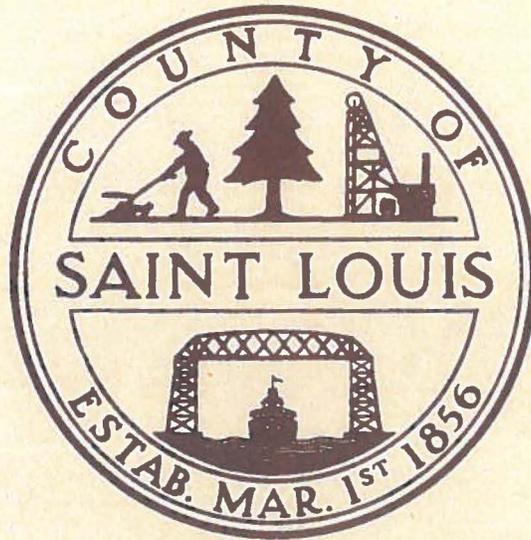


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**COMPREHENSIVE ANNUAL
FINANCIAL REPORT FOR
ST. LOUIS COUNTY, MINNESOTA**

Year ended December 31, 1988

SAINT LOUIS COUNTY

MINNESOTA

Comprehensive Annual Financial Report

For the Fiscal Year Ended

December 31, 1988

OFFICE OF THE COUNTY AUDITOR

RUSSELL PETERSEN

INTRODUCTORY

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Saint Louis County

County Auditor • 100 N 5th Ave W, Room 214, Duluth, MN 55802-1293, (218) 726-2380

Russell Petersen
County Auditor

June 15, 1989

Honorable Chairperson and Commissioners
St. Louis County Board of Commissioners
100 North 5th Avenue West
Duluth, Minnesota 55802

Commissioners:

The Comprehensive Annual Financial Report of St. Louis County is hereby submitted for the fiscal year ended December 31, 1988. This report was prepared by the County Auditor's Accounting Office. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the County. This report conforms with the Governmental Accounting Standards Board (GASB) Statement 1 and subsequent statements and interpretations. The report consists of three sections:

1. Introductory Section - including this transmittal letter from the County Auditor, the government's organizational chart and a list of principal officials.
2. Financial Section - including the combined financial statements by major fund category, combining financial statements by fund type, and individual fund and account group financial statements. Also included in this Section are the Notes to the Financial Statements and supplemental financial information, as well as the State Auditor's opinion.
3. Statistical Section - includes data that depicts the financial history of the government, generally presented for the past ten years, along with information on overlapping governments, demographics and miscellaneous information.

We believe the data presented is accurate in all material respects, that its presentation fairly sets forth the County's financial position and results of operations as measured by the financial activity of its various funds. We believe further that all disclosures necessary for the reader to gain maximum understanding of the County's financial affairs have been included.

All of the funds and account groups of the County are included in the financial report. The Regional Railroad Authority, created by the Lake County and St. Louis County Boards pursuant to State statute is included.

A St. Louis County commissioner is the Chair of the Railroad Authority, and the financial transactions of the Authority flow through the County's accounting system.

The County provides a full range of services, which includes social services, such as administration of State of Minnesota and federally aided public assistance programs; public safety and judiciary services, such as criminal prosecution, legal counsel for the indigent, administration of civil and criminal court systems; health care services, such as community health care; maintenance and construction of highways, roads and bridges; operation of solid waste disposal facilities; administration of elections; maintenance of property records; issuance of various licenses; and administration of property tax assessment, collection and distribution for local governments within the County.

ECONOMIC CONDITION AND OUTLOOK

St. Louis County is located in Northeastern Minnesota, approximately 160 miles north of the Minneapolis-St. Paul metropolitan area. The county seat is Duluth. Organized in 1856 as a unit of government by the State of Minnesota Legislature, the County covers an area of about 7,100 square miles and contains 139,000 taxable parcels, 97 separate organized cities and towns and 82 unorganized government townships. The 1988 estimated population, which represents the latest available figures, is 200,646.

In 1987, five years of economic recession ended. In 1988, economic gains were better than anticipated, the result of much ground-work laid in earlier years. Retail sales for 1988 in the City of Duluth were \$713,000,000, four percent greater than projected, with further increases expected in 1989. Both retail and industrial construction increased significantly. The existing 58-store Miller Hill Mall was enlarged to include an additional 50 businesses while three entirely new malls were in various states of progress. Completion of the Lake Superior Paper Industries paper mill was followed almost immediately by an announced \$400,000,000 expansion of the facility. At year's end the plant was already operating at a profit. Proposals were also underway for construction of a \$17,500,000 carpet mill in Virginia. A planned \$33,250,000 enlargement of existing medical facilities both in Duluth and Eveleth will greatly enhance the County's reputation as a quality health-care provider.

Shipments of all cargo from county ports totalled 35.6 million tons, a noticeable improvement over 1987's performance. Tourism has shown a ten percent growth in the past year; lately each year has been better than the last. In addition, the County's Iron Range, which has traditionally relied on iron ore, taconite and lumber for its economic security, has begun diversifying its base. New firms now emphasize medical products, electronics, industrial equipment and education.

Based on current projections, this trend is expected to continue through the next decade. While having a positive impact, this growth also presents significant challenges for St. Louis County. If the present high level of services is to be maintained, the County, in the future, will need to explore new methods of obtaining financial resources.

MAJOR INITIATIVES

In preparing the 1989 budget, the County identified several major programs needed to meet citizens' needs for services and to safeguard the environment, as well as to conform with applicable federal and state standards. These programs included a planned replacement of the County jail, establishment of a countywide 911 emergency system, purchase and implementation of a "Service Leadership" program to better satisfy customers' needs, and a planned coordination of all waste planning efforts with an emphasis on alternative waste-reduction technologies.

During the year the County sought and began initiating a replacement policy regarding the County's jail system. The Duluth facility was judged inadequate for satisfactory renovation by existing state codes. The jail system should have a total of 320 beds, with the Duluth facility accounting for 146, exclusive of work release inmates. Jails on the Iron Range are in better condition. Without renovation, the Virginia facility has a useful life remaining of five to ten years, while that in Hibbing has three to five years. It is expected that these structures may be successfully brought up to code. The Northeast Regional Corrections building will be reviewed for future use.

The County has proposed a 1989-1993 Capital Improvement Plan for construction of a new Duluth facility and remodeling of the other buildings in the system. This plan will coordinate a complex set of initiatives for the County over the five-year period. Construction costs will be borne by county taxpayers through the payment of debt service on bonds, while increased operating costs will be paid for by users of the criminal justice system through higher fees for fines, forfeitures and other cost-related revenues.

A County-wide 911 emergency system was instituted during 1988 so that many areas in St. Louis County not previously covered would now be serviced with a quick and efficient form of phone and radio communication. This necessitated changing many township addresses from box numbers to street addresses for easy location.

Tourism was given an extra boost when the St. Louis and Lake County Boards established an intercounty railroad authority. Beginning in 1989, will plan to buy and renovate the necessary land, tracks and cars for a proposed Duluth to Two Harbors route both by rail and ferry excursion. The authority owns the old Duluth, Messabe & Iron Range tracks between the two ports and will repair them and accompanying facilities. Part of this cost will be borne by the State Department of Transportation as it extends Interstate 35 through Duluth. The authority has also requested dollars from the federal Economic Development Administration for funding track repairs. Freight would also be carried on the newly-named North Shore Scenic Railroad. The line is scheduled to be in service by mid-1990.

A "Service Leadership" program will begin January 1989 for county employees to better train them in service quality and overall commitment towards satisfaction of customers. Studies conducted by the providers of this program, indicate that "most cities and counties surveyed are not in the habit of developing good internal service standards as part of their overall service quality efforts." Indeed the average amount spent to correct this problem is only \$2.58 per employee and is implemented only after poor service or customer dissatisfaction has been realized. Attitudinal surveys of employees will be conducted, and will be utilized for focus on the extent of the problem, and perceived obstacles to the desired goals. Establishment of an effective leadership program will follow. The Auditor and Health Departments will be the first to participate. Employees in those areas will complete surveys; management and employees will attend training sessions. Eventually, the entire County will be involved.

The environment remains a crucial issue within St. Louis County. It was decided during the year to consolidate the various sanitary landfills within the rural areas and appoint a Waste Advisory Commission to study alternative waste reduction technologies, landfill abatement and implementation strategies.

FINANCIAL INFORMATION

Financial management of St. Louis County is based on an accounting and financial reporting system that must provide accurate, timely, and relevant information. The assets of St. Louis County are protected from fraud, errors, or misuse by use of internal controls. Internal controls are designed to safeguard assets, insure that accounting data is accurate for the preparation of financial statements in conformity generally accepted accounting principles, and to carry out the counties policies.

Single Audit - as a recipient of federal and state financial assistance, the County has established internal controls to ensure compliance with the regulations applicable to such assistance.

Budget Controls - St. Louis County incorporates budgetary controls to ensure compliance with the annual budget adopted by the Board of County Commissioners appropriating departmental budgets and estimated means of financing. The annual budget resolution includes general fund and special revenue funds. The budget control is at the department head level which relates very closely to function. Each department head (sheriff, attorney, etc.) has complete control over the individual department, but no public aid assistance budget authority may be used for operations, and the budgeted number of personnel for each department may not be exceeded at any time. Encumbrance accounting is used to determine availability of funds prior to incurring a specific obligation. Encumbrance accounting helps to insure proper policies and regulations have been followed. The capital projects fund is appropriated by project and continues year-to-year until the projects are closed into fund balance by the Administrator or until the appropriations are totally expended. All appropriations, except Capital Projects Funds, which are not expended or encumbered lapse at year-end. Encumbrances outstanding at year end are reported as reservations of fund balances.

As demonstrated by the statements and schedules included in the financial section of this report, St. Louis County continues to meet its responsibility for sound financial management.

General Government Functions - the following schedule presents a summary of General and Special Revenue Fund revenues for the fiscal year ended December 31, 1988 and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	<u>Amount</u>	<u>% of Total</u>	<u>Increase (Decrease) From 1987</u>	<u>% of Increase (Decrease)</u>
Revenues:				
Taxes	\$ 48,186,293	33.43	\$ (464,730)	(0.96)
Licenses and permits	127,397	0.09	(1,897)	(1.47)
Intergovernmental	82,061,159	56.93	6,442,303	8.52
Charges for service	5,389,669	3.74	253,697	4.94
Fines and forfeitures	617,918	0.43	(54,296)	(8.08)
Interest on investments	2,883,195	2.00	773,951	36.69
Gifts and contributions	16,366	0.01	16,366	100.00
Miscellaneous	<u>4,861,083</u>	<u>3.37</u>	<u>932,720</u>	<u>23.74</u>
	<u>\$144,143,080</u>	<u>100.00</u>	<u>\$ 7,898,114</u>	

The most significant increase in revenues is in the intergovernmental category. This is mostly the result of an increase in State aid to the Road and Bridge Special Revenue Fund for road construction. The largest recipient of intergovernmental revenue is the Social Services Special Revenue Fund which received Federal and State assistance of \$56,205,061. Other significant sources of intergovernmental revenue are the Road and Bridge State aid for construction and the State-paid homestead property tax credit.

The second largest source of revenues is taxes. These consist of property taxes, taconite tax on production, Federal and State in-lieu of tax, and miscellaneous taxes. Local property tax is the largest contributor. Taxes decreased in 1988 because of a reduction in the levy for Welfare. Other financing sources replaced the Welfare levy.

Interest on investments generated an additional \$773,951. This was due to two factors: (1) the interest rate rose throughout 1988; and (2) St. Louis County sold a General Obligation Capital Note of \$5,000,000 and invested the proceeds until the equipment was purchased.

Miscellaneous revenue increased because of various reimbursements for the Land Investment Special Revenue Fund and Social Services Special Revenue Fund. These reimbursements were previously offset by expenditures.

The following schedule presents a summary of General and Special Revenue Fund expenditures for the fiscal year ended December 31, 1988 and the percentages of increases and decreases in relation to prior year amounts.

	<u>Amount</u>	<u>% of Total</u>	<u>Increase (Decrease) From 1987</u>	<u>% of Increase (Decrease)</u>
<u>Expenditures</u>				
<u>Current:</u>				
General government	\$ 14,703,492	10.08	\$ 837,486	6.04
Public safety	10,946,609	7.51	1,857,791	20.44
Highways and streets	27,750,659	19.03	3,031,472	12.26
Health	3,928,543	2.69	965,780	32.60
Welfare	80,941,815	55.50	3,306,503	4.26
Sanitation	1,129,704	0.78	117,302	11.59
Culture and recreation	318,613	0.22	7,892	2.54
Conservation of nat- ural resources	1,830,535	1.26	(239,308)	(11.56)
Economic development	142,803	0.10	(139,381)	(49.39)
<u>Capital Outlay:</u>				
General government	149,766	0.10	79,807	114.08
Public safety	311,357	.21	46,545	17.58
Highway and streets	3,477,236	2.38	2,326,665	202.22
Health	18,152	.01	1,222	7.22
Welfare	149,869	0.10	(118,927)	(44.24)
Conservation of nat- ural resources	<u>36,460</u>	<u>0.03</u>	<u>(13,578)</u>	<u>(27.14)</u>
	<u>\$145,835,613</u>	<u>100.00</u>	<u>\$12,067,271</u>	
	=====	=====	=====	

Social Services Special Revenue Fund expenditures rose \$3,331,351 due to increases in various social service programs totaling \$4,579,245. The largest increase was for Title XX payments.

The large increase in capital outlay expenditures for highways and streets was due to the previously mentioned General Obligation Capital Note sale. Long overdue purchases of new equipment, especially heavy equipment were made. Also, the cost of maintaining the County road and bridge network continues to increase.

Labor costs for 1988 increased three percent.

Implementation of the County-wide 911 system increased the emergency communications and radio maintenance expenditures by \$821,324. The remaining increase in public safety was the result of escalating costs of providing law-enforcement services.

The last significant increase was for health expenditures. An increase in grant expenditures was the primary factor.

General Fund Balance - The General Fund total fund balance decreased \$1,753,816 in 1988. While unreserved-undesignated fund balance decreased \$1,727,339, reserved and unreserved-designated fund balance decreased only \$26,477. The County has a policy that the unreserved-undesignated fund balance will be maintained in the General Fund and Road and Bridge Special Revenue Fund at a level of not less than ten percent of annual operating costs, while the Social Services Special Revenue Fund should be maintained at a level not less than ten percent of locally generated revenue. All of the above funds complied with the unreserved-undesignated fund balance policy in 1988.

Cash Management - Cash investments during 1988 consisted of certificates of deposit, repurchase agreements, GNMMAs, Treasury bills, Treasury notes and FHLBs. The average interest rate for 1988 was 7.35 per cent. This was a .82 percent increase over 1987. Total interest revenue for 1988 was \$3,145,287. All deposits are either insured by federal depository insurance or collateralized to reduce risk.

Enterprise Operation - St. Louis County currently has five enterprise operations. Chris Jensen and Nopeming are nursing home facilities for the public. Supervised Living Facilities provides living facilities for people requiring a level of supervision greater than that of a board and lodging facility, but less than a board and care facility. The Residential Treatment Center provides for the treatment of chemically abusive people ages 13 to 18 in a residential setting.

Babbitt Facility provides a facility and equipment for lease to Rubber Research Elastomerics for the purpose of converting waste tires into a product. St. Louis County and the State of Minnesota participated in a joint study to determine whether the Babbitt Facility is a viable enterprise. The combined net loss of all the enterprise operations was \$1,063,481. St. Louis County is currently evaluating its fee schedule to determine if increases are feasible.

Fiduciary Operations - The County participates in Public Employees' Retirement Association, a statewide pension plan. The plan is administered by the State of Minnesota. Contributions from both the employee and the County are forwarded to the State Office and all payments to retired employees are made by that Office.

Debt Administration - As of December 31, 1988, St. Louis County had three debt issues outstanding: \$5,000,000 General Obligation Capital Notes, \$1,101,601 General Obligation Revenue Bonds for construction and equipment for the Babbitt Facility, and \$4,047,073 General Obligation Revenue Bonds for construction at Chris Jensen Nursing Home. St. Louis County has an 'A' rating from Moody's Investors Service. Under current State Law,

St. Louis County's general obligation bonded debt issuances are limited to two percent of the market value of taxable property which for 1988 was \$65,699,920. The \$5,000,000 General Obligation Capital Note is the only debt applicable to debt limit leaving a legal debt margin of \$60,699,920.

Risk Management - The County is self-insured for vehicles, for unemployment compensation and is self-insured for workers' compensation up to \$370,000 per single loss occurrence. The Workers' Compensation Reinsurance Association, to which the County pays a premium, provides full indemnity in excess of this limit.

Capital Improvements - The Capital Projects Fund was established during 1987 as a means of controlling and accounting for capital improvements for the General and Special Revenue Funds. Capital projects for 1988 consisted of completing the 911 Emergency System, improvements to courthouses, implementing construction of a new County Jail, and Highway building construction. Revenues for projects are mainly taxes. Appropriations for projects are continued until the projects are completed. Expenditures for 1988 were \$1,693,855 with a December 31, 1988 fund balance of \$3,221,732.

Other Information -

Independent Audit - St. Louis County is audited annually by the State of Minnesota according to state statutes. This requirement has been complied with and the Auditor's Opinion has been included in this report.

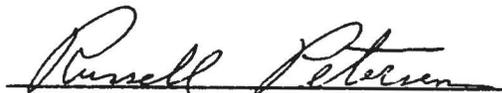
The Single Audit Act of 1984 established audit requirements for state and local governments that receive federal aid as set forth in Circular A-128. The grants to which these requirements apply are identified in Schedules IV through IX.

The State Auditor will issue management and compliance letters covering the review made as part of the examination of St. Louis County's system of internal control and compliance with applicable legal provisions. Also reflected in these letters are the results of the County's single audit under provisions of the U.S. Office of Management and Budget Circular A-128.

Acknowledgements - We would like to express our appreciation to the Auditor's Accounting Section and the Social Services Department for their dedication and cooperation in a timely manner during the preparation of this report. We are grateful to the County Board of Commissioners and to the County Administrator for their leadership and support in formulating the financial activities of the County, without which the preparation of this report would not have been possible. We appreciate also the cooperation other County departments have shown us.

Special thanks to the State Auditor's staff for their technical assistance during the year. We acknowledge too, the thorough and professional manner in which they conducted the audit.

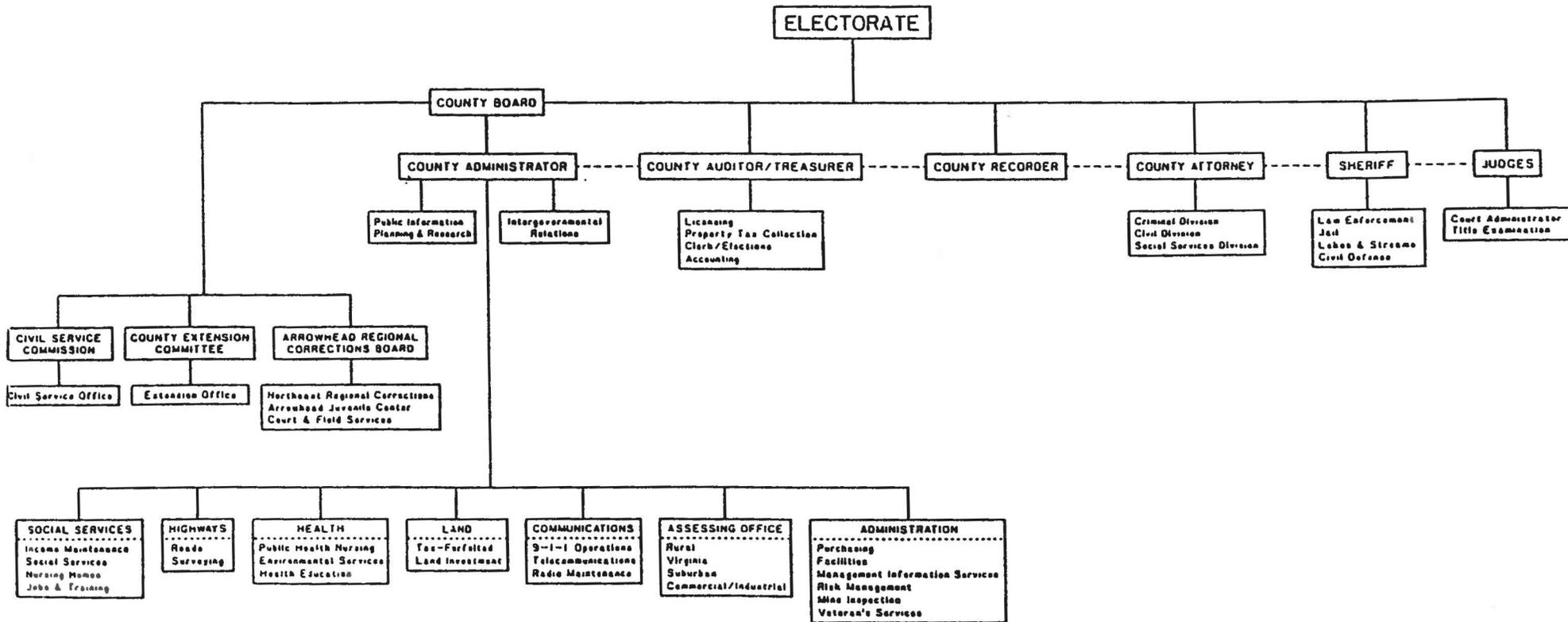
Sincerely,

A handwritten signature in cursive script that reads "Russell Petersen". The signature is written in dark ink and is positioned above the printed name.

RUSSELL PETERSEN
COUNTY AUDITOR

Organizational Summary

AX



ST. LOUIS COUNTY
ELECTED AND APPOINTED OFFICIALS
As of December 31, 1988

<u>OFFICE</u>	<u>NAME</u>	<u>TERM</u>	
Commissioners:			
1st District	Gary L. Doty	Jan. 1985	Jan. 1989
2nd District	Marilyn Krueger	Jan. 1987	Jan. 1991
3rd District	William Kron	Jan. 1985	Jan. 1989
4th District	Herbert R. Lamppa	Jan. 1987	Jan. 1991
5th District	A. Lloyd Shannon	Jan. 1985	Jan. 1989
6th District	Liz Prebich	Jan. 1987	Jan. 1991
7th District	Jerry Janezich	Jan. 1985	Jan. 1989
Elected Officers:			
Attorney	Alan L. Mitchell	Jan. 1987	Jan. 1991
Auditor-Treasurer	Russell Petersen	Jan. 1987	Jan. 1991
Judges:			
Dist. Court	David E. Ackerson	Jan. 1985	Jan. 1991
Dist. Court	Charles T. Barnes	Jan. 1987	Jan. 1993
Dist. Court	David S. Bouschor	Jan. 1987	Jan. 1993
Dist. Court	Donovan W. Frank	Jan. 1987	Jan. 1993
Dist. Court	Mitchell A. Dubow	Jan. 1987	Jan. 1993
Dist. Court	Jack J. Litman	Jan. 1985	Jan. 1991
Dist. Court	John T. Oswald	Jan. 1987	Jan. 1993
Dist. Court	Joseph Scherkenback	Jan. 1987	Jan. 1989
Dist. Court	Galen C. Wilson	Jan. 1987	Jan. 1993
Probate-Juvenile	Robert V. Campbell	Jan. 1983	Jan. 1989
Probate-Juvenile	Gerald C. Martin	Jan. 1987	Jan. 1993
County Recorder	Mark A. Monacelli	Jan. 1987	Jan. 1991
Sheriff	Gary Waller	Jan. 1987	Jan. 1991
Appointed Officers:			
Administrator	Karl Nollenberger		
Assessor	Scott Lindquist	Jan. 1985	Dec. 1988
Civil Service			
Director	Anthony Bruno, Jr.		
Court Adminis- trator	Joseph M. Lasky		
Emergency Communi- cations Director	Nancy Pollock		
Examiner of Titles	Robert C. Brown		
Health Director	Dr. Harold Leppink		
Highway Engineer	Richard Hansen		
Inspector of Mines	David Sandstrom		
Land Commissioner	John J. Vogel		
Medical Examiner	Dr. Donald Kundel	Jan. 1988	Dec. 1988
Planning and Zon- ing Director	John Jubala		
Public Defender	Fred T. Friedman		
Purchasing Agent	Chester Johnson		
Veterans Service Officer	Richard Blakesley		
Social Services Director	Robert C. Zeleznikar		

FINANCIAL—
General Purpose Financial Statements



ARNE H. CARLSON
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR
SUITE 400
525 PARK STREET
SAINT PAUL 55103

296-2551

INDEPENDENT AUDITOR'S OPINION

The Honorable Gary Doty, Chairperson
Board of County Commissioners
St. Louis County
Duluth, Minnesota 55802

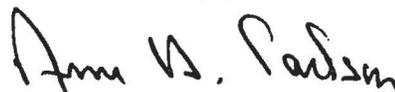
We have audited the general purpose financial statements of St. Louis County, Minnesota, and the combining, individual fund, and account group financial statements and schedules as of and for the year ended December 31, 1988, as listed in the table of contents. These financial statements and schedules are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of St. Louis County, Minnesota, as of December 31, 1988, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund, and account group financial statements and schedules referred to above present fairly, in all material respects, the financial position of each of the individual funds and account group of St. Louis County, Minnesota, as of December 31, 1988, and the results of operations of such funds and the changes in financial position of individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole, and on the combining, individual fund, and account group financial statements and schedules. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements and schedules of St. Louis County, Minnesota. The supplementary information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund, and account group financial statements and schedules and, in our opinion, is presented fairly in all material respects in relation to the financial statements and schedules of each individual fund and account group taken as a whole.

The statistical information presented in Tables I through XV, marked "unaudited," is not necessary for a fair presentation of the financial statements, but is presented as additional analytical data. This information has not been subjected to any audit procedures and, accordingly, we do not express an opinion on it.


ARNE H. CARLSON
State Auditor

June 2, 1989

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

ST. LOUIS COUNTY, MINNESOTA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1988

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1987

	<u>Governmental Fund Types</u>			<u>Proprietary</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>
<u>Assets and Other Debits</u>				
Cash, pooled deposits, and investments	\$ 7,796,678	\$12,551,086	\$3,347,065	\$ 411,520
Fund deposits and investments	-	-	-	-
Change funds	22,670	25,075	-	1,050
Invested employee contribution	-	-	-	-
Receivables				
Taxes				
Unapportioned	298,833	524,528	11,154	22,600
Delinquent	1,123,543	3,308,125	40,879	142,099
Accounts	309,794	505,867	-	2,500,061
Accrued interest	447,089	-	-	-
Loans	895,084	-	-	-
Due from other funds	27,428	2,783	-	-
Interfund receivable	-	587,644	-	-
Due from other governments	303,390	6,410,656	-	66,488
Inventories	-	4,943,236	-	173,410
Prepaid expense	-	-	-	-
Restricted assets				
Improvement account - cash	-	-	-	63,333
Debt service				
Cash, pooled deposits, and investments	-	-	-	667,948
Fund investments	-	-	-	200,000
Accrued interest receivable	-	-	-	6,462
Fixed assets (net)	-	-	-	9,004,170
Advance to other fund	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
Amount to be provided for compensated absences	-	-	-	-
Total Assets and Other Debits	\$11,224,509	\$28,859,000	\$3,399,098	\$13,259,141

The notes to the financial statements are an integral part of this statement.

EXHIBIT I

<u>Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
		<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>1988</u>	<u>1987 Restated</u>
\$1,434,232	\$ 7,166,084	\$ -	\$ -	\$ 32,706,665	\$ 29,455,260
3,401,626	195,815	-	-	3,597,441	3,881,007
3,025	-	-	-	51,820	48,390
-	12,519,840	-	-	12,519,840	10,241,127
5,635	-	-	-	862,750	934,354
31,253	-	-	-	4,645,899	4,526,900
31,381	2,378,953	-	-	5,726,056	4,062,462
63,597	3,068	-	-	513,754	160,212
-	-	-	-	895,084	660,084
108,601	-	-	-	138,812	-
-	-	-	-	587,644	-
63,023	37,908	-	-	6,881,465	7,323,685
263,117	-	-	-	5,379,763	7,169,792
59,320	-	-	-	59,320	39,097
-	-	-	-	63,333	58,770
-	-	-	-	667,948	362,660
-	-	-	-	200,000	500,000
-	-	-	-	6,462	313
2,646,451	-	54,382,072	-	66,032,693	61,611,488
40,127	-	-	-	40,127	-
-	-	-	5,623,550	5,623,550	798,289
-	-	-	3,723,507	3,723,507	3,709,417
<u>\$8,151,388</u>	<u>\$22,301,668</u>	<u>\$54,382,072</u>	<u>\$9,347,057</u>	<u>\$150,923,933</u>	<u>\$135,543,307</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1987

	<u>Governmental Fund Types</u>			<u>Proprietary</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>
<u>Liabilities and Fund Equity</u>				
<u>Liabilities</u>				
Cash deficit	\$ -	\$ -	\$ -	\$ -
Accounts payable	376,834	2,626,174	142,210	214,181
Salaries payable	1,274,697	1,856,764	-	793,500
Compensated absences payable	110,502	148,399	-	723,300
Deferred compensation payable	-	-	-	-
Claims payable	-	-	-	-
Unapportioned taxes payable	-	-	-	-
Due to other funds	2,129	136,683	-	-
Interfund payable	-	-	-	566,794
Due to other governments	16,060	268,057	509	13,632
Deferred revenue	1,603,408	3,563,704	34,647	316,757
Matured bonds payable	-	-	-	95,000
Matured loans payable	-	-	-	100,712
Accrued interest payable	-	-	-	10,426
Payable from restricted assets				
Accrued interest payable	-	-	-	153,422
Bonds payable	-	-	-	375,000
Advance from other fund	-	-	-	-
Food stamps issuable	-	2,953,203	-	-
General obligation revenue bonds payable	-	-	-	4,678,674
General obligation capital notes payable	-	-	-	-
Loans payable	-	-	-	604,682
Capital leases payable	-	-	-	-
Total Liabilities	<u>\$3,383,630</u>	<u>\$11,552,984</u>	<u>\$ 177,366</u>	<u>\$8,646,080</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT I
(Continued)

<u>Fund Types</u>	<u>Fiduciary</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
	<u>Fund Type</u>	<u>General</u>	<u>General</u>	<u>1988</u>	<u>1987</u>
<u>Internal</u>	<u>Trust and</u>	<u>Fixed Assets</u>	<u>Long-term</u>		<u>Restated</u>
<u>Service</u>	<u>Agency</u>		<u>Debt</u>		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,663
257,639	2,383,947	-	-	6,000,985	5,027,737
91,944	369,239	-	-	4,386,144	2,060,767
90,724	5,711	-	3,723,507	4,802,143	4,918,205
-	12,519,840	-	-	12,519,840	10,241,127
1,782,020	-	-	-	1,782,020	2,530,223
-	862,750	-	-	862,750	934,354
-	-	-	-	138,812	-
20,850	-	-	-	587,644	-
135	2,568,071	-	240,000	3,106,464	3,761,096
28,362	2,343,736	-	-	7,890,614	7,162,182
-	-	-	-	95,000	90,000
-	-	-	-	100,712	88,306
-	-	-	-	10,426	10,000
-	-	-	-	153,422	164,723
-	-	-	-	375,000	350,000
40,127	-	-	-	40,127	-
-	-	-	-	2,953,203	4,549,656
-	-	-	-	4,678,674	5,136,540
-	-	-	5,000,000	5,000,000	-
-	-	-	-	604,682	595,394
7,293	-	-	383,550	390,843	835,402
<u>\$2,319,094</u>	<u>\$21,053,294</u>	<u>\$ -</u>	<u>\$9,347,057</u>	<u>\$56,479,505</u>	<u>\$48,609,375</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1987

	<u>Governmental Fund Types</u>			<u>Proprietary</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>
<u>Liabilities and Fund Equity</u>				
<u>(continued)</u>				
Fund Equity				
Contributed capital	\$ -	\$ -	\$ -	\$ 1,426,415
Investment in general fixed assets	-	-	-	-
Retained earnings				
Reserved for improvements	-	-	-	63,333
Reserved for debt service	-	-	-	345,988
Unreserved	-	-	-	2,777,325
Fund balance				
Reserved change funds	22,670	25,075	-	-
Reserved for noncurrent loans	645,084	-	-	-
Reserved for inventories	-	1,990,033	-	-
Reserved for encumbrances	271,016	793,199	-	-
Reserved for prepaid expenses	-	-	-	-
Reserved for debt service	-	166,643	-	-
Reserved for health and welfare	793,081	797,783	-	-
Reserved for assurance fund	-	-	-	-
Reserved for state deeds	-	-	-	-
Reserved for boat and water safety	24,998	-	-	-
Reserved for law library	119,578	-	-	-
Reserved for foster care insurance	-	6,000	-	-
Reserved for senior citizens transportation	-	37,880	-	-
Reserved for unorganized town roads	-	271,485	-	-
Unreserved				
Designated for health and welfare	50,572	11,753	-	-
Undesignated	<u>5,913,880</u>	<u>13,206,165</u>	<u>3,221,732</u>	<u>-</u>
Total Fund Equity	<u>\$ 7,840,879</u>	<u>\$17,306,016</u>	<u>\$3,221,732</u>	<u>\$ 4,613,061</u>
Total Liabilities and Fund Equity	<u>\$11,224,509</u>	<u>\$28,859,000</u>	<u>\$3,399,098</u>	<u>\$13,259,141</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT I
(Continued)

<u>Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
		<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>1988</u>	<u>1987 Restated</u>
\$3,093,988	\$ -	\$ -	\$ -	\$ 4,520,403	\$ 3,374,644
-	-	54,382,072	-	54,382,072	51,065,695
57,347	-	-	-	120,680	86,044
-	-	-	-	345,988	348,250
2,680,959	-	-	-	5,458,284	4,797,549
-	-	-	-	47,745	44,315
-	-	-	-	645,084	660,084
-	-	-	-	1,990,033	2,282,130
-	16,138	-	-	1,080,353	1,045,832
-	-	-	-	-	10,350
-	-	-	-	166,643	-
-	18,325	-	-	1,609,189	1,891,957
-	51,093	-	-	51,093	22,691
-	1,046	-	-	1,046	1,438
-	-	-	-	24,998	16,858
-	-	-	-	119,578	119,736
-	-	-	-	6,000	6,000
-	-	-	-	37,880	-
-	-	-	-	271,485	263,857
-	-	-	-	62,325	-
-	<u>1,161,772</u>	-	-	<u>23,503,549</u>	<u>20,896,502</u>
<u>\$5,832,294</u>	<u>\$ 1,248,374</u>	<u>\$ 54,382,072</u>	<u>\$ -</u>	<u>\$ 94,444,428</u>	<u>\$ 86,933,932</u>
<u>\$8,151,388</u>	<u>\$22,301,668</u>	<u>\$ 54,382,072</u>	<u>\$9,347,057</u>	<u>\$150,923,933</u>	<u>\$135,543,307</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR YEAR ENDED DECEMBER 31, 1988
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1987

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues			
Taxes	\$16,823,425	\$ 31,362,868	\$ -
Licenses and permits	119,662	7,735	-
Intergovernmental	6,333,305	75,727,854	-
Charges for services	3,595,938	1,793,731	-
Fines and forfeits	617,918	-	-
Interest on investments	2,883,195	-	-
Gifts and contributions	16,366	-	-
Miscellaneous	358,076	4,503,007	-
Total Revenues	\$30,747,885	\$113,395,195	\$ -
Expenditures			
Current:			
General government	\$14,703,492	\$ -	\$ -
Public safety	10,946,609	-	-
Highways and streets	-	27,750,659	-
Health	3,928,543	-	-
Welfare	59,562	80,882,253	-
Sanitation	-	1,129,704	-
Culture and recreation	318,613	-	-
Conservation of			
natural resources	413,423	1,417,112	-
Economic development	73,960	68,843	-
Capital Outlay:			
General government	149,766	-	-
Public safety	311,357	-	-
Highways and streets	-	3,477,236	-
Health	18,152	-	-
Welfare	-	149,869	-
Conservation of			
natural resources	17,687	18,773	-
Debt Service:			
Interest	-	-	141,857
Total Expenditures	\$30,941,164	\$114,894,449	\$ 141,857
Excess of Revenues Over (Under) Expenditures	\$ (193,279)	\$ (1,499,254)	\$ (141,857)
Other Financing Sources (Uses)			
Operating transfers in \$	-	\$ 453,953	\$ 133,357
Operating transfers out	(342,187)	(133,357)	-
Sale of general fixed assets	-	-	-
Capital lease proceeds	-	-	-
General obligation capital note proceeds	-	4,950,000	8,500
Total Other Financing Sources (Uses)	\$ (342,187)	\$ 5,270,596	\$ 141,857
Excess of Revenues and Other Sources Over (Under) Expendi- tures and Other Uses	\$ (535,466)	\$ 3,771,342	\$ -
Fund Balance - January 1 - Restated	9,594,695	13,826,771	-
Increase (decrease) in reserved for inventories	-	(292,000)	-
Equity transfer in	3,108	-	-
Equity transfer out	(1,221,458)	-	-
Fund Balance - December 31	\$ 7,840,879	\$ 17,306,016	\$ -

The notes to the financial statements are an integral part of this statement.

EXHIBIT II

<u>Capital Projects</u>	<u>Fiduciary Fund Type Expendable Trust</u>	<u>Totals (Memorandum Only)</u>	
		<u>1988</u>	<u>1987 Restated</u>
\$ 810,862	\$ -	\$ 48,997,155	\$ 48,651,023
-	-	127,397	129,294
273,974	543,295	82,878,428	76,100,143
-	8,960	5,398,629	5,145,260
-	-	617,918	672,214
-	-	2,883,195	2,109,244
-	-	16,366	641,000
<u>30,348</u>	<u>2,273,358</u>	<u>7,164,789</u>	<u>5,571,655</u>
<u>\$1,115,184</u>	<u>\$2,825,613</u>	<u>\$148,083,877</u>	<u>\$139,019,833</u>
\$ 8,424	\$ 226,462	\$ 14,938,378	\$ 13,890,623
100,333	1,038	11,047,980	9,176,520
-	-	27,750,659	24,724,004
-	-	3,928,543	2,962,763
-	-	80,941,815	77,635,312
-	-	1,129,704	1,012,402
-	-	318,613	309,601
-	2,137,714	3,968,249	3,751,728
-	-	142,803	282,184
10,350	-	160,116	69,959
324,169	-	635,526	521,741
1,250,579	-	4,727,815	1,150,571
-	-	18,152	16,930
-	-	149,869	268,796
-	137,032	173,492	188,442
-	-	141,857	-
<u>\$1,693,855</u>	<u>\$2,502,246</u>	<u>\$150,173,571</u>	<u>\$135,961,576</u>
\$ (578,671)	\$ 323,367	\$ (2,089,694)	\$ 3,058,257
\$ -	\$ -	\$ 587,310	\$ 639,876
-	(111,766)	(587,310)	(639,876)
-	-	-	655,000
-	-	-	815,665
-	-	4,958,500	-
<u>\$ -</u>	<u>\$ (111,766)</u>	<u>\$ 4,958,500</u>	<u>\$ 1,470,665</u>
\$ (578,671)	\$ 211,601	\$ 2,868,806	\$ 4,528,922
2,800,403	1,039,881	27,261,750	22,801,890
-	-	(292,097)	182,958
1,000,000	-	1,003,108	3,118,594
-	(3,108)	(1,224,566)	(3,370,614)
<u>\$3,221,732</u>	<u>\$1,248,374</u>	<u>\$ 29,617,001</u>	<u>\$ 27,261,750</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND AND SPECIAL REVENUE FUND TYPE
FOR YEAR ENDED DECEMBER 31, 1988

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$16,978,325	\$16,823,425	\$ (154,900)
Licenses and permits	393,250	119,662	(273,588)
Intergovernmental	6,345,935	6,333,305	(12,630)
Charges for services	2,628,741	3,595,938	967,197
Fines and forfeits	564,500	617,918	53,418
Interest on investments	2,175,000	2,883,195	708,195
Gifts and contributions	15,426	16,366	940
Miscellaneous	<u>288,837</u>	<u>358,076</u>	<u>69,239</u>
Total Revenues	\$29,390,014	\$30,747,885	\$ 1,357,871
Expenditures			
Current:			
General government	\$14,700,959	\$14,703,492	\$ (2,533)
Public safety	11,039,733	10,946,609	93,124
Highways and streets	-	-	-
Health	4,053,397	3,928,543	124,854
Welfare	59,562	59,562	-
Sanitation	-	-	-
Culture and recreation	318,773	318,613	160
Conservation of			
natural resources	417,574	413,423	4,151
Economic development	73,960	73,960	-
Capital Outlay:			
General government	287,767	149,766	138,001
Public safety	309,898	311,357	(1,459)
Highways and streets	-	-	-
Health	21,810	18,152	3,658
Welfare	-	-	-
Conservation of			
natural resources	<u>19,071</u>	<u>17,687</u>	<u>1,384</u>
Total Expenditures	\$31,302,504	\$30,941,164	\$ 361,340
Excess of Revenues Over (Under) Expenditures	\$ (1,912,490)	\$ (193,279)	\$ 1,719,211
Other Financing Sources (Uses)			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	(342,187)	(342,187)	-
General obligation capital note proceeds	-	-	-
Total Other Financing Sources (Uses)	\$ (342,187)	\$ (342,187)	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (2,254,677)	\$ (535,466)	\$ 1,719,211
Fund Balance - January 1 Restated	\$ 7,736,900	\$ 9,594,695	\$ 1,857,795
Increase (decrease) in reserved for inventories	-	-	-
Equity transfer in	3,108	3,108	-
Equity transfer out	<u>(1,221,458)</u>	<u>(1,221,458)</u>	<u>-</u>
Fund Balance-December 31	\$ 4,263,873	\$ 7,840,879	\$ 3,577,006

The notes to the financial statements are an integral part of this statement.

EXHIBIT III

Special Revenue Funds			Totals - Memorandum Only		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 34,069,102	\$ 31,362,868	\$(2,706,234)	\$ 51,047,427	\$ 48,186,293	\$(2,861,134)
20,000	7,735	(12,265)	413,250	127,397	(285,853)
72,946,875	75,727,854	2,780,979	79,292,810	82,061,159	2,768,349
2,078,720	1,793,731	(284,989)	4,707,461	5,389,669	682,208
-	-	-	564,500	617,918	53,418
-	-	-	2,175,000	2,883,195	708,195
-	-	-	15,426	16,366	940
<u>4,089,737</u>	<u>4,503,007</u>	<u>413,270</u>	<u>4,378,574</u>	<u>4,861,083</u>	<u>482,509</u>
<u>\$113,204,434</u>	<u>\$113,395,195</u>	<u>\$ 190,761</u>	<u>\$142,594,448</u>	<u>\$144,143,080</u>	<u>\$ 1,548,632</u>
\$ -	\$ -	\$ -	\$ 14,700,959	\$ 14,703,492	\$ (2,533)
-	-	-	11,039,733	10,946,609	93,124
29,007,850	27,750,659	1,257,191	29,007,850	27,750,659	1,257,191
-	-	-	4,053,397	3,928,543	124,854
80,441,995	80,882,253	(440,258)	80,501,557	80,941,815	(440,258)
1,642,198	1,129,704	512,494	1,642,198	1,129,704	512,494
-	-	-	318,773	318,613	160
1,595,159	1,417,112	178,047	2,012,733	1,830,535	182,198
60,000	68,843	(8,843)	133,960	142,803	(8,843)
-	-	-	287,767	149,766	138,001
-	-	-	309,898	311,357	(1,459)
3,996,488	3,477,236	519,252	3,996,488	3,477,236	519,252
-	-	-	21,810	18,152	3,658
149,869	149,869	-	149,869	149,869	-
<u>16,337</u>	<u>18,773</u>	<u>(2,436)</u>	<u>35,408</u>	<u>36,460</u>	<u>(1,052)</u>
<u>\$116,909,896</u>	<u>\$114,894,449</u>	<u>\$ 2,015,447</u>	<u>\$148,212,400</u>	<u>\$145,835,613</u>	<u>\$ 2,376,787</u>
<u>\$ (3,705,462)</u>	<u>\$ (1,499,254)</u>	<u>\$ 2,206,208</u>	<u>\$ (5,617,952)</u>	<u>\$ (1,692,531)</u>	<u>\$ 3,925,419</u>
\$ 340,000	\$ 453,953	\$ 113,953	\$ 340,000	\$ 453,953	\$ 113,953
-	(133,357)	(133,357)	(342,187)	(475,544)	(133,357)
<u>5,000,000</u>	<u>4,950,000</u>	<u>(50,000)</u>	<u>5,000,000</u>	<u>4,950,000</u>	<u>(50,000)</u>
<u>\$ 5,340,000</u>	<u>\$ 5,270,596</u>	<u>\$ (69,404)</u>	<u>\$ 4,997,813</u>	<u>\$ 4,928,409</u>	<u>\$ (69,404)</u>
\$ 1,634,538	\$ 3,771,342	\$ 2,136,804	\$ (620,139)	\$ 3,235,876	\$ 3,856,015
\$ 8,958,761	\$ 13,826,771	\$ 4,868,010	\$16,695,661	\$ 23,421,466	\$ 6,725,805
-	(292,097)	(292,097)	-	(292,097)	(292,097)
-	-	-	3,108	3,108	-
-	-	-	(1,221,458)	(1,221,458)	-
<u>\$ 10,593,299</u>	<u>\$ 17,306,016</u>	<u>\$ 6,712,717</u>	<u>\$14,857,172</u>	<u>\$ 25,146,895</u>	<u>\$10,289,723</u>

ST. LOUIS COUNTY, MINNESOTA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1988</u>	<u>1987 Restated</u>
Operating Revenues				
Charges for services	\$12,165,410	\$ 5,716,803	\$17,882,213	\$17,712,001
Other	<u>630,125</u>	<u>183,321</u>	<u>813,446</u>	<u>196,403</u>
Total Operating Revenues	<u>\$12,795,535</u>	<u>\$ 5,900,124</u>	<u>\$18,695,659</u>	<u>\$17,908,404</u>
Operating Expenses				
Personal services	\$11,347,619	\$ 1,310,868	\$12,658,487	\$12,232,897
Contractual services	1,848,134	2,128,288	3,976,422	4,279,370
Materials	1,277,718	929,835	2,207,553	2,095,672
Depreciation	<u>487,120</u>	<u>453,485</u>	<u>940,605</u>	<u>632,435</u>
Total Operating Expenses	<u>\$14,960,591</u>	<u>\$ 4,822,476</u>	<u>\$19,783,067</u>	<u>\$19,240,374</u>
Operating income (loss)	<u>\$(2,165,056)</u>	<u>\$ 1,077,648</u>	<u>\$(1,087,408)</u>	<u>\$(1,331,970)</u>
Nonoperating Revenues (Expenses)				
Taxes	\$ 1,589,875	\$ 438,169	\$ 2,028,044	\$ 1,726,289
Grants	2,915	-	2,915	5,802
Interest on investments	36,377	227,134	263,511	262,092
Other revenue	500	-	500	-
Interest expense	(514,955)	-	(514,955)	(539,671)
Amortization of bond discount	(12,134)	-	(12,134)	(12,134)
Other expense	(1,003)	-	(1,003)	(869)
Disposition of fixed assets	<u>-</u>	<u>13,639</u>	<u>13,639</u>	<u>50,891</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 1,101,575</u>	<u>\$ 678,942</u>	<u>\$ 1,780,517</u>	<u>\$ 1,492,400</u>
Net Income (Loss)	<u>\$(1,063,481)</u>	<u>\$ 1,756,590</u>	<u>\$ 693,109</u>	<u>\$ 160,430</u>
Retained earnings - January 1 - Restated	4,250,127	981,716	5,231,843	5,136,616
Equity transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,203)</u>
Retained earnings - December 31	<u>\$ 3,186,646</u>	<u>\$ 2,738,306</u>	<u>\$ 5,924,952</u>	<u>\$ 5,231,843</u>

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA
 COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1988</u>	<u>1987 Restated</u>
Sources of Working Capital				
Operations				
Net income(loss)	\$(1,063,481)	\$1,756,590	\$ 693,109	\$ 160,430
Items not requiring (providing) working capital				
Depreciation	487,120	453,485	940,605	632,435
Amortization	12,134	-	12,134	12,134
Undepreciated cost of fixed assets disposed of or sold	<u>19,339</u>	<u>5,006</u>	<u>24,345</u>	<u>97,873</u>
Working capital pro- vided by operations\$	(544,888)	\$2,215,081	\$1,670,193	\$ 902,872
Decrease in restricted assets	13,699	-	13,699	102,968
Adjustment to accumulated depreciation of contri- buted assets	-	85,767	85,767	-
Increase in long-term liabilities	20,789	40,127	60,916	-
Increase in contributed capital	<u>472,331</u>	<u>673,428</u>	<u>1,145,759</u>	<u>712,322</u>
Total Sources of Working Capital	<u>\$ (38,069)</u>	<u>\$3,014,403</u>	<u>\$2,976,334</u>	<u>\$1,718,162</u>
Uses of Working Capital				
Increase in restricted assets	\$ 16,000	\$ -	\$ 16,000	\$ 2,859
Acquisition of fixed assets	763,227	860,953	1,624,180	1,267,399
Undepreciated cost of contributed assets	-	445,598	445,598	-
Adjustment to cost of contributed assets	-	85,767	85,767	-
Advance to other funds	-	40,127	40,127	-
Decrease in restricted liabilities	-	-	-	84,855
Decrease in long-term liabilities	468,844	30,187	499,031	664,123
Equity transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,203</u>
Total Uses of Working Capital	<u>\$ 1,248,071</u>	<u>\$1,462,632</u>	<u>\$2,710,703</u>	<u>\$2,084,439</u>
Net Increase (Decrease) in Working Capital	<u>\$(1,286,140)</u>	<u>\$1,551,771</u>	<u>\$ 265,631</u>	<u>\$ (366,277)</u>

(continued)

The notes to the financial statements are an integral part of this statement.

EXHIBIT V
(Continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 1988
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1988</u>	<u>1987 Restated</u>
Elements of Net Increase (Decrease) in Working Capital				
Cash, pooled deposits and investments	\$(1,016,230)	\$ 130,819	\$ (885,411)	\$(1,271,601)
Change funds	-	-	-	50
Fund deposits and investments	-	559,147	559,147	621,265
Receivables				
Taxes				
Unapportioned	1,184	(663)	521	(17,249)
Delinquent	5,606	4,123	9,729	(2,443)
Accounts	887,424	7,540	894,964	13,530
Accrued interest	-	28,075	28,075	11,234
Due from other funds	-	108,601	108,601	(519)
Due from other governments	(13,047)	(30,514)	(43,561)	72,913
Inventories	20,963	77,558	98,521	(11,465)
Prepaid expenses	-	30,573	30,573	(942)
Accounts payable	(102,176)	(118,189)	(220,365)	196,562
Salaries payable	(363,799)	(50,275)	(414,074)	(91,302)
Compensated absences payable	(3,253)	(17,350)	(20,603)	6,919
Claims payable	-	748,203	748,203	202,022
Due to other funds	-	-	-	2,349
Interfund payable	(566,794)	(20,850)	(587,644)	-
Due to other governments	(13,125)	87,985	74,860	(12,514)
Deferred revenue	(105,061)	(3,653)	(108,714)	(44,825)
Installment purchases	-	10,641	10,641	1,745
Current portion of long- term debt	(17,406)	-	(17,406)	(112,006)
Accrued interest payable	(426)	-	(426)	70,000
 Net Increase (Decrease) in Working Capital	 \$(1,286,140)	 \$1,551,771	 \$ 265,631	 \$ (366,277)

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL
STATEMENTS

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

St. Louis County was established March 1, 1856 as an organized county having powers, duties, and privileges granted counties by Minn. Stat. ch. 373 (1988). The County is governed by a seven-member Board of Commissioners elected from districts within the County. A County Administrator is appointed by the County Board. The board is organized with a chairperson and vice-chairperson elected at the annual meeting in January of each year. The County Auditor, elected on a county-wide basis, serves as the Clerk of the Board of Commissioners but has no voting privileges.

The financial reporting policies of St. Louis County conform to generally accepted accounting principles. The following is a summary of significant policies.

A. Financial Reporting Entity

In accordance with generally accepted accounting principles, for financial reporting purposes, the County's financial statements include all funds, account groups, departments, agencies, boards, commissions, and other organizations over which St. Louis County exercises oversight responsibility.

Oversight responsibility includes such duties as appointment of governing body members, budget review, approval of property tax levies, outstanding debt secured by St. Louis County's full faith and credit or revenues, responsibility for funding deficits, and other oversight responsibilities.

As a result of applying the criteria for determining the reporting entity, certain organizations have been included or excluded from the County's financial statements:

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

A. Financial Reporting Entity (continued)

Included

St. Louis and Lake Counties Regional Railroad Authority
Room 208, St. Louis County Courthouse
100 North Fifth Avenue West
Duluth, Minnesota 55802

Excluded

North and South St. Louis County Fairs (Proctor and Hibbing)

The North and South St. Louis County Fairs operate independently of St. Louis County. Each organization is headed by a fair board whose directors are elected by the fair association membership. The majority of revenue is generated from gate and entry fees. The County does, however, appropriate funds for maintenance since both fairs operate on County land. St. Louis County is a source of funding.

Arrowhead Library System

Headed by a Library Board of Directors, the Arrowhead Library System is a regional agency covering seven Northeastern Minnesota Counties. St. Louis County appoints three of the 23 directors and another seven directors are elected by the various library boards within St. Louis County. None of the participating counties or library boards can individually control expenses nor can they affect hiring practices. The Library owns all of its properties and facilities. St. Louis County is a source of funding.

St. Louis County Historical Society

The St. Louis County Historical Society is headed by a board of directors who are recommended by a nominating committee and elected by board members. The St. Louis County Heritage and Arts Center, including the land upon which it is located, is owned by St. Louis County. The County does not control expenditures, personnel, or operations. St. Louis County is a source of funding.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

A. Financial Reporting Entity

Excluded (continued)

North and South St. Louis County Soil and Water
Conservation Districts

The North and South Soil and Water Conservation Districts are each governed by a five-member board elected by voters within the district. The authority to operate is granted by the State Soil and Water Conservation Board. Each district is able to enter into its own contracts and agreements with designated authorities and may acquire any assets necessary for land and water improvements. St. Louis County has no power to affect hiring practices nor can it control the disbursement of funds. St. Louis County is a source of funding.

Arrowhead Regional Development Commission

The Arrowhead Regional Development Commission (ARDC) is made up of 46 commission members, two of whom are also County Board members. In addition, there is a 13-member Board of Directors chosen by the commission. Full authority to enter contracts, hire employees, and disburse funds rests with the ARDC. St. Louis County is a source of funding.

The following joint ventures are not included in the financial statements of St. Louis County:

Arrowhead Regional Corrections

Arrowhead Regional Corrections (ARC) is a separate legal entity governed by a ten-member board of which two members are appointed by St. Louis County. The ARC Board is responsible for setting and approving budgets, hiring personnel, collecting and disbursing funds and controlling operations. ARC is financed through State grants and contributions from participating counties. St. Louis County's share of contributions and summary financial information is disclosed in Note V of the financial statements. The County's share of funding is paid from the General Fund.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Account Policies

A. Financial Reporting Entity

Excluded (continued)

Community Health Services Board

The Community Health Services Board (CHS) is governed by a nine-member board, three of which are appointed by St. Louis County. Funding is provided through State and Federal grants. There is no county financing of this venture. The CHS Board is responsible for setting and approving budgets, hiring personnel and controlling operations. Summary financial information for CHS is disclosed in Note V of the financial statements.

North Shore Management Board

St. Louis County appoints one member of the North Shore Management Board. There has been no financial activity thus far for this venture. A description of the North Shore Management Board is disclosed in Note V to the financial statements.

B. Basis of Presentation - Fund Accounting

The accounts of St. Louis County are organized on the basis of funds and account groups, each of which is considered a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds are grouped, in the financial statements in this report, into seven generic fund types, three broad fund categories, and two account groups. A description of the fund types and account groups used by the County is:

Governmental Funds

General Fund - The General Fund is the County's general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

B. Basis of Presentation - Fund Accounting (continued)

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of long-term debt principal, interest, and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

B. Basis of Presentation - Fund Accounting (continued)

Account Groups

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for the County's fixed assets, other than those accounted for in the proprietary funds. General fixed assets of a public domain or an "infrastructure" nature are not capitalized.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to account for the County's long-term debt that is backed by the County's full faith and credit, other than that accounted for in the proprietary funds.

C. Measurement Focus

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental funds and Expendable Trust Funds are accounted for on a spending or "current financial resources flow" measurement focus.

This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources".

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

C. Measurement Focus (continued)

Purchased fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used, however, to indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund revenues represented by noncurrent receivables is deferred until they become current receivables.

Special reporting treatments are also applied to governmental fund inventories to indicate that they do not represent "available spendable resources," even though they are a component of net current assets. Such amounts are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a capital maintenance, cost of services measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net total assets.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

C. Measurement Focus (continued)

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful life using the straight-line method. The estimated useful lives are:

Buildings and structures	50 years
Machinery and equipment	5-20 years
Vehicles	5 years

D. Basis of Accounting

Basis of accounting refers to the time at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental and expendable trust and agency funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available, "susceptible to accrual." Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Ad valorem property tax revenue is recognized in compliance with the National Council on Governmental Accounting (NCGA) Interpretation 3, Revenue Recognition-Property Taxes, adopted by the Government Accounting Standards Board (GASB). This interpretation states that "property tax revenue is recorded when it becomes available. Available means when due, or past due and receivable within the current period and collected within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days."

In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, subsidies, and shared revenues), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

D. Basis of Accounting (continued)

types of these revenues. In one, the monies must be expended for the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and nearly irrevocable; i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability. Intergovernmental revenues received but not earned are recorded as deferred revenue. Other revenues susceptible to accrual are investment earnings and charges for services.

Licenses, fines, penalties, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Expenditures are recognized when the corresponding liabilities are incurred, except for principal and interest on general long-term debt, which is recognized when due. The current portion of compensated absences are recognized as fund liabilities. Non-current earned but unpaid vacation and vested sick leave are shown in the General Long-Term Debt Account Group. Unvested sick leave is not reported in the financial statements.

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses, including compensated absences, are recognized when they are incurred.

E. Budgetary Data

General Budget Policies

The County is required by Minn. Stat. ch. 383C, to adopt a budget for all governmental funds. The General and Special Revenue Fund budgets are prepared on the modified accrual basis of accounting. Capital Projects Funds have budgets which are approved at the time the project is authorized and overlap fiscal years. These budget periods are not consistent with the method of financial reporting; therefore, comparisons between the results of operations and budgets in these funds are not relevant and are not presented.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

E. Budgetary Data (continued)

Procedure for Preparing the Annual Budget

1. In April of each year, the County Administrator meets with his budget staff to discuss preparations for next year's budget. A basic budget strategy is developed at that time, based on guidelines and policies established by the County Board.
2. On or near the end of April, budget request forms are sent out to each department. Included is a memo from the County Administrator highlighting basic guidelines for preparing budget requests.
3. All departments submit preliminary estimates of their requested appropriations and revenues by the end of May. These figures are used to determine what proper tax level would be necessary to meet departmental requests, and to determine the amount of levy adjustments that the County Administrator will need to make at the preliminary budget hearings in order to meet goals established by the County Board.
4. Preliminary budget hearings are held by the County Administrator with each department. These hearings begin about mid-June and last until about mid-July.
5. The County Administrator's recommended budget is given to the County Board by the first Tuesday in September.
6. The County Board holds formal public hearings on the proposed budget, and adopts the final budget on or before October 25.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

E. Budgetary Data

Procedure for Preparing the Annual Budget (continued)

Budgets can be amended during the year by the County Board. Supplemental appropriations are reviewed by the County Administrator's office and submitted to the County Board for their review and approval. If approved, they are implemented by the Auditor's Office by budget revision. Supplemental appropriations could be required because of several factors. These include the awarding of state and federal grants during the year and to provide funding for unanticipated program requirements. Supplemental appropriations were necessary during the year. The effect of these amendments was an increase in budgeted County funds of \$3,253,443. Expenditures may not legally exceed budgeted appropriations at the department level. All appropriations, except Capital Projects Funds, which are not expended, encumbered, or reserved, lapse at year-end.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, capital reserves, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and provide authority for the carryover of appropriations to the subsequent year in order to complete these transactions. Unencumbered appropriations lapse at year-end.

Budget Basis of Accounting

Budgets for the General Fund and the Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. Comparisons of estimated revenue and expenditures to actual are presented in the financial statements for the General and Special Revenue Funds.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies (continued)

F. Accounting Changes

Fund Closures and Restatements

As of December 31, 1987, St. Louis County closed several funds into the General Fund. To show comparative data, the 1987 revenues and expenditures for the affected funds were restated.

As of January 1, 1988, the County determined that the current portion of vacations payable should be accrued as fund liabilities. The fund balances as of January 1, 1987 were restated to reflect the cumulative effect of this change.

As of January 1, 1988, the County determined certain workers compensation claims should be accrued as current liabilities in the County Insurance Internal Service Fund. The retained earnings as of January 1, 1987 was restated to reflect the cumulative effect of this change.

These changes are reflected in the 1987 restated financial statements, and must be considered when comparing the financial statements of this report to those of prior reports.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies (continued)

F. Accounting Changes (continued)

Fund Closures and Restatements (continued)

	Fund Balance/ Retained Earnings Jan. 1, 1987 As Previously Reported	Fund Closures	Vacations Payable Restatement	Workers Compensation Liability	Fund Balance/ Retained Earnings Jan. 1, 1987 as Restated
General Fund	\$ 9,933,322	\$ 2,653,904	\$(131,304)	\$	\$12,455,922
Special Revenue Funds					
County Grants and Subsidies	\$ 188,521	\$ (188,521)	\$	\$	\$ -
Emergency	42,517	(42,517)			-
Federal Fiscal Assistance	835,305	(835,305)			-
Land Investment	912,037		(3,050)		908,987
Public Health	1,291,058	(1,291,058)			-
Railroad Authority	19,938				19,938
Road and Bridge	7,423,018		(73,301)		7,349,717
Social Services	875,912		(115,952)		759,960
Solid Waste Authorities	557,566				557,566
Solid Waste Management	230,994	(230,994)			-
Total Special Revenue Funds	\$12,376,866	\$(2,588,395)	\$(192,303)	\$	\$ 9,596,168
Enterprise Funds					
County Health Services	\$ 59,019	\$ (59,019)	\$	\$	\$ -
County Photography	6,490	(6,490)			-
Babbitt Facility	(20,007)				(20,007)
Chris Jensen	1,729,487				1,729,487
Nopeming	3,360,065				3,360,065
Supervised Living Facilities	28,220				28,220
Residential Treatment Center	-				-
Total Enterprise Funds	\$ 5,163,274	\$ (65,509)	\$	\$	\$ 5,097,765
Internal Service Funds					
Community Food	\$ (171,552)	\$	\$	\$	\$ (171,552)
Laundry	(168,784)				(168,784)
Printing	158,545				158,545
County Garage	28,539				28,539
County Insurance	2,562,599			(2,366,727)	195,872
Data Processing Equipment	(3,769)				(3,769)
Total Internal Service Funds	\$ 2,405,578	\$	\$	\$ (2,366,727)	\$ 38,851
Expendable Trust Funds					
Missing Heirs	\$ 70,004	\$	\$	\$	\$ 70,004
Private Redemption	414				414
Exchange of Land	22,798				22,798
Tax Certificate Assurance	61,664				61,664
Forfeited Tax	64,590		(5,946)		58,644
Forest Resources	387,561				387,561
Patients Escrow	148,715				148,715
Sheriffs Fines	-				-
Attorneys Forfeitures	-				-
Sheriffs Forfeitures	-				-
Total Expendable Trust Fund	\$ 755,746	\$	\$ (5,946)	\$	\$ 749,800

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

F. Accounting Changes (continued)

Account Reclassifications

Several account balances were reclassified as of and for the year ended December 31, 1987, as previously reported. These reclassifications, which did not require a restatement of fund balance and retained earnings, were required for comparability to the financial statements as of and for the year ended December 31, 1988, and must be considered when comparing the financial statements of this report with those of prior reports.

G. Assets, Liabilities, and Fund Equity Accounts

1. Assets

Investments

Fund and pooled (in lieu of cash) investments are stated at cost except for the Deferred Compensation Agency Fund investments, which are stated at market value.

Property Taxes

Property tax levies are set by the County Board in October each year. The levy is spread on all assessable property. Such taxes become a lien on January 1 and, for the most part, are due and payable then, but may be paid in two equal installments on or before May 15 and October 15 without penalty. Revenues are accrued and recognized in the year collectible, net of delinquencies.

The County is required by statute to distribute the collections to the various governments three times each year.

Taxes which remain unpaid at December 31 are delinquent. Collections 60 days after year-end are recognized as revenue and the balance offset by deferred revenue.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

G. Assets, Liabilities, and Fund Equity Accounts

1. Assets (continued)

Inventories

Inventories consist of expendable Road and Bridge Special Revenue Fund supplies held for consumption and are valued at cost using the first-in, first-out method. Inventoried items are recorded as expenditures at the time that they are purchased. The reported inventories are offset by a reserve of fund balance to indicate that they do not constitute available spendable resources. The Social Services Special Revenue Fund food stamp inventory consists of stamps valued at their face value. Food stamps are held by the County until they are issued to qualified individuals as prescribed by federal guidelines. The inventory is offset by the liability "Food stamps issuable" to indicate that the County does not own the stamps but is only administering them for the federal government.

The Enterprise Funds' inventory consist of expendable supplies held for consumption and are recorded as an expense when used. Internal Service Funds' inventory consist of items for resale and consumption and are recorded as an expense when used or sold. Inventories are priced at the lower of cost or market on a first-in, first-out basis.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

G. Assets, Liabilities, and Fund Equity Accounts
(continued)

2. Liabilities

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Long-term liabilities of all proprietary funds are accounted for in the respective funds.

Under the County's personnel policies and union contracts, County employees are granted vacation and sick leave in varying amounts based on length of service. Vacation leave accrual varies from 3.5 to nine hours per biweekly pay period. Sick leave accrual is from one to 5.25 hours per biweekly pay period.

Unused accumulated vacation and vested sick leave are paid to employees at retirement, or are used for the payment of employees' health insurance coverage during their retirement. Vacation and vested sick leave are recognized as liabilities in the proprietary funds. The current portion of unused vacation is recognized as a fund liability in the governmental funds. The non-current unused vacation and vested sick leave is recognized in the General Long-term Debt Account Group. The sick leave amounts which are necessary for insurance coverage for those employees who have retired to-date are reported as reservations of fund balance; i.e., reserve for health and welfare, in the appropriate funds. Unvested sick leave of \$19,533,481 at December 31, 1988, is available to employees in the event of illness-related absences and is not reported in the financial statements.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

I. Summary of Significant Accounting Policies

G. Assets, Liabilities, and Fund Equity Accounts
(continued)

3. Fund Equity

Fund equity is divided into sections:

- The contributed capital account indicates permanent fund capital contributed to the Enterprise and Internal Service Funds.
- The account "Investment in general fixed assets" represents the County's equity in general fixed assets.
- The retained earnings accounts are subdivided:

Retained earnings reserved for improvements account indicates that portion of retained earnings which is legally set aside to be used for the replacement of fixed assets.

Retained earnings reserved for debt service account indicates that portion of retained earnings which is legally set aside to be used for the payment of general obligation revenue bonds.

Retained earnings unreserved accounts indicate the accumulated earnings that may be available for expensing in future periods.

- Fund balance accounts are subdivided:

Reserved fund balance accounts indicate that portion of fund equity which has been legally segregated for specific purposes or is not appropriable for spending.

Designated fund balance accounts indicate that portion of fund equity representing tentative plans for future use of financial resources.

Unreserved, undesignated fund balance accounts indicate that portion of fund equity which is available for budgeting and expending in future periods.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

I. Summary of Significant Accounting Policies (continued)

H. Total Columns on Combined Statements

Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, or changes in financial position, in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation, because interfund eliminations have not been made in the aggregation of the data.

I. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the County's financial position and operations. However, comparative data for each fund have not been presented since their inclusion could make the statements unduly complex and difficult to read.

J. Federal Audit Requirements

The Single Audit Act of 1984 requires the County to have a single, independent audit of its financial operations, including compliance with certain provisions of federal law and regulations. This audit requirement was complied with for fiscal year ended December 31, 1988; an auditor's report on compliance and internal accounting control will be issued at a later date.

II. Stewardship, Compliance and Accountability

A. Excess of Expenditures over Budget

The following General Fund departments and the Railroad Authority and Social Services Special Revenue Funds had expenditures in excess of budget for the year ended December 31, 1988:

	<u>Expenditures</u>	<u>Budget</u>	<u>Excess</u>
General Fund			
County administrator	\$ 314,378	\$ 314,296	\$ 82
Public defenders	840,850	840,378	472
Data processing	864,921	862,313	2,608
Veterans service	368,102	367,988	114
Radio maintenance	221,143	220,592	551
Railroad Authority	68,843	60,000	8,843
Social Services	81,032,122	80,591,864	440,258

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

II. Stewardship, Compliance and Accountability

A. Excess of Expenditures over Budget (continued)

Expenditures exceeded budget for the General Fund because the accrual of compensated absences was more than anticipated.

The Railroad Authority exceeded its budget because grant monies were received and the budget was not amended. The Social Services budget was exceeded because of State-mandated services, which the County must provide whether or not it has sufficiently budgeted for these services.

B. Deficit Retained Earnings

The following funds had a deficit retained earnings at December 31, 1988:

Babbitt Facility Enterprise Fund	\$264,504
Supervised Living Facilities Enterprise Fund	\$104,448
Residential Treatment Center Enterprise Fund	\$ 19,362
County Garage Internal Service Fund	\$202,351

The elimination of the deficit retained earnings for the Babbitt Facility Enterprise Fund will be determined by the County Board in the near future. The Board will rely upon results of a recently completed management study of the Facility.

The Supervised Living Facilities Enterprise Fund will eliminate the deficit retained earnings through levying.

The Residential Treatment Center Enterprise Fund deficit will be eliminated through adjustments in fees, with sustained occupancy rate.

In the County Garage Internal Service Fund, motor pool usage is expected to increase significantly. The County expects that this increase in revenues will decrease the deficit retained earnings in future years.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

A. Assets

Deposits and Investments

Deposits

Minn. Stat. 118.005 (1988) authorizes the County to deposit its cash and to invest in certificates of deposit in financial institutions designated by the County Board. At December 31, 1988 County deposits totaled \$31,847,230, of which \$(188,372) was cash deposits and \$32,035,602 was invested in certificates of deposit. Minnesota statutes require that all County deposits be covered by insurance, surety bond, or collateral.

Following is a summary of the deposits covered by insurance or collateral at December 31, 1988.

	<u>Bank Balances</u>	<u>Carrying Amounts</u>
Covered Deposits		
Insured, or collateralized with securities held by the County or its agent in the County's name	\$11,129,116	\$11,128,987
Collateralized with securities held by the pledging financial institution's safe-keeping department or agent in the County's name	<u>\$22,109,283</u>	<u>\$20,718,243</u>
Total Covered Deposits	<u>\$33,238,399</u> =====	<u>\$31,847,230</u> =====

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

A. Assets

Deposits and Investments (continued)

Investments

Minn. Stat. 475.66 (1988) authorizes the following:

Safekeeping Options and Requirements:
Investments may be held in safekeeping with:

1. any federal reserve bank;
2. any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including but not limited to the bank from which the investment is purchased;
3. a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
4. a securities broker-dealer, provided that the municipality's ownership of all securities in which the fund is invested is evidenced by written acknowledgements identifying the securities by the names of issuers, maturity dates, interest rates, and serial numbers or other distinguishing marks.

Type of Securities Available to County for investment:

1. governmental bonds, notes, bills, mortgages, and other securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.
2. shares of an investment company
(a) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933; and (b) whose only investments are in securities described in the preceding clause, general obligation tax-exempt securities rated A or better by a national bond rating service,

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

A. Assets

Deposits and Investments

Investments (continued)

Type of Securities Available to County for investment:

2. and repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks;
3. in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities or in general obligations of other state and local governments with taxing powers which are rated A or better by a national bond rating service, or (2) a general obligation of the Minnesota housing finance agency, or (3) a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, provided that investments under clauses (2) and (3) must be in obligations that are rated the highest or next highest rating given by Standard & Poor's Corporation or Moody's Investors Service, Inc., and investments under clause (3) may be made only prior to August 1, 1991, and for a period of no more than three years from the date of purchase and further provided that investments under clauses (2) and (3) be determined to be expedient to reduce the amount of arbitrage rebate otherwise payable to the United States under section 148 of the Internal Revenue Code of 1986.
4. bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System;
5. commercial paper issued by United States corporations or their Canadian subsidiaries that is the highest quality and matures in 270 days or less.

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ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

A. Assets

Deposits and Investments

Investments (continued)

6. in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with senior unsecured debt obligations of the issuer or guarantor and, (1), in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis or a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.

Three levels of credit risk for securities are defined by generally accepted accounting principles:

- (1) securities that are insured or registered, or for which the securities are held by the County or its agent in the County's name;

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

A. Assets

Deposits and Investments

Investments (continued)

- (2) securities that are uninsured and unregistered and are held by the broker's or dealer's trust department or agent in the County's name; and
- (3) securities that are uninsured and unregistered and are held by the broker or dealer, or by its trust department or agent, but not in the County's name.

Following is a summary of the cost values of the County's securities, categorized into the aforementioned levels of risk, along with the market values of the securities, at December 31, 1988.

	(1)	Category (2)	(3)	Carrying Amount	Market Value
Investments					
U.S. Government securities	\$4,572,257	\$ -	\$ 317,225	\$ 4,889,482	\$ 4,913,753
	=====	=====	=====		
Add:					
Investments held by Trustees for deferred compensation				12,519,840	12,519,840
Deposits				31,847,230	31,847,230
Cash on hand				498,675	498,675
				-----	-----
Total Cash, Deposits and Investments				\$49,755,227	\$49,641,618
				=====	=====

Detail as shown on Combined Balance Sheet:

Cash, pooled deposits and investments	\$32,706,665
Fund deposits and investments	3,597,441
Invested employee contribution	12,519,840
Restricted assets:	
Improvement accounts - cash	63,333
Debt service:	
Cash, pooled deposits and investments	667,948
Fund investments	200,000

Total	\$49,755,227
	=====

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

A. Assets (continued)

Title IV-D Accounts Receivable

Estimated accounts receivable from individuals for child support payments that relate to recovery of payment made under the Aid to Families with Dependent Children (AFDC) Program, are approximately \$14,398,859. The amount of unrecorded revenues due the County at December 31, 1988, is not significant because the amount would be offset by a significant allowance for uncollectibles and a percentage of actual collections would be payable to State and Federal agencies and others.

Under the law, funds received are payable to State and Federal agencies and others (based on specific reimbursement percentages), with the remainder (approximately seven percent for 1988) due to the Social Services Special Revenue Fund.

Accounts Receivable

The noncurrent portion of a receivable from the Directors of Trusts of Miller Memorial Hospital, now Miller-Dwan Medical Center, is equally offset by deferred revenue and is accounted for in the General Fund. The repayment schedule calls for \$70,000 annual payments for six years, beginning in 1987. The asset is carried at the present value of \$229,292 and assumes an 8.5 percent discount rate.

Loans Receivable

The noncurrent portion of a loan receivable from the St. Louis County Heritage and Arts Center is \$645,084 and is equally offset by a fund balance reserved for noncurrent loans account to indicate that it should not be considered "available spendable resources," since it does not represent current assets. The loan is accounted for in the General Fund. The repayment schedule calls for \$15,000 annual payments and is interest-free.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

A. Assets

Loans Receivable (continued)

The noncurrent portion of a loan receivable from the Duluth Lighthouse for the Blind is \$250,000 and is equally offset by deferred revenue. The repayment schedule calls for monthly payments of \$3,773.16 for seven years commencing in September of 1989 with interest at seven percent. The receivable is accounted for in the General Fund and is valued at its discounted amount. The receivable arises from a State of Minnesota grant and loan to St. Louis County. The funds are passed on to the Duluth Lighthouse for the Blind as a loan from the County. The first \$100,000 plus interest which the County recovers from the Lighthouse does not require repayment to the State, the County must instead use the money for economic development. After \$100,000 plus interest has been recovered by the County, all subsequent payments by the Lighthouse must be repaid to the State.

Due From Other Governments

The following amounts were due from other governments at December 31, 1988:

	<u>Federal</u>	<u>State</u>	<u>Local - Other</u>	<u>Total</u>
General Fund	\$ 151,313	\$ 88,795	\$ 63,282	\$ 303,390
Special Revenue Funds				
Land Investment	\$ -	\$ 209,069	\$ -	\$ 209,069
Road and Bridge	-	1,910,960	64,415	1,975,375
Social Services	<u>1,891,217</u>	<u>2,332,532</u>	<u>2,463</u>	<u>4,226,212</u>
Total Special Revenue Funds	<u>\$1,891,217</u>	<u>\$4,452,561</u>	<u>\$ 66,878</u>	<u>\$6,410,656</u>
Supervised Living Facilities Enterprise Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,488</u>	<u>\$ 66,488</u>
Community Food Internal Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,023</u>	<u>\$ 63,023</u>
Arrowhead Regional Corrections Agency Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,908</u>	<u>\$ 37,908</u>
Total	<u>\$2,042,530</u>	<u>\$4,541,356</u>	<u>\$ 297,579</u>	<u>\$6,881,465</u>

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

A. Assets (continued)

Rental and Lease Income

The County has leased the Babbitt Tire Processing Facility to Rubber Research Elastomerics, Inc. through March 31, 2000. The facility is accounted for in the Babbitt Facility Enterprise Fund. This operating lease requires the following payments:

	<u>Total</u>
Delinquent	\$ 81,819
1989	428,118
1990	423,356
1991	464,633
1992	436,819
1993	424,544
1994 - 1998	1,358,113
1999 - 2000	<u>150,000</u>
Total payments	\$3,767,402 =====

Because of the delinquent lease payments, the County in conjunction with the State of Minnesota has participated in a study and analysis of the operations of Rubber Research Elastomerics, Inc. The study is discussed in Note VIII of the financial statements.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

A. Assets (continued)

Proprietary Fund Fixed Assets

A summary of proprietary fund property, plant and equipment at December 31, 1988, is:

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 272,752	\$ 25,500
Buildings and structures	9,368,457	1,667,964
Improvements other than buildings	29,321	-
Machinery and equipment	2,157,654	1,717,608
Vehicles	-	1,594,568
Construction in progress	-	55,756
Total	\$11,828,184	\$ 5,061,396
Less accumulated depreciated	(2,824,014)	(2,414,945)
Net Fixed Assets	\$ 9,004,170	\$ 2,646,451

Summary of Changes in General Fixed Assets

	<u>Balance 1-1-88</u>	<u>Additions</u>	<u>Retire-ments</u>	<u>Completed Construction</u>	<u>Transfers to other Funds</u>	<u>Balance 12-31-88</u>
Land	\$ 1,049,438	\$ -	\$ -	\$ -	\$ -	\$ 1,049,438
Buildings and structures	23,642,236	104,072	(106,062)	249,483	-	23,889,729
Machinery and equipment	6,246,396	681,300	(27,976)	-	(569,678)	6,330,042
Vehicles	19,801,723	2,375,966	(598,491)	-	(623,359)	20,955,839
Construction in progress	325,902	2,080,605	-	(249,483)	-	2,157,024
Total	\$51,065,695	\$5,241,943	\$(732,529)	\$ -	\$(1,193,037)	\$54,382,072

(1) Fixed assets, net of accumulated depreciation were transferred to the County Garage and Telephone Internal Service Funds. See Note III D. Contributed Capital - Internal Service Funds.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups (continued)

B. Liabilities

Deferred Revenue

Deferred revenue consists of taxes receivable that are not collected soon enough after year-end to pay liabilities of the current year, state and federal grants received but not yet earned, credit accounts receivable balances, and long-term receivables.

	<u>Taxes</u>	<u>Grants</u>	<u>Accounts Receiv- able</u>	<u>Long- Term Receiv- ables</u>	<u>Total</u>
General Fund	\$ 951,576	\$ 172,540	\$ -	\$ 479,292	\$1,603,408
Special Revenue Funds					
Land Investment\$	27,439	\$ -	\$ -	\$ -	\$ 27,439
Road and Bridge	742,035	237,933	-	63,540	1,043,508
Social Services	2,172,796	213,083	-	-	2,385,879
Solid Waste Authorities	106,878	-	-	-	106,878
Total Special Revenue Funds	\$3,049,148	\$ 451,016	\$ -	\$ 63,540	\$3,563,704
Capital Projects Fund	\$ 34,647	\$ -	\$ -	\$ -	\$ 34,647
Enterprise Funds					
Chris Jensen	\$ 85,798	\$ -	\$138,941	\$ -	\$ 224,739
Nopeming	45,024	-	46,994	-	92,018
Total Enterprise Funds	\$ 130,822	\$ -	\$185,935	\$ -	\$ 316,757
Internal Service Funds					
Community Food\$	6,793	\$ -	\$ -	\$ -	\$ 6,793
Laundry	5,922	-	-	-	5,922
County Insurance	15,647	-	-	-	15,647
Total Internal Service Funds	\$ 28,362	\$ -	\$ -	\$ -	\$ 28,362
Trust Funds					
Forfeited Tax Sale	\$ -	\$ -	\$ -	\$2,339,005	\$2,339,005
Forest Resources	-	4,731	-	-	4,731
Total Trust Funds	\$ -	\$ 4,731	\$ -	\$2,339,005	\$2,343,736
Total All Funds	\$4,194,555	\$ 628,287	\$185,935	\$2,881,837	\$7,890,614
	=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Deferred Compensation

The County has made available to all of its employees and officers, deferred compensation plans from seven companies or agencies.

Great West Life Assurance Company
IDS Life Insurance Company
International City
Management Association
Lincoln National Life
Insurance Company
Lutheran Brotherhood
Minnesota Mutual Life -
Northwestern National Life
Minnesota State Retirement System

Created in accordance with Internal Revenue Code Section 457, these plans permit the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the County's legal counsel that the County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Fund Long-Term Debt

The following is a schedule of the fund long-term debt transactions of the County for the year ended December 31, 1988:

	<u>Bonds Payable</u>			<u>Loans Payable</u>
	<u>Chris</u>	<u>Babbitt</u>		<u>from Babbitt</u>
	<u>Jensen</u>	<u>Facility</u>		<u>Facility</u>
	<u>Enterprise</u>	<u>Enterprise</u>		<u>Enterprise</u>
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Fund</u>
Payable, January 1	\$4,386,071	\$1,190,469	\$5,576,540	\$ 683,700
Payment of principal	(350,000)	(90,000)	(440,000)	(88,306)
Increase in loans payable	-	-	-	110,000
Amortization of discount and issue costs	<u>11,002</u>	<u>1,132</u>	<u>12,134</u>	<u>-</u>
Payable, December 31	<u>\$4,047,073</u>	<u>\$1,101,601</u>	<u>\$5,148,674</u>	<u>\$ 705,394</u>

Bonds payable at December 31, 1988, consist of the following issues:

\$4,800,000 1984 General Obligation County Nursing Home Revenue Bonds due in annual installments of \$325,000 to \$700,000 on February 1, 1987, through 1996; interest at 7.5 to 9.5 percent (at December 31, 1988, the bond issue is net of the unamortized bond discount and issue costs of \$77,927) \$4,047,073

\$1,200,000 1986 General Obligation Solid Waste Resource Revenue Bonds due in annual installments of \$90,000 to \$190,000 on June 1, 1988 through 1996; interest at 10 percent (at December 31, 1988, the bond issue is net of the unamortized bond discount and issue costs of \$8,399) \$1,101,601

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities

Fund Long-Term Debt (continued)

Loans payable at December 31, 1988 consisted of the following:

\$500,000 1986 Minnesota Energy and Economic Development Authority (MEEDA) loan payable due in monthly installments of \$7,067 through March 1, 1994; interest at five percent \$ 395,394

\$250,000 1986 Iron Range Resources and Rehabilitation Board (IRRRB) loan payable due in annual installments of \$25,000 through April 1, 1996; the obligation bears no interest \$ 200,000

\$110,000 1988 Minnesota Waste Management Board (WMB) loan payable in annual installments through November 1, 2000; interest at 6.42 percent \$ 110,000

The MEEDA, IRRRB, and WMB loans constitute general obligation revenue liabilities of the County as provided for in Minn. Stat. 400.101 (1988).

The annual requirements to service the debt outstanding as of December 31, 1988, including interest of \$2,190,294 and unamortized discounts of \$86,326 on the bonds, and interest of \$101,577 on the loans, are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Bonds Payable</u>	<u>Loans Payable</u>
1989	\$ 929,462	\$ 126,027
1990	922,963	125,439
1991	941,088	124,851
1992	923,681	124,263
1993	925,775	123,675
1994 - 1998	2,782,325	162,619
1999 - 2000	-	20,097
Total	\$ 7,425,294 =====	\$ 806,971 =====

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

General Long-Term Debt

The following is a summary of changes in the County's General Long-Term Debt Account Group for the year ended December 31, 1988:

	<u>Balance</u> <u>1-1-88</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-88</u>
General Obligation				
Capital Notes	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000
Due to Other Governments	-	240,000	-	240,000
Compensated Absences	3,946,219	-	(222,712)	3,723,507
Capital Leases	<u>798,289</u>	<u>-</u>	<u>(414,739)</u>	<u>383,550</u>
 Total General Long- Term Debt	 \$ 4,744,508	 \$ 5,240,000	 \$ (637,451)	 \$ 9,347,057
	=====	=====	=====	=====

Capital notes payable at December 31, 1988, consist of the following issue:

\$5,000,000 1988 General Obligation Capital Notes due in annual installments of \$200,000 to \$3,800,000 on January 15, 1989, through 1993; interest at 5.5 to 6.2 percent.

\$ 5,000,000

Due to other governments at December 31, 1988, consist of the following:

\$240,000 payable to the City of Duluth for Civic Center improvements due in annual installments of \$30,000 on January 15, 1989, through 1996; the obligation bears no interest.

\$ 240,000

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities

General Long-Term Debt (continued)

The County's proportionate shares of debt at December 31, 1988, of all governmental units which provide services within the County's boundaries, and which must be borne by properties in the County, is summarized below:

	<u>Outstanding</u>	<u>Percentage Applicable to the County</u>	<u>County Share of Debt</u>
<u>Direct Debt</u>			
St. Louis County	\$ 10,854,068	100.00	\$ 10,854,068
<u>Overlapping Debt</u>			
School Districts	5,270,000	85.10	4,484,696
Western Lake Superior Sanitary District	29,045,000	79.77	23,169,197
<u>Underlying Debt</u>			
Cities	145,874,494	100.00	145,874,494
School Districts	49,170,000	100.00	49,170,000
Towns	1,994,407	100.00	1,994,407
Housing and Redevelop- ment Authorities:			
Chisholm	1,571,871	100.00	1,571,871
Duluth	9,590,755	100.00	9,590,755
Hibbing	6,474,683	100.00	6,474,683
Virginia	5,706,011	100.00	5,706,011
Other Authorities:			
Duluth Airport	970,000	100.00	970,000
Seaway Port	1,545,000	100.00	1,545,000
Spirit Mountain	<u>1,110,000</u>	100.00	<u>1,110,000</u>
 Total	 \$269,176,289 =====		 \$262,515,182 =====

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Lease Obligations

Operating Leases

The County is committed under various operating leases for office space, parking facilities and data processing software. Most of these leases are expected to continue indefinitely or be replaced by similar leases. The following is a summary of the operating lease expense for 1988:

<u>Type of Property</u>	<u>Amount</u>
Rental of office space and parking facilities	\$ 1,080,150
Data processing software	<u>99,964</u>
Total rental expense	\$ 1,180,114 =====

Future minimum payments under operating leases, which are not reflected in these financial statements, consist of the following t December 31, 1988:

<u>Year Ended</u>	<u>Amount</u>
1989	\$ 1,297,240
1990	\$ 1,298,090
1991	\$ 1,298,090
1992	\$ 1,298,090
1993	<u>\$ 1,298,015</u>
Total future minimum lease paymments	\$ 6,489,525 =====

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities

Lease Obligations (continued)

Capital Leases

Capitalized leases of the County at December 31, 1988, consist of highway equipment, office equipment, and copiers shown below:

<u>Type of Property</u>	<u>General Fixed Assets</u>	<u>Printing Internal Service Fund</u>	<u>Total</u>
Highway equipment	\$ 2,177,335	\$ -	\$ 2,177,335
Office equipment	31,978	-	31,978
Copiers	69,909	12,000	81,909
Total	\$ 2,279,222	\$ 12,000	\$ 2,291,222
Less: Accumulated depreciation	-	(3,127)	(3,127)
Carrying value	\$ 2,279,222	\$ 8,873	\$ 2,288,095
	=====	=====	=====

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 1988:

<u>Year Ended December 31</u>	<u>General Long-Term Debt</u>	<u>Printing Internal Service Fund</u>	<u>Total</u>
1989	\$ 236,141	\$ 4,000	\$ 240,141
1990	185,929	4,059	189,988
Total minimum lease payments	\$ 422,070	\$ 8,059	\$ 430,129
Less: Amount representing interest	(38,520)	(766)	(39,286)
Present value of future minimum lease payments	\$ 383,550	\$ 7,293	\$ 390,843
	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Construction Commitments

At December 31, 1988, the County had construction commitments as follows:

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Commitment</u>	<u>Required Further Financing</u>
Road and Bridge building	\$ 1,631,890	\$ 1,284,194	\$ 190,985	None
County jail	57,750	40,291	-	None
Courthouse improvements	1,010,351	18,774	8,863	None
911 system	<u>2,684,395</u>	<u>813,765</u>	<u>885,765</u>	None
Total	<u>\$ 5,384,386</u>	<u>\$ 2,157,024</u>	<u>\$ 1,085,613</u>	

The above projects are funded in the Capital Projects Fund.

Postretirement Benefits

Postretirement benefits are provided to all County employees who retired, are drawing pensions from the Public Employees Retirement Association, and who had unused sick leave at the time of retirement. These benefits include health care and life insurance benefits. The hours of unused sick leave multiplied by the hourly rate of pay for each retiree is established as a reserve of fund balance for governmental fund retirees, or as a liability for proprietary fund retirees. Expenditures in the governmental funds are recognized when paid and expenses in the proprietary funds are recognized during the year of retirement. During 1988, these benefits recognized as expenditures/expenses amounted to \$978,419.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Self-Insurance

The County Insurance Internal Service Fund, a self-insurance fund, was established for the payment of unemployment compensation claims, workers' compensation claims, and general liability claims and judgments. All risk, except fire and property damage to major structures and catastrophic workers' compensation claims, is assumed. Maximum third-party coverage for property damage is limited to the estimated value of the property. The self-insurance for workers' compensation covers up to \$380,000 per single loss occurrence. At that point, the County is covered for losses by the Workers' Compensation Reinsurance Association, an organization created by Minnesota statutes in 1979 to implement a mandatory program of reinsurance for workers' compensation liability risks in the State of Minnesota for losses occurring on or after October 1, 1979. The Association provides full indemnification for the County, under Minn. Stat. ch. 176, 1988, in excess of the \$380,000 retention limit.

The estimated liability for general liability matters and workers' compensation claims is based on a case-by-case evaluation by the County Attorney's Office. Claims incurred but not reported have been considered when determining the claims liability. An actuary was not used in determining the liability. Interfund premiums are reported as quasi-external transactions. County funds are charged quarterly for the actual workers' compensation expense.

The estimated liability for workers' compensation is funded by levying directly for the Internal Service Fund, and will therefore be paid from the retained earnings of the Fund. The County is hiring a risk manager, who will set up a premium schedule, based on historical costs and projected future liabilities for claims which occur after December 31, 1988.

In addition, the County Attorney's office estimated settlements to be \$1,806,050 for various cases considered reasonably possible losses to the County. This amount is not reflected in the financial statements.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities

Retirement Plan

All full-time and certain part-time employees of St. Louis County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA administers the Public Employees Retirement Fund and the Public Employees Police and Fire Fund which are cost-sharing multiple-employer public employee retirement funds. The payroll for employees covered by PERA for the year ended December 31, 1988, was as follows: \$4,039,310 Basic, \$46,630,846 Coordinated, \$3,773,870 Police and Fire. The County's total payroll was \$56,013,696.

All full-time employees and certain part-time employees are members of the PERA. Public Employees Retirement Fund members belong to either the Coordinated or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All police officers, fire fighters and peace officers who qualify for membership by statute are covered by the Police and Fire Fund. The pension plan provides pension benefits, deferred annuity, and death and disability benefits. Benefits are set by State statute. Retirement benefits for members of the Basic and Coordinated Funds are:

- (a) When age plus years of service equal 90, the full unreduced normal annuity is payable.
- (b) As early as age 55 with at least five years of paid service credit; annuity reduced 1/4 percent for each month under age 65.
- (c) Any age with at least 30 years, reduced by 1/4 percent for each month under age 62.
- (d) Age 65 or older with at least one but less than five years of paid service credit (proportionate annuity); must terminate service at age 65 or older.
- (e) Age 55 with at least five years of paid service credit or any age with at least 30 years representing PERA service combined with coverage in any other qualified fund.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities

Retirement Plan (continued)

Retirement benefits for members of the Police and Fire Fund are:

- (a) When age plus years of service equal 90, the full unreduced normal annuity is payable at age 55.
- (b) Age 55 or older with at least five years service credit.
- (c) Age 55 or older with at least five years paid service credit representing PERA service combined with coverage in any other qualified fund.
- (d) Age 65 or older with at least one year of paid service credit (proportionate annuity); must terminate service at age 65 or older.

A member who terminates public service with five or more years of credited allowable service may leave his or her amount in the fund to qualify for an annuity at retirement age. The annuity as determined under the formula will be increased from the first of the month following date of termination at prescribed interest rates. The former member may accept a refund at any time prior to the date retirement annuity begins.

Pension provisions include death and disability benefits, whereby the disabled employee, surviving spouse or dependent children are entitled to receive amounts determined as defined by the funds.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities

Retirement Plan (continued)

Contributions Required and Made

Minn. Stat. ch. 353 provides statutory authority for employer and employee contribution rates and provides required dates for achieving full funding. The County makes annual contributions to the pension plan equal to the amount required by state statutes. As part of the annual actuarial valuation, PERA's actuary determines the efficiency of the statutory contribution rates towards meeting the required full funding deadline. The actuary compares the actual contribution rate to a "required" contribution rate. Current statutory contribution rates and actuarially required contribution rates for the plans are:

	<u>Employee</u>	<u>Employer</u>	<u>Required Rates</u>
Public Employees Retirement Fund			
Basic Plan	8%	10.50%	9.46%
Coordinated Plan	4%	4.25%	5.11%
Public Employees Police and Fire Fund	8%	12.00%	15.97%

Total contributions made to the PERA during fiscal year 1988 were:

	<u>Amounts</u>		<u>Percentage of Covered Payroll</u>	
	<u>Employees</u>	<u>Employer</u>	<u>Employees</u>	<u>Employer</u>
Public Employees Retirement Fund				
Basic Plan	\$ 323,144	\$ 424,128	.59%	.78%
Coordinated Plan	\$1,865,236	\$1,981,811	3.40%	3.60%
Public Employees Police and Fire Fund	\$ 301,911	\$ 452,864	.55%	.83%

The County's 1988 required contribution to the PERA represents 3.1 percent and 2.2 percent, of the total current-year actuarially determined contribution requirements for all employers covered by the public employee fund and the police and fire fund, respectively.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities

Retirement Plan (continued)

Funding Status and Progress

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the PERA's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among Public Employees Retirement Systems and employers. The PERA does not make separate measurements of assets and pension benefit obligation for individual employers.

Total unfunded pension benefit obligation of the PERA as of June 30, 1988, is shown below.

	Public Employees Retirement Fund	Public Employees Police & Fire Fund
	<u>(in thousands)</u>	
Total pension benefit obligation	\$ 3,334,423	\$ 512,921
Net assets available for benefits, at market	<u>2,749,289</u>	<u>584,871</u>
Unfunded (over funded) pension benefit obligation	\$ 585,134 =====	\$ (71,950) =====

The measurement of the pension benefit obligation is based on an actuarial valuation as of June 30, 1988. Net assets available to pay pension benefits were valued as of the same date.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities

Retirement Plan

Funding Status and Progress (continued)

Prior to fiscal year 1988, the mortality table used was the UP-1984 Unisex set forward one year for males and set back four years for females. For fiscal year 1988, the PERA Board of Trustees approved the use of the 1971 Group Annuity Mortality Table projected to 1984 for males and females. The change was made in order to reduce, if not eliminate, the series of large annually recurring mortality losses that have been realized in the last four years. With the adoption of the new mortality table, the projected benefit obligation increased \$179,670,000 in the Public Employees Retirement Fund and \$18,805,000 in the Public Employees Police and Fire Fund. The change in mortality tables did not affect the contribution rates.

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

Ten-year historical trend information is presented in PERA's Comprehensive Annual Financial Report for the year ended June 30, 1988.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups

B. Liabilities

Retirement Plan (continued)

Related Party Investments

During fiscal year 1988 and as of June 30, 1988, the PERA held no securities issued by St. Louis County or other related parties.

C. Interfund Assets/Liabilities

Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Social Services	\$ 27,428
Land Investment	Social Services	2,783
Laundry	General	2,129
Community Food	Social Services	<u>106,472</u>
Total		\$ 138,812 =====

Interfund Receivable/Payable

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Social Services	Chris Jensen	\$ 404,446
	Supervised Living	
	Facilities	100,912
	Residential Treatment	
	Center	61,436
	Community Food	<u>20,850</u>
Total		\$ 587,644 =====

Advances From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Data Processing	Telephone	\$ 40,127
Equipment		=====

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups (continued)

D. Transfers Between Funds

Transfers between individual funds during December 31, 1988, are as follows:

<u>Operating Transfers Out</u>	<u>Operating Transfers In</u>	<u>Debit</u>	<u>Credit</u>
General		\$ 342,187	
	Special Revenue- Railroad Authority Road and Bridge		\$ 40,000 302,187
Special Revenue - Road and Bridge		133,357	
	Debt Service		133,357
Expendable Trust- Forest Resources			
	Special Revenue - Land Investment	111,766	<u>111,766</u>
		\$ 587,310	\$ 587,310
		=====	=====
<u>Residual Equity Transfers Out</u>	<u>Residual Equity Transfers In</u>	<u>Debit</u>	<u>Credit</u>
General		\$ 1,221,458	
	Capital Projects Internal Service - County Garage		\$ 1,000,000 221,458 (1)
Expendable Trust - Sheriff's Fines		3,108	
	General		<u>3,108</u>
		\$ 1,224,566	\$ 1,224,566
		=====	=====

(1) The County Garage Internal Service Fund shows an increase in contributed capital of \$480,211 of which \$221,458 is part of this residual equity transfer out of the General Fund.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

III. Detailed Notes on All Funds and Account Groups (continued)

E. Fund Equity

Contributed Capital - Enterprise Funds

The following is a summary of the changes in contributed capital for the Enterprise Funds for the year ended December 31, 1988:

	<u>Balance</u> <u>1-1-88</u>	<u>Additions</u>	<u>Balance</u> <u>12-31-88</u>
Babbitt Facility	\$ 786,412	\$ 472,331(1)	\$1,258,743
Residential Treatment Center	<u>167,672</u>	<u>-</u>	<u>167,672</u>
Total Enterprise Funds	<u>\$ 954,084</u>	<u>\$ 472,331</u>	<u>\$1,426,415</u>

- (1) \$290,000 was contributed by the Waste Management Board and \$182,331 was contributed by Rubber Research Elastomerics.

Contributed Capital - Internal Service Funds

The following is a summary of the changes in contributed capital for the Internal Service Funds for the year ended December 31, 1988:

	<u>Balance</u> <u>1-1-88</u>	<u>Additions</u>	<u>Balance</u> <u>12-31-88</u>
Laundry	\$ 795,785	\$ -	\$ 795,785
Printing	-	5,131(3)	5,131
County Garage	994,986	480,211(2)	1,475,197
Data Processing Equipment	629,789	2,447(3)	632,236
Telephone	<u>-</u>	<u>185,639(3)</u>	<u>185,639</u>
Total Internal Service Funds	<u>\$2,420,560</u>	<u>\$ 673,428</u>	<u>\$3,093,988</u>

- (2) \$221,458 was contributed by the General Fund, and fixed assets valued at \$258,753 were contributed by the General Fixed Assets Account Group.
 (3) Fixed assets contributed by the General Fixed Assets Account Group.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

IV. Segments of Enterprise Activities

Five services provided by the County are financed by user charges. These services are as follows:

Babbitt Facility - The Babbitt Facility provides a facility and equipment for lease to Rubber Research Elastomerics for the purpose of recycling waste tires into a useable raw material.

Chris Jensen - Chris Jensen is a nursing home facility for the public.

Nopeming - Nopeming is a nursing home facility for the public.

Supervised Living Facilities - Supervised Living Facilities provide living facilities for individuals requiring a level of supervision greater than that of a board and lodging facility, but less than a board and care facility.

Residential Treatment Center ("2001") - The Residential Treatment Center is a 15-bed facility used to house and treat chemically abusive and chemically dependent individuals, aged 13-18, in a residential setting.

The key financial data for the year ended December 31, 1988, for these five services are:

	<u>Babbitt Facility</u>	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Supervised Living Facilities</u>	<u>Residential Treatment Center</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$ 373,884	\$ 6,271,660	\$ 5,301,553	\$ 417,082	\$ 431,356	\$ 12,795,535
Depreciation	234,304	102,062	147,706	515	2,533	487,120
Operating income (loss)	45,709	(1,155,648)	(997,998)	(60,081)	2,962	(2,165,056)
Nonoperating revenues, taxes and grants	18,715	1,081,032	526,505	-	3,415	1,629,667
Net income (loss)	(81,729)	(456,555)	(471,493)	(60,081)	6,377	(1,063,481)
Property, plant, and equipment - net additions (deletions)	496,745	24,828	218,656	-	-	740,229
Net working capital	(59,373)	(44,849)	818,949	(83,981)	67,398	698,144
Total assets	2,811,660	6,865,243	3,261,790	71,741	248,707	13,259,141
Long-term liabilities payable from operat- ing revenues	1,611,283	3,710,584	150,987	25,720	-	5,498,574
Total equity	994,239	1,221,079	2,353,881	(104,448)	148,310	4,613,061

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

V. Joint Ventures

Arrowhead Regional Corrections

The Arrowhead Regional Corrections system is governed by a ten-member board, composed of one member appointed from each of the participating counties' boards of commissioners, except for St. Louis County, which has two members from its board. In addition, a member is selected by the Tribal Council of the Minnesota Chippewa Tribe, one member represents the Corrections Advisory Board established pursuant to the Community Corrections Act, and there is one citizen member.

Arrowhead Regional Corrections is financed through state grants and contributions from the participating counties. During 1988, county contributions were in the following proportion:

Aitkin County	3.7%
Carlton County	9.4%
Cook County	1.2%
Koochiching County	5.4%
Lake County	2.9%
St. Louis County	<u>77.4%</u>
Total	100.00%
	=====

A summary of the financial information of Arrowhead Regional Corrections for the year ended December 31, 1988, excluding general fixed assets of \$2,547,065, and general long-term debt of \$389,246 was:

Total Assets	\$ 627,049
Total Liabilities	\$ 374,216
Total Fund Equity	\$ 252,833
Total Revenues	\$6,520,198
Total Expenditures	\$6,436,280
Increase (decrease) in Fund Balance	\$ 94,178

Community Health Services Board

Carlton, Cook, Lake and St. Louis Counties entered into a joint powers agreement, creating and operating the Carlton, Cook, Lake and St. Louis County Community Health Services Board. This agreement is entered into under the authority of the Community Health Services Act and is pursuant to the provisions of Minn. Stat. 471.59 (1988).

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

V. Joint Ventures

Community Health Services Board (continued)

The Community Health Services Board is composed of nine members. Carlton, Cook, and Lake County Boards of Commissioners each appoint two members; the St. Louis County Board of Commissioners appoints three members. Financing is obtained through federal and state grants.

A summary of the financial information of the Community Health Services Board for December 31, 1988, excluding general fixed assets of \$11,242, and general long-term debt of \$9,909, is:

Total Assets	\$ 251,565
Total Liabilities	\$ 227,000
Total Fund Equity	\$ 24,565
Total Revenues	\$1,541,272
Total Expenditures	\$1,541,272
Increase (decrease) in Fund Balance	\$ -

North Shore Management Board

The counties of Cook and St. Louis; the cities of Beaver Bay, Grand Marais, Silver Bay, and Two Harbors; and the Town Boards of Duluth and Lakewood Townships entered into a joint powers agreement pursuant to Minn. Stat. 471.59 (1988) to formulate a management plan and develop strategies for environmental protection and orderly growth of the North Shore of Lake Superior. Membership of the Board is composed of one elected official appointed by each respective county board, city council and township board identified above. The Board has had no financial activity thus far.

VI. Summary of Significant Contingencies and Other Items

A. Claims and Litigation

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigations. The County Attorney estimates that the potential claims against the County not covered by insurance resulting from such litigation would not materially affect the financial statements of the County. The County handles all the financial transactions for Arrowhead Regional Corrections through its Arrowhead Regional Corrections Agency Fund. Its deposit and investments are included in the County's foregoing note on deposits and investments.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1988

VI. Summary of Significant Contingencies and Other Items (continued)

B. Departmental Trust Deposits

Departmental trust deposits include funds deposited with various County departments as required by statute or court orders. The following is a summary of these trust deposits which are not shown on the combined balance sheet at December 31, 1988.

Courts	\$ 984,966
Purchasing	50,217
ARC (Probation)	7,756
Sheriff	1,838
Judge of Probate	7,749
Social Services	
Social Welfare	624,644
Support and Collections (IV-D)	43,858
Estate	<u>149,227</u>
Total	\$ 1,870,255 =====

C. Settlements Held by the Court for Minors

The Court Administrator, at December 31, 1988, held investments for individuals who have not reached the age of majority. These investments have a combined face value of \$3,828,892 and are not included in the County's financial statements.

VII. Major Customer

The major customer of the Babbitt Facility Enterprise Fund is Rubber Research Elastomerics, Inc. which provided 100 percent of the rental revenue of \$373,884.

VIII. Subsequent Events

Solid Waste Disposal

The County plans to close ten of the thirteen landfills that now handle all of the garbage for the northern ninety percent of the County. The closure costs will be approximately \$2.4 million dollars. The County's Waste Advisory Commission, in conjunction with technical experts, is evaluating options to the current landfill disposal.

By 1993, the County must comply with a State law to recycle at least 25 percent of its solid waste. This mandate will be considered in the selection of disposal technology.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1988

VIII. Subsequent Events (continued)

911 Emergency Communications

The County has completed implementation of the State-mandated 911 emergency communications system. Duluth and Virginia dispatch centers are functional, and radio equipment is nearing the final optimization stage. Rural addressing is nearly complete and change-of-address notifications have been distributed to residents. With the implementation in rural St. Louis County, the entire State of Minnesota has access to 911 emergency services.

Jail Facilities

The 1989 Capital Improvement Plan approved by the St. Louis County Board of Commissioners includes the sale of general obligation bonds to finance construction of a Duluth Area Jail, a Virginia Law Enforcement Center, a Hibbing Law Enforcement Center, and facility improvements at the Northeast Regional Corrections Center and the Arrowhead Juvenile Center.

To finance these facilities, the County plans to issue \$3.3 million dollars in bonds in 1989, up to \$8.2 million in 1990, and up to \$4.2 million in 1991.

Babbitt Facility

The County in conjunction with the State of Minnesota participated in a study and analysis of the operations of Rubber Research Elastomerics, Inc. This study was conducted pursuant to a work plan that included inquiry into finance, marketing operations, management, production, patent rights and other areas deemed necessary to fully analyze this operation and to determine its viability. The results of the study are being reviewed by the State of Minnesota and the St. Louis County Board of Commissioners. No plan of action has as yet been decided upon.

**FINANCIAL—Combining and Individual Funds
and Account Group Statements and Schedules**

GENERAL FUND

ST. LOUIS COUNTY, MINNESOTA

GENERAL FUND

To account for all financial resources except those required to be accounted for in another fund.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	1988		Variance Favorable (Unfavorable)	1987
	Budget	Actual		Actual Restated
Revenues				
Taxes	\$16,978,325	\$16,823,425	\$ (154,900)	\$15,295,274
Licenses and permits	393,250	119,662	(273,588)	117,836
Intergovernmental	6,345,935	6,333,305	(12,630)	5,057,629
Charges for services	2,628,741	3,595,938	967,197	2,881,478
Fines and forfeits	564,500	617,918	53,418	672,214
Interest on investments	2,175,000	2,883,195	708,195	2,109,244
Gifts and contributions	15,426	16,366	940	-
Miscellaneous	288,837	358,076	69,239	246,904
Total Revenues	\$29,390,014	\$30,747,885	\$1,357,871	\$26,380,579
Expenditures				
General government				
Current:				
Commissioners	\$ 502,814	\$ 499,911	\$ 2,903	\$ 513,829
County administrator	314,296	314,378	(82)	222,032
Planning and research	365,094	358,228	6,866	349,712
Public defenders	840,378	840,850	(472)	843,870
Court administrator	3,765,686	3,768,151	(2,465)	3,590,278
Examiner of titles	102,646	99,719	2,927	90,277
County attorney	1,333,132	1,292,233	40,899	1,262,650
Attorney forfeits	-	-	-	80,714
Law library	93,881	93,881	-	63,025
County auditor	2,056,297	2,042,971	13,326	2,755,019
Data processing	705,631	855,376	(149,745)	-
County assessor	963,349	955,661	7,688	851,930
Purchasing	309,863	309,608	255	267,657
Microfilming	123,787	123,207	580	124,950
Recorder	483,374	481,222	2,152	460,121
Surveyor	298,643	277,724	20,919	270,586
Civil service	570,569	568,458	2,111	472,620
Veterans' service	367,988	367,537	451	354,250
Port authority	4,500	4,500	-	36,000
Elections	49,881	43,667	6,214	590
Courthouses	1,328,082	1,317,168	10,914	1,255,896
Employee training	55,203	53,644	1,559	-
AMC building	35,398	35,398	-	-
Emergency	30,467	-	30,467	-
Total Current	\$14,700,959	\$14,703,492	\$ (2,533)	\$13,866,006
Capital Outlay:				
Commissioners	\$ 2,874	\$ 2,874	\$ -	\$ -
County administrator	7,134	7,134	-	4,221
Court administrator	7,364	4,891	2,473	2,044
County attorney	25,110	25,110	-	30,894
County auditor	700	715	(15)	2,559
Data processing	156,682	9,545	147,137	8,659
County assessor	1,500	1,365	135	1,965
Purchasing	358	-	358	2,061
Recorder	32,641	34,054	(1,413)	836
Surveyor	28,285	28,941	(656)	980
Civil service	3,342	2,312	1,030	-
Veterans service	-	565	(565)	-
Courthouses	21,777	32,260	(10,483)	15,740
Total Capital Outlay	\$ 287,767	\$ 149,766	\$ 138,001	\$ 69,959
Total General Government	\$14,988,726	\$14,853,258	\$ 135,468	\$13,935,965 (continued)

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 1988
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	1988		Variance	1987
Expenditures (Continued)	Budget	Actual	Favorable (Unfavorable)	Actual Restated
Public safety				
Current:				
Jail building	\$ 147,929	\$ 147,680	\$ 249	\$ 133,954
Sheriff	4,294,817	4,282,143	12,674	3,802,168
Sheriff forfeits	-	-	-	134
Boat and water safety	86,626	77,603	9,023	51,272
Medical examiner	126,557	109,162	17,395	80,740
Rescue squad	33,639	34,078	(439)	13,958
Emergency management	162,707	155,133	7,574	442,149
Ambulance service	28,526	28,523	3	28,128
Radio maintenance	217,592	219,169	(1,577)	-
911 system	752,046	709,423	42,623	116,496
Jail prisoners	1,605,852	1,604,344	1,508	1,429,573
Mine inspector	163,867	163,573	294	151,728
Safety council	750	750	-	710
Occupational safety	2,185	1,405	780	135,103
Corrections	2,981,626	2,981,626	-	2,702,705
Law enforcement service	435,014	431,997	3,017	-
Total Current	<u>\$11,039,733</u>	<u>\$10,946,609</u>	<u>\$ 93,124</u>	<u>\$ 9,088,818</u>
Capital Outlay:				
Jail building	\$ 10,219	\$ 9,819	\$ 400	\$ 401
Sheriff	39,311	50,883	(11,572)	115,589
Boat and water safety	24,605	8,178	16,427	17,490
Rescue squad	500	-	500	-
Emergency management	186,915	187,477	(562)	107,106
Radio maintenance	3,000	1,974	1,026	-
911 system	24,128	30,530	(6,402)	23,276
Jail prisoners	6,170	7,602	(1,432)	-
Occupational safety	-	-	-	950
Law enforcement service	15,050	14,894	156	-
Total Capital Outlay	<u>\$ 309,898</u>	<u>\$ 311,357</u>	<u>\$ (1,459)</u>	<u>\$ 264,812</u>
Total Public Safety	<u>\$11,349,631</u>	<u>\$11,257,966</u>	<u>\$ 91,665</u>	<u>\$ 9,353,630</u>

(continued)

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 1988
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	1988		Variance Favorable (Unfavorable)	1987 Actual Restated
	Budget	Actual		
Highways and streets				
Current:				
Equipment, maintenance and shops	\$ -	\$ -	\$ -	\$ 424,515
Total Highways and Streets	\$ -	\$ -	\$ -	\$ 424,515
Health				
Current:				
Administration	\$ 848,379	\$ 851,636	\$ (3,257)	\$ 792,470
Nursing	1,875,547	1,784,494	91,053	1,013,168
Environmental health	1,105,142	1,100,420	4,722	677,585
Health education	224,329	191,993	32,336	479,540
Total Current	\$ 4,053,397	\$ 3,928,543	\$ 124,854	\$ 2,962,763
Capital Outlay:				
Administration	\$ 15,310	\$ 14,115	\$ 1,195	\$ 13,048
Nursing	700	-	700	-
Environmental health	1,000	-	1,000	3,882
Health education	4,800	4,037	763	-
Total Capital Outlay	\$ 21,810	\$ 18,152	\$ 3,658	16,930
Total Health	\$ 4,075,207	\$ 3,946,695	\$ 128,512	\$ 2,979,693
Welfare				
Current:				
Bethel society	\$ -	\$ -	\$ -	\$ 30,000
Arrowhead transit	-	-	-	16,000
Aid to victims of sexual assault	39,562	39,562	-	38,410
School lunch	15,000	15,000	-	-
United way	5,000	5,000	-	-
Total Welfare	\$ 59,562	\$ 59,562	\$ -	\$ 84,410
Sanitation				
Current:				
Solid waste management	\$ -	\$ -	\$ -	\$ 126,400
Total Sanitation	\$ -	\$ -	\$ -	\$ 126,400
Culture and recreation				
Current:				
Memorial day observances	-	\$ -	\$ -	\$ 1,200
Historical society	132,253	132,253	-	128,401
Arrowhead library system	185,400	185,400	-	180,000
Community fairs	1,120	960	160	1,120
Total Culture and Recreation	\$ 318,773	\$ 318,613	\$ 160	\$ 310,721

(continued)

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 1988
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	1988		Variance	1987
	Budget	Actual	Favorable (Unfavorable)	Actual Restated
Expenditures (Continued)				
Conservation of natural resources				
Current:				
County agent	\$ 304,494	\$ 300,343	\$ 4,151	\$ 260,963
Extension committee	-	-	-	2,402
County fair - north	34,500	34,500	-	13,760
County fair - south	25,432	25,432	-	27,546
Soil conservation - north	26,574	26,574	-	25,800
Soil conservation - south	26,574	26,574	-	25,800
Lakes and streams	-	-	-	6,150
Cleaning ditches	-	-	-	7,277
Total Current	\$ 417,574	\$ 413,423	\$ 4,151	\$ 369,698
Capital Outlay:				
County agent	\$ 19,071	\$ 17,687	\$ 1,384	\$ 22,392
Total Capital Outlay	\$ 19,071	\$ 17,687	\$ 1,384	\$ 22,392
Total Conservation of Natural Resources	\$ 436,645	\$ 431,110	\$ 5,535	\$ 392,090
Economic development				
Current:				
Tourism promotion	\$ 63,960	\$ 63,960	\$ -	\$ 63,960
Arrowhead association	10,000	10,000	-	5,000
Special development projects	-	-	-	25,000
Arrowhead regional development commission	-	-	-	95,177
Total Economic Development	\$ 73,960	\$ 73,960	\$ -	\$ 189,137
Total Expenditures	\$31,302,504	\$30,941,164	\$ 361,340	\$27,796,561
Excess of Revenues Over (Under) Expenditures	\$(1,912,490)	\$(193,279)	\$1,719,211	\$(1,415,982) (continued)

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 1988
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	1988		Variance	1987
	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>	<u>Actual</u>
			Favorable	Restated
Other Financing Sources (Uses)				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(342,187)	(342,187)	-	(518,148)
Sale of fixed assets	-	-	-	655,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	\$ (342,187)	\$ (342,187)	\$ -	\$ 136,852
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$(2,254,677)	\$ (535,466)	\$1,719,211	\$(1,279,130)
Fund Balance - January 1 Restated	7,736,900	9,594,695	1,857,795	12,455,922
Equity transfers in	3,108	3,108	-	323,201
Equity transfers out	<u>(1,221,458)</u>	<u>(1,221,458)</u>	<u>-</u>	<u>(1,905,298)</u>
Fund Balance - December 31	\$ 4,263,873	\$7,840,879	\$3,577,006	\$ 9,594,695
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The notes to the financial statements are an integral part of this statement.

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SPECIAL REVENUE FUNDS

ST. LOUIS COUNTY, MINNESOTA

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditures for specified purposes.

Land Investment - to accelerate and intensify the management of the County's peat and commercial forest lands; and, to utilize St. Louis County's reservoir of productive and talented people, who, due to economic conditions, cannot find work.

Railroad Authority - to provide (in conjunction with Lake County, Minnesota) for the operations of a scenic tourist excursion railway throughout Northern Minnesota, and for future freight traffic along the North Shore of Lake Superior.

Road and Bridge - to account for public works activity.

Social Services - to account for the operations and financial activities of the Welfare Department.

Solid Waste Authorities - to provide funds to the various solid waste service areas in the county.

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1987

	<u>Land Investment</u>	<u>Railroad Authority</u>	<u>Road and Bridge</u>
<u>Assets</u>			
Cash, pooled deposits and investments	\$ 120,919	\$ 24,269	\$10,794,590
Change funds	1,000	-	1,000
Receivables			
Taxes			
Unapportioned	6,679	-	142,622
Delinquent	30,963	-	814,298
Accounts	-	-	67,243
Due from other funds	2,783	-	-
Interfund receivable	-	-	-
Due from other governments	209,069	-	1,975,375
Inventories	-	-	1,990,033
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 371,413	\$ 24,269	\$15,785,161
	=====	=====	=====

The notes to the financial statements are an integral part of this statement.

Statement B-1

<u>Social Services</u>	<u>Solid Waste Authorities</u>	<u>Totals</u>	
		<u>1988</u>	<u>1987 Restated</u>
\$ 381,367 23,075	\$ 1,229,941 -	\$ 12,551,086 25,075	\$ 8,044,515 25,075
355,707 2,345,329 438,624 - 587,644 4,226,212 <u>2,953,203</u>	19,520 117,535 - - - - - -	524,528 3,308,125 505,867 2,783 587,644 6,410,656 <u>4,943,236</u>	596,731 3,357,560 421,880 - 6,811,665 <u>6,831,786</u>
<u>\$11,311,161</u> =====	<u>\$ 1,366,996</u> =====	<u>\$ 28,859,000</u> =====	<u>\$ 26,089,212</u> ===== (continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 1988
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1987

	<u>Land Investment</u>	<u>Railroad Authority</u>	<u>Road and Bridge</u>
<u>Liabilities and Fund Balance</u>			
Liabilities			
Accounts payable	\$ 9,669	\$ 3,521	\$ 780,924
Salaries payable	48,950	-	780,830
Compensated absences payable	5,615	-	58,352
Due to other funds	-	-	-
Due to other governments	-	-	81,793
Deferred revenue	27,439	-	1,043,508
Food stamps issuable	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 91,673	\$ 3,521	\$ 2,745,407
Fund Balance			
Reserved for change funds	\$ 1,000	\$ -	\$ 1,000
Reserved for inventories	-	-	1,990,033
Reserved for encumbrances	79,972	-	409,229
Reserved for debt service	-	-	166,643
Reserved for health and welfare	-	-	304,332
Reserved for foster care insurance	-	-	-
Reserved for senior citizens transportation	-	-	-
Reserved for unorganized town roads	-	-	271,485
Unreserved			
Designated for health and welfare	-	-	11,753
Undesignated	198,768	20,748	9,885,279
	<hr/>	<hr/>	<hr/>
Total Fund Balance	\$ 279,740	\$ 20,748	\$13,039,754
Total Liabilities and Fund Balance	\$ 371,413	\$ 24,269	\$15,785,161
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

Statement B-1
(Continued)

<u>Social Services</u>	<u>Solid Waste Authorities</u>	<u>Totals</u>	
		<u>1988</u>	<u>1987 Restated</u>
\$ 1,791,321	\$ 40,739	\$ 2,626,174	\$ 2,117,920
1,026,535	449	1,856,764	909,633
84,432	-	148,399	135,876
136,683	-	136,683	-
186,004	260	268,057	364,639
2,385,879	106,878	3,563,704	4,184,717
<u>2,953,203</u>	<u>-</u>	<u>2,953,203</u>	<u>4,549,656</u>
<u>\$ 8,564,057</u>	<u>\$ 148,326</u>	<u>\$11,552,984</u>	<u>\$12,262,441</u>
\$ 23,075	\$ -	\$ 25,075	\$ 25,075
-	-	1,990,033	2,282,130
288,410	15,588	793,199	814,973
-	-	166,643	-
493,451	-	797,783	949,687
6,000	-	6,000	6,000
37,880	-	37,880	-
-	-	271,485	263,857
-	-	11,753	-
<u>1,898,288</u>	<u>1,203,082</u>	<u>13,206,165</u>	<u>9,485,049</u>
<u>\$ 2,747,104</u>	<u>\$1,218,670</u>	<u>\$17,306,016</u>	<u>\$13,826,771</u>
<u>\$11,311,161</u>	<u>\$1,366,996</u>	<u>\$28,859,000</u>	<u>\$26,089,212</u>
=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1987

	<u>Land Investment</u>	<u>Railroad Authority</u>	<u>Road and Bridge</u>
Revenues			
Taxes	\$ 437,870	\$ -	\$12,059,555
Licenses and permits	-	-	7,735
Intergovernmental	638,816	15,000	18,537,938
Charges for services	-	-	230,028
Miscellaneous	<u>432,303</u>	<u>-</u>	<u>306,316</u>
Total Revenues	<u>\$1,508,989</u>	<u>\$ 15,000</u>	<u>\$31,141,572</u>
Expenditures			
Current:			
Highways and streets	\$ -	\$ -	\$27,750,659
Welfare	-	-	-
Sanitation	-	-	-
Conservation of natural resources	1,417,112	-	-
Economic development	-	68,843	-
Capital outlay:			
Highway and streets	-	-	3,477,236
Welfare	-	-	-
Conservation of natural resources	<u>18,773</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$1,435,885</u>	<u>\$ 68,843</u>	<u>\$31,227,895</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 73,104</u>	<u>\$ (53,843)</u>	<u>\$ (86,323)</u>
Other Financing Sources (Uses)			
Operating transfers in	\$ 111,766	\$ 40,000	\$ 302,187
Operating transfers out	-	-	(133,357)
Capital lease proceeds	-	-	-
General obligation capital note proceeds	<u>-</u>	<u>-</u>	<u>4,950,000</u>
Total Other Financing Sources (Uses)	<u>\$ 111,766</u>	<u>\$ 40,000</u>	<u>\$ 5,118,830</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ 184,870</u>	<u>\$ (13,843)</u>	<u>\$ 5,032,507</u>
Fund Balance - January 1 Restated	94,870	34,591	8,299,344
Increase (decrease) in reserved for inventories	-	-	(292,097)
Equity transfers in	-	-	-
Equity transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 279,740</u>	<u>\$ 20,748</u>	<u>\$13,039,754</u>

The notes to the financial statements are an integral part of this statement.

Statement 3-2

<u>Social Services</u>	<u>Solid Waste Authorities</u>	<u>Totals</u>	
		<u>1988</u>	<u>1987 Restated</u>
\$17,836,077	\$ 1,029,366	\$ 31,362,868	\$ 33,355,749
-	-	7,735	11,458
56,205,061	331,039	75,727,854	70,561,227
1,563,703	-	1,793,731	2,254,494
<u>3,742,885</u>	<u>21,503</u>	<u>4,503,007</u>	<u>3,681,459</u>
<u>\$79,347,726</u>	<u>\$ 1,381,908</u>	<u>\$113,395,195</u>	<u>\$109,864,387</u>
\$ -	\$ -	\$ 27,750,659	\$ 24,294,672
80,882,253	-	80,882,253	77,550,902
-	1,129,704	1,129,704	886,002
-	-	1,417,112	1,700,145
-	-	68,843	93,047
-	-	3,477,236	1,150,571
149,869	-	149,869	268,796
<u>-</u>	<u>-</u>	<u>18,773</u>	<u>27,646</u>
<u>\$81,032,122</u>	<u>\$ 1,129,704</u>	<u>\$114,894,449</u>	<u>\$105,971,781</u>
<u>\$(1,684,396)</u>	<u>\$ 252,204</u>	<u>\$ (1,499,254)</u>	<u>\$ 3,892,606</u>
\$ -	\$ -	\$ 453,953	\$ 518,148
-	-	(133,357)	-
-	-	-	815,665
<u>-</u>	<u>-</u>	<u>4,950,000</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,270,596</u>	<u>\$ 1,333,813</u>
\$(1,684,396)	\$ 252,204	\$ 3,771,342	\$ 5,226,419
4,431,500	966,466	13,826,771	9,596,168
-	-	(292,097)	182,958
-	-	-	286,542
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,465,316)</u>
<u>\$ 2,747,104</u>	<u>\$ 1,218,670</u>	<u>\$17,306,016</u>	<u>\$ 13,826,771</u>

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 LAND INVESTMENT SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	1988		Variance Favorable (Unfavorable)	1987 Restated
	<u>Budget</u>	<u>Actual</u>		
Revenues				
Taxes	\$ 446,325	\$ 437,870	\$ (8,455)	\$ -
Intergovernmental	552,696	638,816	86,120	370,249
Charges for services	-	-	-	337,829
Miscellaneous	<u>497,457</u>	<u>432,303</u>	<u>(65,154)</u>	<u>38,085</u>
Total Revenues	<u>\$1,496,478</u>	<u>\$1,508,989</u>	<u>\$ 12,511</u>	<u>\$ 746,163</u>
Expenditures				
Current:				
Conservation of natural resources				
Personal services	\$1,119,612	\$1,040,546	\$ 79,066	\$1,117,611
Other services and charges	343,995	281,223	62,772	479,480
Supplies	<u>131,552</u>	<u>95,343</u>	<u>36,209</u>	<u>103,054</u>
Total Current Expenditures	<u>\$1,595,159</u>	<u>\$1,417,112</u>	<u>\$ 178,047</u>	<u>\$1,700,145</u>
Capital Outlay:				
Conservation of natural resources	<u>16,337</u>	<u>18,773</u>	<u>(2,436)</u>	<u>27,646</u>
Total Expenditures	<u>\$1,611,496</u>	<u>\$1,435,885</u>	<u>\$ 175,611</u>	<u>\$1,727,791</u>
Excess of Revenues Over (Under) Expenditures	\$ (115,018)	\$ 73,104	\$ 188,122	\$ (981,628)
Other Financing Sources (Uses)				
Operating transfers in	<u>-</u>	<u>111,766</u>	<u>111,766</u>	<u>468,148</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (115,018)	\$ 184,870	\$ 299,888	\$ (513,480)
Fund Balance - January 1 Restated	71,677	94,870	23,193	908,987
Equity transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,637)</u>
Fund Balance - December 31	<u>=====\$ (43,341)=====</u>	<u>=====\$ 279,740=====</u>	<u>=====\$ 323,081=====</u>	<u>=====\$ 94,870=====</u>

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 RAILROAD AUTHORITY SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	1988		Variance Favorable (Unfavorable)	1987 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues				
Intergovernmental	\$ 15,000	\$ 15,000	\$ -	\$ 44,500
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,200</u>
Total Revenues	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 57,700</u>
Expenditures				
Current:				
Economic development				
Other services and charges	\$ 57,500	\$ 68,624	\$(11,124)	\$ 92,988
Supplies	<u>2,500</u>	<u>219</u>	<u>2,281</u>	<u>59</u>
Total Expenditures	<u>\$ 60,000</u>	<u>\$ 68,843</u>	<u>\$ (8,843)</u>	<u>\$ 93,047</u>
Excess of Revenues Over (Under) Expenditures	\$(45,000)	\$(53,843)	\$ (8,843)	\$(35,347)
Other Financing Sources (Uses)				
Operating transfers in	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>50,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (5,000)	\$(13,843)	\$ (8,843)	\$ 14,653
Fund Balance - January 1	<u>34,591</u>	<u>34,591</u>	<u>-</u>	<u>19,938</u>
Fund Balance - December 31	<u>\$ 29,591</u>	<u>\$ 20,748</u>	<u>\$ (8,843)</u>	<u>\$ 34,591</u>

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 ROAD AND BRIDGE SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	1988		Variance Favorable (Unfavorable)	1987 Actual Restated
	Budget	Actual		
Revenues				
Taxes	\$14,739,215	\$12,059,555	\$(2,679,660)	\$11,337,924
Licenses and permits	20,000	7,735	(12,265)	11,458
Intergovernmental	15,838,182	18,537,938	2,699,756	14,688,798
Charges for services	440,000	230,028	(209,972)	138,696
Miscellaneous	110,000	306,316	(196,316)	302,371
Total Revenues	\$31,147,397	\$31,141,572	\$ (5,825)	\$26,479,247
Expenditures				
Current:				
Highways and streets				
Administration	\$ 4,856,626	\$ 4,583,180	\$ 273,446	\$ 4,019,436
Road maintenance	8,537,116	8,728,892	(191,776)	8,155,695
Road construction	11,059,046	9,878,486	1,180,560	8,102,555
Equipment maintenance and shops	4,203,226	4,463,083	(259,857)	4,007,529
Other	351,836	97,018	254,818	9,457
Total Current Expenditures	\$29,007,850	\$27,750,659	\$ 1,257,191	\$24,294,672
Capital Outlay:				
Highways and streets	3,996,488	3,477,236	519,252	1,150,571
Total Expenditures	\$33,004,338	\$31,227,895	\$ 1,776,443	\$25,445,243
Excess of Revenues Over (Under) Expenditures	\$(1,856,941)	\$ (86,323)	\$ 1,770,618	\$ 1,034,004
Other Financing Sources (Uses)				
Operating transfers in	300,000	302,187	2,187	-
Operating transfers out	-	(133,357)	(133,357)	-
Capital lease proceeds	-	-	-	815,665
General obligation capital note proceeds	5,000,000	4,950,000	(50,000)	-
Total Other Fin- ancing Sources (Uses)	\$ 5,300,000	\$ 5,118,830	\$ (181,170)	\$ 815,665
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 3,443,059	\$ 5,032,507	\$ 1,589,448	\$ 1,849,669
Fund Balance - January 1 Restated	4,977,011	8,299,344	3,322,333	7,349,717
Increase (decrease) in reserved for inventories	-	(292,097)	(292,097)	182,958
Equity transfer out	-	-	-	(1,083,000)
Fund Balance - December 31	\$ 8,420,070	\$13,039,754	\$ 4,619,684	\$ 8,299,344

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 SOCIAL SERVICES SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	1988		Variance Favorable (Unfavorable)	1987 Restated
	Budget	Actual		
Revenues				
Taxes	\$17,820,420	\$17,836,077	\$ 15,657	\$21,032,024
Intergovernmental	56,229,680	56,205,061	(24,619)	55,149,790
Charges for services	1,638,720	1,563,703	(75,017)	1,777,969
Miscellaneous	<u>3,482,280</u>	<u>3,742,885</u>	<u>260,605</u>	<u>3,326,592</u>
Total Revenues	\$79,171,100	\$79,347,726	\$ 176,626	\$81,286,375
Expenditures				
Current:				
Welfare				
Administration	\$ 567,848	\$ 369,441	\$ 198,407	\$ 43,771
Staff development	-	-	-	40
Income maintenance				
Child support and collections	2,028,203	1,929,150	99,053	1,912,609
Food stamps	1,495,172	1,456,796	38,376	1,468,416
Early periodic screening and diagnostic testing	138,970	138,970	-	123,995
General assistance	5,218,422	5,606,085	(387,663)	5,635,583
Work readiness	3,545,875	2,863,410	682,465	3,111,653
General assistance - medical	1,440,125	1,313,365	126,760	1,314,140
Minnesota supplemental aid	2,520,209	2,627,400	(107,191)	2,336,442
Aid to families with dependent children	27,399,216	27,475,918	(76,702)	29,264,728
AFDC emergency assistance	311,000	168,509	142,491	190,504
Medical assistance	4,981,393	5,163,283	(181,890)	4,958,380
Social Services				
Provided	294,702	-	294,702	1,334,562
Permanency planning	713,635	713,635	-	596,885
Alternative care	1,873,049	1,873,049	-	1,482,160
Waivered services	1,863,039	1,863,039	-	858,566

(continued)

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SOCIAL SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1988
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	<u>1988</u>		Variance Favorable (Unfavorable)	<u>1987</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures				
Welfare				
Social Services (continued)				
Retired senior				
volunteer services	\$ 89,774	\$ 104,042	\$ (14,268)	\$ 94,584
Work incentive	191,569	169,731	21,838	231,694
Community social				
service act	2,353,428	2,354,276	(848)	3,787,969
Day care	-	-	-	1,020
Chronic mentally ill	46,050	46,050	-	22,436
Employment and training	1,418,519	1,426,620	(8,101)	260,201
CADI-disabled individuals	33,513	33,513	-	1,432
Title XX	9,642,781	9,642,781	-	7,351,926
Senior centers	501,042	416,479	84,563	537,646
IV-E foster care	1,549,498	2,545,118	(995,620)	1,485,760
Refugee assistance	94,036	194,660	(100,624)	240,117
Child welfare	2,579,867	2,254,378	325,489	1,653,478
Purchased	2,005,440	2,802,770	(797,330)	2,578,414
Sliding fee child care	-	-	-	1,494,594
Semi-independent living	258,200	476,470	(218,270)	359,058
Home delivered meals	256,977	256,977	-	226,525
Detoxification services	616,674	733,786	(117,112)	635,790
Program grants	1,409,651	813,517	596,134	860,472
Rule 14	-	568,603	(568,603)	379,427
Mental health				
block grant	28,687	28,687	-	66,481
Services for the homeless				
grant	45,217	45,217	-	-
Priority access to				
human services	2,363,497	1,847,100	516,397	-

(continued)

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SOCIAL SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1988
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	1988		Variance Favorable (Unfavorable)	1987 Actual
	Budget	Actual		
Expenditures				
Welfare				
Social Services (continued)				
Rule 12	\$ 539,991	\$ 532,702	\$ 7,289	\$ 513,826
Outpatient drug abuse	-	-	-	40,957
Model employment	26,726	26,726	-	94,661
Total Current Expenditures	\$80,441,995	\$80,882,253	\$ (440,258)	\$77,550,902
Capital Outlay:				
Welfare	149,869	149,869	-	268,796
Total Expenditures	\$80,591,864	\$81,032,122	\$ (440,258)	\$77,819,698
Excess of Revenues Over (Under) Expenditures	\$(1,420,764)	\$(1,684,396)	\$ (263,632)	\$ 3,466,677
Fund Balance - January 1 Restated	\$ 3,577,598	\$ 4,431,500	\$ 853,902	\$ 964,823
Fund Balance - December 31	\$ 2,156,834	\$ 2,747,104	\$ 590,270	\$ 4,431,500

The notes to the financial statements are an integral part of this Statement.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 SOLID WASTE AUTHORITIES SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	1988		Variance Favorable (Unfavorable)	1987
	Budget	Actual		Actual
Revenues				
Taxes	\$1,063,142	\$1,029,366	\$ (33,776)	\$ 985,801
Intergovernmental	311,317	331,039	19,722	307,890
Miscellaneous	-	21,503	21,503	1,211
Total Revenues	\$1,374,459	\$1,381,908	\$ 7,449	\$1,294,902
Expenditures				
Current:				
Sanitation				
Orr service area	\$ 53,820	\$ 58,361	\$ (4,541)	\$ 55,326
Brookston service area	54,455	53,434	1,021	35,306
Cotton service area	51,750	55,428	(3,678)	53,872
Floodwood service area	50,000	56,792	(6,792)	55,069
Cook service area	50,000	52,580	(2,580)	52,540
Hibbing landfill	326,933	320,522	6,411	156,683
Portage service area	22,550	25,466	(2,916)	26,271
East Mesaba service area	38,820	41,093	(2,273)	35,558
Aurora service area	7,975	6,515	1,460	6,433
Vermillion Dam service area	46,925	32,361	14,564	35,400
Voyageurs service area	35,066	42,608	(7,542)	47,341
Hibbing service area	84,815	80,321	4,494	76,326
Vermillion service area	56,686	60,840	(4,154)	60,002
Northwoods service area	188,305	186,088	2,217	159,288
Ordinance update	-	-	-	11,605
Solid waste commission	574,098	57,295	516,803	18,982
Total Expenditures	\$1,642,198	\$1,129,704	\$ 512,494	\$ 886,002
Excess of Revenues Over (Under) Expenditures	\$ (267,739)	\$ 252,204	\$ 519,943	\$ 408,900
Fund Balance - January 1	297,884	966,466	668,582	557,566
Fund Balance - December 31	\$ 30,145	\$1,218,670	\$1,188,525	\$ 966,466

The notes to the financial statements are an integral part of this statement.

DEBT SERVICE FUND

ST. LOUIS COUNTY, MINNESOTA

DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of long-term debt principal, interest, and related costs.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1988

Expenditures	
Debt service:	
Interest	<u>\$ 141,857</u>
Other Financing Sources (Uses)	
Operating transfers in	\$ 133,357
General obligation capital	
note proceeds	<u>8,500</u>
Total Other Financing Sources (Uses)	<u>\$ 141,857</u>
Excess of Revenues and Other Sources	
Over (Under) Expenditures and Other	
Uses	<u>-</u>
Fund Balance - January 1	<u>-</u>
Fund Balance - December 31	<u>\$ -</u> =====

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

CAPITAL PROJECTS FUND

To account for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by enterprise funds.

ST. LOUIS COUNTY, MINNESOTA

Statement D-1

BALANCE SHEET
 CAPITAL PROJECTS FUND
 DECEMBER 31, 1988
 WITH COMPARATIVE AMOUNTS AT DECEMBER 31, 1987

	<u>1988</u>	<u>1987</u>
<u>ASSETS</u>		
Cash, pooled deposits and investments	\$ 3,347,065	\$ 2,841,170
Receivables		
Taxes		
Unapportioned	11,154	-
Delinquent	40,879	-
Prepaid expense	<u>-</u>	<u>10,350</u>
Total Assets	<u>\$ 3,399,098</u>	<u>\$ 2,851,520</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities		
Accounts payable	\$ 142,210	\$ 51,117
Due to other governments	509	-
Deferred revenue	<u>34,647</u>	<u>-</u>
Total Liabilities	<u>\$ 177,366</u>	<u>\$ 51,117</u>
Fund Balance		
Reserved for prepaid expense	\$ -	\$ 10,350
Unreserved - undesignated	<u>3,221,732</u>	<u>2,790,053</u>
Total Fund Balance	<u>\$ 3,221,732</u>	<u>\$ 2,800,403</u>
Total Liabilities and Fund Balance	<u>\$ 3,399,098</u>	<u>\$ 2,851,520</u>

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 CAPITAL PROJECTS FUND
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 1987

	<u>1988</u>	<u>1987</u>
Revenues		
Taxes	\$ 810,862	\$ -
Intergovernmental	273,974	-
Gifts and contributions	-	641,000
Miscellaneous	<u>30,348</u>	<u>-</u>
Total Revenues	<u>\$ 1,115,184</u>	<u>\$ 641,000</u>
Expenditures		
Current:		
General government	\$ 8,424	\$ -
Public safety	100,333	87,702
Highways and streets	-	4,817
Capital Outlay:		
General government	10,350	-
Public safety	324,169	256,929
Highways and streets	<u>1,250,579</u>	<u>-</u>
Total Expenditures	<u>\$ 1,693,855</u>	<u>\$ 349,448</u>
Excess of Revenues Over (Under) Expenditures	\$ (578,671)	\$ 291,552
Fund Balance - January 1	2,800,403	-
Equity Transfer In	<u>1,000,000</u>	<u>2,508,851</u>
Fund Balance - December 31	<u>\$ 3,221,732</u> =====	<u>\$ 2,800,403</u> =====

The notes to the financial statements are an integral part of this statement.

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ST. LOUIS COUNTY, MINNESOTA

ENTERPRISE FUNDS

To account for operations that are financed and operated in a manner similar to private business, with the intent that cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Babbitt Facility - to provide a facility and equipment for lease to Rubber Research Elastomerics for the purpose of converting waste tires into a product.

Chris Jensen - to provide nursing home facilities for the public.

Nopeming - to provide nursing home facilities for the public.

Supervised Living Facilities - to provide living facilities that require a level of supervision greater than that of a board and lodging facility, but less than a board and care facility.

Residential Treatment Center - to provide for the treatment of chemically abusive and chemically dependent young people ages 17 to 21 in a residential setting.

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1987

<u>Assets</u>	<u>Babbitt Facility</u>	<u>Chris Jensen</u>
Current assets		
Cash, pooled deposits and investments	\$ 146,765	\$ -
Change funds	-	500
Receivables		
Taxes		
Unapportioned	-	15,084
Delinquent	-	93,334
Accounts	-	1,184,665
Due from other governments	-	-
Inventories	<u>-</u>	<u>66,726</u>
Total current assets	<u>\$ 146,765</u>	<u>\$1,360,309</u>
Restricted assets		
Improvement account - cash	\$ -	\$ -
Debt service		
Cash, pooled deposits and investments	315,304	352,644
Fund investments	-	200,000
Accrued interest receivable	<u>-</u>	<u>6,462</u>
Total restricted assets	<u>\$ 315,304</u>	<u>\$ 559,106</u>
Fixed assets		
Land	\$ 510	\$ 130,656
Buildings and structures	1,217,473	5,103,765
Improvements other than buildings	13,183	16,138
Machinery and equipment	<u>1,541,973</u>	<u>362,189</u>
Total fixed assets	<u>\$2,773,139</u>	<u>\$5,612,748</u>
Less accumulated depreciation	<u>\$ (423,548)</u>	<u>\$ (666,920)</u>
Net fixed assets	<u>\$2,349,591</u>	<u>\$4,945,828</u>
Total Assets	<u>\$2,811,660</u>	<u>\$6,865,243</u>

The notes to the financial statements are an integral part of this statement.

Statement E-1

Nopeming	Supervised Living Facilities	Residential Treatment Center	Totals	
			1988	1987
\$ 264,755 500	\$ - -	\$ - 50	\$ 411,520 1,050	\$ 1,513,862 1,050
7,516	-	-	22,600	21,416
48,765	-	-	142,099	136,493
1,147,651	-	167,745	2,500,061	1,612,637
-	66,488	-	66,488	79,535
<u>106,684</u>	<u>-</u>	<u>-</u>	<u>173,410</u>	<u>152,447</u>
<u>\$ 1,575,871</u>	<u>\$ 66,488</u>	<u>\$ 167,795</u>	<u>\$ 3,317,228</u>	<u>\$ 3,517,440</u>
\$ 63,333	\$ -	\$ -	\$ 63,333	\$ 58,770
-	-	-	667,948	362,660
-	-	-	200,000	500,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,462</u>	<u>313</u>
<u>\$ 63,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 937,743</u>	<u>\$ 921,743</u>
\$ 132,086	\$ -	\$ 9,500	\$ 272,752	\$ 277,703
2,951,169	-	96,050	9,368,457	9,184,066
-	-	-	29,321	-
<u>228,191</u>	<u>7,351</u>	<u>17,950</u>	<u>2,157,654</u>	<u>1,626,186</u>
<u>\$ 3,311,446</u>	<u>\$ 7,351</u>	<u>\$ 123,500</u>	<u>\$11,828,184</u>	<u>\$11,087,955</u>
<u>\$(1,688,860)</u>	<u>\$ (2,098)</u>	<u>\$ (42,588)</u>	<u>\$(2,824,014)</u>	<u>\$(2,340,553)</u>
<u>\$ 1,622,586</u>	<u>\$ 5,253</u>	<u>\$ 80,912</u>	<u>\$ 9,004,170</u>	<u>\$ 8,747,402</u>
<u>\$ 3,261,790</u>	<u>\$ 71,741</u>	<u>\$ 248,707</u>	<u>\$13,259,141</u>	<u>\$13,186,585</u>
=====	=====	=====	=====	=====

(continued)

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1987

<u>Liabilities and Fund Balance</u>	<u>Babbitt Facility</u>	<u>Chris Jensen</u>
Liabilities		
Current liabilities (payable from current assets)		
Cash deficit	\$ -	\$ -
Accounts payable	-	128,450
Salaries payable	-	409,587
Compensated absences payable	-	225,281
Interfund payable	-	404,446
Due to other governments	-	12,655
Deferred revenue	-	224,739
Matured bonds payable	95,000	-
Matured loans payable	100,712	-
Accrued interest payable	<u>10,426</u>	<u>-</u>
Total current liabilities (payable from current assets)	<u>\$ 206,138</u>	<u>\$ 1,405,158</u>
Current liabilities (payable from restricted assets)		
Accrued interest payable	\$ -	\$ 153,422
Bonds payable	<u>-</u>	<u>375,000</u>
Total current liabilities (payable from restricted assets)	<u>\$ -</u>	<u>\$ 528,422</u>
Long-term liabilities		
Compensated absences payable	\$ -	\$ 38,511
General obligation revenue bonds payable	1,006,601	3,672,073
Loans payable	<u>604,682</u>	<u>-</u>
Total long-term liabilities	<u>\$ 1,611,283</u>	<u>\$ 3,710,584</u>
Total Liabilities	<u>\$ 1,817,421</u>	<u>\$ 5,644,164</u>

The notes to the financial statements are an integral part of this statement.

Statement E-1
(Continued)

<u>Nopeming</u>	<u>Supervised Living Facilities</u>	<u>Residential Treatment Center</u>	<u>Totals</u>	
			<u>1988</u>	<u>1987</u>
\$ -	\$ -	\$ -	\$ -	\$ 86,112
81,217	142	4,372	214,181	112,005
335,078	25,247	23,588	793,500	429,701
248,509	24,168	10,124	508,082	504,829
-	100,912	61,436	566,794	-
100	-	877	13,632	507
92,018	-	-	316,757	211,696
-	-	-	95,000	90,000
-	-	-	100,712	88,306
-	-	-	10,426	10,000
<u>\$ 756,922</u>	<u>\$ 150,469</u>	<u>\$ 100,397</u>	<u>\$ 2,619,084</u>	<u>\$ 1,533,156</u>
\$ -	\$ -	\$ -	\$ 153,422	\$ 164,723
<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>	<u>350,000</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 528,422</u>	<u>\$ 514,723</u>
\$ 150,987	\$ 25,720	\$ -	\$ 215,218	\$ 202,561
-	-	-	4,678,674	5,136,540
<u>-</u>	<u>-</u>	<u>-</u>	<u>604,682</u>	<u>595,394</u>
<u>\$ 150,987</u>	<u>\$ 25,720</u>	<u>\$ -</u>	<u>\$ 5,498,574</u>	<u>\$ 5,934,495</u>
<u>\$ 907,909</u>	<u>\$ 176,189</u>	<u>\$ 100,397</u>	<u>\$ 8,646,080</u>	<u>\$ 7,982,374</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1987

	<u>Babbitt</u> <u>Facility</u>	<u>Chris</u> <u>Jensen</u>
<u>Liabilities and Fund Balance (continued)</u>		
Fund equity		
Contributed capital	\$ 1,258,743	\$ -
Retained earnings		
Reserved for improvements	-	-
Reserved for debt service	315,304	30,684
Unreserved	<u>(579,808)</u>	<u>1,190,395</u>
Total retained earnings	\$ (264,504)	\$ 1,221,079
Total Fund Equity	\$ 994,239	\$ 1,221,079
Total Liabilities and Fund Equity	\$ 2,811,660 =====	\$ 6,865,243 =====

The notes to the financial statements are an integral part of this statement.

Statement E-1
(Continued)

<u>Nopeming</u>	<u>Supervised Living Facilities</u>	<u>Residential Treatment Center</u>	<u>Totals</u>	
			<u>1988</u>	<u>1987</u>
\$ -	\$ -	\$ 167,672	\$ 1,426,415	\$ 954,084
63,333	-	-	63,333	58,770
-	-	-	345,988	348,250
<u>2,290,548</u>	<u>(104,448)</u>	<u>(19,362)</u>	<u>2,777,325</u>	<u>3,843,107</u>
<u>\$2,353,881</u>	<u>\$(104,448)</u>	<u>\$ (19,362)</u>	<u>\$ 3,186,646</u>	<u>\$ 4,250,127</u>
<u>\$2,353,881</u>	<u>\$(104,448)</u>	<u>\$ 148,310</u>	<u>\$ 4,613,061</u>	<u>\$ 5,204,211</u>
<u>\$3,261,790</u> =====	<u>\$ 71,741</u> =====	<u>\$ 248,707</u> =====	<u>\$13,259,141</u> =====	<u>\$13,186,585</u> =====

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNING
 ALL ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1987

	<u>Babbitt Facility</u>	<u>Chris Jensen</u>
Operating Revenues		
Charges for services	\$ -	\$ 6,163,913
Other	<u>373,884</u>	<u>107,747</u>
Total Operating Revenues	<u>\$ 373,884</u>	<u>\$ 6,271,660</u>
Operating Expenses		
Personal services	\$ -	\$ 5,691,409
Contractual services	93,871	951,656
Materials	-	682,181
Depreciation	<u>234,304</u>	<u>102,062</u>
Total Operating Expenses	<u>\$ 328,175</u>	<u>\$ 7,427,308</u>
Operating income (loss)	<u>\$ 45,709</u>	<u>\$(1,155,648)</u>
Nonoperating Revenues (Expenses)		
Taxes	\$ -	\$ 1,071,653
Grants	-	-
Interest on investments	18,715	9,379
Other revenue	-	-
Interest expense	(144,481)	(370,474)
Amortization of bond discount	(1,132)	(11,002)
Other expense	(540)	(463)
Disposition of fixed assets	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>\$ (127,438)</u>	<u>\$ 699,093</u>
Net Income (Loss)	\$ (81,729)	\$ (456,555)
Retained earnings - January 1 - Restated	(182,775)	1,677,634
Equity transfers out	<u>-</u>	<u>-</u>
Retained earnings - December 31	<u>=====</u> \$ (264,504)	<u>=====</u> \$ 1,221,079

The notes to the financial statements are an integral part of this statement.

Statement E-2

<u>Nopeming</u>	<u>Supervised Living Facilities</u>	<u>Residential Treatment Center</u>	<u>Totals</u>	
			<u>1988</u>	<u>1987 Restated</u>
\$5,235,270	\$ 334,874	\$ 431,353	\$12,165,410	\$12,679,418
<u>66,283</u>	<u>82,208</u>	<u>3</u>	<u>630,125</u>	<u>194,458</u>
<u>\$5,301,553</u>	<u>\$ 417,082</u>	<u>\$ 431,356</u>	<u>\$12,795,535</u>	<u>\$12,873,876</u>
\$4,888,158	\$ 449,730	\$ 318,322	\$11,347,619	\$10,968,824
691,622	22,044	88,941	1,848,134	1,888,366
572,065	4,874	18,598	1,277,718	1,130,854
<u>147,706</u>	<u>515</u>	<u>2,533</u>	<u>487,120</u>	<u>430,710</u>
<u>\$6,299,551</u>	<u>\$ 477,163</u>	<u>\$ 428,394</u>	<u>\$14,960,591</u>	<u>\$14,418,754</u>
<u>\$ (997,998)</u>	<u>\$ (60,081)</u>	<u>\$ 2,962</u>	<u>\$ (2,165,056)</u>	<u>\$ (1,544,878)</u>
\$ 518,222	\$ -	\$ -	\$ 1,589,875	\$ 1,197,510
-	-	2,915	2,915	5,802
8,283	-	-	36,377	65,022
-	-	500	500	-
-	-	-	(514,955)	(539,671)
-	-	-	(12,134)	(12,134)
-	-	-	(1,003)	(869)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,783</u>
<u>\$ 526,505</u>	<u>\$ -</u>	<u>\$ 3,415</u>	<u>\$ 1,101,575</u>	<u>\$ 762,443</u>
\$ (471,493)	\$ (60,081)	\$ 6,377	\$ (1,063,481)	\$ (782,435)
2,825,374	(44,367)	(25,739)	4,250,127	5,097,765
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,203)</u>
<u>\$2,353,881</u>	<u>\$(104,448)</u>	<u>\$ (19,362)</u>	<u>\$ 3,186,646</u>	<u>\$ 4,250,127</u>

ST. LOUIS COUNTY, MINNESOTA
 COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
 ALL ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1987

	<u>Babbitt Facility</u>	<u>Chris Jensen</u>
Sources of Working Capital		
Operations		
Net Income (loss)	\$ (81,729)	\$ (456,555)
Items not requiring working capital		
Depreciation	234,304	102,062
Amortization	1,132	11,002
Undepreciated cost of fixed assets disposed of or sold	<u> -</u>	<u>19,339</u>
Working capital provided by operations	\$ 153,707	\$ (324,152)
Decrease in restricted assets	-	13,699
Increase in long-term liabilities	-	-
Increase in contributed capital	<u>472,331</u>	<u> -</u>
Total Sources of Working Capital	<u>\$ 626,038</u>	<u>\$ (310,453)</u>
Uses of Working Capital		
Increase in restricted assets	\$ -	\$ 11,437
Acquisition of fixed assets	496,745	47,826
Decrease in restricted liabilities	-	-
Decrease in long-term liabilities	85,712	367,457
Equity transfer	<u> -</u>	<u> -</u>
Total Uses of Working Capital	<u>\$ 582,457</u>	<u>\$ 426,720</u>
Net Increase (Decrease) in Working Capital	<u>\$ 43,581</u> =====	<u>\$ (737,173)</u> =====

The notes to the financial statements are an integral part of this statement.

Statement E-3

<u>Nopeming</u>	<u>Supervised Living Facility</u>	<u>Residential Treatment Center</u>	<u>Totals</u>	
			<u>1988</u>	<u>1987 Restated</u>
\$ (471,493)	\$ (60,081)	\$ 6,377	\$ (1,063,481)	\$ (782,435)
147,706	515	2,533	487,120	430,710
-	-	-	12,134	12,134
-	-	-	19,339	84,985
\$ (323,787)	\$ (59,566)	\$ 8,910	\$ (544,888)	\$ (254,606)
-	-	-	13,699	102,968
-	20,789	-	20,789	-
-	-	-	472,331	167,672
<u>\$ (323,787)</u>	<u>\$ (38,777)</u>	<u>\$ 8,910</u>	<u>\$ (38,069)</u>	<u>\$ 16,034</u>
\$ 4,563	\$ -	\$ -	\$ 16,000	\$ 2,859
218,656	-	-	763,227	785,890
-	-	-	-	84,855
15,675	-	-	468,844	650,152
-	-	-	-	65,203
<u>\$ 238,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,248,071</u>	<u>\$ 1,588,959</u>
<u>\$ (562,681)</u>	<u>\$ (38,777)</u>	<u>\$ 8,910</u>	<u>\$ (1,286,140)</u>	<u>\$ (1,572,925)</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
 ALL ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1987

	<u>Babbitt Facility</u>	<u>Chris Jensen</u>
Elements of Net Increase (Decrease) in Working Capital		
Cash, pooled deposits and investments	\$ 61,413	\$ (377,797)
Change funds	-	-
Receivables		
Taxes		
Unapportioned	-	103
Delinquent	-	(809)
Accounts	-	338,019
Due from other governments	-	-
Inventories	-	13,936
Accounts payable	-	(72,106)
Salaries payable	-	(182,153)
Compensated absences payable	-	31,538
Due to other funds	-	-
Interfund payable	-	(404,446)
Due to other governments	-	(12,655)
Deferred revenue	-	(70,803)
Current portion of long- term debt	(17,406)	-
Accrued interest payable	<u>(426)</u>	<u>-</u>
Net Increase (Decrease) in Working Capital	<u>\$ 43,581</u> =====	<u>\$ (737,173)</u> =====

The notes to the financial statements are an integral part of this statement.

Statement E-3
(Continued)

<u>Nopeming</u>	<u>Supervised Living Facility</u>	<u>Residential Treatment Center</u>	<u>Totals</u>	
			<u>1988</u>	<u>1987 Restated</u>
\$ (770,870)	\$ 86,112	\$ (15,088)	\$ (1,016,230)	\$ (1,574,865)
-	-	-	-	50
1,081	-	-	1,184	(21,072)
6,415	-	-	5,606	(20,886)
447,825	-	101,580	887,424	20,835
-	(12,478)	(569)	(13,047)	27,920
7,027	-	-	20,963	(14,216)
(27,992)	(79)	(1,999)	(102,176)	158,552
(157,738)	(11,649)	(12,259)	(363,799)	(91,518)
(34,071)	229	(949)	(3,253)	10,517
-	-	-	-	2,349
-	(100,912)	(61,436)	(566,794)	-
(100)	-	(370)	(13,125)	(507)
(34,258)	-	-	(105,061)	(28,078)
-	-	-	(17,406)	(112,006)
-	-	-	(426)	70,000
<u>\$ (562,681)</u>	<u>\$ (38,777)</u>	<u>\$ 8,910</u>	<u>\$ (1,286,140)</u>	<u>\$ (1,572,925)</u>

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INTERNAL SERVICE FUNDS

ST. LOUIS COUNTY, MINNESOTA

INTERNAL SERVICE FUNDS

To account for operations that are financed and operated in a manner similar to private business, with the intent that cost (expenses, including depreciation) of providing goods or services by specific departments within St. Louis County for other departments within St. Louis County on a continuing basis be financed or recovered primarily through user charges.

Community Food - to provide meals for participants in various programs administered by the Social Services Department.

Laundry - to provide for the costs of operating a laundry facility used by County departments and other agencies.

Printing - to provide County departments with office supplies and materials, printing and postage.

County Garage - to provide for the costs of operating a maintenance facility for automotive equipment and a fleet of vehicles for use by County departments.

County Insurance - to provide for the payment of unemployment compensation claims, workers' compensation claims, and payment of self-insured claims for auto, fire, and theft.

Data Processing Equipment - to provide County departments with peripheral equipment for computer operations.

Telephone - to provide County-wide telephone service.

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL INTERNAL SERVICE FUNDS
 DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1987

	<u>Community Food</u>	<u>Laundry</u>	<u>Printing</u>
<u>Assets</u>			
Current assets			
Cash, pooled deposits and investments	\$ -	\$ 61,676	\$ 111,115
Fund deposits and investments	-	-	-
Change funds	25	-	3,000
Receivables			
Taxes			
Unapportioned	1,333	541	-
Delinquent	7,455	6,092	-
Accounts	-	19,502	8,342
Accrued interest	-	-	-
Due from other funds	106,472	2,129	-
Due from other governments	63,023	-	-
Inventories	23,274	138,790	51,975
Prepaid expense	57,347	-	-
Total current assets	<u>\$ 258,929</u>	<u>\$ 228,730</u>	<u>\$ 174,432</u>
Fixed assets			
Land	\$ -	\$ -	\$ -
Buildings and structures	-	889,234	-
Machinery and equipment	-	328,663	181,579
Vehicles	-	-	-
Construction in progress	-	-	-
Total fixed assets	<u>\$ -</u>	<u>\$ 1,217,897</u>	<u>\$ 181,579</u>
Accumulated depreciation	<u>-</u>	<u>(435,229)</u>	<u>(68,981)</u>
Net fixed assets	<u>\$ -</u>	<u>\$ 782,668</u>	<u>\$ 112,598</u>
Other assets			
Advance to other fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Assets	<u>\$ 258,929</u> =====	<u>\$ 1,011,398</u> =====	<u>\$ 287,030</u> =====

The notes to the financial statements are an integral part of this statement.

Statement F-1

<u>County Garage</u>	<u>County Insurance</u>	<u>Data Processing Equipment</u>	<u>Telephone</u>	<u>Totals</u>	
				<u>1988</u>	<u>1987 Restated</u>
\$ 4,363	\$ 569,417	\$ 547,687	\$ 139,974	\$ 1,434,232	\$ 1,370,964
-	3,401,626	-	-	3,401,626	2,842,479
-	-	-	-	3,025	3,025
-	3,761	-	-	5,635	6,298
-	17,706	-	-	31,253	27,130
3,486	51	-	-	31,381	23,841
-	63,597	-	-	63,597	35,522
-	-	-	-	108,601	-
-	-	-	-	63,023	93,537
40,380	-	-	8,698	263,117	185,559
<u>1,973</u>			<u>-</u>	<u>59,320</u>	<u>28,747</u>
<u>\$ 50,202</u>	<u>\$ 4,056,158</u>	<u>\$ 547,687</u>	<u>\$ 148,672</u>	<u>\$ 5,464,810</u>	<u>\$ 4,617,102</u>
\$ 25,500	\$ -	\$ -	\$ -	\$ 25,500	\$ 25,500
778,730	-	-	-	1,667,964	1,662,457
59,294	1,983	589,172	556,917	1,717,608	734,413
1,594,568	-	-	-	1,594,568	688,701
<u>-</u>	<u>-</u>	<u>-</u>	<u>55,756</u>	<u>55,756</u>	<u>-</u>
\$2,458,092	\$ 1,983	\$ 589,172	\$ 612,673	\$ 5,061,396	\$ 3,111,071
<u>(1,202,966)</u>	<u>(1,983)</u>	<u>(264,893)</u>	<u>(440,893)</u>	<u>(2,414,945)</u>	<u>(1,312,680)</u>
<u>\$1,255,126</u>	<u>\$ -</u>	<u>\$ 324,279</u>	<u>\$ 171,780</u>	<u>\$ 2,646,451</u>	<u>\$ 1,798,391</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,127</u>	<u>\$ -</u>	<u>\$ 40,127</u>	<u>\$ -</u>
<u>\$1,305,328</u>	<u>\$ 4,056,158</u>	<u>\$ 912,093</u>	<u>\$ 320,452</u>	<u>\$ 8,151,388</u>	<u>\$ 6,415,493</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
 ALL INTERNAL SERVICE FUNDS
 DECEMBER 31, 1988
 WITH COMPARABLE TOTALS FOR DECEMBER 31, 1987

<u>Liabilities and Fund Equity</u>	<u>Community Food</u>	<u>Laundry</u>	<u>Printing</u>
Liabilities			
Current liabilities			
Cash deficit	\$ -	\$ -	\$ -
Accounts payable	24,911	7,943	46,263
Salaries payable	23,027	41,434	6,637
Compensated absences payable	15,210	44,043	4,471
Claims payable	-	-	-
Interfund payable	20,850	-	-
Due to other governments	-	-	-
Deferred revenue	6,793	5,922	-
Capital leases payable	-	-	<u>4,000</u>
Total current liabilities	<u>\$ 90,791</u>	<u>\$ 99,342</u>	<u>\$ 61,371</u>
Long-term liabilities			
Compensated absences payable	\$ 4,659	\$ -	\$ -
Advance from other fund	-	-	-
Capital leases payable	-	-	<u>3,293</u>
Total long-term liabilities	<u>\$ 4,659</u>	<u>\$ -</u>	<u>\$ 3,293</u>
Total Liabilities	<u>\$ 95,450</u>	<u>\$ 99,342</u>	<u>\$ 64,664</u>
Fund Equity			
Contributed capital	\$ -	\$ 795,785	\$ 5,131
Retained earnings			
Reserved for improvements	\$ 57,347	\$ -	\$ -
Unreserved	<u>106,132</u>	<u>116,271</u>	<u>217,235</u>
Total retained earnings	<u>\$ 163,479</u>	<u>\$ 116,271</u>	<u>\$ 217,235</u>
Total Fund Equity	<u>\$ 163,479</u>	<u>\$ 912,056</u>	<u>\$ 222,366</u>
Total Liabilities and Fund Equity	<u>\$ 258,929</u> =====	<u>\$1,011,398</u> =====	<u>\$ 287,030</u> =====

The notes to the financial statements are an integral part of this statement.

Statement F-1
(Continued)

<u>County Garage</u>	<u>County Insurance</u>	<u>Data Processing Equipment</u>	<u>Telephone</u>	<u>Totals</u>	
				<u>1988</u>	<u>1987 Restated</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,551
5,098	158,580	3,002	11,842	257,639	139,450
14,487	6,359	-	-	91,944	41,669
12,762	9,579	-	-	86,065	68,715
-	1,782,020	-	-	1,782,020	2,530,223
-	-	-	-	20,850	-
135	-	-	-	135	88,120
-	15,647	-	-	28,362	24,709
-	-	-	-	4,000	14,641
<u>\$ 32,482</u>	<u>\$1,972,185</u>	<u>\$ 3,002</u>	<u>\$ 11,842</u>	<u>\$2,271,015</u>	<u>\$2,975,078</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,659	\$ 15,667
-	-	-	40,127	40,127	-
-	-	-	-	3,293	22,472
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,127</u>	<u>\$ 48,079</u>	<u>\$ 38,139</u>
<u>\$ 32,482</u>	<u>\$1,972,185</u>	<u>\$ 3,002</u>	<u>\$ 51,969</u>	<u>\$2,319,094</u>	<u>\$3,013,217</u>
<u>\$1,475,197</u>	<u>\$ -</u>	<u>\$ 632,236</u>	<u>\$ 185,639</u>	<u>\$3,093,988</u>	<u>\$2,420,560</u>
\$ -	\$ -	\$ -	\$ -	\$ 57,347	\$ 27,274
(202,351)	2,083,973	276,855	82,844	2,680,959	954,442
<u>\$ (202,351)</u>	<u>\$2,083,973</u>	<u>\$ 276,855</u>	<u>\$ 82,844</u>	<u>\$2,738,306</u>	<u>\$ 981,716</u>
<u>\$1,272,846</u>	<u>\$2,083,973</u>	<u>\$ 909,091</u>	<u>\$ 268,483</u>	<u>\$5,832,294</u>	<u>\$3,402,276</u>
<u>\$1,305,328</u>	<u>\$4,056,158</u>	<u>\$ 912,093</u>	<u>\$ 320,452</u>	<u>\$8,151,388</u>	<u>\$6,415,493</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
YEAR ENDING DECEMBER 31, 1988
WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1987

	<u>Community Food</u>	<u>Laundry</u>	<u>Printing</u>
Operating Revenues			
Charges for services	\$ 799,583	\$ 920,134	\$ 606,076
Other	<u>1,531</u>	<u>2,295</u>	<u>-</u>
Total Operating Revenues	<u>\$ 801,114</u>	<u>\$ 922,429</u>	<u>\$ 606,076</u>
Operating Expenses			
Personal services	\$ 350,884	\$ 606,541	\$ 103,579
Contractual services	104,166	64,482	225,375
Material	258,361	152,335	240,493
Depreciation	<u>-</u>	<u>43,136</u>	<u>14,073</u>
Total Operating Expenses	<u>\$ 713,411</u>	<u>\$ 866,494</u>	<u>\$ 583,520</u>
Operating income (loss)	<u>\$ 87,703</u>	<u>\$ 55,935</u>	<u>\$ 22,556</u>
Nonoperating Revenues (Expenses)			
Taxes	\$ 99,617	\$ 4,535	\$ -
Interest on investments	-	-	-
Disposition of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 99,617</u>	<u>\$ 4,535</u>	<u>\$ -</u>
Net Income (Loss)	\$ 187,320	\$ 60,470	\$ 22,556
Retained earnings - January 1 - Restated	<u>(23,841)</u>	<u>55,801</u>	<u>194,679</u>
Retained earnings - December 31	<u>\$ 163,479</u> =====	<u>\$ 116,271</u> =====	<u>\$ 217,235</u> =====

The notes to the financial statements are an integral part of this statement.

Statement F-2

<u>County Garage</u>	<u>County Insurance</u>	<u>Data Processing Equipment</u>	<u>Telephone</u>	<u>Totals</u>	
				<u>1988</u>	<u>1987 Restated</u>
\$ 665,340	\$ 1,940,173	\$ 252,154	\$ 533,343	\$ 5,716,803	\$ 5,032,583
<u>776</u>	<u>-</u>	<u>178,719</u>	<u>-</u>	<u>183,321</u>	<u>1,945</u>
\$ 666,116	\$ 1,940,173	\$ 430,873	\$ 533,343	\$ 5,900,124	\$ 5,034,528
\$ 249,864	\$ -	\$ -	\$ -	\$ 1,310,868	\$ 1,264,073
120,111	1,170,437	62,833	380,884	2,128,288	2,391,004
274,418	-	4,228	-	929,835	964,818
<u>243,959</u>	<u>-</u>	<u>82,702</u>	<u>69,615</u>	<u>453,485</u>	<u>201,725</u>
\$ 888,352	\$ 1,170,437	\$ 149,763	\$ 450,499	\$ 4,822,476	\$ 4,821,620
\$ (222,236)	\$ 769,736	\$ 281,110	\$ 82,844	\$ 1,077,648	\$ 212,908
\$ -	\$ 334,017	\$ -	\$ -	\$ 438,169	\$ 528,779
-	227,134	-	-	227,134	197,070
<u>13,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,639</u>	<u>4,108</u>
\$ 13,639	\$ 561,151	\$ -	\$ -	\$ 678,942	\$ 729,957
\$ (208,597)	\$ 1,330,887	\$ 281,110	\$ 82,844	\$ 1,756,590	\$ 942,865
<u>6,246</u>	<u>753,086</u>	<u>(4,255)</u>	<u>-</u>	<u>\$ 981,716</u>	<u>\$ 38,851</u>
\$ (202,351)	\$ 2,083,973	\$ 276,855	\$ 82,844	\$ 2,738,306	\$ 981,716
=====	=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
 ALL INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1987

	<u>Community Food</u>	<u>Laundry</u>	<u>Printing</u>
Sources of Working Capital			
Operations			
Net income (loss)	\$ 187,320	\$ 60,470	\$ 22,556
Items not requiring (providing) working capital			
Depreciation	-	43,136	14,073
Undepreciated cost of fixed assets disposed of or sold	<u>-</u>	<u>-</u>	<u>-</u>
Working capital provided by operations	\$ 187,320	\$ 103,606	\$ 36,629
Adjustment to accumulated depre- ciation of contributed assets	-	-	-
Increase in long-term liabilities	-	-	-
Increase in contributed capital	<u>-</u>	<u>-</u>	<u>5,131</u>
 Total Sources of Working Capital	 <u>\$ 187,320</u>	 <u>\$ 103,606</u>	 <u>\$ 41,760</u>
Uses of Working Capital			
Acquisition of fixed assets	\$ -	\$ 5,507	\$ 39,009
Undepreciated cost of contributed assets	-	-	5,131
Adjustment to cost of contributed assets	-	-	-
Advances to other funds	-	-	-
Decrease in long-term liabilities	<u>6,235</u>	<u>4,773</u>	<u>19,179</u>
 Total Uses of Working Capital	 <u>\$ 6,235</u>	 <u>\$ 10,280</u>	 <u>\$ 63,319</u>
 Net Increase (Decrease) in Working Capital	 <u>\$ 181,085</u>	 <u>\$ 93,326</u>	 <u>\$ (21,559)</u>

The notes to the financial statements are an integral part of this statement.

Statement F-3

<u>County Garage</u>	<u>County Insurance</u>	<u>Data Processing Equipment</u>	<u>Telephone</u>	<u>Totals</u>	
				<u>1988</u>	<u>1987 Restated</u>
\$ (208,597)	\$1,330,887	\$ 281,110	\$ 82,844	\$1,756,590	\$ 942,865
243,959	-	82,702	69,615	453,485	201,725
<u>5,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,006</u>	<u>12,888</u>
\$ 40,368	\$1,330,887	\$ 363,812	\$ 152,459	\$2,215,081	\$1,157,478
-	1,983	83,784	-	85,767	-
-	-	-	40,127	40,127	-
<u>480,211</u>	<u>-</u>	<u>2,447</u>	<u>185,639</u>	<u>673,428</u>	<u>544,650</u>
\$ <u>520,579</u>	\$ <u>1,332,870</u>	\$ <u>450,043</u>	\$ <u>378,225</u>	\$ <u>3,014,403</u>	\$ <u>1,702,128</u>
\$ 467,810	\$ -	\$ 292,871	\$ 55,756	\$ 860,953	\$ 481,509
254,828	-	-	185,639	445,598	-
-	1,983	83,784	-	85,767	-
-	-	40,127	-	40,127	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,187</u>	<u>13,971</u>
\$ <u>722,638</u>	\$ <u>1,983</u>	\$ <u>416,782</u>	\$ <u>241,395</u>	\$ <u>1,462,632</u>	\$ <u>495,480</u>
\$ (202,059)	\$1,330,887	\$ 33,261	\$ 136,830	\$1,551,771	\$1,206,648

(continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
 ALL INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1987

	<u>Community Food</u>	<u>Laundry</u>	<u>Printing</u>
Elements of Net Increase (Decrease) in Working Capital Cash, pooled deposits and investments	\$ 67,551	\$ 24,650	\$ (16,059)
Fund deposits and investments	-	-	-
Receivables			
Taxes			
Unapportioned	(656)	(2,640)	-
Delinquent	(152)	(6,081)	-
Accounts	-	(449)	7,011
Accrued interest	-	-	-
Due from other funds	106,472	2,129	-
Due from other governments	(4,990)	-	-
Inventories	10,912	47,802	536
Prepaid expense	30,073	-	-
Accounts payable	(12,459)	45,087	(19,779)
Salaries payable	(12,216)	(21,396)	(3,541)
Compensated absences payable	(4,046)	(765)	(368)
Claims payable	-	-	-
Interfund payable	(20,850)	-	-
Due to other governments	21,420	-	-
Deferred revenue	26	4,989	-
Installment purchases	-	-	<u>10,641</u>
Net Increase (Decrease) in Working Capital	<u>\$ 181,085</u>	<u>\$ 93,326</u>	<u>\$ (21,559)</u>

The notes to the financial statements are an integral part of this statement.

Statement F-3
(Continued)

<u>County Garage</u>	<u>County Insurance</u>	<u>Data Processing Equipment</u>	<u>Telephone</u>	<u>Totals</u>	
				<u>1988</u>	<u>1987 Restated</u>
\$ (206,675)	\$ 95,645	\$ 25,733	\$ 139,974	\$ 130,819	\$ 303,264
-	559,147	-	-	559,147	621,265
-	2,633	-	-	(663)	3,823
-	10,356	-	-	4,123	18,443
927	51	-	-	7,540	(7,305)
-	28,075	-	-	28,075	11,234
-	-	-	-	108,601	(519)
-	(25,524)	-	-	(30,514)	44,993
9,610	-	-	8,698	77,558	2,751
500	-	-	-	30,573	(942)
3,069	(129,793)	7,528	(11,842)	(118,189)	38,010
(6,763)	(6,359)	-	-	(50,275)	216
(2,592)	(9,579)	-	-	(17,350)	(3,598)
-	748,203	-	-	748,203	202,022
-	-	-	-	(20,850)	-
(135)	66,700	-	-	87,985	(12,007)
-	(8,668)	-	-	(3,653)	(16,747)
-	-	-	-	10,641	1,745
<u>\$ (202,059)</u>	<u>\$1,330,887</u>	<u>\$ 33,261</u>	<u>\$ 136,830</u>	<u>\$1,551,771</u>	<u>\$1,206,648</u>

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TRUST AND AGENCY FUNDS

ST. LOUIS COUNTY, MINNESOTA

To account for assets held by St. Louis County in a trustee capacity or as an agent for individuals, private organizations, and other governmental units.

Expendable Trust Funds

Missing Heirs Fund is used to account for the receipt of unclaimed legacies deposited with the County pursuant to Minn. Stat. 524.3-914. The principal and any interest earned on its subsequent investment may be claimed by the heirs by procuring a court order from the Probate (County) Court prior to the principal escheating to the General Fund pursuant to an opinion of the Attorney General.

Private Redemption Fund was used to account for the redemption of tax title certificates. The purchase of tax title certificates by individuals was discontinued by the State a number of years ago and only an unclaimed balance remains in this fund.

Exchange of Land Fund is used to account for the difference in value of lands exchanged by the County. Financing is provided by the difference in the proceeds of lands exchanged by the County.

Tax Certificate Assurance Fund is used to account for one-quarter of all tax certificate search fees collected by the County Auditor, pursuant to Minn. Laws 1955, Ch. 633. These funds are to be invested and used only to pay claims for damages caused by a mistake of the County Auditor or his deputy in issuing a tax certificate.

Forfeited Tax Sale Fund is used to account for the proceeds from the sale or rental of lands forfeited to the State of Minnesota pursuant to Minn. Stat. Ch. 282. The distribution of the net proceeds, after deducting the expenses of the County for managing the tax forfeited lands is governed by Minn. Stat. 282.08. Title to the tax forfeited lands remains with the State until sold by the County.

Forest Resources Fund is used to account for the collection and disbursement of proceeds from the sale of tax-forfeited properties.

Patients' Escrow Fund is used to account for the deposit and subsequent return of nursing home residents' trust funds deposited with the County Auditor pursuant to Minn. Stat. 376.59, and limited to a maximum deposit of \$500. The County only acts as the custodian of these funds and ownership rests with the nursing home patients.

Sheriff's Fines Fund is used to account for fines collected under Minn. Stat. 387.213, which monies are used for drug and alcohol investigation.

ST. LOUIS COUNTY, MINNESOTA

Expendable Trust Funds (Continued)

Attorney Forfeitures Fund is used to account for monies confiscated in drug-related crimes (Minn. Stat. 152.19) and contraband used in the commission of other crimes (Minn. Stat. 609.531). The County Attorney is authorized by statute to use a share of such monies, and those expenditures are accounted for here.

Sheriff Forfeitures Fund is used to account for monies confiscated in drug-related crimes (Minn. Stat. 152.19) and contraband used in the commission of other crimes (Minn. Stat. 609.531.) The Sheriff is authorized by statute to use a share of such monies, and those expenditures are accounted for here.

Agency Funds

State of Minnesota Fund is used to account for the receipt and disbursement of monies for which St. Louis County is the collection agent for the State.

Beer-Auctioneer Licenses Fund is used to account for the funds collected on issuing non-intoxicating beer and auctioneer licenses by the County and the payments to township governments for beer licenses and the payments to the State of Minnesota for auctioneer licenses.

Cities and Towns Fund is used to account for the collection and payment of funds due to organized and unorganized townships and cities.

Game and Fish License Fund is used to account for the collection of game and fish fees collected pursuant to Minn. Stat. Ch. 97A and the payment to the State, County and sub-agents for their respective share.

Bid Deposits Fund is used to account for the receipt of bid deposits received prior to bid award.

Taxes and Penalties Fund is used to account for the collection and payment to the various County funds and taxing districts of taxes, penalties and special assessment collections.

Payroll Deductions Fund is used to accumulate funds from payroll deductions and the County's employer contribution on these deductions from other County funds. Payment, by a single check, is made to the state and federal government for tax deductions, and to any other organizations for other deductions not covered in another agency fund.

ST. LOUIS COUNTY, MINNESOTA

Agency Funds (Continued)

Series EE Savings Bond Fund is used to account for the purchase of U.S. Savings Bonds, Series EE by County employees through payroll deductions. Individual employees' payroll deductions accumulate in this fund until sufficient funds are accumulated to purchase the requested U.S. Savings Bond, Series EE. The County only acts as custodian of these funds and ownership rests with the employees from whom payroll deductions were made.

Medical Insurance Fund is used to account for the accumulation of funds from County operating funds and individuals to pay insurance premiums for employees under the County group health insurance plan.

Canceled Check Fund is used to account for checks issued by St. Louis County but not cashed by the payee. The checks are canceled and the money is held as possible unclaimed funds.

Agency Miscellaneous Fund is used to account for the collection of miscellaneous monies that may not be recurring and are not accounted for elsewhere.

High Voltage Credit Fund is used to account for the collection of power line property tax credit which is then distributed to property owners with any excess going to the School Fund pursuant to Minn. Stat. 273.42.

Drug Task Force Fund is used to account for funds contributed to the County for the enforcement of laws against the use of drugs.

Assault Fees Fund is used to account for fines charged to persons convicted of assault.

Deferred Compensation Fund is used to account for the accumulation of funds from County employees and officers participating in deferred compensation plans.

Arrowhead Regional Corrections Fund is used to account for the funds collected for and used by the Arrowhead Regional Corrections operation which contracts with St. Louis County for accounting services.

Community Health Services Fund is used to account for the transactions related to the Community Health Services Board.

Grants from Outside Sources Fund is used to account for all funds provided by federal or state grants and the matching local share of the authorized expenditures.

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
 ALL EXPENDABLE TRUST AND AGENCY FUNDS
 DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1987

	Missing <u>Heirs</u>	Private <u>Redemption</u>	Exchange <u>of Land</u>	Expendable Tax Certificate <u>Assurance</u>	Trust Forfeited <u>Tax Sale</u>
Assets					
Cash, pooled deposits and investments	\$ 137,441	\$ 414	\$ 22,798	\$ 79,912	\$ 332,106
Fund deposits and investments	23,041	-	-	-	-
Invested employee contribution	-	-	-	-	-
Receivables					
Accounts	-	-	-	-	2,378,953
Accrued interest	81	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	<u>\$ 160,563</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 79,912</u>	<u>\$ 2,711,059</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 29,037
Salaries payable	-	-	-	-	67,433
Compensated absences payable	-	-	-	-	5,711
Deferred compensation payable	-	-	-	-	-
Unapportioned taxes payable	-	-	-	-	-
Due to other governments	-	-	-	-	174,516
Deferred revenue	-	-	-	-	2,339,005
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,615,702</u>
Fund Balance					
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 16,138
Reserved for health and welfare	-	-	-	-	18,325
Reserved for assurance fund	-	-	-	-	51,093
Reserved for state deeds	-	-	-	-	1,046
Unreserved-undesignated	160,563	414	22,798	79,912	8,755
Total Fund Balance	<u>\$ 160,563</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 79,912</u>	<u>\$ 95,357</u>
Total Liabilities and Fund Balance	<u>\$ 160,563</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 79,912</u>	<u>\$ 2,711,059</u>

The notes to the financial statements are an integral part of this statement.

Statement G-1

Totals

<u>Forest Resources</u>	<u>Patients' Escrow</u>	<u>Attorney Forfeitures</u>	<u>Sheriff Forfeitures</u>	<u>All Agency Funds</u>	<u>1988</u>	<u>1987 Restated</u>
\$ 755,441	\$ 33,482	\$ 33,626	\$ 1,119	\$ 5,769,745	\$ 7,166,084	\$ 6,458,764
-	95,000	-	-	77,774	195,815	1,038,528
-	-	-	-	12,519,840	12,519,840	10,241,127
-	-	-	-	-	2,378,953	1,544,268
-	1,771	-	-	1,216	3,068	2,549
-	-	-	-	37,908	37,908	236,916
<u>\$ 755,441</u>	<u>\$ 130,253</u>	<u>\$ 33,626</u>	<u>\$ 1,119</u>	<u>\$ 18,406,483</u>	<u>\$ 22,301,668</u>	<u>\$ 19,522,152</u>
\$ 26,125	\$ -	\$ -	\$ 253	\$ 2,328,532	\$ 2,383,947	\$ 2,222,117
-	-	-	-	301,806	369,239	33,797
-	-	-	-	-	5,711	185,459
-	-	-	-	12,519,840	12,519,840	10,241,127
-	-	-	-	862,750	862,750	934,354
-	-	-	-	2,393,555	2,568,071	3,293,177
4,731	-	-	-	-	2,343,736	1,572,240
<u>\$ 30,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253</u>	<u>\$ 18,406,483</u>	<u>\$ 21,053,294</u>	<u>\$ 18,482,271</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,138	\$ 15,645
-	-	-	-	-	18,325	19,926
-	-	-	-	-	51,093	22,691
-	-	-	-	-	1,046	1,438
724,585	130,253	33,626	866	-	1,161,772	980,181
<u>\$ 724,585</u>	<u>\$ 130,253</u>	<u>\$ 33,626</u>	<u>\$ 866</u>	<u>\$ -</u>	<u>\$ 1,248,374</u>	<u>\$ 1,039,881</u>
\$ 755,441	\$ 130,253	\$ 33,626	\$ 1,119	\$ 18,406,483	\$ 22,301,668	\$ 19,522,152

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 ALL EXPENDABLE TRUST FUNDS
 YEAR ENDED DECEMBER 31, 1988
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1987

	Missing Heirs	Private Redemption	Exchange Of Land	Expendable Tax Certificate Assurance	Trust Forfeited Tax Sale
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	8,960	-
Miscellaneous	25,622	-	-	-	2,019,665
Total Revenues	\$ 25,622	\$ -	\$ -	\$ 8,960	\$ 2,019,665
Expenditures					
Current:					
General government	\$ 490	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-
Conservation of natural resources	-	-	-	-	1,891,813
Capital Outlay:					
Conservation of natural resources	-	-	-	-	104,064
Total Expenditures	\$ 490	\$ -	\$ -	\$ -	\$ 1,995,877
Excess of Revenues Over (Under) Expenditures	\$ 25,132	\$ -	\$ -	\$ 8,960	\$ 23,788
Other Financing Sources (Uses)					
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	-	-
Excess (deficiency) of Revenues and other financing sources over expenditures and other uses	\$ 25,132	\$ -	\$ -	\$ 8,960	\$ 23,788
Fund Balance-January 1-Restated	135,431	414	22,798	70,952	71,569
Equity transfer out	-	-	-	-	-
Fund Balance - December 31	\$160,563	\$ 414	\$ 22,798	\$ 79,912	\$ 95,357

The notes to the financial statements are an integral part of this statement.

Statement G-2

					<u>Totals</u>	
<u>Forest Resources</u>	<u>Patients' Escrow</u>	<u>Sheriff Fines</u>	<u>Attorney Forfeitures</u>	<u>Sheriff Forfeitures</u>	<u>1988</u>	<u>1987 Restated</u>
\$ 543,295	\$ -	\$ -	\$ -	\$ -	\$ 543,295	\$ 481,287
-	-	-	-	-	8,960	9,288
<u>1,355</u>	<u>217,463</u>	<u>-</u>	<u>7,483</u>	<u>1,770</u>	<u>2,273,358</u>	<u>1,643,292</u>
<u>\$ 544,650</u>	<u>\$ 217,463</u>	<u>\$ -</u>	<u>\$ 7,483</u>	<u>\$ 1,770</u>	<u>\$ 2,825,613</u>	<u>\$ 2,133,867</u>
\$ -	\$ 212,459	\$ -	\$ 13,513	\$ -	\$ 226,462	\$ 24,617
-	-	-	-	1,038	1,038	-
245,901	-	-	-	-	2,137,714	1,680,765
<u>32,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,032</u>	<u>138,404</u>
<u>\$ 278,869</u>	<u>\$ 212,459</u>	<u>\$ -</u>	<u>\$ 13,513</u>	<u>\$ 1,038</u>	<u>\$ 2,502,246</u>	<u>\$ 1,843,786</u>
\$ 265,781	\$ 5,004	\$ -	\$ (6,030)	\$ 732	\$ 323,367	\$ 290,081
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,728
<u>(111,766)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(111,766)</u>	<u>(121,728)</u>
\$ 154,015	\$ 5,004	\$ -	\$ (6,030)	\$ 732	\$ 211,601	\$ 290,081
570,570	125,249	3,108	39,656	134	1,039,881	749,800
-	-	<u>(3,108)</u>	<u>-</u>	<u>-</u>	<u>(3,108)</u>	<u>-</u>
<u>\$ 724,585</u>	<u>\$ 130,253</u>	<u>\$ -</u>	<u>\$ 33,626</u>	<u>\$ 866</u>	<u>\$ 1,248,374</u>	<u>\$ 1,039,881</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1988

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>STATE OF MINNESOTA</u>				
<u>FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 259,144	\$23,135,131	\$23,287,404	\$ 106,871
Fund deposits and investments	908,739	77,774	908,739	77,774
Accrued interest receivable	-	1,216	-	1,216
Due from other governments	<u>975</u>	<u>-</u>	<u>975</u>	<u>-</u>
Total Assets	<u>\$ 1,168,858</u>	<u>\$23,214,121</u>	<u>\$24,197,118</u>	<u>\$ 185,861</u>
<u>Liabilities</u>				
Due to other governments	<u>\$ 1,168,858</u>	<u>\$23,214,121</u>	<u>\$24,197,118</u>	<u>\$ 185,861</u>
<u>BEER-AUCTIONEER</u>				
<u>LICENSES FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	<u>\$ -</u>	<u>\$ 2,947</u>	<u>\$ 2,937</u>	<u>\$ 10</u>
<u>Liabilities</u>				
Due to other governments	<u>\$ -</u>	<u>\$ 2,947</u>	<u>\$ 2,937</u>	<u>\$ 10</u>

(continued)

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1988

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>CITIES AND TOWNS FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 94,736	\$ 1,365,294	\$ 1,373,972	\$ 86,058
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable	\$ 495	\$ -	\$ 495	\$ -
Compensated absences payable	13,530	-	13,530	-
Due to other funds	-	398,228	398,228	-
Due to other governments	80,711	967,066	961,719	86,058
	-----	-----	-----	-----
Total Liabilities	\$ 94,736	\$ 1,365,294	\$ 1,373,972	\$ 86,058
	=====	=====	=====	=====
<u>GAME AND FISH LICENSE FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 270,165	\$ 2,521,463	\$ 2,537,357	\$ 254,271
	=====	=====	=====	=====
<u>Liabilities</u>				
Due to other governments	\$ 270,165	\$ 2,521,463	\$ 2,537,357	\$ 254,271
	=====	=====	=====	=====
<u>BID DEPOSITS FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ -	\$ 22,463	\$ 4,763	\$ 17,700
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 22,463	\$ 4,763	\$ 17,700
	=====	=====	=====	=====

(continued)

The notes to the financial statements are an integral part of this statement.

Statement G-3
(Continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1988

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>TAXES AND PENALTIES</u>				
<u>FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 2,504,302	\$109,500,672	\$109,701,646	\$ 2,303,328
	=====	=====	=====	=====
<u>Liabilities</u>				
Unapportioned taxes payable	\$ 934,354	\$ 1,034,677	\$ 1,106,281	\$ 862,750
Due to other governments	<u>1,569,948</u>	<u>108,465,995</u>	<u>108,595,365</u>	<u>1,440,578</u>
Total Liabilities	\$ 2,504,302	\$109,500,672	\$109,701,646	\$ 2,303,328
	=====	=====	=====	=====
<u>PAYROLL DEDUCTIONS</u>				
<u>FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 25,599	\$ 30,320,342	\$ 30,114,506	\$ 231,435
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable Due to other governments	\$ 2,476	\$ 15,478	\$ 2,476	\$ 15,478
	<u>23,123</u>	<u>30,304,864</u>	<u>30,112,030</u>	<u>215,957</u>
Total Liabilities	\$ 25,599	\$ 30,320,342	\$ 30,114,506	\$ 231,435
	=====	=====	=====	=====
<u>SERIES EE SAVINGS</u>				
<u>BOND FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 3,319	\$ 128,330	\$ 128,573	\$ 3,076
	=====	=====	=====	=====
<u>Liabilities</u>				
Due to other governments	\$ 3,319	\$ 128,330	\$ 128,573	\$ 3,076
	=====	=====	=====	=====

(continued)

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1988

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>MEDICAL INSURANCE FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 2,000,349	\$ 6,932,440	\$ 6,798,358	\$ 2,134,431
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable	\$ 2,000,349	\$ 6,932,440	\$ 6,798,358	\$ 2,134,431
	=====	=====	=====	=====
<u>CANCELED CHECK FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 33,953	\$ 26,200	\$ 1,706	\$ 58,447
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable	\$ 33,953	\$ 26,200	\$ 1,706	\$ 58,447
	=====	=====	=====	=====
<u>AGENCY MISCELLANEOUS FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ -	\$ 99,025	\$ 99,025	\$ -
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 99,025	\$ 99,025	\$ -
	=====	=====	=====	=====

(continued)

The notes to the financial statements are an integral part of this statement.

Statement G-3
(Continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1988

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>HIGH VOLTAGE CREDIT FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 102,170	\$ 108,473	\$ 102,170	\$ 108,473
	=====	=====	=====	=====
<u>Liabilities</u>				
Due to other governments	\$ 102,170	\$ 108,473	\$ 102,170	\$ 108,473
	=====	=====	=====	=====
<u>DRUG TASK FORCE FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 6,500	\$ 42,932	\$ 28,399	\$ 21,033
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable	\$ 6,500	\$ 42,932	\$ 28,399	\$ 21,033
	=====	=====	=====	=====
<u>ASSAULT FEES FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 1,445	\$ 6,727	\$ 1,893	\$ 6,279
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable	\$ 1,445	\$ 6,727	\$ 1,893	\$ 6,279
	=====	=====	=====	=====

(continued)

The notes to the financial statements are an integral part of this statement.

Statement G-3
(Continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1988

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>DEFERRED COMPENSATION FUND</u>				
<u>Assets</u>				
Invested employee contribution	\$10,241,127	\$ 2,744,678	\$ 465,965	\$12,519,840
	=====	=====	=====	=====
<u>Liabilities</u>				
Deferred compensation payable	\$10,241,127	\$ 2,744,678	\$ 465,965	\$12,519,840
	=====	=====	=====	=====
<u>ARROWHEAD REGIONAL CORRECTIONS FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 161,166	\$ 6,488,794	\$ 6,313,652	\$ 336,308
Accounts receivable	2,063	-	2,063	-
Due from other governments	69,723	37,908	69,723	37,908
	=====	=====	=====	=====
Total Assets	\$ 232,952	\$ 6,526,702	\$ 6,385,438	\$ 374,216
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable	\$ 68,577	\$ 6,227,633	\$ 6,221,063	\$ 75,147
Salaries payable	-	299,069	-	299,069
Compensated absences payable	164,375	-	164,375	-
	=====	=====	=====	=====
Total Liabilities	\$ 232,952	\$ 6,526,702	\$ 6,385,438	\$ 374,216
	=====	=====	=====	=====

(continued)

The notes to the financial statements are an integral part of this statement.

Statement G-3
(Continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1988

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>COMMUNITY HEALTH SERVICES FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 52,687	\$ 1,786,876	\$ 1,737,538	\$ 102,025
Due from other governments	<u>69,952</u>	<u>-</u>	<u>69,952</u>	<u>-</u>
Total Assets	<u>\$ 122,639</u>	<u>\$ 1,786,876</u>	<u>\$ 1,807,490</u>	<u>\$ 102,025</u>
<u>Liabilities</u>				
Accounts payable	\$ 48,426	\$ 101,093	\$ 149,502	\$ 17
Salaries payable	-	2,737	-	2,737
Compensated absences payable	2,309	-	2,309	-
Due to other governments	<u>71,904</u>	<u>1,683,046</u>	<u>1,655,679</u>	<u>99,271</u>
Total Liabilities	<u>\$ 122,639</u>	<u>\$1,786,876</u>	<u>\$ 1,807,490</u>	<u>\$ 102,025</u>
<u>GRANTS FROM OUTSIDE SOURCES FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ (95,343)	\$ 95,343	\$ -	\$ -
Due from other governments	<u>96,266</u>	<u>-</u>	<u>96,266</u>	<u>-</u>
Total Assets	<u>\$ 923</u>	<u>\$ 95,343</u>	<u>\$ 96,266</u>	<u>\$ -</u>
<u>Liabilities</u>				
Accounts payable	<u>\$ 923</u>	<u>\$ 95,343</u>	<u>\$ 96,266</u>	<u>\$ -</u>

(continued)

The notes to the financial statements are an integral part of this statement.

Statement G-3
(Continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1988

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 5,420,192	\$182,583,452	\$182,233,899	\$ 5,769,745
Fund deposits and investments	908,739	77,774	908,739	77,774
Invested employee contribution	10,241,127	2,744,678	465,965	12,519,840
Receivables				
Accounts	2,063	-	2,063	-
Accrued interest	-	1,216	-	1,216
Due from other governments	<u>236,916</u>	<u>37,908</u>	<u>236,916</u>	<u>37,908</u>
Total Assets	\$ 16,809,037	\$185,445,028	\$183,847,582	\$ 18,406,483
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable	\$ 2,163,144	\$ 13,569,334	\$ 13,403,946	\$ 2,328,532
Salaries payable	-	301,806	-	301,806
Compensated absences payable	180,214	-	180,214	-
Deferred compensation payable	10,241,127	2,744,678	465,965	12,519,840
Unapportioned taxes payable	934,354	1,034,677	1,106,281	862,750
Due to other funds	-	398,228	398,228	-
Due to other governments	<u>3,290,198</u>	<u>167,396,305</u>	<u>168,292,948</u>	<u>2,393,555</u>
Total Liabilities	\$ 16,809,037	\$185,445,028	\$183,847,582	\$ 18,406,483
	=====	=====	=====	=====

The notes to the financial statements are an integral part of this statement.

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ST. LOUIS COUNTY, MINNESOTA

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group records the County's fixed assets which are not accounted for in the Proprietary Funds. General fixed assets of a public domain or an "infrastructure" nature are not capitalized. Asset values are stated at historical cost, or estimated fair value, if donated. No depreciation is recorded for these assets.

Statement H-1

ST. LOUIS COUNTY, MINNESOTA
COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

DECEMBER 31, 1988 AND 1987

	<u>1988</u>	<u>1987</u>
General fixed assets:		
Land	\$ 1,049,438	\$ 1,049,438
Buildings	23,889,729	23,642,236
Machinery and equipment	6,330,042	6,246,396
Vehicles	20,955,839	19,801,723
Construction in progress	<u>2,157,024</u>	<u>325,902</u>
Total general fixed assets	<u>\$ 54,382,072</u>	<u>\$ 51,065,695</u>
Investment in general fixed assets by source		
General fund	\$ 22,149,061	\$ 22,976,979
Special revenue funds	29,354,551	27,295,881
Capital projects funds	2,061,504	108,757
Trust funds	<u>816,956</u>	<u>684,078</u>
Total investment in general fixed assets	<u>\$ 54,382,072</u>	<u>\$ 51,065,695</u>

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 1988

	<u>Total</u>	<u>Land</u>	<u>Buildings and Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>
General Government:					
Legislative	\$ 15,903	\$ -	\$ -	\$ 15,903	\$ -
Judicial and legal	318,881	-	-	307,881	11,000
Financial and other activities	1,634,041	-	-	1,600,671	33,370
Courthouses	<u>14,816,282</u>	<u>649,190</u>	<u>14,107,391</u>	<u>38,439</u>	<u>21,262</u>
Total General Government	\$16,785,107	\$ 649,190	\$14,107,391	\$1,962,894	\$ 65,632
Public Safety:					
Police Protection	\$ 2,271,067	\$ -	\$ 1,272,298	\$ 826,771	\$ 171,998
Civil Defense	169,420	-	-	166,825	2,595
Other Activities	<u>7,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,278</u>
Total Public Safety	\$ 2,447,765	\$ -	\$ 1,272,298	\$ 993,596	\$ 181,871
Highways	<u>\$27,454,987</u>	<u>\$ 396,023</u>	<u>\$ 5,610,315</u>	<u>\$1,459,508</u>	<u>\$19,989,141</u>
Health	<u>\$ 83,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,297</u>	<u>\$ -</u>
Social Services	<u>\$ 1,490,080</u>	<u>\$ -</u>	<u>\$ 22,462</u>	<u>\$1,425,855</u>	<u>\$ 41,763</u>
Culture and Recreation	<u>\$ 1,554,885</u>	<u>\$ -</u>	<u>\$ 1,554,885</u>	<u>\$ -</u>	<u>\$ -</u>
Conservation of Natural Resources	<u>\$ 2,408,927</u>	<u>\$ 4,225</u>	<u>\$ 1,322,378</u>	<u>\$ 404,892</u>	<u>\$ 677,432</u>
Construction in Progress	<u>\$ 2,157,024</u>	<u>\$ -</u>	<u>\$ 2,157,024</u>	<u>\$ -</u>	<u>\$ -</u>
Total General Fixed Assets	\$54,382,072	\$1,049,438	\$26,046,753	\$6,330,042	\$20,955,839

The notes to the financial statements are an integral part of this statement.

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 BY FUNCTION AND ACTIVITY
 YEAR ENDED DECEMBER 31, 1988

	General Fixed Assets Jan. 1, 1988	Additions	Deductions	Transfers In (Out)	General Fixed Assets Dec. 31, 1988
General Government:					
Legislative	\$ 18,160	\$ 2,874	\$ 5,131	\$ -	\$ 15,903
Judicial and legal	296,330	22,551	-	-	318,881
Financial and other activities	1,582,852	73,823	11,266	(11,368)	1,634,041
Courthouses	15,373,199	-	556,917	-	14,816,282
Planning and zoning	1,045	-	-	(1,045)	-
Total General Government	\$17,271,586	\$ 99,248	\$ 573,314	\$ (12,413)	\$16,785,107
Public Safety:					
Police protection	\$ 2,927,126	\$ 51,017	\$ 707,076	\$ -	\$ 2,271,067
Civil defense	39,626	164,686	34,892	-	169,420
Other activities	14,466	-	2,389	(4,799)	7,278
Total Public Safety	\$ 2,981,218	\$ 215,703	\$ 744,357	\$ -	\$ 2,447,765
Highways	\$25,175,085	\$ 2,918,763	\$ 575,177	\$ (63,684)	\$27,454,987
Health	\$ 71,968	\$ 13,818	\$ 8,333	\$ 5,844	\$ 83,297
Social Services	\$ 1,446,200	\$ 43,880	\$ -	\$ -	\$ 1,490,080
Culture and Recreation	\$ 1,554,885	\$ -	\$ -	\$ -	\$ 1,554,885
Conservation of Natural Resources	\$ 2,238,851	\$ 119,409	\$ 24,385	\$ 75,052	\$ 2,408,927
Construction in Progress	\$ 325,902	\$ 2,080,605	\$ 249,483	\$ -	\$ 2,157,024
Total	\$51,065,695	\$ 5,491,426	\$2,175,049	\$ -	\$54,382,072

The notes to the financial statements are an integral part of this statement.

FINANCIAL—Supplementary Information

SCHEDULE I

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF INVESTMENTS
DECEMBER 31, 1988

	<u>Interest Rates</u>	<u>Par Value</u>	<u>Cost</u>
Pooled Investments			
Certificates of deposit	7.25% - 9.35%	\$28,762,628	\$28,762,628
FHLBs	7.00% - 10.70%	4,045,000	4,223,712
FNMA	8.375%	140,000	141,103
Total Pooled Investments		<u>\$32,947,628</u>	<u>\$33,127,443</u>
Fund Investments			
Chris Jensen Enterprise Fund			
Certificates of deposit	8.49%	\$ 200,000	\$ 200,000
County Insurance Internal Service Fund			
Certificates of deposit	8.25% - 8.95%	\$ 2,900,000	\$ 2,900,000
U.S. Treasury Notes	8.375 - 9.875%	315,000	317,225
GNMAS	9.00%	180,000	184,401
Total Internal Service Fund		<u>\$ 3,395,000</u>	<u>\$ 3,401,626</u>
Patients' Escrow Expendable Trust Fund			
Certificates of deposit	6.00% - 8.30%	\$ 95,000	\$ 95,000
Missing Heirs Expendable Trust Fund			
GNMA	9.00%	\$ 25,000	\$ 23,041
State of Minnesota Agency Fund			
Certificates of deposit	8.27%	\$ 77,774	\$ 77,774
Total Fund Investments		<u>\$ 3,792,774</u>	<u>\$ 3,797,441</u>
Total		<u>\$36,740,402</u>	<u>\$36,924,884</u>

SCHEDULE II

ST. LOUIS COUNTY, MINNESOTA

TAXABLE VALUATIONS, TAX RATES, LEVIES, AND PERCENTAGE OF COLLECTIONS

	<u>Taxes Payable in Year</u>					
	1987	1988		1989 (4)		
	<u>Amount</u>	<u>Tax Rate in Mills</u>	<u>Amount</u>	<u>Tax Rate in Mills</u>	<u>Amount</u>	<u>Tax Capacity Rate (%)</u>
Taxable Valuations:						
Real property	\$695,450,062		\$658,609,731		\$ 81,418,412	
Personal property	<u>49,562,153</u>		<u>50,101,467</u>		<u>6,343,403</u>	
Total Taxable Valuations	\$745,012,215		\$708,711,198		\$ 87,761,815	
	=====		=====		=====	
Tax Levy for County Purposes:						
General fund	\$ 8,291,868	11.13	\$14,131,701	19.94	\$ 20,386,491	.232293
Road and bridge	10,042,621	13.48	9,617,211	13.57	5,489,570	.062551
Social services	27,952,460	37.52	23,380,382	32.99	27,696,000	.315583
Arrowhead Regional Corrections	2,600,056	3.49	-0-	.00	(3)	
Land investment	469,351	.63	581,144	.82	622,575	.007094
Aid to victims of sexual assault	37,250	.05	(3)		(3)	
Emergency	96,850	.13	-0-		(3)	
Public health	752,452	1.01	(3)		(3)	
Communicable diseases	-0-	.00	(3)		(3)	
Solid waste management	22,350	.03	(3)		(3)	
County insurance	59,600	.08	340,182	.48	350,251	.003991
Medical care facilities	1,683,704	2.26	1,686,732	2.38	1,687,000	.019223
Capital improvements	<u>-0-</u>	<u>.00</u>	<u>2,274,963</u>	<u>3.21</u>	<u>837,000</u>	<u>.009537</u>
Total County-wide Levies	\$52,008,562	69.81	\$52,012,315	73.39	\$57,068,887	.650272
	=====		=====		=====	

(continued)

SCHEDULE II
(Continued)

ST. LOUIS COUNTY, MINNESOTA

TAXABLE VALUATIONS, TAX RATES, LEVIES, AND PERCENTAGE OF COLLECTIONS

	<u>Taxes Payable in Year</u>					
	1987		1988		1989 (4)	
	<u>Amount</u>	<u>Tax Rate in Mills</u>	<u>Amount</u>	<u>Tax Rate in Mills</u>	<u>Amount</u>	<u>Tax Capacity Rate (%)</u>
(2) Solid Waste service area	\$ 1,298,448	07 to 10.00	\$ 1,344,530	.07 to 10.00	\$ 1,713,322	.019513
(1) Library	<u>179,592</u>	.64	<u>184,294</u>	.69	<u>192,816</u>	.002207
Total Regional Levies	<u>\$ 1,478,040</u>		<u>\$ 1,528,824</u>		<u>\$ 1,906,138</u>	
Total Levy for County Purposes	\$53,486,602		\$53,541,139		\$58,975,025	
Less: Disparity reduction aid	-0-		-0-		11,668,190	
Less: Tax credits payable by State and taconite companies	<u>\$15,571,629</u>		<u>\$15,959,651</u>		<u>\$11,832,328</u>	
Net Levy for County Purposes	<u>\$37,914,973</u>		<u>\$37,581,486</u>		<u>\$33,474,507</u>	
Taxable Valuations -						
Light and Power Assessed at 4 3/4%	\$ 6,046,975		\$ 6,038,034		\$ 79,729	
Assessed at 5%	<u>204,955</u>		<u>212,670</u>		<u>730,239</u>	
Total Taxable Valuations Light and Power	<u>\$ 6,251,930</u>		<u>\$ 6,250,704</u>		<u>\$ 809,968</u>	
Light and Power Tax Levies (distributed pursuant to Minn. Stat. 273.43, as amended)						
Assessed at 4 3/4%	\$ 1,021,697	168.96	\$ 1,084,733	179.65	\$ 869,578	
Assessed at 5%	<u>34,629</u>	168.96	<u>38,206</u>	179.65	<u>94,942</u>	
Total Light and Power Tax Levies	<u>\$ 1,056,326</u>		<u>\$ 1,122,939</u>		<u>\$ 964,520</u>	
Special Assessments Liens and assessments	<u>\$ 1,109,324</u>		<u>\$ 830,930</u>		<u>\$ 789,286</u>	
Percentage of tax collections for all purposes	95.37%		96.82%			

- (1) Levied on certain regions within the County.
- (2) Varying amounts are levied on regions within the County.
- (3) Included in General Fund levy.
- (4) For 1989, these are tax capacity figures.

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 1988

	<u>General Fund</u>	<u>Land Investment</u>	<u>Railroad Authority</u>	<u>Special Road and Bridge</u>
Shared revenue				
State				
30 percent rental income	\$ 246	\$ 10	\$ -	\$ 188
Homestead credit - real estate	3,296,315	133,811	-	2,482,339
Homestead credit - mobile home	18,455	749	-	13,896
Police aid	394,869	-	-	-
County road and bridge aid	-	-	-	1,952,809
Highway users tax	-	-	-	12,139,293
Township bridge bond	-	-	-	38,052
Local government aid	4,532	-	-	71,637
Alcoholic assessment and screening	46,106	-	-	-
Mineral rents and royalties	278,183	-	-	-
Other intergovernmental revenue	9,457	-	-	16,578
Small business credit	<u>209,999</u>	<u>8,524</u>	<u>-</u>	<u>158,122</u>
Total Shared Revenue	<u>\$4,258,162</u>	<u>\$ 143,094</u>	<u>\$ -</u>	<u>\$16,872,914</u>

SCHEDULE III

<u>Revenue Funds</u>					
<u>Social Services</u>	<u>Solid Waste Authorities</u>	<u>Capital Projects Fund</u>	<u>Residential Treatment Center Enterprise Fund</u>	<u>Forest Resources Trust Fund</u>	<u>Total</u>
\$ 407	\$ -	\$ 19	\$ -	\$ -	\$ 870
5,383,426	309,583	256,198	-	-	11,861,672
30,141	1,733	1,435	-	-	66,409
-	-	-	-	-	394,869
-	-	-	-	-	1,952,809
-	-	-	-	-	12,139,293
-	-	-	-	-	38,052
-	-	-	-	-	76,169
-	-	-	-	-	46,106
-	-	-	-	-	278,183
-	-	-	-	-	26,035
<u>342,962</u>	<u>19,723</u>	<u>16,322</u>	<u>-</u>	<u>-</u>	<u>755,652</u>
<u>\$ 5,756,936</u>	<u>\$ 331,039</u>	<u>\$ 273,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$27,636,119</u> (continued)

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1988

	Special			
	General Fund	Land Investment	Railroad Authority	Road and Bridge
Grants (continued)				
State				
Lighthouse for the blind	\$ 250,000	\$ -	\$ -	\$ -
Public defender	25,356	-	-	-
Training reimbursement	40,800	-	-	-
Native American Indian	1,947	-	-	-
CHS	632,189	-	-	-
Family planning	29,941	-	-	-
HTLV III	14,693	-	-	-
Payments in lieu of taxes	-	-	-	-
Natural resources - boat and water	79,147	-	-	-
Natural resources - forest assistance	-	418,138	-	-
Administrative aid - medical assistance	-	-	-	-
Administrative aid - AFDC	-	-	-	-
Administrative aid - child support	-	-	-	-
Administrative aid - food stamps	-	-	-	-
Day care sliding fee	-	-	-	-
Retired senior volunteer program	-	-	-	-
Medical assistance vendors	-	-	-	-
Aid for dependent children	-	-	-	-
AFDC - emergency assistance	-	-	-	-
CADI waiver	-	-	-	-
EPSDT - administration	-	-	-	-
PATHS AFDC PS CC	-	-	-	-
PATHS Employment and training	-	-	-	-
PATHS Basic sliding fee	-	-	-	-
PATHS AFDC priority	-	-	-	-
PATHS Case management	-	-	-	-
PATHS non AFDC PS	-	-	-	-
MR waived services	-	-	-	-
AC waiver	-	-	-	-
Homeless	-	-	-	-
General assistance - grants	-	-	-	-
General assistance - burials	-	-	-	-
Minnesota supplemental aid	-	-	-	-
Work readiness grants	-	-	-	-
Sub-total	<u>\$ 1,095,073</u>	<u>\$ 418,138</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE III
(Continued)

<u>Revenue Funds</u>					
<u>Social Services</u>	<u>Solid Waste Authorities</u>	<u>Capital Projects Fund</u>	<u>Residential Treatment Center Enterprise Fund</u>	<u>Forest Resources Trust Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
-	-	-	-	-	25,356
-	-	-	-	-	42,800
-	-	-	-	-	20,947
-	-	-	-	-	632,189
-	-	-	-	-	29,941
-	-	-	-	-	14,693
-	-	-	-	395,026	395,026
-	-	-	-	-	79,147
-	-	-	-	-	418,138
35,928	-	-	-	-	35,928
51,274	-	-	-	-	51,274
17,867	-	-	-	-	17,867
30,461	-	-	-	-	30,461
51,000	-	-	-	-	51,000
6,013	-	-	-	-	6,013
87,439	-	-	-	-	87,439
7,395,022	-	-	-	-	7,395,022
8,416	-	-	-	-	8,416
13,151	-	-	-	-	13,151
55,045	-	-	-	-	55,045
234,882	-	-	-	-	234,882
21,675	-	-	-	-	21,675
417,775	-	-	-	-	417,775
18,374	-	-	-	-	18,374
49,854	-	-	-	-	49,854
132,795	-	-	-	-	132,795
760,868	-	-	-	-	760,868
1,468,148	-	-	-	-	1,468,148
24,660	-	-	-	-	24,660
3,413,199	-	-	-	-	3,413,199
9,353	-	-	-	-	9,353
2,043,204	-	-	-	-	2,043,204
<u>1,733,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,733,501</u>
<u>\$18,079,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395,026</u>	<u>\$19,988,141</u> (continued)

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1988

	<u>Special</u>			
	<u>General Fund</u>	<u>Land Investment</u>	<u>Railroad Authority</u>	<u>Road and Bridge</u>
Grants (continued)				
State (continued)				
Chemical dependency	\$ -	\$ -	\$ -	\$ -
Community social service act	-	-	-	-
Tax disparity aid	-	-	-	-
Mentally retarded, epileptic	-	-	-	-
Rule 12 M.I. residential care grant	-	-	-	-
Rule 14 M.I. special needs grant	-	-	-	-
Rule 20 semi-independent living - MR	-	-	-	-
Permanency planning	-	-	-	-
Administrative aid - general assistance	-	-	-	-
Administrative aid - Minnesota supplemental aid	-	-	-	-
Administrative aid - work readiness	-	-	-	-
Sentence to serve	-	17,213	-	-
Mortgage registry tax	-	-	-	-
Deed tax	-	-	-	-
Other	-	3,742	-	-
	<u>-</u>	<u>3,742</u>	<u>-</u>	<u>-</u>
Total State	<u>\$1,095,073</u>	<u>\$ 439,093</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE III
(Continued)

<u>Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Residential Treatment Center Enterprise Fund</u>	<u>Forest Resources Trust Fund</u>	<u>Total</u>
<u>Social Services</u>	<u>Solid Waste Authorities</u>				
\$ 47,602	\$ -	\$ -	\$ -	\$ -	\$ 47,602
3,825,848	-	-	-	-	3,825,848
2,068,068	-	-	-	-	2,068,068
28,735	-	-	-	-	28,735
528,388	-	-	-	-	528,388
546,596	-	-	-	-	546,596
248,951	-	-	-	-	248,951
188,702	-	-	-	-	188,702
56,666	-	-	-	-	56,666
9,661	-	-	-	-	9,661
499,000	-	-	-	-	499,000
-	-	-	-	-	17,213
543,349	-	-	-	-	543,349
495,204	-	-	-	-	495,204
15,748	-	-	-	-	19,490
<u>\$27,182,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395,026</u>	<u>\$29,111,614</u> (continued)

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 1988

	Special			
	General Fund	Land Investment	Railroad Authority	Road and Bridge
Grants (continued)				
Federal				
School breakfast/lunch program \$	-	\$ -	\$ -	\$ -
Women, infants, and children program	271,149	-	-	-
BWCA forest intensification	-	-	-	-
State and local narcotics control	85,352	-	-	-
MCH	198,287	-	-	-
Emergency management	42,325	-	-	-
Construction	-	-	-	1,665,024
Aid to families with dependent children	40,584*	-	-	-
Medical assistance	51,524*	-	-	-
Refugee	1,190*	-	-	-
Child support	29,748*	-	-	-
Food stamps	32,249*	-	-	-
Foster Care IV-E	1,189*	-	-	-
Victims of crime act	84,774	-	-	-
Energy efficiency resort project	23,214	-	-	-
Project 55	23,204	-	-	-
Food stamp administration	-	-	-	-
Indo Chinese	-	-	-	-
Income maintenance-AFDC administration	-	-	-	-
Income maintenance-medical assistance administration and transportation	-	-	-	-
EPSDT - administration	-	-	-	-
Aid for dependent children - grants	-	-	-	-
AFDC - emergency assistance - grants	-	-	-	-
Medical assistance vendors	-	-	-	-
Medical assistance title 19	-	-	-	-
Homeless	-	-	-	-
Child care - special needs	-	-	-	-
Child support - administration	-	-	-	-
Child support - incentive	-	-	-	-
Title IV-E foster care	-	-	-	-
	<u>\$ 884,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,665,024</u>
Subtotal				

*Represents \$156,484 federal indirect cost allocation (OMB Circular A-87).

SCHEDULE III
(Continued)

<u>Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Residential Treatment Center Enterprise Fund</u>	<u>Forest Resources Trust Fund</u>	<u>Total</u>
<u>Social Services</u>	<u>Solid Waste Authorities</u>				
\$ -	\$ -	\$ -	\$ 2,915	\$ -	\$ 2,915
-	-	-	-	-	271,149
-	-	-	-	148,269	148,269
-	-	-	-	-	85,352
-	-	-	-	-	198,287
-	-	-	-	-	42,325
-	-	-	-	-	1,665,024
-	-	-	-	-	40,584
-	-	-	-	-	51,524
-	-	-	-	-	1,190
-	-	-	-	-	29,748
-	-	-	-	-	32,249
-	-	-	-	-	1,189
-	-	-	-	-	84,774
-	-	-	-	-	23,214
-	-	-	-	-	23,204
720,413	-	-	-	-	720,413
194,660	-	-	-	-	194,660
875,838	-	-	-	-	875,838
865,314	-	-	-	-	865,314
54,417	-	-	-	-	54,417
11,579,128	-	-	-	-	11,579,128
84,165	-	-	-	-	84,165
124,279	-	-	-	-	124,279
419,985	-	-	-	-	419,985
20,557	-	-	-	-	20,557
365,045	-	-	-	-	365,045
1,301,364	-	-	-	-	1,301,364
539,147	-	-	-	-	539,147
<u>1,206,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,206,035</u>
<u>\$18,350,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,915</u>	<u>\$ 148,269</u>	<u>\$21,051,344</u> (continued)

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 1988

	<u>Special</u>			
	<u>General Fund</u>	<u>Land Investment</u>	<u>Railroad Authority</u>	<u>Road and Bridge</u>
Grants (continued)				
Federal				
Income maintenance - IV-E	\$ -	\$ -	\$ -	\$ -
Indian children	-	-	-	-
Title XX - block grant	-	-	-	-
Work incentive program	-	-	-	-
Retired senior volunteer program	-	-	-	-
Social service - Title III	-	-	-	-
Child welfare - IV-B - permanency planning	-	-	-	-
MR waiver	-	-	-	-
AC waiver	-	-	-	-
Food program- USDA	-	-	-	-
CADI waiver	-	-	-	-
Mental health block grant	-	-	-	-
Agriculture conservation project	-	-	-	-
Social service - NIMH revenue	-	-	-	-
Total Federal	<u>\$ 884,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,665,024</u>
Other				
City of Duluth	\$ -	\$ 6,536	\$ -	\$ -
Local	<u>95,281</u>	<u>50,093</u>	<u>15,000</u>	<u>-</u>
Total other	<u>\$ 95,281</u>	<u>\$ 56,629</u>	<u>\$ 15,000</u>	<u>\$ -</u>
Total Grants	<u>\$2,075,143</u>	<u>\$ 495,722</u>	<u>\$ 15,000</u>	<u>\$ 1,665,024</u>
Total Intergovernmental Revenue	<u>\$6,333,305</u>	<u>\$ 638,816</u>	<u>\$ 15,000</u>	<u>\$18,537,938</u>

SCHEDULE III
(Continued)

<u>Revenue Funds</u>					
<u>Social Services</u>	<u>Solid Waste Authorities</u>	<u>Capital Projects Fund</u>	<u>Residential Treatment Center Enterprise Fund</u>	<u>Forest Resources Trust Fund</u>	<u>Total</u>
\$ 15,412	\$ -	\$ -	\$ -	\$ -	\$ 15,412
20,845	-	-	-	-	20,845
3,338,973	-	-	-	-	3,338,973
42,470	-	-	-	-	42,470
55,495	-	-	-	-	55,495
40,000	-	-	-	-	40,000
62,901	-	-	-	-	62,901
974,907	-	-	-	-	974,907
226,683	-	-	-	-	226,683
65,843	-	-	-	-	65,843
16,808	-	-	-	-	16,808
28,687	-	-	-	-	28,687
932	-	-	-	-	932
<u>25,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,400</u>
<u>\$23,265,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,915</u>	<u>\$ 148,269</u>	<u>\$25,966,700</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,536
-	-	-	-	-	160,374
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,910</u>
<u>\$50,448,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,915</u>	<u>\$ 543,295</u>	<u>\$55,245,224</u>
<u>\$56,205,061</u>	<u>\$ 331,039</u>	<u>\$ 273,974</u>	<u>\$ 2,915</u>	<u>\$ 543,295</u>	<u>\$82,881,343</u>

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF FEDERAL GRANT INFORMATION
YEAR ENDED DECEMBER 31, 1988

<u>Federal Funding Source</u>	<u>Administering Agency</u>	<u>Federal Domestic Assistance #</u>	<u>Grant Name</u>	<u>Grant Number</u>
Department of Agriculture (Agriculture)	None	10.063	Agriculture Conservation Program	-
Agriculture	Minnesota Department of Human Services (MDHS)	10.551	Food Stamp Administration	-
Agriculture	Minnesota Department of Education (MDOE)	10.553/5	School Breakfast/ National School Lunch	8-709-302
Agriculture	Minnesota Department of Health (MDOH)	10.557	Women, Infants, and Children Program	-
Agriculture	Minnesota Department of Natural Resources	10.669	BWCA Forest Intensification Fund	-
Department of Health and Human Services (DHHS)	MDHS	13.125	Chronic Mentally Ill/Elderly Services Demonstration Project	154450
DHHS	MDHS	13.150	Mental Health Homeless	-
DHHS	Arrowhead Regional Development Commission (ARDC)	13.635	Home Delivered Meals	303-C2-03
DHHS	MDHS	13.645	Permanency Planning	-
DHHS	MDHS	13.658	IV-E Foster Care	-
DHHS	MDHS	13.667	Social Services Block Grant Title XX	-
DHHS	MDHS	13.714	MR Waivered Services	-
DHHS	MDHS	13.714	Alternative Care - Waivered Services	-
DHHS	MDHS	13.714	CADI Waiver	-
DHHS	MDHS	13.714	EPSDT - Administration	-
DHHS	MDHS	13.714	Medical Assistance	-

(continued)

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF FEDERAL GRANT INFORMATION
YEAR ENDED DECEMBER 31, 1988

<u>Federal Funding Source</u>	<u>Administering Agency</u>	<u>Federal Domestic Assistance #</u>	<u>Grant Name</u>	<u>Grant Number</u>
DHHS	MDHS	13.780	Aid to Families with Dependent Children (AFDC)	-
DHHS	MDHS	13.780	AFDC-Emergency Assistance	-
DHHS	MDHS	13.783	Child Support and Enforcement	-
DHHS	MDHS	13.787	Refugee Assistance	-
DHHS	MDHS	13.790	Work Incentive Program	-
DHHS	MDHS	13.992	Mental Health Services Block Grant	-
DHHS	MDOH	13.994	Maternal and Child Health Program	-
Department of Justice (DOJ)	Minnesota Department of Corrections	16.575	Victims of Crime Act	-
DOJ	Minnesota Department of Public Safety (MDPS)	16.579	State and Local Narcotic Control Assistance	-
Department of Transportation (DOT)	Minnesota Department of Transportation	20.205	Highway Planning and Construction Grant	-
DOT	MDPS	20.600	Project 55	
ACTION	None	72.002	Retired Senior Volunteer Program	440-5754/5
Department of Energy	Minnesota Department of Public Service	81.041	Energy Efficient Resort Project	-
Federal Emergency Management Agency	MDPS	83.503	Emergency Management Assistance	

ST. LOUIS COUNTY, MINNESOTA

COMBINED SCHEDULE OF FEDERAL GRANT ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 1988

	Total Department of Agriculture (Schedule 6)	Total Department of Health and Human Services (Schedule 7)	Total Department of Justice (Schedule 8)
Revenues			
Federal			
Direct	\$ 932	\$ 65,843	\$ -
Flow-through	428,137	19,260,846	170,126
Administrative reimbursement	<u>746,858</u>	<u>3,484,696</u>	<u>-</u>
Total Federal	<u>\$ 1,175,927</u>	<u>\$22,811,385</u>	<u>\$ 170,126</u>
State			
Program reimbursement	\$ 2,243	\$11,726,279	\$ -
Administrative reimbursement	30,461	105,069	-
Local taxes in lieu of program receipts	<u>-</u>	<u>1,038,553</u>	<u>-</u>
Total State	<u>\$ 32,704</u>	<u>\$12,869,901</u>	<u>\$ -</u>
Local			
County	\$ 788,467	\$13,204,810	\$ 45,598
Program receipts	11,550	3,764,302	-
In-kind contributions	<u>6,536</u>	<u>-</u>	<u>-</u>
Total Local	<u>\$ 806,553</u>	<u>\$16,969,112</u>	<u>\$ 45,598</u>
Total Revenues	<u>\$ 2,015,184</u>	<u>\$52,650,398</u>	<u>\$ 215,724</u>
Expenditures			
General government	\$ 32,249	\$ 124,235	\$ 101,921
Public safety	-	-	113,803
Highways and streets	-	-	-
Health	286,024	237,876	-
Welfare	1,500,642	52,288,287	-
Culture and recreation	196,269	-	-
Economic development	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 2,015,184</u>	<u>\$52,650,398</u>	<u>\$ 215,724</u>
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Unobligated Funds - January 1	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unobligated Funds - December 31	<u>=====</u> \$ -	<u>=====</u> \$ -	<u>=====</u> \$ -

SCHEDULE V

Total Department of Transportation (Schedule 9)	Action CFDA #72.002	Department of Energy and Economic Development CFDA #81.041	Federal Emergency Management CFDA #83.503	<u>Total</u>
\$ -	\$ 55,495	\$ -	\$ -	\$ 122,270
48,204	-	23,214	42,325	19,972,852
-	-	-	-	4,231,554
<u>\$ 48,204</u>	<u>\$ 55,495</u>	<u>\$ 23,214</u>	<u>\$ 42,325</u>	<u>\$24,326,676</u>
\$ -	\$ 6,013	\$ -	\$ -	\$11,734,535
-	-	-	-	135,530
-	-	-	-	1,038,553
<u>\$ -</u>	<u>\$ 6,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,908,618</u>
\$ -	\$ 42,534	\$ -	\$ 60,891	\$14,142,300
-	-	-	-	3,775,852
-	-	-	-	6,536
<u>\$ -</u>	<u>\$ 42,534</u>	<u>\$ -</u>	<u>\$ 60,891</u>	<u>\$17,924,688</u>
<u>\$ 48,204</u>	<u>\$ 104,042</u>	<u>\$ 23,214</u>	<u>\$ 103,216</u>	<u>\$55,159,982</u>
\$ -	\$ -	\$ -	\$ -	\$ 258,405
23,204	-	-	103,216	240,223
25,000	-	-	-	25,000
-	-	-	-	523,900
-	104,042	-	-	53,892,971
-	-	-	-	196,269
-	-	23,214	-	23,214
<u>\$ 48,204</u>	<u>\$ 104,042</u>	<u>\$ 23,214</u>	<u>\$ 103,216</u>	<u>\$55,159,982</u>
\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA

COMBINING SCHEDULE OF FEDERAL GRANT ACTIVITY
DEPARTMENT OF AGRICULTURE
FOR THE YEAR ENDED DECEMBER 31, 1988

	<u>CFDA # 10.063</u>	<u>CFDA # 10.551a</u>	<u>CFDA # 10.553/5c</u>
Revenues			
Federal			
Direct	\$ 932	\$ -	\$ -
Flow-through	-	5,804	2,915
Administrative reimbursement	<u>-</u>	<u>746,858</u>	<u>-</u>
Total Federal	<u>\$ 932</u>	<u>\$ 752,662</u>	<u>\$ 2,915</u>
State			
Program reimbursement	\$ 2,243	\$ -	\$ -
Administrative reimbursement	<u>-</u>	<u>30,461</u>	<u>-</u>
Total State	<u>\$ 2,243</u>	<u>\$ 30,461</u>	<u>\$ -</u>
Local			
County	\$ 12,001	\$ 705,922	\$ 14,205
Program receipts	11,550	-	-
In-kind contributions	<u>-</u>	<u>-</u>	<u>-</u>
Total Local	<u>\$ 23,551</u>	<u>\$ 705,922</u>	<u>\$ 14,205</u>
Total Revenues	<u>\$ 26,726</u>	<u>\$1,489,045</u>	<u>\$ 17,120</u>
Expenditures			
General government	\$ -	\$ 32,249	\$ -
Health	-	-	-
Welfare	26,726	1,456,796	17,120
Culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 26,726</u>	<u>\$1,489,045</u>	<u>\$ 17,120</u>
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Unobligated Funds - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Unobligated Funds - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

a

Does not include food stamps issued in the amount of \$8,795,209.

b

Does not include USDA commodities received in the amount of \$41,714.

c

Consists of \$769 for school breakfast, CFDA #10.553 and \$2,146 for school lunch, CFDA #10.555.

SCHEDULE VI

<u>CFDA #</u> <u>10.557</u>	<u>CFDA #</u> <u>10.669</u>	<u>Total b</u>
\$ -	\$ -	\$ 932
271,149	148,269	428,137
<u>-</u>	<u>-</u>	<u>746,858</u>
<u>\$ 271,149</u>	<u>\$ 148,269</u>	<u>\$1,175,927</u>
\$ -	\$ -	\$ 2,243
<u>-</u>	<u>-</u>	<u>30,461</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,704</u>
\$ 8,339	\$ 48,000	\$ 788,467
-	-	11,550
<u>6,536</u>	<u>-</u>	<u>6,536</u>
<u>\$ 14,875</u>	<u>\$ 48,000</u>	<u>\$ 806,553</u>
<u>\$ 286,024</u>	<u>\$ 196,269</u>	<u>\$2,015,184</u>
\$ -	\$ -	\$ 32,249
286,024	-	286,024
-	-	1,500,642
<u>-</u>	<u>196,269</u>	<u>196,269</u>
<u>\$ 286,024</u>	<u>\$ 196,269</u>	<u>\$2,015,184</u>
\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>=====</u>	<u>=====</u>	<u>=====</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINING SCHEDULE OF FEDERAL GRANT ACTIVITY
DEPARTMENT OF HEALTH AND HUMAN SERVICES
FOR THE YEAR ENDED DECEMBER 31, 1988

	CFDA # <u>11.125</u>	CFDA # <u>11.150</u>	CFDA # <u>11.615</u>	CFDA # <u>11.645</u>	CFDA # <u>11.658</u>	CFDA # <u>11.667</u>
Revenues						
Federal						
Direct	\$ -	\$ -	\$ 65,843	\$ -	\$ -	\$ -
Flow-through	25,400	20,557	40,000	62,901	927,364	3,338,973
Administrative reimbursement	-	-	-	-	316,117	-
Total Federal	\$ 25,400	\$ 20,557	\$ 105,843	\$ 62,901	\$ 1,243,481	\$ 3,338,973
State						
Program reimbursement	\$ -	\$ 24,660	\$ -	\$ 188,702	\$ -	\$ 1,471,572
Administrative reimbursement	-	-	-	-	-	-
Local taxes in lieu of program receipts	-	-	-	-	-	-
Total State	\$ -	\$ 24,660	\$ -	\$ 188,702	\$ -	\$ 1,471,572
Local						
County	\$ 20,650	\$ -	\$ 106,366	\$ 462,032	\$ 1,223,079	\$ 4,832,236
Program receipts	-	-	44,768	-	79,747	-
Total Local	\$ 20,650	\$ -	\$ 151,134	\$ 462,032	\$ 1,302,826	\$ 4,832,236
Total Revenues	\$ 46,050	\$ 45,217	\$ 256,977	\$ 713,635	\$ 2,546,307	\$ 9,642,781
Expenditures						
General government	\$ -	\$ -	\$ -	\$ -	\$ 1,189	\$ -
Health	-	-	-	-	-	-
Welfare	46,050	45,217	256,977	713,635	2,545,118	9,642,781
Total Expenditures	\$ 46,050	\$ 45,217	\$ 256,977	\$ 713,635	\$ 2,546,307	\$ 9,642,781
Excess of Revenues Over (Under) Expenditures	\$ -					
Unobligated Funds - January 1	-	-	-	-	-	-
Unobligated Funds - December 31	\$ -					

^a Consists of federal revenue for MR Waivered Services of \$974,907, Alternative Care-Waivered Services of \$226,683, CADI Waiver of \$16,808 EPSDT-Administration of \$63,125, and Medical Assistance of \$1,452,394.

^b Consists of federal revenue for AFDC of \$13,399,742, and AFDC-EA of \$84,165.

SCHEDULE VII

CFDA # <u>13.714a</u>	CFDA # <u>13.780b</u>	CFDA # <u>13.783</u>	CFDA # <u>13.787</u>	CFDA # <u>13.790</u>	CFDA # <u>13.992</u>	CFDA # <u>13.994</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,843
1,817,079	12,567,485	-	191,643	42,470	28,687	198,287	19,260,846
<u>916,838</u>	<u>916,422</u>	<u>1,331,112</u>	<u>4,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,484,696</u>
<u>\$2,733,917</u>	<u>\$13,483,907</u>	<u>\$1,331,112</u>	<u>\$ 195,850</u>	<u>\$ 42,470</u>	<u>\$ 28,687</u>	<u>\$ 198,287</u>	<u>\$22,811,385</u>
\$2,384,651	\$ 7,656,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$11,726,279
35,928	51,274	17,867	-	-	-	-	105,069
<u>-</u>	<u>1,038,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,038,553</u>
<u>\$2,420,579</u>	<u>\$ 8,746,521</u>	<u>\$ 17,867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,869,901</u>
\$3,907,736	\$ 2,004,133	\$ 608,989	\$ -	\$ -	\$ -	\$ 39,589	\$13,204,810
<u>61,146</u>	<u>3,450,450</u>	<u>930</u>	<u>-</u>	<u>127,261</u>	<u>-</u>	<u>-</u>	<u>3,764,302</u>
<u>\$3,968,882</u>	<u>\$ 5,454,583</u>	<u>\$ 609,919</u>	<u>\$ -</u>	<u>\$ 127,261</u>	<u>\$ -</u>	<u>\$ 39,589</u>	<u>\$16,969,112</u>
<u>\$9,123,378</u>	<u>\$27,685,011</u>	<u>\$1,958,898</u>	<u>\$ 195,850</u>	<u>\$ 169,731</u>	<u>\$ 28,687</u>	<u>\$ 237,876</u>	<u>\$52,650,398</u>
\$ 51,524	\$ 40,584	\$ 29,748	\$ 1,190	\$ -	\$ -	\$ -	\$ 124,235
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237,876</u>	<u>237,876</u>
<u>9,071,854</u>	<u>27,644,427</u>	<u>1,929,150</u>	<u>194,660</u>	<u>169,731</u>	<u>28,687</u>	<u>-</u>	<u>52,288,287</u>
<u>\$9,123,378</u>	<u>\$27,685,011</u>	<u>\$1,958,898</u>	<u>\$ 195,850</u>	<u>\$ 169,731</u>	<u>\$ 28,687</u>	<u>\$ 237,876</u>	<u>\$52,650,398</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE VIII

ST. LOUIS COUNTY, MINNESOTA
 COMBINING SCHEDULE OF FEDERAL GRANT ACTIVITY
 DEPARTMENT OF JUSTICE
 FOR THE YEAR ENDED DECEMBER 31, 1988

	<u>CFDA #</u> <u>16.575</u>	<u>CFDA #</u> <u>16.579</u>	<u>Total</u>
Revenues			
Federal			
Direct	\$ -	\$ -	\$ -
Flow-through	84,774	85,352	170,126
Administrative reimbursement	<u>-</u>	<u>-</u>	<u>-</u>
Total Federal	<u>\$ 84,774</u>	<u>\$ 85,352</u>	<u>\$ 170,126</u>
State			
Program reimbursement	\$ -	\$ -	\$ -
Administrative reimbursement	<u>-</u>	<u>-</u>	<u>-</u>
Total State	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Local			
County	\$ 17,147	\$ 28,451	\$ 45,598
Program receipts	<u>-</u>	<u>-</u>	<u>-</u>
Total Local	<u>\$ 17,147</u>	<u>\$ 28,451</u>	<u>\$ 45,598</u>
Total Revenues	<u>\$ 101,921</u>	<u>\$ 113,803</u>	<u>\$ 215,724</u>
Expenditures			
General government	\$ 101,921	\$ -	\$ 101,921
Public safety	<u>-</u>	<u>113,803</u>	<u>113,803</u>
Total Expenditures	<u>\$ 101,921</u>	<u>\$ 113,803</u>	<u>\$ 215,724</u>
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Unobligated Funds - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Unobligated Funds - December 31	\$ - =====	\$ - =====	\$ - =====

SCHEDULE IX

ST. LOUIS COUNTY, MINNESOTA
 COMBINING SCHEDULE OF FEDERAL GRANT ACTIVITY
 DEPARTMENT OF TRANSPORTATION
 FOR THE YEAR ENDED DECEMBER 31, 1988

	<u>CFDA # 20.205a</u>	<u>CFDA # 20.600</u>	<u>Total</u>
Revenues			
Federal			
Direct	\$ -	\$ -	\$ -
Flow-through	25,000	23,204	48,204
Administrative reimbursement	<u>-</u>	<u>-</u>	<u>-</u>
Total Federal	<u>\$ 25,000</u>	<u>\$ 23,204</u>	<u>\$ 48,204</u>
State			
Program reimbursement	\$ -	\$ -	\$ -
Administrative reimbursement	<u>-</u>	<u>-</u>	<u>-</u>
Total State	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Local			
County	\$ -	\$ -	\$ -
Program receipts	<u>-</u>	<u>-</u>	<u>-</u>
Total Local	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Revenues	<u>\$ 25,000</u>	<u>\$ 23,204</u>	<u>\$ 48,204</u>
Expenditures			
Public safety	\$ -	\$ 23,204	\$ 23,204
Highways and streets	25,000	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>\$ 25,000</u>	<u>\$ 23,204</u>	<u>\$ 48,204</u>
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Unobligated Funds - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Unobligated Funds - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	=====	=====	=====

a The activity of this grant is not included in the County's 1988 financial statements.

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STATISTICAL SECTION

STATISTICAL SECTION

ST. LOUIS COUNTY, MINNESOTA
 GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
 LAST TEN FISCAL YEARS
 (IN DOLLARS)

Fiscal Year	General Government	Public Safety	Highways	Health	Welfare
(2) 1979	10,249,487	5,020,119	17,357,630	4,191,065	45,986,960
1980	11,857,269	6,124,427	18,433,467	3,123,538	60,229,812
1981	10,926,455	7,871,359	19,721,518	2,177,345	51,940,888
1982	11,851,385	6,902,814	20,352,208	2,133,182	54,637,960
1983	11,866,261	7,027,971	23,042,621	2,200,481	63,871,828
1984	13,269,990	7,418,037	25,606,862	2,199,859	77,647,912
1985	11,909,328	7,703,990	29,619,492	3,025,133	83,880,627
1986	14,251,298	8,663,086	27,187,818	3,052,508	80,735,122
1987	14,360,480	9,353,630	25,445,243	2,979,693	77,904,108
1988	14,853,258	11,257,966	31,227,895	3,946,695	81,091,684

(1) Includes the General Fund and Special Revenue Funds.

(2) This accounting was done on a cash basis.

Unaudited

TABLE I

<u>Sani-</u> <u>tation</u>	<u>Culture</u> <u>and Rec-</u> <u>reation</u>	<u>Conserva-</u> <u>tion of</u> <u>Natural</u> <u>Resources</u>	<u>Economic</u> <u>Develop-</u> <u>ment</u>	<u>Miscell-</u> <u>aneous</u>	<u>Total</u> <u>Expenditures</u>
761,513	373,696	374,121	637,611	260,407	85,212,609
795,254	300,377	1,539,731	407,891	-0-	102,811,766
755,298	313,218	1,660,313	93,878	330,665	95,790,937
861,944	319,205	1,603,866	102,215	2,846,880	101,611,659
808,286	337,001	1,687,840	155,974	3,459,445	114,457,708
834,895	337,001	3,021,328	174,309	3,362,666	133,872,859
840,250	337,001	4,975,924	155,572	3,225,587	145,672,904
1,046,349	342,001	5,090,124	187,590	222,381	140,778,277
1,012,402	309,601	2,121,001	282,184	-0-	133,768,342
1,129,704	318,613	1,866,995	142,803	-0-	145,835,613

ST. LOUIS COUNTY, MINNESOTA
 GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
 LAST TEN FISCAL YEARS
 (IN DOLLARS)

Fiscal Year	Taxes	Licenses and Permits	Inter- governmental	Charges for Services
1979	25,580,008	-	43,811,908	12,111,774
1980	23,988,764	178,546	63,156,835	13,058,244
1981	28,888,534	317,480	59,916,825	3,212,822
1982	33,165,764	210,416	56,507,779	3,612,548
1983	28,835,277	225,551	73,177,930	3,846,193
1984	31,400,978	256,940	84,670,190	4,572,843
1985	32,895,162	195,753	90,311,081	5,194,344
1986	46,340,868	119,822	78,436,145	5,337,581
1987	48,651,023	129,294	75,618,856	5,135,972
1988	48,186,293	127,397	82,061,159	5,389,669

(1) Includes the General Fund and Special Revenue Funds.

Unaudited

TABLE II

<u>Fines and Forfeitures</u>	<u>Gifts and Contributions</u>	<u>Interest on Investments</u>	<u>Miscellaneous</u>	<u>Total Revenue</u>
616,142	-	2,487,167	741,226	85,348,225
647,189	-	3,664,808	4,558,226	109,252,612
547,447	-	3,762,091	2,350,600	98,995,799
505,929	-	3,219,770	2,389,956	99,612,162
564,742	-	3,682,080	2,411,844	112,743,617
522,518	-	4,072,926	4,401,849	129,898,244
499,124	-	2,762,244	5,370,395	137,228,103
515,278	-	2,104,015	3,546,505	136,400,214
672,214	-	2,109,244	3,928,363	136,244,966
617,918	16,366	2,883,195	4,861,083	144,143,080

ST. LOUIS COUNTY, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN DOLLARS)

<u>Fiscal Year</u>	<u>Total County Levy</u>	<u>Less Tax Credits(1)</u>	<u>Net Levy</u>	<u>Current Tax Collections</u>	<u>Percent Levy Collected</u>
1979	28,161,911	6,817,254	21,344,657	20,655,225	96.77
1980	31,778,307	8,748,098	23,030,209	22,316,272	96.90
1981	32,478,802	11,100,419	21,378,383	20,623,726	96.47
1982	38,325,733	9,863,075	28,462,658	27,067,988	95.10
1983	40,144,790	12,129,561	28,015,229	26,810,574	95.70
1984	42,864,627	12,143,869	30,720,758	29,187,792	95.01
1985	45,849,847	13,140,619	32,709,228	30,498,084	93.24
1986	48,551,804	14,348,657	34,203,147	32,835,021	96.00
1987	53,486,602	15,571,629	37,914,973	36,159,510	95.37
1988	53,541,139	15,959,653	37,581,486	36,386,395	96.82

(1) Tax credits include homestead credit, small business credit and high voltage lines credit to the County by the State of Minnesota, as well as taconite relief paid to the County by taconite companies.

Unaudited

TABLE III

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Tax Collect to Net Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as Percent of Current Net Levy</u>
3,359,851	24,015,076	112.51	1,807,179	8.47
3,765,972	26,082,244	113.25	2,562,718	11.13
3,464,727	24,088,453	112.68	2,727,028	12.76
3,819,458	30,887,446	108.52	3,385,325	11.89
3,617,876	30,428,450	108.61	4,155,274	14.83
4,948,564	34,136,356	111.12	3,960,554	12.89
5,106,289	35,604,373	108.85	3,870,897	11.83
4,083,376	36,918,397	107.94	5,588,083	16.34
4,593,200	40,752,710	107.48	5,461,254	14.40
5,413,982	41,800,377	111.23	4,579,024	12.18

ST. LOUIS COUNTY, MINNESOTA
 ASSESSED AND ESTIMATED MARKET VALUE OF
 TAXABLE PROPERTY - LAST TEN YEARS
 (IN DOLLARS)

Collection Year	Property Outside the City of Duluth		Duluth	
	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value
1979	321,966,684	1,093,980,837	240,776,962	802,912,429
1980	363,927,757	1,364,161,505	257,196,070	943,899,394
1981	435,822,815	1,848,337,894	284,312,513	1,170,917,146
1982	512,590,423	2,141,556,948	297,375,292	1,226,900,488
1983	531,011,411	2,230,839,329	293,838,305	1,226,108,526
1984	519,720,793	2,251,112,800	286,019,824	1,221,990,600
1985	492,222,976	2,183,053,380	278,063,815	1,214,724,100
1986	477,208,439	2,109,106,850	278,147,064	1,217,760,500
1987	465,289,325	2,066,149,750	279,712,274	1,226,207,000
1988	437,161,106	2,010,477,720	271,338,379	1,263,170,200

Unaudited

TABLE IV

<u>Total</u>		Ratio of Assessed Value to Estimated Market Value	<u>Percent of Total Assessed Value</u>	
<u>Assessed Value</u>	<u>Estimated Market Value</u>		<u>Outside Duluth</u>	<u>Duluth</u>
562,743,646	1,896,893,266	.29667	57.21	42.79
621,123,827	2,308,060,899	.26911	58.59	41.41
720,135,328	3,019,255,040	.23851	60.52	39.48
809,965,715	3,368,457,436	.24046	63.29	36.71
824,849,716	3,456,947,855	.23861	64.38	35.62
805,740,617	3,473,103,400	.23199	64.50	35.50
770,286,791	3,397,777,480	.22670	63.90	36.10
755,355,503	3,326,867,350	.22705	63.18	36.82
745,001,599	3,292,356,750	.22628	62.45	37.55
708,499,485	3,273,647,920	.21643	61.70	38.30

TABLE V

ST. LOUIS COUNTY, MINNESOTA
 PROPERTY TAX RATES (1) AND TAX LEVIES -
 ALL OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS

<u>Tax Year</u>	<u>Cities/ Towns</u>	<u>Special Districts</u>	<u>School Districts</u>	<u>County</u>	<u>Total Combined</u>
Tax Rates per \$100 of Assessed Valuation					
1979	2.7105	.0959	4.7524	4.844	12.4028
1980	3.0404	.0814	4.2647	4.980	12.3665
1981	3.0165	.0691	3.7062	4.633	11.4248
1982	2.8858	.0662	4.7202	4.623	12.2952
1983	3.2196	.0691	5.0998	4.742	13.1305
1984	3.4115	.0735	5.6124	5.195	14.2924
1985	3.9975	.0775	5.5080	5.815	15.3980
1986	4.1532	.0772	5.3873	6.283	15.9007
1987	4.3297	.0930	5.5431	6.981	16.9468
1988	4.6307	.1013	5.6370	7.339	17.7080
Tax Levies (in dollars)					
1979	14,956,212	1,008,685	26,744,469	27,259,302	69,968,668
1980	18,372,342	951,930	26,498,906	30,931,967	76,755,145
1981	21,496,707	958,478	26,652,608	33,363,870	82,471,663
1982	24,521,757	1,050,395	38,191,101	37,404,795	101,168,048
1983	25,948,382	1,126,008	42,065,493	39,114,374	108,254,257
1984	27,788,261	1,178,227	45,221,057	41,858,225	116,045,770
1985	29,954,427	1,196,321	42,482,841	44,792,177	118,425,766
1986	30,892,170	1,221,228	40,693,156	47,458,986	120,265,540
1987	31,754,968	1,604,690	40,179,913	52,008,562	125,548,133
1988	32,308,340	1,649,269	39,950,358	52,012,315	125,920,282

(1) These are composite rates, except for County.

Unaudited

TABLE VI

ST. LOUIS COUNTY, MINNESOTA
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
 VALUE AND NET BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS

<u>Year</u> <u>Ending</u> <u>Dec.31</u>	<u>Popu-</u> <u>lation</u>	<u>Assessed</u> <u>Value</u> <u>(in dollars)</u>	<u>Net</u> <u>Bonded</u> <u>Debt</u>	<u>Ratio of Net</u> <u>Bonded Debt</u> <u>to Assessed</u> <u>Value</u>	<u>Bonded</u> <u>Debt per</u> <u>Capita</u>
1979	221,600	562,743,646	0	0	\$ 0
1980	222,229	621,123,827	0	0	0
1981	221,039	720,135,328	0	0	0
1982	218,964	809,965,715	0	0	0
1983	213,622	824,849,716	0	0	0
1984	212,214	805,740,617	0	0	0
1985	206,264	770,286,791	0	0	0
1986	203,069	755,355,503	0	0	0
1987	200,646	745,012,215	0	0	0
1988	200,646	708,711,198	5,000,000	0.71%	24.92

Unaudited

TABLE VII

ST. LOUIS COUNTY, MINNESOTA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1988

Market Value of Taxable Property	\$ 3,284,996,020
	=====
*Debt Limit 2 Percent of market value of taxable property	\$ 65,699,920
Amount of Debt Applicable to Debt Limit:	
General Obligation Debt	\$5,000,000
Less: Assets in Debt Service Fund	-0-
Total Amount of Debt Applicable to Debt Limit	<u>5,000,000</u>
Legal Debt Margin	\$ 60,699,920
	=====

*Limit on Debt - Minnesota Statutes, Section 475.53, Subdivision 1 -
"Except as otherwise provided -- no municipality --, shall incur or be
subject to a net debt in excess of two percent of the market value of
taxable property in the municipality."

Unaudited

TABLE VIII

ST. LOUIS COUNTY, MINNESOTA
 COMPUTATION OF DIRECT, OVERLAPPING AND UNDERLYING DEBT
 YEAR ENDED DECEMBER 31, 1988

<u>Direct Debt</u>	<u>Total Debt Outstanding(1)</u>	<u>Applicable to St. Louis County</u>	
		<u>Percent(2)</u>	<u>Amount</u>
St. Louis County	\$ 5,000,000	100%	\$ 5,000,000
<u>Overlapping Debt</u>			
School District #94	\$ 960,000	21.55%	\$ 206,880
School District #698	240,000	94.73%	227,352
School District #710	4,070,000	99.52%	4,050,464
W.L.S. Sanitary District	<u>29,045,000</u>	79.77%	<u>23,169,197</u>
	\$ 34,315,000		\$ 27,653,893
<u>Underlying Debt</u>			
City of Biwabik	\$ 250,000	100%	\$ 250,000
City of Buhl	20,000	100%	20,000
City of Chisholm	1,303,395	100%	1,303,395
City of Cook	250,000	100%	250,000
City of Duluth	110,350,223	100%	110,350,223
City of Ely	900,000	100%	900,000
City of Eveleth	300,000	100%	300,000
City of Floodwood	350,391	100%	350,391
City of Gilbert	455,000	100%	455,000
City of Hermantown	2,317,000	100%	2,317,000
City of Hibbing	5,663,333	100%	5,663,333
City of Iron Junction	12,152	100%	12,152
City of Mountain Iron	1,425,000	100%	1,425,000
City of Proctor	650,000	100%	650,000
City of Tower	593,000	100%	593,000
City of Virginia	20,995,000	100%	20,995,000
City of Winton	40,000	100%	40,000
Town of Greenwood	246,857	100%	246,857
Town of Pike	26,729	100%	26,729
Town of Rice Lake	1,720,000	100%	1,720,000
Town of Vermilion Lake	821	100%	821
School District #697	215,000	100%	215,000
School District #699	26,000	100%	26,000
School District #700	7,515,000	100%	7,515,000
School District #701	5,500,000	100%	5,500,000
School District #704	7,699,000	100%	7,699,000
School District #706	2,500,000	100%	2,500,000
School District #708	1,000,000	100%	1,000,000
School District #709	19,765,000	100%	19,765,000
School District #712	4,950,000	100%	4,950,000
Port Authority	1,545,000	100%	1,545,000
Spirit Mountain	1,110,000	100%	1,110,000
Duluth Airport	970,000	100%	970,000
Chisholm H.R.A.	1,571,871	100%	1,571,871
Duluth H.R.A.	9,590,755	100%	9,590,755
Hibbing H.R.A.	6,474,683	100%	6,474,683
Virginia H.R.A.	<u>5,706,011</u>	100%	<u>5,706,011</u>
	\$224,007,221		\$224,007,221
Total	\$263,322,221		\$256,661,114
	=====		=====

(1) Total Debt Outstanding - That portion of the debt which is financed by tax levies or special assessments - this figure does not take into account bond premium or discount.

(2) The percentage reflects the portion of the general obligation debt which is secured by taxable real estate located within the County.

Unaudited

ST. LOUIS COUNTY, MINNESOTA

RATIO OF DEBT SERVICE EXPENDITURES FOR GENERAL
(1)
OBLIGATION DEBT TO TOTAL GENERAL EXPENDITURES
(IN DOLLARS)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>General Expenditures</u>	<u>Ratio of Debt Service Expenditures To Total General Expenditures</u>
1979	0	0	0	85,212,609	N/A
1980	0	0	0	102,811,766	N/A
1981	0	0	0	95,790,937	N/A
1982	0	0	0	101,611,659	N/A
1983	0	0	0	114,457,708	N/A
1984	0	0	0	133,872,859	N/A
1985	0	0	0	145,672,904	N/A
1986	0	0	0	140,778,277	N/A
1987	0	0	0	133,768,342	N/A
1988	0	152,900	152,900	145,835,613	.0011

(1) Includes the General Fund and Special Revenue Funds.

Unaudited

TABLE X

ST. LOUIS COUNTY
 REVENUE BOND COVERAGE
 CHRIS JENSEN ENTERPRISE FUND BOND
 LAST FOUR FISCAL YEARS
 (IN DOLLARS)

<u>Fiscal Year</u>	<u>Gross(1) Revenue</u>	<u>Direct(2) Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
1985	9,078,460	8,171,538	906,922	-	419,713	419,713	2.16
1986	7,884,505	7,318,477	566,028	-	419,713	419,713	1.35
1987	7,579,281	7,108,221	471,060	325,000	407,525	732,525	.64
1988	7,352,692	7,325,246	27,446	350,000	381,775	731,775	-.96

BABBITT FACILITY ENTERPRISE FUND BALANCE

LAST THREE FISCAL YEARS
 (IN DOLLARS)

<u>Fiscal Year</u>	<u>Gross(1) Revenue</u>	<u>Direct(2) Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
1986	78,317	-	78,317	-	11,181	11,181	7.0
1987	227,880	57,499	170,381	66,300	218,692	284,992	-.40
1988	392,599	93,871	298,728	178,306	144,054	322,360	-.07

(1) Includes operating and non-operating revenue.

(2) Excludes depreciation.

Note: Prior to 1985, the County had issued no revenue bonds.

Unaudited

TABLE XI

ST. LOUIS COUNTY, MINNESOTA

DEMOGRAPHIC STATISTICS

LAST TEN YEARS

<u>Year</u>	<u>Population(3)</u>	<u>Per(1) Capita Income</u>	<u>Median(3) Age</u>	<u>K - 12(2) School Enrollment</u>	<u>Unemployment(1) Rate</u>
1979	221,600	8,156	29.8	43,102	8.6
1980	222,229	8,839	30.0	41,325	9.8
1981	221,039	10,075	30.0	39,830	8.2
1982	218,964	10,004	30.1	38,457	17.7
1983	213,622	10,163	30.2	36,725	18.7
1984	212,214	10,941	30.4	35,939	12.4
1985	206,264	11,361	30.5	35,058	11.1
1986	203,069	11,918	30.7	34,428	9.1
1987	200,646	NA	30.9	34,062	9.4
1988	200,646	NA	31.0	38,692	6.3

(1) Minnesota Department of Economic Security
Research and Planning Department

(2) State Department of Education

(3) Minnesota State Planning Office, Office of State Demographer

Unaudited

ST. LOUIS COUNTY, MINNESOTA

ESTIMATED MARKET VALUE, CONSTRUCTION, AND BANK DEPOSITS

Estimated Market Value:	1988	
	<u>Value</u>	<u>Percent</u>
Real Estate:		
Residential	\$2,107,937,767	52.58%
Multiple dwelling	112,288,190	2.80
Commercial/Industrial	390,639,467	9.74
Timberlands	94,460,411	2.36
Agricultural	55,270,236	1.38
Public Utilities/Miscellaneous	137,752,538	3.44
Seasonal Residential Recreational	240,454,936	6.00
Seasonal Commercial Recreational	13,954,855	.35
Exempt	<u>723,979,900</u>	<u>18.05</u>
	\$3,876,738,300	96.70
Personal Property	<u>132,237,620</u>	<u>3.30</u>
	<u>\$4,008,975,920</u>	<u>100.00%</u>
	=====	=====

Source: St. Louis County Assessor

Construction

<u>Fiscal Year</u>	<u>Commercial # of Units</u>	<u>Value</u>	<u>Residential # of Units</u>	<u>Value</u>	<u>Total Value New Construction</u>
1979	975	24,593,108	4,898	48,141,908	72,735,016
1980	833	20,328,968	4,138	39,030,275	59,359,243
1981	951	20,215,303	3,601	24,284,394	44,499,697
1982	704	33,825,645	2,679	16,774,236	50,599,881
1983	851	14,599,506	2,588	15,246,851	29,846,357
1984	802	29,318,953	2,627	14,744,799	44,063,752
1985	651	18,669,159	2,359	13,034,503	31,703,662
1986	681	46,504,152	2,400	15,770,921	62,275,073
1987	719	42,178,960	2,582	24,297,453	66,476,413
1988	329	20,432,623	1,745	20,956,747	41,389,370

Source: U. S. Department of Commerce, Bureau of the Census

Deposits of Financial Intermediaries at December 31 (000's omitted)

	<u>Commercial Banks</u>	<u>Savings and Loan Associations</u>	<u>Total</u>
1984	1,237,570	536,087	1,773,657
1985	1,240,154	538,593	1,778,747
1986	1,281,194	532,544	1,813,738
1987	1,295,582	532,719	1,828,301
1988	1,316,347	473,732	1,790,079

Unaudited

ST. LOUIS COUNTY, MINNESOTA

PRINCIPAL TAXPAYERS

The taxpayers of the ten largest tax parcels in the County of St. Louis were:

<u>Taxpayer</u>	<u>Taxable Assessed Valuation as of 1988 Tax Roll</u>	<u>Percentage</u>
1. Minnesota Power	\$ 22,487,593	3.17
2. LTV Steel	10,982,893	1.55
3. Square Butte Electric Co-op	6,890,904	.97
4. Duluth, Winnipeg & Pacific Railroad	5,156,160	.73
5. U. S. Steel	5,132,190	.72
6. D.M. & I.R. Railroad	4,102,416	.58
7. Burlington Railroad	3,894,983	.55
8. Miller Hill Mall	2,733,626	.39
9. Duluth Clinic, Ltd.	1,985,770	.28
10. St. Lawrence Cement Inc.	1,865,800	.26
<hr/>		
Total Taxable Assessed Value of Ten Largest Taxpayers	\$ 65,232,335	9.21
Total Taxable Assessed Value of Other Taxpayers	\$643,267,150	90.79
<hr/>		
Total Taxable Assessed Value of All Taxpayers	\$708,499,485	100.00%
<hr/>		

Unaudited

ST. LOUIS COUNTY, MINNESOTA

LABOR STATISTICS

Labor Force Employment Unemployment Unemployment Rate

St. Louis County:

1979	95,124	89,569	5,555	5.8
1980	101,988	92,420	9,568	9.4
1981	100,697	92,745	7,952	7.9
1982	100,821	83,583	17,238	17.1
1983	98,118	80,029	18,089	18.4
1984	92,896	81,698	11,198	12.1
1985	89,439	79,827	9,612	10.7
1986	89,981	81,787	8,194	9.1
1987	88,951	80,576	8,375	9.4
1988	88,635	83,016	5,619	6.3

<u>Average</u> <u>St. Louis</u> <u>County</u> <u>Labor</u> <u>Force</u>	<u>Average</u> <u>St. Louis</u> <u>County</u> <u>Unemploy-</u> <u>ment</u>	<u>Average</u> <u>State</u> <u>Labor</u> <u>Force</u>	<u>Average</u> <u>State</u> <u>Unemploy-</u> <u>ment</u>	<u>Average</u> <u>National</u> <u>Labor</u> <u>Force</u>	<u>Average</u> <u>National</u> <u>Unemploy-</u> <u>ment</u>
---	--	--	---	---	--

1979	95,124	5.8	2,039,000	4.2	106,559,000	5.8
1980	101,988	9.4	2,110,000	5.9	108,544,000	7.0
1981	100,697	7.9	2,154,000	5.5	110,315,000	7.5
1982	100,821	17.1	2,168,000	7.8	111,872,000	9.5
1983	98,118	18.4	2,176,000	8.2	113,226,000	9.5
1984	92,896	12.1	2,227,000	6.3	115,241,000	7.4
1985	89,439	10.7	2,224,000	6.0	117,167,000	7.1
1986	89,981	9.1	2,230,000	5.3	119,540,000	6.9
1987	88,951	9.4	2,259,000	5.4	121,602,000	6.1
1988	88,635	6.3	2,316,411	4.1	121,669,000	5.5

Source: Minnesota Department of Economic Security

Unaudited

ST. LOUIS COUNTY, MINNESOTA
 MISCELLANEOUS STATISTICAL DATA

General Election (November 8, 1988)

Registered Voters as of 7:00 A.M. 11/18/88	128,849
Election day registrants	<u>14,927</u>
Total Registered Voters	<u>143,776</u>
Number of Votes Cast	<u>103,799</u>
Percentage of Registered Voters Voting	<u>72.2%</u>

Number of Employees (as of 12/31/88)

Personnel:

Classified - Full Time	1,857
Classified - Part Time	330
Unclassified - Full Time	77
Unclassified - Part Time	<u>18</u>
Total	2,282

Area of St. Louis County

Land	6,318.02 sq.miles or 4,043,532 acres
Water	774.49 sq.miles or 495,674 acres
Total	7,092.51 sq.miles or 4,539,206 acres

Miles of County Road = 1,605 miles

Concrete	2.9
Bituminous	211.56
Gravel	1,341.14
Unimproved	49.4

County Bridges = 264

Gravel	1,341.14
Unimproved	49.4

County Bridges = 264

Unaudited

