

# Ramsey County 2015 Financial Overview and Fund Balance Report Summary

Prepared for the Ramsey County  
Board of Commissioners  
August 9, 2016

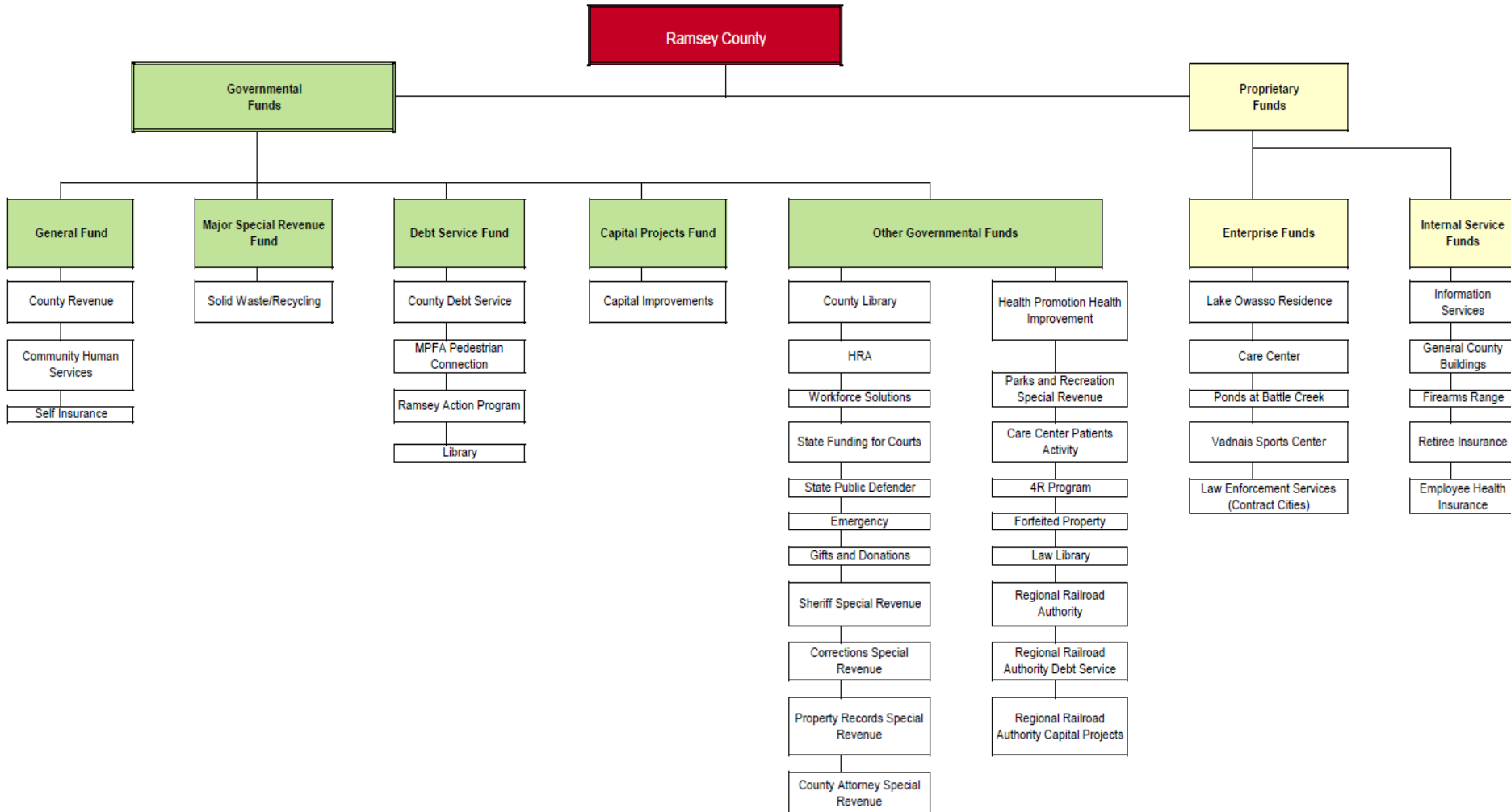
## Purpose Of The Presentation

- Provide an overview of how Ramsey County ended the year financially in 2015
- Summarize the Ramsey County 2015 Fund Balance Report
- Review how the new pension liability reporting requirements impacted our 2015 Comprehensive Annual Financial Report

Ramsey County 2015 Comprehensive Annual Financial Report can be found [here](#)

## 2015 Financial Achievements

- AAA bond rating received from both rating agencies (each year since 2001). In the top 2.3% of U.S. counties (one of only 70 of 3069 U.S. counties)
- Total General Fund Balance increased \$546,108 or 0.2% (from \$229,158,475 in 2014 to \$229,704,583 in 2015)
- Total outstanding debt decreased (\$3,605,080) or (1.5%) (from \$237,394,229 in 2014 to \$233,789,149 in 2015)
- Ramsey County Debt per Capita, Debt Service as a % of the Budget, and Debt as a % of Market Value were all in the low range of rating agency benchmarks
- Received all three GFOA awards (Comprehensive Annual Financial Report CAFR, Budget Presentation, and Popular Annual Financial Report PAFR)
- Unmodified (clean) audit opinion for 2015 from the State Auditor



## General Fund Balance Policy

- Adopted November, 2013
- Consistent with State Auditor guidelines, Rating Agency metrics, and Government Finance Officers Association recommendations
- 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
  - Any unrestricted General Fund balance in excess of the 50% threshold is transferred to the Capital Projects Fund
  - \$10.3m transferred in 2013 as a loan for the Vadnais Sports Center purchase. \$15.2m transferred in 2014 for the West Building demolition. \$13.2m transferred at end of 2015 is available for Board-approved projects
- Maintain an unassigned General Fund balance of no less than two months of the subsequent year's budget (2015 unassigned balance provides for 4.7 months)

More information on the County's Fund Balance Policy can be found on page 53 of [Ramsey County's 2015 Comprehensive Annual Financial Report](#)

## Highlights: Internal Service Funds

- Other Post-Employment Benefits (OPEB) Revocable Trust was established by the Board on 11/20/12 for retiree health insurance obligations
  - Funds invested with State Board of Investment
  - OPEB trust balance was \$60.6m at end of 2015 (cash + trust investments)
  - Trust earned 1.13% rate of return in 2015 with \$637,675 gain
  - 30-Year Actuarial Accrued Liability of \$235,503,520 as of 1/1/2015

More information on Ramsey County's OPEB can be found [here](#) on pages 64 - 66

## Highlights: Enterprise Funds

- Lake Owasso Residence Fund and Ramsey County Care Center Fund had declines in their net positions due to new requirements to include PERA-related pension liabilities
- Law Enforcement Services (Contract Cities) and Vadnais Sports Center finished with small gains in their net positions
- Ponds at Battle Creek was retired as an Enterprise Fund in 2015 and its operations are now included in the Parks and Recreation operating budget with other Ramsey County golf courses

More information on the County's Enterprise Funds can be found on pages 22 - 25 of [Ramsey County's 2015 Comprehensive Annual Financial Report](#)

## Changes to Financial Reporting of Pensions Liabilities

- Government Accounting Standards Boards (GASB) issued new pension accounting and financial reporting requirements (GASB 68 and 71)
- Effective for our 2015 financial statements and beyond
- Affects all state and local governments and school districts
- Requires us to report our proportionate share of PERA's unfunded pension liability (estimated to be \$196,538,297 as of 12/31/2015)
- This additional unfunded pension liability, in combination with other changes, reduced our government-wide net position (from \$955,756,856 to \$772,292,489)



## **Pension Liabilities Are a Financial Reporting Change, Not a Budget Change**

- Do not require additional funding
- Do not change employee/employer contributions or retiree benefits
- Did not negatively impact our County credit rating

- Questions?
- See our Ramsey County web site at: [www.ramseycounty.us](http://www.ramseycounty.us)
- Ramsey County's 2015 Comprehensive Annual Financial Report can be found [here](#)
- Ramsey County's Finance Department Webpage can be found [here](#)