

Ramsey County 2013 Financial Overview and Fund Balance Report Summary

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

PURPOSE OF THE PRESENTATION

- **Provide an overview of how Ramsey County ended the year financially in 2013**
- **Summarize the Ramsey County 2013 Fund Balance Report**

Ramsey County's 2013 Comprehensive Annual Financial Report can be found [here](#)

2013 Budget and Financial Review

- Fiscally responsible budget included a 1.7% levy increase. Overall budget increase of 2.7% (all funding sources). Last levy increase before 0% increases in 2014 and 2015
- Continued focus on delivery of essential and mandated services, and maintaining structural balance
- Net position increased \$21m from 2012 or 2.3%, driven by additional capital assets and revenues (net position = assets-liabilities)
- Total General Fund balance was essentially level. Decreased \$53,365 or .02% (from \$222,631,153 in 2012 to \$222,577,788 in 2013)
- Unrestricted General Fund balance increased \$1.6m or .8% (from \$205,628,134 in 2012 to \$207,234,457 in 2013)
- Unassigned General Fund balance increased \$10.3m or 16.4% (from \$63,002,311 in 2012 to \$73,349,901 in 2013)

Decreasing Ramsey County Property Tax Levy Increases Since 2008

2008	4.8%	Property Tax Levy Increase
2009	4.5%	
2010	2.7%	
2011	2.7%	
2012	1.7%	
2013	1.7%	
2014	0%	
2015	0%	(proposed)

2013 Financial Achievements

- Ramsey County Debt Per Capita, Debt as a % of the Budget, and Debt as a % of Market Value were all in the low range of rating agency benchmarks
- General Obligation and Revenue Bond Debt, and Debt Per Capita went down slightly in 2013
- AAA bond rating from both rating agencies (13th consecutive year, since 2001)
- All three GFOA awards (Comprehensive Annual Financial Report CAFR, Budget Presentation, and Popular Annual Financial Report PAFR)
- Unmodified (clean) audit opinion for 2013 from State Auditor
- On schedule in addressing all KPMG internal audit findings

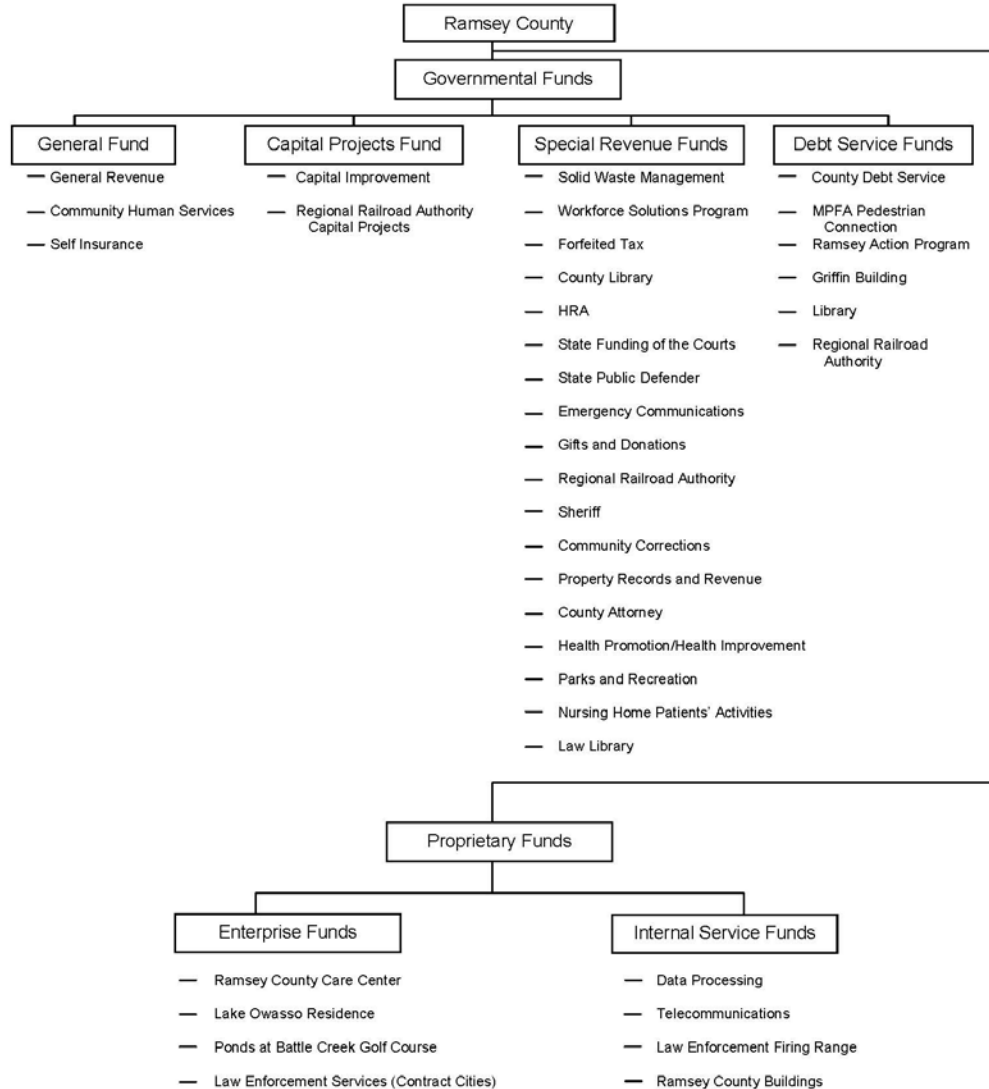
What is Fund “Balance”?

- Difference between assets and liabilities
- Is the residual worth of the County if we were to discontinue operations
- “Fund balance” used in general fund and special revenue fund statements. “Net assets or net position” is an equivalent term used in enterprise and internal service funds and in private sector businesses
- Represents equity and an approximate measure of liquidity, but has significant limitations on use
- Is not “profit”

General Fund Categories under GASB 54

General Fund Balance Categories	Description	2013 Balances
Non-Spendable	Amounts that are not in spendable form – prepaid items, supply inventories, long-term loans and receivables	\$ 15,168,209
Restricted	Legal constraints imposed by outside parties (State, grantors, bond covenants)	\$ 175,122
Unrestricted: — Committed	Self-imposed commitments by formal Board action (Board resolutions) for a specific purpose	\$ 2,042,509
— Assigned	Amounts <i>intended</i> to be used for a specific purpose.	\$ 131,842,047
— Unassigned	Residual amounts available for other purposes and cash flow	\$ 73,349,901
	Total General Fund Balance	\$222,577,788

More information on the County's Fund Balance can be found on page 20 of [Ramsey County's 2013 Comprehensive Annual Financial Report](#)

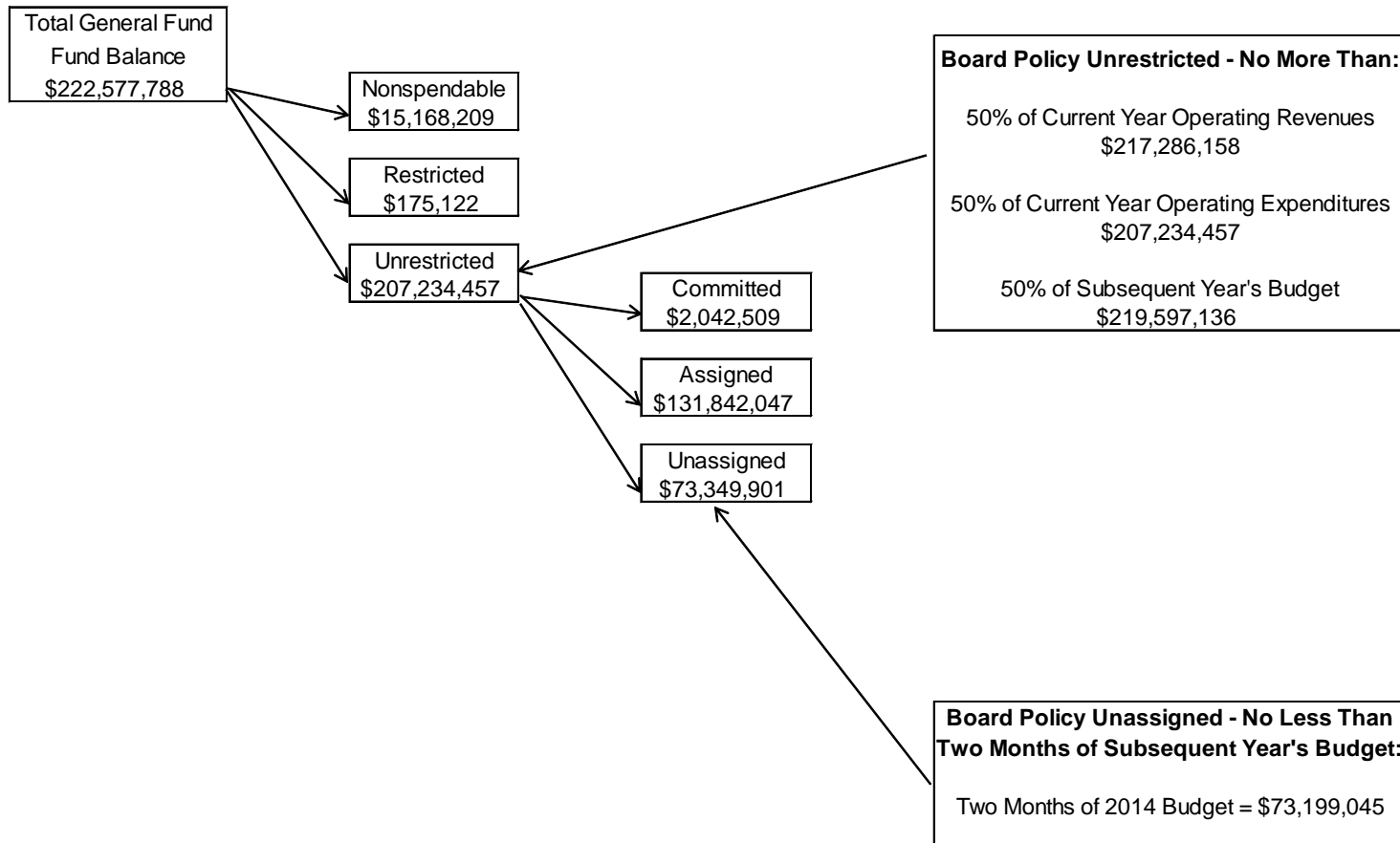


2013 General Fund Balance Policy

- Adopted November, 2013
- Consistent with State Auditor guidelines, Rating Agency metrics, and Government Finance Officers Association recommendations
- 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
 - Any unrestricted General Fund balance in excess of the 50% threshold is transferred to the Capital Projects Fund (\$10.3m transferred in 2013 and was used as a loan for acquisition of Vadnais Sports Center)
- Maintain an unassigned General Fund balance of no less than two months of the subsequent year's budget

More information on the County's Fund Balance Policy can be found on page 59 of [Ramsey County's 2013 Comprehensive Annual Financial Report](#)

2013 General Fund Fund Balance Classifications



**2013 General Fund Balances
2005-2013
(\$ in Millions)**

Year	Total General Fund Balance	Unrestricted General Fund Balance (part of total fund balance)	Unassigned General Fund Balance (part of total unrestricted fund balance)
2005	\$153.3	\$135.1	\$29.4
2006	\$176.0	\$155.9	\$30.6
2007	\$174.8	\$148.6	\$32.2
2008	\$189.5	\$164.8	\$36.9
2009	\$205.1	\$174.3	\$31.4
2010	\$211.4	\$174.3	\$72.1
2011*	\$215.4	\$196.5	\$68.9
2012	\$222.6	\$205.8	\$63.0
2013	\$222.6	\$207.2	\$73.3

* GASB 54 implemented in 2011

Planned Uses of General Fund Balance in 2013

\$4,380,466 authorized from General Fund balance in 2013:

- \$70,000 Benefits consultant to develop RFP for health insurance renewal
- \$310,466 Replace lost revenue from Keller Golf Course closure during renovation
- \$4,000,000 one-time funding for concrete road rehabilitation
- \$157,500 Replace Federal Funding for Meals on Wheels

Planned Uses of General Fund Balance in 2014

\$4,600,966 authorized from General Fund balance in 2014:

- \$294,266 Elections costs
- \$54,500 Replacement revenue for Keller Golf Course fee reductions
- \$752,200 Purchase of Vadnais Sports Center out lots
- \$3,500,000 2014 annual CIP projects (normally bonding)

Highlights: Special Revenue Funds

- Workforce Solutions closed 2013 with a (\$3,266,335) loss due to late payments of Federal and State revenue reimbursements
 - Year-end TANF and WIA reimbursements of \$4.1m were unexpectedly delayed until March 2014, missing the 60-day accounting window to be booked as revenue in 2013, but will improve the WFS Fund balance in 2014

More information on the County's Workforce Solutions Special Revenue Fund can be found on page 82 of [Ramsey County's 2013 Comprehensive Annual Financial Report](#)

Highlights: Enterprise Funds

- Lake Owasso Residence received \$1,293,343 in levy support in 2013 and finished with a \$420,293 improvement to year-end Fund balance due to increased fee revenues and decreased expenditures
- Ramsey County Care Center received \$1,288,144 in levy support in 2013 but finished with a (\$370,519) reduction in year-end Fund balance due to increased costs and declining occupancy
- The Ponds at Battle Creek had a (\$154,945) reduction in year-end Fund balance due to operating losses
- Law Enforcement Services (Contract Cities) is structurally balanced
- Vadnais Sports Center will be added as a new Enterprise Fund in 2014

More information on the County's Enterprise Funds can be found on page 24 of [Ramsey County's 2013 Comprehensive Annual Financial Report](#)

Highlights: Internal Service Funds

- Other Post-Employment Benefits (OPEB) Revocable Trust was established by the Board on 11/20/2012 for retiree health insurance obligations
 - Funds invested with State Board of Investment
 - OPEB balance was \$53m at end of 2013 (cash + investments)
 - Trust earned 7.06% in 2013 with a \$3.2m gain
 - 30-Year \$220,835,832 Actuarial Accrued Liability as of 1/1/2013

More information on Ramsey County's OPEB can be found [here](#)

- Questions?
- Board Guidance?
- Links

Ramsey County's 2013 Comprehensive Annual Financial Report can be found [here](#)

Ramsey County's 2013 OPEB Report can be found [here](#)

Ramsey County's Finance Department Webpage can be found [here](#)