

# Ramsey County 2014 Fund Balance Report

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Prepared for the Ramsey County  
Board of Commissioners  
September 15, 2015

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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 Ramsey County 2014 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 Daniel Rahkola of the Ramsey County Finance Department. Questions and comments may be directed to him at [daniel.rahkola@co.ramsey.mn.us](mailto:daniel.rahkola@co.ramsey.mn.us) or 651-266-8043.

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.

		2010	2011	2012	2013	2014
<b>General Fund -</b>						
Primary fund to account for Government Operations	Nonspendable	23,938,060	18,675,330	16,836,541	15,168,209	20,041,480
	Restricted	146,987	155,244	166,478	175,122	183,534
	Committed	9,958,148	3,819,936	7,321,209	2,042,509	1,693,743
	Assigned	105,346,010	123,848,540	135,304,614	131,842,047	127,675,675
	Unassigned	72,055,934	68,873,130	63,002,311	73,349,901	79,564,043
	Total Fund Balances	211,445,139	215,372,180	222,631,153	222,577,788	229,158,475
<b>Debt Service Funds -</b>						
Fund used to account for the County's debt service payments	Nonspendable	-	-	-	-	-
	Restricted	36,855,378	82,196,923	48,708,127	30,006,506	32,634,675
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	36,855,378	82,196,923	48,708,127	30,006,506	32,634,675
<b>Capital Project Funds</b>						
Used to account for projects included in the County's Capital Improvement Plan	Nonspendable	175,000	175,000	175,000	175,000	9,975,000
	Restricted	15,684,193	3,774,037	26,894,033	36,533,951	27,827,488
	Committed	-	-	-	10,259,738	15,166,497
	Assigned	-	-	-	-	-
	Total Fund Balances	15,859,193	3,949,037	27,069,033	46,968,689	52,968,985
<b>Regional Railroad Capital Projects</b>						
Fund - used to account for the expenses related to Regional Rail's capital projects	Nonspendable	-	-	-	-	-
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	4,215,768	3,776,134	8,034,312	3,907,698	3,259,954
	Total Fund Balances	4,215,768	3,776,134	8,034,312	3,907,698	3,259,954

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 2010.



**Special Revenue Funds:**

		2010	2011	2012	2013	2014
<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	3,924	5,825	7,528	8,072	7,022
	Restricted	4,304,296	4,230,384	4,142,383	4,025,260	4,043,805
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	4,308,220	4,236,209	4,149,911	4,033,332	4,050,827
<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	50	50
	Restricted	20,723,646	21,730,833	18,922,437	21,211,738	20,659,569
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	20,723,696	21,730,883	18,922,487	21,211,788	20,659,619
<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	956,195	1,111,016	962,926	883,284	1,006,139
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	956,195	1,111,016	962,926	883,284	1,006,139
<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	5,023	2,329	4,206	8,037	450
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	1,126,968	1,320,368	1,700,851	-	1,663,313
	Unassigned	-	-	-	(3,266,335)	-
	Total Fund Balances	1,131,991	1,322,697	1,705,057	(3,258,298)	1,663,763

		2010	2011	2012	2013	2014
<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	736	1,222	4,832	7,542	-
	Restricted	-	-	-	-	-
	Committed	-	-	3,326,600	2,570,372	5,004,141
	Assigned	5,867,504	7,705,620	4,635,315	6,472,943	4,924,740
	Total Fund Balances	5,868,240	7,706,842	7,966,747	9,050,857	9,928,881
<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	489,382	527,927	528,093	592,563	572,220
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	489,382	527,927	528,093	592,563	572,220
<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	350	350	350
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	21,072,275	5,683,350	6,101,656	2,614,624	6,558,060
	Total Fund Balances	21,072,375	5,683,450	6,102,006	2,614,974	6,558,410
<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	153,029	313,720	288,122	242,670	273,087
	Committed	-	-	-	-	-
	Assigned	88,217	179,171	200,410	206,651	415,159
	Total Fund Balances	241,246	492,891	488,532	449,321	688,246

		2010	2011	2012	2013	2014
<b>Corrections Special Revenue</b> - To account for revenues from various sources to benefit Community Corrections clients.	Nonspendable	200	200	-	-	-
	Restricted	-	-	-	-	-
	Committed	236,603	319,835	383,207	394,124	351,474
	Assigned	97,530	138,106	187,633	220,631	263,015
	Total Fund Balances	334,333	458,141	570,840	614,755	614,489
<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	2,924,086	3,136,566	3,592,921	2,808,203	2,646,734
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	2,924,086	3,136,566	3,592,921	2,808,203	2,646,734
<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	640,969	865,011	1,017,392	1,026,302	942,011
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	640,969	865,011	1,017,392	1,026,302	942,011
<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	111,267	147,316	139,387	117,788	102,754
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	111,267	147,316	139,387	117,788	102,754

		2010	2011	2012	2013	2014
<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	533,246	566,788	637,087	598,380	665,484
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	533,246	566,788	637,087	598,380	665,484
<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	7,923	8,383	26,452	24,931	23,595
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	7,923	8,383	26,452	24,931	23,595
<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	-	-	1,369,686	918,277	1,038,321
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	-	-	1,369,686	918,277	1,038,321
<b>Forfeited Property Management</b> - 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	75,000
	Committed	-	-	-	-	-
	Assigned	-	75,000	-	-	-
	Total Fund Balances	893,701	1,384,533	41,125	75,000	75,000

		2010	2011	2012	2013	2014
<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	20
	Restricted	686,386	596,955	546,392	564,239	967,230
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	686,406	596,975	546,412	564,259	967,250
<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	-	-	125,128	-	1,592
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	-	-	125,128	-	1,592
<b>Total Special Revenue Funds</b>	Nonspendable	10,053	9,746	16,986	24,071	7,892
	Restricted	32,424,126	34,544,432	32,339,531	33,088,635	33,017,541
	Committed	236,603	319,835	3,709,807	2,964,496	5,355,615
	Assigned	28,252,494	15,101,615	12,825,865	9,514,849	13,824,287
	Unassigned	-	-	-	(3,266,335)	-
Total Fund Balances	60,923,276	49,975,628	48,892,189	42,325,716	52,205,335	

		2010	2011	2012	2013	2014
<b>Enterprise Funds:</b>						
<b>Lake Owasso Residence</b> - Used to account for the operations of the Lake Owasso Facility.	Net Investment in Capital	754,271	804,797	880,867	967,308	1,106,365
	Unrestricted	(822,004)	(1,395,675)	(1,419,633)	(1,085,781)	(982,579)
	Total Net Position	(67,733)	(590,878)	(538,766)	(118,473)	123,786
<b>Care Center</b> - Used to account for the operations of the Ramsey County Care Center.	Net Investment in Capital	2,135,933	1,891,087	1,624,308	1,343,473	1,086,199
	Unrestricted	(2,040,585)	(2,813,663)	(2,899,367)	(2,989,051)	(3,466,431)
	Total Net Position	95,348	(922,576)	(1,275,059)	(1,645,578)	(2,380,232)
<b>Ponds at Battle Creek</b> - Used to account for the operations of the Ponds at Battle Creek golf course.	Net Investment in Capital	261,928	439,362	525,562	622,603	543,453
	Unrestricted	(1,892,510)	(2,345,381)	(2,744,658)	(2,996,644)	(3,074,668)
	Total Net Position	(1,630,582)	(1,906,019)	(2,219,096)	(2,374,041)	(2,531,215)
<b>Vadnais Sports Center</b> - used to account for the operations of the Vadnais Sports Center.	Net Investment in Capital	-	-	-	-	9,723,576
	Unrestricted	-	-	-	-	(9,622,527)
	Total Net Position	-	-	-	-	101,049
<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	250,173	265,032	313,205	435,942	397,923
	Unrestricted	(220,107)	(258,138)	(271,585)	(426,235)	(448,174)
	Total Net Position	30,066	6,894	41,620	9,707	(50,251)
<b>Total Enterprise Funds</b>	Net Investment in Capital	3,402,305	3,400,278	3,343,942	3,369,326	12,857,516
	Unrestricted	(4,975,206)	(6,812,857)	(7,335,243)	(7,497,711)	(17,594,379)
	Total Net Position	(1,572,901)	(3,412,579)	(3,991,301)	(4,128,385)	(4,736,863)

		2010	2011	2012	2013	2014
<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 governmental units.	Net Investment in Capital	561,343	549,094	510,307	536,116	987,143
	Unrestricted	3,320,406	4,085,038	5,772,121	6,624,874	7,182,754
	Total Net Position	3,881,749	4,634,132	6,282,428	7,160,990	8,169,897
<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	2,215,443	2,463,079	3,889,123	3,642,950	2,882,970
	Unrestricted	12,569,194	14,186,652	14,260,915	15,349,014	14,160,319
	Total Net Position	14,784,637	16,649,731	18,150,038	18,991,964	17,043,289
<b>Firearms Range</b> - To provide a Firearms Range to law enforcement personnel of the County and other local governments.	Net Investment in Capital	-	-	-	-	-
	Unrestricted	17,913	23,367	38,123	46,335	71,296
	Total Net Position	17,913	23,367	38,123	46,335	71,296
<b>Retiree Insurance</b> - To account for the County's contribution to Retiree Insurance and OPEB expenses in compliance with GASB Statement #45.	Net Investment in Capital	-	-	-	-	-
	Unrestricted	(19,527,308)	(28,022,088)	(34,830,615)	(31,842,660)	(33,405,005)
	Total Net Position	(19,527,308)	(28,022,088)	(34,830,615)	(31,842,660)	(33,405,005)
<b>Employee Health Insurance</b> - To account for the County's contributions for employee health insurance.	Net Investment in Capital	-	-	-	-	-
	Unrestricted	-	-	-	-	2,156,194
	Total Net Position	-	-	-	-	2,156,194
<b>Total Internal Service Funds</b>	Net Investment in Capital	2,776,786	3,012,173	4,399,430	4,179,066	3,870,113
	Unrestricted	(3,619,795)	(9,727,031)	(14,759,456)	(9,822,437)	(9,834,442)
	Total Net Position	(843,009)	(6,714,858)	(10,360,026)	(5,643,371)	(5,964,329)