

Ramsey County 2013 Fund Balance Report

Prepared for the Ramsey County
Board of Commissioners
August 5, 2014

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Commissioner Jim McDonough, Chair
Commissioner Toni Carter
Commissioner Blake Huffman
Commissioner Mary Jo McGuire

Commissioner Rafael Ortega
Commissioner Victoria Reinhardt
Commissioner Janice Rettman
County Manager Julie Kleinschmidt

Dear Commissioners and County Manager:

During my presentation to the Ramsey County Board of the 2011 Financial Overview on August 14, 2012, Commissioners asked that an annual report be provided regarding the County's various funds and fund balances. The 2012 Fund Balance Report was presented on August 20, 2013.

The Ramsey County 2013 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 Jim Rongstad of the Ramsey County Finance Department. Questions and comments may be directed to him at jim.rongstad@co.ramsey.mn.us or 651-266-8052.

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 funds set aside came from the sale of the former Sheriff's Patrol Station in 2007.

20xx Budget

This represents Fund Balance appropriated by the County Board to finance the budget.

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.

CHS

Ramsey County includes Community Human Services (CHS) in its general fund. Because it has its own fund number in the accounting system the State Auditor requires an assignment of the balance in that fund.

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 2013 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.

		2009	2010	2011	2012	2013
General Fund -						
Primary fund to account for Government Operations	Nonspendable	18,663,007	23,938,060	18,675,330	16,836,541	15,168,209
	Restricted	138,963	146,987	155,244	166,478	175,122
	Committed	14,685,488	9,958,148	3,819,936	7,321,209	2,042,509
	Assigned	95,127,228	105,346,010	123,848,540	135,304,614	131,842,047
	Unassigned	76,530,995	72,055,934	68,873,130	63,002,311	73,349,901
	Total Fund Balances	205,145,681	211,445,139	215,372,180	222,631,153	222,577,788
Debt Service Funds -						
Fund used to account for the County's debt service payments	Nonspendable	-	-	-	-	-
	Restricted	37,927,305	36,855,378	82,196,923	48,708,127	30,006,506
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	37,927,305	36,855,378	82,196,923	48,708,127	30,006,506
Capital Project Funds						
Use to account for projects included in the County's Capital Improvement Plan	Nonspendable	175,000	175,000	175,000	175,000	175,000
	Restricted	12,978,278	15,684,193	3,774,037	26,894,033	36,533,951
	Committed	-	-	-	-	10,259,738
	Assigned	-	-	-	-	-
	Total Fund Balances	13,153,278	15,859,193	3,949,037	27,069,033	46,968,689
Regional Railroad Capital Projects Fund -						
used to account for the expenses related to Regional Rail's capital projects	Nonspendable	-	-	-	-	-
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	8,167,187	4,215,768	3,776,134	8,034,312	3,907,698
	Total Fund Balances	8,167,187	4,215,768	3,776,134	8,034,312	3,907,698

Regional Railroad Capital Projects was presented as a Special Revenue Fund prior to 2011. For comparison purposes it is shown as a separate fund for the period 2009 -2010.

Special Revenue Funds:

		2009	2010	2011	2012	2013
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	3,776	3,924	5,825	7,528	8,072
	Restricted	4,028,345	4,304,296	4,230,384	4,142,383	4,025,260
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	4,032,121	4,308,220	4,236,209	4,149,911	4,033,332
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	19,594,545	20,723,646	21,730,833	18,922,437	21,211,738
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	19,594,595	20,723,696	21,730,883	18,922,487	21,211,788
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	953,541	956,195	1,111,016	962,926	883,284
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	953,541	956,195	1,111,016	962,926	883,284
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	2,456	5,023	2,329	4,206	8,037
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	784,787	1,126,968	1,320,368	1,700,851	
	Unassigned	-	-	-	-	(3,266,335)
Total Fund Balances	787,243	1,131,991	1,322,697	1,705,057	(3,258,298)	

		2009	2010	2011	2012	2013
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	-	736	1,222	4,832	7,542
	Restricted	-	-	-	-	-
	Committed	-	-	-	3,326,600	2,570,372
	Assigned	4,652,007	5,867,504	7,705,620	4,635,315	6,472,943
	Total Fund Balances	4,652,007	5,868,240	7,706,842	7,966,747	9,050,857
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	403,142	489,382	527,927	528,093	592,563
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	403,142	489,382	527,927	528,093	592,563
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	100	100	100	350	350
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	20,335,249	21,072,275	5,683,350	6,101,656	2,614,624
	Total Fund Balances	20,335,349	21,072,375	5,683,450	6,102,006	2,614,974
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	171,407	153,029	313,720	288,122	242,670
	Committed	-	-	-	-	-
	Assigned	188,021	88,217	179,171	200,410	206,651
	Total Fund Balances	359,428	241,246	492,891	488,532	449,321

		2009	2010	2011	2012	2013
Corrections Special Revenue - To account for revenues from various sources to benefit Community Corrections clients.	Nonspendable	200	200	200	-	-
	Restricted	-	-	-	-	-
	Committed	203,539	236,603	319,835	383,207	394,124
	Assigned	87,260	97,530	138,106	187,633	220,631
	Total Fund Balances	290,999	334,333	458,141	570,840	614,755
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	3,194,926	2,924,086	3,136,566	3,592,921	2,808,203
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	3,194,926	2,924,086	3,136,566	3,592,921	2,808,203
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	633,738	640,969	865,011	1,017,392	1,026,302
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	633,738	640,969	865,011	1,017,392	1,026,302
Health Promotion Health Improvement - To account for funds provided by the County's health insurer for work-site health promotion purposes.	Nonspendable	-	-	-	-	-
	Restricted	107,510	111,267	147,316	139,387	117,788
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	107,510	111,267	147,316	139,387	117,788

		2009	2010	2011	2012	2013
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	633,336	533,246	566,788	637,087	598,380
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	633,336	533,246	566,788	637,087	598,380
Care Center Patients' Activity - To account for revenues from donations, canteen and vending machines, and expenditures for patients' activities and recreational supplies.	Nonspendable	-	-	-	-	-
	Restricted	7,008	7,923	8,383	26,452	24,931
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	7,008	7,923	8,383	26,452	24,931
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
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	-	-	-	1,369,686	918,277
Forfeited Property Management - To account for all funds collected for management and sale of forfeited real estate.	Nonspendable	-	-	-	-	-
	Restricted	-	893,701	1,309,533	41,125	75,000
	Committed	-	-	-	-	-
	Assigned	(38,064)	-	75,000	-	-
	Total Fund Balances	(38,064)	893,701	1,384,533	41,125	75,000

		2009	2010	2011	2012	2013
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	726,432	686,386	596,955	546,392	564,239
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	726,452	686,406	596,975	546,412	564,259
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	-
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	-	-	-	125,128	-
Total Special Revenue Funds	Nonspendable	6,602	10,053	9,746	16,986	24,071
	Restricted	30,453,930	32,424,126	34,544,432	32,339,531	33,088,635
	Committed	203,539	236,603	319,835	3,709,807	2,964,496
	Assigned	26,009,260	28,252,494	15,101,615	12,825,865	9,514,849
	Unassigned	-	-	-	-	(3,266,335)
	Total Fund Balances	56,673,331	60,923,276	49,975,628	48,892,189	42,325,716

		2009	2010	2011	2012	2013
Enterprise Funds:						
Lake Owasso Residence - Used to account for the operations of the Lake Owasso Facility	Net Investment in Capital	707,377	754,271	804,797	880,867	967,308
	Unrestricted	(466,333)	(822,004)	(1,395,675)	(1,419,633)	(1,085,781)
	Total Net Position	241,044	(67,733)	(590,878)	(538,766)	(118,473)
Care Center - Used to account for the operations of the Ramsey County Care Center	Net Investment in Capital	2,497,265	2,135,933	1,891,087	1,624,308	1,343,473
	Unrestricted	(1,095,798)	(2,040,585)	(2,813,663)	(2,899,367)	(2,989,051)
	Total Net Position	1,401,467	95,348	(922,576)	(1,275,059)	(1,645,578)
Ponds at Battle Creek - Used to account for the operations of the Ponds at Battle Creek golf course	Net Investment in Capital	326,266	261,928	439,362	525,562	622,603
	Unrestricted	(1,703,810)	(1,892,510)	(2,345,381)	(2,744,658)	(2,996,644)
	Total Net Position	(1,377,544)	(1,630,582)	(1,906,019)	(2,219,096)	(2,374,041)
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	293,822	250,173	265,032	313,205	435,942
	Unrestricted	(291,811)	(220,107)	(258,138)	(271,585)	(426,235)
	Total Net Position	2,011	30,066	6,894	41,620	9,707
Total Enterprise Funds	Net Investment in Capital	3,824,730	3,402,305	3,400,278	3,343,942	3,369,326
	Unrestricted	(3,557,752)	(4,975,206)	(6,812,857)	(7,335,243)	(7,497,711)
	Total Net Position	266,978	(1,572,901)	(3,412,579)	(3,991,301)	(4,128,385)

		2009	2010	2011	2012	2013
Internal Service Funds:						
Data Processing - To provide electronic data processing services to County departments and other governmental units	Net Investment in Capital	104,278	89,413	11,684	66,940	157,371
	Unrestricted	(53,118)	(410,916)	123,730	1,361,797	1,849,658
	Total Net Position	51,160	(321,503)	135,414	1,428,737	2,007,029
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	2,377,446	2,215,443	2,463,079	3,889,123	3,642,950
	Unrestricted	10,493,627	12,569,194	14,186,652	14,260,915	15,349,014
	Total Net Position	12,871,073	14,784,637	16,649,731	18,150,038	18,991,964
Telecommunications - To account for operating the telephone system in Ramsey County Buildings.	Net Investment in Capital	498,871	471,930	537,410	443,367	378,745
	Unrestricted	3,441,574	3,731,322	3,961,308	4,410,324	4,775,216
	Total Net Position	3,940,445	4,203,252	4,498,718	4,853,691	5,153,961
Firearms Range - To provide a Firearms Range to law enforcement personnel of the County and other local governments.	Net Investment in Capital	-	-	-	-	-
	Unrestricted	20,591	17,913	23,367	38,123	46,335
	Total Net Position	20,591	17,913	23,367	38,123	46,335
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	-	-	-	-	-
	Unrestricted	(11,988,523)	(19,527,308)	(28,022,088)	(34,830,615)	(31,842,660)
	Total Net Position	(11,988,523)	(19,527,308)	(28,022,088)	(34,830,615)	(31,842,660)
Total Internal Service Funds	Net Investment in Capital	2,980,595	2,776,786	3,012,173	4,399,430	4,179,066
	Unrestricted	1,914,151	(3,619,795)	(9,727,031)	(14,759,456)	(9,822,437)
	Total Net Position	4,894,746	(843,009)	(6,714,858)	(10,360,026)	(5,643,371)