

# Ramsey County 2018 Fund Balance Report

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Prepared for the Ramsey County  
Board of Commissioners  
August 6, 2019

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Commissioner Jim McDonough, Chair  
Commissioner Toni Carter  
Commissioner Trista MatasCastillo  
Commissioner Mary Jo McGuire

Commissioner Rafael Ortega  
Commissioner Victoria Reinhardt County  
Manager Ryan O'Connor

Dear Commissioners and County Manager:

As part of the biennial budget process since 2012, the Ramsey County Board has received a financial briefing regarding the County's various funds and fund balances for the preceding year. These presentations have typically communicated our financial position and highlighted any potential changes to County financial strategies for Board consideration.

The Ramsey County 2018 Fund Balance Report, as enclosed, is provided as part of the annual financial briefing and provides a multi-year history of 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 of the Ramsey County Finance Department. Questions and comments may be directed to her at [renee.vought@co.ramsey.mn.us](mailto:renee.vought@co.ramsey.mn.us) or 651-266-8046.

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.

#### Petty Cash

An account to be used for the portion of fund balance comprised of funds held by departments to use for the purchase of small items.

### **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 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 2018 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 earned and measurable. Modified accrual requires that revenues be available because the focus is on the current period.

## Major Funds

		2014	2015	2016	2017	2018
<b>General Fund</b>						
Primary fund to account for Government Operations	Nonspendable	20,041,480	12,178,547	11,034,769	25,229,052	14,912,023
	Restricted	183,534	192,399	3,446,383	4,310,129	5,211,009
	Committed	1,693,743	1,693,743	-	-	1,693,743
	Assigned	127,675,675	36,771,270	35,011,587	35,395,861	42,669,019
	Unassigned	79,564,043	178,868,624	189,192,643	182,708,988	190,310,844
	<b>Total Fund Balances</b>	<b>229,158,475</b>	<b>229,704,583</b>	<b>238,685,382</b>	<b>247,644,030</b>	<b>254,796,638</b>
<b>Transit and Transportation Improvement - To account for revenues collected from the ½ percent sales and use tax and expenditures for transportation improvement designated by the Board of Commissioners.</b>						
	Nonspendable	-	-	-	-	-
	Restricted	-	-	-	6,501,300	44,889,849
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,501,300</b>	<b>44,889,849</b>
<b>Debt Service Funds</b>						
Fund used to account for the County's debt service payments	Nonspendable	-	-	-	-	-
	Restricted	32,634,675	35,387,762	67,635,984	58,145,792	56,404,073
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>32,634,675</b>	<b>35,387,762</b>	<b>67,635,984</b>	<b>58,145,792</b>	<b>56,404,073</b>
<b>Capital Project Funds</b>						
Use to account for projects included in the County's Capital Improvement Plan	Nonspendable	9,975,000	-	-	-	-
	Restricted	27,827,488	29,601,176	23,211,228	13,139,534	28,764,077
	Committed	15,166,497	34,180,455	25,509,892	16,672,707	34,358,382
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>52,968,985</b>	<b>63,781,631</b>	<b>48,721,120</b>	<b>29,812,241</b>	<b>63,122,459</b>

**Other Governmental Funds:**

**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.

	2014	2015	2016	2017	2018
Nonspendable	7,022	4,271	1,575	1,575	1,575
Restricted	4,043,805	3,869,924	4,204,534	4,339,843	4,457,034
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>4,050,827</b>	<b>3,874,195</b>	<b>4,206,109</b>	<b>4,341,418</b>	<b>4,458,609</b>

**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	20,659,569	18,304,728	19,738,412	20,133,550	23,451,571
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>20,659,619</b>	<b>18,304,778</b>	<b>19,738,462</b>	<b>20,133,600</b>	<b>23,451,621</b>

**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	1,006,139	925,996	858,830	794,763	722,559
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>1,006,139</b>	<b>925,996</b>	<b>858,830</b>	<b>794,763</b>	<b>722,559</b>

**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	450	450	450	450	450
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	1,663,313	1,035,004	-	-	-
Unassigned	-	-	(144,202)	(5,278,548)	(3,319,770)
<b>Total Fund Balances</b>	<b>1,663,763</b>	<b>1,035,454</b>	<b>(143,752)</b>	<b>(5,278,098)</b>	<b>(3,319,320)</b>



	2014	2015	2016	2017	2018
<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	5,004,141	4,323,073	3,383,322	4,702,842	4,970,701
Assigned	4,924,740	8,062,617	8,362,088	8,261,188	8,148,919
<b>Total Fund Balances</b>	<b>9,928,881</b>	<b>12,385,690</b>	<b>11,745,410</b>	<b>12,964,030</b>	<b>13,119,620</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	572,220	579,230	647,181	605,381	561,833
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>572,220</b>	<b>579,230</b>	<b>647,181</b>	<b>605,381</b>	<b>561,833</b>
<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	273,087	493,993	711,913	645,800	915,648
Committed	-	-	-	-	-
Assigned	415,159	79,398	126,638	196,729	267,371
<b>Total Fund Balances</b>	<b>688,246</b>	<b>573,391</b>	<b>838,551</b>	<b>842,529</b>	<b>1,183,019</b>
<b>Corrections Special Revenue</b> - To account for revenues from various sources to benefit Community Corrections clients.					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	351,474	450,334	497,372	444,912	314,933
Assigned	263,015	310,451	204,175	310,016	288,433
<b>Total Fund Balances</b>	<b>614,489</b>	<b>760,785</b>	<b>701,547</b>	<b>754,928</b>	<b>603,366</b>

		2014	2015	2016	2017	2018
<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	2,646,734	2,516,601	3,608,470	3,217,020	2,226,349
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	2,646,734	2,516,601	3,608,470	3,217,020	2,226,349
<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	942,011	863,965	773,937	768,325	859,021
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	942,011	863,965	773,937	768,325	859,021
<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	102,754	168,878	150,416	138,619	140,228
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	102,754	168,878	150,416	138,619	140,228
<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	665,484	483,797	346,903	442,213	561,802
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	665,484	483,797	346,903	442,213	561,802

**Other Governmental Funds (continued):**

		2014	2015	2016	2017	2018
<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	23,595	25,737	19,935	14,271	10,673
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	23,595	25,737	19,935	14,271	10,673
<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	1,038,321	524,750	457,216	1,328,193	1,693,792
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	1,038,321	524,750	457,216	1,328,193	1,693,792
<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	75,000	75,000	149,908
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	75,000	75,000	75,000	75,000	149,908
<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	967,230	1,282,592	1,510,284	1,808,658	1,914,737
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	967,250	1,282,612	1,510,304	1,808,678	1,914,757

		2014	2015	2016	2017	2018
<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	350	350	100	100	100
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	6,558,060	9,738,664	11,952,818	15,085,729	18,608,068
	<b>Total Fund Balances</b>	<b>6,558,410</b>	<b>9,739,014</b>	<b>11,952,918</b>	<b>15,085,829</b>	<b>18,608,168</b>
<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	1,592	418,212	418,212	418,212	-
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>1,592</b>	<b>418,212</b>	<b>418,212</b>	<b>418,212</b>	<b>-</b>
<b>Regional Railroad Capital Projects Fund</b> - To account for the expenses related to Regional Railroad Authority's capital projects.	Nonspendable	-	-	-	-	-
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	3,259,954	6,997,044	8,511,095	15,341,437	20,476,127
	<b>Total Fund Balances</b>	<b>3,259,954</b>	<b>6,997,044</b>	<b>8,511,095</b>	<b>15,341,437</b>	<b>20,476,127</b>
<b>Total Other Governmental Funds</b>	Nonspendable	7,892	5,141	2,195	2,195	2,195
	Restricted	33,017,541	30,533,403	33,521,243	34,729,848 *	37,665,155
	Committed	5,355,615	4,773,407	3,880,694	5,147,754	5,285,634
	Assigned	17,084,241	26,223,178	29,156,814	39,195,099	47,788,918
	Unassigned	-	-	(144,202)	(5,278,548)	(3,319,770)
	<b>Total Fund Balances</b>	<b>55,465,289</b>	<b>61,535,129</b>	<b>66,416,744</b>	<b>73,796,348</b>	<b>87,422,132</b>

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

		2014	2015	2016	2017	2018
<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	1,106,365	1,227,599	1,471,524	1,635,058	1,718,502
	Unrestricted	(982,579)	(5,061,487)	(5,962,782)	(6,803,269)	(9,697,542)
	Total Net Position	123,786	(3,833,888)	(4,491,258)	(5,168,211)	(7,979,040)
<b>Care Center</b> - Used to account for the operations of the Ramsey County Care Center	Net Investment in Capital Assets	1,086,199	1,102,859	916,765	748,934	546,764
	Unrestricted	(3,466,431)	(11,091,686)	(11,303,142)	(12,186,281)	(15,537,326)
	Total Net Position	(2,380,232)	(9,988,827)	(10,386,377)	(11,437,347)	(14,990,562)
<b>Ponds at Battle Creek</b> - Used to account for the operations of the Ponds at Battle Creek golf course. The fund was closed and the balances rolled into the General Fund by the end of calendar year 2015.	Net Investment in Capital Assets	543,453	-	-	-	-
	Unrestricted	(3,074,668)	-	-	-	-
	Total Net Position	(2,531,215)	-	-	-	-
<b>Vadnais Sports Center</b> - used to account for the operations of the Vadnais Sports Center. Beginning in 2019, this activity will be reported in the General Fund and presented in the Parks and Recreation budget.	Net Investment in Capital Assets	9,723,576	9,625,665	9,471,416	9,297,157	9,123,814
	Unrestricted	(9,622,527)	(9,226,455)	(9,020,816)	(8,571,910)	(8,500,690)
	Total Net Position	101,049	399,210	450,600	725,247	623,124
<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	397,923	393,226	478,194	493,516	537,546
	Unrestricted	(448,174)	(158,127)	(521,419)	(507,840)	(427,730)
	Total Net Position	(50,251)	235,099	(43,225)	(14,324)	109,816
<b>Total Enterprise Funds</b>	Net Investment in Capital Assets	12,857,516	12,349,349	12,337,899	12,174,665	11,926,626
	Unrestricted	(17,594,379)	(25,537,755)	(26,808,159)	(28,069,300)	(34,163,288)
	Total Net Position	(4,736,863)	(13,188,406)	(14,470,260)	(15,894,635)	(22,236,662)

		2014	2015	2016	2017	2018
<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	987,143	2,073,508	1,601,230	1,170,874	1,599,332
	Unrestricted	7,182,754	2,687,782	4,256,356	6,242,414	3,032,041
	Total Net Position	8,169,897	4,761,290	5,857,586	7,413,288	4,631,373
<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	2,882,970	2,736,412	2,549,136	2,572,708	2,481,623
	Unrestricted	14,160,319	10,994,887	13,045,504	14,337,396	12,442,538
	Total Net Position	17,043,289	13,731,299	15,594,640	16,910,104	14,924,161
<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	71,296	101,293	143,939	173,216	205,369
	Total Net Position	71,296	101,293	143,939	173,216	205,369
<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
	Unrestricted	-	-	(172,607)	(46,217)	(482,479)
	Total Net Position	-	-	2,820,098	17,306,830	11,707,746
<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	(33,405,005)	(39,655,084)	(41,647,966)	(37,837,689)	(206,394,536)
	Total Net Position	(33,405,005)	(39,655,084)	(41,647,966)	(37,837,689)	(206,394,536)
<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	4,080,731	5,546,143	7,498,631
	Total Net Position	2,156,194	2,353,739	4,080,731	5,546,143	7,498,631
<b>Total Internal Service Funds</b>	Net Investment in Capital Assets	3,870,113	4,809,920	7,143,071	21,096,629	16,271,180
	Unrestricted	(9,834,442)	(23,517,383)	(20,294,043)	(11,584,737)	(183,698,436)
	Total Net Position	(5,964,329)	(18,707,463)	(13,150,972)	9,511,892	(167,427,256)