



# Ramsey County 2020 Fund Balance Report

Prepared for the Ramsey  
County Board of Commissioners  
August 24, 2021

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Commissioner Toni Carter, Chair  
Commissioner Jim McDonough  
Commissioner Mary Jo McGuire  
Commissioner Rafael Ortega

Commissioner Victoria Reinhardt  
Commissioner Trista MatasCastillo  
Commissioner Nicole Joy Frethem  
County Manager Ryan O'Connor

Dear Commissioners and County Manager:

Annually since 2012, Finance has presented a Financial Report to the Ramsey County Board regarding the County's various funds and fund balances. Today, we are continuing in this effort to communicate our financial position and highlight potential changes you might like to consider.

The Ramsey County 2020 Fund Balance Report, as provided, contains a multi-year history of our Ramsey County Funds and status of fund balances for the:

- General Fund
- Transit and Transportation Improvement Fund
- Debt Service Fund
- Capital Projects Fund
- Special Revenue Funds
- Enterprise Funds
- Internal Service Funds

This report was prepared by Renee Vought, Deputy Director - Finance. Questions and comments may be directed to her at [renee.vought@co.ramsey.mn.us](mailto:renee.vought@co.ramsey.mn.us) or 651-925-7736.

Sincerely,

Alexandra Kotze, 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 MS Chapter 134.

#### Solid Waste/Recycling Service Fee

Funds are restricted for waste management purposes by MS Chapter 297H.

#### Environmental Response Fund

Funds generated by a mortgage registry and deed tax of .0001 percent are restricted to clean-up of contaminated properties by MS Chapter 383A. (this is part of restricted fund balance in the Property Records Special Revenue Fund)

#### Aggregate Material Pit Restoration

An account to be used for the portion of fund balance established per Minnesota State Statute 298.75 Subdivision 7, which requires an allocation to be set aside for restoration of abandoned pits, quarries, or deposits within the county.

#### Restricted for CHS Child Protection

An account for funds allocated to the County by the Minnesota Department of Human Services which are restricted for child protection staffing and services. Minnesota State Statute 256M.40 established service requirements and funding for child protection work.

### **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 using these funds to partially fund construction of the Dorothy Day Connection Center (County Board Resolution B2017-285 and Project P070091).

#### 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:

Employee Training

This is the remaining annual funding to support employee tuition reimbursement and education allowances (County Board Resolution 2017-344).

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.

Capital 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.

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 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. 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."*

### **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 earned and measurable. Modified accrual requires that revenues be available because the focus is on the current period.

<b>Major Funds</b>		<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>General Fund</b>						
Primary fund to account for Government Operations.	Nonspendable	11,034,769	25,229,052	14,912,023	40,530,353	29,682,692
	Restricted	3,446,383	4,310,129	5,211,009	16,968,105	38,519,518
	Committed	-	-	1,693,743	1,693,743	14,231,110
	Assigned	35,011,587	35,395,861	42,669,019	45,923,185	41,695,776
	Unassigned	189,192,643	182,708,988	190,310,844	158,498,079	179,126,026
	<b>Total Fund Balances</b>	<b>238,685,382</b>	<b>247,644,030</b>	<b>254,796,638</b>	<b>263,613,465</b>	<b>303,255,122</b>
<b>Transit and Transit Improvement</b>						
To account for revenues collected from the ½ percent sales and use tax and expenditures for transportation improvement designated by the Board of Commissioners.	Nonspendable	-	-	-	-	-
	Restricted	-	6,501,300	44,889,849	84,527,530	115,419,693
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>-</b>	<b>6,501,300</b>	<b>44,889,849</b>	<b>84,527,530</b>	<b>115,419,693</b>
<b>Debt Service Funds</b>						
Fund used to account for the County's debt service payments .	Nonspendable	-	-	-	-	-
	Restricted	67,635,984	58,145,792	56,404,073	57,471,160	99,531,002
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>67,635,984</b>	<b>58,145,792</b>	<b>56,404,073</b>	<b>57,471,160</b>	<b>99,531,002</b>
<b>Capital Project Funds</b>						
Use to account for projects included in the County's Capital Improvement Plan.	Nonspendable	-	-	-	-	-
	Restricted	23,211,228	13,139,534	28,764,077	9,774,147	31,399,787
	Committed	25,509,892	16,672,707	34,358,382	31,530,084	9,905,546
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>48,721,120</b>	<b>29,812,241</b>	<b>63,122,459</b>	<b>41,304,231</b>	<b>41,305,333</b>

		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Other Governmental Funds:</b>						
<b>County Library</b> - To provide a public library system where governmental units do not maintain their own libraries. The tax levy is on suburban property only.	Nonspendable	1,575	1,575	1,575	1,575	-
	Restricted	4,204,534	4,339,843	4,457,034	4,452,652	3,395,000
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>4,206,109</u>	<u>4,341,418</u>	<u>4,458,609</u>	<u>4,454,227</u>	<u>3,395,000</u>
<b>Solid Waste</b> - 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	-	-
	Restricted	19,738,412	20,133,550	23,451,571	28,367,896	34,174,532
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>19,738,462</u>	<u>20,133,600</u>	<u>23,451,621</u>	<u>28,367,896</u>	<u>34,174,532</u>
<b>HRA</b> - 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	858,830	794,763	722,559	167,301	167,301
	Committed	-	-	-	329,652	123,069
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>858,830</u>	<u>794,763</u>	<u>722,559</u>	<u>496,953</u>	<u>290,370</u>
<b>Workforce Solutions</b> - 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	450	450	450	450	-
	Restricted	-	-	-	-	2,249,843
	Committed	-	-	-	-	-
	Assigned	-	-	-	1,871,796	1,476,631
	Unassigned	(144,202)	(5,278,548)	(3,319,770)	-	-
Total Fund Balances	<u>(143,752)</u>	<u>(5,278,098)</u>	<u>(3,319,320)</u>	<u>1,872,246</u>	<u>3,726,474</u>	

		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Other Governmental Funds (continued):</b>						
<b>Emergency Communications</b> - 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	-	-	-	-	-
	Restricted	-	-	-	-	-
	Committed	3,383,322	4,702,842	4,970,701	4,420,829	5,391,297
	Assigned	8,362,088	8,261,188	8,148,919	8,575,056	7,324,645
	Total Fund Balances	<u>11,745,410</u>	<u>12,964,030</u>	<u>13,119,620</u>	<u>12,995,885</u>	<u>12,715,942</u>
<b>Gifts and Donations</b> - 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	647,181	605,381	561,833	523,235	604,237
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>647,181</u>	<u>605,381</u>	<u>561,833</u>	<u>523,235</u>	<u>604,237</u>
<b>Sheriff Special Revenue</b> - To account for revenues and expenditures dedicated for specific activities and projects of the Sheriff's Department. Includes criminal property forfeitures.	Nonspendable	-	-	-	-	-
	Restricted	711,913	645,800	915,648	846,383	762,426
	Committed	-	-	-	-	-
	Assigned	126,638	196,729	267,371	11,330	340,466
	Total Fund Balances	<u>838,551</u>	<u>842,529</u>	<u>1,183,019</u>	<u>857,713</u>	<u>1,102,892</u>
<b>Corrections Special Revenue</b> - To account for revenues from various sources to benefit Community Corrections clients.	Nonspendable	-	-	-	-	-
	Restricted	-	-	-	-	-
	Committed	497,372	444,912	314,933	216,581	258,187
	Assigned	204,175	310,016	288,433	392,893	425,117
	Total Fund Balances	<u>701,547</u>	<u>754,928</u>	<u>603,366</u>	<u>609,474</u>	<u>683,304</u>



		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Other Governmental Funds (continued):</b>						
<b>Property Records Special Revenue</b> - 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	3,608,470	3,217,020	2,226,349	2,158,285	3,870,989
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>3,608,470</u>	<u>3,217,020</u>	<u>2,226,349</u>	<u>2,158,285</u>	<u>3,870,989</u>
<b>County Attorney Special Revenue</b> - To account for revenues and expenditures dedicated for specific activities or projects of the County Attorney's Office. Includes criminal property forfeitures.	Nonspendable	-	-	-	-	-
	Restricted	773,937	768,325	859,021	771,276	832,056
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>773,937</u>	<u>768,325</u>	<u>859,021</u>	<u>771,276</u>	<u>832,056</u>
<b>Health Promotion Health Improvement</b> - To account for funds provided by the County's health insurer for work-site health promotion purposes.	Nonspendable	-	-	-	-	-
	Restricted	150,416	138,619	140,228	138,467	149,414
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>150,416</u>	<u>138,619</u>	<u>140,228</u>	<u>138,467</u>	<u>149,414</u>
<b>Parks and Recreation Special Revenue</b> -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	346,903	442,213	561,802	799,242	803,882
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>346,903</u>	<u>442,213</u>	<u>561,802</u>	<u>799,242</u>	<u>803,882</u>

		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Other Governmental Funds (continued):</b>						
<b>Care Center Patients' Activity</b> - To account for revenues from donations, canteen and vending machines, and expenditures for patients' activities and recreational supplies.	Nonspendable	-	-	-	-	-
	Restricted	19,935	14,271	10,673	70,455	66,526
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>19,935</u>	<u>14,271</u>	<u>10,673</u>	<u>70,455</u>	<u>66,526</u>
<b>4R Program</b> - 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	457,216	1,328,193	1,693,792	2,670,669	2,710,902
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>457,216</u>	<u>1,328,193</u>	<u>1,693,792</u>	<u>2,670,669</u>	<u>2,710,902</u>
<b>Forfeited Property Management</b> - To account for all funds collected for management and sale of forfeited real estate.	Nonspendable	-	-	-	-	-
	Restricted	75,000	75,000	149,908	375,000	75,000
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>75,000</u>	<u>75,000</u>	<u>149,908</u>	<u>375,000</u>	<u>75,000</u>
<b>Law Library</b> -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	-
	Restricted	1,510,284	1,808,658	1,914,737	1,912,827	1,584,059
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	<u>1,510,304</u>	<u>1,808,678</u>	<u>1,914,757</u>	<u>1,912,847</u>	<u>1,584,059</u>

		2016	2017	2018	2019	2020
<b>Other Governmental Funds (continued):</b>						
<b>Regional Railroad Authority</b> - 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	100	100	100	-	-
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	11,952,818	15,085,729	18,608,068	20,253,978	29,165,545
	Total Fund Balances	11,952,918	15,085,829	18,608,168	20,253,978	29,165,545
<b>Regional Railroad Authority Debt Service</b> - To account for the resources accumulated and payments made for principal and interest on long-term debt of the Regional Rail Authority.	Nonspendable	-	-	-	-	-
	Restricted	418,212	418,212	-	-	-
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	418,212	418,212	-	-	-
<b>Regional Railroad Capital Projects Fund</b> - To account for the expenses related to Regional Railroad Authority's capital projects.	Nonspendable	-	-	-	-	-
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	8,511,095	15,341,437	20,476,127	31,598,035	32,260,502
	Total Fund Balances	8,511,095	15,341,437	20,476,127	31,598,035	32,260,502
<b>Total Other Governmental Funds</b>	Nonspendable	2,195	2,195	2,195	2,045	-
	Restricted	33,521,243	34,729,848 *	37,665,155	43,253,688	51,446,167
	Committed	3,880,694	5,147,754	5,285,634	4,967,062	5,772,553
	Assigned	29,156,814	39,195,099	47,788,918	62,703,088	70,992,906
	Unassigned	(144,202)	(5,278,548)	(3,319,770)	-	-
	Total Fund Balances	66,416,744	73,796,348	87,422,132	110,925,883	128,211,626

\* The 2017 restricted amount was reduced by the Transit and Transportation Improvement Fund which was moved to a major fund in 2018.

		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Enterprise Funds:</b>						
<b>Lake Owasso Residence</b> - Used to account for the operations of the Lake Owasso Facility.	Net Investment in Capital Assets	1,471,524	1,635,058	1,718,502	1,824,608	1,947,097
	Unrestricted	<u>(5,962,782)</u>	<u>(6,803,269)</u>	<u>(9,697,542)</u>	<u>(9,803,883)</u>	<u>(8,839,019)</u>
	Total Net Position	<u>(4,491,258)</u>	<u>(5,168,211)</u>	<u>(7,979,040)</u>	<u>(7,979,275)</u>	<u>(6,891,922)</u>
<b>Care Center</b> - Used to account for the operations of the Ramsey County Care Center.	Net Investment in Capital Assets	916,765	748,934	546,764	412,019	414,427
	Unrestricted	<u>(11,303,142)</u>	<u>(12,186,281)</u>	<u>(15,537,326)</u>	<u>(14,942,756)</u>	<u>(14,823,689)</u>
	Total Net Position	<u>(10,386,377)</u>	<u>(11,437,347)</u>	<u>(14,990,562)</u>	<u>(14,530,737)</u>	<u>(14,409,262)</u>
<b>Vadnais Sports Center</b> - used to account for the operations of the Vadnais Sports Center. Beginning in 2019, this activity is reported in the General Fund and presented in the Parks and Recreation budget.	Net Investment in Capital Assets	9,471,416	9,297,157	9,123,814	-	-
	Unrestricted	<u>(9,020,816)</u>	<u>(8,571,910)</u>	<u>(8,500,690)</u>	-	-
	Total Net Position	<u>450,600</u>	<u>725,247</u>	<u>623,124</u>	-	-
<b>Law Enforcement Services</b> - used to account for the operations of the law enforcement services provided to 7 cities located in Ramsey County.	Net Investment in Capital Assets	478,194	493,516	537,546	709,515	800,070
	Unrestricted	<u>(521,419)</u>	<u>(507,840)</u>	<u>(427,730)</u>	<u>313,396</u>	<u>162,160</u>
	Total Net Position	<u>(43,225)</u>	<u>(14,324)</u>	<u>109,816</u>	<u>1,022,911</u>	<u>962,230</u>
<b>Total Enterprise Funds</b>	Net Investment in Capital Assets	12,337,899	12,174,665	11,926,626	2,946,142	3,161,594
	Unrestricted	<u>(26,808,159)</u>	<u>(28,069,300)</u>	<u>(34,163,288)</u>	<u>(24,433,243)</u>	<u>(23,500,548)</u>
	Total Net Position	<u>(14,470,260)</u>	<u>(15,894,635)</u>	<u>(22,236,662)</u>	<u>(21,487,101)</u>	<u>(20,338,954)</u>

		2016	2017	2018	2019	2020
<b>Internal Service Funds:</b>						
<b>Information Services</b> - 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	1,601,230	1,170,874	1,599,332	2,034,465	1,384,929
	Unrestricted	4,256,356	6,242,414	3,032,041	(3,572,634)	(3,618,839)
	Total Net Position	5,857,586	7,413,288	4,631,373	(1,538,169)	(2,233,910)
<b>General County Buildings</b> - To account for rent of County Buildings and to pay all expenses incurred in operating and maintaining the buildings.	Net Investment in Capital Assets	2,549,136	2,572,708	2,481,623	3,959,121	4,259,382
	Unrestricted	13,045,504	14,337,396	12,442,538	8,516,207	8,406,041
	Total Net Position	15,594,640	16,910,104	14,924,161	12,475,328	12,665,423
<b>Firearms Range</b> - To provide a Firearms Range to law enforcement personnel of the County and other local governments.	Net Investment in Capital Assets	-	-	-	-	-
	Unrestricted	143,939	173,216	205,369	251,551	225,864
	Total Net Position	143,939	173,216	205,369	251,551	225,864
<b>Fleet Services</b> - To account for the revenues and expensed of Fleet Operations Services.	Net Investment in Capital Assets	2,992,705	17,353,047	12,190,225	12,234,985	12,035,904
	Unrestricted	(172,607)	(46,217)	(482,479)	259,842	(1,395,967)
	Total Net Position	2,820,098	17,306,830	11,707,746	12,494,827	10,639,937
<b>Retiree Insurance</b> - To account for the County's contribution to Retiree Insurance and OPEB expenses in compliance with GASB statement 75.	Net Investment in Capital Assets	-	-	-	-	-
	Unrestricted	(41,647,966)	(37,837,689)	(206,394,536)	(186,915,728)	(161,018,543)
	Total Net Position	(41,647,966)	(37,837,689)	(206,394,536)	(186,915,728)	(161,018,543)
<b>Employee Health Insurance</b> - To account for the County's contributions for employee health insurance.	Net Investment in Capital Assets	-	-	-	-	-
	Unrestricted	4,080,731	5,546,143	7,498,631	7,997,445	11,238,599
	Total Net Position	4,080,731	5,546,143	7,498,631	7,997,445	11,238,599
<b>Total Internal Service Funds</b>	Net Investment in Capital Assets	7,143,071	21,096,629	16,271,180	18,228,571	17,680,215
	Unrestricted	(20,294,043)	(11,584,737)	(183,698,436)	(173,463,317)	(146,162,845)
	Total Net Position	(13,150,972)	9,511,892	(167,427,256)	(155,234,746)	(128,482,630)