

Ramsey County 2016 Fund Balance Report

Prepared for the Ramsey County
Board of Commissioners
September 12, 2017

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Commissioner Victoria Reinhardt, Chair
Commissioner Toni Carter
Commissioner Blake Huffman
Commissioner Jim McDonough

Commissioner Mary Jo McGuire
Commissioner Rafael Ortega
Commissioner Janice Rettman
County Manager Julie Kleinschmidt

Dear Commissioners and County Manager:

Since 2012, the Ramsey County Board has requested that an annual report be provided regarding the County's various funds and fund balances.

The Ramsey County 2016 Fund Balance Report, as provided, contains a multi-year history of our Ramsey County funds and status of fund balances for the:

- General Fund
- Debt Service Funds
- Capital Project Funds
- Special Revenue Funds
- Enterprise Funds
- Internal Service Funds

This report was prepared by Mike Webster of the Ramsey County Finance Department. Questions and comments may be directed to him at mike.webster@co.ramsey.mn.us or 651-266-8044.

Sincerely,

Lee Mehrkens, CFO
Director, Ramsey County Finance Department

Fund Balance - Nonspendable

Consists of amounts that are not in spendable form, such as:

Advances

An account to be used for the portion of fund balance comprised of amounts loaned to other funds, organizations and governments.

Inventory of Supplies

An account to be used for the portion of fund balance comprised of supplies that are used in operations which are still available at year-end.

Fund Balance - Restricted

Consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions. Examples include:

Capital Projects

Unspent bond proceeds and other funds are restricted for Capital Projects.

Library

Funds are restricted for Library use by State Statute.

Solid Waste/Recycling Service Fee

Funds are restricted for waste management purposes by State Statute.

Environmental Response Fund

Funds generated by a mortgage registry and deed tax of .0001 percent are restricted to clean-up of contaminated properties. (this is part of restricted fund balance in the Property Records Special Revenue Fund)

Fund Balance - Committed

Consists of internally imposed constraints. These constraints are established by Resolution of the County Board. Examples include:

Supporting Housing Priorities

This is the remaining amount that was committed (County Board Resolution 2008-169) to support future housing priorities in the County. The County funds approved using these funds to partially fund construction of the Dorothy Day Connection Center (County Board Resolution B2015-40).

Capital Projects

This is the amount remaining that has been transferred from the General Fund in accordance with the County's Fund Balance Policy (County Board Resolution 2013 – 318) that states, in part, that the County:

Maintain an unrestricted General Fund Balance of no more than 50% of current year revenues, current year expenditures, or the subsequent year's operating budget,

and

Commit and transfer any unrestricted General Fund Balance in excess of the 50% threshold to the Capital Projects Fund

Emergency Communications

This is the remaining amount that was committed (County Board Resolution 2012 – 313) to be a portion of the funding for the Computer Aided Dispatch/Mobiles System Project.

Fund Balance – Assigned

Consists of internally imposed constraints and is the residual classification for governmental funds other than the general fund. These constraints reflect the specific purpose for which it is the County's intended use. The County Board and/or management establish these constraints. Pursuant to County Board Resolution 2010-412, the County Manager is authorized to establish assignments of fund balance. Examples include:

Capital Expenditures

At year-end, departments identify the need for certain capital items, such as office furniture and computers, where the departments have not yet finalized an order. These amounts are set up as assigned for capital expenditures.

Projects

The amount of fund balance appropriated to finance projects which continue until the project is complete.

Self Insurance

The amount of funds in the Self Insurance accounts that is available for payment of future claims.

Fund Balance – Assigned - Continued

Assigned by Function

That portion of fund balance which is set aside for unperformed contracts for goods and services in the various functional areas (General Government, Public Safety, Highways and Streets, Health, Culture and Recreation) in the General Fund. These are year-end non capital reserves.

Assigned by Fund

Assigned is the residual classification for governmental funds other than the general fund

Fund Balance – Unassigned

Unassigned is the residual classification for the general fund and also reflects negative residual amounts in other funds.

General Fund

Provides the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. County Board Resolution 2013-318 established a revised fund balance policy for the General Fund, superseding the previous policy set by Resolution 1997-531. This fund balance policy provides in part that the County should:

"Maintain an unassigned General Fund Balance of no less than two months of the subsequent year's budget."

The 2016 Unassigned Fund Balance complies with this policy.

Net Position – Net Investment in Capital Assets

The amount of capital assets net of depreciation and any related debt.

Net Position – Unrestricted

The residual account for Net Position.

Fund Balance Versus Net Position

Fund Balance is used in governmental funds and is the difference between assets and liabilities/deferred inflows. Net Position is used in proprietary funds and is the difference between assets and liabilities. The difference comes from the accounting basis used by the two different fund types. Governmental Funds use the modified accrual basis while proprietary funds use the full accrual basis of accounting.

The major differences between the two bases are:

Depreciation: Under modified accrual capital assets are expensed in the period purchased. While under full accrual, depreciation is used to expense assets over their useful life.

Revenues: Under modified accrual revenues are recognized when they are both measurable and available. Under full accrual revenues are recognized when they are measurable. Modified accrual requires that revenues be available because the focus is on the current period.

		2012	2013	2014	2015	2016
General Fund						
Primary fund to account for Government Operations	Nonspendable	18,675,330	15,168,209	20,041,480	12,178,547	11,034,769
	Restricted	155,244	175,122	183,534	192,399	3,446,383
	Committed	3,819,936	2,042,509	1,693,743	1,693,743	-
	Assigned	123,848,540	131,842,047	127,675,675	36,771,270	35,011,587
	Unassigned	68,873,130	73,349,901	79,564,043	178,868,624	189,192,643
	Total Fund Balances	215,372,180	222,577,788	229,158,475	229,704,583	238,685,382
Debt Service Funds						
Fund used to account for the County's debt service payments	Nonspendable	-	-	-	-	-
	Restricted	48,708,127	30,006,506	32,634,675	35,387,762	67,635,984
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	48,708,127	30,006,506	32,634,675	35,387,762	67,635,984
Capital Project Funds						
Use to account for projects included in the County's Capital Improvement Plan	Nonspendable	175,000	175,000	9,975,000	-	-
	Restricted	26,894,033	36,533,951	27,827,488	29,601,176	23,211,228
	Committed	-	10,259,738	15,166,497	34,180,455	25,509,892
	Assigned	-	-	-	-	-
	Total Fund Balances	27,069,033	46,968,689	52,968,985	63,781,631	48,721,120

		2012	2013	2014	2015	2016
Other Governmental Funds:						
County Library - To provide a public library system where governmental units do not maintain their own libraries. The tax levy is on suburban property only.	Nonspendable	7,528	8,072	7,022	4,271	1,575
	Restricted	4,142,383	4,025,260	4,043,805	3,869,924	4,204,534
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	4,149,911	4,033,332	4,050,827	3,874,195	4,206,109
Solid Waste - To account for the County Environmental Charge on generators of mixed municipal solid waste. The funds are used for waste management programs and the County's share of the Resource Recovery Project a joint venture with Washington County.	Nonspendable	50	50	50	50	50
	Restricted	18,922,437	21,211,738	20,659,569	18,304,728	19,738,412
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	18,922,487	21,211,788	20,659,619	18,304,778	19,738,462
HRA - 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.	Nonspendable	-	-	-	-	-
	Restricted	962,926	883,284	1,006,139	925,996	858,830
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	962,926	883,284	1,006,139	925,996	858,830
Workforce Solutions - Used to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons, state dislocated worker programs, Minnesota Youth Program, and services under the MFIP program	Nonspendable	4,206	8,037	450	450	450
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	1,700,851	-	1,663,313	1,035,004	-
	Unassigned	-	(3,266,335)	-	-	(144,202)
	Total Fund Balances	1,705,057	(3,258,298)	1,663,763	1,035,454	(143,752)

		2012	2013	2014	2015	2016
Other Governmental Funds (continued):						
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.	Nonspendable	4,832	7,542	-	-	-
	Restricted	-	-	-	-	-
	Committed	3,326,600	2,570,372	5,004,141	4,323,073	3,383,322
	Assigned	4,635,315	6,472,943	4,924,740	8,062,617	8,362,088
	Total Fund Balances	7,966,747	9,050,857	9,928,881	12,385,690	11,745,410
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, etc.	Nonspendable	-	-	-	-	-
	Restricted	528,093	592,563	572,220	579,230	647,181
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	528,093	592,563	572,220	579,230	647,181
Sheriff Special Revenue - To account for revenues and expenditures dedicated for specific activities and projects of the Sheriff's Department. Includes criminal property forfeitures.	Nonspendable	-	-	-	-	-
	Restricted	288,122	242,670	273,087	493,993	711,913
	Committed	-	-	-	-	-
	Assigned	200,410	206,651	415,159	79,398	126,638
	Total Fund Balances	488,532	449,321	688,246	573,391	838,551
Corrections Special Revenue - To account for revenues from various sources to benefit Community Corrections clients.	Nonspendable	-	-	-	-	-
	Restricted	-	-	-	-	-
	Committed	383,207	394,124	351,474	450,334	497,372
	Assigned	187,633	220,631	263,015	310,451	204,175
	Total Fund Balances	570,840	614,755	614,489	760,785	701,547

		2012	2013	2014	2015	2016
Other Governmental Funds (continued):						
Property Records Special Revenue - To account for certain fees which are to be used for providing modern, retrievable information from the County's system of recorded documents.	Nonspendable	-	-	-	-	-
	Restricted	3,592,921	2,808,203	2,646,734	2,516,601	3,608,470
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	3,592,921	2,808,203	2,646,734	2,516,601	3,608,470
County Attorney Special Revenue - To account for revenues and expenditures dedicated for specific activities or projects of the County Attorney's Office. Includes criminal property forfeitures.	Nonspendable	-	-	-	-	-
	Restricted	1,017,392	1,026,302	942,011	863,965	773,937
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	1,017,392	1,026,302	942,011	863,965	773,937
Health Promotion Health Improvement - To account for funds provided by the County's health insurer for work-site health promotion purposes.	Nonspendable	-	-	-	-	-
	Restricted	139,387	117,788	102,754	168,878	150,416
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	139,387	117,788	102,754	168,878	150,416
Parks and Recreation Special Revenue -To account for funds provided by grants and donations for a inter-city skating program, and improvements to the County's Regional Park & Trail System.	Nonspendable	-	-	-	-	-
	Restricted	637,087	598,380	665,484	483,797	346,903
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	637,087	598,380	665,484	483,797	346,903

		2012	2013	2014	2015	2016
Other Governmental Funds (continued):						
Care Center Patients' Activity - To account for revenues from donations, canteen and vending machines, and expenditures for patients' activities and recreational supplies.	Nonspendable	-	-	-	-	-
	Restricted	26,452	24,931	23,595	25,737	19,935
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	26,452	24,931	23,595	25,737	19,935
4R Program - To account for the "Reuse, Recycle and Renovate for Reinvestment Program" established by the County Board, funded with Solid Waste fund balance. Prior to 2012 this activity was included in the Forfeited Property Management fund.	Nonspendable	-	-	-	-	-
	Restricted	1,369,686	918,277	1,038,321	524,750	457,216
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	1,369,686	918,277	1,038,321	524,750	457,216
Forfeited Property Management - To account for all funds collected for management and sale of forfeited real estate.	Nonspendable	-	-	-	-	-
	Restricted	41,125	75,000	75,000	75,000	75,000
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	41,125	75,000	75,000	75,000	75,000
Law Library - To account for the Law Library. Revenue is derived from fees collected from certain litigants. Expenditures are primarily law books and operational costs to run the Library.	Nonspendable	20	20	20	20	20
	Restricted	546,392	564,239	967,230	1,282,592	1,510,284
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	546,412	564,259	967,250	1,282,612	1,510,304

		2012	2013	2014	2015	2016
Other Governmental Funds (continued):						
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.						
	Nonspendable	350	350	350	350	100
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	6,101,656	2,614,624	6,558,060	9,738,664	11,952,818
	Total Fund Balances	6,102,006	2,614,974	6,558,410	9,739,014	11,952,918
Regional Railroad Authority Debt Service - To account for the resources accumulated and payments made for principal and interest on long-term debt of the Regional Rail Authority.						
	Nonspendable	-	-	-	-	-
	Restricted	125,128	-	1,592	418,212	418,212
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	125,128	-	1,592	418,212	418,212
Regional Railroad Capital Projects Fund - used to account for the expenses related to Regional Rail's capital projects						
	Nonspendable	-	-	-	-	-
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	8,034,312	3,907,698	3,259,954	6,997,044	8,511,095
	Total Fund Balances	8,034,312	3,907,698	3,259,954	6,997,044	8,511,095
	Nonspendable	16,986	24,071	7,892	5,141	2,195
	Restricted	32,339,531	33,088,635	33,017,541	30,533,403	33,521,243
	Committed	3,709,807	2,964,496	5,355,615	4,773,407	3,880,694
	Assigned	20,860,177	13,422,547	17,084,241	26,223,178	29,156,814
	Unassigned	-	-	-	-	(144,202)
	Total Fund Balances	56,926,501	49,499,749	55,465,289	61,535,129	66,416,744

		2012	2013	2014	2015	2016
Enterprise Funds:						
Lake Owasso Residence - Used to account for the operations of the Lake Owasso Facility	Net Investment in Capital Assets	880,867	967,308	1,106,365	1,227,599	1,471,524
	Unrestricted	(1,419,633)	(1,085,781)	(982,579)	(5,061,487)	(5,962,782)
	Total Net Position	(538,766)	(118,473)	123,786	(3,833,888)	(4,491,258)
Care Center - Used to account for the operations of the Ramsey County Care Center	Net Investment in Capital Assets	1,624,308	1,343,473	1,086,199	1,102,859	916,765
	Unrestricted	(2,899,367)	(2,989,051)	(3,466,431)	(11,091,686)	(11,303,142)
	Total Net Position	(1,275,059)	(1,645,578)	(2,380,232)	(9,988,827)	(10,386,377)
Ponds at Battle Creek - Used to account for the operations of the Ponds at Battle Creek golf course	Net Investment in Capital Assets	525,562	622,603	543,453	-	-
	Unrestricted	(2,744,658)	(2,996,644)	(3,074,668)	-	-
	Total Net Position	(2,219,096)	(2,374,041)	(2,531,215)	-	-
Vadnais Sports Center - used to account for the operations of the Vadnais Sports Center	Net Investment in Capital Assets	-	-	9,723,576	9,625,665	9,471,416
	Unrestricted	-	-	(9,622,527)	(9,226,455)	(9,020,816)
	Total Net Position	-	-	101,049	399,210	450,600
Law Enforcement Services - used to account for the operations of the law enforcement services provided to 7 cities located in Ramsey County	Net Investment in Capital Assets	313,205	435,942	397,923	393,226	478,194
	Unrestricted	(271,585)	(426,235)	(448,174)	(158,127)	(521,419)
	Total Net Position	41,620	9,707	(50,251)	235,099	(43,225)
Total Enterprise Funds	Net Investment in Capital Assets	3,343,942	3,369,326	12,857,516	12,349,349	12,337,899
	Unrestricted	(7,335,243)	(7,497,711)	(17,594,379)	(25,537,755)	(26,808,159)
	Total Net Position	(3,991,301)	(4,128,385)	(4,736,863)	(13,188,406)	(14,470,260)

Internal Service Funds:

		2012	2013	2014	2015	2016
Information Services - To operate the telephone system in Ramsey County Buildings and provide electronic data processing services to County departments and other governmental units						
	Net Investment in Capital Assets	510,307	536,116	987,143	2,073,508	1,601,230
	Unrestricted	5,772,121	6,624,874	7,182,754	2,687,782	4,256,356
	Total Net Position	6,282,428	7,160,990	8,169,897	4,761,290	5,857,586
General County Buildings - To account for rent of County Buildings and to pay all expenses incurred in operating and maintaining the buildings						
	Net Investment in Capital Assets	3,889,123	3,642,950	2,882,970	2,736,412	2,549,136
	Unrestricted	14,260,915	15,349,014	14,160,319	10,994,887	13,045,504
	Total Net Position	18,150,038	18,991,964	17,043,289	13,731,299	15,594,640
Firearms Range - To provide a Firearms Range to law enforcement personnel of the County and other local governments.						
	Net Investment in Capital Assets	-	-	-	-	-
	Unrestricted	38,123	46,335	71,296	101,293	143,939
	Total Net Position	38,123	46,335	71,296	101,293	143,939
Fleet Services - To account for the revenues and expensed of Fleet Operations Services						
	Net Investment in Capital Assets	-	-	-	-	2,992,705
	Unrestricted	-	-	-	-	(172,607)
	Total Net Position	-	-	-	-	2,820,098
Retiree Insurance - To account for the County's contribution to Retiree Insurance and OPEB expenses in compliance with GASB Statement #45.						
	Net Investment in Capital Assets	-	-	-	-	-
	Unrestricted	(34,830,615)	(31,842,660)	(33,405,005)	(39,655,084)	(41,647,966)
	Total Net Position	(34,830,615)	(31,842,660)	(33,405,005)	(39,655,084)	(41,647,966)
Employee Health Insurance - To account for the County's contributions for employee health insurance						
	Net Investment in Capital Assets	-	-	-	-	-
	Unrestricted	-	-	2,156,194	2,353,739	4,080,731
	Total Net Position	-	-	2,156,194	2,353,739	4,080,731
Total Internal Service Funds						
	Net Investment in Capital Assets	4,399,430	4,179,066	3,870,113	4,809,920	7,143,071
	Unrestricted	(14,759,456)	(9,822,437)	(9,834,442)	(23,517,383)	(20,294,043)
	Total Net Position	(10,360,026)	(5,643,371)	(5,964,329)	(18,707,463)	(13,150,972)