



# Ramsey County 2012 Fund Balance Report

August 20, 2013

Prepared for the Ramsey County Board of Commissioners  
by the Ramsey County Finance Department



## Ramsey County Finance Department

Lee Mehrkens, Director  
270 Court House  
15 West Kellogg Boulevard  
St. Paul, MN 55102

Tel: 651-266-8041  
Fax: 651-266-8066

August 20, 2013

Commissioner Rafael Ortega  
Commissioner Toni Carter  
Commissioner Jim McDonough  
Commissioner Victoria Reinhardt

Commissioner Blake Huffman  
Commissioner Mary Jo McGuire  
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 2012 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
- Retiree Health Insurance/OPEB Fund
- Enterprise Funds
- Internal Service Fund

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](mailto:jim.rongstad@co.ramsey.mn.us) or 651-266-8052.

Sincerely,

Lee Mehrkens, CFO  
Director, Ramsey County Finance Department

# Fund Balance/Net Position Account Definitions

## **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:

### 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/Net Position Account Definitions

## **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.

### Judgments and Settlements

This is the remaining amount that was committed for the estimated maximum exposure resulting from a class action lawsuit (Robinson et.al v. The County of Ramsey) involving exposure to tuberculosis at the Ramsey County Correctional Facility.

### 20xx Budget

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

# Fund Balance/Net Position Account Definitions

## 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 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.

### Judgments and Settlements

This amount provides for the estimated maximum exposure of \$4,395,600 resulting from the McCaster v. The County of Ramsey lawsuit brought by an inmate at the Ramsey County Correctional Facility, who had active tuberculosis upon admission to the facility.

An additional \$1,085,860 is provided for the costs of representing the County in the class action lawsuit (Robinson et.al v. The County of Ramsey) involving exposure to tuberculosis at the Ramsey County Correctional Facility. This case was settled in 2013.

### 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/Net Position Account Definitions

## **Fund Balance – Assigned - Continued**

### 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.

### 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.

### Capital Projects/Computer Systems Development

This amount is the portion of fund balance the County Board has assigned to be used for capital projects and computer systems development. The County Board authorized that funds over the 7.5% of the General Fund Budget in Unassigned Fund Balance be assigned for capital improvement projects.

## **Fund Balance – Unassigned**

Unassigned is the residual classification for the general fund and also reflects negative residual amounts in other funds.

### Unassigned

In the General Fund this includes: an amount for contingencies for unexpected expenditures or revenue shortfalls (the 7.5%), an amount for cash flow and an amount for the cumulative unrealized gain on investments:

# Fund Balance/Net Position Account Definitions

## **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. 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.

## Detail of Funds

		2008	2009	2010	2011	2012
<b>General Fund -</b>						
Primary fund to account for Government Operations	Nonspendable	12,236,132	18,663,007	23,938,060	18,675,330	16,836,541
	Restricted	131,624	138,963	146,987	155,244	166,478
	Committed	5,218,745	14,685,488	9,958,148	3,819,936	7,321,209
	Assigned	96,003,009	95,127,228	105,346,010	123,848,540	135,304,614
	Unassigned	75,954,750	76,530,995	72,055,934	68,873,130	63,002,311
	<b>Total Fund Balances</b>	<b>189,544,260</b>	<b>205,145,681</b>	<b>211,445,139</b>	<b>215,372,180</b>	<b>222,631,153</b>
<b>Debt Service Funds -</b>						
Fund used to account for the County's debt service payments	Nonspendable	-	-	-	-	-
	Restricted	37,838,626	37,927,305	36,855,378	82,196,923	48,708,127
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>37,838,626</b>	<b>37,927,305</b>	<b>36,855,378</b>	<b>82,196,923</b>	<b>48,708,127</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	175,000	175,000
	Restricted	7,615,189	12,978,278	15,684,193	3,774,037	26,894,033
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	<b>Total Fund Balances</b>	<b>7,790,189</b>	<b>13,153,278</b>	<b>15,859,193</b>	<b>3,949,037</b>	<b>27,069,033</b>
<b>Regional Railroad Capital Projects</b>						
Fund - used to account for the expenses related to Regional Rail's capital projects	Nonspendable	-	-	-	-	-
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	14,925,220	8,167,187	4,215,768	3,776,134	8,034,312
	<b>Total Fund Balances</b>	<b>14,925,220</b>	<b>8,167,187</b>	<b>4,215,768</b>	<b>3,776,134</b>	<b>8,034,312</b>

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 2008 -2010.



## Detail of Funds

		2008	2009	2010	2011	2012
<b>Special Revenue 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	6,093	3,776	3,924	5,825	7,528
	Restricted	3,884,949	4,028,345	4,304,296	4,230,384	4,142,383
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	3,891,042	4,032,121	4,308,220	4,236,209	4,149,911
<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	19,925,190	19,594,545	20,723,646	21,730,833	18,922,437
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	19,925,240	19,594,595	20,723,696	21,730,883	18,922,487
<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	920,018	953,541	956,195	1,111,016	962,926
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	920,018	953,541	956,195	1,111,016	962,926
<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	350	2,456	5,023	2,329	4,206
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	360,254	784,787	1,126,968	1,320,368	1,700,851
	Total Fund Balances	360,604	787,243	1,131,991	1,322,697	1,705,057
<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	237	-	736	1,222	4,832
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	3,326,600
	Assigned	3,917,464	4,652,007	5,867,504	7,705,620	4,635,315
	Total Fund Balances	3,917,701	4,652,007	5,868,240	7,706,842	7,966,747

## Detail of Funds

		2008	2009	2010	2011	2012
<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	393,578	403,142	489,382	527,927	528,093
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	393,578	403,142	489,382	527,927	528,093
<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	100	100	350
	Restricted	-	-	-	-	-
	Committed	-	-	-	-	-
	Assigned	17,899,202	20,335,249	21,072,275	5,683,350	6,101,656
	Total Fund Balances	17,899,302	20,335,349	21,072,375	5,683,450	6,102,006
<b>Sheriff Special Revenue</b> - To account for revenues and expenditures dedicated for specific activities and projects of the Sheriff's Department.	Nonspendable	-	-	-	-	-
	Restricted	116,877	171,407	153,029	313,720	288,122
	Committed	-	-	-	-	-
	Assigned	44,930	188,021	88,217	179,171	200,410
	Total Fund Balances	161,807	359,428	241,246	492,891	488,532
<b>Corrections Special Revenue</b> - To account for revenues from various sources to benefit Community Corrections clients.	Nonspendable	200	200	200	200	-
	Restricted	-	-	-	-	-
	Committed	153,733	203,539	236,603	319,835	383,207
	Assigned	112,357	87,260	97,530	138,106	187,633
	Total Fund Balances	266,290	290,999	334,333	458,141	570,840
<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	2,436,623	3,194,926	2,924,086	3,136,566	3,592,921
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	2,436,623	3,194,926	2,924,086	3,136,566	3,592,921
<b>County Attorney Special Revenue</b> - To account for revenues and expenditures dedicated for specific activities or projects of the County Attorney's Office.	Nonspendable	-	-	-	-	-
	Restricted	525,869	633,738	640,969	865,011	1,017,392
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	525,869	633,738	640,969	865,011	1,017,392

## Detail of Funds

		2008	2009	2010	2011	2012
<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	95,039	107,510	111,267	147,316	139,387
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	95,039	107,510	111,267	147,316	139,387
<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	516,112	633,336	533,246	566,788	637,087
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	516,112	633,336	533,246	566,788	637,087
<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	10,123	7,008	7,923	8,383	26,452
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	10,123	7,008	7,923	8,383	26,452
<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.	Nonspendable	-	-	-	-	-
	Restricted	-	-	-	-	1,369,686
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	-	-	-	-	1,369,686
<b>Forfeited Property Management</b> - To account for all funds collected for management and sale of forfeited real estate.	Nonspendable	214	-	-	-	-
	Restricted	22,037	-	893,701	1,309,533	41,125
	Committed	-	-	-	-	-
	Assigned	-	(38,064)	-	75,000	-
	Total Fund Balances	22,251	(38,064)	893,701	1,384,533	41,125
<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	771,183	726,432	686,386	596,955	546,392
	Committed	-	-	-	-	-
	Assigned	-	-	-	-	-
	Total Fund Balances	771,203	726,452	686,406	596,975	546,412

## Detail of Funds

		2008	2009	2010	2011	2012
<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
	Committed	-	-	-	-	-
	Assigned	9,322,513	-	-	-	-
	Total Fund Balances	9,322,513	-	-	-	125,128
<b>Total Special Revenue Funds</b>	Nonspendable	7,264	6,602	10,053	9,746	16,986
	Restricted	29,617,598	30,453,930	32,424,126	34,544,432	32,339,531
	Committed	153,733	203,539	236,603	319,835	3,709,807
	Assigned	31,656,720	26,009,260	28,252,494	15,101,615	12,825,865
	Total Fund Balances	61,435,315	56,673,331	60,923,276	49,975,628	48,892,189
<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	616,328	707,377	754,271	804,797	880,867
	Unrestricted	(217,701)	(466,333)	(822,004)	(1,395,675)	(2,022,057)
	Total Net Position	398,627	241,044	(67,733)	(590,878)	(1,141,190)
<b>Care Center -</b> Used to account for the operations of the Ramsey County Care Center	Net Investment in Capital Assets	2,544,255	2,497,265	2,135,933	1,891,087	1,624,308
	Unrestricted	(1,321,531)	(1,095,798)	(2,040,585)	(2,813,663)	(2,899,367)
	Total Net Position	1,222,724	1,401,467	95,348	(922,576)	(1,275,059)
<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	241,586	326,266	261,928	439,362	525,562
	Unrestricted	(1,413,950)	(1,703,810)	(1,892,510)	(2,345,381)	(2,744,658)
	Total Net Position	(1,172,364)	(1,377,544)	(1,630,582)	(1,906,019)	(2,219,096)
<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	242,900	293,822	250,173	265,032	313,205
	Unrestricted	(203,405)	(291,811)	(220,107)	(258,138)	(271,585)
	Total Net Position	39,495	2,011	30,066	6,894	41,620
<b>Total Enterprise Funds</b>	Net Investment in Capital Assets	3,645,069	3,824,730	3,402,305	3,400,278	3,343,942
	Unrestricted	(3,156,587)	(3,557,752)	(4,975,206)	(6,812,857)	(7,937,667)
	Total Net Position	488,482	266,978	(1,572,901)	(3,412,579)	(4,593,725)

## Detail of Funds

		2008	2009	2010	2011	2012
<b>Internal Service Funds:</b>						
<b>Data Processing</b> - To provide electronic data processing services to County departments and other governmental units	Net Investment in Capital Assets	121,786	104,278	89,413	11,684	66,940
	Unrestricted	(466,901)	(53,118)	(410,916)	123,730	1,361,797
	Total Net Position	(345,115)	51,160	(321,503)	135,414	1,428,737
<b>General County Buildings</b> - To account for rent County Buildings and to pay all expenses incurred in operating and maintaining the buildings	Net Investment in Capital Assets	2,178,679	2,377,446	2,215,443	2,463,079	3,889,123
	Unrestricted	9,108,382	10,493,627	12,569,194	14,186,652	14,260,915
	Total Net Position	11,287,061	12,871,073	14,784,637	16,649,731	18,150,038
<b>Telecommunications</b> - To account for operating the telephone system in Ramsey County Buildings.	Net Investment in Capital Assets	544,541	498,871	471,930	537,410	443,367
	Unrestricted	3,138,781	3,441,574	3,731,322	3,961,308	4,410,324
	Total Net Position	3,683,322	3,940,445	4,203,252	4,498,718	4,853,691
<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	17,267	20,591	17,913	23,367	38,123
	Total Net Position	17,267	20,591	17,913	23,367	38,123
<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	(2,558,723)	(11,988,523)	(19,527,308)	(28,022,088)	(34,830,615)
	Total Net Position	(2,558,723)	(11,988,523)	(19,527,308)	(28,022,088)	(34,830,615)
<b>Total Internal Service Funds</b>	Net Investment in Capital Assets	2,845,006	2,980,595	2,776,786	3,012,173	4,399,430
	Unrestricted	9,238,806	1,914,151	(3,619,795)	(9,727,031)	(14,759,456)
	Total Net Position	12,083,812	4,894,746	(843,009)	(6,714,858)	(10,360,026)