,182,485	-	1,182,485
Total Current Assets	<u>622,695,745</u>	<u>(3,526,556)</u>	<u>619,169,189</u>
Non Current Assets:			
Advance to Other Governments	16,975,816	-	16,975,816
Advance to Other Organizations	237,555	-	237,555
Property Held for Resale	18,786,515	-	18,786,515
Capital Assets not being Depreciated:			
Land	151,714,186	1,877,153	153,591,339
Construction in Progress	57,101,392	-	57,101,392
Capital Assets being Depreciated:			
Buildings	477,116,458	16,488,090	493,604,548
Building Improvements	46,689,507	3,696,531	50,386,038
Improvements other than Buildings	60,132,464	1,537,677	61,670,141
Machinery and Equipment	81,811,894	2,502,473	84,314,367
Computer Software	13,507,930	-	13,507,930
Infrastructure	494,516,873	-	494,516,873
Less: Accumulated Depreciation	(549,442,336)	(12,325,714)	(561,768,050)
Total Non Current Assets	<u>869,148,254</u>	<u>13,776,210</u>	<u>882,924,464</u>
Total Assets	<u>1,491,843,999</u>	<u>10,249,654</u>	<u>1,502,093,653</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	76,467,396	2,446,594	78,913,990
Deferred OPEB Outflows	4,259,363	237,781	4,497,144
Total Deferred Outflows of Resources	<u>80,726,759</u>	<u>2,684,375</u>	<u>83,411,134</u>

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

RAMSEY COUNTY, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

EXHIBIT 1
(continued)

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Salaries Payable	13,141,686	1,066,374	14,208,060
Accounts Payable	19,186,889	415,607	19,602,496
Contracts Payable	4,265,869	-	4,265,869
Interest Payable, Current	3,494,572	33,250	3,527,822
Due to Other Governments	8,481,011	1,001,637	9,482,648
General Obligation Bonds Payable, Current	19,469,447	418,049	19,887,496
Claims and Judgments Payable, Current	3,134,755	-	3,134,755
Vacation and Compensatory Time Payable	19,878,494	1,744,929	21,623,423
Current Liabilities Payable from Restricted Assets:			
Customer Deposits Payable	16,000	-	16,000
Total Current Liabilities	<u>91,068,723</u>	<u>4,679,846</u>	<u>95,748,569</u>
Non Current Liabilities:			
Unearned Revenue	3,050,619	-	3,050,619
General Obligation Bonds Payable, Long-term	173,863,839	1,431,535	175,295,374
Compensated Absences Payable	15,841,084	802,201	16,643,285
Claims and Judgments Payable, Long-term	3,548,764	-	3,548,764
Net Pension Liability	189,006,034	12,179,205	201,185,239
Net OPEB Liability	142,004,435	7,927,451	149,931,886
Total Non Current Liabilities	<u>527,314,775</u>	<u>22,340,392</u>	<u>549,655,167</u>
Total Liabilities	<u>618,383,498</u>	<u>27,020,238</u>	<u>645,403,736</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	120,403,185	3,620,088	124,023,273
Deferred OPEB Inflows	82,061,913	4,581,138	86,643,051
Total Deferred Inflows of Resources	<u>202,465,098</u>	<u>8,201,226</u>	<u>210,666,324</u>
NET POSITION			
Net Investment in Capital Assets	676,647,005	11,926,626	688,573,631
Restricted for:			
Debt Service	56,404,073	-	56,404,073
Capital Projects	28,764,077	-	28,764,077
General Government	2,520,245	-	2,520,245
Public Safety	1,774,669	-	1,774,669
Sanitation	25,145,363	-	25,145,363
Culture and Recreation	5,018,836	-	5,018,836
Conservation of Natural Resources	1,839,076	-	1,839,076
Economic Development	722,559	-	722,559
Transportation	44,889,849	-	44,889,849
Other Purposes	5,855,416	-	5,855,416
Unrestricted	(97,859,006)	(34,214,061)	(132,073,067)
Total Net Position	<u>\$ 751,722,162</u>	<u>\$ (22,287,435)</u>	<u>\$ 729,434,727</u>

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

EXHIBIT 2

RAMSEY COUNTY, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

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	\$ 125,813,744	\$ 26,268,193	\$ 21,822,942	\$ -	\$ (77,722,609)	\$ -	\$ (77,722,609)
Public Safety	145,625,968	18,004,676	15,462,188	-	(112,159,104)	-	(112,159,104)
Transportation	59,996,674	3,029,979	24,826,339	2,850,779	(29,289,577)	-	(29,289,577)
Sanitation	20,692,584	22,053,294	1,926,585	-	3,287,295	-	3,287,295
Health	27,950,169	6,174,389	15,496,305	-	(6,279,475)	-	(6,279,475)
Human Services	174,022,357	9,521,993	99,745,195	-	(64,755,169)	-	(64,755,169)
Culture and Recreation	31,159,845	7,365,433	2,582,823	-	(21,211,589)	-	(21,211,589)
Conservation of Natural Resources	874,211	784,010	540,494	-	450,293	-	450,293
Economic Development and Assistance	19,513,477	1,527,828	19,708,625	-	1,722,976	-	1,722,976
Interest	5,529,558	-	-	-	(5,529,558)	-	(5,529,558)
Total Governmental Activities	611,178,587	94,729,795	202,111,496	2,850,779	(311,486,517)	-	(311,486,517)
Business-type Activities:							
Lake Owasso Residence	8,125,845	8,646,944	19,968	-	-	541,067	541,067
Ramsey County Care Center	14,951,449	16,883,706	33,778	-	-	1,966,035	1,966,035
Vadnais Sports Center	1,348,616	1,711,800	-	550	-	363,734	363,734
Law Enforcement Services	8,770,220	8,527,694	343,512	-	-	100,986	100,986
Total Business-type Activities	33,196,130	35,770,144	397,258	550	-	2,971,822	2,971,822
Total Government	\$ 644,374,717	\$ 130,499,939	\$ 202,508,754	\$ 2,851,329	\$ (311,486,517)	\$ 2,971,822	\$ (308,514,695)
General revenues:							
Property Taxes					328,410,636	-	328,410,636
Wheelage Taxes					8,282,277	-	8,282,277
Transportation Sales and Use Tax					43,476,884	-	43,476,884
Grants and Contributions Not Restricted to Specific Programs					22,841,846	92,133	22,933,979
Investment Earnings (Loss)					10,920,165	23,084	10,943,249
Gain (Loss) on Disposition of Capital Assets					361,037	23,154	384,191
Transfers					(1,820,103)	1,820,103	-
Total General Revenues and Transfers					412,472,742	1,958,474	414,431,216
Change in Net Position					100,986,225	4,930,296	105,916,521
Net Position - Beginning					846,206,424	(15,864,422)	830,342,002
Restatement (see Note I. E. and III. A.)					(195,470,487)	(11,353,309)	(206,823,796)
Net Position - Beginning, as Restated					650,735,937	(27,217,731)	623,518,206
Net Position - Ending					\$ 751,722,162	\$ (22,287,435)	\$ 729,434,727

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

**RAMSEY COUNTY, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

EXHIBIT 3

	General	Transit and Transportation Improvement	Debt Service	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 250,101,904	\$ 40,996,536	\$ 35,064,843	\$ 39,077,011	\$ 91,506,135	\$ 456,746,429
Petty Cash and Change Funds	19,260	-	-	-	2,195	21,455
Receivables:						
Taxes (Net)	3,434,432	-	310,561	-	397,658	4,142,651
Accounts (Net)	5,563,998	-	-	-	5,823,807	11,387,805
Accrued Interest	2,462,451	-	-	-	513,828	2,976,279
Due from Other Funds	671,556	-	-	14,989,083	602,916	16,263,555
Due from Other Governments	20,950,455	3,944,595	230,317	23,366,864	7,363,892	55,856,123
Lease Receivable	-	-	3,752,000	-	-	3,752,000
Notes Receivable	1,644,277	-	3,580,152	-	4,113,550	9,337,979
Loans Receivable	5,854,355	-	-	-	9,117,305	14,971,660
Inventories	980,428	-	-	-	-	980,428
Advance to Other Funds	13,568,964	-	865,119	8,170,000	3,056,478	25,660,561
Advance to Other Governments	105,816	-	16,870,000	-	-	16,975,816
Advance to Other Organizations	237,555	-	-	-	-	237,555
Property Held for Resale	-	-	-	18,319,092	-	18,319,092
Restricted Cash and Cash Equivalents	15,000	-	-	-	-	15,000
Total Assets	<u>305,610,451</u>	<u>44,941,131</u>	<u>60,672,992</u>	<u>103,922,050</u>	<u>122,497,764</u>	<u>637,644,388</u>
LIABILITIES						
Salaries Payable	11,233,692	-	-	95	1,245,884	12,479,671
Accounts Payable	7,125,579	-	-	376,465	3,206,825	10,708,869
Contracts Payable	-	-	-	3,341,537	924,332	4,265,869
Due to Other Funds	14,989,083	-	-	-	1,052,650	16,041,733
Due to Other Governments	3,751,793	51,282	-	1,813,497	2,792,058	8,408,630
Unearned Revenue	1,382,048	-	-	261,292	1,407,279	3,050,619
Advance from Other Funds	-	-	378,206	11,747,236	4,500,000	16,625,442
Claims and Judgments Payable	119,353	-	-	-	-	119,353
Liabilities Payable from Restricted Assets	15,000	-	-	-	-	15,000
Total Liabilities	<u>38,616,548</u>	<u>51,282</u>	<u>378,206</u>	<u>17,540,122</u>	<u>15,129,028</u>	<u>71,715,186</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows	<u>12,197,265</u>	<u>-</u>	<u>3,890,713</u>	<u>23,259,469</u>	<u>19,946,604</u>	<u>59,294,051</u>
FUND BALANCES						
Nonspendable	14,912,023	-	-	-	2,195	14,914,218
Restricted	5,211,009	44,889,849	56,404,073	28,764,077	37,665,155	172,934,163
Committed	1,693,743	-	-	34,358,382	5,285,634	41,337,759
Assigned	42,669,019	-	-	-	47,788,918	90,457,937
Unassigned	190,310,844	-	-	-	(3,319,770)	186,991,074
Total Fund Balances	<u>254,796,638</u>	<u>44,889,849</u>	<u>56,404,073</u>	<u>63,122,459</u>	<u>87,422,132</u>	<u>506,635,151</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 305,610,451</u>	<u>\$ 44,941,131</u>	<u>\$ 60,672,992</u>	<u>\$ 103,922,050</u>	<u>\$ 122,497,764</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.						816,877,188
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.						55,932,757
Deferred outflows of resources resulting from pension obligations are not available resources and, therefore are not reported in the governmental funds.						74,721,125
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.						(167,376,483)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.						(417,571,286)
Deferred inflows resulting from pension obligations are not due and payable in the current period and therefore are not reported in governmental funds.						(117,496,290)
Net position of governmental activities						<u>\$ 751,722,162</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, 2018

	General	Transit and Transportation Improvement	Debt Service	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 258,248,642	\$ 43,476,884	\$ 24,577,637	\$ 9,382,277	\$ 44,414,459	\$ 380,099,899
Licenses and Permits	1,195,251	-	-	-	978,302	2,173,553
Intergovernmental	177,808,128	1,560,535	691,670	28,493,125	29,106,165	237,659,623
Private Grants and Donations	635,777	-	-	-	221,820	857,597
Charges for Services	42,701,262	-	-	-	29,204,715	71,905,977
Fines and Forfeitures	-	-	-	-	926,781	926,781
Sales	886,248	-	-	-	3,885,682	4,771,930
Rental Income	827,986	-	-	76,575	2,536,883	3,441,444
Investment Earnings	8,104,148	-	903,535	365,551	971,793	10,345,027
Program Recoveries - Community Human Services	2,206,337	-	-	-	-	2,206,337
Miscellaneous	9,438,875	-	-	53,571	1,917,938	11,410,384
Total Revenues	502,052,654	45,037,419	26,172,842	38,371,099	114,164,538	725,798,552
EXPENDITURES						
Current:						
General Government	99,490,565	-	-	-	8,470,718	107,961,283
Public Safety	122,282,487	-	-	-	19,805,496	142,087,983
Transportation	15,635,221	6,648,870	-	-	15,485,838	37,769,929
Sanitation	-	-	-	-	20,625,288	20,625,288
Health	37,183,734	-	-	-	4,467	37,188,201
Human Services	181,324,700	-	-	-	48,147	181,372,847
Culture and Recreation	12,067,889	-	-	-	12,699,061	24,766,950
Conservation of Natural Resources	888,660	-	-	-	-	888,660
Economic Development and Assistance	31,650	-	-	-	19,638,756	19,670,406
Capital Outlay:						
General Government	360,987	-	-	1,458,499	-	1,819,486
Public Safety	30,224	-	-	2,688,762	-	2,718,986
Transportation	46,969	-	-	26,329,602	2,242,050	28,618,621
Health	886	-	-	110,103	-	110,989
Human Services	-	-	-	46,086	-	46,086
Culture and Recreation	3,240	-	-	2,363,575	-	2,366,815
Debt Service:						
Bond Issuance Costs	-	-	226,315	77,543	-	303,858
Principal Retirement	-	-	41,815,000	-	-	41,815,000
Interest	-	-	7,339,897	-	-	7,339,897
Total Expenditures	469,347,212	6,648,870	49,381,212	33,074,170	99,019,821	657,471,285
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	32,705,442	38,388,549	(23,208,370)	5,296,929	15,144,717	68,327,267
OTHER FINANCING SOURCES (USES)						
Bonds Issued	-	-	-	11,200,000	-	11,200,000
Premium on Sale of Bonds	-	-	1,436,111	809,644	-	2,245,755
Refunding Bonds Issued	-	-	20,030,000	-	-	20,030,000
Proceeds from Sale of Assets	-	-	-	-	26,250	26,250
Transfers In	2,182,824	-	540	16,641,826	1,262,012	20,087,202
Transfers Out	(27,407,117)	-	-	(638,181)	(2,807,195)	(30,852,493)
Total Other Financing Sources (Uses)	(25,224,293)	-	21,466,651	28,013,289	(1,518,933)	22,736,714
Net Change in Fund Balances	7,481,149	38,388,549	(1,741,719)	33,310,218	13,625,784	91,063,981
Fund Balances - Beginning	247,644,030	6,501,300	58,145,792	29,812,241	73,796,348	415,899,711
Increase (decrease) in inventories	(328,541)	-	-	-	-	(328,541)
Fund Balances - Ending	\$ 254,796,638	\$ 44,889,849	\$ 56,404,073	\$ 63,122,459	\$ 87,422,132	\$ 506,635,151

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

EXHIBIT 5

**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, 2018**

Net change in fund balances - total governmental funds (Exhibit 4)	\$ 91,063,981
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.	(15,311,610)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(9,992,356)
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.	8,339,245
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.	17,423,261
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.	9,463,704
Net change in net position of governmental activities (Exhibit 2)	<u>\$ 100,986,225</u>

**RAMSEY COUNTY, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018**

EXHIBIT 6

	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	
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 1,514,525	\$ 96,245	\$ 197,665	\$ 1,051,989	\$ 2,860,424	\$ 55,253,111
Petty Cash and Change Funds	625	200	1,750	-	2,575	75
Cooperative Investment	-	43,379	-	-	43,379	-
Accounts Receivable (Net)	-	288,190	247,651	-	535,841	49,341
Due from Other Governments (Net)	811,694	1,255,100	-	272,145	2,338,939	156,979
Prepaid Items	-	-	-	-	-	898,953
Inventories	-	-	-	-	-	202,057
Restricted Cash and Cash Equivalents	-	-	-	-	-	1,000
Total Current Assets	<u>2,326,844</u>	<u>1,683,114</u>	<u>447,066</u>	<u>1,324,134</u>	<u>5,781,158</u>	<u>56,561,516</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	8,526,723
Improvements Other Than Buildings	647,707	889,970	-	-	1,537,677	247,082
Machinery and Equipment	443,130	452,173	85,442	1,521,728	2,502,473	32,211,041
Construction in Progress	-	-	-	-	-	-
Less Accumulated Depreciation	(2,878,677)	(7,683,765)	(779,090)	(984,182)	(12,325,714)	(24,713,666)
Total Capital Assets (Net of Accumulated Depreciation)	<u>2,299,854</u>	<u>1,814,996</u>	<u>9,123,814</u>	<u>537,546</u>	<u>13,776,210</u>	<u>16,271,180</u>
Total Noncurrent Assets	<u>2,299,854</u>	<u>1,814,996</u>	<u>9,123,814</u>	<u>537,546</u>	<u>13,776,210</u>	<u>16,738,603</u>
Total Assets	<u>4,626,698</u>	<u>3,498,110</u>	<u>9,570,880</u>	<u>1,861,680</u>	<u>19,557,368</u>	<u>73,300,119</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Pension Outflows	951,630	1,487,097	7,867	-	2,446,594	1,746,271
Deferred OPEB Outflows	100,330	130,310	7,141	-	237,781	4,259,363
Total Deferred Outflows of Resources	<u>1,051,960</u>	<u>1,617,407</u>	<u>15,008</u>	<u>-</u>	<u>2,684,375</u>	<u>6,005,634</u>
LIABILITIES						
Current Liabilities:						
Salaries Payable	320,799	473,066	24,675	247,834	1,066,374	662,014
Accounts Payable	52,134	304,173	53,071	6,229	415,607	8,478,020
Interest Payable	10,521	22,729	-	-	33,250	-
Due to Other Funds	-	-	221,822	-	221,822	-
Due to Other Governments	11,532	7,796	8,336	973,973	1,001,637	72,381
General Obligation Bonds Payable	294,711	123,338	-	-	418,049	-
Vacation and Compensatory Time Payable	600,522	582,049	38,530	523,828	1,744,929	1,037,064
Payable from Restricted Assets:						
Customer Deposits Payable	-	-	-	-	-	1,000
Total Current Liabilities	<u>1,290,219</u>	<u>1,513,151</u>	<u>346,434</u>	<u>1,751,864</u>	<u>4,901,668</u>	<u>10,250,479</u>
Noncurrent Liabilities:						
General Obligation Bonds Payable	286,641	1,144,894	-	-	1,431,535	-
Advance from Other Funds	378,206	486,913	8,170,000	-	9,035,119	-
Compensated Absences Payable	253,198	526,769	22,234	-	802,201	939,197
Net Pension Liability	4,754,290	7,387,724	37,191	-	12,179,205	8,570,090
Net OPEB Liability	3,344,940	4,344,433	238,078	-	7,927,451	142,004,435
Total Noncurrent Liabilities	<u>9,017,275</u>	<u>13,890,733</u>	<u>8,467,503</u>	<u>-</u>	<u>31,375,511</u>	<u>151,513,722</u>
Total Liabilities	<u>10,307,494</u>	<u>15,403,884</u>	<u>8,813,937</u>	<u>1,751,864</u>	<u>36,277,179</u>	<u>161,764,201</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Pension Inflows	1,417,221	2,191,621	11,246	-	3,620,088	2,906,895
Deferred OPEB Inflows	1,932,983	2,510,574	137,581	-	4,581,138	82,061,913
Total Deferred Inflows of Resources	<u>3,350,204</u>	<u>4,702,195</u>	<u>148,827</u>	<u>-</u>	<u>8,201,226</u>	<u>84,968,808</u>
NET POSITION						
Net Investment in Capital Assets	1,718,502	546,764	9,123,814	537,546	11,926,626	16,271,180
Unrestricted	(9,697,542)	(15,537,326)	(8,500,690)	(427,730)	(34,163,288)	(183,698,436)
Total Net Position	<u>\$ (7,979,040)</u>	<u>\$ (14,990,562)</u>	<u>\$ 623,124</u>	<u>\$ 109,816</u>	<u>(22,236,662)</u>	<u>\$ (167,427,256)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(50,773)	
Net Position of Business-Type Activities					<u>\$ (22,287,435)</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, 2018

	Business-type Activities - Enterprise Funds					Governmental
	Lake Owasso Residence	Ramsey County Care Center	Vadnais Sports Center	Nonmajor Law Enforcement Services	Total	Activities - Internal Service Funds Total
OPERATING REVENUES:						
Charges for Services	\$ 8,646,811	\$ 16,845,789	\$ 1,475,438	\$ 8,477,609	\$ 35,445,647	\$ 101,883,796
Sales	-	-	14,540	-	14,540	628,711
Rental Income	-	-	-	-	-	104,683
Miscellaneous	133	37,918	221,822	50,085	309,958	642,343
Total Operating Revenues	8,646,944	16,883,707	1,711,800	8,527,694	35,770,145	103,259,533
OPERATING EXPENSES:						
Personal Services	6,063,064	9,594,931	525,175	6,870,265	23,053,435	13,924,022
Other Services and Charges	1,312,366	3,862,754	559,262	1,477,066	7,211,448	64,220,033
Supplies	475,262	1,181,700	42,009	186,971	1,885,942	9,845,890
Other Postemployment Expenses	-	-	-	-	-	2,812,986
Depreciation	196,267	320,508	173,343	235,918	926,036	3,591,367
Total Operating Expenses	8,046,959	14,959,893	1,299,789	8,770,220	33,076,861	94,394,298
Operating Income (Loss)	599,985	1,923,814	412,011	(242,526)	2,693,284	8,865,235
NONOPERATING REVENUES (EXPENSES):						
Intergovernmental Revenue	56,179	89,416	284	343,512	489,391	93,070
Amortization of (Discount) Premium on Bonds	19,711	18,338	-	-	38,049	-
Interest Expense	(26,116)	(50,217)	-	-	(76,333)	-
Investment Earnings / (Loss)	-	23,084	-	-	23,084	63,374
Gain (Loss) on Sale of Capital Assets	-	-	-	23,154	23,154	376,433
Loss on Disposal of Capital Assets	-	-	-	-	-	(15,396)
Total Nonoperating Revenues (Expenses)	49,774	80,621	284	366,666	497,345	517,481
Income before Contributions and Transfers	649,759	2,004,435	412,295	124,140	3,190,629	9,382,716
Capital Contributions	-	-	550	-	550	203,435
Transfers In	1,284,035	536,068	-	-	1,820,103	8,945,188
Total Contributions and Transfers	1,284,035	536,068	550	-	1,820,653	9,148,623
Change in Net Position	1,933,794	2,540,503	412,845	124,140	5,011,282	18,531,339
Total Net Position - Beginning as restated (see Note I. E. and III.A.)	(9,912,834)	(17,531,065)	210,279	(14,324)		(185,958,595)
Total Net Position - Ending	\$ (7,979,040)	\$ (14,990,562)	\$ 623,124	\$ 109,816		\$ (167,427,256)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(80,986)	
Change in Net Position of Business-type Activities (Exhibit 2)					\$ 4,930,296	

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, 2018**

	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	\$ 8,560,512	\$ 16,911,465	\$ 1,571,965	\$ 8,602,625	\$ 35,646,567	\$ 6,414,279
Receipts from Interfund Services Provided	-	-	-	-	-	97,346,330
Payments to Suppliers	(1,940,338)	(5,120,816)	(604,145)	(1,476,412)	(9,141,711)	(81,650,311)
Payments to Employees	(8,117,282)	(12,185,139)	(644,441)	(6,724,944)	(27,671,806)	(17,944,836)
Payments for Interfund Services Used	-	-	-	-	-	(78,489,386)
Net Cash Provided (Used) for Operating Activities	(1,497,108)	(394,490)	323,379	401,269	(1,166,950)	(74,323,924)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental Revenue	19,968	33,778	-	343,512	397,258	26,102
Interfund Loans	-	-	221,822	-	221,822	-
Transfers In	1,284,035	536,068	-	-	1,820,103	8,945,188
Change in Petty Cash	5,275	-	-	-	5,275	-
Advances from/(Repayments to) Other Funds	-	53,540	(490,000)	-	(436,460)	-
Net Cash Provided (Used) for Noncapital Financing Activities	1,309,278	623,386	(268,178)	343,512	2,007,998	8,971,290
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from the Sale of Capital Assets	-	-	-	51,550	51,550	791,040
Purchases of Capital Assets	-	-	-	(308,344)	(308,344)	(5,539,921)
Principal Paid on Capital Debt	(260,000)	(95,010)	-	-	(355,010)	-
Interest Paid on Capital Debt	(30,449)	(39,740)	-	-	(70,189)	-
Net Cash Provided (Used) for Capital and Related Financing Activities	(290,449)	(134,750)	-	(256,794)	(681,993)	(4,748,881)
CASH FLOWS FROM INVESTING ACTIVITIES						
Dividend Received	-	2,099	-	-	2,099	-
Investment Earnings (Loss)	-	-	-	-	-	63,374
Net Cash Provided (Used) for Investing Activities	-	2,099	-	-	2,099	63,374
Net Increase (Decrease) in Cash and Cash Equivalents	(478,279)	96,245	55,201	487,987	161,154	(70,038,141)
Cash and Cash Equivalents, January 1	1,992,804	-	142,464	564,002	2,699,270	125,292,252
Cash and Cash Equivalents, December 31	\$ 1,514,525	\$ 96,245	\$ 197,665	\$ 1,051,989	\$ 2,860,424	\$ 55,254,111

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, 2018

EXHIBIT 8
(Continued)

	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	
Reconciliation of Operating Income to Net						
Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 599,985	\$ 1,923,814	\$ 412,011	\$ (242,526)	\$ 2,693,284	\$ 8,865,235
Adjustments to Reconcile Operating Income to Net						
Cash Provided (Used) by Operating Activities:						
Depreciation Expense	196,267	320,508	173,343	235,918	926,036	3,591,367
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	-	278,186	(139,836)	-	138,350	29,357
(Increase) Decrease in Due from Other Funds	-	-	-	-	-	182,720
(Increase) Decrease in Due from Other Governments	(86,327)	(118,537)	-	74,931	(129,933)	289,001
(Increase) Decrease in Prepaid Items	-	-	-	-	-	(278,383)
(Increase) Decrease in Inventories	-	-	-	-	-	85,711
(Increase) Decrease in Deferred Pension Outflows	584,449	899,690	4,539	-	1,488,678	1,259,050
(Increase) Decrease in Deferred OPEB Outflows	(100,330)	(130,310)	(7,141)	-	(237,781)	(4,259,363)
Increase (Decrease) in Salaries Payable	49,165	67,998	2,625	58,901	178,689	160,365
Increase (Decrease) in Accounts Payable	1,823	(134,689)	1,968	1,713	(129,185)	226,149
Increase (Decrease) in Due to Other Funds	(157,261)	(81,360)	(40)	-	(238,661)	-
Increase (Decrease) in Due to Other Governments	2,623	7,796	(4,802)	185,912	191,529	(53,204)
Increase (Decrease) in Vacation and Compensatory Time Payable	16,308	38,455	8,245	86,420	149,428	4,483
Increase (Decrease) in Compensated Absences Payable	(43,636)	3,990	16,455	-	(23,191)	43,661
Increase (Decrease) in Net Pension Liability	(937,897)	(1,441,086)	(7,355)	-	(2,386,338)	(2,178,220)
Increase (Decrease) in Net OPEB Liability	(3,890,806)	(5,053,408)	(276,890)	-	(9,221,104)	(165,178,362)
Increase (Decrease) in Deferred Pension Inflows	335,546	513,889	2,676	-	852,111	824,596
Increase (Decrease) in Deferred OPEB Inflows	1,932,983	2,510,574	137,581	-	4,581,138	82,061,913
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,497,108)</u>	<u>\$ (394,490)</u>	<u>\$ 323,379</u>	<u>\$ 401,269</u>	<u>\$ (1,166,950)</u>	<u>\$ (74,323,924)</u>
Schedule of non-cash capital and related activities:						
Contribution of Capital Assets	-	-	-	-	-	203,435
Net book value of capital assets disposed						
Machinery and Equipment	-	-	-	28,397	28,397	430,002

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, 2018**

	Other Post-Employment Benefits Trust	Private Purpose Trust Funds	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 595,436	\$ 48,548,503
Investment with Trustee	70,908,236		
Petty Cash and Change Funds	-	8,275	-
Receivables:			
Accounts	-	-	2,320,635
Due from Other Governments	-	-	854,637
Total Assets	<u>70,908,236</u>	<u>603,711</u>	<u>51,723,775</u>
LIABILITIES			
Custodial Payable	-	1,728	26,969,054
Due to Other Governments	-	-	24,754,721
Total Liabilities	<u>-</u>	<u>1,728</u>	<u>\$ 51,723,775</u>
NET POSITION			
Held in Trust for Private Purposes	-	<u>\$ 601,983</u>	
Held in Trust for Plan Participants	<u>\$ 70,908,236</u>		

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, 2018

	Other Post-Employment Benefits Trust	Private Purpose Trust Funds
ADDITIONS		
Receipts from Clients	\$ -	\$ 468,536
Contributions	87,836,753	
Investment Earnings	(3,231,657)	911
Total Additions	<u>84,605,096</u>	<u>469,447</u>
DEDUCTIONS		
Payments to Clients or on Behalf of Clients	-	297,121
Benefit Payments	13,694,457	
Administration Fee	2,403	
Total Deductions	<u>13,696,860</u>	<u>297,121</u>
Change in Net Position	70,908,236	172,326
Net Position- Beginning	-	429,657
Net Position - Ending	<u><u>\$ 70,908,236</u></u>	<u><u>\$ 601,983</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, 2018

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RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

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 and Jointly Governed Organizations:

Details of joint ventures can be found in Note V.D. Other jointly governed organization details can be found in Note V. E.

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.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

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 measurable and available only when cash is received by the government.

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category, governmental, proprietary, and fiduciary, are presented. The emphasis of governmental and proprietary fund financial statements is on the major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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 *Transit and Transportation Improvement Special Revenue Fund* accounts for revenues collected from the ½ percent sales and use tax and expenditures for transportation improvement designated by the Board of Commissioners as a special revenue 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 and proprietary 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 provide services to the 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. On April 15, 2018, the sports dome collapsed due to inclement weather. On January 22, 2019, the Board of Commissioners approved the replacement of the dome structure with a permanent roof structure. Construction is to commence in the fall of 2019 and be completed during 2020. The new Indoor

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

Turf Facility will provide spring and summer athletes a perfect place to keep their skills sharp all winter long. The facility can also 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 Fund was created by combining Data Processing and Telecommunications – to provide computer and telephone services to County departments and other governmental units.
- General County Buildings Fund – 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 Fund – to provide a firearms range to law enforcement personnel of the County and other local governments.
- Fleet Services Fund – to account for revenues received and expenses incurred in operating and maintaining a centralized fleet program.
- Retiree Insurance Fund – to provide resources for the other postemployment benefits (OPEB) liability.
- Employee Health Insurance Fund – to provide resources for health insurance for employees.

Additionally, the government reports the following fund types:

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.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested for increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2018, 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 2018 were \$8,104,148.

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 more than 120 days comprise the trade accounts receivable allowance for uncollectible for the proprietary funds. 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 31, 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 more than 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 after 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:

RAMSEY COUNTY, MINNESOTA
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<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 service. Certain County employees are also granted compensatory time. Unused accumulated vacation leave, compensatory time, and vested sick leave if matured 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. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Vacation and compensatory time payable are 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 are typically withheld from the actual debt proceeds received and 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 two items that qualify for reporting in this category: deferred pension and deferred OPEB outflows, reported in the government-wide statement of net position. These outflows arise only under the full accrual basis of accounting and consist of plan contributions paid subsequent to the measurement date, differences between expected and actual plan economic experience, changes in actuarial assumptions, the differences between projected and actual earnings on plan investments, and also 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 the 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 other inflows include pension and OPEB which are related to obligations and arise only under the full accrual basis of accounting and consists of differences between expected and actual plan economic experience, changes in actuarial assumptions, the differences between projected and actual earnings on plan investments, and plan changes in proportionate share.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
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9. Unearned Revenue

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

10. 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. The net pension liability is liquidated primarily by the General Fund and other funds that have personal services.

11. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources, and OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined through an actuarial valuation completed for the fiscal year ending December 31, 2018. The net OPEB liability is liquidated primarily by the General Fund and other funds that have personal services.

12. Restricted Net Position/Fund Equity

Certain funds of the County are classified as restricted 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	\$ 56,404,073
Capital Projects	28,764,077
Environmental Response Fund	1,620,841
Criminal Forfeitures	1,774,669
Sanitation	25,145,363
Library	4,457,034
Parks and Recreation	561,802
Aggregate Pit Restoration	218,235
Technology	605,508
Affordable Housing	722,559
Donations for Various Purposes	561,833
Child Protection	4,992,774
Transportation	44,889,849
Other	2,215,546
Total	<u>\$ 172,934,163</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.

13. 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.

E. Change in Accounting Principle

During the year ended December 31, 2018, the County adopted new accounting guidance by implementing the provisions of GASB Statement 75. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, change the amount employers report as OPEB expense and defers some allocations of expenses to future years as deferred outflows or inflows of resources. This statement also requires additional note disclosures and schedules in the required supplementary information.

RAMSEY COUNTY, MINNESOTA
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As a result of this implementation, beginning net positions were reduced by \$188,923,127 for governmental internal service funds, \$5,363,199 for Information Services, \$4,286,523 for General County Buildings, and \$179,273,405 for Retiree Insurance. The business-type activities beginning net positions were reduced by \$11,353,309, \$4,744,623 for Lake Owasso Resident, \$6,093,718 for Ramsey County Care Center, and \$514,968 for Vadnais Sports Center.

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 \$(417,571,286) difference are as follows:

Bonds and Notes Payable	\$ (180,977,000)
Accrued Interest Payable	(3,494,572)
Unamortized Premium on Bonds	(12,356,286)
Estimated Payable for Outstanding Claims	(6,564,166)
Compensated Absences Payable, Vacation, & Comp Time Payable	(33,743,319)
Net Pension Liability	(180,435,943)
Net Adjustment to Reduce Fund Balance – Total Governmental	
Funds to Arrive at Net Position – Governmental Activities	<u>\$ (417,571,286)</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 \$(15,311,610) difference are as follows:

Capital Outlay	\$ 13,087,129
Depreciation Expense	(28,398,739)
Net Adjustment to Increase Net Changes in Fund Balances – Total Governmental	
Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$ (15,311,610)</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 \$ 8,339,245 difference are as follows:

Debt Issued or Incurred:	
Issuance of General Obligation Bonds	\$ (31,230,000)
Unamortized Premium on Sale of Bonds	(2,245,755)
Principal Repayments:	
General Obligation Debt	41,565,000
Capital Loan from State of Minnesota for Pedestrian Tunnel	250,000
Net Adjustment to Increase Net Changes in Fund Balances – Total Governmental	
Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$ 8,339,245</u>

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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 \$17,423,261 difference are as follows:

Compensated Absences	\$ (663,658)
Claims and Judgments	(502,576)
Amortization of Bond Premium	2,114,196
Allowance for Doubtful Accounts	298
Offset Operating Transfers from Internal Service Funds	8,945,188
Inventory (Change From Consumption to Purchase Method)	(328,541)
Deferred Outflows for Pension	(38,016,631)
Net Pension Liability	73,948,723
Deferred Inflows for Pension	(28,073,738)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds	
to Arrive at Changes in Net Position of Governmental Activities	<u>\$ 17,423,261</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Prior Period Adjustment

A prior period adjustment was made during 2018 to correct a 2017 miscalculation in the accumulated depreciation of capital assets. As a result of the prior period adjustment, beginning net positions were reduced by \$6,547,360 for governmental activities and Fleet Services Internal Service Fund. The beginning balance of capital assets was restated to reflect this change, see Note IV. C.

B. Deficit Fund Equity

Lake Owasso Residence Proprietary Fund had a positive change in net position of \$1,933,794 for the year because of the reduction in OPEB expense, resulting in a deficit net position of \$7,979,040.

Ramsey County Care Center Proprietary Fund had a positive change in net position of \$2,540,503 for the year because of the reduction in OPEB expense, resulting in a deficit net position of \$14,990,562.

The Workforce Solutions Special Revenue Fund had a positive change in fund balances of \$1,958,778 for the year because of the timing of revenue from 2017 recognized in 2018, resulting in a deficit fund balance of \$3,319,320.

The Retiree Insurance Internal Service Fund had a positive change in net position of \$10,716,558 for the year because of the reduction in OPEB expense, resulting in a deficit net position of \$206,394,536.

C. Budgetary Information

The County Board adopts an annual budget for certain Special Revenue Funds (Transit and Transportation Improvement, County Library, Solid Waste/Recycling Service Fee, Emergency Communications, Regional Railroad Authority, 4R Program, and Forfeited Property Management), 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 Projects Fund, Regional Railroad Authority Capital Projects Fund, and certain Special Revenue Funds. The budgets for these funds are approved at the time the project or budget is initially authorized and overlap fiscal years. Regional Railroad Authority's Debt Service Fund did not have a budget adopted in 2018 since its outstanding debt was paid in full during 2017. 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

RAMSEY COUNTY, MINNESOTA
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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 service teams and across service teams. 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 Minnesota Statute 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 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 Minnesota Statute Sections 469.174 to 469.179 (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 2018, there were 70 pay-as-you-go notes within the County. The tax increment collections during 2018 associated with these notes totaled \$13,971,137. The County's portion of the captured tax capacity and related property taxes was approximately 36% or \$5,029,611.

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, 2018 as shown below:

RAMSEY COUNTY, MINNESOTA
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Tax Abatement Program	Number of Pay- As-You Go	Taxes Abated	Impact to Ramsey County
Tax Increment Financing			
City of:			
Arden Hills	2	\$ 228,512	\$ 82,264
Falcon Heights	2	283,444	102,040
Little Canada	1	139,132	50,088
Maplewood	5	2,101,900	756,684
Mounds View	1	1,567,767	564,396
North St. Paul	3	275,611	99,220
Roseville	2	127,619	45,943
Shoreview	5	400,785	144,283
St. Anthony	3	675,788	243,284
St. Paul	33	7,616,239	2,741,846
St. Paul Port Authority	7	250,335	90,121
White Bear Lake	1	71,621	25,784
White Bear Township	5	232,384	83,658
Total	<u>70</u>	<u>\$ 13,971,137</u>	<u>\$ 5,029,611</u>

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
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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	\$	511,999,540
Restricted Cash and Cash Equivalents		16,000
Petty Cash and Change Funds		21,530
Business-Type Activities		
Cash and Pooled Investments		2,860,424
Petty Cash and Change Funds		2,575
Cooperative Investment		43,379
Fiduciary Funds		
OPEB Trust Fund Investments with Trustee		70,908,236
Private Purpose Trust Funds Cash and Cash Equivalents		595,436
Agency Fund		
Cash and Cash Equivalents		48,548,503
Cash and Investments	\$	<u>634,995,623</u>
Deposits	\$	17,841,484
Investments		546,178,419
OPEB Trust Fund Investments with Trustee		70,908,236
Cooperative Investment		43,379
Petty Cash and Change Funds		<u>24,105</u>
Total Cash and Investments	\$	<u>634,995,623</u>

1. Deposits

Minnesota Statute Sections 118A.02 and 118A.04 authorize the County to designate a depository for public funds and to invest in certificates of deposit. Minnesota Statute Section 118A.03 requires that all County deposits be collateralized by insurance, surety bond, pledged securities, or a Federal Home Loan Bank (FHLB) Letter of Credit. The market value of collateral pledged shall be at least ten percent more than the amount deposits exceed FDIC insurance at the close of the financial institution's banking day. If the collateral is an irrevocable standby letter of credit issued by a FHLB, the amount of collateral shall be at least equal to the amount deposits exceed FDIC insurance at the close of the financial institution's banking day. Collateral must be held in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Authorized collateral includes, U.S. 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 FHLB; and insured certificates of deposit.

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. County policy requires all deposits be collateralized per statute. Depository balances are monitored to ensure deposit protection meets or exceeds the statutory requirements of Minnesota Statute Section 118A.03. On December 31, 2018, the County's bank deposit balance was \$25,072,709. All bank deposit balances were collateralized by either federal deposit insurance, an irrevocable stand-by letter of credit from a FHLB bank, or pledged securities held by an agent in the County's name. The County's deposits were not exposed to custodial credit risk.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
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2. Investments

The County invests pooled cash in compliance with Minnesota Statutes and in accordance with the County's Investment Policy. The County's investments were in full compliance with Minnesota Statutes and the Investment Policy in 2018.

Minnesota Statute Sections 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.

The County's investment policy addresses the following risks:

Interest Rate Risk. In accordance with its investment policy, the County manages exposure to fair value losses that might be caused by increasing interest rates by limiting the average life of the portfolio to five years. The County manages investment maturities to provide the liquidity and cash flow needed and avoid selling securities prior to maturity. It is the County's general practice to hold investments to maturity. Excluding the OPEB trust and short-term deposits, on December 31, 2018, the remaining investment portfolio had an average market yield of 2.24%, an average life of 1.80 years, and an effective duration of 1.70 years.

Ramsey County has adopted a simulation model of reporting its investments and their sensitivity to fluctuations in interest rates to comply with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. As presented in the table below, assumptions are made that interest rate changes of 50, 100, 150, and 200 basis points occur on December 31, 2018.

RAMSEY COUNTY, MINNESOTA
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Ramsey County:	+50 Basis Pts	+100 Basis Pts	+150 Basis Pts	+200 Basis Pts
U.S. Agency Securities:				
U.S. Treasury Notes	\$ 76,261,322	\$ 75,815,646	\$ 75,374,371	\$ 74,937,443
U.S. Treasury Bills	83,884,135	83,827,760	83,771,502	83,715,362
U.S. Agency Securities:				
Federal Home Loan Bank	49,036,885	48,503,445	47,936,372	47,365,079
Federal Home Loan Mtg. Corp.	74,424,917	73,577,472	72,683,995	71,785,863
Federal National Mtg. Assn.	61,715,682	61,352,387	60,992,432	60,635,778
Federal Farm Credit	50,379,862	49,924,781	49,402,942	48,863,137
Negotiable Certificates of Deposit	29,207,835	28,971,293	28,737,247	28,506,187
Federal Discount Notes	79,532,933	79,452,613	79,372,510	79,292,622
Municipal Bonds	33,294,411	33,038,211	32,785,444	32,536,126
Money Market Fund	5,500,000	5,500,000	5,500,000	5,500,000
Total Investments	<u>\$ 543,237,982</u>	<u>\$ 539,963,608</u>	<u>\$ 536,556,815</u>	<u>\$ 533,137,597</u>

Credit Risk. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. It is the County's policy to invest only in security types that are allowed by State Statute and which meet the ratings requirements set forth in State Statute. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. In compliance with State Statute and the County's Investment Policy, the County held the following security types and ratings on December 31, 2018: U.S Government and Agency securities rated AA+ by Standard and Poor's and Aaa by Moody's, state and local government general obligation bonds rated "A" or better, FDIC Insured Certificates of Deposit, and Money Market Funds rated AAA by S&P and Aaa by Moody's.

Concentration of Credit Risk. The County's Investment Policy requires a well-diversified portfolio to minimize the risk of losses due to an over-concentration of assets in any type of security, specific issuer, or specific maturity. Policy allows U.S. Treasury securities to be held without limit and places limits on holdings of non-Treasury issuers as follows: U.S. Government Agency bonds up to 60%, Structured Agency Notes up to 30% with no inverses, Agency Mortgage Pass-Thru's up to 30%, Agency CMO's up to 30%, Municipal Bonds up to 30%, and Bankers Acceptances up to 50%. County policy regarding Agency Discount Notes, Commercial Paper, Certificates of Deposits, Repurchase Agreements, and Guaranteed Investment Contracts is consistent with Minnesota Statute Section 118A. County policy does not allow the use of Reverse Repurchase Agreements, Options, or Futures Contracts. As of December 31, 2018, the County did not hold more than 5 percent of its portfolio in any one issuer, excluding investment pools and securities issued by the federal government or federal government agencies.

Custodial Credit Risk - Investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Ramsey County's Investment Policy states all securities purchased by the County shall be held in the County's name by a third-party safekeeping agent appointed as custodian, consistent with Minnesota Statute Section 118A.06. All security transactions entered into by the County, with the exception of money market mutual funds, fixed income mutual funds, and repurchase agreements, are conducted on a delivery versus payment basis. As of December 31, 2018, the County's investment securities were not exposed to custodial credit risk.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

The County's exposure to credit risk, concentration of credit risk, and custodial credit risk as of December 31, 2018, is as follows:

Ramsey County:	Rating Agency	Credit Risk	Custody Credit Risk	Par	Fair Value	% of Total Fair Value Portfolio
U.S. Treasury Securities:						
Treasury Notes			Custody (a)	\$ 77,000,000	\$ 76,711,490	12.43%
Treasury Bills			Custody (a)	84,200,000	83,940,756	13.60%
U.S. Agency Securities:						
Federal Home Loan Bank			Custody (a)	50,000,000	49,478,950	8.02%
Federal Home Loan Mtg. Corp.			Custody (a)	75,975,000	75,147,423	12.18%
Federal National Mtg. Assn.			Custody (a)	63,000,000	62,082,319	10.06%
Federal Farm Credit			Custody (a)	50,950,000	50,705,105	8.22%
Certificates of Deposit	N/A	Not Rated (b)	N/A	29,845,000	29,444,983	4.77%
Federal Discount Notes	S&P / Moody's	AA+ / Aaa	Custody (a)	80,000,000	79,613,500	12.90%
OPEB Trust Investments	N/A	Not Rated	Custody (c)	49,484,331	70,908,236	11.49%
Municipal Bonds	S&P	AA or better	Custody (a)	33,835,000	33,553,893	5.44%
Money Market Fund	S&P / Moody's	AAA/Aaa	N/A	5,500,000	5,500,000	0.89%
Total Investments				<u>\$ 599,789,331</u>	<u>\$ 617,086,655</u>	<u>100.00%</u>

(a) Securities held in custody are in Ramsey County's name.

(b) FDIC insured

(c) State run pooled investments held in custody includes equities, fixed income, and cash.

The County measures and categorizes its investments using fair value guidelines as established by generally accepted accounting principles. A fair value hierarchy is used to place investments into one of three categories based upon the method used to determine the fair value of the investment. The guidelines recognize a three-tiered hierarchy as follows; Level 1 - Fair value determined by using prices quoted for identical securities in active markets; Level 2 - Fair value determined by using significant other observable inputs, this might include quoted prices for similar securities in active markets; and Level 3 - Fair value determined using significant unobservable inputs, this primarily includes securities that do not have active markets.

For the County's investments, the U.S. Treasury Securities classified in Level 1 are valued using a market approach with prices quoted in active markets for those securities. U.S. Government Agencies, Municipal Bonds, and Certificates of Deposit classified as Level 2 are valued using a market approach with prices quoted for similar securities in active markets.

County investments not subject to the fair value hierarchy according to guidelines include money market funds measured at Net Asset Value (NAV), collateralized bank deposits measured at amortized cost, and external investment pools measured at fair value per share of the underlying portfolio. The County invests in money market funds measured at NAV and which seek a constant value of \$1.00 per share. The money market funds used by the County offer daily liquidity allowing the County to invest or withdraw funds daily. Money market funds are used to invest short-term and manage cash flows for daily operating activities. The County also invests in three external investment pools managed by the Minnesota State Board of Investments (SBI). The fair value of these investment pools is the fair value per share of the underlying portfolio. As of December 31, 2018, the investment pools held included \$15,631,522 in the Fixed Income Pool, \$6,966,250 in the Cash Pool, and \$48,310,464 in the Equity Pool. These investments are funds in an irrevocable trust, established under Minnesota Statute Section 471.6175, to pay for future other postemployment benefits (OPEB). These pools require a five-day notice for withdrawals. The County can invest in these external pools managed by SBI due to the additional investment authority authorized under Minnesota Statute Section 471.6175 and does so to potentially participate in the higher historical returns and to benefit OPEB liability reporting on financial statements.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

As of December 31, 2018, the County investments had the following recurring fair value measurements and hierarchy levels:

Investment Type	12/31/2018	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Debt securities				
U.S. Treasury Notes	\$ 76,711,490	\$ 76,711,490	\$ -	\$ -
U.S. Treasury Bills	83,940,756	83,940,756	-	-
Federal Home Loan Bank Discount Notes	79,613,500	-	79,613,500	-
Federal Home Loan Bank	49,478,950	-	49,478,950	-
Federal Farm Credit	50,705,105	-	50,705,105	-
Federal National Mortgage Association	62,082,319	-	62,082,319	-
Federal Home Loan Mortgage Corporation	75,147,423	-	75,147,423	-
Municipal Bonds	33,553,893	-	33,553,893	-
Certificates of Deposit	29,444,983	-	29,444,983	-
Total investments measured at Fair Value	\$ 540,678,419	\$ 160,652,246	\$ 380,026,173	\$ -
Investments Measured at Net Asset Value (NAV) or Amortized Cost:				
Money Market Fund	5,500,000			
State Board of Investment External Pools	70,908,236			
Total investments measured at Net Asset Value (NAV)	76,408,236			
Total Investments	\$ 617,086,655			

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 \$3,314,906. Governmental Activities receivables reflect an allowance for doubtful accounts in the amount of \$46,388 and Business-Type Activities receivables reflect an allowance for doubtful accounts in the amount of \$470,126.

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.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

Terms of the lease are as follows:

<u>Year Ended December 31</u>	<u>Lease Receivable</u>
2019	\$ 394,697
2020	390,363
2021	390,849
2022	390,977
2023	390,745
2024 - 2028	1,947,510
2029 - 2030	776,813
	<u>4,681,954</u>
Less Interest	(929,954)
Present Value of Lease Receivable	<u>\$ 3,752,000</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.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

C. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance as restated (see Note III.A.)	Adjustments	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital Assets not Being Depreciated:					
Land	\$ 148,529,048	\$ -	\$ 3,185,138	\$ -	\$ 151,714,186
Construction in Progress	67,075,337	-	4,339,447	(14,313,392)	57,101,392
Total Capital Assets, not Being Depreciated	<u>215,604,385</u>	<u>-</u>	<u>7,524,585</u>	<u>(14,313,392)</u>	<u>208,815,578</u>
Capital Assets, Being Depreciated:					
Buildings	476,962,507	-	153,951	-	477,116,458
Buildings Improvements	46,313,768	-	466,600	(90,861)	46,689,507
Improvements Other Than Buildings	57,930,430	-	2,253,872	(51,838)	60,132,464
Machinery and Equipment	79,813,261	-	6,834,911	(4,836,278)	81,811,894
Computer Software	13,507,930	-	-	-	13,507,930
Infrastructure	479,372,700	-	16,229,439	(1,085,266)	494,516,873
Total Capital Assets Being Depreciated	<u>1,153,900,596</u>	<u>-</u>	<u>25,938,773</u>	<u>(6,064,243)</u>	<u>1,173,775,126</u>
Less Accumulated Depreciation for:					
Buildings	(127,247,344)	-	(9,728,074)	-	(136,975,418)
Buildings Improvements	(28,652,180)	-	(3,152,455)	72,236	(31,732,399)
Improvements Other Than Buildings	(37,248,322)	-	(2,330,923)	47,159	(39,532,086)
Machinery and Equipment	(59,356,963)	-	(5,038,545)	4,358,435	(60,037,073)
Computer Software	(9,606,675)	-	(793,682)	-	(10,400,357)
Infrastructure	(260,451,988)	-	(10,946,427)	633,412	(270,765,003)
Total Accumulated Depreciation	<u>(522,563,472)</u>	<u>-</u>	<u>(31,990,106)</u>	<u>5,111,242</u>	<u>(549,442,336)</u>
Total Capital Assets Being Depreciated, Net	<u>631,337,124</u>	<u>-</u>	<u>(6,051,333)</u>	<u>(953,001)</u>	<u>624,332,790</u>
Governmental Activities Capital Assets, Net	<u>\$ 846,941,509</u>	<u>\$ -</u>	<u>\$ 1,473,252</u>	<u>\$ (15,266,393)</u>	<u>\$ 833,148,368</u>
Business-type activities:					
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	2,411,332	-	303,101	(211,960)	2,502,473
Total Capital Assets Being Depreciated	<u>24,133,630</u>	<u>-</u>	<u>303,101</u>	<u>(211,960)</u>	<u>24,224,771</u>
Less Accumulated Depreciation for:					
Buildings	(6,453,366)	(65,179)	(441,438)	-	(6,959,983)
Buildings Improvements	(2,258,434)	(97,354)	(141,682)	-	(2,497,470)
Improvements Other Than Buildings	(1,206,159)	162,533	(97,643)	-	(1,141,269)
Machinery and Equipment	(1,670,526)	-	(245,273)	188,807	(1,726,992)
Total Accumulated Depreciation	<u>(11,588,485)</u>	<u>-</u>	<u>(926,036)</u>	<u>188,807</u>	<u>(12,325,714)</u>
Total Capital Assets Being Depreciated, Net	<u>12,545,145</u>	<u>-</u>	<u>(622,935)</u>	<u>(23,153)</u>	<u>11,899,057</u>
Business-Type Activities Capital Assets, Net	<u>\$ 14,422,298</u>	<u>\$ -</u>	<u>\$ (622,935)</u>	<u>\$ (23,153)</u>	<u>\$ 13,776,210</u>

The adjustment column above reflects the reclassification of accumulated depreciation by category.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

Depreciation expense was charged to functions / programs as follows:

Governmental Activities:		
General Government	\$	2,600,642
Public Safety		4,087,900
Transportation, including depreciation of infrastructure assets		15,060,386
Health		163,529
Sanitation		60,910
Human Services		453,987
Culture and Recreation		5,894,679
Conservation of Natural Resources		33,405
Economic Development and Assistance		43,301
Capital assets held by the County's Internal Service funds are charged to the various functions based on their usage of the assets		3,591,367
Total Depreciation Expense - Governmental Activities	\$	<u>31,990,106</u>
Business-Type Activities:		
Lake Owasso Residence		196,267
Ramsey County Care Center		320,508
Vadnais Sports Center		173,343
Law Enforcement Services		235,918
Total Depreciation Expense - Business-Type Activities	\$	<u>926,036</u>

Construction and Other Significant Commitments

The government has active construction projects as of December 31, 2018. 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:

Project	Spent-to-date	Remaining Commitment
Road and Bridge Construction	\$ 41,491,138	\$ 3,787,961
Twin Cities Army Ammunition Plant (TCAAP)	43,787,782	-

The remaining commitment amount for the Road and Bridge Construction was 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	\$ 2,778,422
Capital Projects Fund	7,690,023
Nonmajor Governmental Funds	1,075,719
Total	<u>\$ 11,544,164</u>

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2018, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 449,734
	Vadnais Sports Center	221,822
Capital Projects Fund	General Fund	14,989,083
Nonmajor Governmental Funds	Nonmajor Governmental Funds	602,916
Total		\$ 16,263,555

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.

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

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Fund	\$ 378,206
	Capital Projects Fund	8,690,758
	Nonmajor Governmental Funds	4,500,000
Debt Service Fund	Lake Owasso Residence	378,206
	Ramsey County Care Center	486,913
Capital Projects Fund	Vadnais Sports Center	8,170,000
Nonmajor Governmental Funds	Capital Projects Fund	3,056,478
Total		\$ 25,660,561

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

Interfund transfers:

	Transfers In							Total
	General	Debt Service	Capital Projects	Lake Owasso Residence Enterprise	Ramsey County Care Center Enterprise	Nonmajor Governmental	Internal Service	
Transfers Out								
General Fund	\$ -	\$ -	\$ 16,641,826	\$ 1,284,035	\$ 536,068	\$ -	\$ 8,945,188	\$ 27,407,117
Capital Projects Fund	637,641	540	-	-	-	-	-	638,181
Nonmajor Governmental Funds	1,545,183	-	-	-	-	1,262,012	-	2,807,195
Total transfers out	\$ 2,182,824	\$ 540	\$ 16,641,826	\$ 1,284,035	\$ 536,068	\$ 1,262,012	\$ 8,945,188	\$ 30,852,493

Transfers are used to move revenues from one fund to another fund to finance various programs accounted for in other fund. A significant transfer from the General Fund to the Capital Projects Fund was completed in 2018 in accordance with the County's minimum fund balance policy.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

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.

During the year of 2018, all previously issued conduit bonds were paid in full.

F. Leases Payable

Operating Leases

The County leases real estate and equipment under leases expiring at various dates through 2030. Total costs for such leases were \$3,464,844 for year ended December 31, 2018. The future minimum lease payments for these leases are as follows:

<u>Year Ended December 31</u>	<u>Lease Payable</u>
2019	\$ 5,644,603
2020	3,490,127
2021	3,232,683
2022	2,326,525
2023	1,476,993
2024 - 2028	2,729,334
2029 - 2030	442,342
	<u>\$ 19,342,607</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 Inflows 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:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes Receivable	\$ 4,142,651	\$ -
Receivables that do not Provide Current Financial Resources	32,497,680	-
Loans Receivable	14,971,660	-
Forfeited Tax Sale Accounts Receivable	4,101,908	-
Notes Receivable	3,580,152	-
Grant Drawdowns Prior to Meeting Eligibility Requirements	-	3,050,619
Total	<u>\$ 59,294,051</u>	<u>\$ 3,050,619</u>

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

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, 2018, the outstanding amount of general obligation bonds and notes issued in years prior to 2018 was \$151,427,000. During the year, general obligation bonds totaling \$31,230,000 were issued to provide funding for various capital projects and to refinance certain general obligation bonds.

The following is a list of the long-term debt transactions of the County for the year ended December 31, 2018:

	Payable January 1	Additions	Deductions	Payable December 31	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
General Obligation Bonds	\$ 187,560,000	\$ 31,230,000	\$ 41,565,000	\$ 177,225,000	\$ 17,140,000
Note Payable	4,002,000	-	250,000	3,752,000	260,000
Premium/Discount	12,224,727	2,245,755	2,114,196	12,356,286	2,069,447
Total General Obligation Bonds and Notes Payable	203,786,727	33,475,755	43,929,196	193,333,286	19,469,447
Claims and Judgments Payable					
Governmental Funds	6,243,834	4,352,658	3,912,973	6,683,519	3,134,755
Compensated Absences:					
Governmental Funds	33,079,658	21,311,969	20,648,311	33,743,316	18,841,430
Internal Service Funds:					
Information Services	898,010	547,435	519,458	925,987	521,780
General County Buildings	809,989	383,434	410,533	782,890	359,210
Fleet Services	220,118	190,791	143,525	267,384	156,074
Total Compensated Absences	35,007,775	22,433,629	21,721,827	35,719,577	19,878,494
Governmental Activities Long-term Liabilities	<u>\$ 245,038,336</u>	<u>\$ 60,262,042</u>	<u>\$ 69,563,996</u>	<u>\$ 235,736,382</u>	<u>\$ 42,482,696</u>
BUSINESS-TYPE ACTIVITIES:					
General Obligation Bonds:					
Enterprise Funds:					
Lake Owasso Residence	\$ 820,000	\$ -	\$ 260,000	\$ 560,000	\$ 275,000
Ramsey Care Center	1,220,000	-	100,000	1,120,000	105,000
Premium/Discount	207,633	-	38,049	169,584	38,049
Total General Obligation Bonds	2,247,633	-	398,049	1,849,584	418,049
Compensated Absences:					
Enterprise Funds:					
Lake Owasso Residence	881,048	372,036	399,364	853,720	600,522
Ramsey Care Center	1,066,373	622,493	580,048	1,108,818	582,049
Vadnais Sports Center	36,064	55,485	30,785	60,764	38,530
Law Enforcement Services	437,408	412,487	326,067	523,828	523,828
Total Compensated Absences	2,420,893	1,462,501	1,336,264	2,547,130	1,744,929
Business-Type Activities Long-term Liabilities	<u>\$ 4,668,526</u>	<u>\$ 1,462,501</u>	<u>\$ 1,734,313</u>	<u>\$ 4,396,714</u>	<u>\$ 2,162,978</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.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

Long-term debt payable at December 31, 2018, comprises the following individual issues:

COUNTY GENERAL OBLIGATION DEBT:

\$6,950,000 2010 General Obligation Capital Improvement Plan Refunding Bonds, Series 2010A, due in annual installments of \$510,000 to \$955,000 through February 1, 2021 - interest rate at 2.37%	\$ 1,720,000
\$18,500,000 2011 General Obligation Capital Improvement Plan Bonds, Series 2011A, due in annual installments of \$390,000 to \$1,195,000 through February 1, 2031 - interest rate at 3.41%	13,080,000
\$37,765,000 2011 General Obligation Capital Improvement Plan Refunding Bonds, Series 2011B, due in annual installments of \$2,760,000 to \$6,115,000 through February 1, 2022 - interest rate at 1.32%	13,260,000
\$18,500,000 2012 General Obligation Capital Improvement Plan Bonds, Series 2012A, due in annual installments of \$195,000 to \$1,205,000 through February 1, 2032 - interest rate at 2.72%	13,760,000
\$13,185,000 2012 General Obligation Capital Improvement Plan Refunding Series 2012B Bonds, due in annual installments of \$225,000 to \$1,635,000 through February 1, 2023 - interest rate at 1.30%	7,525,000
\$3,155,000 2012 General Obligation State Aid Street Refunding Bonds, Series 2012C, due in annual installments of \$165,000 to \$240,000 through February 1, 2028 - interest rate at 1.98%	2,225,000
\$22,700,000 2013 General Obligation Capital Improvement Plan Bonds, Series 2013A, due in annual installments of \$365,000 to \$2,815,000 through February 1, 2033 - interest rate at 2.41%	17,040,000
\$12,000,000 2013 Taxable General Obligation Capital Improvement Plan Bonds, Series 2013B, due in annual installments of \$510,000 to \$810,000 through February 1, 2033 - interest rate at 3.23%	9,870,000
\$5,680,000 2014 General Obligation Library Refunding Bonds, Series 2014A, due in annual installments of \$445,000 to \$685,000 through February 1, 2024 - interest rate at 1.84%	3,705,000
\$9,500,000 2014 Taxable General Obligation Capital Improvement Plan Bonds, Series 2014B, due in annual installments of \$370,000 to \$630,000 through February 1, 2034 - interest rate at 3.52%	7,825,000
\$3,300,000 2014 General Obligation Library Bonds, Series 2014C, due in annual installments of \$30,000 to \$245,000 through February 1, 2034 - interest rate at 3.05%	2,970,000
\$6,870,000 2014 General Obligation Capital Improvement Plan Refunding Bonds, Series 2014D, due in annual installments of \$555,000 to \$800,000 through February 1, 2024 - interest rate at 1.82%	4,410,000
\$3,500,000 2015 General Obligation Capital Improvement Plan Bonds, Series 2015A, due in annual installments of \$255,000 to \$835,000 through February 1, 2025 - interest rate at 1.69%	2,150,000
\$14,445,000 2015 General Obligation Library Bonds, Series 2015B, due in annual installments of \$510,000 to \$1,025,000 through February 1, 2035 - interest rate at 2.78%	13,405,000
\$17,900,000 2016 General Obligation Solid Waste Facility Revenue Bonds, Series 2016A, due in annual installments of \$505,000 to \$1,000,000 through February 1, 2041 - interest rate at 2.92%	16,870,000
\$5,435,000 2016 General Obligation Capital Improvement Plan Bonds, Series 2016B, due in annual installments of \$200,000 to \$715,000 through February 1, 2026 - interest rate at 1.38%	4,960,000
\$15,825,000 2016 General Obligation Capital Improvement Plan Refunding Bonds, Series 2016C, due in annual installments of \$1,075,000 to \$2,030,000 through February 1, 2027 - interest rate at 1.38%	12,900,000
\$11,200,000 2018 General Obligation Capital Improvement Plan Bonds, Series 2018A, due in annual installments of \$365,000 to \$840,000 through February 1, 2038 - interest rate at 2.92%	11,200,000
\$8,750,000 2018 General Obligation Library Refunding Bonds, Series 2018B, due in annual installments of \$405,000 to \$975,000 through February 1, 2029 - interest rate at 2.49%	8,750,000
\$11,280,000 2018 General Obligation Capital Improvement Plan Refunding Bonds, Series 2018C, due in annual installments of \$270,000 to \$1,430,000 through February 1, 2030 - interest rate at 2.57%	11,280,000
Total General Obligation Bonds	178,905,000

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General Obligation Notes Payable:

\$6,872,000 2001 General Obligation Notes, due in annual installments of \$150,000 to \$372,000 through August 20, 2030 - interest rate at 3.59%

Total General Obligation Debt

	3,752,000
	\$ 182,657,000

Annual Requirement to Amortize Long-Term Debt

The annual requirements to amortize all long-term debt outstanding as of December 31, 2018, carrying interest rates of 1.30% to 4.32% are:

Years Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 17,400,000	\$ 6,844,697	\$ 380,000	\$ 64,200
2020	17,960,000	5,930,618	395,000	46,725
2021	17,440,000	5,154,880	115,000	33,975
2022	17,105,000	4,385,961	120,000	28,100
2023	15,045,000	3,717,269	125,000	21,975
2024 - 2028	51,465,000	12,066,258	545,000	30,175
2029 - 2033	32,152,000	4,487,500	-	-
2034 - 2038	9,500,000	1,076,353	-	-
2039 - 2041	2,910,000	138,906	-	-
Total	\$ 180,977,000	\$ 43,802,442	\$ 1,680,000	\$ 225,150

The County is subject to Minnesota Statute Section 475.53, Subd. 1, 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, 2018, the statutory limit for the County was \$1,506,115,047. The County's outstanding debt applicable to this limit was \$129,117,490, providing a debt margin of \$1,376,997,557.

There is \$56,404,073 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, 2018, 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	\$ 193,333,286	100.0%	\$ 193,333,286
Overlapping Debt			
Cities	29,403,920	19.4%	5,711,949
School Districts	267,025,000	59.0%	157,571,361
Other	189,310,976	14.7%	27,771,920
Underlying Debt			
Cities and Towns	228,486,380	100.0%	228,486,380
School Districts	858,420,000	100.0%	858,420,000
Other	42,185,000	100.0%	42,185,000
TOTAL	\$ 1,808,164,562		\$ 1,513,479,896

Bond Refunding and Redemption

In June of 2018, the County issued \$8,750,000 General Obligation Library Refunding Bonds, Series 2018B, issued \$11,280,000 General Obligation Capital Improvement Plan (CIP) Refunding Bonds, Series 2018C, and redeemed all outstanding \$2,970,000 General Obligation Capital Improvement Plan, Series 2010B Bonds. Both Series 2018B and

RAMSEY COUNTY, MINNESOTA
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Series 2018C refunding bonds are general obligations of the County for which the County pledged its full faith and credit and power to levy general ad valorem taxes.

The Series 2018B bonds refunded Series 2009B Library Build America Bonds to achieve interest cost savings and to eliminate direct pay subsidy bonds subject to sequestration. The refunding resulted in future debt service savings of \$1,128,539. The Series 2018C bonds refunded Series 2008A CIP Bonds, Series 2009A CIP Build America Bonds, and Series 2010C CIP Recovery Zone Economic Development Bonds to achieve interest cost savings and to eliminate direct pay subsidy bonds subject to sequestration. The refunding resulted in future debt service savings of \$1,102,927. The County also redeemed all outstanding Series 2010C CIP Build America Bonds to achieve interest cost savings and to eliminate direct pay subsidy bonds subject to sequestration. The redemption eliminated future interest costs of \$248,100.

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.

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.

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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 enough 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 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 fund balance of no less than two months of the subsequent year's budget; 3) commit and transfer any unrestricted General Fund fund balance more than the 50% threshold to the Capital Projects Fund.

Policy on Unassigned Fund Balance Process

The County's unassigned General Fund 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 \$44,889,849 of the Transit and Transportation Improvement Special Revenue Fund is restricted for transportation projects or improvements. The fund balance of \$56,404,073 of the Debt Service Fund is restricted for debt service expenditures. The fund balance of the Capital Projects Fund has \$28,764,077 of unspent bond proceeds classified as restricted and \$34,358,382 committed for purchase and upgrade of facilities. The remaining detail of Ramsey County's fund balance classification is as follows:

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Fund Balance Classification	General Fund	Other Governmental Funds
Nonspendable:		
Petty Cash	\$ 19,260	\$ 2,195
Inventory	980,428	-
Advances	13,912,335	-
Total Nonspendable	\$ 14,912,023	\$ 2,195
Restricted		
Aggregate Pit Restoration	\$ 218,235	\$ -
Child Protection	4,992,774	-
Donations for various purposes	-	561,833
Criminal Forfeitures	-	1,774,669
Technology	-	605,508
Environmental Response Fund	-	1,620,841
Library	-	4,457,034
Sanitation	-	25,145,363
Affordable Housing	-	722,559
Parks and Recreation	-	561,802
Other	-	2,215,546
Total Restricted	\$ 5,211,009	\$ 37,665,155
Committed		
Supporting Housing Priorities	\$ 1,693,743	\$ -
Corrections	-	314,933
Emergency Communications	-	4,970,701
Total Committed	\$ 1,693,743	\$ 5,285,634
Assigned		
Capital Expenditures	\$ 4,883,891	\$ -
Self-Insurance	11,749,717	-
Employee Training	1,101,006	-
Projects	23,725,050	-
General Government	664,964	-
Public Safety	26,053	267,371
Highways and Streets	62,205	-
Health	456,132	-
Culture and Recreation	1	-
Emergency Communications	-	8,148,919
Regional Railroad Authority	-	39,084,195
Corrections	-	288,433
Total Assigned	\$ 42,669,019	\$ 47,788,918

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 2018, the investment earnings for the General Fund, including unrealized gains (losses) on investments, are as follows:

Interest on Investments	\$ 10,776,037
Unrealized Loss on Investments	(2,671,889)
	<u>\$ 8,104,148</u>

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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 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, 2017	Year Ended December 31, 2018
Unpaid claims, beginning of fiscal year	\$ 7,043,196	\$ 6,243,834
Incurred claims (including IBNRs)	3,341,125	4,352,658
Claim payments	(4,140,487)	(3,912,973)
Unpaid claims, end of fiscal year	<u>\$ 6,243,834</u>	<u>\$ 6,683,519</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 could change 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

\$10,600,000 of General Obligation Capital Improvement Plan Bonds, Series 2019A, financing various capital improvement projects were awarded on June 4, 2019.

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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

Ramsey County was subject to a data security incident in August 2018, hackers obtained access to the County's email system and used employee credentials to attempt to divert the paychecks of nine County employees. The credentials of 28 employees were compromised in the attempt. Because HIPAA protected health information could have been exposed, Ramsey County made required notice to the Office of Civil Rights of the U.S. Department of Health & Human Services, which has opened an investigation into the incident that may result in regulatory fines and penalties for Ramsey County. This incident and the potential fines will not affect the validity of County bonds or the County's ability to meet its financial obligations.

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.

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.

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 (R&E 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 R&E 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, 2018 have been subjected to audit in the following table:

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	Total Project
Total Assets	\$ 44,245,981
Deferred Outflows	1,869,805
Total Liabilities	37,517,692
Deferred Inflows	268,372
Total Net Position	8,329,722
 Total Revenues	 48,423,977
Total Expenses	47,503,774
Net Increase in Net Position	\$ 920,203

Financial statements for the R&E Board can be obtained at 2785 White Bear Avenue, Suite 350, Maplewood, MN 55109.

VERIFICATION COLLABORATIVE EXECUTIVE COMMITTEE

Ramsey County entered into a joint powers agreement pursuant to the provisions of Minnesota Statute Section 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. During 2018, the County did not contribute to this entity. Currently, a fiscal agent is not needed, and no financial report is available.

METROPOLITAN EMERGENCY SERVICES BOARD

Pursuant to Minnesota Statute Section 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. During 2018, the County did not contribute to this entity. 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:

- Suburban Ramsey 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. The Children's Mental Health Collaborative is the fiscal agent.
- Saint Paul Children's 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.

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- 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 Minnesota Statute Chapters 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, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security while Basic Plan and Minneapolis Employees Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Retirement Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service. No County employees belong to either the Basic Plan or the Minneapolis Employees Retirement Fund.

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

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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 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 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 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 Minnesota Statute Chapter 353. These statutes are established and amended by the state legislature. The employee and employer contribution rates did not change from the previous year.

1. GERP Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in calendar year 2018. The County was required to contribute 7.50% of pay for Coordinated Plan members in calendar year 2018. The County's contributions to the GERP for the year ended December 31, 2018, were \$16,636,812. 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 2018. The County was required to contribute 16.20% of pay for PEPFP members in calendar year 2018. The County's contributions to the PEPFP for the year ended December 31, 2018, were \$3,154,940. The County's contributions were equal to the required contributions as set by state statute.

3. PECP Contributions

Plan members were required to contribute 5.83% of their annual covered salary in the calendar year 2018. The County was required to contribute 8.75% of pay for PECP members in calendar year 2018. The County's contributions to the PECP for the year ended December 31, 2018, were \$2,311,734. The County's contributions were equal to the required contributions as set by state statute.

RAMSEY COUNTY, MINNESOTA
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Pension Costs

1. GERP Pension Costs

At December 31, 2018, the County reported a liability of \$180,108,057 for its proportionate share of the General Employees Retirement Plan's net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2017 through June 30, 2018, relative to the total employer contributions received from all PERA's participating employers. At June 30, 2018, the County's proportion was 3.2466%. It was 3.4018% measured as of June 30, 2017. The County recognized pension expense of \$15,955,759 for its proportionate share of the General Employees Retirement Plan's pension expense.

The County also recognized \$1,377,664 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 \$16 million to the General Employees Retirement Plan for the fiscal years ended June 30, 2018 and 2019, and \$6 million thereafter through calendar year 2031.

The County's proportionate share of the net pension liability	\$	180,108,057
State of Minnesota's proportionate share of the net pension liability associated with the County		5,907,700
Total	\$	186,015,757

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 4,984,845	\$ 5,279,998
Changes in actuarial assumptions	17,293,380	20,899,241
Difference between projected and actual investment earnings	-	19,444,053
Changes in proportion	5,437,632	8,523,115
Contributions paid to PERA subsequent to the measurement date	8,374,857	-
Total	\$ 36,090,714	\$ 54,146,407

The \$8,374,857 reported as deferred outflows of resources related to pensions resulting from contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. 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
2019	\$ 4,933,715
2020	(10,093,324)
2021	(17,511,776)
2022	(3,759,165)
	\$ (26,430,550)

2. PEPFP Pension Costs

At December 31, 2018, the County reported a liability of \$19,021,998 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, 2018, 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,

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

2017 through June 30, 2018, relative to the total employer contributions received from all PERA's participating employers. At June 30, 2018, the County's proportion was 1.7846%. It was 1.9560% measured as of June 30, 2017. The County recognized pension expense of \$1,960,970 for its proportionate share of the Public Employees Police and Fire Plan's pension expense.

The County also recognized \$160,614 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 809,306	\$ 4,614,053
Changes in actuarial assumptions	22,912,276	30,631,223
Difference between projected and actual investment earnings	-	4,629,068
Changes in proportion	6,116,471	2,644,248
Contributions paid to PERA subsequent to the measurement date	1,603,250	-
Total	<u>\$ 31,441,303</u>	<u>\$ 42,518,592</u>

The \$1,603,250 reported as deferred outflows of resources related to pensions resulting from contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. 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
2019	\$ (642,338)
2020	(1,560,425)
2021	(2,903,891)
2022	(7,125,485)
2023	(448,400)
	<u>\$ (12,680,539)</u>

3. PECP Pension Costs

At December 31, 2018, the County reported a liability of \$2,055,184 for its proportionate share of the Public Employees Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2017 through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the County's proportion was 12.4958%. It was 12.730% measured as of June 30, 2017. The County recognized a negative pension expense in the amount of \$ 2,430,219 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:

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 107,736	\$ 223,793
Changes in actuarial assumptions	10,085,790	23,840,261
Difference between projected and actual investment earnings	-	2,300,442
Changes in proportion	9,662	993,778
Contributions paid to PERA subsequent to the measurement date	1,178,785	-
Total	<u>\$ 11,381,973</u>	<u>\$ 27,358,274</u>

The \$1,178,785 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, 2019. 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
2019	\$ 956,210
2020	(9,562,409)
2021	(8,118,626)
2022	(430,261)
	<u>\$ (17,155,086)</u>

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2018, in the amount of \$15,486,510.

Actuarial Assumptions

The total pension liability in the June 30, 2018, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

GERP, PEPFP, and PECP

	Annual Rates
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 1.25% per year for the General Employees Retirement Plan and 2.0% for all years for the Correctional Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.0% as set by state statute.

Actuarial assumptions used in the June 30, 2018 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. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions and plan provisions occurred in 2018:

General Employees Retirement Plan

- The morality projection scale was changed from MP-2015 to MP-2017.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Public Employees Police and Fire Plan

- The morality projection scale was changed from MP-2016 to MP-2017.
- Post-retirement benefit increases changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed effective January 1, 2019 and January 1, 2020 from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020 from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

Public Employees Correctional Plan

- The Single Discount Rate was changed from 5.96 percent per annum to 7.50 percent per annum.
- The morality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

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	36 %	5.10 %
International stocks	17	5.30
Bonds	20	0.75
Alternative assets (private markets)	25	5.90
Cash	2	0.00
	100 %	

Discount Rate

The discount rate used to measure the total pension liability was 7.50% in 2018, which remained consistent with 2017. 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, the Police and Fire Plan, and the Public Employees Correction 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.

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:

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

	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%	\$ 292,698,652	6.50%	\$ 40,784,356	6.50%	\$ 17,588,838
Current	7.50%	180,108,057	7.50%	19,021,998	7.50%	2,055,184
1% Increase	8.50%	87,167,736	8.50%	1,025,431	8.50%	(10,371,264)

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, Suite 200, Saint Paul, MN 55103-2088; or by calling (651) 296-7460 or (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 Minnesota Statute Chapter 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, Minnesota Statute Section 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, 2018, were:

	Employee	Employer
Contribution amount	\$ 23,222	\$ 23,222
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.

G. Other Postemployment Benefits (OPEB)

Plan Description

In addition to providing the pension benefits described above, the County provides postemployment 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 Board of County Commissioners and can be amended by the County through its personnel policy manual and union contracts within the guidelines of Minnesota Statute. The County provides benefits for retirees as required by Minnesota Statute Section 471.61, Subd. 2b. The activity of the plan is reported in the County's Other Postemployment Benefits Trust fund.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

Membership

At December 31, 2018, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	2,096
Terminated Employees Entitled to Benefits but not yet Receiving them	46
Active Employees	3,796
Total	<u>5,938</u>
Participating Employers	<u>1</u>

Benefits Provided

The County provides postemployment 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.

Actuarial Methods and Assumptions

The County's total OPEB liability of \$220,840,122 was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	6.50%
Salary increases	3.50%
Expected return on plan assets	6.50%
Inflation rate	2.50%
Health care cost trend rate	Actual premium increase rates for FY2017 and FY2018 and 6.40% for FY2020, decreasing several decades to an ultimate rate of 4.00% in 2075 and later years

The investment rate of return was valued using an assumption of 6.5 percent. This is 0.5 percent lower than the previous valuation. The OPEB plan's fiduciary net position is projected to be sufficient to make all projected benefit payments, so therefore the discount rate used to value liabilities is the long-term expected rate of return of 6.5 percent. Cash flows into the plan equal the average contributions from Ramsey County over the last 5 years. Benefit payments were projected based on the assumptions and methods disclosed in the December 31, 2018 actuarial valuation report.

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. 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.

Mortality rates are based on the rates used in the PERA plan of which the employee, retiree, or beneficiary is a participant. Mortality rates for General Employees Retirement Plan were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2015, and other adjustments. The mortality rates for Public Employees Police and Fire Plan and Public Employees Correctional Plan are based on the RP-2000 mortality tables with projected mortality improvements based on Scale AA, and other adjustments.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

Funding Policy and Contributions

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 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, 2018, the County contributed \$87,836,753 to the plan.

The County has assets designated for OPEB in a qualified irrevocable trust. The trust was originally established as a revocable trust and the trust was converted to an irrevocable trust. The change was authorized on July 3, 2018, through Board resolution B2018-188, pursuant to Minnesota Statute Section 471.6175, to prefund a portion of the OPEB liability. PERA serves as the trust administrator for the irrevocable trust account. No additional trust contributions are expected to be made, and no benefits are currently being paid from the trust. As a result, the funding policy is considered to be the pay-as-you-go method under which contributions to the plan are generally made at the same time and in the same amount as retiree benefits and expenses become due. During 2018, Ramsey County had a year-end balance in the OPEB irrevocable trust of \$70,908,236.

Total OPEB Liability

The components of the net OPEB liability of Ramsey County at December 31, 2018, were as follows:

Total OPEB Liability	\$	220,840,122
Plan Fiduciary net position		70,908,236
Net OPEB liability		<u>149,931,886</u>
Plan fiduciary net position as a percentage of the total OPEB liability		32.1%
Covered employee payroll	\$	256,509,636
Net OPEB liability as a percentage of covered employee payroll		58.5%

Investments

The fair value of investments is determined by the Minnesota State Board of Investments. The OPEB investments are held in an irrevocable trust and invested 70% in the equity pool, 25% in the fixed income pool, and 5% in the cash pool. The County's investment policy delegates investment policy decisions to the Finance and Central Services Division Manager, including asset allocation. The policy can only be amended by the Board of County Commissioners.

Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on investments, net of investment expense, was (8.79) percent.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that the County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at 12/31/2017	\$ 124,054,957	\$ -	\$ 124,054,957
Restatement	200,276,437	-	200,276,437
Restatement of 12/31/2017	324,331,394	-	324,331,394
Changes for the year:			
Service cost	6,324,679	-	6,324,679
Interest	10,718,073	-	10,718,073
Differences between expected and actual experience			
Changes in assumptions	(106,839,567)	-	(106,839,567)
Employer contributions	-	87,836,753	(87,836,753)
Net investment income	-	(3,231,657)	3,231,657
Benefit payments	(13,694,457)	(13,694,457)	-
Administrative expense	-	(2,403)	2,403
Net changes	(103,491,272)	70,908,236	(174,399,508)
Balance at 12/31/2018	\$ 220,840,122	\$ 70,908,236	\$ 149,931,886

Sensitivity of the Net OPEB Liability to changes in the Discount Rate

The following presents the net OPEB liability of Ramsey County as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1.0 percentage point lower or 1.0 percentage point higher than the current discount rates.

	1% Increase (7.5%)	Current Discount Rate (6.5%)	1% Decrease (5.5%)
Total OPEB Liability	\$ 198,586,579	\$ 220,840,122	\$ 247,513,957
Plan Fiduciary Net Position	70,908,236	70,908,236	70,908,236
Net OPEB Liability	\$ 127,678,343	\$ 149,931,886	\$ 176,605,721

Sensitivity of the Net OPEB Liability to changes in the Trend Rate

The following presents the net OPEB liability of Ramsey County as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.0 percentage point lower or 1.0 percentage point higher than the current healthcare cost trend rates.

	1% Increase	Current Discount Rate	1% Decrease
Total OPEB Liability	\$ 254,370,518	\$ 220,840,122	\$ 193,275,998
Plan Fiduciary Net Position	70,908,236	70,908,236	70,908,236
Net OPEB Liability	\$ 183,462,282	\$ 149,931,886	\$ 122,367,762

RAMSEY COUNTY, MINNESOTA
Notes to the Financial Statements
December 31, 2018

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the County recognized OPEB expense of (\$4,416,848). At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Source	Balance at December 31, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ -	\$ 86,643,051
Difference between projected and actual investment earnings	4,497,144	-
Total	<u>\$ 4,497,144</u>	<u>\$ 86,643,051</u>

Amounts reported as deferred inflows of resources and deferred outflow of resources related to OPEB will be recognized in OPEB expense as follows:

Year	Amount
2019	\$ (19,072,230)
2020	(19,072,230)
2021	(19,072,230)
2022	(19,072,230)
2023	(5,856,987)
	<u>\$ (82,145,907)</u>

Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2018:

- The discount rate changed from 3.31% to 6.5%.

H. Merger of Ramsey Conservation District

On June 12, 2018, the County Board adopted resolution number B2018-169 to transfer the duties and authorities of the Ramsey Conservation District to Ramsey County, per State Statute Section 383A.606. The Ramsey Conservation District is reported in the Parks and Recreation Department of the County's General Fund.

The amounts recognized as of January 1, 2018 are as follows:

	Amounts Recognized
Total Assets	\$ 1,777,736
Total Liabilities	\$ 1,379,957
Total Net Position	\$ 397,779

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, 2018**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Property Taxes	\$ 249,348,213	\$ 255,670,405	\$ 258,248,642	\$ 2,578,237
Licenses and Permits	1,149,650	1,149,650	1,195,251	45,601
Intergovernmental	168,582,153	172,114,905	177,808,128	5,693,223
Private Grants and Donations	19,000	552,088	635,777	83,689
Charges for Services	44,447,375	44,979,139	42,701,262	(2,277,877)
Fines and Forfeitures	12,000	12,000	-	(12,000)
Sales	658,030	658,030	886,248	228,218
Rental Income	-	-	827,986	827,986
Investment Earnings	7,095,190	7,095,190	8,104,148	1,008,958
Human Services	2,799,043	2,799,043	2,206,337	(592,706)
Miscellaneous	8,361,638	9,505,218	3,514,779	(5,990,439)
Total Revenues	482,472,292	494,535,668	496,128,558	1,592,890
EXPENDITURES				
Current:				
General Government:				
County Board of Commissioners	2,284,226	2,284,226	2,273,354	(10,872)
Charter Commission	1,000	1,000	395	(605)
Courts	3,554,249	3,554,249	3,554,249	-
County Manager	13,927,871	14,682,251	13,901,430	(780,821)
RC Strategic Team	7,923,763	7,908,963	6,557,122	(1,351,841)
Property Records and Revenue	13,749,631	13,744,331	12,824,314	(920,017)
Attorney	46,118,817	46,508,817	43,703,038	(2,805,779)
Property Management	11,000	158,850	-	(158,850)
Veterans Service Officer	668,171	668,171	648,735	(19,436)
Contingency	1,965,000	1,965,000	1,652,743	(312,257)
Computer Equipment and Software	2,800,000	12,527,407	2,471,238	(10,056,169)
Unallocated General Expenditures	5,393,421	4,542,920	4,348,711	(194,209)
Total General Government	98,397,149	108,546,185	91,935,329	(16,610,856)
Public Safety:				
Sheriff	50,095,328	50,985,485	50,221,599	(763,886)
Community Corrections	71,544,859	71,520,983	68,507,325	(3,013,658)
Medical Examiner	2,949,481	2,971,481	2,971,422	(59)
Total Public Safety	124,589,668	125,477,949	121,700,346	(3,777,603)
Transportation				
Public Works	16,331,648	16,012,126	15,483,440	(528,686)
Sanitation:				
Environmental Health	1,747,307	2,037,307	1,312,108	(725,199)
Health:				
Public Health	31,016,019	31,913,099	24,507,660	(7,405,439)
Miscellaneous Health	8,321,901	8,547,471	8,533,609	(13,862)
Total Health	39,337,920	40,460,570	33,041,269	(7,419,301)

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, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES (continued)				
Human Services				
Administration	27,203,102	27,228,102	25,667,869	(1,560,233)
Income Maintenance	33,733,668	33,953,668	31,467,029	(2,486,639)
Social Services	129,664,443	130,650,372	122,252,173	(8,398,199)
Total Human Services	190,601,213	191,832,142	179,387,071	(12,445,071)
Culture and Recreation:				
Parks and Recreation	11,016,182	11,536,131	10,474,341	(1,061,790)
St Paul-Ramsey Historical Society	83,383	83,383	83,383	-
Landmark Center Management	896,700	896,700	896,700	-
Total Culture and Recreation	11,996,265	12,516,214	11,454,424	(1,061,790)
Conservation of Natural Resources:				
Extension Service	44,225	44,225	37,309	(6,916)
Conservation District	810,484	1,254,100	587,748	(666,352)
Total Conservation of Natural Resources	854,709	1,298,325	625,057	(673,268)
Total Expenditures	483,855,879	498,180,818	454,939,044	(43,241,774)
Excess (Deficiency) of Revenues over (under) Expenditures	(1,383,587)	(3,645,150)	41,189,514	44,834,664
OTHER FINANCING SOURCES (USES)				
Transfers In	1,352,641	4,038,591	2,182,824	(1,855,767)
Transfers Out	(2,679,473)	(11,945,346)	(25,533,420)	(13,588,074)
Total Other Financing Sources (Uses)	(1,326,832)	(7,906,755)	(23,350,596)	(15,443,841)
Net Change in Fund Balance	(2,710,419)	(11,551,905)	17,838,918	29,390,823
Adjustment	(10,357,769)	(10,357,769)	(10,357,769)	-
Fund Balance - Beginning	247,644,030	247,644,030	247,644,030	-
Increase (Decrease) in Reserve for Inventories	-	-	(328,541)	(328,541)
Fund Balance - Ending	<u>\$ 234,575,842</u>	<u>\$ 225,734,356</u>	<u>\$ 254,796,638</u>	<u>\$ 29,062,282</u>

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

SCHEDULE 2

**RAMSEY COUNTY, MINNESOTA
TRANSIT AND TRANSPORTATION IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS ON A BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 8,000,000	\$ 8,360,000	\$ 43,476,884	\$ 35,116,884
Intergovernmental	-	-	1,560,535	1,560,535
Total Revenues	8,000,000	8,360,000	45,037,419	36,677,419
EXPENDITURES				
Current:				
Transportation	8,000,000	8,360,000	6,469,212	(1,890,788)
Total Expenditures	8,000,000	8,360,000	6,469,212	(1,890,788)
Net Change in Fund Balance	-	-	38,568,207	38,568,207
Adjustment	(179,658)	(179,658)	(179,658)	-
Fund Balance - Beginning	6,501,300	6,501,300	6,501,300	-
Fund Balance - Ending	\$ 6,321,642	\$ 6,321,642	\$ 44,889,849	\$ 38,568,207

SCHEDULE 3

**RAMSEY COUNTY, MINNESOTA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFIT PLAN
December 31, 2018**

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 6,324,679
Interest	10,718,073
Changes of assumptions	(106,839,567)
Benefit payments	(13,694,457)
	<hr/>
Net change in total OPEB liability	\$ (103,491,272)
Total OPEB Liability - Beginning	324,331,394
	<hr/>
Total OPEB Liability - Ending (a)	\$ 220,840,122
	<hr/>
Plan Fiduciary Net Position	
Contributions - employer	\$ 87,836,753
Net investment income	(3,231,657)
Administrative expense	(2,403)
Benefit payments	(13,694,457)
	<hr/>
Net change in plan fiduciary net position	\$ 70,908,236
Total Plan Fiduciary Net Position - Beginning	-
	<hr/>
Total Plan Fiduciary Net Position - Ending (b)	\$ 70,908,236
	<hr/>
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ 149,931,886
	<hr/>
 Plan fiduciary net position as a percentage of the total OPEB liability	 32.11%
 Covered-employee payroll	 \$ 256,509,636
 Net OPEB liability (asset) as a percentage of covered-employee payroll	 58.45%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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

SCHEDULE 4

**RAMSEY COUNTY, MINNESOTA
SCHEDULE OF INVESTMENT RETURNS
OTHER POST-EMPLOYMENT BENEFIT PLAN
December 31, 2018**

	<u>2018</u>
Annual money-weighted rate of return, net of investment expenses	(8.79%)

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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

SCHEDULE 5

**RAMSEY COUNTY, MINNESOTA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2018**

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
2018	3.2466%	\$ 180,108,057	\$ 5,907,700	\$ 186,015,757	\$ 218,182,960	85.26%	79.53%
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 6

**RAMSEY COUNTY, MINNESOTA
SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
DECEMBER 31, 2018**

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)
2018	\$ 16,636,812	\$ 16,636,812	\$ -	\$ 221,824,161	7.50%
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.

The notes to the financial statements are an integral part of these schedules.

SCHEDULE 7

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE RETIREMENT PLAN
DECEMBER 31, 2018

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	1.7846%	\$ 19,021,998	\$ 18,808,728	101.13%	88.84%
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 8

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE RETIREMENT PLAN
DECEMBER 31, 2018

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Actual Contribution as a Percentage of Covered Payroll (b/c)
2018	\$ 3,154,940	\$ 3,154,940	\$ -	\$ 19,474,938	16.20%
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.

The notes to the financial statements are an integral part of these schedules.

SCHEDULE 9

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2018

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	12.4958%	\$ 2,055,184	\$ 25,521,029	8.05%	97.64%
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 10

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF CONTRIBUTIONS
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN
DECEMBER 31, 2018

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Actual Contribution as a Percentage of Covered Payroll (b/c)
2018	\$ 2,311,734	\$ 2,311,734	\$ -	\$ 26,419,815	8.75%
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.

The notes to the financial statements are an integral part of these schedules.

RAMSEY COUNTY, MINNESOTA
Notes to the Required Supplementary Information
December 31, 2018

Budgetary Information

The County Board adopts an annual budget for the General Fund and the Transit and Transportation Improvement Special Revenue 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 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:

	General	Transit and Transportation Improvement
Actual Expenditures – Budgetary Basis	\$ 454,939,044	\$ 6,469,212
Decrease:		
Encumbrances	(9,539,329)	-
Increase:		
Expenditures in 2018 from December 31, 2017	23,947,497	179,658
Expenditures – GAAP Basis	<u>\$ 469,347,212</u>	<u>\$ 6,648,870</u>
Unbudgeted Transfers	\$ 1,873,696	\$ -
Unbudgeted Revenue	(5,924,095)	-
Encumbrances	(9,539,329)	-
Expenditures in 2018 from December 31, 2017 Reserves for Encumbrances	<u>23,947,497</u>	<u>179,658</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>\$ 10,357,769</u>	<u>\$ 179,658</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 service teams 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.

RAMSEY COUNTY, MINNESOTA
Notes to the Required Supplementary Information
December 31, 2018

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 end June 30th:

General Employees Retirement Plan

2018

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

2017

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.00 percent for active member liability, 15 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21,000,000 in calendar years 2017 and 2018 and returns to \$31,000,000 through calendar year 2031. The state's required contribution is \$16,000,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000,000 annually through calendar year 2031.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was also changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Public Employees Police and Fire Plan

2018

- The mortality projection scale was changed from MP-2016 to MP-2017.
- Post-retirement benefit increases changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed effective January 1, 2019 and January 1, 2020 from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019 and January 1, 2020 from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- The 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.
- The assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA has been changed

RAMSEY COUNTY, MINNESOTA
Notes to the Required Supplementary Information
December 31, 2018

to 33 percent for vested members and 2.00 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 table assumed for healthy retirees.
- The assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of married female members was decreased from 65 percent to 60 percent.
- The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064, and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Public Employees Correctional Plan

2018

- The Single Discount Rate was changed from 5.96 percent per annum to 7.50 percent per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50 percent per year to 2.00 percent per year.

2017

- 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 Scale MP-2016).
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA has been changed to 35 percent for vested members and 1.00 percent for non-vested members.
- The single discount rate was changed from 5.31 percent per annum to 5.96 percent per annum.

2016

- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.31 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Other Postemployment Benefits Funding Status

In 2018, Ramsey County implemented Governmental Accounting Standards Board (GASB), Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In 2012, the County established a revocable trust which was converted to an irrevocable trust in 2018, pursuant to Minnesota Statutes Section 471.6175 to prefund a portion of the liability of the plan. The County established the trust

RAMSEY COUNTY, MINNESOTA
Notes to the Required Supplementary Information
December 31, 2018

account in December 2012 through resolution B2012-331. The trust was funded with fund balance from the internal service fund set up for Retiree Insurance.

Actuarially determined contribution rates are calculated as of the December 31, 2018 valuation date, measured at December 31, 2018.

Methods and assumptions used to determine the total OPEB liability:

Actuarial assumptions used are based on County experience and drawn from the Public Employees Retirement Association of Minnesota (PERA) July 1, 2016 Actuarial Valuations. This is deemed appropriate because participants in the County's plan are assumed to be participants in one of the PERA pension plans.

Actuarial cost method	Entry age
Amortization method	5 year straight-line amortization over a closed period
Amortization period	5 years
Asset valuation method	Market value
Inflation	2.5%
Healthcare cost trend rates	Actual premium increase rates for 2018, 6.4% for 2020, decreasing over several decades to an ultimate rate of 4.0% in 2075 and later years. In addition, trend rates were increased to reflect the projected effect of the Affordable Care Act's Excise Tax on high-cost health insurance plans. The additional trend rate adjustments vary, but average 0.36% beginning in 2022 for plans other than Medicare.
Investment rate of return	6.5%
Retirement age	In the 2018 actuarial valuation, expected retirement ages were based on County experience and drawn from the PERA July 1, 2016 Actuarial Valuations
Mortality:	
General employees	Based on Minnesota PERA's actuarial valuation, mortality rates were based on RP-2014 mortality tables with projected mortality improvements based on scale MP-2015, and other adjustments.
Police & Fire and Correctional	Based on Minnesota PERA's actuarial valuation, mortality rates were based on RP-2000 mortality tables with projected mortality improvements based on Scale SS, and other adjustments.

Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2018:

- The discount rate changed from 3.31% to 6.5%.

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, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 23,160,606	\$ 23,160,606	24,577,637	\$ 1,417,031
Intergovernmental	1,075,673	1,075,673	691,670	(384,003)
Investment Earnings	-	-	903,535	903,535
Miscellaneous	1,677,785	1,677,785	-	(1,677,785)
Total Revenues	25,914,064	25,914,064	26,172,842	258,778
EXPENDITURES				
Debt service:				
Bond Issuance Costs	-	232,416	226,315	(6,101)
Principal Retirement	20,395,000	43,829,946	42,510,000	(1,319,946)
Interest	7,920,051	7,852,350	7,222,298	(630,052)
Total Expenditures	28,315,051	51,914,712	49,958,613	(1,956,099)
Excess (Deficiency) of Revenues over (under) Expenditures	(2,400,987)	(26,000,648)	(23,785,771)	2,214,877
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	-	21,466,111	20,030,000	(1,436,111)
Premium on Sale of Bonds	-	-	1,436,111	1,436,111
Transfers In	-	-	540	540
Total Other Financing Sources (Uses)	-	21,466,111	21,466,651	540
Net Change in Fund Balance	(2,400,987)	(4,534,537)	(2,319,120)	2,215,417
Adjustment	577,401	577,401	577,401	-
Fund Balance - Beginning	58,145,792	58,145,792	58,145,792	-
Fund Balance - Ending	\$ 56,322,206	\$ 54,188,656	\$ 56,404,073	\$ 2,215,417

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.

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.

DEBT SERVICE FUND

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 Railroad Authority.

CAPITAL PROJECTS FUND

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 Railroad Authority.

**RAMSEY COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	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	\$ 5,071,972	\$ 15,710,669	\$ 857,135	\$ 1,761,660	\$ 55,906
Petty Cash and Change Funds	1,575	50	-	450	-
Receivables:					
Taxes	116,569	-	-	-	-
Accounts	22,086	1,593,829	-	26,122	-
Accrued Interest	-	-	509,797	-	-
Due from Other Funds	-	20,719	-	-	-
Due from Other Governments	7,848	2,564	290,112	5,631,094	146,549
Notes Receivable	-	4,113,550	-	-	-
Loans Receivable	-	-	8,932,534	-	-
Advance to Other Funds	-	3,056,478	-	-	-
Total Assets	<u>5,220,050</u>	<u>24,497,859</u>	<u>10,589,578</u>	<u>7,419,326</u>	<u>202,455</u>
LIABILITIES					
Salaries Payable	269,014	114,757	9,593	263,413	61,501
Accounts Payable	241,035	524,158	2,640	1,000,064	-
Contracts Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	140,954
Due to Other Governments	7,008	385,725	632,140	41,246	-
Unearned Revenue	119,967	-	-	-	-
Advance from Other Funds	-	-	-	4,500,000	-
Total Liabilities	<u>637,024</u>	<u>1,024,640</u>	<u>644,373</u>	<u>5,804,723</u>	<u>202,455</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows	<u>124,417</u>	<u>21,598</u>	<u>9,222,646</u>	<u>4,933,923</u>	<u>-</u>
FUND BALANCES					
Nonspendable	1,575	50	-	450	-
Restricted	4,457,034	23,451,571	722,559	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(3,319,770)	-
Total Fund Balances	<u>4,458,609</u>	<u>23,451,621</u>	<u>722,559</u>	<u>(3,319,320)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,220,050</u>	<u>\$ 24,497,859</u>	<u>\$ 10,589,578</u>	<u>\$ 7,419,326</u>	<u>\$ 202,455</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
\$ 1,366,742	\$ 14,181,325	\$ 582,682	\$ 919,970	\$ 656,460	\$ 2,224,818
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	10,536	-
-	-	-	-	-	4,031
-	-	-	-	-	-
-	586,857	-	529,304	-	-
-	-	-	-	-	-
-	-	-	-	-	184,771
-	-	-	-	-	-
<u>1,366,742</u>	<u>14,768,182</u>	<u>582,682</u>	<u>1,449,274</u>	<u>666,996</u>	<u>2,413,620</u>
79,430	391,481	-	995	-	-
-	258,907	20,849	9,426	63,630	2,500
-	-	-	-	-	-
-	-	-	-	-	-
-	926,989	-	-	-	-
1,287,312	-	-	-	-	-
-	-	-	-	-	-
<u>1,366,742</u>	<u>1,577,377</u>	<u>20,849</u>	<u>10,421</u>	<u>63,630</u>	<u>2,500</u>
-	71,185	-	255,834	-	184,771
-	-	-	-	-	-
-	-	561,833	915,648	-	2,226,349
-	4,970,701	-	-	314,933	-
-	8,148,919	-	267,371	288,433	-
-	-	-	-	-	-
<u>-</u>	<u>13,119,620</u>	<u>561,833</u>	<u>1,183,019</u>	<u>603,366</u>	<u>2,226,349</u>
<u>\$ 1,366,742</u>	<u>\$ 14,768,182</u>	<u>\$ 582,682</u>	<u>\$ 1,449,274</u>	<u>\$ 666,996</u>	<u>\$ 2,413,620</u>

(Continued)

**RAMSEY COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	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	\$ 861,271	\$ 140,363	\$ 563,722	\$ 11,772	\$ 1,792,855
Petty Cash and Change Funds	-	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Due from Other Funds	-	-	-	-	582,197
Due from Other Governments	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Advance to Other Funds	-	-	-	-	-
Total Assets	<u>861,271</u>	<u>140,363</u>	<u>563,722</u>	<u>11,772</u>	<u>2,375,052</u>
LIABILITIES					
Salaries Payable	-	-	-	-	-
Accounts Payable	2,250	135	1,920	1,099	99,063
Contracts Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-
Total Liabilities	<u>2,250</u>	<u>135</u>	<u>1,920</u>	<u>1,099</u>	<u>99,063</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,197</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	859,021	140,228	561,802	10,673	1,693,792
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>859,021</u>	<u>140,228</u>	<u>561,802</u>	<u>10,673</u>	<u>1,693,792</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 861,271</u>	<u>\$ 140,363</u>	<u>\$ 563,722</u>	<u>\$ 11,772</u>	<u>\$ 2,375,052</u>

STATEMENT 1
(Continued)

Forfeited Property Management Special Revenue Fund	Law Library Special Revenue Fund	Regional Railroad Authority Special Revenue Fund	Regional Railroad Authority Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 1,859,779	\$ 1,901,112	\$ 19,615,982	\$ 21,369,940	\$ 91,506,135
-	20	100	-	2,195
-	-	281,089	-	397,658
4,101,908	146	69,180	-	5,823,807
-	-	-	-	513,828
-	-	-	-	602,916
-	53,783	474	115,307	7,363,892
-	-	-	-	4,113,550
-	-	-	-	9,117,305
-	-	-	-	3,056,478
<u>5,961,687</u>	<u>1,955,061</u>	<u>19,966,825</u>	<u>21,485,247</u>	<u>122,497,764</u>
18,608	11,962	25,130	-	1,245,884
1,996	27,682	949,471	-	3,206,825
-	-	30,519	893,813	924,332
890,977	-	20,719	-	1,052,650
798,290	660	-	-	2,792,058
-	-	-	-	1,407,279
-	-	-	-	4,500,000
<u>1,709,871</u>	<u>40,304</u>	<u>1,025,839</u>	<u>893,813</u>	<u>15,129,028</u>
<u>4,101,908</u>	<u>-</u>	<u>332,818</u>	<u>115,307</u>	<u>19,946,604</u>
-	20	100	-	2,195
149,908	1,914,737	-	-	37,665,155
-	-	-	-	5,285,634
-	-	18,608,068	20,476,127	47,788,918
-	-	-	-	(3,319,770)
<u>149,908</u>	<u>1,914,757</u>	<u>18,608,168</u>	<u>20,476,127</u>	<u>87,422,132</u>
<u>\$ 5,961,687</u>	<u>\$ 1,955,061</u>	<u>\$ 19,966,825</u>	<u>\$ 21,485,247</u>	<u>\$ 122,497,764</u>

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	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	\$ 10,576,771	\$ 975	\$ -	\$ 433,169	\$ -
Licenses and Permits	-	701,420	-	-	-
Intergovernmental	898,109	1,926,585	1,660,077	18,598,373	1,928,596
Private Grants and Donations	-	-	-	-	-
Charges for Services	-	20,605,412	-	73,913	-
Fines and Forfeitures	376,095	-	-	-	-
Sales	80,521	-	-	-	-
Rental Income	143,527	-	-	-	-
Investment Earnings	74,350	340,285	104,620	-	-
Miscellaneous	109,015	83,078	617,419	37,759	-
Total Revenues	<u>12,258,388</u>	<u>23,657,755</u>	<u>2,382,116</u>	<u>19,143,214</u>	<u>1,928,596</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	1,928,596
Public Safety	-	-	-	-	-
Transportation	-	-	-	-	-
Sanitation	-	19,489,734	-	-	-
Health	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	12,141,197	-	-	-	-
Economic Development and Assistance	-	-	2,454,320	17,184,436	-
Capital Projects:					
Transportation	-	-	-	-	-
Total Expenditures	<u>12,141,197</u>	<u>19,489,734</u>	<u>2,454,320</u>	<u>17,184,436</u>	<u>1,928,596</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>117,191</u>	<u>4,168,021</u>	<u>(72,204)</u>	<u>1,958,778</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	(850,000)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(850,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>117,191</u>	<u>3,318,021</u>	<u>(72,204)</u>	<u>1,958,778</u>	<u>-</u>
Fund Balances - Beginning	4,341,418	20,133,600	794,763	(5,278,098)	-
Fund Balances - Ending	<u>\$ 4,458,609</u>	<u>\$ 23,451,621</u>	<u>\$ 722,559</u>	<u>\$ (3,319,320)</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
\$ -	\$ 10,254,890	\$ -	\$ -	\$ -	\$ 756,619
-	-	-	276,882	-	-
2,382,068	689,651	-	-	-	-
-	-	204,544	-	6,155	-
-	6,570,593	-	240,764	187,460	692,056
-	-	-	403,633	-	-
-	-	-	653,903	689,393	-
-	-	-	-	-	-
-	64,780	7,875	4,243	316	2,280
-	33,076	20,243	38,609	455	12,026
<u>2,382,068</u>	<u>17,612,990</u>	<u>232,662</u>	<u>1,618,034</u>	<u>883,779</u>	<u>1,462,981</u>
2,382,068	-	3,985	-	-	1,217,249
-	17,457,400	8,961	1,303,794	1,035,341	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,345	-	-	-
-	-	33,428	-	-	-
-	-	228,491	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,382,068</u>	<u>17,457,400</u>	<u>276,210</u>	<u>1,303,794</u>	<u>1,035,341</u>	<u>1,217,249</u>
<u>-</u>	<u>155,590</u>	<u>(43,548)</u>	<u>314,240</u>	<u>(151,562)</u>	<u>245,732</u>
-	-	-	26,250	-	-
-	-	-	-	-	-
-	-	-	-	-	(1,236,403)
<u>-</u>	<u>-</u>	<u>-</u>	<u>26,250</u>	<u>-</u>	<u>(1,236,403)</u>
<u>-</u>	<u>155,590</u>	<u>(43,548)</u>	<u>340,490</u>	<u>(151,562)</u>	<u>(990,671)</u>
-	12,964,030	605,381	842,529	754,928	3,217,020
<u>\$ -</u>	<u>\$ 13,119,620</u>	<u>\$ 561,833</u>	<u>\$ 1,183,019</u>	<u>\$ 603,366</u>	<u>\$ 2,226,349</u>

(Continued)

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	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	-	-	448,962	-	-
Private Grants and Donations	-	-	-	11,121	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	147,053	-	-	-	-
Sales	-	-	-	-	-
Rental Income	-	-	-	-	-
Investment Earnings	-	-	-	-	-
Miscellaneous	-	4,731	-	-	651,153
Total Revenues	147,053	4,731	448,962	11,121	651,153
EXPENDITURES					
Current:					
General Government	56,357	-	-	-	-
Public Safety	-	-	-	-	-
Transportation	-	-	-	-	-
Sanitation	-	-	-	-	1,135,554
Health	-	3,122	-	-	-
Human Services	-	-	-	14,719	-
Culture and Recreation	-	-	329,373	-	-
Economic Development and Assistance	-	-	-	-	-
Capital Projects:					
Transportation	-	-	-	-	-
Total Expenditures	56,357	3,122	329,373	14,719	1,135,554
Excess (Deficiency) of Revenues Over (Under) Expenditures	90,696	1,609	119,589	(3,598)	(484,401)
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Assets	-	-	-	-	-
Transfers In	-	-	-	-	850,000
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	850,000
Net Change in Fund Balances	90,696	1,609	119,589	(3,598)	365,599
Fund Balances - Beginning	768,325	138,619	442,213	14,271	1,328,193
Fund Balances - Ending	\$ 859,021	\$ 140,228	\$ 561,802	\$ 10,673	\$ 1,693,792

STATEMENT 2
(Continued)

Forfeited Property Management 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
\$ -	\$ -	\$ 10,297,033	\$ -	\$ 12,095,002	\$ 44,414,459
-	-	-	-	-	978,302
-	836	24,341	-	548,567	29,106,165
-	-	-	-	-	221,820
5,058	829,459	-	-	-	29,204,715
-	-	-	-	-	926,781
2,461,865	-	-	-	-	3,885,682
4,400	-	2,388,956	-	-	2,536,883
-	36,101	336,943	-	-	971,793
26,972	1,339	19,592	-	262,471	1,917,938
<u>2,498,295</u>	<u>867,735</u>	<u>13,066,865</u>	<u>-</u>	<u>12,906,040</u>	<u>114,164,538</u>
2,114,607	761,656	-	6,200	-	8,470,718
-	-	-	-	-	19,805,496
-	-	9,956,538	-	5,529,300	15,485,838
-	-	-	-	-	20,625,288
-	-	-	-	-	4,467
-	-	-	-	-	48,147
-	-	-	-	-	12,699,061
-	-	-	-	-	19,638,756
-	-	-	-	2,242,050	2,242,050
<u>2,114,607</u>	<u>761,656</u>	<u>9,956,538</u>	<u>6,200</u>	<u>7,771,350</u>	<u>99,019,821</u>
<u>383,688</u>	<u>106,079</u>	<u>3,110,327</u>	<u>(6,200)</u>	<u>5,134,690</u>	<u>15,144,717</u>
-	-	-	-	-	26,250
-	-	412,012	-	-	1,262,012
(308,780)	-	-	(412,012)	-	(2,807,195)
<u>(308,780)</u>	<u>-</u>	<u>412,012</u>	<u>(412,012)</u>	<u>-</u>	<u>(1,518,933)</u>
74,908	106,079	3,522,339	(418,212)	5,134,690	13,625,784
75,000	1,808,678	15,085,829	418,212	15,341,437	73,796,348
<u>\$ 149,908</u>	<u>\$ 1,914,757</u>	<u>\$ 18,608,168</u>	<u>\$ -</u>	<u>\$ 20,476,127</u>	<u>\$ 87,422,132</u>

SCHEDULE 12

**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, 2018**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 10,554,637	\$ 10,554,637	\$ 10,576,771	\$ 22,134
Intergovernmental	854,123	958,715	898,109	(60,606)
Fines and Forfeitures	500,000	500,000	376,095	(123,905)
Sales	72,500	72,500	80,521	8,021
Rental Income	-	-	143,527	143,527
Investment Earnings	115,000	115,000	74,350	(40,650)
Miscellaneous	-	24,429	109,015	84,586
Total Revenues	<u>12,096,260</u>	<u>12,225,281</u>	<u>12,258,388</u>	<u>33,107</u>
EXPENDITURES				
Current:				
Culture and Recreation	12,321,260	12,450,281	12,414,056	(36,225)
Total Expenditures	<u>12,321,260</u>	<u>12,450,281</u>	<u>12,414,056</u>	<u>(36,225)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(225,000.00)	(225,000.00)	(155,668)	69,332
Adjustment	272,859	272,859	272,859	-
Fund Balance - Beginning	4,341,418	4,341,418	4,341,418	-
Fund Balance - Ending	<u>\$ 4,389,277</u>	<u>\$ 4,389,277</u>	<u>\$ 4,458,609</u>	<u>\$ 69,332</u>

SCHEDULE 13

**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, 2018**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS ON A BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ -	\$ -	\$ 975	\$ 975
Licenses and Permits	730,000	730,000	701,420	(28,580)
Intergovernmental	2,303,055	2,254,667	1,926,585	(328,082)
Charges for Services	19,500,000	19,500,000	20,605,412	1,105,412
Sales	1,000	1,000	-	(1,000)
Investment Earnings	40,000	40,000	340,285	300,285
Miscellaneous	-	-	83,078	83,078
Total Revenues	<u>22,574,055</u>	<u>22,525,667</u>	<u>23,657,755</u>	<u>1,132,088</u>
EXPENDITURES				
Current:				
Sanitation	21,430,570	21,382,182	21,026,487	(355,695)
Total Expenditures	<u>21,430,570</u>	<u>21,382,182</u>	<u>21,026,487</u>	<u>(355,695)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,143,485</u>	<u>1,143,485</u>	<u>2,631,268</u>	<u>1,487,783</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(850,000)</u>	<u>(850,000)</u>	<u>(850,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(850,000)</u>	<u>(850,000)</u>	<u>(850,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>293,485</u>	<u>293,485</u>	<u>1,781,268</u>	<u>1,487,783</u>
Adjustment	1,536,753	1,536,753	1,536,753	-
Fund Balance - Beginning	<u>20,133,600</u>	<u>20,133,600</u>	<u>20,133,600</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 21,963,838</u>	<u>\$ 21,963,838</u>	<u>\$ 23,451,621</u>	<u>\$ 1,487,783</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, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS ON A BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 10,254,890	\$ 10,254,890	\$ 10,254,890	\$ -
Intergovernmental	689,651	689,651	689,651	-
Charges for Services	6,669,133	6,669,133	6,570,593	(98,540)
Investment Earnings	-	-	64,780	64,780
Miscellaneous	-	-	33,076	33,076
Total Revenues	<u>17,613,674</u>	<u>17,613,674</u>	<u>17,612,990</u>	<u>(684)</u>
EXPENDITURES				
Current:				
Public Safety	19,365,799	19,392,103	16,174,228	(3,217,875)
Total Expenditures	<u>19,365,799</u>	<u>19,392,103</u>	<u>16,174,228</u>	<u>(3,217,875)</u>
Net Change in Fund Balance	(1,752,125)	(1,778,429)	1,438,762	3,217,191
Adjustment	(1,283,172)	(1,283,172)	(1,283,172)	-
Fund Balance - Beginning	12,964,030	12,964,030	12,964,030	-
Fund Balance - Ending	<u>\$ 9,928,733</u>	<u>\$ 9,902,429</u>	<u>\$ 13,119,620</u>	<u>\$ 3,217,191</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, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Miscellaneous	\$ 350,000	\$ 350,000	\$ 651,153	\$ 301,153
Total Revenues	350,000	350,000	651,153	301,153
EXPENDITURES				
Current:				
Sanitation	1,200,000	1,200,000	1,086,733	(113,267)
Total Expenditures	1,200,000	1,200,000	1,086,733	(113,267)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(850,000)	(850,000)	(435,580)	414,420
OTHER FINANCING SOURCES (USES)				
Transfers In	850,000	850,000	850,000	-
Total Other Financing Sources (Uses)	850,000	850,000	850,000	-
Net Change in Fund Balance	-	-	414,420	414,420
Adjustment	(48,821)	(48,821)	(48,821)	-
Fund Balance - Beginning	1,328,193	1,328,193	1,328,193	-
Fund Balance - Ending	\$ 1,279,372	\$ 1,279,372	\$ 1,693,792	414,420

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, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Charges for Services	\$ 8,400	\$ 8,400	\$ 5,058	\$ (3,342)
Sales	654,579	854,579	2,461,865	1,607,286
Rental Income	-	-	4,400	4,400
Investment Earnings	1,800	1,800	-	(1,800)
Miscellaneous	-	-	26,972	26,972
Total Revenues	<u>664,779</u>	<u>864,779</u>	<u>2,498,295</u>	<u>1,633,516</u>
EXPENDITURES				
Current:				
General Government	<u>672,974</u>	<u>870,079</u>	<u>777,812</u>	<u>(92,267)</u>
Total Expenditures	<u>672,974</u>	<u>870,079</u>	<u>777,812</u>	<u>(92,267)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,195)</u>	<u>(5,300)</u>	<u>1,720,483</u>	<u>1,725,783</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	5,300	-	(5,300)
Transfers Out	<u>-</u>	<u>-</u>	<u>(308,780)</u>	<u>(308,780)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,300</u>	<u>(308,780)</u>	<u>(314,080)</u>
Net Change in Fund Balance	<u>(8,195)</u>	<u>-</u>	<u>1,411,703</u>	<u>1,411,703</u>
Adjustment	(1,336,795)	(1,336,795)	(1,336,795)	-
Fund Balance - Beginning	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (1,269,990)</u>	<u>\$ (1,261,795)</u>	<u>\$ 149,908</u>	<u>\$ 1,411,703</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, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS ON A BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 9,987,575	\$ 9,987,575	\$ 10,297,033	\$ 309,458
Intergovernmental	300	300	24,341	24,041
Investment Earnings	25,000	25,000	336,943	311,943
Rental Income	2,239,985	2,235,685	2,388,956	153,271
Miscellaneous	240	240	19,592	19,352
Total Revenues	12,253,100	12,248,800	13,066,865	818,065
EXPENDITURES				
Current:				
Transportation	12,048,801	11,849,080	8,261,243	(3,587,837)
Total Expenditures	12,048,801	11,849,080	8,261,243	(3,587,837)
Excess (Deficiency) of Revenues Over (Under) Expenditures	204,299	399,720	4,805,622	4,405,902
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	412,012	412,012
Net Change in Fund Balance	204,299	399,720	5,217,634	4,817,914
Adjustment	(1,695,295)	(1,695,295)	(1,695,295)	-
Fund Balance - Beginning	15,085,829	15,085,829	15,085,829	-
Fund Balance - Ending	\$ 13,594,833	\$ 13,790,254	\$ 18,608,168	\$ 4,817,914

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, 2018

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	\$ 14,623,810	\$ 23,728,485	\$ 204,780	\$ 1,194,155	\$ 4,030,433	\$ 11,471,448	\$ 55,253,111
Petty Cash and Change Funds	75	-	-	-	-	-	75
Accounts Receivable	7,912	41,321	-	108	-	-	49,341
Due from Other Governments	43,763	78,256	15,683	19,277	-	-	156,979
Prepaid Items	898,953	-	-	-	-	-	898,953
Inventories	-	-	-	202,057	-	-	202,057
Restricted Cash and Cash Equivalents	-	1,000	-	-	-	-	1,000
Total Current Assets	<u>15,574,513</u>	<u>23,849,062</u>	<u>220,463</u>	<u>1,415,597</u>	<u>4,030,433</u>	<u>11,471,448</u>	<u>56,561,516</u>
Noncurrent Assets:							
Property Held for Resale	-	467,423	-	-	-	-	467,423
Capital Assets:							
Building Improvements	49,900	8,476,823	-	-	-	-	8,526,723
Improvements Other Than Buildings	111,005	136,077	-	-	-	-	247,082
Machinery and Equipment	8,006,510	641,610	-	23,562,921	-	-	32,211,041
Less Accumulated Depreciation	<u>(6,568,083)</u>	<u>(6,772,887)</u>	<u>-</u>	<u>(11,372,696)</u>	<u>-</u>	<u>-</u>	<u>(24,713,666)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>1,599,332</u>	<u>2,481,623</u>	<u>-</u>	<u>12,190,225</u>	<u>-</u>	<u>-</u>	<u>16,271,180</u>
Total Noncurrent Assets	<u>1,599,332</u>	<u>2,949,046</u>	<u>-</u>	<u>12,190,225</u>	<u>-</u>	<u>-</u>	<u>16,738,603</u>
Total Assets	<u>17,173,845</u>	<u>26,798,108</u>	<u>220,463</u>	<u>13,605,822</u>	<u>4,030,433</u>	<u>11,471,448</u>	<u>73,300,119</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Pension Outflows	896,176	682,373	-	167,722	-	-	1,746,271
Deferred OPEB Outflows	108,823	92,006	-	-	4,058,534	-	4,259,363
Total Deferred Outflows of Resources	<u>1,004,999</u>	<u>774,379</u>	<u>-</u>	<u>167,722</u>	<u>4,058,534</u>	<u>-</u>	<u>6,005,634</u>
LIABILITIES							
Current Liabilities:							
Salaries Payable	314,077	242,686	-	77,273	27,978	-	662,014
Accounts Payable	672,765	2,634,156	15,094	229,280	953,908	3,972,817	8,478,020
Due to Other Governments	8,911	63,470	-	-	-	-	72,381
Vacation and Compensatory Time Payable	521,780	359,210	-	156,074	-	-	1,037,064
Payable from Restricted Assets:							
Customer Deposits Payable	-	1,000	-	-	-	-	1,000
Total Current Liabilities	<u>1,517,533</u>	<u>3,300,522</u>	<u>15,094</u>	<u>462,627</u>	<u>981,886</u>	<u>3,972,817</u>	<u>10,250,479</u>
Noncurrent Liabilities:							
Compensated Absences Payable	404,207	423,680	-	111,310	-	-	939,197
Net Pension Liability	4,431,871	2,892,324	-	1,245,895	-	-	8,570,090
Net OPEB Liability	3,628,088	3,067,423	-	-	135,308,924	-	142,004,435
Total Noncurrent Liabilities	<u>8,464,166</u>	<u>6,383,427</u>	<u>-</u>	<u>1,357,205</u>	<u>135,308,924</u>	<u>-</u>	<u>151,513,722</u>
Total Liabilities	<u>9,981,699</u>	<u>9,683,949</u>	<u>15,094</u>	<u>1,819,832</u>	<u>136,290,810</u>	<u>3,972,817</u>	<u>161,764,201</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Pension Inflows	1,469,163	1,191,766	-	245,966	-	-	2,906,895
Deferred OPEB Inflows	2,096,609	1,772,611	-	-	78,192,693	-	82,061,913
Total Deferred Inflows of Resources	<u>3,565,772</u>	<u>2,964,377</u>	<u>-</u>	<u>245,966</u>	<u>78,192,693</u>	<u>-</u>	<u>84,968,808</u>
NET POSITION							
Net Investment in Capital Assets	1,599,332	2,481,623	-	12,190,225	-	-	16,271,180
Unrestricted	3,032,041	12,442,538	205,369	(482,479)	(206,394,536)	7,498,631	(183,698,436)
Total Net Position	<u>\$ 4,631,373</u>	<u>\$ 14,924,161</u>	<u>\$ 205,369</u>	<u>\$ 11,707,746</u>	<u>\$ (206,394,536)</u>	<u>\$ 7,498,631</u>	<u>\$ (167,427,256)</u>

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

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	\$ 22,173,815	\$ 21,696,927	\$ 103,563	\$ 369,154	\$ 13,466,170	\$ 44,074,167	\$ 101,883,796
Sales	-	1,002	3,472	624,237	-	-	628,711
Rental	-	-	-	104,683	-	-	104,683
Miscellaneous	4,426	629,992	-	7,925	-	-	642,343
Total Operating Revenues	<u>22,178,241</u>	<u>22,327,921</u>	<u>107,035</u>	<u>1,105,999</u>	<u>13,466,170</u>	<u>44,074,167</u>	<u>103,259,533</u>
OPERATING EXPENSES:							
Personal Services	7,135,491	4,553,633	-	2,234,898	-	-	13,924,022
Other Services and Charges	7,806,193	10,995,513	52,238	855,168	-	44,510,921	64,220,033
Supplies	3,848,617	3,957,271	22,644	2,017,358	-	-	9,845,890
Other Postemployment Expenses	-	-	-	-	2,812,986	-	2,812,986
Depreciation	863,929	540,508	-	2,186,930	-	-	3,591,367
Total Operating Expenses	<u>19,654,230</u>	<u>20,046,925</u>	<u>74,882</u>	<u>7,294,354</u>	<u>2,812,986</u>	<u>44,510,921</u>	<u>94,394,298</u>
Operating Income (Loss)	<u>2,524,011</u>	<u>2,280,996</u>	<u>32,153</u>	<u>(6,188,355)</u>	<u>10,653,184</u>	<u>(436,754)</u>	<u>8,865,235</u>
NONOPERATING REVENUES (EXPENSES):							
Intergovernmental Revenue	57,273	27,405	-	8,392	-	-	93,070
Investment Earnings (Loss)	-	-	-	-	63,374	-	63,374
Gain on Sale of Capital Assets	-	6,440	-	369,993	-	-	376,433
Loss on Disposal of Capital Assets	-	(14,261)	-	(1,135)	-	-	(15,396)
Total Nonoperating Revenues (Expenses)	<u>57,273</u>	<u>19,584</u>	<u>-</u>	<u>377,250</u>	<u>63,374</u>	<u>-</u>	<u>517,481</u>
Income Before Contributions and Transfers	<u>2,581,284</u>	<u>2,300,580</u>	<u>32,153</u>	<u>(5,811,105)</u>	<u>10,716,558</u>	<u>(436,754)</u>	<u>9,382,716</u>
Capital Contributions	-	-	-	203,435	-	-	203,435
Transfers In	-	-	-	6,555,946	-	2,389,242	8,945,188
Total Contributions and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,759,381</u>	<u>-</u>	<u>2,389,242</u>	<u>9,148,623</u>
Change in Net Position	<u>2,581,284</u>	<u>2,300,580</u>	<u>32,153</u>	<u>948,276</u>	<u>10,716,558</u>	<u>1,952,488</u>	<u>18,531,339</u>
Net Position - Beginning as restated (Note I. E.)	<u>2,050,089</u>	<u>12,623,581</u>	<u>173,216</u>	<u>10,759,470</u>	<u>(217,111,094)</u>	<u>5,546,143</u>	<u>(185,958,595)</u>
Net Position - Ending	<u>\$ 4,631,373</u>	<u>\$ 14,924,161</u>	<u>\$ 205,369</u>	<u>\$ 11,707,746</u>	<u>\$ (206,394,536)</u>	<u>\$ 7,498,631</u>	<u>\$ (167,427,256)</u>

**RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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	\$ 727,226	\$ 4,473,757	81,327	\$ 1,131,969	\$ -	\$ -	\$ 6,414,279
Receipts from Interfund Services Provided	21,754,371	17,975,776	18,385	-	13,507,810	44,089,988	97,346,330
Payments to Suppliers	(11,193,566)	(11,603,106)	(16,388)	(3,255,803)	(11,508,188)	(44,073,260)	(81,650,311)
Payments to Employees	(9,304,803)	(6,463,655)	-	(2,176,378)	-	-	(17,944,836)
Payments for Interfund Services Used	(540,036)	(3,386,741)	(43,400)	-	(74,519,209)	-	(78,489,386)
Net Cash Provided (Used) for Operating Activities	1,443,192	996,031	39,924	(4,300,212)	(72,519,587)	16,728	(74,323,924)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Intergovernmental Revenue	19,586	6,516	-	-	-	-	26,102
Transfers In	-	-	-	6,555,946	-	2,389,242	8,945,188
Net Cash Provided (Used) for Noncapital Financing Activities	19,586	6,516	-	6,555,946	-	2,389,242	8,971,290
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from the Sale of Capital Assets	-	6,440	-	784,600	-	-	791,040
Purchases of Capital Assets	(1,292,463)	(463,683)	-	(3,783,775)	-	-	(5,539,921)
Net Cash Provided (Used) for Capital and Related Financing Activities	(1,292,463)	(457,243)	-	(2,999,175)	-	-	(4,748,881)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment Earnings (Loss)	-	-	-	-	63,374	-	63,374
Net Cash Provided (Used) for Investing Activities	-	-	-	-	63,374	-	63,374
Net Increase (Decrease) in Cash and Cash Equivalents	170,315	545,304	39,924	(743,441)	(72,456,213)	2,405,970	(70,038,141)
Cash and Cash Equivalents, January 1	14,453,495	23,184,181	164,856	1,937,596	76,486,646	9,065,478	125,292,252
Cash and Cash Equivalents, December 31	14,623,810	23,729,485	204,780	1,194,155	4,030,433	11,471,448	55,254,111
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	2,524,011	2,280,996	32,153	(6,188,355)	10,653,184	(436,754)	8,865,235
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:							
Depreciation Expense	863,929	540,508	-	2,186,930	-	-	3,591,367
Changes in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	68,405	(39,066)	-	18	-	-	29,357
(Increase) Decrease in Due From Other Funds	125,259	-	-	-	41,640	15,821	182,720
(Increase) Decrease in Due From Other Governments	109,693	160,679	(7,323)	25,952	-	-	289,001
(Increase) Decrease in Prepaid Items	(278,383)	-	-	-	-	-	(278,383)
(Increase) Decrease in Inventories	-	-	-	85,711	-	-	85,711
(Increase) Decrease in Deferred Pension Outflows	545,029	471,440	-	242,581	-	-	1,259,050
(Increase) Decrease in Deferred OPEB Outflows	(108,823)	(92,006)	-	-	(4,058,534)	-	(4,259,363)
Increase (Decrease) in Salaries Payable	53,719	76,265	-	15,403	14,978	-	160,365
Increase (Decrease) in Accounts Payable	226,815	(30,218)	15,094	(449,856)	26,653	437,661	226,149
Increase (Decrease) in Due to Other Governments	(27,226)	(6,846)	-	(19,132)	-	-	(53,204)
Increase (Decrease) in Vacation and Compensatory Time Payable	(7,068)	(10,179)	-	21,730	-	-	4,483
Increase (Decrease) in Compensated Absences Payable	35,045	(16,920)	-	25,536	-	-	43,661
Increase (Decrease) in Net Pension Liability	(976,119)	(984,728)	-	(217,373)	-	-	(2,178,220)
Increase (Decrease) in Net OPEB Liability Payable	(4,220,161)	(3,568,000)	-	-	(157,390,201)	-	(165,178,362)
Increase (Decrease) in Deferred Pension Inflows	412,458	441,495	-	(29,357)	-	-	824,596
Increase (Decrease) in Deferred OPEB Inflows	2,096,609	1,772,611	-	-	78,192,693	-	82,061,913
Net Cash Provided (Used) by Operating Activities	1,443,192	996,031	39,924	(4,300,212)	(72,519,587)	16,728	(74,323,924)
Schedule of non-cash capital and related activities:							
Contribution of Capital Assets	-	-	-	203,435	-	-	203,435
Net book value of capital assets disposed	-	-	-	-	-	-	-
Machinery and Equipment	-	14,261	-	415,741	-	-	430,002

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, 2018

	<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	\$ 489,474	\$ 58,996	\$ 46,966	\$ 595,436
Petty Cash and Change Funds	-	5,275	3,000	8,275
Total Assets	<u>489,474</u>	<u>64,271</u>	<u>49,966</u>	<u>603,711</u>
LIABILITIES				
Custodial Payable	<u>-</u>	<u>70</u>	<u>1,658</u>	<u>1,728</u>
NET POSITION				
Held in Trust for Private Purposes	<u>\$ 489,474</u>	<u>\$ 64,201</u>	<u>\$ 48,308</u>	<u>\$ 601,983</u>

STATEMENT 7

RAMSEY COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<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	\$ 174,416	\$ 135,006	\$ 159,114	\$ 468,536
Investment Earnings	-	-	911	911
Total Additions	<u>174,416</u>	<u>135,006</u>	<u>160,025</u>	<u>469,447</u>
DEDUCTIONS				
Payments to Clients or on Behalf of Clients	<u>10,460</u>	<u>129,401</u>	<u>157,260</u>	<u>297,121</u>
Change in Net Position	163,956	5,605	2,765	172,326
Net Position - Beginning	<u>325,518</u>	<u>58,596</u>	<u>45,543</u>	<u>429,657</u>
Net Position - Ending	<u><u>\$ 489,474</u></u>	<u><u>\$ 64,201</u></u>	<u><u>\$ 48,308</u></u>	<u><u>\$ 601,983</u></u>

RAMSEY COUNTY, MINNESOTA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
ASSETS				
Cash and Cash Equivalents	\$ 64,098,810	\$ 1,350,603,160	\$ 1,366,153,467	\$ 48,548,503
Receivables:				
Accounts	4,207,170	3,283,602	5,170,137	2,320,635
Due from Other Governments	54,035	1,206,704	406,102	854,637
	<u>\$ 68,360,015</u>	<u>\$ 1,355,093,466</u>	<u>\$ 1,371,729,706</u>	<u>\$ 51,723,775</u>
Total Assets	<u>\$ 68,360,015</u>	<u>\$ 1,355,093,466</u>	<u>\$ 1,371,729,706</u>	<u>\$ 51,723,775</u>
LIABILITIES				
Custodial Payable	\$ 25,848,388	706,553,007	705,432,341	\$ 26,969,054
Due to Other Governments	42,511,627	648,540,459	666,297,365	24,754,721
	<u>\$ 68,360,015</u>	<u>\$ 1,355,093,466</u>	<u>\$ 1,371,729,706</u>	<u>\$ 51,723,775</u>
Total Liabilities	<u>\$ 68,360,015</u>	<u>\$ 1,355,093,466</u>	<u>\$ 1,371,729,706</u>	<u>\$ 51,723,775</u>

SUPPLEMENTARY
SCHEDULES

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund	Special Revenue Funds						Emergency Communication:
		County Library	Solid Waste/ Recycling Service Fee	Housing and Redevelopment Authority	Workforce Solutions	State Funding For Courts	State Public Defender	
Shared Revenue and Appropriations:								
State-								
Highway Users Tax	\$ 9,511,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aquatic Invasive Species	97,537	-	-	-	-	-	-	-
Market Value Homestead Credit	370	-	-	-	-	-	-	-
Disparity Reduction Aid	256,515	4,376	-	-	-	-	-	-
County Program Aid	16,673,994	599,063	-	-	-	-	-	-
Police Aid	1,448,529	-	-	-	-	-	-	-
Enhanced 911	-	-	-	-	-	-	-	689,651
Out of Home Placement Aid	195,165	-	-	-	-	-	-	-
PERA Rate Increase Aid	712,439	21,652	3,718	824	9,372	7,870	9,182	-
Local Performance Aid	25,000	-	-	-	-	-	-	-
PERA Pension Contribution	1,218,563	-	-	-	-	-	-	-
Total Shared Revenue	30,139,689	625,091	3,718	824	9,372	7,870	9,182	689,651
Reimbursement for Services:								
State-								
Minnesota Department of Human Services	17,549,728	-	-	-	-	-	-	-
Total Reimbursement for Services	17,549,728	-	-	-	-	-	-	-
Grants:								
State-								
Minnesota Department of Agriculture	5,903	-	-	-	-	-	-	-
Board of Water and Soil Resources	142,108	-	-	-	-	-	-	-
Commerce	306,383	-	-	-	-	-	-	-
Education	1,386	6,457	-	-	-	-	-	-
Public Safety	597,366	-	-	-	-	-	-	-
Health	4,172,495	-	-	-	-	-	-	-
Natural Resources	340,988	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Corrections	11,018,972	-	-	-	-	-	-	-
Human Services	34,845,170	-	-	-	1,958,872	-	-	-
Secretary of State	319,578	-	-	-	-	-	-	-
Veteran Affairs	22,500	-	-	-	-	-	-	-
Housing Finance	1,589,288	-	-	-	-	-	-	-
Employment & Economic Development	-	-	-	-	1,663,617	-	-	-
Pollution Control	-	-	1,922,867	-	-	-	-	-
Trial Courts	-	-	-	-	-	1,920,726	-	-
Public Defense Board	-	-	-	-	-	-	2,372,886	-
Miscellaneous Boards	218,998	-	-	-	-	-	-	-
Total State	53,581,135	6,457	1,922,867	-	3,622,489	1,920,726	2,372,886	-
Federal-								
Department of Agriculture	9,374,778	-	-	-	386,808	-	-	-
Housing and Urban Development	491,640	-	-	1,659,253	-	-	-	-
Justice	577,649	-	-	-	-	-	-	-
Labor	-	-	-	-	1,571,924	-	-	-
Transportation	444,587	-	-	-	-	-	-	-
Education	-	20,868	-	-	-	-	-	-
Election Assistance	198,630	-	-	-	-	-	-	-
Health and Human Services	59,601,897	-	-	-	12,947,806	-	-	-
Homeland Security	663,424	-	-	-	-	-	-	-
Total Federal	71,352,605	20,868	-	1,659,253	14,906,538	-	-	-
Local	3,686,397	245,222	-	-	59,974	-	-	-
Total Grants	128,620,137	272,547	1,922,867	1,659,253	18,589,001	1,920,726	2,372,886	-
Build America Bonds Interest Subsidy	92,416	-	-	-	-	-	-	-
Excess Tax Increment	1,004,260	-	-	-	-	-	-	-
Payments in lieu of taxes	401,898	471	-	-	-	-	-	-
Total Intergovernmental Revenue	\$ 177,808,128	\$ 898,109	\$ 1,926,585	\$ 1,660,077	\$ 18,598,373	\$ 1,928,596	\$ 2,382,068	\$ 689,651

Special Revenue Funds				Regional Railroad						
Regional Railroad Authority	Parks and Recreation	Transit and Transportation Improvement	Law Library	Debt Service Fund	Authority Capital Projects Fund	Capital Projects Fund	Enterprise Funds	Internal Service Funds	Total All Funds	
\$ -	\$ -	\$ -	\$ -	\$ 255,858	\$ -	\$ 16,366,043	\$ -	\$ -	\$ 26,133,478	
-	-	-	-	-	-	-	-	-	97,537	
13	-	-	-	-	-	-	-	-	383	
-	-	-	-	1,163	-	-	-	-	262,054	
-	-	-	-	203,806	-	-	-	-	17,476,863	
-	-	-	-	-	-	-	342,966	-	1,791,495	
-	-	-	-	-	-	-	-	-	689,651	
-	-	-	-	-	-	-	-	-	195,165	
-	-	-	836	-	-	-	54,292	26,102	846,287	
-	-	-	-	-	-	-	-	-	25,000	
-	-	-	-	-	-	-	92,133	66,968	1,377,664	
13	-	-	836	460,827	-	16,366,043	489,391	93,070	48,895,577	
-	-	-	-	-	-	-	-	-	17,549,728	
-	-	-	-	-	-	-	-	-	17,549,728	
-	-	-	-	-	-	-	-	-	5,903	
-	-	-	-	-	-	-	-	-	142,108	
-	-	-	-	-	-	-	-	-	306,383	
-	-	-	-	-	-	-	-	-	7,843	
-	-	-	-	-	-	-	-	-	597,366	
-	-	-	-	-	-	-	-	-	4,172,495	
-	-	-	-	-	-	-	-	-	340,988	
-	-	-	-	-	485,409	8,770,684	-	-	9,256,093	
-	-	-	-	-	-	-	-	-	11,018,972	
-	-	-	-	-	-	-	-	-	36,804,042	
-	-	-	-	-	-	-	-	-	319,578	
-	-	-	-	-	-	-	-	-	22,500	
-	-	-	-	-	-	-	-	-	1,589,288	
-	-	-	-	-	-	-	-	-	1,663,617	
-	-	-	-	-	-	-	-	-	1,922,867	
-	-	-	-	-	-	-	-	-	1,920,726	
-	-	-	-	-	-	-	-	-	2,372,886	
-	-	-	-	-	-	-	-	-	218,998	
-	-	-	-	-	485,409	8,770,684	-	-	72,682,653	
-	-	-	-	-	-	-	-	-	9,761,586	
-	-	-	-	-	-	-	-	-	2,150,893	
-	-	-	-	-	-	-	-	-	577,649	
-	-	-	-	-	-	-	-	-	1,571,924	
-	-	-	-	-	63,158	2,850,779	-	-	3,358,524	
-	-	-	-	-	-	-	-	-	20,868	
-	-	-	-	-	-	-	-	-	198,630	
-	-	-	-	-	-	-	-	-	72,549,703	
-	-	-	-	-	-	-	-	-	663,424	
-	-	-	-	-	63,158	2,850,779	-	-	90,853,201	
4,511	448,962	1,560,535	-	-	-	505,619	-	-	6,511,220	
4,511	448,962	1,560,535	-	-	548,567	12,127,082	-	-	170,047,074	
-	-	-	-	211,765	-	-	-	-	304,181	
-	-	-	-	-	-	-	-	-	1,004,260	
19,817	-	-	-	19,078	-	-	-	-	441,264	
\$ 24,341	\$ 448,962	\$ 1,560,535	\$ 836	\$ 691,670	\$ 548,567	\$ 28,493,125	\$ 489,391	\$ 93,070	\$ 238,242,084	

RAMSEY COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

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	\$ 23,354	
National School Lunch Program	10.555	ED-02381-01E	44,113	
Passed Through Minnesota Department of Health:				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	32573	3,189,565	
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	12-700-000093	128,293	
Total CFDA # 10.557			<u>3,317,858</u>	
Passed Through Minnesota Department of Human Services:				
<i>SNAP Cluster</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	182MN101S2520	21,253	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	182MN101S2514	5,989,453	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	178MN127Q7503	365,555	
Total CFDA # 10.561			<u>6,376,261</u>	
Total Department of Agriculture			<u>9,761,586</u>	<u>-</u>
Department of Housing and Urban Development				
Direct				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218		1,302,581	695,374
Continuum of Care Program	14.267		95,668	
Passed Through Dakota County Community Development Agency				
Home Investment Partnerships Program	14.239	M17DC270203	646,784	
Passed Through Hennepin County, Minnesota:				
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	MNLHD0279-15	277,522	
Passed Through the City of St. Paul, Minnesota:				
Lead Hazard Reduction Demonstration Grant Program	14.905	None Provided	191,408	
Total Department of Housing and Urban Development			<u>2,513,963</u>	<u>695,374</u>
Department of Justice				
Direct				
State Criminal Alien Assistance Program	16.606		143,834	
Passed Through Minnesota Department of Public Safety:				
Crime Victim Assistance	16.575	A-CVS-2018-RAMSEYAO-00070	167,803	
Crime Victim Assistance	16.575	A-CVS-2017-RAMS-SOS-00058	204,577	
Total CFDA # 16.575			<u>372,380</u>	<u>-</u>
Violence Against Women Formula Grants	16.588	A-SMART-2017-RAMS-SOS-00009	12,581	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	A-JAG-2017-RAMSEYCC-00046	192,688	
Total Department of Justice			<u>721,483</u>	<u>-</u>
Department of Labor				
Passed Through Minnesota Department of Employment and Economic Development:				
<i>WIA Cluster</i>				
WIA - Adult Programs	17.258	6153100	50,654	
WIA - Adult Programs	17.258	7153100	504,146	
WIA - Adult Programs	17.258	8153100	71,948	
Total CFDA #17.258			<u>626,748</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, 2018

Federal Grantor Pass Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Number	Expenditures	Passed Through to Subrecipients
WIA Youth Activities	17.259	6153600	11,125	
WIA Youth Activities	17.259	7153600	387,554	
Total CFDA #17.259			398,679	-
WIA Dislocated Worker Formula Grants	17.278	6158000	117,252	
WIA Dislocated Worker Formula Grants	17.278	7158000	335,246	
WIA Dislocated Worker Formula Grants	17.278	8158000	123,766	
Total CFDA #17.278			576,264	-
Workforce Investment Act (WIA) National Emergency Grants	17.277	5157200	45,168	
Total Department of Labor			1,646,859	-
Department of Transportation				
Passed Through Minnesota Department of Transportation: <i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction	20.205	SP 31-595-023	2,850,779	
High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants	20.319	9871	63,158	
Passed Through Minnesota Department of Public Safety: <i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	A-ENFRC17-2017-RAMSEYSD-016	95,588	
National Priority Safety Programs	20.616	A-ENFRC17-2017-RAMSEYSD-016	93,462	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC17-2017-RAMSEYSD-016	255,537	
Total Department of Transportation			3,358,524	-
Institute of Museum and Library Services				
Passed Through Minnesota Department of Education:				
Grants to States	45.310	LS-00-17-0024-17	28,716	
Total Institute of Museum and Library Services			28,716	-
Department of Health and Human Services				
Direct				
Family Planning - Services	93.217		366,354	
Passed Through Minnesota Department of Human Services:				
Guardianship Assistance	93.090	1801MNGARD	95,705	
Promoting Safe and Stable Families	93.556	G-1701MNFPS	166,615	7,655
<i>TANF Cluster</i>				
Temporary Assistance for Needy Families	93.558	1801MNTANF	14,988,773	6,284,093
Total CFDA # 93.558 \$16,015,807				
Child Support Enforcement	93.563	1804MNCSES	11,880,408	
Child Support Enforcement	93.563	1804MNCENT	1,145,408	
Total CFDA# 93.563			13,025,816	
Refugee and Entrant Assistance - State Administered Programs	93.566	1801MNCMA	5,603	
Community-Based Child Abuse Prevention Grants	93.590	G-1702MNFPRG	203,900	
<i>CCDF Cluster</i>				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G-1801MNCDCF	1,164,175	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1701MNCWSS	101,291	
Foster Care - Title IV-E	93.658	1801MNFOT	5,649,501	
Adoption Assistance	93.659	1801MNAOPT	491,132	
Social Services Block Grant	93.667	G-1801MNSOSR	3,634,007	
Child Abuse and Neglect State Grants	93.669	G-1801MNCAN	3,283	
Chafee Foster Care Independence Program	93.674	G-1801MNCILP	20,763	
Children's Health Insurance Program	93.767	1805MNSR21	804	

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, 2018

Federal Grantor Pass Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Number	Expenditures	Passed Through to Subrecipients
<i>Medicaid Cluster</i>				
Medical Assistance Program	93.778	1805MN5ADM	22,451,201	
Medical Assistance Program - Mental Health Targeted Case Management in Certified	93.778	Not Provided	4,284,791	
Medical Assistance Program	93.778	1805MN5MAP	52,931	
Total CFDA # 93.778 for Medical Assistance Program			26,788,923	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2B08TIO10027-17	850,480	
Passed Through Minnesota Department of Health:				
Public Health Emergency Preparedness	93.069	CFC-RFA-TP12-12010302SUPP15	88,905	
Public Health Emergency Preparedness	93.069	NU90TP921911-01-00	241,708	
Total CFDA # 93.069			330,613	
Project Grants and Cooperative Agreement for Tuberculosis Control Programs	93.116	U52PS004701-03	22,000	
Affordable Care Act (ACA) Abstinence Education Program	93.235	12-700-00093	209,846	
Universal Newborn Hearing Screening	93.251	H61MC00035-16-02	43,913	
Immunization Cooperative Agreements	93.268	67543	156,446	
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	68583	9,500	
<i>TANF Cluster</i>				
Temporary Assistance for Needy Families	93.558	1801MNTANF	1,027,034	15,750
Total CFDA # 93.558 \$16,015,807				
Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	93.753	39278	15,000	
<i>Maternal, Infant, and Early Childhood Home Visiting Cluster</i>				
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	118110	1,585,003	
HIV Care Formula Grants	93.917	Not Provided	4,086	
HIV Prevention Activities - Health Department Based	93.940	38884	132,099	
Maternal and Child Health Services Block Grant to the States	93.994	86857	860,374	
Passed Through Wayside Recovery Opioid STR	93.788	None Provided	4,167	
Total Department of Health and Human Services			71,957,206	6,307,498
Executive Office of the President				
Direct High Intensity Drug Trafficking Areas Program	95.001		198,630	
Total Executive Office of the President			198,630	-
Department of Homeland Security				
Passed Through Minnesota Department of Public Safety:				
Emergency Management Performance Grants	97.042	F-EMPG-2017-RAMSEYCO-064	197,537	
Homeland Security Grant Program	97.067	A-UASI-2017-RAMSEYCO-0009	440,784	87,333
Passed Through Minnesota Department of Natural Resources:				
Boating Safety Financial Assistance	97.012	R29G40CGFFY16	25,103	
Total Department of Homeland Security			663,424	87,333
Total Federal Awards			90,850,391	7,090,205
Totals by Cluster				
Total expenditures for Child Nutrition Cluster			67,467	
Total expenditures for SNAP Cluster			6,376,261	
Total expenditures for CDBG - Entitlement Grants Cluster			1,302,581	
Total expenditures for WIA Cluster			1,601,691	
Total expenditures for Highway Planning and Construction Cluster			2,850,779	
Total expenditures for Highway Safety Cluster			189,050	
Total expenditures for TANF Cluster			16,015,807	
Total expenditures for CCDF Cluster			1,164,175	
Total expenditures for Medicaid Cluster			26,788,923	
Total expenditures for Maternal, Infant, and Early Childhood Home Visiting Cluster			1,585,003	

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, 2018

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, 2018. 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, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the 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.

RAMSEY COUNTY, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 90,853,201
Grants received more than 60 days after year-end, deferred in 2018	
Promoting Safe and Stable Families	59,512
Stephanie Tubbs Jones Child Welfare Services Program	45,190
Community Based Child Abuse Prevention Grants	50,975
Block Grants for Prevention and Treatment of Substance Abuse	69,913
Chafee Foster Care Independence Program	4,777
Lead-Based Paint Hazardous Control in Privately-Owned Housing	72,958
Temporary Assistance for Needy Families	4,194,859
Workforce Investment Act (WIA) - Adult Program	41,122
Workforce Investment Act (WIA) - Dislocated Worker Formula Grants	33,813
State Criminal Alien Assistance Program	255,834
Grants to States	7,848
Community Development Block Grants/Entitlement Grants	16,112
HOME Investment Partnerships Program	274,000
Grants deferred in 2017, recognized as revenue in 2018	
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	(4,887,608)
State Criminal Alien Assistance Program	(112,000)
Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 90,850,391</u>

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.

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TABLE I

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

(accrual basis of accounting)

	Fiscal Year									
	<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>	<u>2018</u>
		*		**			***	****	*****	
Governmental activities										
Net Investment in Capital Assets	\$ 490,694,178	\$ 504,493,994	\$ 594,662,081	\$ 610,410,904	\$ 621,216,506	\$ 615,919,275	\$ 637,343,653	\$ 665,370,476	\$ 672,402,507	676,647,005
Restricted	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	172,934,163
Unrestricted	213,847,774	203,149,528	158,982,129	210,455,168	229,002,705	250,775,590	107,388,288	30,217,027	(138,493,173)	(97,859,006)
Total governmental activities net position	769,193,975	792,754,206	874,314,846	928,974,241	950,023,425	960,358,103	810,845,506	823,402,341	650,735,937	751,722,162
Business-type activities										
Net Investment in Capital Assets	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	11,926,626
Unrestricted	(3,562,112)	(4,978,946)	(6,808,206)	(7,281,627)	(7,420,821)	(17,458,763)	(25,379,353)	(26,961,852)	(39,392,396)	(34,214,061)
Total business-type activities net position	262,618	(1,576,641)	(3,407,928)	(3,937,685)	(4,051,495)	(4,601,247)	(13,030,004)	(14,623,953)	(27,217,731)	(22,287,435)
Primary government										
Net Investment in Capital Assets	494,518,908	507,896,299	598,062,359	613,754,846	624,585,832	628,776,791	649,693,002	677,708,375	684,577,172	688,573,631
Restricted	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	172,934,163
Unrestricted	210,285,662	198,170,582	152,173,923	203,173,541	221,581,884	233,316,827	82,008,935	3,255,175	(177,885,569)	(132,073,067)
Total primary government net position	\$ 769,456,593	\$ 791,177,565	\$ 870,906,918	\$ 925,036,556	\$ 945,971,930	\$ 955,756,856	\$ 797,815,502	\$ 808,778,388	\$ 623,518,206	\$ 729,434,727

* 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.

***** 2017 Governmental and Business type activities were restated due to implementation of GASB 75. In addition the Governmental activities were adjusted for a prior period adjustment.

TABLE II

RAMSEY COUNTY, MINNESOTA
CHANGES IN NET POSITION
LAST TEN YEARS

(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 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	\$ 125,813,744
Public safety	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	145,625,968
Transportation	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	59,996,674
Sanitation	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	20,692,584
Health	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	27,950,169
Human services	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	174,022,357
Culture and recreation	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	31,159,845
Conservation of natural resources	309,757	363,667	272,732	333,639	319,019	318,442	300,474	246,518	8,733	874,211
Economic development and assistance	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	19,513,477
Interest	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	5,529,558
Total governmental activities expenses	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	611,178,587
Business-type activities:										
Lake Owasso Residence	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	8,125,845
Ramsey County Care Center	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	14,951,449
Ponds at Battle Creek	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	1,348,616
Law Enforcement Services	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	8,770,220
Total business-type activities expenses	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	33,196,130
Total primary government expenses	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	644,374,717
Program Revenues										
Governmental activities:										
Charges for Services										
General government	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	26,268,193
Public safety	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	18,004,676
Transportation	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	3,029,979
Sanitation	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	22,053,294
Health	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	6,174,389
Human services	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	9,521,993
Culture and recreation	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	7,365,433
Conservation of natural resources	391	2,770	-	-	-	4,098	-	-	-	784,010
Economic development and assistance	196,245	1,814,382	127,048	367,361	1,674,251	784,359	859,614	910,671	1,003,228	1,527,828
Operating grants and contributions:										
General government	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	21,822,942
Public safety	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	15,462,188
Transportation	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	24,826,339
Sanitation	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	1,926,585
Health	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	15,496,305
Human services	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	99,745,195
Culture and recreation	1,069,749	1,212,152	1,706,435	2,430,124	1,770,880	2,645,594	4,004,982	4,877,500	3,690,613	2,582,823
Conservation of natural resources	-	-	-	-	-	-	-	-	-	540,494
Economic development and assistance	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	19,708,625
Capital grants and contributions:										
Public safety	-	600,000	-	-	-	-	-	-	-	-
Transportation	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	2,850,779
Health	-	-	-	10,300,000	-	-	-	-	-	-
Culture and recreation	457,952	2,863,537	2,892,676	2,263,168	1,200,863	-	-	-	-	-
Total governmental activities program revenues	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	299,692,070

Unaudited

TABLE II
(Continued)

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

(accrual basis of accounting)

	<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>	<u>2018</u>
Business-type activities:										
Charges for Services										
Lake Owasso Residence	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	8,646,944
Ramsey County Care Center	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	16,883,706
Ponds at Battle Creek	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	1,711,800
Law Enforcement Services	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	8,527,694
Operating grants and contributions:										
Lake Owasso Residence	24,607	19,968	19,968	19,968	19,968	19,968	19,968	19,968	19,968	19,968
Ramsey County Care Center	51,619	33,778	33,778	33,778	33,778	33,778	33,778	33,778	33,778	33,778
Law Enforcement Services	286,049	273,109	274,446	243,125	256,555	335,206	250,546	250,546	378,838	343,512
Capital grants and contributions:										
Lake Owasso Residence	20,713	-	-	-	-	-	-	-	-	-
Ramsey County Care Center	336,680	-	-	-	-	-	176,099	-	-	-
Ponds at Battle Creek	-	-	-	-	30,290	-	-	-	-	-
Vadnais Sports Center	-	-	-	-	-	-	-	-	-	550
Total business-type activities program revenues	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	36,167,952
Total primary government program revenues	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	335,860,022
Net (Expense)/Revenue										
Governmental activities	(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)	(311,486,517)
Business-type activities	(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)	2,971,822
Total primary government net expense	(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)	(308,514,695)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	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	328,410,636
Wheelage taxes	-	-	-	-	-	3,883,855	4,184,673	4,133,227	4,168,005	8,282,277
Transportation sales and use tax	-	-	-	-	-	-	-	-	-	43,476,884
Grants and contributions not restricted to specific programs	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	22,841,846
Investment earnings (loss)	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	10,920,165
Gain on disposal/sale of capital assets	641,094	292,520	391,791	-	106,211	383,780	239,872	12,168	183,066	361,037
Special item - capital lease forgiveness	-	-	2,279,995	-	-	-	-	-	-	-
Transfers	(630,853)	(627,228)	(830,853)	(1,965,784)	(2,581,487)	(2,327,492)	(5,381,751)	(2,755,419)	(2,626,527)	(1,820,103)
Total governmental activities	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	412,472,742
Business-type activities:										
Grants and contributions not restricted to specific programs	-	-	-	*	-	-	-	69,592	5,287	92,133
Investment earnings	46,616	26,393	106,454	41,112	39,366	31,545	43,520	82,355	90,215	23,084
Gain on disposal/sale of capital assets	6,735	13,474	13,000	8,261	13,818	36,862	(30,674)	26,575	1,429	23,154
Transfers	630,853	627,228	830,853	1,965,784	2,581,487	2,327,492	5,381,751	2,755,419	2,626,527	1,820,103
Total business-type activities	684,204	667,095	950,307	2,015,157	2,634,671	2,395,899	5,394,597	2,933,941	2,723,458	1,958,474
Total primary government	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	414,431,216
Change in Net Position										
Governmental activities	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	100,986,225
Business-type activities	(213,540)	(1,839,259)	(1,831,287)	(529,757)	(113,810)	(549,752)	2,684,457	(1,593,949)	(1,240,469)	4,930,296
Total primary government	\$ 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	\$ 105,916,521

* 2012 Business Activities charges for services were restated.

TABLE III

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

(modified accrual basis of accounting)

	<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>	<u>2018</u>
General Fund										
Reserved	\$ 30,847,253	\$ 37,133,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Designated	142,877,033	141,856,001	-	-	-	-	-	-	-	-
Undesignated	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	14,912,023
Restricted	-	-	155,244	166,478	175,122	183,534	192,399	3,446,383	4,310,129	5,211,009
Committed	-	-	3,819,936	7,321,209	2,042,509	1,693,743	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	42,669,019
Unassigned	-	-	68,873,130	63,002,311	73,349,901	79,564,043	178,868,624	189,192,643	182,708,988	190,310,844
Total General Fund	<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>	<u>254,796,638</u>
All Other Governmental Funds										
Reserved	63,324,828	68,136,405	-	-	-	-	-	-	-	-
Unreserved										
Designated										
Special revenue funds	47,507,530	14,968,937	-	-	-	-	-	-	-	-
Capital projects fund	-	(15,620,875)	-	-	-	-	-	-	-	-
Undesignated										
Special revenue funds	4,788,605	46,749,281	-	-	-	-	-	-	-	-
Capital projects fund	300,138	3,619,867	-	-	-	-	-	-	-	-
Nonspendable	-	-	184,746	191,986	199,071	7,892	5,141	2,195	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	167,723,154
Committed	-	-	319,835	3,709,807	4,964,496	30,497,112	38,953,862	29,390,586	21,820,461	39,644,016
Assigned	-	-	18,877,749	20,860,177	13,422,547	17,084,241	21,605,109	29,156,814	39,195,099	47,788,918
Unassigned	-	-	-	-	(3,266,335)	-	4,618,069	(144,202)	(5,278,548)	(3,319,770)
Total all other governmental funds	<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>	<u>\$ 251,838,513</u>

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

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

TABLE IV

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

(modified accrual basis of accounting)

	<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>	<u>2018</u>
Revenues										
Property taxes	\$ 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	\$ 336,623,015
Transportation Sales and Use tax	-	-	-	-	-	-	-	-	-	43,476,884
Licenses and permits	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	2,173,553
Intergovernmental	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	237,659,623
Private grants and donations	877,888	836,528	844,288	600,814	476,655	377,992	895,221	459,225	447,401	857,597
Charges for services	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	71,905,977
Fines and forfeitures	923,872	807,505	951,329	1,073,697	884,816	1,070,054	1,098,169	930,690	742,084	926,781
Sales	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	4,771,930
Rental income	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	3,441,444
Investment earnings	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	10,345,027
Program recoveries	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	2,206,337
Miscellaneous	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	11,410,384
Total revenues	<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>	<u>725,798,552</u>
Expenditures										
General government	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	107,961,283
Public safety	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	142,087,983
Transportation	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	37,769,929
Sanitation	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	20,625,288
Health	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	37,188,201
Human services	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	181,372,847
Culture and recreation	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	24,766,950
Conservation of natural resources	50,943	52,899	44,626	42,286	39,225	42,133	43,352	32,929	43,037	888,660
Economic development and assistance	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	19,670,406
Capital outlay	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	35,680,983
Debt service:										
Bond issuance costs	171,873	296,715	390,268	390,598	352,841	298,047	169,555	472,717	-	303,858
Principal	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	41,815,000
Payment to refunded bond escrow agent	-	-	-	42,080,000	-	-	-	-	-	-
Interest	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	7,339,897
Total expenditures	<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>	<u>657,471,285</u>
Excess of revenues over (under) expenditures	<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>	<u>68,327,267</u>
Other Financing Sources (Uses):										
Bonds Issued	22,050,000	16,500,000	18,500,000	18,500,000	34,700,000	12,800,000	17,945,000	23,335,000	-	11,200,000
Loans Issued	-	-	-	20,000,000	-	-	-	-	-	-
Discount/premium on bonds	66,911	508,367	7,408,586	5,065,614	2,718,398	1,236,900	1,426,885	3,218,999	-	2,245,755
Proceeds from Sale of Assets	-	-	497,594	-	-	383,780	288,799	12,168	52,336	26,250
Refunding Bonds Issued	-	6,950,000	35,975,000	16,340,000	-	12,550,000	-	13,505,000	-	20,030,000
Redemption of refunded bonds	-	(7,390,000)	-	-	-	-	-	-	-	-
Transfers in	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	20,087,202
Transfers out	(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)	(30,852,493)
Total other financing sources (uses)	<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>	<u>22,736,714</u>
Special Item:										
Capital Lease Forgiveness	-	-	2,279,995	-	-	-	-	-	-	-
Net change in fund balances	<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>	<u>\$ 91,063,981</u>
Debt service as a percentage of noncapital expenditures	6.97%	4.17%	4.47%	5.76%	7.61%	6.76%	5.31%	6.08%	6.36%	7.63%

* Capital outlay amounts were reclassified.

TABLE V

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

PAYABLE FISCAL PERIOD	REAL ESTATE			PERSONAL PROPERTY			NET	LESS	TOTAL			PERCENT OF
	RESIDENTIAL	COMMERCIAL INDUSTRIAL	NET TAX CAPACITY	TAXABLE	NET TAX	TAXABLE	FISCAL	TAX INCREMENT	NET TAX	TOTAL	TAXABLE	TAXABLE
				MARKET VALUE	CAPACITY	MARKET VALUE	DISPARITY	NET CAPTURED	CAPACITY (2)	DIRECT TAX RATE	MARKET VALUE	MARKET VALUE
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%
2019	424,993,421	199,509,996	624,503,417	50,982,725,800	12,316,086	626,413,400	27,937,931	38,778,166	625,979,268	52.880	51,609,139,200	1.21%

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.

(2) 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 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	COUNTY LIBRARY DEBT	TOTAL
		GENERAL SERVICES	HUMAN SERVICES			(1)	(1)	
TAX RATE AS A PERCENTAGE OF NET TAX CAPACITY (2)								
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
2018	2019	45.112	-	3.453	48.565	3.484	0.831	52.880
TAX LEVIES								
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
2018	2019	283,143,292	-	21,673,881	304,817,173	11,010,147	2,626,326	318,453,646

(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
2009	253,013,187	8,855,957	243,904,310	638,535	243,265,775	238,336,998	97.72%	4,881,140	243,218,138	99.98%
2010	259,971,049	9,196,053	250,774,996	684,747	250,090,249	244,384,790	97.45%	5,632,517	250,017,307	99.97%
2011	267,120,252	9,736,705	257,383,547	1,311,894	256,071,653	252,154,167	97.97%	3,817,116	255,971,283	99.96%
2012	271,794,856	281,830	271,513,026	1,069,739	270,443,287	266,990,571	98.33%	3,340,793	270,331,364	99.96%
2013	276,538,351	262,647	276,275,704	1,022,703	275,253,001	272,492,451	98.63%	2,755,561	275,248,012	100.00%
2014	276,538,351	262,630	276,275,721	1,244,889	275,030,832	272,522,340	98.64%	2,333,665	274,856,005	99.94%
2015	276,538,351	262,894	276,275,457	1,012,383	275,263,074	272,896,122	98.78%	2,129,030	275,025,152	99.91%
2016	284,416,350	262,579	284,153,771	869,215	283,284,556	281,178,822	98.95%	1,797,005	282,975,827	99.89%
2017	292,507,660	262,812	292,244,848	1,361,339	290,883,509	288,772,474	98.81%	1,560,139	290,332,613	99.81%
2018	305,199,198	262,426	304,936,772	304,981	304,631,791	302,353,172	99.15%	-	302,353,172	99.25%

Source: County Department of Records and Revenue

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

TABLE VIII

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

YEAR	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE	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					
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%
2018	189,581,286	-	3,752,000	-	1,849,584	195,182,870	586,968,191	33.25%	362.80	0.68%

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
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
2018	191,430,870	30,692,510	160,738,360	0.56%	27.60%	298.78

* 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, 2018

<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			
White Bear Lake	\$ 3,330,000	98.0%	\$ 3,262,401
City of Spring Lake Park	2,187,160	2.6%	57,304
City of St. Anthony	7,685,000	29.4%	2,259,390
City of Blaine	16,201,760	0.8%	132,854
School District #624	85,805,000	78.3%	67,176,735
School District #622	149,595,000	52.1%	77,909,076
School District #282	31,625,000	39.5%	12,485,550
Metro Council	189,310,976	14.7%	27,771,920
Capital Region Watershed	13,050,000	100.0%	13,050,000
City of Falcon Heights	435,000	100.0%	435,000
City of Gem Lake	655,000	100.0%	655,000
City of St. Paul	135,925,000	100.0%	135,925,000
City of Maplewood	8,810,000	100.0%	8,810,000
City of Mounds View	6,916,380	100.0%	6,916,380
City of North St. Paul	21,125,000	100.0%	21,125,000
City of Roseville	20,005,000	100.0%	20,005,000
City of Shoreview	28,810,000	100.0%	28,810,000
City of Vadnais Heights	5,805,000	100.0%	5,805,000
School District #621	246,135,000	100.0%	246,135,000
School District #623	173,740,000	100.0%	173,740,000
School District #625	438,545,000	100.0%	438,545,000
Port Authority	29,135,000	100.0%	29,135,000
Subtotal, overlapping debt			1,320,146,610
Ramsey County Direct Debt	<u>193,333,286</u>	100.0%	<u>193,333,286</u>
Total direct and overlapping debt	<u><u>\$ 1,808,164,562</u></u>		<u><u>\$ 1,513,479,896</u></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 2018											
Estimated Market Value										50,203,834,900	
Debt Limit (3% of Estimated Market Value)										1,506,115,047	
Debt applicable to limit:											
General obligation bonds										159,810,000	
Less: Amount set aside for repayment of general obligation bonds										(30,692,510)	
Total net debt applicable to limit										129,117,490	
Legal Debt Margin										<u>\$ 1,376,997,557</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>	<u>2018</u>	
Debt limit	\$ 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	1,397,573,628	1,506,115,047	
Total net debt applicable to limit	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	129,117,490	
Legal Debt Margin	<u>\$ 1,279,434,512</u>	<u>\$ 1,206,323,544</u>	<u>\$ 1,137,074,455</u>	<u>\$ 1,010,887,398</u>	<u>\$ 918,608,720</u>	<u>\$ 929,732,420</u>	<u>\$ 1,087,681,438</u>	<u>\$ 1,159,175,851</u>	<u>\$ 1,259,470,877</u>	<u>\$ 1,376,997,557</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 2018			Payable 2009		
		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	\$ 12,682,376	1	2.13%	\$ 8,688,485	1	1.60%
3M	Industrial and Commercial Products	3,931,138	2	0.66%	4,748,442	2	0.87%
PPF RTL Roseville Shopping Ctr LLC	Rosedale Center	3,098,356	3	0.52%			
Medtronic	Surgical & Medical Instrument Manufacturing	2,855,196	4	0.48%	2,660,026	4	0.49%
CSM Corporation & Investors	Property Management/ Real Estate Investing (Commercial/ Office/ Hotel/ Townhome)	2,544,857	5	0.43%	2,864,562	3	0.53%
BNSF Railway Co	Railroad	2,337,322	6	0.39%			
St Paul Fire and Marine Ins Co	Insurance	1,937,462	7	0.33%	2,646,552	6	0.49%
Maplewood Mall	Real Estate	1,612,028	8	0.27%			
St Paul Tower LP	Property Management	1,607,676	9	0.27%	1,899,250	8	0.35%
Minnesota Mutual life Ins Co.	Insurance	1,439,169	10	0.24%	2,687,426	5	0.49%
Compass Retail Inc	Real Estate Investing (rosedale)				2,499,250	7	0.46%
Target Corporation	Retail				1,819,020	9	0.33%
Cardiac Pacemakers, Inc.	Medical Manufacturing				1,799,250	10	0.33%
	Total	<u>\$ 34,045,580</u>		<u>5.72%</u>	<u>\$ 32,312,263</u>		<u>5.94%</u>

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
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	28,654	52,291	92,578	3.3%
2018	537,983	*	56,374	88,811	2.7%

* - 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>	Fiscal Year 2018				Fiscal Year 2009			
	<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%	16,948	4	6.70%	
State of Minnesota	16,056	a	2	5.80%	17,485	3	6.91%	
3M Company (Maplewood)	10,500		3	3.79%	10,000	5	3.95%	
Indep. School District #625	5,887	a	4	2.13%	5,870	7	2.32%	
Regions Hospital (St. Paul)	5,225		5	1.89%	3,386	10	1.34%	
Ramsey County	4,323		6	1.56%	4,380	9	1.73%	
Medtronic (Mounds View)	4,000	b	7	1.44%				
United/Children's Hospital	3,947		8	1.43%	4,676	8	1.85%	
City of St. Paul	2,935	a	9	1.06%				
Boston Scientific (Arden Hills)	2,532		10	0.91%				
Target Corporation					24,000	2	9.48%	
US Bancorp (St. Paul)					55,000	1	21.73%	
HealthEast (three care centers)					7,171	6	2.83%	
	<u>73,405</u>			<u>26.51%</u>	<u>148,916</u>		<u>58.84%</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

TABLE XV

**RAMSEY COUNTY, MINNESOTA
INSURANCE IN FORCE
DECEMBER 31, 2018**

<u>COMPANY NAME</u>	<u>POLICY NUMBER</u>	<u>POLICY PERIOD</u>	<u>COVERAGE - DEPARTMENTS</u>	<u>POLICY LIMIT</u>
Fireman's Fund Insurance Company (Allianz)	DXJ80990931	9/22/18-9/22/19	County owned property; tax forfeited properties; RCRRRA property excluded.	All risk, Full replacement, B&M perils \$500MM; Total Ins Value: \$904.169 MM (inc TFP). Excludes VH dome. \$100k deductible/claim.
Travelers	106803617	9/22/17-9/22/19	Commercial Crime incl. Public Employee Dishonesty Coverage.	\$3,000,000 with \$100k deductible.
Travelers	106376299	9/22/17-9/22/19	Commercial Crime incl. Employee theft of Client Property.	\$3,000,000 with \$25,000 deductible.
WCRA	40014 - 2018	1/1/18-1/1/19	Reinsurance - Workers' Compensation	\$2,000,000 Retention Limits
Ramsey County		1/1/18-1/1/19	Self-Funded Vehicle	\$30,000/\$60,000/\$10,000
Ramsey County		1/1/18-1/1/19	Self-Funded Tort	\$500,000 per Claim \$1,500,000 per Occurrence
Ramsey County	EPP-01-23	1/1/18-1/1/19	Employee Personal Prop. Loss	Per RC Board Policy up to \$250
Ramsey County	P-01-24	1/1/18-1/1/19	Self-Funded Property	Per State Statute - \$5,000 Deductible on purchased insurance program
MN Risk Management Fund	0023PK18	7/1/18-7/1/19	800 MHZ Property Fire and Extended, Boiler and Machinery and Vehicle and Mobile Equipment Boiler and Machinery and Vehicle and Mobile Equipment	\$8,662,000 \$25,000 Deductible
MN Risk Management Fund	023PK17	7/1/18-7/1/19	Commercial General Liability and Cyber Liability	\$500,000 per Person/ \$1,500,000 per occurrence includes Cyber liability to \$100,000
National Indemnity Company of America (AKA National Liability & Fire Ins. Co.)	73APS083800	1/1/18-1/1/19	LAKE OWASSO AND CARE CENTER Automobile	\$1,000,000 CSL plus physical damage
CNA Surety/Western Surety Co.	69042089	9/15/18-9/15/19	CARE CENTER Patient's Bond	\$100,000
League of MN Cities	CMC1004173-2	9/10/18-9/10/19	SHERIFF Violent Crime Enforcement Team	<u>Primary:</u> \$25k/\$50k/\$1k Deductible/Agg deductible/after agg deductible met
League of MN Cities	OML1004174-2			<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)

**TABLE XV
(Continued)**

**RAMSEY COUNTY, MINNESOTA
INSURANCE IN FORCE
DECEMBER 31, 2018**

COMPANY NAME	POLICY NUMBER	POLICY PERIOD	COVERAGE - DEPARTMENTS	POLICY LIMIT
National Indemnity	75APR372218	2/5/18-2/5/19	EMERGENCY MANAGEMENT Emergency Management - Mobile Command Center vehicle	\$1,000,000 CSL; \$25,000 physical damage; \$5,000 comp; \$5,000 collision
ProAssurance Casualty Company	MP71336	1/1/18-1/1/19	MEDICAL EXAMINER Professional Liability Covers McGee, Froloff, Mills, and Huston	\$1,000,000/\$3,000,000 Claims Made Policy
MN Joint Underwriting Association	J040015	7/1/18-7/1/19	REGIONAL RAIL General Liability	\$1,000,000 Limit \$250 Deductible per Event
League of MN Cities	CMC 1003323-1	7/12/18-7/12/19	Rush Line Corridor Crime, Petrofund, Municipal & Auto Liability	\$100,000 Crime, \$250,000 Petrofund, \$1,500,000 Muni & Auto Liability 50/250 Defense Reimbursement
League of MN Cities	CMC 1004472-2	10/6/18-10/6/19	MN Hi Speed Rail Commission	\$1,500,000/\$2,000,000 Municipal, Auto, Crime and Petrofund
Lexington Insurance	14245890	1/1/18-1/1/19	General Liability - Union Depot	\$5,000,000 \$25,000 Deductible
Zurich	CPP0274734-00	1/1/18-1/1/19	Property Insurance - Union Depot	All Risk Property--TIV: \$141,151,000 \$50,000 Deductible per Occurrence
National Union Fire Insurance Company	036057120	7/1/18-7/1/19	Public Officials Liability	\$1,000,000 Wrongful Act or \$25,000 for Employment Practice Violation
Catlin Insurance Company & Apollo & Hiscox	B080115571U18	1/1/18-1/1/19	Railroad Liability	\$50,000,000/\$100,000,000 \$500,000 Deductible per Occurrence \$2,000,000 Deductible FELA

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	712.23	707.70	708.70	684.90	700.90	709.40	733.90	740.70	736.70	773.60
Public safety	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	1,115.76
Transportation	117.58	116.58	116.58	114.58	114.58	114.58	114.58	117.58	117.58	135.58
Health	325.28	318.83	319.00	308.35	338.70	334.90	355.65	292.60	291.75	296.85
Human services	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	1,451.39
Culture and recreation	198.94	192.34	192.62	187.32	185.43	185.28	192.28	195.63	197.73	197.73
Economic development and assistance	90.40	90.40	91.90	86.00	87.00	84.00	84.00	85.00	85.00	84.00
Total	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	4,054.91

Source: County Finance Office

TABLE XVII

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
County Building Operating Cost per Net Rentable ft ²	\$ 5.55	\$ 5.55	\$ 6.45	\$ 6.62	\$ 6.76	\$ 6.73	\$ 6.61	\$ 6.74	\$ 6.75	\$ 7.21
Public Safety										
Sheriff:										
Jail Facility Bookings	22,669	22,149	21,439	21,283	20,226	21,048	21,610	20,409	20,827	21,183
Warrants Issued & Cleared	9,315	12,572	24,351	24,154	22,225	21,070	24,415	26,163	27,355	26,582
Corrections:										
Adult Probation Cases	28,529	27,686	27,112	21,924	20,406	19,554	19,282	18,947	18,285	18,460
Juvenile Probation Cases	3,113	2,276	2,202	1,277	1,140	1,064	1,064	952	841	739
Average Daily Population All Facilities	539	486	464	424	397	386	390	345	337	306
Transportation										
Average Daily Vehicle Miles Traveled on County Roads*	2,719,998	2,679,069	2,678,420	2,665,947	2,673,051	N/A	N/A	2,633,744	2,672,429	N/A
Health										
WIC Nutrition Program Client Served	31,465	31,274	31,324	31,224	30,474	30,151	29,397	28,802	27,918	26,467
Client Personal Care Attendant Assessments	2,442	3,257	2,950	3,616	3,790	N/A	N/A	N/A	N/A	N/A
Financial Assistance Services										
Cash, Food, and Child Care Assistance Cases	30,656	35,699	41,104	43,693	45,291	42,204	39,918	39,135	38,322	37,553
Medical Assistance Cases	38,356	40,562	50,945	54,713	56,398	74,218	80,899	80,261	82,372	82,598
Applications for Cash and Food Assistance	17,354	18,470	20,395	24,192	24,587	24,039	22,781	20,922	20,295	19,673
Applications for Medical Assistance	24,746	25,531	38,942	36,576	40,266	34,351	32,908	39,116	38,076	29,525
Social Services										
Out of Home Placements**	1,706	1,844	1,956	1,958	1,875	1,688	1,842	1,893	1,975	1,929
Services for Disabled Adults	3,454	3,268	3,307	3,344	3,390	3,402	3,208	3,385	3,336	3,342
Child Maltreatment Intake Reports	1,264	1,265	1,265	1,526	1,408	1,680	2,150	2,637	2,776	3,204
Culture and Recreation										
Parks and Recreation:										
Ice Hours Rented at Ice Arenas	14,832	13,912	12,657	13,127	14,240	15,351	20,491	18,320	18,266	18,658
Park Shelter and Pavilion Rentals	1,288	1,280	1,065	1,085	1,119	1,081	1,191	1,210	1,209	1,196
Libraries:										
Total Circulation	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	3,568,052
Visits to Library Buildings	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	1,499,272
Librarian Reference Assistance	263,431	279,503	275,964	225,914	278,694	269,295	267,930	275,860	295,503	294,424
Economic Development and Assistance										
Workforce Solutions:										
Percent of Participants in Voluntary Programs Employed	80%	85%	83%	80%	82%	79%	85%	86%	86%	51%
Percent of Participants in Mandatory Programs Employed	70%	60%	55%	41%	40%	43%	43%	41%	40%	49%

Source: Ramsey County Finance Department and individual County departments.

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

N/A: Not available

TABLE XVIII

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

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	2	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	285	293	293	282	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	7,998
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	10	10	10	10	11	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
2018 Comprehensive Annual Financial Report**

CAFR Production

Finance Department

Financial Reporting Division

Renee Vought, Accountant IV

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, Bianca Fucini and Tony Sofie
Consultant - Kiran Kumar

Countywide Administrative and Accounting Staff

Economic Growth and Community Investment

George Hardgrove, Controller

Parks and Recreation

Trudi Winek

Property Management

Daniel Winek

Public Works and Fleet Operations

Tony Lutgen

Regional Railroad Authority

Kris Longhenry

Workforce Solutions

Holly Schnetzler

Safety and Justice

Sergey Kovalchuk, Controller

Sheriff's Office

Mike Webster

Information and Public Records

Tracy West, Controller

Information Services

Tom Oertel

Property Records and Revenue

Dick Sivanich

Health and Wellness

Janelle White, Controller

Care Center

Melanie Mahon

Health and Wellness

Enrique Rivera, Don Habisch and Anna Michaud

Lake Owasso Residence

Tracey Trover

Public Health

Daniel Rahkola, Bavong Thao and Lily Konkler

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