

# Ramsey County 2015 Fund Balance Report

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

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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:

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 2015 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](mailto:mike.webster@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 County Board 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 2015 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.

		2011	2012	2013	2014	2015
<b>General Fund</b>						
Primary fund to account for Government Operations	Nonspendable	18,675,330	16,836,541	15,168,209	20,041,480	12,178,547
	Restricted	155,244	166,478	175,122	183,534	192,399
	Committed	3,819,936	7,321,209	2,042,509	1,693,743	1,693,743
	Assigned	123,848,540	135,304,614	131,842,047	127,675,675	36,771,270
	Unassigned	68,873,130	63,002,311	73,349,901	79,564,043	178,868,624
	<b>Total Fund Balances</b>	<b>215,372,180</b>	<b>222,631,153</b>	<b>222,577,788</b>	<b>229,158,475</b>	<b>229,704,583</b>
<b>Solid Waste Special Revenue Fund</b>						
Fund used 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	21,730,833	18,922,437	21,211,738	20,659,569	18,304,728
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>21,730,883</b>	<b>18,922,487</b>	<b>21,211,788</b>	<b>20,659,619</b>	<b>18,304,778</b>
<b>Debt Service Funds</b>						
Fund used to account for the County's debt service payments						
	Nonspendable	-	-	-	-	-
	Restricted	82,196,923	48,708,127	30,006,506	32,634,675	35,387,762
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>82,196,923</b>	<b>48,708,127</b>	<b>30,006,506</b>	<b>32,634,675</b>	<b>35,387,762</b>
<b>Capital Project Funds</b>						
Use to account for projects included in the County's Capital Improvement Plan						
	Nonspendable	175,000	175,000	175,000	9,975,000	-
	Restricted	3,774,037	26,894,033	36,533,951	27,827,488	29,601,176
	Committed	-	-	10,259,738	15,166,497	34,180,455
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>3,949,037</b>	<b>27,069,033</b>	<b>46,968,689</b>	<b>52,968,985</b>	<b>63,781,631</b>



		2011	2012	2013	2014	2015
<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	5,825	7,528	8,072	7,022	4,271
	Restricted	4,230,384	4,142,383	4,025,260	4,043,805	3,869,924
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>4,236,209</b>	<b>4,149,911</b>	<b>4,033,332</b>	<b>4,050,827</b>	<b>3,874,195</b>
<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	1,111,016	962,926	883,284	1,006,139	925,996
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>1,111,016</b>	<b>962,926</b>	<b>883,284</b>	<b>1,006,139</b>	<b>925,996</b>
<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	2,329	4,206	8,037	450	450
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	1,320,368	1,700,851	-	1,663,313	1,035,004
	Unassigned	-	-	(3,266,335)	-	-
<b>Total Fund Balances</b>	<b>1,322,697</b>	<b>1,705,057</b>	<b>(3,258,298)</b>	<b>1,663,763</b>	<b>1,035,454</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	1,222	4,832	7,542	-	-
	Restricted	-	-	-	-	-
	Committed	-	3,326,600	2,570,372	5,004,141	4,323,073
	Assigned	7,705,620	4,635,315	6,472,943	4,924,740	8,062,617
	<b>Total Fund Balances</b>	<b>7,706,842</b>	<b>7,966,747</b>	<b>9,050,857</b>	<b>9,928,881</b>	<b>12,385,690</b>

		2011	2012	2013	2014	2015
<b>Other Governmental Funds (continued):</b>						
<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	527,927	528,093	592,563	572,220	579,230
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	527,927	528,093	592,563	572,220	579,230
<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	313,720	288,122	242,670	273,087	493,993
	Committed	-	-	-	-	-
	Assigned	179,171	200,410	206,651	415,159	79,398
	Total Fund Balances	492,891	488,532	449,321	688,246	573,391
<b>Corrections Special Revenue</b> - To account for revenues from various sources to benefit Community Corrections clients.	Nonspendable	200	-	-	-	-
	Restricted	-	-	-	-	-
	Committed	319,835	383,207	394,124	351,474	450,334
	Assigned	138,106	187,633	220,631	263,015	310,451
	Total Fund Balances	458,141	570,840	614,755	614,489	760,785
<b>Property Records Special Revenue</b> - To account for County Recorder Funds and Environmental Response Fund fees used to provide modern, retrievable information from the County's system of recorded documents and to finance ERF projects.	Nonspendable	-	-	-	-	-
	Restricted	3,136,566	3,592,921	2,808,203	2,646,734	2,516,601
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	3,136,566	3,592,921	2,808,203	2,646,734	2,516,601

		2011	2012	2013	2014	2015
<b>Other Governmental Funds (continued):</b>						
<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	865,011	1,017,392	1,026,302	942,011	863,965
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	865,011	1,017,392	1,026,302	942,011	863,965
<b>Health Promotion Health Improvement</b> - To account for funds from unused employee health care reimbursement accounts and performance penalties paid by health care provider.	Nonspendable	-	-	-	-	-
	Restricted	147,316	139,387	117,788	102,754	168,878
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	147,316	139,387	117,788	102,754	168,878
<b>Parks and Recreation Special Revenue</b> - To account for funds provided by grants and donations for improvements to the County's Regional Park & Trail System.	Nonspendable	-	-	-	-	-
	Restricted	566,788	637,087	598,380	665,484	483,797
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	566,788	637,087	598,380	665,484	483,797
<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	8,383	26,452	24,931	23,595	25,737
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	8,383	26,452	24,931	23,595	25,737

		2011	2012	2013	2014	2015
<b>Other Governmental Funds (continued):</b>						
<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	524,750
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	-	1,369,686	918,277	1,038,321	524,750
<b>Forfeited Property Management</b> - To account for all funds collected for management and sale of forfeited real estate.	Nonspendable	-	-	-	-	-
	Restricted	1,309,533	41,125	75,000	75,000	75,000
	Committed	-	-	-	-	-
	Assigned	75,000	-	-	-	-
	<b>Total Fund Balances</b>	1,384,533	41,125	75,000	75,000	75,000
<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	596,955	546,392	564,239	967,230	1,282,592
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	596,975	546,412	564,259	967,250	1,282,612
<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	350	350	350	350
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	5,683,350	6,101,656	2,614,624	6,558,060	9,738,664
	<b>Total Fund Balances</b>	5,683,450	6,102,006	2,614,974	6,558,410	9,739,014

		2011	2012	2013	2014	2015
<b>Other Governmental Funds (continued):</b>						
<b>Regional Railroad Authority Debt Service - To</b>						
account for the resources accumulated and	Nonspendable	-	-	-	-	-
payments made for principal and interest on	Restricted	-	125,128	-	1,592	418,212
long-term debt of the Regional Rail Authority.	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	-	125,128	-	1,592	418,212
<b>Regional Railroad Capital Projects Fund -</b>						
used to account for the expenses related to	Nonspendable	-	-	-	-	-
Regional Rail's capital projects	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	3,776,134	8,034,312	3,907,698	3,259,954	6,997,044
	<b>Total Fund Balances</b>	3,776,134	8,034,312	3,907,698	3,259,954	6,997,044
<b>Total Other Governmental Funds</b>	Nonspendable	9,696	16,936	24,021	7,842	5,091
	Restricted	12,813,599	13,417,094	11,876,897	12,357,972	12,228,675
	Committed	319,835	3,709,807	2,964,496	5,355,615	4,773,407
	Assigned	18,877,749	20,860,177	13,422,547	17,084,241	26,223,178
	Unassigned	-	-	(3,266,335)	-	-
	<b>Total Fund Balances</b>	32,020,879	38,004,014	25,021,626	34,805,670	43,230,351

		2011	2012	2013	2014	2015
<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	804,797	880,867	967,308	1,106,365	1,227,599
	Unrestricted	(1,395,675)	(1,419,633)	(1,085,781)	(982,579)	(5,061,487)
	Total Net Position	(590,878)	(538,766)	(118,473)	123,786	(3,833,888)
<b>Care Center</b> - Used to account for the operations of the Ramsey County Care Center	Net Investment in Capital Assets	1,891,087	1,624,308	1,343,473	1,086,199	1,102,859
	Unrestricted	(2,813,663)	(2,899,367)	(2,989,051)	(3,466,431)	(11,091,686)
	Total Net Position	(922,576)	(1,275,059)	(1,645,578)	(2,380,232)	(9,988,827)
<b>Ponds at Battle Creek</b> - Used to account for the operations of the Ponds at Battle Creek golf course	Net Investment in Capital Assets	439,362	525,562	622,603	543,453	-
	Unrestricted	(2,345,381)	(2,744,658)	(2,996,644)	(3,074,668)	-
	Total Net Position	(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 Assets	-	-	-	9,723,576	9,625,665
	Unrestricted	-	-	-	(9,622,527)	(9,226,455)
	Total Net Position	-	-	-	101,049	399,210
<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	265,032	313,205	435,942	397,923	393,226
	Unrestricted	(258,138)	(271,585)	(426,235)	(448,174)	(158,127)
	Total Net Position	6,894	41,620	9,707	(50,251)	235,099
<b>Total Enterprise Funds</b>	Net Investment in Capital Assets	3,400,278	3,343,942	3,369,326	12,857,516	12,349,349
	Unrestricted	(6,812,857)	(7,335,243)	(7,497,711)	(17,594,379)	(25,537,755)
	Total Net Position	(3,412,579)	(3,991,301)	(4,128,385)	(4,736,863)	(13,188,406)

		2011	2012	2013	2014	2015
<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	549,094	510,307	536,116	987,143	2,073,508
	Unrestricted	4,085,038	5,772,121	6,624,874	7,182,754	2,687,782
	Total Net Position	4,634,132	6,282,428	7,160,990	8,169,897	4,761,290
<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	2,463,079	3,889,123	3,642,950	2,882,970	2,736,412
	Unrestricted	14,186,652	14,260,915	15,349,014	14,160,319	10,994,887
	Total Net Position	16,649,731	18,150,038	18,991,964	17,043,289	13,731,299
<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	23,367	38,123	46,335	71,296	101,293
	Total Net Position	23,367	38,123	46,335	71,296	101,293
<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 Assets	-	-	-	-	-
	Unrestricted	(28,022,088)	(34,830,615)	(31,842,660)	(33,405,005)	(39,655,084)
	Total Net Position	(28,022,088)	(34,830,615)	(31,842,660)	(33,405,005)	(39,655,084)
<b>Employee Health Insurance</b> - To account for the County's contributions for employee health insurance	Net Investment in Capital Assets	-	-	-	-	-
	Unrestricted	-	-	-	2,156,194	2,353,739
	Total Net Position	-	-	-	2,156,194	2,353,739
<b>Total Internal Service Funds</b>	Net Investment in Capital Assets	3,012,173	4,399,430	4,179,066	3,870,113	4,809,920
	Unrestricted	(9,727,031)	(14,759,456)	(9,822,437)	(9,834,442)	(23,517,383)
	Total Net Position	(6,714,858)	(10,360,026)	(5,643,371)	(5,964,329)	(18,707,463)