

COMPREHENSIVE

Annual Financial Report

for the Fiscal Year Ended December 31, 1995



ST. LOUIS COUNTY
MINNESOTA
Gordon D. McFaul
County Auditor



PAPER INDUSTRY



TIMBER INDUSTRY



SHIPPING



MINING

Paper Industry

Lake Superior Paper is one of the major timber industry operations within St. Louis County. It manufactures 243,000 tons per year of high quality supercalendered (SCA) paper which is used in catalogs, newspaper advertising inserts, magazines and other commercial printing. Lake Superior Paper Industries is the largest producer of top-quality SCA paper in North America and employs 366 people.

Text and photo courtesy of Lake Superior Paper Industries

Timber Industry

Based on 1993 figures, the forest products industry employed approximately 60,000 people in Minnesota and created wages and benefits totaling \$341,369,690. St. Louis County has four major timber industry operations which produce waferboard, hardboard, paper, and specialty wood products. The County's Land Department manages approximately 900,000 acres of tax forfeited land, of which 650,000 acres are commercial forest. In 1995, the Department sold 156,000 cords of wood for a value of \$3,580,450.

Text and photo courtesy of the St. Louis County Land Department

Shipping

Duluth, the largest city in St. Louis County, is also the largest port on the Great Lakes, shipping iron ore products, midwestern grains, and manufactured goods. According to the Seaway Port Authority, 40.6 million metric tons of cargo were moved out of the Duluth-Superior harbor in 1995, an increase of five percent over 1994. 1,138 vessels visited the harbor in 1995; in 1994 the count was 1,109. Included were 776 U.S. flag, 269 Canadian flag and 93 overseas vessels.

Photo courtesy of the Seaway Port Authority of Duluth

Mining

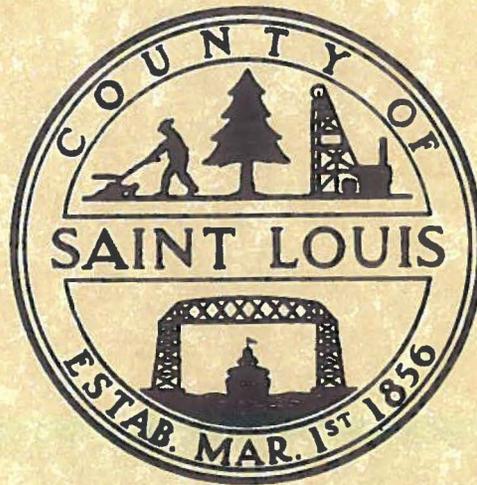
A strong domestic steel industry and falling steel imports are pushing up demand for taconite. Minnesota's taconite shipments in 1995 exceeded 45 million tons. This was the fourth highest level of production in history. Total payroll for the seven taconite producers (six of which are located in St. Louis County) exceeded \$360 million. Industry projections are that 1996 shipments will exceed the levels achieved in 1995. The mining industry supports approximately 6,000 jobs in the St. Louis County region.

Text courtesy of the Iron Mining Association

Photo courtesy of W.A. Fisher Company

St. Louis County Minnesota

**Comprehensive Annual Financial Report
for the Fiscal Year Ending
December 31, 1995**



**Gordon D. McFaul
County Auditor**

"The Mission of St. Louis County is to provide to its people those services mandated and/or expected by its citizens so as to provide a good quality of life."

INTRODUCTORY

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Reader's notes:



Saint Louis County

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

Gordon D. McFaul
St. Louis County Auditor

May 17, 1996

To: The Citizens of St. Louis County, Minnesota
The St. Louis County Board of Commissioners
All Other Interested Parties

The Comprehensive Annual Financial Report of St. Louis County is hereby submitted for the fiscal year ended December 31, 1995. This report was prepared by the County Auditor's Accounting and Finance Division. 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, maps of the legislative and commissioner districts, 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 supplementary financial information, as well as the State Auditor's Report.
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 St. Louis County Housing and Redevelopment Authority is included in the report as a blended component unit. The HRA Board is composed of the County Board members. The financial transactions of the HRA 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

The following information is a condensed version of various feature articles found in the Outlook edition of the Duluth News-Tribune.

Growth was the theme throughout 1995 in such diverse economic sectors as tourism, mining, health care and retail sales within St. Louis County.

City of Hibbing

Mining

- ▶ National Steel Pellet Co. executives determined it would be economically feasible to build a \$91 million direct-reduced iron plant at its present facility. Expected to cost between \$100 and 140 million, the plant would employ 80 to 90 people. National had a record-breaking year in 1995. Its 450 employees in Hibbing produced 5.2 million tons of pellets – a new world-wide high for single-line pelletizing operations.

Health Care

- ▶ Construction began in September for the University Medical Center-Mesabi's \$5.5 million 21,000 square-foot facility expansion and remodeling project. Completion is scheduled for spring of 1996. During 1995 the former Mesabi Regional Medical Center allied itself with the University of Minnesota health care system. Included in the project is a \$3 million radiation therapy center, a relocated and enlarged hemodialysis unit, new retail pharmacy and expansion of the physical therapy department.
- ▶ Adjacent to the University Medical Center, construction began in 1995 for a branch of the Duluth Clinic. It will cost approximately \$7-8 million and cover 54,000 square feet, providing the citizens of Hibbing with 20 physicians.

City of Chisholm

Service Industries

- ▶ On March 31, 1996 Northwest Airline's \$9.7 million reservation center opened for business. Top executives expect that local residents will be the beneficiaries of 200 new positions by December of 1996 and 604 full-time workers by the year 2000. Reservation agents will earn from \$9.12 - 15.21 per hour (roughly \$19,000 - \$33,000 annually) and will be covered by medical, dental and travel benefits.

City of Hoyt Lakes

Mining

- ▶ LTV Mining will begin operating its second \$5.6 million superpocket loading facility in March, 1996. LTV employs 1,450 workers and maintains an annual payroll of \$80 million.

City of Biwabik

Tourism

- ▶ The golf course at Giant's Ridge recreation area should be finished by late summer of 1996. The resort is also adding to its ski runs while final plans are being made for residential development of 250 housing units around the golf course and ski area.

Iron Range, Generally

Mining

- ▶ The taconite industry produced 45 million tons of pellets in 1995, the highest level since the early 1980's. Anticipated 1996 production should reach 48 million tons.

City of Virginia

Health Care

- ▶ The Virginia Regional Medical Center, with outpatient service activity up over 50% in the last 2 1/2 years, will begin construction of a \$2.5 million renovation to its outpatient area. Completion should be by the end of 1996.

City of Eveleth

Mining

- ▶ Eveleth Taconite invested \$6.5 million in mine loading equipment during 1995 and increased its payroll to 640 people while producing 5 1/4 million tons of pellets.

Health Services

- ▶ The Eveleth Health Park Services has acquired a State mental health unit transferred from the former Moose Lake Treatment Center and has plans to upgrade its entire facility.

City of Duluth

General

- ▶ Job growth outperformed the national average, increasing 1.9% as contrasted with a 1.5% rate throughout the country. Forecasts for 1996 indicate a 2.4% growth rate.
- ▶ Construction permits valued at \$69.3 million were issued by the City in 1995.
- ▶ Over 3.3 million tourists visited Duluth in the past year. This represents a greater than 7% jump over 1994. They were responsible for pumping \$230 million into the local economy. It is predicted that 1996 will see a 4-8% increase from 1995.
- ▶ Sales at apparel and accessory stores grew by 4.3% through November, according to the Bureau of Business and Economic Research at the University of Minnesota-Duluth.

Education

- ▶ Lake Superior College, formed through a merger of the Duluth Technical College and the Duluth Community College in 1995, is in the midst of a \$10.8 million state-funded construction. A new information and technology center will be built and existing facilities will be expanded to address regional economic development by responding to identified needs with education and training of the area's work force. The project is expected to be finished by the fall of 1996.

Medical Facilities

- ▶ The Duluth Clinic opened a \$2.5 million clinic in neighboring Hermantown and will employ ten physicians. It has also purchased various clinics in Minnesota and Wisconsin and claims 280 doctors on its payroll, making it the third-largest multi-specialty clinic in Minnesota.
- ▶ The Skyline Family Medical Center is undergoing a \$1.3 million expansion to be completed during the summer of 1996. It is actively recruiting more physicians.
- ▶ The Mt. Royal Medical Center has finished construction of a new facility, tripling the space it had in its former location. The entire project cost \$1 million.
- ▶ At year end, plans were underway to merge the St. Mary's Medical Center and the Duluth Clinic. This transaction should be finished by the end of 1996.

Tourism

- ▶ The Duluth Omnimax Theatre will open in Mid-April of 1996. The 72 foot wide dome screen will feature films which envelop the viewer's sight to simulate a three-dimensional effect. In addition to providing entertaining features, the Omnimax will coordinate with themes of neighboring Duluth Entertainment and Convention Center conferences and conventions, as well as supplement the area schools' curricula.
- ▶ Approval was given early in 1996 for \$14 million in state funding to construct the Lake Superior Center. This is in addition to \$13 million in State, City and private funds already raised. The \$31 million center, expected to attract 350,000 people per year will begin to be built in the spring of 1997 with opening scheduled for early 1999. It will house an aquarium, permanent and revolving exhibits and include hands-on experiences.
- ▶ On June 1, 1996 the grand opening of the Inn on Lake Superior will occur. The 101-room hotel will cost \$7 million and will be independently owned. It will include 51 balcony apartments overlooking the lake and 12 jacuzzi suites.

Retail

- ▶ Voters in April, 1996, approved an extension to the Miller Hill Mall. It is planned to enlarge the shopping area by 300,000 square feet.

- ▶ July 30 saw the opening of the 85,000 square foot Kohl's department store. According to management it has been performing 'very well' for its first year compared to its outlets in other communities.

Light Industry

- ▶ The Northwest Airlines' Aircraft Maintenance Facility will employ over 200 individuals by the end of 1996 when construction is expected to be finished.

Major Initiatives

During 1995 St. Louis county continued its drive to update and modernize its services so as to continue to better meet citizen's needs.

Administration

- ▶ The 1996 County budget was prepared with no increase in the tax levy for 1996.
- ▶ The County continued its policy of designating a portion of the General Fund balance and the Special Revenue Fund balances to fund vesting employees' sick leave. This practice was recommended by the County Auditor and was begun in 1994. The vesting employees' sick leave, which is paid off in cash or in medical insurance payments when vesting employees retire, will be fully funded by the year 2002.
- ▶ In 1995, the County began to designate for cash flow purposes, portions of the fund balance in the General Fund, as well as in the Road and Bridge and Social Services Special Revenue Funds. This procedure was recommended by the County Auditor, with the intent that the cash flow needs for these funds will be fully designated by the end of 1998.
- ▶ The Administration Department is currently overseeing the planning and zoning function which had previously been a part of the Department of Public Health and Long-Term Medical Care. A Planning Director will be hired in 1996 and the function will be elevated to the Department level.
- ▶ The Administration Office and the County Board focused on communications issues in 1995, hiring a Public Information Officer, creating an internal newsletter, surveying County residents regarding their knowledge of County government, and preparing for public access television cable casts of County Board meetings. Prime time re-broadcasts of the meetings allows those who cannot attend the daytime meetings to view them at a more convenient time.
- ▶ The Veterans Service Office and St. Louis County Historical Society collected World War II Veterans' oral histories in 1995, the 50th anniversary of the end of WWII. In addition to conducting hundreds of interviews and researching posthumous histories, the organizers hosted events to honor veterans on the 50th anniversary of V-J Day. The long-term goal is to publish a book containing the interviews and biographies; grant monies have been received to help accomplish this goal. The project could eventually be displayed by the Historical Society; perhaps a similar project could eventually be developed for Korean veterans and Vietnam veterans.

- ▶ The County Courthouse in Duluth underwent an historic preservation project in 1995. The facade of this National Register of Historic Places site was cleaned and tuckpointed.
- ▶ The County Board hired a firm to evaluate current usage of the Duluth Courthouse facility and prepare a list of alternatives for the Board to consider if it wished to move toward the goal of using the Courthouse primarily for the purpose for which it was built, that being a place to house the Courts. Because some of the alternatives were cost-prohibitive, the County will be implementing one of the least expensive ideas in order to accommodate the need for an area where prisoners can be held pending court appearance.
- ▶ A new County Department 'Property Management' has been established and interviews will be held in 1996 for a Department Head. This person will have expertise in construction and building management and will also oversee the operations of the County Garage and Motor Pool.

Department of Public Health and Long-Term Medical Care

- ▶ This Department is a consolidation of most of the former Health Department with the Chris Jensen and Nopeming Nursing Homes. These Homes are owned and operated by the County and before 1995 were managed by the County's Social Services Department.
- ▶ Until 1994, the County had levied taxes to help support the nursing homes. Net income for both Homes was positive in almost every year since 1989; however, operating income was nearly always negative for both Homes. In 1994, the County Board chose not to levy for the Homes; instead the Homes were to focus on attempts to achieve a positive net income through efficiencies of operation and greater efforts to collect accounts receivable. At the end of 1994, the Homes declared combined net loss of \$461,364. They owed the County's General Fund a total of \$1,648,258.

In 1995, a County Auditor's Fiscal Manager was appointed to manage the business offices at both of the Homes. This action, as well as the assignment of the Homes' operations to the Department of Public Health and Long-Term Medical Care, was taken by the County Board in the hope that the critical financial situation at both of the Homes could be improved. A professional firm, experienced in Minnesota nursing homes' operations, was hired to train and advise the Fiscal Manager at the Homes and to prepare the necessary Medical Assistance and Medicare Cost Reports. The Nursing Homes' costs are recovered through billings to Medical Assistance, Medicare, insurance and private payers. The Medical Assistance billings make up the greatest share of revenue; recent statutory changes in this reimbursement formula have had and will continue to have a negative impact on the operating income of the Homes.

The fiscal problems at the Homes cannot be solved immediately; indeed, they may never be solved without the reinstatement of a tax levy. In 1995, there was a large write-off of old accounts receivable balances, the occupancy level at both Homes dropped severely, and the case-mix was down. Any efforts to contain costs were more than offset by these factors.

At December 31, 1995 the Homes owe the General Fund a total of \$3,562,462. The Fund Balance of the General Fund includes an amount Designated for Medical Care Facilities in the amount of \$1,443,701. It is likely that this amount will eventually be transferred to the Homes, still leaving a cash flow problem of nearly \$2,000,000. Even with increased attention to cost

saving measures that could be implemented at the Homes and stronger focus on the collection of accounts receivable through the implementation of strict admissions and collections policies, the County Board will have to make some difficult decisions in the very near future regarding the direction in which it wishes the Homes to go.

- ▶ The Department of Public Health and Long-Term Medical Care worked in collaboration with regional health care providers and educators on an Immunization Action Plan in 1995. The public education campaign "A Healthy Child is Not a One-Shot Deal" included television and radio public service announcements, posters, restaurant table tents, mall kiosks, and a newsletter to health care providers. The Department also participated in the "Bridge to Health" survey, which asked questions about the health habits of 10,000 area residents. This was the largest health survey ever conducted in the area and it marked the collaboration of dozens of health care providers.
- ▶ This Department also took over the management of the County Laundry which was previously managed by the County's Social Services Department. The County board recently authorized the addition of a chemical room to the Laundry facility. This addition allows bulk chemical purchasing which is expected to result in reduced costs and safer environment. Tanks will be directly connected to washers, thereby providing a safer work environment by eliminating the manual dispensing of chemicals.

Public Works Department

- ▶ In 1995 this Department, in co-operation with the Minnesota Department of Transportation and the City of Hibbing, began assessing the possibility of a major expansion to the County garage at Hibbing so that it could house all three governmental highway equipment maintenance operations. The project is expected to begin in mid-1996 with the County's share of costs estimated at \$500,000.
- ▶ The Department implemented a road reclamation project in 1995, wherein existing deteriorating blacktop is ground and reapplied. Then a layer of new blacktop is applied. This method, while not a substitute for full reconstruction, significantly prolongs road life. It is also cost effective; allowing the resurfacing of twenty additional miles per year over conventional methods.
- ▶ The Department began an experiment with a new type of asphalt in 1995. The 'Finnish Method' uses an oil-based emulsion, which could be beneficial in Northeastern Minnesota's severe weather. Public Works crews are contrasting the performance of the new asphalt with traditional asphalt in side by side tests. If the emulsion product is successful, its low cost will allow for increased miles of blacktopping per year.

Sheriff's Department

- ▶ The Sheriffs' Department opened the new \$14 million jail in 1995. The state-of-the-art facility has the lowest per-bed cost of any new jail in the state, according to the Sheriff. The facility was designed to be a direct supervision jail, which means the corrections officers work in direct contact with the inmates, monitoring their behavior with a system of rewards and consequences.

Assessor's Department and Recorder's Department

- ▶ The Offices of the County Assessor and the County Recorder are computerizing their property ownership files so that information input by one Department can be easily accessed by the other. This system will dovetail with the developing computerized assessment base, which will be compatible with the bases maintained by several other County Departments.
- ▶ The County Recorder's Department along with the Auditor's Department is initiating a pilot project offering customers access to computerized records. Three customers are presently participating.
- ▶ The County Recorder is investigating the requirements for an automated Torrens system now that certificates of title are available on line.
- ▶ The Recorder is planning the transfer of all birth and death records to his Department as a result of an eventual State take-over of the Court system which now handles those records. The Recorder will be using current computer technology to store and to easily access these records.

Solid Waste Department

- ▶ This newly created Department is exploring the possible development of a contaminated soil treatment facility that would provide the County with free landfill cover material and would also provide revenue through a soil processing fee.

Land Department

- ▶ A continuous ecological resource survey is proceeding on schedule and will continue for some years to come. Coordinated research surveys cooperatively funded by St. Louis County and others will integrate avian studies, small mammal and herpetofaunal studies into the bio-physical database as work progresses. Additional coordinated surveys of other resource disciplines will be undertaken eventually in order to work towards a complete biological ecosystem data base to be used for future management utilizing expanded GIS (Geographic Information System) capabilities and an applied dynamics planning system.
- ▶ The Department made plans to expand its comprehensive planning capability by establishing a new program to assemble, coordinate, analyze, compile, and produce data. This project will be in full swing in 1995. The Land and Timber Department will work with other counties and units of government to initiate comprehensive land use plans.

- ▶ The Land Department has made a commitment to a White Pine initiative which is focusing on improving the management of existing White Pine stock, expanding White Pine type acreage, finding and developing new opportunities through research, empirical trails, natural and scientific selection, disease control and an aggressive program of natural and artificial regeneration. In 1995 and for the past few years, the Land Department has been hand planting 20,000 White Pine seedlings per year. The Department expects to increase that amount in 1997 and ensuing years. In 1995, the Department recognized an apparent significant increase in natural White Pine regeneration and anticipates that certified orchard seed with disease resistant qualities will be available within four or five years. The Department will have a maintenance task for some years to come in order to assure successful White Pine establishment. Prospective timber sales that have some White Pine component and are rationally suited for White Pine growth in future management are being designed to favor retention of existing White pine for growth and for seed source.

County Auditor

- ▶ The Auditor established a second branch office in late summer of 1995. The new office is in Virginia, which is in the northern half of the County. The office currently serves Iron Range tax payers, handling property tax inquiries and payments. It also provides accounting services for solid waste activities, as well as for various federal grants.
- ▶ The Miller Mall Licensing Center, which opened in the fall of 1994, successfully completed its first full year of operation in 1995. This branch office and the Duluth Courthouse Auditor's licensing operation brought in approximately \$70,000 in new revenue in 1995.
- ▶ The Auditor developed and the County Board approved an Investment Policy in 1995 which details guidelines for the County's investment officer and which establishes an Investment Committee, to which the Auditor will formally report investment activity.
- ▶ A Debt Management Policy was established to provide guidelines for determining when the County will issue debt, what kind of debt it will issue, how the financial advisor and bond counsel will be selected, and details of other bond issuance procedures. The County Board formally approved the Policy.

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, to insure that accounting data is accurate for the preparation of financial statements in conformity with generally accepted accounting principles, and to carry out the County's 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, special revenue and debt service 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 the appropriation continues year-to-year until the projects are closed into fund balance by the Administrator or until the appropriations are totally expended. All other appropriations 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 - In 1995 General and Special Revenue Funds' undesignated fund balances decreased \$1.5 million (9.9%). This action offsets, in part, a \$3.2 million (27.6%) increase in undesignated fund balance in 1994, and reflects the County's conservative budgeting practices.

The following schedule presents a summary of General and Special Revenue Fund revenues for the fiscal year ended December 31, 1995 and the amount of percentage and dollar increases and decreases in relation to the prior year's revenues.

Revenues:	1995 Amount	% of Increase (Decrease)	Dollar Increase (Decrease)
Taxes	\$ 63,852,318	(0.05)	(34,394)
Licenses and permits	131,185	4.82	6,037
Intergovernmental	82,341,713	(6.23)	(5,468,713)
Charges for service	6,729,933	(3.33)	(232,080)
Fines and Forfeitures	830,224	11.73	87,181
Interest on investments	2,772,341	33.15	690,298
Gifts and contributions	14,516	(39.92)	(9,644)
Miscellaneous	2,500,682	(14.24)	(415,305)
	\$159,172,912		(5,376,620)

Although the other categories of revenue show larger percentages of increase or decrease over 1994, the most significant dollar changes in revenue are the decrease in the intergovernmental category and the increase in the interest category.

1. Intergovernmental revenues decreased \$5.5 million or 6.23 percent from 1994 intergovernmental revenues. Explanations of the major dollar increases and decreases are given below:

	Dollar Increase (Decrease) (in millions)
<u>General government -</u>	
HACA - State	.1
Disparity Aid - State	.1
State and Federal grants for health and public safety programs	.2
<u>Highways and streets -</u>	
Minnesota Petro Fund	(.3)
Federal, State, and local funding of various projects increased in 1995	2.5
<u>Welfare -</u>	
Disparity Aid - State	(.2)
Decrease in State of Minnesota reimbursement to the County due to implementation of new Medical Assistance and General Assistance Medical Care payment system	(6.6)
HACA - State	(.2)
State Grants	(.2)
Federal Grants	(1.7)
<u>Economic Development -</u>	
Revenue for the Community Development Block Grant decreased slightly as various programs continued in 1995	(.2)
Northeast Minnesota Housing Consortium increased due to an increase in projects in 1995	.8

2. Charges for services decreased \$232,080 due to the following:

Health -

Case Management CAC	(.2)
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3. Interest on investments increased by \$690,298 because of higher interest rates being available in the market place.

4. Miscellaneous revenues went down by \$415,305 because of:

Economic development -

Change in classification of certain revenue from 1994 to 1995.	(.1)
Babbitt Facility- Lease	(.1)

Highways and Streets -

Change in classification of certain revenue from 1994 to 1995	.2
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Welfare -

Income maintenance program recoveries	(.4)
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The following schedule presents a summary of General and Special Revenue Fund expenditures as shown on Exhibit II for the fiscal year ended December 31, 1995, and the percentages of increases and decreases in relation to prior year amounts.

<u>Expenditures:</u>	<u>1995 Amount</u>	<u>% of Increase (Decrease)</u>	<u>Dollar Increase (Decrease)</u>
General government	\$ 18,352,433	4.19	738,803
Public safety	21,287,592	17.41	3,157,394
Highways and streets	39,798,900	11.98	4,258,322
Health	5,955,169	(14.48)	(1,007,978)
Welfare	62,196,888	(15.02)	(10,991,314)
Culture and recreation	696,430	7.39	47,924
Conservation of natural resources	713,440	21.09	124,276
Economic development	7,350,964	6.55	452,191
	<u>\$156,351,816</u>		<u>(3,220,382)</u>

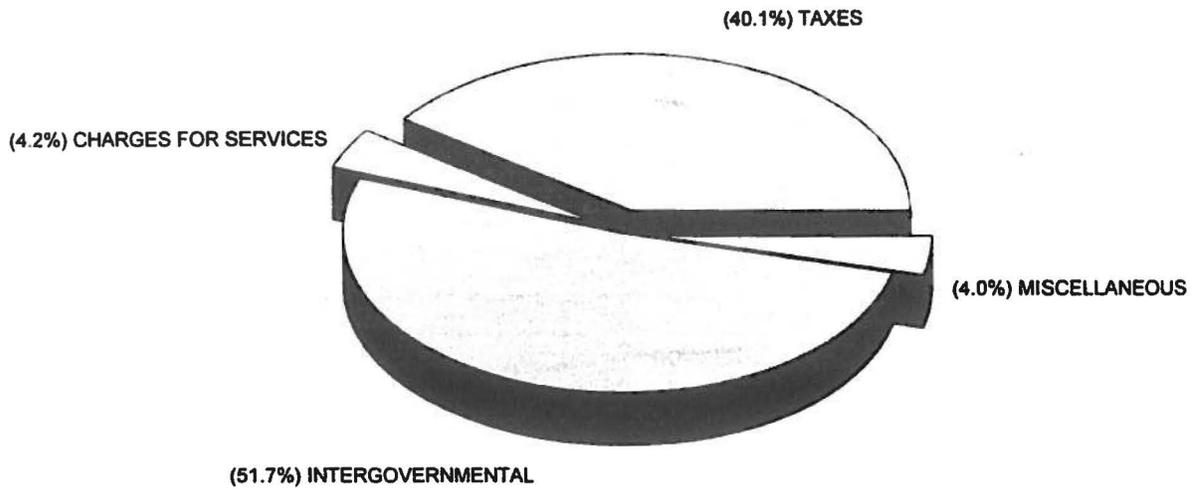
Note: Debt Service of \$129,175 and \$329,623, and Intergovernmental of \$5,669,657 are reclassified here as Health, Welfare and Public Safety, respectively.

Explanations for the major dollar increases and decreases are given below.

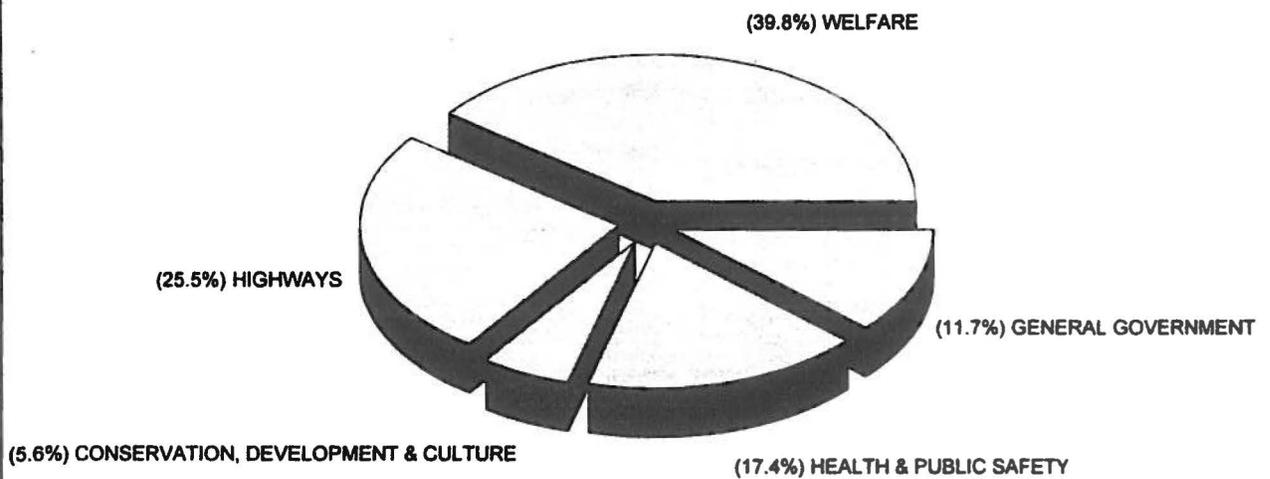
	Dollar Increase (Decrease) (in millions)
<u>General government -</u>	
Increase (cost of living) in various departments	.7
Decrease in elections	(.1)
Increase in Court Houses	.1
<u>Public Safety -</u>	
Jail building	1.0
Sheriff - capital expenditures	.1
Emergency Communications	.1
Jail Prisoners	.8
Arrowhead Juvenile Center Expansion	1.5
St. Louis County share of Arrowhead Juvenile Center's operations	.4
Increase (cost of living) in various departments	.1
<u>Highways and streets -</u>	
Road Maintenance	(6.0)
Road Construction	12.0
Equipment maintenance and shops including capital improvements	(1.8)
<u>Health -</u>	
Leasehold improvement - administration	(.8)
Increase (cost of living) - administration	.1
Decrease - Nursing	(.2)
Decrease - Environmental health	(.1)
<u>Welfare -</u>	
Implementation of new State of Minnesota Medical Assistance and General Assistance Medical Care payment system	(11.0)
<u>Conservation of Natural Resources -</u>	
Increase in soil conservation - South St. Louis County	.1
<u>Economic Development -</u>	
Decrease in Community Development Block Grant Expenditures as programs continue in 1995. Funded by federal grant	(.2)
Increase in Northeast Minnesota Housing Consortium expenditures as number of projects under the program increased in 1995. Funded by federal grant	.7

Graphics for revenue and expenditures are shown on the following page.

1995 COUNTY REVENUES BY SOURCE
INCLUDES GENERAL & SPECIAL REVENUE FUNDS



1995 COUNTY SPENDING BY FUNCTION
INCLUDES GENERAL & SPECIAL REVENUE FUNDS



Cash Management - In 1995, the average investment yield was 5.52%. Demand deposits averaged no more than 5% of the total cash, while 95% of all funds were invested in U.S. Government securities, Government agency securities and certificates of deposit in Minnesota banks.

Enterprise Operations - St. Louis County has three enterprise operations. Chris Jensen and Nopeming are nursing home facilities for the public. Solid Waste Management provides for the construction, operation and monitoring of solid waste activities outside of the Western Lake Superior Sanitary District. The Chris Jensen Fund had a net loss of \$555,593 for 1995, while the Nopeming Fund had a net loss of \$828,368 and the net income for the Solid Waste Management Fund was \$1,592,607.

Internal Service Funds - The County has ten Internal Service Funds. The Laundry Fund, the Supervised Living Facilities Fund, the Printing Fund, the County Garage Fund, Property, Casualty, Liability Insurance Fund, the Workers' Compensation Insurance Fund, the Medical / Dental Insurance Fund, and the Management Information Systems Fund had net incomes of \$5,360, \$39,552, \$53,333, \$105,473, \$403,704, \$1,462,816, \$678,678, and \$278,711 respectively. The Community Food and the Telecommunications Funds had net losses of \$117,345 and \$16,791 respectively.

Fiduciary Operations - The County collects and distributes all property taxes for all the taxing authorities within the County, including cities, townships and school districts. It is also responsible for collecting numerous fines and payroll deductions and disbursing those funds to third parties. The County participates in Public Employees' Retirement Association, a statewide pension plan, which is administered by the State of Minnesota. Contributions from both the employee and the County are forwarded to the State Office. All payments to retired employees are made by that Office.

Administration of Bonded Debt - As of December 31, 1995 St. Louis County had nine bond issues outstanding: \$150,000 General Obligation New Money Issue Bond for renovation of the Nopeming Nursing Home; \$2,920,000 Full Crossover Advance Refunding of 1989 General Obligation Solid Waste Bonds; \$8,835,000 General Obligation Solid Waste Bonds; \$875,000 General Obligation Recycling Facility Refunding Bonds; \$13,865,000 Jail Revenue Bonds (St. Louis County Unlimited Tax Lease Obligations) and \$1,580,000 Arrowhead Juvenile Center Remodeling Bonds.

All of St. Louis County's Bonds are "A" rated by Moody's Investor's Service. Under current State law, the County's general obligation bonded debt issuance is limited to two percent of the market value of taxable property in the County. Market value for 1995 was \$4,806,552,900. The amount of general obligation debt applicable to the debt limit is \$24,331,594 (\$28,225,000 principal outstanding less \$688,858 fund balance in debt service funds and \$3,204,548 restricted assets in applicable enterprise funds).

Capital Improvements - The Capital Projects Funds were established as a means of controlling and accounting for capital improvements for the General and Special Revenue Funds. Capital projects for 1994 consisted of improvements to courthouses and other County buildings, as well as continuing construction on a new County jail facility.

Awards From Government Finance Officers Association

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Louis County for its comprehensive annual financial report for the fiscal year ended December 31, 1994.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. St. Louis County has received a Certificate of Achievement for the last seven consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for the 1994 annual approved budget. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

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 Report 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 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 - I would like to express my appreciation to the employees of Auditor's Accounting and Financial Division and the Social Services Department for their dedication and cooperation in a timely manner during the preparation of this report. I am grateful to the County Board of Commissioners and to the Administration Department 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. Many other County departments also extended cooperation to my office during this time and I thank them also.

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,

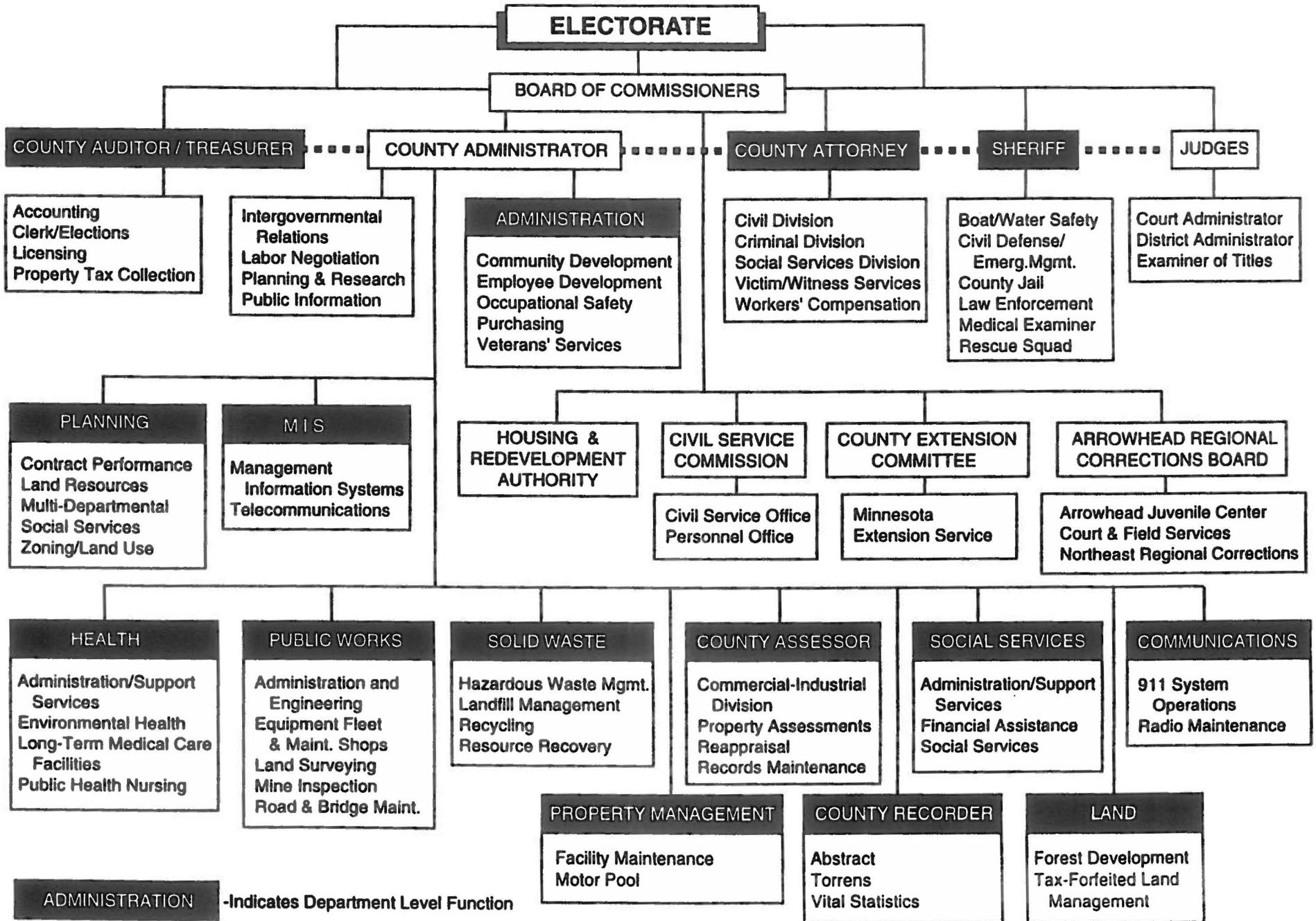


Gordon D. McFaul
County Auditor

**St. Louis County
Elected and Appointed Officials
as of December 31, 1995**

Office	Name	Term
Commissioners:		
1st District	Will Mattson	Jan. 1993 Jan. 1997
2nd District	Marilyn A. Krueger	Jan. 1995 Jan. 1999
3rd District	William Kron	Jan. 1993 Jan. 1997
4th District	Mike Forsman	Jan. 1995 Jan. 1999
5th District	Martin Lepak	Jan. 1993 Jan. 1997
6th District	Liz Prebich	Jan. 1995 Jan. 1999
7th District	Steve Raukar	Jan. 1993 Jan. 1997
Elected Officers:		
Attorney	Alan L. Mitchell	Jan. 1995 Jan. 1999
Auditor-Treasurer	Gordon D. McFaul	Jan. 1995 Jan. 1999
Sheriff	Gary Waller	Jan. 1995 Jan. 1999
Judges:		
District Court	David E. Ackerson	Jan. 1991 Jan. 1997
District Court	Robert F. Berger	Jan. 1991 Jan. 1997
District Court	To Be Appointed*	Jan. 1987 Jan. 1999
District Court	Donovan W. Frank	Jan. 1987 Jan. 1999
District Court	Terry C. Hallenbeck	Mar. 1995 Jan. 1997
District Court	Robert E. Macaulay	Mar. 1995 Jan. 1997
District Court	Gerald C. Martin	Jan. 1987 Jan. 1999
District Court	John T. Oswald	Jan. 1987 Jan. 1999
District Court	Gary J. Pagliaccetti	Jun. 1991 Jan. 1997
District Court	Carol Person	Nov. 1993 Jan. 1997
District Court	Jeffrey S. Rantala	Jan. 1995 Jan. 2001
District Court	Ken Sandvik	Jan. 1987 Jan. 1999
District Court	Jeanne Sederberg	Jun. 1995 Jan. 2001
District Court	Galen C. Wilson	Jan. 1987 Jan. 1999
District Court	Dale Wolf	Jan. 1991 Jan. 1997
Appointed Officers:		
Administrator	John J. Kachmar, Jr.	
Assessor	To Be Appointed*	
Civil Service Director	Anthony Bruno, Jr.	
Court Administrator	Gloria Pothast	
Management Informations Systems Director	Martin Buscombe	
Emergency Communications Director	Nancy Pollock	
Examiner of Titles	Robert C. Brown	
Health and Long-Term Care Director	Carol Thibault	
Highway Engineer	Richard Hansen	
Land Commissioner	John J. Vogel	
Purchasing Agent	To Be Appointed	
Recorder	Mark Monacelli	
Social Services Director	Linda Anderson	
Solid Waste Director	Theodore Troolin	
*New appointments in 1996:		
Assessor	Mary Durward	
District Court Judge	Heather Sweetland	Feb. 1996 Jan. 1999

St. Louis County Organizational Summary



Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. Louis County,
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1994

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Timothy H. Rividan
President

Jeffrey L. Essler
Executive Director

FINANCIAL --
General Purpose Financial Statements



STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

SUITE 400
525 PARK STREET
SAINT PAUL 55103

JUDITH H. DUTCHER
STATE AUDITOR

(612) 296-2551 (Voice)
(612) 297-5353 (TDD)

INDEPENDENT AUDITOR'S REPORT

**Board of County Commissioners
St. Louis County**

We have audited the accompanying general purpose financial statements of St. Louis County, Minnesota, as of and for the year ended December 31, 1995, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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, as of December 31, 1995, and the results of its operations and the cash flows of its proprietary fund types 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. The combining, individual fund, and account group financial statements, and the supplementary schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of St. Louis County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



In accordance with *Government Auditing Standards*, we are issuing a report dated May 17, 1996, on our consideration of St. Louis County's internal control structure and a report dated May 17, 1996, on its compliance with laws and regulations.


JUDITH H. DUTCHER
STATE AUDITOR


GREG HIERLINGER, CPA
ASSISTANT STATE AUDITOR

May 17, 1996

General Purpose Financial Statements

**Combined Balance Sheet - All Fund Types and Account Groups
(Exhibit I)**

**Combined Statement of Revenues, Expenditures, and Changes in Fund
Balances - All Governmental Fund Types and Expendable Trust Funds
(Exhibit II)**

**Combined Statement of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual - General, Special Revenue,
and Debt Service Fund Types
(Exhibit III)**

**Combined Statement of Revenues, Expenses, and Changes in Retained
Earnings - All Proprietary Fund Types
(Exhibit IV)**

**Combined Statement of Cash Flows - All Proprietary Fund Types
(Exhibit V)**

ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1995

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Cash and cash equivalents	\$ 10,983,419	\$ 9,372,093	\$ 667,937	\$ 858,869
Assets held by escrow agent	278,986	-	-	-
Investments	-	-	-	56,420
Invested employee contribution	-	-	-	-
Receivables				
Taxes				
Unapportioned	668,234	638,199	17,065	13,564
Delinquent	1,349,131	1,874,856	38,562	43,984
Accounts	64,134	723,374	-	-
Accrued interest	347,298	-	-	-
Loans	1,494,157	125,000	-	-
Due from other funds	-	27	-	-
Interfund receivable	4,563,707	-	-	-
Due from other governments	786,410	12,167,612	-	-
Inventories	-	1,604,428	-	-
Prepaid items	-	-	-	-
Restricted assets				
Improvement account				
Cash and cash equivalents	-	-	-	-
Debt service				
Cash and cash equivalents	-	-	-	-
Assets held by escrow agent	-	-	-	-
Receivables				
Taxes				
Unapportioned	-	-	-	-
Delinquent	-	-	-	-
Accrued interest	-	-	-	-
Financial assurance				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables				
Accrued interest	-	-	-	-
Fixed assets (net)	-	-	-	-
Amount available in general fund	-	-	-	-
Amount available in special revenue funds	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount available in trust fund	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
Amount to be provided for compensated absences	-	-	-	-
	-	-	-	-
Total Assets and Other Debits	\$ 20,535,476	\$ 26,505,589	\$ 723,564	\$ 972,837

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

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 5,251,740	\$ 2,632,302	\$ 12,929,793	\$ -	\$ -	\$ 42,696,153
-	-	-	-	-	278,986
4,250,000	17,355,736	15,812,905	-	-	37,475,061
-	-	35,547,725	-	-	35,547,725
57,800	52	6,721	-	-	1,401,635
53,626	394	18,421	-	-	3,378,974
3,900,790	197,744	7,214,050	-	-	12,100,092
60,017	188,851	19,000	-	-	615,166
-	-	-	-	-	1,619,157
-	19,565	-	-	-	19,592
-	-	-	-	-	4,563,707
32,575	143,602	1,426,891	-	-	14,557,090
145,100	194,390	-	-	-	1,943,918
-	174,250	-	-	-	174,250
71,055	-	-	-	-	71,055
370,319	-	-	-	-	370,319
2,846,398	-	-	-	-	2,846,398
24,305	-	-	-	-	24,305
53,090	-	-	-	-	53,090
10,687	-	-	-	-	10,687
1,212,173	-	-	-	-	1,212,173
587,417	-	-	-	-	587,417
529	-	-	-	-	529
15,102,229	3,935,105	-	98,098,842	-	117,136,176
-	-	-	-	330,148	330,148
-	-	-	-	594,550	594,550
-	-	-	-	688,858	688,858
-	-	-	-	37,071	37,071
-	-	-	-	19,242,380	19,242,380
-	-	-	-	20,675,414	20,675,414
<u>\$ 34,029,850</u>	<u>\$ 24,841,991</u>	<u>\$ 72,975,506</u>	<u>\$ 98,098,842</u>	<u>\$ 41,568,421</u>	<u>\$ 320,252,076</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1995

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Equity and Other Credits				
Liabilities				
Accounts payable	\$ 790,242	\$ 4,482,013	\$ -	\$ 266,049
Salaries payable	773,684	844,973	-	-
Compensated absences payable	226,216	269,702	-	-
Deferred compensation payable	-	-	-	-
Claims payable	-	-	-	-
Unapportioned taxes payable	-	-	-	-
Due to other funds	27	-	-	19,565
Interfund payable	-	211,704	-	-
Due to other governments	303,181	2,844,599	-	-
Deferred revenue	2,280,446	5,793,000	34,706	39,585
Capital leases payable	-	-	-	-
Payable from restricted assets				
Due to other governments	-	-	-	-
Accrued interest payable	-	-	-	-
Deferred revenue	-	-	-	-
Bonds payable	-	-	-	-
Compensated absences payable - long term	-	-	-	-
Loans payable	-	-	-	-
Claims payable - long term	-	-	-	-
Capital leases payable - long term	-	-	-	-
General obligation bonds	-	-	-	-
General obligation revenue bonds payable	-	-	-	-
Customer deposits	-	-	-	-
Closure and post-closure liabilities	-	-	-	-
Tax lease obligations payable	-	-	-	-
Total Liabilities	\$ 4,373,796	\$ 14,445,991	\$ 34,706	\$ 325,199

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

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 621,750	\$ 364,298	\$ 1,078,756	\$ -	\$ -	\$ 7,603,108
556,974	102,646	180,061	-	-	2,458,338
74,298	25,167	14,023	-	-	609,406
-	-	35,547,725	-	-	35,547,725
-	2,354,569	-	-	-	2,354,569
-	-	1,425,940	-	-	1,425,940
-	-	-	-	-	19,592
4,352,003	-	-	-	-	4,563,707
99,830	12,291	23,646,540	-	30,000	26,936,441
195,052	300,969	7,170,760	-	-	15,814,518
-	12,356	-	-	-	12,356
1,212,515	-	-	-	-	1,212,515
52,470	-	-	-	-	52,470
47,781	-	-	-	-	47,781
1,065,000	-	-	-	-	1,065,000
3,253,108	1,278,681	-	-	21,637,183	26,168,972
-	-	-	-	19,685	19,685
-	2,370,778	-	-	-	2,370,778
-	21,622	-	-	3,561,553	3,583,175
-	-	-	-	1,580,000	1,580,000
10,671,271	-	-	-	875,000	11,546,271
23,550	-	-	-	-	23,550
627,035	-	-	-	-	627,035
-	-	-	-	13,865,000	13,865,000
\$ 22,852,637	\$ 6,843,377	\$ 69,063,805	\$ -	\$ 41,568,421	\$ 159,507,932

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1995

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Equity and Other Credits (continued)				
Equity and Other Credits				
Contributed capital	\$ -	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-	-
Retained earnings				
Reserved for improvements	-	-	-	-
Reserved for capital acquisition	-	-	-	-
Reserved for post-closure	-	-	-	-
Unreserved	-	-	-	-
Fund Balance				
Reserved for change funds	20,505	16,000	-	-
Reserved for noncurrent loans	540,084	125,000	-	-
Reserved for conference fund	-	9,317	-	-
Reserved for economic development	412,045	-	-	-
Reserved for inventories	-	1,604,428	-	-
Reserved for encumbrances	605,604	757,965	-	-
Reserved for health and welfare	706,969	750,796	-	-
Reserved for law library	79,162	-	-	-
Reserved for recorder's equipment	30,215	-	-	-
Reserved for debt service	278,986	-	-	-
Reserved for foster care insurance	-	6,000	-	-
Reserved for senior citizens transportation	-	41,637	-	-
Reserved for unorganized town roads	-	11,276	-	-
Reserved for veterans credit	-	-	-	-
Reserved for communications	92,989	-	-	-
Unreserved				
Designated for parking	135,925	-	-	-
Designated for medical care	1,443,701	-	-	-
Designated for vested sick leave	330,148	594,550	-	-
Designated for cash flow	2,959,167	3,208,388	-	-
Undesignated	8,526,180	4,934,241	688,858	647,638
Total Equity and Other Credits	\$ 16,161,680	\$ 12,059,598	\$ 688,858	\$ 647,638
Total Liabilities, Equity, and Other Credits	\$ 20,535,476	\$ 26,505,589	\$ 723,564	\$ 972,837

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

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 1,657,038	\$ 2,937,218	\$ -	\$ -	\$ -	\$ 4,594,256
-	-	-	98,098,842	-	98,098,842
71,055	-	-	-	-	71,055
-	174,250	-	-	-	174,250
587,604	-	-	-	-	587,604
8,861,516	14,887,146	-	-	-	23,748,662
-	-	-	-	-	36,505
-	-	-	-	-	665,084
-	-	-	-	-	9,317
-	-	-	-	-	412,045
-	-	-	-	-	1,604,428
-	-	41,717	-	-	1,405,286
-	-	47,146	-	-	1,504,911
-	-	-	-	-	79,162
-	-	-	-	-	30,215
-	-	-	-	-	278,986
-	-	-	-	-	6,000
-	-	-	-	-	41,637
-	-	-	-	-	11,276
-	-	15,000	-	-	15,000
-	-	-	-	-	92,989
-	-	-	-	-	135,925
-	-	-	-	-	1,443,701
-	-	37,071	-	-	961,769
-	-	-	-	-	6,167,555
-	-	3,770,767	-	-	18,567,684
<u>\$ 11,177,213</u>	<u>\$ 17,998,614</u>	<u>\$ 3,911,701</u>	<u>\$ 98,098,842</u>	<u>\$ -</u>	<u>\$ 160,744,144</u>
<u>\$ 34,029,850</u>	<u>\$ 24,841,991</u>	<u>\$ 72,975,506</u>	<u>\$ 98,098,842</u>	<u>\$ 41,568,421</u>	<u>\$ 320,252,076</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
YEAR ENDED DECEMBER 31, 1995

	Governmental Fund Types	
	General	Special Revenue
Revenues		
Taxes	\$ 27,897,478	\$ 35,954,840
Licenses and permits	114,140	17,045
Intergovernmental	11,476,258	70,865,455
Charges for services	4,843,939	1,885,994
Fines and forfeits	830,224	-
Interest on investments	2,772,341	-
Gifts and contributions	14,516	-
Land and timber sales	-	-
Miscellaneous	638,384	1,862,298
Total Revenues	\$ 48,587,280	\$ 110,585,632
Expenditures		
Current:		
General government	\$ 18,167,248	\$ -
Public safety	15,235,088	-
Highways and streets	-	36,621,111
Health	5,777,993	-
Welfare	271,051	61,499,155
Culture and recreation	696,430	-
Conservation of natural resources	695,958	-
Economic development	200	7,350,764
Capital Outlay:		
General government	185,185	-
Public safety	382,847	-
Highways and streets	-	3,177,789
Health	48,001	-
Welfare	-	97,059
Conservation of natural resources	17,482	-
Debt Service:		
Principal	98,594	247,668
Interest and fiscal charges	30,581	81,955
Intergovernmental:		
Public safety	5,669,657	-
Total Expenditures	\$ 47,276,315	\$ 109,075,501
Excess of Revenues Over (Under) Expenditures	\$ 1,310,965	\$ 1,510,131
Other Financing Sources (Uses)		
Operating transfers in	\$ 67,411	\$ 10,000
Operating transfers out	(20,000)	(2,047,008)
Bond proceeds	1,491,034	-
Total Other Financing Sources (Uses)	\$ 1,538,445	\$ (2,037,008)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 2,849,410	\$ (526,877)
Fund Balance - January 1 - As Restated	13,228,013	12,370,505
Residual equity transfer in	84,257	-
Increase (decrease) in reserve for inventories	-	215,970
Fund Balance - December 31	\$ 16,161,680	\$ 12,059,598

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

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Fund Type Expendable Trust</u>	<u>Total (Memorandum Only)</u>
\$ 946,387	\$ 627,865	\$ 1,156,873	\$ 66,583,443
-	-	-	131,185
306,556	204,463	122,459	82,975,191
-	-	3,996	6,733,929
-	-	-	830,224
677	84,590	6,306	2,863,914
-	-	-	14,516
-	-	3,962,338	3,962,338
-	-	675,097	3,175,779
<u>\$ 1,253,620</u>	<u>\$ 916,918</u>	<u>\$ 5,927,069</u>	<u>\$ 167,270,519</u>
\$ -	\$ -	\$ 260,623	\$ 18,427,871
-	-	104,510	15,339,598
-	-	-	36,621,111
-	-	-	5,777,993
-	-	-	61,770,206
-	-	-	696,430
-	-	4,849,650	5,545,608
-	-	-	7,350,964
-	433,695	-	618,880
-	2,367,311	-	2,750,158
-	595,500	-	3,773,289
-	-	-	48,001
-	-	-	97,059
-	-	-	17,482
2,835,000	30,000	-	3,211,262
896,858	-	-	1,009,394
-	-	-	5,669,657
<u>\$ 3,731,858</u>	<u>\$ 3,426,506</u>	<u>\$ 5,214,783</u>	<u>\$ 168,724,963</u>
\$ (2,478,238)	\$ (2,509,588)	\$ 712,286	\$ (1,454,444)
\$ 2,385,000	\$ 20,000	\$ -	\$ 2,482,411
-	(410,000)	(5,403)	(2,482,411)
88,966	-	-	1,580,000
<u>\$ 2,473,966</u>	<u>\$ (390,000)</u>	<u>\$ (5,403)</u>	<u>\$ 1,580,000</u>
\$ (4,272)	\$ (2,899,588)	\$ 706,883	\$ 125,556
693,130	3,547,226	3,204,818	33,043,692
-	-	-	84,257
-	-	-	215,970
<u>\$ 688,858</u>	<u>\$ 647,638</u>	<u>\$ 3,911,701</u>	<u>\$ 33,469,475</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPES
YEAR ENDED DECEMBER 31, 1995

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$ 27,485,292	\$ 27,897,478	\$ 412,186
Licenses and permits	114,530	114,140	(390)
Intergovernmental	12,132,387	11,476,258	(656,129)
Charges for services	5,158,159	4,843,939	(314,220)
Fines and forfeits	822,929	830,224	7,295
Interest on investments	1,704,072	2,772,341	1,068,269
Gifts and contributions	-	14,516	14,516
Miscellaneous	271,709	638,384	366,675
Total Revenues	\$ 47,689,078	\$ 48,587,280	\$ 898,202
Expenditures			
Current:			
General government	\$ 18,589,179	\$ 18,170,528	\$ 418,651
Public safety	15,539,278	15,257,509	281,769
Highways and streets	-	-	-
Health	6,374,704	5,749,861	624,843
Welfare	563,401	271,051	292,350
Culture and recreation	696,900	696,430	470
Conservation of natural resources	895,995	695,882	200,113
Economic development	200	200	-
Capital outlay:			
General government	241,670	223,927	17,743
Public safety	852,326	831,934	20,392
Highway and streets	-	-	-
Health	94,926	63,394	31,532
Welfare	-	-	-
Conservation of natural resources	32,040	24,530	7,510
Debt service:			
Principal	98,594	98,594	-
Interest and fiscal charges	30,645	30,581	64
Intergovernmental:			
Public safety	5,669,657	5,669,657	-
Total Expenditures	\$ 49,679,515	\$ 47,784,078	\$ 1,895,437
Excess of Revenues Over (Under) Expenditures	\$ (1,990,437)	\$ 803,202	\$ 2,793,639
Other Financing Sources (Uses)			
Operating transfers in	\$ 67,411	\$ 67,411	\$ -
Operating transfers out	(20,000)	(20,000)	-
Bond proceeds	1,491,034	1,491,034	-
Total Other Financing Sources (Uses)	\$ 1,538,445	\$ 1,538,445	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (451,992)	\$ 2,341,647	\$ 2,793,639
Adjustments-Note 1	-	507,763	507,763
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses as Adjusted	\$ (451,992)	\$ 2,849,410	\$ 3,301,402
Fund Balance - January 1 - As Restated	13,228,013	13,228,013	-
Residual equity transfer in	-	84,257	84,257
Increase (decrease) in reserve for inventories	-	-	-
Fund Balance - December 31	\$ 12,776,021	\$ 16,161,680	\$ 3,385,659

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

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 35,744,905	\$ 35,954,840	\$ 209,935	\$ 983,946	\$ 946,387	\$ (37,559)
15,000	17,045	2,045	-	-	-
78,470,623	70,865,455	(7,605,168)	297,756	306,556	8,800
1,617,358	1,885,994	268,636	-	-	-
-	-	-	-	677	677
-	-	-	-	-	-
1,566,636	1,862,298	295,662	-	-	-
<u>\$ 117,414,522</u>	<u>\$ 110,585,632</u>	<u>\$ (6,828,890)</u>	<u>\$ 1,281,702</u>	<u>\$ 1,253,620</u>	<u>\$ (28,082)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37,123,175	36,490,722	632,453	-	-	-
63,253,343	61,557,753	1,695,590	-	-	-
-	-	-	-	-	-
14,646,999	7,338,430	7,308,569	-	-	-
-	-	-	-	-	-
2,892,929	2,947,347	(54,418)	-	-	-
163,482	123,507	39,975	-	-	-
-	-	-	-	-	-
247,668	247,668	-	2,835,000	2,835,000	-
81,955	81,955	-	896,858	896,858	-
-	-	-	-	-	-
<u>\$ 118,409,551</u>	<u>\$ 108,787,382</u>	<u>\$ 9,622,169</u>	<u>\$ 3,731,858</u>	<u>\$ 3,731,858</u>	<u>\$ -</u>
\$ (995,029)	\$ 1,798,250	\$ 2,793,279	\$ (2,450,156)	\$ (2,478,238)	\$ (28,082)
\$ 10,000	\$ 10,000	\$ -	\$ 2,385,000	\$ 2,385,000	\$ -
(2,047,008)	(2,047,008)	-	-	-	-
-	-	-	-	88,966	88,966
<u>\$ (2,037,008)</u>	<u>\$ (2,037,008)</u>	<u>\$ -</u>	<u>\$ 2,385,000</u>	<u>\$ 2,473,966</u>	<u>\$ 88,966</u>
\$ (3,032,037)	\$ (238,758)	\$ 2,793,279	\$ (65,156)	\$ (4,272)	\$ 60,884
-	(288,119)	(288,119)	-	-	-
\$ (3,032,037)	\$ (526,877)	\$ 2,505,160	\$ (65,156)	\$ (4,272)	\$ 60,884
12,370,505	12,370,505	-	693,130	693,130	-
-	-	-	-	-	-
-	215,970	215,970	-	-	-
<u>\$ 9,338,468</u>	<u>\$ 12,059,598</u>	<u>\$ 2,721,130</u>	<u>\$ 627,974</u>	<u>\$ 688,858</u>	<u>\$ 60,884</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ALL PROPRIETARY TYPE FUNDS
YEAR ENDED DECEMBER 31, 1995

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
Operating Revenues			
Charges for services	\$ 24,363,174	\$ 22,488,504	\$ 46,851,678
Licenses and permits	1,600	-	1,600
Other	282,744	493,409	776,153
Total Operating Revenues	<u>\$ 24,647,518</u>	<u>\$ 22,981,913</u>	<u>\$ 47,629,431</u>
Operating Expenses			
Personal services	\$ 16,136,428	\$ 3,834,793	\$ 19,971,221
Contractual services	6,967,611	14,768,922	21,736,533
Materials	2,041,200	1,586,414	3,627,614
Depreciation	1,290,803	891,644	2,182,447
Other	47,343	-	47,343
Total Operating Expenses	<u>\$ 26,483,385</u>	<u>\$ 21,081,773</u>	<u>\$ 47,565,158</u>
Operating Income (Loss)	<u>\$ (1,835,867)</u>	<u>\$ 1,900,140</u>	<u>\$ 64,273</u>
Nonoperating Revenues (Expenses)			
Taxes	\$ 1,671,091	\$ 180	\$ 1,671,271
Grants	571,657	-	571,657
Interest on investments	553,211	1,005,746	1,558,957
Interest expense	(715,470)	-	(715,470)
Amortization of bond discount	(34,458)	-	(34,458)
Disposition of fixed assets	(1,518)	(12,575)	(14,093)
Total Nonoperating Revenues (Expenses)	<u>\$ 2,044,513</u>	<u>\$ 993,351</u>	<u>\$ 3,037,864</u>
Net Income (Loss)	<u>\$ 208,646</u>	<u>\$ 2,893,491</u>	<u>\$ 3,102,137</u>
Retained Earnings - January 1 - Restated	9,311,529	12,252,162	21,563,691
Residual equity transfer out	-	(84,257)	(84,257)
Retained Earnings - December 31	<u>\$ 9,520,175</u>	<u>\$ 15,061,396</u>	<u>\$ 24,581,571</u>

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

ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 1995

	Enterprise	Internal Service	Total (Memorandum Only)
Cash Flows From Operating Activities			
Operating Income (Loss)	\$ (1,835,867)	\$ 1,900,140	\$ 64,273
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation	1,290,803	891,644	2,182,447
Changes in Assets and Liabilities			
(Increase) Decrease in accounts receivable	450,981	469,143	920,124
(Increase) Decrease in due from other funds	-	(19,551)	(19,551)
(Increase) Decrease in due from other governments	224,119	(97,877)	126,242
(Increase) Decrease in inventories	(584)	27,916	27,332
(Increase) Decrease in prepaid items	-	(124,298)	(124,298)
Increase (Decrease) in accounts payable	(36,479)	(90,183)	(126,662)
Increase (Decrease) in salaries payable	178,545	13,854	192,399
Increase (Decrease) in compensated absences payable	211,002	(136,303)	74,699
Increase (Decrease) in claims payable	-	(15,079)	(15,079)
Increase (Decrease) in closure liabilities	260,895	-	260,895
Increase (Decrease) in due to other governments	(261,940)	(98,269)	(360,209)
Increase (Decrease) in deferred revenue	(81,893)	200,867	118,974
Increase (Decrease) in customer deposits	2,525	-	2,525
Net Cash Provided by Operating Activities	\$ 402,107	\$ 2,922,004	\$ 3,324,111
Cash Flows From Noncapital Financing Activities			
Proceeds from taxes	\$ 1,652,793	\$ 534	\$ 1,653,327
Proceeds from grants	571,657	-	571,657
Payments of interfund loan	(1,648,258)	-	(1,648,258)
Proceeds from interfund loan	4,352,003	-	4,352,003
Net Cash Provided by Noncapital Financing Activities	\$ 4,928,195	\$ 534	\$ 4,928,729
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	\$ (1,157,764)	\$ (1,064,234)	\$ (2,221,998)
Principal paid on bonds	(1,760,000)	-	(1,760,000)
Interest paid on bonds	(723,273)	-	(723,273)
Payments of capital leases	-	(14,689)	(14,689)
Proceeds from sale of equipment	12,743	33,552	46,295
Net Cash Provided by Capital and Related Financing Activities	\$ (3,628,294)	\$ (1,045,371)	\$ (4,673,665)
Cash Flows From Investing Activities			
Purchase of investments	\$ (52,003,266)	\$ (79,466,840)	\$ (131,470,106)
Sale of investments	47,167,644	76,493,365	123,661,009
Interest on investments	493,196	984,845	1,478,041
Net Cash Provided by Investing Activities	\$ (4,342,426)	\$ (1,988,630)	\$ (6,331,056)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (2,640,418)	\$ (111,463)	\$ (2,751,881)
Cash and Cash Equivalents - January 1	9,545,705	2,743,765	12,289,470
Cash and Cash Equivalents - December 31	\$ 6,905,287	\$ 2,632,302	\$ 9,537,589

Non-Cash Activities

\$200,994 of assets previously classified as inventory in the Laundry Internal Service Fund were reclassified as fixed assets.

\$1,329,611 of fixed assets in the County Garage Internal Service Fund were transferred to the General Fixed Assets Account Group.

\$84,257 of retained earnings was shown as a residual equity transfer out of the Property, Casualty, Liability Internal Service Fund to the General Fund.

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

Reader's notes:

**NOTES TO THE
FINANCIAL STATEMENTS**

St. Louis County, Minnesota
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 December 31, 1995

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St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

Note 1. Summary of Significant Accounting Policies

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

St. Louis County was established March 1, 1856 as an organized county having powers, duties, and privileges granted counties by Minn. Stat. §373 (1994). 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 chair and vice-chair 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.

As a result of applying the Governmental Accounting Standards Board (GASB) Statement 14 criteria for determining the reporting entity, the following organization has been included in the County's financial statements:

St. Louis County Housing and Redevelopment Authority (Blended Component Unit)

The St. Louis County Housing and Redevelopment Authority is headed by a Board comprising all members of the St. Louis County Board of Commissioners. It was established for the purpose of conducting housing and economic development services for St. Louis County. The County Administrator is the Executive Director of the Authority. The Authority follows the same accounting policies as the County and has no employees. A tax is levied by the Authority, subject to a maximum amount established by the County Board, on

certain areas within the County to help support the activities of the Authority.

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.

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

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

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.

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 the Financial Statements
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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 market 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.

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:

Building and structures	50 years
Improvements other than buildings	10 - 20 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-

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

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 sixty 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 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 in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, and other long-term obligations which are recognized when paid. The current portions of compensated

absences are recognized as fund liabilities. Non-current earned but unpaid vacation, vested sick leave, and unvested sick leave likely to become vested, are shown in the General Long-Term Debt Account Group.

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. Pursuant to Governmental Accounting Standards Board Statement No. 20, the Authority has elected not to apply accounting standards issued after November 30, 1989, by the Financial Accounting Standards Board.

E. Budgetary Data

General Budget Policies

The County is required by Minn. Stat. §383C (1994), to adopt a budget for all governmental funds. The General, Special Revenue and Debt Service Funds' budgets are prepared on the modified accrual basis of accounting plus encumbrances. The legal level of control is by department.

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.

Procedure for Preparing the Annual Budget

1. Early 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.

St. Louis County, Minnesota
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2. 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 prior to September 15, in order to certify the proposed property tax levy to the County Auditor as required by law.
6. The County Board holds formal public hearings on the proposed budget, and adopts the final budget on or before December 28.

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 \$2,031,809. Each department head has control over the individual department and may overspend line items so long as the total departmental expenditures do not exceed the total departmental appropriation. No public aid assistance may be used for operations, and the budgeted number of personnel for each department may not be exceeded at any time. All appropriations, except those in 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.

Budget Basis of Accounting

Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year in which the commitment to purchase is incurred. Budget to actual comparisons in this report are on this budgetary basis.

St. Louis County, Minnesota
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Adjustments necessary to convert actual expenditures reported on the budgetary basis on Exhibit III to the GAAP basis as reported on Exhibit II are:

	(Amounts in Dollars)				
	Reserved for Encumbrances 12-31-95	Expenditures in 1995 from 1994 Encumbrances	Total Exhibit III Adjustment	Exhibit III Expenditures	Exhibit II Expenditures
General Fund	<u>(605,604)</u>	<u>97,841</u>	<u>(507,763)</u>	<u>47,784,078</u>	<u>47,276,315</u>
Special Revenue					
Babbitt Facility	-	-	-	3,937	3,937
County Housing Authority	(1,147)	15,000	13,853	45,089	58,942
Community Development Block Grant	-	(1,519)	(1,519)	5,912,334	5,910,815
Northeast Minnesota Housing Consortium	-	-	-	1,377,070	1,377,070
Road and Bridge	(662,333)	1,023,164	360,831	39,438,069	39,798,900
Social Services	<u>(94,485)</u>	<u>9,439</u>	<u>(85,046)</u>	<u>62,010,883</u>	<u>61,925,837</u>
Total Special Revenue Funds	<u>(757,965)</u>	<u>1,046,084</u>	<u>288,119</u>	<u>108,787,382</u>	<u>109,075,501</u>

St. Louis County, Minnesota
Notes to the Financial Statements
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F. Accounting Changes

Fund Reclassifications

As of January 1, 1995, the County determined that the activities of the County Insurance Internal Service Fund should be reclassified into its various components: Property, Casualty Liability Insurance Internal Service Fund, Workers' Compensation Insurance Internal Service Fund, and Medical / Dental Insurance Internal Service Fund.

(Amounts in Dollars)

	Retained Earnings January 1, 1995 as Previously Reported	Reclassification	Retained Earnings January 1, 1995 as Reclassified
Internal Service Funds			
Community Food	603,662	-	603,662
Laundry	32,168	-	32,168
Supervised Living Facilities	(37,642)	-	(37,642)
Printing	291,274	-	291,274
County Garage	(1,521,094)	-	(1,521,094)
County Insurance	9,335,856	(9,335,856)	-
Property, Casualty Liability Insurance	-	2,536,277	2,536,277
Workers' Compensation Insurance	-	985,317	985,317
Medical / Dental Insurance	-	5,814,262	5,814,262
Management Information Systems	(81,353)	-	(81,353)
Telecommunications	718,085	-	718,085
	<u>9,340,956</u>	<u>-</u>	<u>9,340,956</u>

Fund Restatements

As of January 1, 1995, the County determined that receivables and the related revenue for the year ended December 31, 1994 were overstated in the Social Services Special Revenue Fund. The fund balance as of January 1, 1995 was restated to reflect this change.

As of January 1, 1995, the County determined that accumulated depreciation and depreciation expense for the year ended December 31, 1994 was understated in the Solid Waste Management Enterprise Fund. The retained earnings as of January 1, 1995 was restated to reflect this change.

As of January 1, 1995, the County determined that the fixed assets in the Laundry Internal Service Fund were overstated. The retained earnings as of January 1, 1995, was restated to reflect this change.

As of January 1, 1995, the County determined that previously reported fixed assets shown as contributed capital in the County Garage Internal Service Fund should have been included in the General Fixed Assets Account Group. This resulted in a restatement of the County Garage Internal Service Fund retained earnings and an increase in the General Fixed Assets Account Group of \$1,329,611.

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As of January 1, 1995, the County determined that receivables and the related revenues for the year ended December 31, 1994 were understated in the Medical / Dental Insurance Internal Service Fund. The retained earnings as of January 1, 1995 was restated to reflect this change.

As of January 1, 1995, the County determined that liabilities and the related expenditures for the year ended December 31, 1994 were overstated in the Social Services Special Revenue Fund. The fund balance as of January 1, 1995 was restated to reflect this change.

As of January 1, 1995, the County determined that the claims payable liability and the related expenses for the year ended December 31, 1994 were under and overstated in the Workers' Compensation Insurance and Medical / Dental Insurance Internal Service Funds, respectively. The retained earnings as of January 1, 1995 were restated to reflect these changes.

(Amounts in Dollars)			
Fund Balance / Retained Earnings January 1, 1995 as Previously Reported / Reclassified	(Over) Under Stated Assets	Over (Under) Stated Liabilities	Fund Balance / Retained Earnings January 1, 1995 as Restated
Special Revenue Funds			
Babbitt Facility	172,897	-	172,897
County Housing Authority	316,069	-	316,069
Community Development Block Grant	-	-	-
Northeast Minnesota Housing Consortium	-	-	-
Road and Bridge	6,312,054	-	6,312,054
Social Services	4,858,689	(194,271)	5,569,485
Total Special Revenue Funds	11,659,709	(194,271)	12,370,505
Enterprise Funds			
Chris Jensen	2,961,941	-	2,961,941
Nopeming	1,920,511	-	1,920,511
Solid Waste Management	4,959,381	(530,304)	4,429,077
Total Enterprise Funds	9,841,833	(530,304)	9,311,529
Internal Service Funds			
Community Food	603,662	-	603,662
Laundry	32,168	(37,838)	(5,670)
Supervised Living Facilities	(37,642)	-	(37,642)
Printing	291,274	-	291,274
County Garage	(1,521,094)	1,392,265	(128,829)
Property, Casualty Liability Insurance	2,536,277	-	2,536,277
Worker's Compensation Insurance	985,317	-	908,113
Medical / Dental Insurance	5,814,262	499,825	7,448,245
Management Information Systems	(81,353)	-	(81,353)
Telecommunications	718,085	-	718,085
Total Internal Service Funds	9,340,956	1,854,252	12,252,162

St. Louis County, Minnesota
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Account Reclassifications

Several account balances were reclassified as of and for the year ended December 31, 1994, 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, 1995. Although comparative statements for 1994 are not presented here, these reclassifications must be considered when comparing the financial statements of this report with those of prior reports.

G. Assets, Liabilities, and Equity Accounts

Assets

Cash and Cash Equivalents

Available cash balances from all funds are pooled and invested in accordance with Minnesota State Statutes. Each fund's share of the pool is shown on the financial statements as "Cash and Cash Equivalents." For proprietary fund-type statement of cash flows, all change funds and all highly liquid investments (including restricted assets) with a maturity of 3 months or less when purchased, are considered to be cash equivalents. Investments are stated at cost, except for the Deferred Compensation Agency Fund investments which are stated at market value.

Property Taxes

In September of each year the County Board certifies a proposed property tax levy to the County Auditor. Notices of proposed taxes are mailed to taxpayers informing them of the proposed tax on their property and of the time and location of a meeting at which the final property tax levy will be established by the

Board of County Commissioners. Subsequent to that meeting but within five business days of December 20 the Board certifies to the County Auditor, the final property tax levy, which generally cannot exceed the proposed levy.

The tax levy is spread on all taxable property based on the value of the property on the assessment date. At the time the taxes are spread they become a lien on the property as of the assessment date, although they do not become due and payable until the subsequent January 1. For the most part, taxpayers are allowed to pay the taxes in two equal installments on or before May 15 and October 15 without penalty. Revenues are accrued and recognized in the year collectable, net of delinquencies. Taxes which remain unpaid at December 31 are delinquent. Collections within sixty days after year-end are recognized as revenue and the balance offset by deferred revenue.

Inventories

Road and Bridge Special Revenue Fund inventories consist of expendable supplies held for consumption and are valued at cost using the moving average 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 enterprise funds' inventories consist of expendable supplies held for consumption and are recorded as an expense when used. Internal service funds' inventories consist of items for resale and consumption and are recorded as an expense when sold or used. Inventories are priced at the lower of cost or market on a first-in, first-out basis.

St. Louis County, Minnesota
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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 3.75 to 10.25 hours per biweekly pay period. Sick leave accrual is from 3.5 to 5.75 hours per biweekly pay period.

Unused accumulated vacation is paid to employees at termination. Vested sick leave is paid to employees at retirement or is used for the payment of employees' health insurance coverage during their retirement. Vacation, vested sick leave, and unvested sick leave likely to become vested, 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, vested sick leave, and unvested sick leave likely to become vested, are 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., reserved for health and welfare, in the appropriate funds. Fund balance in the governmental funds is designated for a portion of the funds' vested sick leave liability. Unvested sick leave of \$9,132,663 at December 31, 1995, is available to employees in the event of illness-related absences and is not reported in the financial statements.

In accordance with Governmental Accounting Standards Board's Statement No. 18,

Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, the County has accrued liabilities for future closure and postclosure costs associated with future closing of its Regional Landfill.

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of the balance sheet date. The \$627,035 for the open area reported on the Solid Waste Management Enterprise Fund Balance Sheet as landfill closure and postclosure liability at December 31, 1995 represents the following:

Postclosure liability	\$284,041
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This is the liability based on the use of 13.38% of the capacity of the new Regional Landfill (51.3% of the open area).

Closure liability	\$342,994
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This is the liability for closure costs for the new Regional Landfill. It is based on the use of 13.38% of the capacity of the landfill (51.3% of the open area).

The County will recognize the remaining costs of closure and postclosure care of \$595,257 as the remaining estimated capacity open area of the Regional Landfill is filled. The amounts are based on what it would cost to perform all closure and postclosure care in 1995. The County

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expects the landfill to be closed in 1998 or later. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a restricted account to finance closure and postclosure care of the last cell that will be accepting waste. The County is in compliance with these requirements, and at December 31, 1995 restricted assets of \$587,603 are included in the amounts shown on the Solid Waste Management Enterprise Fund balance sheet as Financial Assurance Restricted Assets - Cash and cash equivalents and Investments.

Financial assurance fund contributions necessary to accumulate these funds will be generated from service fees and tipping fees on solid waste, as well as from funds generated from the Greater Minnesota Landfill Cleanup fee. This fee is \$2.00 per cubic yard on solid waste dumped at the landfill.

Equity

Equity is divided into sections:

Contributed Capital accounts indicate permanent fund capital contributed to the Proprietary Funds.

Investment in General Fixed Assets account represents the County's equity in general fixed assets.

Retained Earnings accounts are subdivided:

Reserved Retained Earnings accounts indicate that portion of fund equity which has been legally segregated for specific purposes.

Unreserved Retained Earnings 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 available for appropriation..

Unreserved Designated Fund Balance accounts indicate that portion of fund equity that the County has tentatively set aside for future use.

Unreserved Undesignated Fund Balance accounts indicate that portion of fund equity which is available for budgeting and expending in future periods.

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 cash flows, 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. 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, 1994; the auditor's reports on compliance and internal accounting control will be issued separately.

St. Louis County, Minnesota
Notes to the Financial Statements
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Note 2. Stewardship, Compliance and Accountability

A. Deficit Retained Earnings

The following funds had deficit retained earnings at December 31, 1995:

Laundry Internal Service Fund	\$ 310
County Garage Internal Service Fund	23,356

The County expects that future annual net income will eliminate the deficit retained earnings in both the Laundry and the County Garage Internal Service Funds.

B. Uncollateralized Deposits

Statutes require collateral computed at its market value to be at least ten percent more than the amount on deposit. At December 31, 1995, there was insufficient collateral to cover deposits.

Note 3. Detailed Notes on all Funds and Account Groups

A. Assets

Deposits and Investments

Deposits

Minn. Stat. §118.005 (1994) 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, 1995, County deposits totaled \$41,278,057, of which \$14,107,215 were cash deposits and \$27,170,842 was invested in certificates of deposit.

Following is a summary of the deposits covered by insurance or collateral at December 31, 1995:

	(Amounts in Dollars)	
	Bank Balances	Carrying Amounts
Covered Deposits		
Insured or collateralized with securities held by the County or its agent in the County's name	580,224	589,541
Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name	40,921,158	40,688,516
Uncollateralized	3,948,567	-
Total Deposits	45,449,949	41,278,057

St. Louis County, Minnesota
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Investments

Minn. Stat. §475.66 (1994) 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 as described in Mn. Stat. §475.66 (1) (1994), 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 the County for investment:

1. governmental bonds, notes, bills, mortgages, and other securities which are direct obligations or are insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, excluding mortgage-backed securities that are defined as high risk pursuant to Subd. 5, or in certificates of deposit secured by letters of credit issued by federal home loan banks;
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 as shown in (i) securities described above, (ii) general obligation tax-exempt securities rated A or better by a national bond rating service, and (iii) 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. any security which is (a) a general obligation of the State of Minnesota or any of its municipalities or (b) general obligations of other state and local governments with taxing powers which are rated A or better by a national bond rating service, or (c) a general obligation of the Minnesota Housing Finance Agency, or (d) a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, or (e) a general or revenue obligation of any agency or authority of the State of Minnesota other than a general obligation of the Minnesota Housing Finance Agency. Investments under clauses (c) and (d) must be in obligations that are rated A or better by a national bond rating service and investments under clause (e) must be in obligations that are rated AA or better by a national bond rating service;
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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6. 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, (a), 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 (b) 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 of 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.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created.

Three levels of custodial 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;
- (2) securities that are uninsured and unregistered and are held by the counter party's trust department or agent in the County's name; and
- (3) securities that are uninsured and unregistered and are held by the counter party, or by its trust department or agent, but not in the County's name.

St. Louis County, Minnesota
Notes to the Financial Statements
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Following is a summary of the carrying values of the County's securities, categorized into the aforementioned levels of risk, along with the market values of the securities, at December 31, 1995.

(Amounts in Dollars)					
	(1)	Category (2)	(3)	Carrying Amount	Market Value
Investments					
U.S. Government securities	-	36,415,999	6,525,384	42,941,383	43,058,139
Add:					
Investments held by Trustees for deferred compensation				35,547,725	35,547,725
Deposits				41,278,057	41,278,057
Cash on hand				1,318,122	1,318,122
Total				121,085,287	121,202,043

Detail as shown on Combined Balance Sheet:

Current Assets:

Cash and cash equivalents	42,696,153
Assets held by escrow agent	278,986
Investments	37,475,061
Employee contributions	35,547,725

Restricted assets:

Improvements	
Cash and cash equivalents	71,055

Debt Service:

Cash and cash equivalents	370,319
Assets held by escrow agent	2,846,398

Financial Assurance:

Cash and Cash Equivalents	1,212,173
Investments	587,417

Total	121,085,287
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St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

The following is a reconciliation of the carrying amount of the cash and cash equivalents account and the equity in the pool by fund.

	(Amounts in Dollars)	
	Equity in Pool	Advances
General Fund	15,547,126	
Special Revenue Funds		
Babbitt Facility	236,017	
County Housing Authority	306,564	
Community Development Block Grant		(191,106)
Northeast Minnesota Housing Consortium		(20,598)
Road & Bridge	3,622,264	
Social Services	5,207,248	
Debt Service Funds	667,937	
Capital Projects Funds	858,869	
Enterprise Funds		
Chris Jensen	4,139	(2,009,524)
Nopeming	75,020	(1,552,938)
Solid Waste Management	6,826,128	(789,541)
Internal Service Funds	2,632,302	
Trust and Agency Funds		
Trust Funds	3,968,645	
Agency Funds	8,961,148	
Total Equity	48,913,407	
Less: Advances	(4,563,707)	
Total	44,349,700	

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Notes to the Financial Statements
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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 \$3,623,062. The amount of unrecorded revenues due the County at December 31, 1995, 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. This is not shown in the financial statements.

Under the law, funds received are payable to State and Federal agencies and others (based on specific reimbursement percentages), with the remainder (approximately 11 percent for 1995) due to the Social Services Special Revenue Fund.

Loans Receivable

The noncurrent portion of a loan receivable from the St. Louis County Heritage and Arts Center is \$540,084 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.

A loan receivable from the South St. Louis County Soil and Water Conservation District is \$12,000. The loan is accounted for in the General Fund and is interest-free.

The noncurrent portion of a loan receivable from the Duluth Lighthouse for the Blind is \$44,625 and is equally offset by deferred revenue. The repayment schedule calls for monthly payments of \$3,773.16 through August, 1996. 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. All payments made by the Lighthouse must be repaid by the County to the State. As of December 31, payments for September through December were in default.

The noncurrent portion of a second loan receivable from the Duluth Lighthouse for the Blind is \$188,132 and is equally offset by deferred revenue. The repayment schedule calls for fifty-nine monthly payments of \$1,041.67 beginning March 1, 1991, with a balloon payment of \$188,541.47 due February 1, 1996. The loan is interest free and is accounted for in the General Fund. It is carried at its present value, discounted at 7.2%. The receivable arises from a State of Minnesota grant 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 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 has been recovered by the County, all subsequent payments by the Lighthouse must be repaid to the State. As of December 31, payments for September through December, 1995 were in default.

The noncurrent portion of a loan receivable from Luigino's, Inc. is \$117,819 and is equally offset by deferred revenue. The repayment schedule calls for monthly payments of \$5,952 through April, 1997. The loan is interest free and is accounted for in the General Fund. It is carried at its present value, discounted at 6%. The receivable arises from a State of Minnesota grant to St. Louis County. All payments by Luigino's must be repaid by the County to the State.

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Notes to the Financial Statements
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The noncurrent portion of a loan receivable from Improvement Limited Partnership is \$101,821 plus accrued interest of \$1,697 and is equally offset by deferred revenue. The loan bears interest at four percent and is valued at its discounted amount. The receivable arises from a State of Minnesota grant and loan to St. Louis County and is accounted for in the General Fund. The first \$100,000 plus interest which the County recovers from Improvement Limited Partnership 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 Improvement Limited Partnership must be repaid to the State.

The noncurrent portion of a second loan receivable from Improvement Limited Partnership is \$112,096 plus accrued interest of \$1,868 and is equally offset by a fund balance reserved for economic development. The loan bears interest at four percent and is valued at its discounted amount and accounted for in the General Fund. The repayment schedule calls for 10 semi-annual payments of \$5,581 beginning in August 1993 and a balloon payment of \$96,612 due August 1998. The repayment to the County will be used for economic development.

The noncurrent portion of a loan receivable from Pittman Engineering and Manufacturing Company (PEMCO) is \$294,120 plus accrued interest of \$735 and is equally offset by deferred revenue. The loan bears interest at three percent and is valued at its discounted amount and accounted for in the General Fund. The receivable arises from a State of Minnesota grant and loan to St. Louis County.

The first \$100,000 plus interest which the County recovers from PEMCO 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 PEMCO must be repaid to the State.

The noncurrent portion of a loan receivable from Schott Powers Systems, Inc. is \$78,897 plus accrued interest of \$263 and is equally offset by deferred revenue. The receivable arises from a State of Minnesota loan to St. Louis County. The loan bears interest at four percent and is valued at its discounted amount and accounted for in the General Fund. The repayment schedule calls for quarterly interest payments beginning in September, 1994 and a balloon payment due July, 2001. The amount of the balloon payment will be determined by the number of positions created by Schott Power Systems, Inc. and will be determined as of February 2001. The maximum balloon payment will be \$79,260. All payments made by Schott Power Systems, Inc. must be repaid by the County to the State.

The noncurrent portion of a loan receivable from Meadowlands Affordable Housing Limited Partnership is \$125,000 and is equally offset by a reserve for non-current loans. Payments must be made starting December 3, 2009. The previous year's interest is due at that time and at each December 3 following. The entire balance plus interest is due on December 3, 2023. The receivable is valued at its discounted amount and is accounted for in the County Housing Authority Fund.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

Due From Other Governments

The following amounts were due from other governments at December 31, 1995:

	(Amounts in Dollars)			
	Federal	State	Local - Other	Total
General Fund	386,282	273,320	126,808	786,410
Special Revenue Funds				
Community Development				
Block Grant	484,065	-	-	484,065
Northeast Minnesota Housing Consortium	316,951	-	-	316,951
Road and Bridge	47,096	5,100,356	40,064	5,187,516
Social Services	4,222,949	1,949,220	6,911	6,179,080
Total Special Revenue Funds	5,071,061	7,049,576	46,975	12,167,612
Enterprise Funds				
Solid Waste Management	-	-	32,575	32,575
Internal Service Funds				
Community Food	-	10	129,331	129,341
Printing	-	-	11,386	11,386
County Garage	-	-	2,875	2,875
Total Internal Service Funds	-	10	143,592	143,602
Agency Funds				
State of Minnesota	-	49,622	-	49,622
Arrowhead Regional Corrections	-	156,614	506,586	663,200
Community Health Services	168,666	67,449	-	236,115
Regional Railroad Authority	-	477,296	658	477,954
Total Agency Funds	168,666	750,981	507,244	1,426,891
Total	5,626,009	8,073,887	857,194	14,557,090

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

Proprietary Fund Fixed Assets

A summary of proprietary fund fixed assets at December 31, 1995, is:

	(Amounts in Dollars)	
	Enterprise	Internal Service
Land	472,476	25,500
Buildings and Structures	11,423,931	1,749,449
Improvements other than buildings	5,775,448	-
Machinery and equipment	2,353,578	5,943,562
Vehicles	147,892	1,508,990
Linens	-	219,805
Construction-in-progress	825,441	-
Total	20,998,766	9,447,306
Less accumulated depreciation	(5,896,537)	(5,512,201)
Net Fixed Assets	15,102,229	3,935,105

Summary of Changes in General Fixed Assets

	(Amounts in Dollars)				
	Balance 1-1-95 Restated	Additions	Retirements	Assets Reclassified	Balance 12-31-95
Land	1,177,979	2,000	-	-	1,179,979
Buildings and structures	36,606,553	279,455	-	1,258,232	38,144,240
Machinery and equipment	10,094,686	845,209	(137,959)	-	10,801,936
Vehicles	29,751,188	3,139,204	(1,260,635)	-	31,629,757
Construction-in-progress	14,254,701	3,346,461	-	(1,258,232)	16,342,930
Total	91,885,107	7,612,329	(1,398,594)	-	98,098,842

The Buildings and structures general fixed asset balance as of January 1, 1995 was restated by \$1,257,746 to reflect a decrease in the term of a capital lease.

The Vehicles general fixed asset balance as of January 1, 1995 was restated by \$1,329,611 to reflect a transfer of assets from the County Garage Internal Service Fund.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

B. Liabilities

Deferred Revenue

Deferred revenue consists of taxes 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.

	(Amounts in Dollars)				
	Taxes	Grants	Accounts Receivable	Long-Term Receivables	Total
General Fund	1,146,761	302,275	3,301	828,109	2,280,446
Special Revenue Funds					
County Housing Authority	8,734	-	-	-	8,734
Road and Bridge	533,341	3,113,494	-	42,172	3,689,007
Social Services	1,163,973	931,286	-	-	2,095,259
Total Special Revenue Funds	1,706,048	4,044,780	-	42,172	5,793,000
Debt Service Funds					
Babbitt Facility Refunding	4,765	-	-	-	4,765
Correctional Facilities Bond	29,941	-	-	-	29,941
Total Debt Service Funds	34,706	-	-	-	34,706
Capital Projects Fund					
Buildings	39,585	-	-	-	39,585
Enterprise Funds					
Chris Jensen	22,126	-	123,720	-	145,846
Nopeming	14,801	-	24,372	-	39,173
Solid Waste Management	57,814	-	-	-	57,814
Total Enterprise Funds	94,741	-	148,092	-	242,833
Internal Service Funds					
Supervised Living Facility	355	-	-	-	355
Medical / Dental Insurance	-	-	300,614	-	300,614
Total Internal Service Funds	355	-	300,614	-	300,969
Trust Funds					
Forfeited Tax Sale	-	-	-	7,129,677	7,129,677
Forest Resources	-	41,083	-	-	41,083
Total Trust Funds	-	41,083	-	7,129,677	7,170,760
Total All Funds	3,022,196	4,388,138	452,007	7,999,958	15,862,299

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1995

Deferred Compensation

The County has made available to all of its employees and officers, deferred compensation plans through seven companies or agencies. 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 funds and assets, together with interest accumulations and investments of the deferred compensation plans remain an asset of the employer and are subject to the

employer's ownership until the participating employee's equity in the funds or assets is distributed in accordance with the deferred compensation agreement. The obligation of the employer to the participating employee is a contractual obligation only, and the employee has no preferred or specific interest in specific funds or assets. The value of the plan is combined with other fiduciary type funds in the County's financial statements and reported as an agency fund.

Under Minn. Stat. §352.96 (1994), the County has no liability for investment losses but must limit a plan's investments to those allowed by this statute, and must exercise the care and judgment required of an ordinary prudent investor.

The following schedule summarizes the activity and balance of assets of the deferred compensation plan at December 31, 1995:

	(Amounts in Dollars)	
	Current Year Contributions	Balance
Great West Life Assurance Company	1,804,411	22,151,613
IDS Life Insurance Company	353,452	4,323,018
International City Management Association	65,819	453,305
Lincoln National Life Insurance Company	464,730	7,159,379
Lutheran Brotherhood	62,427	922,421
Minnesota Mutual Life - Northwestern National Life	42,810	105,277
Minnesota State Retirement System	102,056	432,712
Total	2,895,705	35,547,725

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

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, 1995:

	(Amounts in Dollars)			
	Bonds Payable			
	Chris Jensen Enterprise Fund	Nopeming Enterprise Fund	Solid Waste Management Enterprise Fund	Total
Payable, January 1	725,414	178,243	12,558,156	13,461,813
Payment on Principal	(740,000)	(30,000)	(990,000)	(1,760,000)
Amortization of discount and costs	14,586	358	19,514	34,458
Payable, December 31	-	148,601	11,587,670	11,736,271

(Amounts in Dollars)

Bonds payable at December 31, 1995, consist of the following issues:

\$305,000 1989 General Obligation New Money Issue bonds due in annual installments of \$20,000 to \$40,000 on December 1, 1990 through 1999; interest at 6.4 to 6.8 percent (at December 31, 1995 the bond issue is net of unamortized bond discount and issue costs of \$1,399). 148,601

\$3,510,000 1989 General Obligation Solid Waste bonds due in annual installments of \$145,000 to \$360,000 on December 1, 1990, through 2004; interest at 6.4 to 7.1 percent (at December 31, 1995 the bond issue is net of the unamortized bond discount of \$28,215). This issue was partially refunded by the General Obligation Refunding Bonds, Series 1993A, but does not result in defeasance of any part of the issue until the crossover date of December 1, 1998. 2,476,785

\$1,310,000 1989 General Obligation Solid Waste bonds due in annual installments of \$55,000 to \$135,000 on December 1, 1990, through 2004; interest at 5.9 to 6.9 percent (at December 31, 1995 the bond issue is net of the unamortized bond discount of \$11,750). This issue was partially refunded by the General Obligation Refunding Bonds, Series 1993A, but does not result in defeasance of any part of the issue until the crossover date of December 1, 1998. 918,250

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

(Amounts in Dollars)

<p>\$1,255,000 1991 General Obligation Solid Waste bonds due in annual installments of \$60,000 to \$130,000 on December 1, 1992 through 2005; interest at 4.0 to 6.25 percent (at December 31, 1995 the bond issue is net of the unamortized bond discount of \$12,445).</p>	982,555
<p>\$5,535,000 1993 General Obligation Solid Waste bonds due in annual installments of \$480,000 to \$740,000 on December 1, 1994 through 1998; interest at 3 to 4.3 percent, and annual installments of \$415,000 to \$505,000 on December 1, 1999 through 2003; interest at 4.5 to 5 percent (at December 31, 1995 the bonds issue is net of the unamortized bond discount of \$62,097).</p>	4,342,903
<p>\$2,920,000 1993 Full Crossover Advance Refunding of 1989 \$3,510,000 General Obligation Solid Waste bonds and 1989 \$1,310,000 General Obligation Solid Waste bonds. The amount refunded produces resources for escrow that are sufficient to pay the new debt's interest until the December 1, 1998 crossover date when the amount held in escrow is sufficient to retire the old debt. An in-substance defeasance results at December 1, 1998. Annual installments of \$360,000 to \$480,000 on December 1, 1998 through 2004; interest at 4.0 to 4.8 percent result in a net savings of \$205,467 or an economic (present value) gain of \$144,533 over the life of the refunding issue (at December 31, 1995 the bond issue is net of the unamortized bond discount of \$52,823).</p>	2,867,177

The annual requirements to service the debt outstanding as of December 31, 1995, including interest of \$2,705,863 and unamortized discounts of \$168,729 on the bonds, are as follows:

Year Ended December 31	Bonds Payable
1996	1,694,635
1997	1,708,785
1998	4,587,818
1999	1,193,320
2000	1,156,413
2001 - 2011	4,269,892
	\$14,610,863

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

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, 1995. All of these obligations except compensated absences and capital leases will be repaid through tax levies in the debt service funds. Compensated absences and capital leases will be paid from levies and other revenue generated by the benefiting funds.

The Capital Leases general long-term debt balance as of January 1, 1995 was restated by \$1,152,083 to reflect a decrease in the term of a capital lease.

	(Amounts in Dollars)			
	Balance 1-1-95 As Restated	Additions	Deletions	Balance 12-31-95
General Obligation				
Capital Notes	2,035,000	-	2,035,000	-
General Obligation Bond	905,000	1,580,000	30,000	2,455,000
Tax Lease Obligations	14,635,000	-	770,000	13,865,000
Total Bonded Debt	17,575,000	1,580,000	2,835,000	16,320,000
Due to Other				
Governments	60,000	-	30,000	30,000
Loans Payable	31,393	-	11,708	19,685
Compensated Absences	23,494,750	-	1,857,567	21,637,183
Capital Leases	3,896,108	-	334,555	3,561,553
Total General Long-Term Debt	45,057,251	1,580,000	5,068,830	41,568,421

(Amounts in Dollars)

General obligation bonds payable at December 31, 1995 consist of the following issue:

\$1,015,000 1989 General Obligation Babbitt Recycling Facility Refunding Bonds due in annual installments of \$20,000 to \$110,000 on December 1, 1990 through 2009; interest at 8.5 to 9.5 percent. 875,000

\$1,580,000 1995 General Obligation Bond due in annual installments of \$50,000 to \$175,000 on December 1, 1997 through 2010; interest at 4.0% to 5.20%. This bond was sold to finance the County's portion of a remodeling project at Arrowhead Juvenile Center, which is operated by Arrowhead Regional Corrections, a joint powers board of which the County is a member. \$1,580,000

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

(Amounts in Dollars)

Tax lease obligations payable at December 31, 1995 consists of the following issue:

\$14,635,000 Jail Revenue Bonds (St. Louis County Unlimited Tax Lease Obligations) of the Housing and Redevelopment Authority of St. Louis County, Minnesota due in annual installments of \$770,000 to \$1,420,000 on December 1, 1995 through 2008; interest at 4.7 to 4.75 percent. The bonds are special obligations of the HRA. Under a lease agreement with the HRA, the County is obligated to make payments of Basic Rent sufficient to pay the principal and interest on the bonds when due.

13,865,000

The annual requirements to service the bonded debt outstanding as of December 31, 1995 including interest of \$6,555,690 are as follows:

(Amounts in Dollars)

Year Ended December 31	General Obligation Bonds	Tax Lease Obligations	Total Debt Service
1996	186,222	1,450,923	1,637,145
1997	238,583	1,448,557	1,687,140
1998	238,467	1,444,548	1,683,015
1999	242,818	1,443,892	1,686,710
2000	256,657	1,441,358	1,698,015
2001 - 2011	2,801,235	11,682,430	14,483,665
	<u>3,963,982</u>	<u>18,911,708</u>	<u>22,875,690</u>

(Amounts in Dollars)

Due to other governments at December 31, 1995 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.

30,000

Loans payable at December 31, 1995 consist of the following:

\$79,361 1990 State of Minnesota Municipal Energy Conservation loan payable in annual installments of \$11,707 in 1994 and continuing at lesser amounts through August, 2000; the obligation bears interest on \$39,681 at 7.25 percent to 8.00 percent; and bears no interest on \$39,680.

19,685

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

The annual requirements to service due to other governments and loans payable as of December 31, 1995 including interest of \$4,681 for the loans are as follows:

(Amounts in Dollars)		
Year Ended December 31	Due to Other Governments	Loans Payable
1996	30,000	5,480
1997		5,185
1998		4,882
1999		4,567
2000		4,252
	30,000	24,366

The County's proportionate shares of general obligation debt and general obligation revenue debt at December 31, 1995, 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:

(Amounts in Dollars)			
	Outstanding	Percentage Applicable to the County	County Share of Debt
Direct Debt			
St. Louis County	28,056,271	100.00	28,056,271
Overlapping Debt			
School Districts	11,410,000	58.54	6,679,700
Western Lake Superior Sanitary District	33,223,720	80.49	26,741,772
Underlying Debt			
Cities	89,406,627	100.00	89,406,627
School Districts	80,935,025	100.00	80,935,025
Towns	2,697,803	100.00	2,697,803
Seaway Port Authority	125,000	100.00	125,000
Duluth Airport Authority	125,000	100.00	125,000
Total	245,979,446		234,767,198

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1995

Lease Obligations

Operating Leases

The County is committed under various operating leases for office space, parking facilities, data processing software, office equipment, and vehicles. 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 1995:

Type of Property	Amount
Rental of office space and parking facilities	\$ 1,244,267
Data processing software	311,328
Office equipment	25,113
Vehicles	8,478
Total rental expense	\$ 1,589,186

Future minimum payments under operating leases, which are not reflected in these financial statements, consist of the following at December 31, 1995:

Year Ended	Amount
1995	\$ 1,510,739
1996	1,510,739
1997	1,510,739
1998	1,510,739
1999	1,510,739
Total future minimum lease payments	\$ 7,553,695

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

Capital Leases

Capitalized leases of the County at December 31, 1995, consist of office equipment and office space as shown below:

(Amounts in Dollars)			
Type of Property	General Fixed Assets	Printing Internal Service Fund	Total
Office equipment	28,710	135,178	163,888
Office space	4,371,071	-	4,371,071
Less: Accumulated depreciation	-	(89,408)	(89,408)
Carrying value	4,399,781	45,770	4,445,551

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, 1995:

(Amounts in Dollars)			
December 31	General Long-Term Debt	Printing Internal Service Fund	Total
1996	455,996	12,356	468,352
1997	455,566	12,356	467,922
1998	450,841	9,266	460,107
1999	450,841	-	450,841
2000	450,841	-	450,841
2001 - 2004	1,803,364	-	1,803,364
Total minimum lease payments	4,067,449	33,978	4,101,427
Less: Amount representing interest	505,896	-	505,896
Present value of future minimum lease payments	3,561,553	33,978	3,595,531

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1995

Construction Commitments

At December 31, 1995, the County had construction commitments as follows:

	(Amounts in Dollars)			
	<u>Authorized Projects</u>	<u>Expended To Date</u>	<u>Commitment</u>	<u>Required Further Financing</u>
County jail	15,259,145	15,010,825	248,086	-
911 system	2,234,868	2,125,497	109,371	-
Courthouse improvements	<u>77,350</u>	<u>56,608</u>	<u>20,742</u>	<u>-</u>
Total	<u>17,571,363</u>	<u>17,192,930</u>	<u>378,199</u>	<u>-</u>

The above projects are accounted for in the capital projects funds.

Contingent Liabilities

\$2,710,000 1995 State of Minnesota Duluth Airport Lease Revenue Bonds (St. Louis County Secured) Series 1995 E dated May 1, 1995 and due in annual installments of \$285,000 to \$405,000 on August 1, 1997 through August 1, 2004; interest at 4.9% to 5.6%. Under the terms of a lease agreement between the Duluth Economic Development Authority, lessor, and Northwest Airlines, Inc., a Minnesota Corporation, lessee, the lessee agrees to pay to the lessor when due all scheduled principal and interest on the bonds, except capitalized interest. The bonds are further secured by a mortgage lien on and security interest in the project and by a security interest in additional collateral pledged by the airlines; all of this additional security is subject to a variety of prior claims. The Trustee First Bank National Association, is holding funds from the sale of the bonds which will be adequate to pay the capitalized interest until the first principal payment is due. The Trustee is also holding a reserve of \$278,986, including \$271,000 remitted by St. Louis County plus the interest thereon. The reserve is to be used only in case of default in

the payment of lease payments by the Airlines. The deposit plus interest earned thereon is to be returned to the County when the bonds are defeased. The bonds are not callable.

\$1,899,920 County General Obligation Reserve Fund Demand Note to Trustee. In order to establish the statutory reserve required for the 1995 State of Minnesota Duluth Airport Lease Revenue Bonds Series 1995 C, dated May 1, 1995, the County executed a General Obligation Reserve Fund Demand Note payable to the Trustee of the Series C Bonds for \$1,899,920. The payment is to be made by the County only in case of a default on a lease agreement between the Duluth Economic Development Agency and Northwest Airlines, Inc., a Minnesota Corporation. The County collateralized the Note with a pledge of its future state aids. In the event that the anticipated annual state aid payments to the County should decrease to a level below \$1,899,920 the County is obligated to pledge substitute collateral in a form that is acceptable to the State of Minnesota. The Note will expire when the bonds are

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

deceased, which according to the debt service schedule, will occur in the year 2014. However, a large balloon payment is due in that year and if the issue is refunded, the note will be continued until the refunding issue is defeased.

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains three internal service funds to account for and finance its purchased insurance and uninsured risks of loss. In none of the past three years did the County have a loss exceeding coverage for purchased insurance. Insurance coverage has not significantly changed from the prior year.

The Property, Casualty, Liability Insurance Fund covers claims and judgements against the County, including administrative expenses and expenses for third-party coverage. All risk, except fire and property damage to major structures is assumed. Maximum third-party coverage for property damage is limited to the estimated value of the property. No claims have exceeded coverage. Premiums are charged to other County funds on the historical basis and are reported as quasi-external transactions. The estimated liability at year end is based on a case-by-case evaluation by the County Attorney's Office and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County Attorney's Office estimated settlements to be \$460,785 at December 31, 1995 for various cases considered

reasonably possible losses to the County. This amount is not reflected in the financial statements.

The Workers' Compensation Insurance Fund covers workers' compensation claims up to \$450,000 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 for claims arising under Minn. Stat. Chapter 176 (1994) in excess of the \$450,000 retention limit. The County has increased that limit to \$1,040,000 for 1996. The estimated liability for workers' compensation reported in the Fund is based on a case-by-case examination of claims filed through December 31, 1995 and is consistent with the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimated liability for claims payable at year end is present valued at 5%. The activities of the Fund are supported by premiums from County funds which have personnel; the premiums are based on historical costs and are reported as quasi-external transactions. A portion of the premiums is for the administrative costs and reinsurance costs which are paid from the Fund; a portion of the premiums is for the provision for expected future catastrophic losses. Retained earnings in the amount of \$1,707,000 are designated for catastrophic losses. This designation is not reflected in the financial statements.

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1995

The Medical / Dental Insurance Fund covers medical and dental expenses incurred by the County employees, dependents, and retirees, including the costs of claims management by a third party administrator and the cost of an insurance consultant. Premiums are based on an actuarial calculation by the third party administrator and include a provision for expected future catastrophic losses; the premiums also include a provision for administrative expenses and stop-loss insurance. The County carries individual-specific stop loss insurance for claims that exceed \$200,000 per year per employee contract. All County funds with personnel are charged for the County's share of premiums for employees and these charges are reported as quasi-external transactions. Employees contribute a share of the premiums from payroll deductions; premiums

for retirees are paid for in part by other County funds and in part by the retirees themselves. The liability at year end is an actuarial calculation by the third party administrator; it includes a reasonable provision for incurred but not reported claims and is consistent with the provisions of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Retained earnings in the amount of \$7,500,000 are designated for catastrophic losses. This designation is not reflected in the financial statements.

Changes in the funds' claims liability amounts during 1994 were:

	(Amounts in Dollars)		
	Property, Casualty, Liability Insurance Fund	Workers' Compensation Insurance Fund	Medical/Dental Insurance Fund
Beginning of fiscal year liability for claims	1,464,507	3,378,721	2,090,350
Current year claims and changes in estimates	(919,518)	1,298,874	8,268,925
Claim payments	447,527	1,227,935	9,165,971
Balance of claims payable at fiscal year end	97,462	3,449,660	1,193,304

Changes in the funds' claims liability amounts during 1995 were:

	(Amounts in Dollars)		
	Property, Casualty, Liability Insurance Fund	Workers' Compensation Insurance Fund	Medical/Dental Insurance Fund
Beginning of fiscal year liability for claims	97,462	3,449,660	1,193,304
Current year claims and changes in estimates	233,096	817,145	10,390,131
Claim payments	261,658	1,177,147	10,016,646
Balance of claims payable at fiscal year end	68,900	3,089,658	1,566,789

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

Retirement Plan

Plan Description

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 retirement plans. These plans are established and administered in accordance with Minn. Stat. §353 and 356.

Public Employees Retirement Fund members belong to either the Coordinated or Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. The payroll for employees covered by the Public Employees Retirement Fund and the Public Employees Police and Fire Fund for the year ended December 31, 1995, was \$70,119,942 and \$5,998,194 respectively; the County's total payroll was \$77,375,890.

The PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement benefits are based on a member's average salary for any five successive years of allowable service, age and years of credit at termination of service. Two methods are used to compute benefits for Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is two percent of

average salary for each of the first ten years of service and 2.5 percent for each remaining year. For a Coordinated Plan member, the annuity accrual rate is one percent of average salary for each of the first ten years and 1.5 percent for each remaining year. Using Method 2, the annuity accrual rate is 2.5 percent of average salary for Basic Plan members and 1.5 percent for Coordinated Plan members. For the Public Employees Police and Fire Fund members, the annuity accrual rate is 2.65 percent for each year of service. For Public Employees Retirement Fund members whose annuity is calculated using Method 1, and for all Public Employee Police and Fire Fund members, a full annuity is available when age plus years of service equal 90. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A normal annuity is a lifetime annuity that ceases upon the death of the retiree; no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service, in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them, are bound by the provisions in effect at the time they last terminated public service.

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1995

Contributions Required and Contributions Made

Minn. Stat. §353 (1994) sets the rates for employer and employee contributions. The County makes annual contributions to the pension plans equal to the amount required by state statutes. According to Minn. Stat. §356.215 (4g) (1994), the date of full funding

required for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund is July 1, 2020. As part of the annual actuarial valuation, PERA's actuary determines the sufficiency of the statutory contribution rates towards meeting the required full funding deadline. The actuary compares the actual contribution rate to a "required" contribution rate.

The required contribution rate consists of (a) normal costs based on entry age normal cost methods, (b) a supplemental contribution for amortizing any unfunded actuarial accrued liability by the date required for full funding, and (c) an allowance for administrative expenses. Current statutory contribution rates and combined actuarially required contribution rates for the plans are:

	Statutory Rates:		Required Rates
	Employee	Employer	
Public Employees Retirement Fund			9.76%
Basic members	8.23%	10.73%	
Coordinated members	4.23%	4.48%	
Public Employees Police and Fire Fund	7.60%	11.40%	19.00%

The required rates are for fiscal year 1995 contributions as reported in the July 1, 1994, actuarial valuation report.

Total contributions made by St. Louis County during fiscal year 1995 were:

	Amounts		Percentage of Covered Payroll	
	Employees	Employer	Employees	Employer
Public Employees Retirement Fund	\$2,941,840	\$3,147,460	4.32%	4.63%
Public Employees Police and Fire Fund	441,185	661,778	7.60%	11.40%
Total	\$3,383,025	\$3,809,238		

The County's contribution for the year ended June 30, 1995, to the Public Employees Retirement Fund represented 2.31 percent of total contributions required of all participating entities. For the Public Employees Police and Fire Fund, contributions for the year ended June 30, 1995, represented 2.17 percent of total contributions required of all participating entities.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

Funding Status and Progress

Pension Benefit Obligation

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 is the actuarial present value of credited projected benefits and 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 participating employers. The measure is independent of the actuarial funding method used to determine required contributions, which is discussed in this note, Section B. The PERA does not make separate measurements of assets and pension benefit obligation amounts for individual participating employers.

The pension benefit obligations as of June 30, 1995, are shown below (in thousands):

	Public Employees Retirement Fund	Public Employees Police and Fire Fund
Total pension benefit obligation	\$5,994,492	\$1,113,225
Net assets available for benefits, at cost	5,074,357	1,356,179
Unfunded (assets in excess of) pension benefit obligation	\$ 920,135	\$ (242,954)

The pension benefit obligation was determined as part of an actuarial valuation at July 1, 1995.

For the Public Employees Retirement Fund, significant actuarial assumptions used in the calculation of the pension benefit obligation include (a) a rate of return on the investment of present and future assets of 8.5 percent per year, compounded annually, prior to retirement, and 5 percent per year, compounded annually, following retirement; (b) projected salary increases taken from an age-related table which incorporates a 5 percent base inflation assumption; (c) payroll growth at 6 percent per year, consisting of 5 percent for inflation and 1 percent due to growth in group size; (d) post-retirement benefit increases that are accounted for by

the 5 percent rate of return assumption following retirement; and (e) mortality rates based on the 1983 Group Annuity Mortality Table set forward one year for retired members and set back five years for each active member.

Actuarial assumptions used in the calculation of the Public Employees Police and Fire Fund include (a) a rate of return on the investment of present and future assets of 8.5 percent per year, compounded annually, prior to retirement, and 5 percent per year, compounded annually, following retirement; (b) projected salary increases of 6.5 percent per year, compounded annually, attributable to the effects of inflation; (c) post-retirement increases that are accounted for by the 5 percent rate of return assumption following

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

retirement; and (d) mortality rates bases on the 1971 Group Annuity Mortality Table projected to 1984 for males and females.

Changes in Actuarial Assumptions and Methods

Since the July 1, 1994, actuarial valuation, there were no changes in actuarial assumptions of the Public Employees Retirement Fund and the Public Employees Police and Fire Fund which impacted funding costs.

Potential changes in the actuarial assumptions used for the Public Employees Police and Fire Fund may be made in the future. Results of an experience study for the fund during the four-year period ending June 30, 1994, disclosed (a) retirees are living longer; (b) the expected active member death rate is declining; (c) the trend toward earlier retirement continues; and (d) the pattern of salary increase varies substantially by ages, with a strong merit and seniority component evident at the younger ages. Based on these results, the PERA will soon consider revising the actuarial assumptions for retirement age, mortality, payroll growth, and individual salary

increases. These changes, if adopted within the fiscal year 1996, will significantly impact the July 1, 1996, actuarial valuation of the Public Employees Police and Fire Fund.

Changes in Benefit Provisions

The 1995 legislative session did not include any benefit improvements which would impact funding costs for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund.

Ten-Year Historical Trend Information

Ten-year historical trend information is presented in the PERA's Comprehensive Annual Financial Report for the year ended June 30, 1995. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

Related Party Investments

As of June 30, 1995, and for the fiscal year then ended, the PERA held no securities issued by St. Louis County or other related parties.

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1995

Interfund Assets/Liabilities

Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue - Social Services	General	\$ 27
Internal Service - Management Information Systems	Capital Projects - Jail Bond	19,565
	Total	<u>\$ 19,592</u>

Interfund Receivable/Payable

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue - Community Development Block Grant	\$ 191,106
	Northeast Minnesota Housing Consortium	20,598
	Enterprise - Chris Jensen	2,009,524
	Nopeming	1,552,938
	Solid Waste Management	789,541
	Total	<u>\$ 4,563,707</u>

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1995

Transfers Between Funds

Transfers between individual funds during December 31, 1995, are as follows:

Operating Transfers Out	Operating Transfers In	Debit	Credit
General		\$ 20,000	\$
	Capital Projects - Buildings		20,000
Special Revenue - Social Services Road and Bridge		12,008 2,035,000	
	General		12,008
	Debt Service - Capital Equipment Notes		2,035,000
Capital Projects - Buildings Jail Bond		60,000 350,000	
	General		50,000
	Special Revenue Social Services		10,000
	Debt Service - Correctional Facilities Bond		350,000
Trust - Sheriff Fines		5,403	
	General		5,403
	Total	\$ 2,482,411	\$ 2,482,411

Fund Equity

Contributed Capital - Enterprise Funds and Internal Service Funds

There were no changes in the contributed capital accounts of the enterprise funds or internal service funds during the year ended December 31, 1995.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

Note 4. Segments of Enterprise Activities

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

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

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

Solid Waste Management - Solid Waste Management includes the operations of the County's landfills, transfer stations and recycling centers, as well as the capital financing for these projects.

The key financial data for the year ended December 31, 1995, for these three services are:

	(Amounts in Dollars)			
	Chris Jensen	Nopeming	Solid Waste Management	Total Enterprise Funds
Operating revenues	11,060,127	8,573,628	5,013,763	24,647,518
Depreciation	127,590	108,421	1,054,792	1,290,803
Operating income (loss)	(511,321)	(821,987)	(502,559)	(1,835,867)
Taxes	8,282	5,848	1,656,961	1,671,091
Grants	-	-	571,657	571,657
Net income (loss)	(555,593)	(828,368)	1,592,607	208,646
Property, plant, and equipment -				
Additions	69,878	886,281	201,605	1,157,764
Deletions	10,296	13,429	2,968	26,693
Net working capital	(303,689)	(640,910)	8,796,340	7,851,741
Total assets	6,862,992	4,611,404	22,555,454	34,029,850
Long-term liabilities payable from operating revenues	1,779,070	1,445,276	10,763,015	13,987,361
payable from other sources	-	-	587,603	587,603
Total equity	2,408,348	1,092,143	7,676,722	11,177,213

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1995

Note 5. Joint Ventures

Arrowhead Regional Corrections

Arrowhead Regional Corrections is governed by a nine-member board, composed of a 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. 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.

Arrowhead Regional Corrections is financed through state grants and contributions from the participating counties. During 1995, county contributions were in the following proportion:

Carlton County	9.54%
Cook County	1.21%
Koochiching County	2.24%
Lake County	2.97%
St. Louis County	84.04%
Total	<u><u>100.00%</u></u>

St. Louis county provided \$5,669,657 in funding during 1995. Separate financial information can be obtained from:

Arrowhead Regional Corrections
 Room 319 St. Louis County Courthouse
 Duluth, Minnesota 55802

A summary of the financial information of Arrowhead Regional Corrections for the year ended December 31, 1994, (the most recent available), excluding general fixed assets of

\$3,203,058, and general long-term debt of \$2,602,538 was:

Total Assets	\$ 1,624,338
Total Liabilities	608,681
Total Fund Equity	1,015,657
Total Revenues	9,981,554
Total Expenditures	9,727,554
Increase (decrease) in Fund Balance	\$ 273,184

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 (1994). 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. St. Louis County provided no funding to this organization during 1995.

A summary of the financial information of the Community Health Services Board for December 31, 1994, (the most recent available) excluding general fixed assets of \$11,645, and general long-term debt of \$5,556, is:

Total Assets	\$ 359,447
Total Liabilities	334,882
Total Fund Equity	24,565
Total Revenues	1,992,282
Total Expenditures	1,992,282
Increase (decrease) in Fund Balance	\$ -

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

Separate financial information can be obtained from:

Carlton, Cook, Lake and St. Louis Counties
 Community Health Board
 325 South Lake Avenue
 Duluth, Minnesota 55802

Northeast Minnesota Office of Job Training

The Counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis entered into a joint powers agreement pursuant to Minn. Stat. §471 (1994) for the purpose of developing and implementing a private and public job training program. The United States Congress through the Job Training Partnership Act of 1982 authorized states to establish "service delivery areas" to provide programs to achieve full employment through the use of grants. The counties identified above are defined as such a "service delivery area" and the Northeast Minnesota Office of Job Training is designated as the grant recipient and administrator for such service delivery area. The County is not a funding mechanism for this organization.

The governing body is composed of seven members, one from the board of commissioners of each of the participating counties.

A summary of the financial information of Northeast Minnesota Office of Job Training's funds for the fiscal year ended June 30, 1995, excluding general fixed assets of \$346,034 and general long-term debt of \$370,542 was:

Total Assets	\$ 801,984
Total Liabilities	480,277
Total Fund Equity	321,707
Total Revenues	4,419,910
Total Expenditures/ Expenses	4,308,156
Increase (decrease) in Fund Balance	\$ 111,754

Separate financial information can be obtained from:

Northeast Minnesota Office of Job Training
 820 North Ninth Street, Suite 200
 Virginia, Minnesota 55792

Northern Counties Land Use Board

Northern Counties Land Use Board was established through a joint powers agreement pursuant to Minn. Stat. §471 (1994) for the purpose of helping to formulate land use plans for the protection, sustainable use and development of lands and natural resources.

The joint powers are the Counties of Cook, Itasca, Koochiching, Lake, Lake of the Woods and St. Louis. Three elected county commissioners from St. Louis County and two from each of the other counties comprise the membership of the Board. St. Louis County handles all of the financial transactions for this organization through its Northern Counties Land Use Board Agency Fund. A summary of the financial information of Northern Counties Land Use Board for the fiscal year ended December 31, 1995 is:

Total Assets	\$ 4,198
Total Liabilities	1,437
Total Fund Equity	2,761
Total Revenues	47,500
Total Expenditures/ Expenses	47,577
Increase (decrease) in Fund Balance	\$ (77)

Separate financial information can be obtained from the St. Louis County Auditor's Office.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

Note 6. Summary of Significant Contingencies and Other Items

Claims and Litigation

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. 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.

Participation in the Medicaid reimbursement program requires field audits of the Chris Jensen and Nopeming Enterprise Fund nursing homes' records, and review of their compliance with applicable rules and regulations, by the Minnesota Department of Human Services at least once every four years. Based on the results of these audits, current year revenues paid by the State may be adjusted accordingly.

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, 1995.

Courts	\$ 271,562
Sheriff	38,275
Social Services	
Social Welfare	1,083,516
Support and	
Collections (IV-D)	420,874
Estate	362,839
	<hr/>
Total	<u>\$ 2,177,066</u>

Settlements held by the court for minors

The Court Administrator, at December 31, 1995, held investments for individuals who have not reached the age of majority. These investments have a combined face value of \$3,039,256 and are not included in the County's financial statements.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1995

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St. Louis County, Minnesota
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December 31, 1995

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

GENERAL FUND

General Fund

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

ST. LOUIS COUNTY, MINNESOTA

BALANCE SHEET
GENERAL FUND

DECEMBER 31, 1995

Assets	
Cash and cash equivalents	\$ 10,983,419
Assets held by escrow agent	278,986
Receivables	
Taxes	
Unapportioned	668,234
Delinquent	1,349,131
Accounts	64,134
Accrued interest	347,298
Loans	1,494,157
Interfund receivable	4,563,708
Due from other governments	786,409
	<hr/>
Total Assets	\$ 20,535,476
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 790,242
Salaries payable	773,684
Compensated absences payable	226,216
Due to other funds	27
Due to other governments	303,181
Deferred revenue	2,280,446
	<hr/>
Total Liabilities	\$ 4,373,796
Fund Balance	
Reserved for change funds	\$ 20,505
Reserved for noncurrent loans	540,084
Reserved for economic development	412,045
Reserved for encumbrances	605,604
Reserved for health and welfare	706,969
Reserved for law library	79,162
Reserved for recorder's equipment	30,215
Reserved for debt service	278,986
Reserved for communications	92,989
Unreserved	
Designated for parking	135,925
Designated for medical care	1,443,701
Designated for vested sick leave	330,148
Designated for cash flow	2,959,167
Undesignated	8,526,180
	<hr/>
Total Fund Balance	\$ 16,161,680
	<hr/>
Total Liabilities and Fund Balance	\$ 20,535,476

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1995

Revenues	
Taxes	\$ 27,897,478
Licenses and permits	114,140
Intergovernmental	11,476,258
Charges for services	4,843,939
Fines and forfeits	830,224
Interest on investments	2,772,341
Gifts and contributions	14,516
Miscellaneous	638,384
	<hr/>
Total Revenues	\$ 48,587,280
Expenditures	
General government	
Current:	
Commissioners	\$ 639,882
County administrator	307,035
Intergovernmental affairs	236,736
Planning and research	269,903
Labor relations	34,039
Planning and zoning	174,972
Public defenders	46,793
Court administrator	3,345,777
Examiner of titles	121,879
County attorney	2,179,675
Law library	116,302
County auditor	2,881,572
Data processing	1,149,949
County assessor	1,426,039
Purchasing	429,336
Microfilming	154,184
Recorder	817,095
Surveyor	541,788
Civil service	889,828
Veteran's service	462,500
Port authority	50,000
Elections	2,951
Courthouses	1,749,392
Employee training	134,121
Town aid	5,500
	<hr/>
Total Current	\$ 18,167,248
	(continued)

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1995

Expenditures (Continued)

General government (continued)

Capital Outlay:

County administrator	\$	20,051
Planning and research		3,057
Court administrator		4,520
County attorney		4,677
County auditor		1,849
County assessor		11,587
Recorder		22,010
Surveyor		60,895
Veteran's service		5,801
Elections		9,480
Courthouses		41,258

Total Capital Outlay	\$	185,185
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Total General Government	\$	18,352,433
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Public Safety

Current:

Jail building	\$	303,541
Sheriff		6,351,550
Boat and water safety		88,085
Medical examiner		163,923
Rescue squad		48,283
Emergency management		154,822
Radio maintenance		329,143
Emergency communication		1,593,063
Jail prisoners		3,923,864
Mine inspector		191,889
Safety council		995
Ambulance service		45,875
Law enforcement service		549,021
Arrowhead Juvenile Center		1,491,034

Total Current	\$	15,235,088
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(continued)

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1995

Expenditures (Continued)	
Public safety (continued)	
Capital Outlay:	
Sheriff	\$ 164,430
Boat and water safety	2,327
Rescue squad	66,345
Radio maintenance	104,546
Emergency communications	37,930
Law enforcement services	7,269
	\$ 382,847
Total Capital Outlay	\$ 382,847
	\$ 15,617,935
	\$ 15,617,935
Health	
Current:	
Administration	\$ 1,037,787
Nursing	3,095,250
Environmental health	1,466,005
Duluth Community Health Center	10,000
Occupational safety	168,951
	\$ 5,777,993
Total Current	\$ 5,777,993
Capital Outlay:	
Nursing	\$ 15,806
Environmental health	29,319
Occupational safety	2,876
	\$ 48,001
Total Capital Outlay	\$ 48,001
	\$ 5,825,994
Total Health	\$ 5,825,994
	(continued)

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1995

Expenditures (Continued)

Welfare

Current:

School lunch	\$ 15,000
Emergency shelter program	217,597
Veteran's travel	1,054
Family homelessness prevention and assistance program	<u>37,400</u>

Total Welfare \$ 271,051

Culture and recreation

Current:

Memorial Day observance	\$ 2,550
Historical Society	174,468
Arrowhead Library System	303,115
Community fairs	800
Depot	5,000
Tourism promotion	58,382
Trail assistance	<u>152,115</u>

Total Culture and Recreation \$ 696,430

Conservation of natural resources

Current:

County agent	\$ 428,838
Youth task force	46,101
County fair - north	15,300
County fair - south	18,650
Soil conservation - north	53,000
Soil conservation - south	128,330
Northern Counties Land Use Board	3,750
Crane Lake wastewater disposal	989
International Joint Committee-water quality	<u>1,000</u>

Total Current \$ 695,958

Capital Outlay:

County agent	\$ 15,890
Youth task force	<u>1,592</u>

Total Capital Outlay \$ 17,482

**Total Conservation of
of Natural Resources** \$ 713,440

(continued)

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1995

Expenditures (Continued)	
Economic development	
Current:	
Laurentian Resource Council	\$ <u>200</u>
Debt Service	
Principal	\$ 98,594
Interest and fiscal charges	<u>30,581</u>
Total Debt Service	\$ <u>129,175</u>
Intergovernmental	
Public safety	<u>\$ 5,669,657</u>
Total Expenditures	\$ <u>47,276,315</u>
Excess of Revenues Over (Under) Expenditures	
	\$ <u>1,310,965</u>
Other Financing Sources (Uses)	
Operating transfers in	\$ 67,411
Operating transfers out	(20,000)
Bond proceeds	<u>1,491,034</u>
Total Other Financing Sources (Uses)	\$ <u>1,538,445</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	
	\$ 2,849,410
Fund Balance - January 1	13,228,013
Residual equity transfer in	<u>84,257</u>
Fund Balance - December 31	<u>\$ <u>16,161,680</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 27,485,292	\$ 27,897,478	\$ 412,186
Licenses and permits	114,530	114,140	(390)
Intergovernmental	12,132,387	11,476,258	(656,129)
Charges for services	5,158,159	4,843,939	(314,220)
Fines and forfeitures	822,929	830,224	7,295
Interest on investments	1,704,072	2,772,341	1,068,269
Gifts and contributions	-	14,516	14,516
Miscellaneous	271,709	638,384	366,675
Total Revenues	\$ 47,689,078	\$ 48,587,280	\$ 898,202

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures					
General government					
Current:					
Commissioners	\$ 639,889	\$ 639,882	\$ -	\$ 639,882	\$ 7
County administrator	307,035	307,035	-	307,035	-
Intergovernmental affairs	233,265	231,736	-	231,736	1,529
Planning and research	267,118	267,118	-	267,118	-
Labor relations	41,560	34,039	-	34,039	7,521
Planning and zoning	181,110	174,971	-	174,971	6,139
Public defenders	60,000	46,793	-	46,793	13,207
Court administrator	3,359,605	3,344,600	622	3,345,222	14,383
Examiner of titles	122,337	121,879	-	121,879	458
County attorney	2,187,975	2,179,675	8,300	2,187,975	-
Law library	115,995	115,995	-	115,995	-
County auditor	3,008,553	2,879,875	4,770	2,884,645	123,908
Data processing	1,149,949	1,149,949	-	1,149,949	-
County assessor	1,460,307	1,424,838	-	1,424,838	35,469
Purchasing	427,652	424,174	2,510	426,684	968
Microfilming	154,341	153,853	213	154,066	275
Recorder	829,462	817,095	-	817,095	12,367
Surveyor	643,981	541,788	-	541,788	102,193
Civil service	953,880	885,982	1,345	887,327	66,553
Veteran's service	462,716	461,393	-	461,393	1,323
Port authority	50,000	50,000	-	50,000	-
Elections	12,360	2,951	-	2,951	9,409
Courthouses	1,757,526	1,743,771	13,755	1,757,526	-
Employee training	157,063	134,121	-	134,121	22,942
Town aid	5,500	5,500	-	5,500	-
Total General Government-Current	\$ 18,589,179	\$ 18,139,013	\$ 31,515	\$ 18,170,528	\$ 418,651

(continued)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 1995

	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
Public safety					
Current:					
Jail building	\$ 302,578	\$ 301,505	\$ 1,073	\$ 302,578	\$ -
Sheriff	6,378,643	6,350,604	735	6,351,339	27,304
Boat and water safety	113,729	88,085	721	88,806	24,923
Medical examiner	194,149	163,923	-	163,923	30,226
Rescue squad	46,661	45,855	722	46,577	84
Emergency management	155,843	154,822	-	154,822	1,021
Radio maintenance	345,179	326,583	-	326,583	18,596
Emergency communication	1,631,633	1,603,550	9,557	1,613,107	18,526
Jail prisoners	4,014,141	3,920,034	10,939	3,930,973	83,168
Mine inspector	226,915	191,876	-	191,876	35,039
Safety council	995	995	-	995	-
Ambulance service	45,875	45,875	-	45,875	-
Law enforcement service	591,903	549,021	-	549,021	42,882
Arrowhead Juvenile Center	1,491,034	1,491,034	-	1,491,034	-
Total Public Safety-Current	\$ 15,539,278	\$ 15,233,762	\$ 23,747	\$ 15,257,509	\$ 281,769
Health					
Current:					
Administration	\$ 1,075,493	\$ 1,037,787	\$ 900	\$ 1,038,687	\$ 36,806
Nursing	3,384,981	3,064,278	1,889	3,066,167	318,814
Environmental health	1,679,050	1,465,835	220	1,466,055	212,995
Duluth Community Health Center	30,000	10,000	-	10,000	20,000
American Indian Fellowship Association	27,946	-	-	-	27,946
Occupational safety	177,234	168,952	-	168,952	8,282
Total Health-Current	\$ 6,374,704	\$ 5,746,852	\$ 3,009	\$ 5,749,861	\$ 624,843
Welfare					
Current:					
School lunch	\$ 15,000	\$ 15,000	\$ -	\$ 15,000	\$ -
Emergency shelter program	340,401	217,597	-	217,597	122,804
Veterans' travel	3,000	1,054	-	1,054	1,946
Family homelessness prevention and assistance program	205,000	37,400	-	37,400	167,600
Total Welfare-Current	\$ 563,401	\$ 271,051	\$ -	\$ 271,051	\$ 292,350
Culture and recreation					
Current:					
Memorial Day observance	\$ 2,700	\$ 2,550	\$ -	\$ 2,550	\$ 150
Historical Society	174,468	174,468	-	174,468	-
Arrowhead Library System	303,115	303,115	-	303,115	-
Community fairs	1,120	800	-	800	320
Depot	5,000	5,000	-	5,000	-
Tourism promotion	58,382	58,382	-	58,382	-
Trail assistance	152,115	152,115	-	152,115	-
Total Culture and Recreation-Current	\$ 696,900	\$ 696,430	\$ -	\$ 696,430	\$ 470

(continued)

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL-BUDGETARY BASIS
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 1995

Missouri fund

Expenditures (Continued)	Budget	Actual			Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances	Total	
Conservation of natural resources					
Current:					
County agent	\$ 499,465	\$ 423,274	\$ 5,488	\$ 428,762	\$ 70,703
Youth task force	72,000	46,101	-	46,101	25,899
County fair - north	15,300	15,300	-	15,300	-
County fair - south	18,650	18,650	-	18,650	-
Soil conservation - north	53,000	53,000	-	53,000	-
Soil conservation - south	128,330	128,330	-	128,330	-
Northern Counties Land Use Board	3,750	3,750	-	3,750	-
Crane Lake wastewater disposal	82,500	989	-	989	81,511
International Joint Committee on water quality	1,000	1,000	-	1,000	-
Wetland bank	20,000	-	-	-	20,000
Voyageurs Park congressional hearings	2,000	-	-	-	2,000
Total Conservation of Natural Resources-Current	\$ 895,995	\$ 690,394	\$ 5,488	\$ 695,882	\$ 200,113
Economic development					
Current:					
Laurentian Resource Council	\$ 200	\$ 200	\$ -	\$ 200	\$ -
Total Expenditures-Current	\$ 42,659,657	\$ 40,777,702	\$ 63,759	\$ 40,841,461	\$ 1,818,196
General government					
Capital Outlay:					
County administrator	\$ 26,255	\$ 20,051	\$ 5,432	\$ 25,483	\$ 772
Planning and research	3,070	3,057	-	3,057	13
Court administrator	4,520	4,520	-	4,520	-
County attorney	11,231	3,187	3,370	6,557	4,674
County auditor	9,870	1,849	-	1,849	8,021
County assessor	11,587	11,587	-	11,587	-
Recorder	22,010	22,010	-	22,010	-
Surveyor	89,582	60,895	28,687	89,582	-
Veteran's service	8,000	5,801	-	5,801	2,199
Elections	11,530	9,480	-	9,480	2,050
Courthouses	44,015	36,371	7,630	44,001	14
Total General Government-Capital Outlay	\$ 241,670	\$ 178,808	\$ 45,119	\$ 223,927	\$ 17,743
Public safety					
Capital Outlay:					
Sheriff	\$ 582,606	\$ 164,430	\$ 418,176	\$ 582,606	\$ -
Boat and water safety	6,255	2,327	-	2,327	3,928
Rescue squad	114,129	57,705	56,424	114,129	-
Radio maintenance	99,336	99,336	-	99,336	-
Emergency communications	27,000	26,267	-	26,267	733
Law enforcement service	23,000	7,269	-	7,269	15,731
Total Public Safety-Capital Outlay	\$ 852,326	\$ 357,334	\$ 474,600	\$ 831,934	\$ 20,392

(continued)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 1995

	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
Expenditures (Continued)					
Health					
Capital Outlay:					
Administration	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000
Nursing	35,551	15,806	-	15,806	19,745
Environmental health	54,500	29,319	15,394	44,713	9,787
Occupational safety	2,875	2,875	-	2,875	-
Total Health-Capital Outlay	\$ 94,926	\$ 48,000	\$ 15,394	\$ 63,394	\$ 31,532
Conservation of natural resources					
Capital Outlay:					
County agent	\$ 32,040	\$ 17,482	\$ 7,048	\$ 24,530	\$ 7,510
Total Expenditures-Capital Outlay	\$ 1,220,962	\$ 601,624	\$ 542,161	\$ 1,143,785	\$ 77,177
Debt Service					
Principal	\$ 98,594	\$ 98,594	\$ -	\$ 98,594	\$ -
Interest and fiscal charges	30,645	30,581	-	30,581	64
Total Expenditures-Debt Service	\$ 129,239	\$ 129,175	\$ -	\$ 129,175	\$ 64
Intergovernmental					
Public safety	\$ 5,669,657	\$ 5,669,657	\$ -	\$ 5,669,657	\$ -
Total Expenditures	\$ 49,679,515	\$ 47,178,158	\$ 605,920	\$ 47,784,078	\$ 1,895,437
Excess of Revenues Over (Under) Expenditures	\$ (1,990,437)			\$ 803,202	\$ 2,793,639
Other Financing Sources (Uses)					
Operating transfers in	\$ 67,411			\$ 67,411	\$ -
Operating transfers out	(20,000)			(20,000)	-
Bond proceeds	1,491,034			1,491,034	-
Total Other Financing Sources (Uses)	\$ 1,538,445			\$ 1,538,445	\$ -
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ (451,992)			\$ 2,341,647	\$ 2,793,639
Adjustments -Note 1	-			507,763	507,763
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses as Adjusted	\$ (451,992)			\$ 2,849,410	\$ 3,301,402
Fund Balance - January 1	13,228,013			13,228,013	-
Residual equity transfer in	-			84,257	84,257
Fund Balance - December 31	\$ 12,776,021			\$ 16,161,680	\$ 3,385,659

Reader's notes:

SPECIAL REVENUE FUNDS

Special Revenue Funds

Special Revenue Funds are used 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.

Babbitt Facility

The Babbitt Facility Fund is used to account for the cost of maintaining plant and equipment of the County-owned facility following its abandonment by occupant.

County Housing Authority

The County Housing Authority Fund is used to provide funds for economic development.

Community Development Block Grant

The Community Development Block Grant Fund is used to account for the Federal Grant of the same name.

Northeast Minnesota Housing Consortium

The Northeast Minnesota Housing Consortium Fund is used to account for the federal HOME grant with the purpose of developing affordable housing initiatives.

Road and Bridge

The Road and Bridge Fund is used to account for public works activity.

Social Services

The Social Service Fund is used to account for the operations and financial activities of the Welfare Department.

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 1995

	Babbitt Facility	County Housing Authority
Assets		
Cash and cash equivalents	\$ 236,017	\$ 306,564
Receivables		
Taxes		
Unapportioned	-	3,575
Delinquent	-	9,705
Accounts	28,000	-
Loans	-	125,000
Due from other funds	-	-
Due from other governments	-	-
Inventories	-	-
Total Assets	\$ 264,017	\$ 444,844
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ -	\$ 59
Salaries payable	-	1,456
Compensated absences payable	-	94
Interfund payable	-	-
Due to other governments	-	-
Deferred revenue	-	8,734
Total Liabilities	\$ -	\$ 10,343
Fund Balance		
Reserved for change funds	\$ -	\$ -
Reserved for noncurrent loans	-	125,000
Reserved for conference fund	-	-
Reserved for inventories	-	-
Reserved for encumbrances	-	1,147
Reserved for health and welfare	-	-
Reserved for foster care insurance	-	-
Reserved for senior citizens transportation	-	-
Reserved for unorganized town roads	-	-
Unreserved		
Designated for vested sick leave	-	-
Designated for cash flow	-	-
Undesignated	264,017	308,354
Total Fund Balance	\$ 264,017	\$ 434,501
Total Liabilities and Fund Balance	\$ 264,017	\$ 444,844

Community Development Block Grant	Northeast Minnesota Housing Consortium	Road and Bridge	Social Services	Total
\$ -	\$ -	\$ 3,622,264	\$ 5,207,248	\$ 9,372,093
-	-	219,710	414,914	638,199
-	-	621,442	1,243,709	1,874,856
-	-	35,369	660,005	723,374
-	-	-	-	125,000
-	-	-	27	27
484,065	316,951	5,187,516	6,179,080	12,167,612
-	-	1,604,428	-	1,604,428
<u>\$ 484,065</u>	<u>\$ 316,951</u>	<u>\$ 11,290,729</u>	<u>\$ 13,704,983</u>	<u>\$ 26,505,589</u>
\$ 216,364	\$ 228,649	\$ 2,431,884	\$ 1,605,057	\$ 4,482,013
4,358	-	385,728	453,431	844,973
-	-	94,913	174,695	269,702
191,106	20,598	-	-	211,704
72,237	67,704	147,514	2,557,144	2,844,599
-	-	3,689,007	2,095,259	5,793,000
<u>\$ 484,065</u>	<u>\$ 316,951</u>	<u>\$ 6,749,046</u>	<u>\$ 6,885,586</u>	<u>\$ 14,445,991</u>
\$ -	\$ -	\$ 1,000	\$ 15,000	\$ 16,000
-	-	-	-	125,000
-	-	-	9,317	9,317
-	-	1,604,428	-	1,604,428
-	-	662,333	94,485	757,965
-	-	299,240	451,556	750,796
-	-	-	6,000	6,000
-	-	-	41,637	41,637
-	-	11,276	-	11,276
-	-	235,552	358,998	594,550
-	-	854,683	2,353,705	3,208,388
-	-	873,171	3,488,699	4,934,241
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,541,683</u>	<u>\$ 6,819,397</u>	<u>\$ 12,059,598</u>
<u>\$ 484,065</u>	<u>\$ 316,951</u>	<u>\$ 11,290,729</u>	<u>\$ 13,704,983</u>	<u>\$ 26,505,589</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 1995

	Babbitt Facility	County Housing Authority
Revenues		
Taxes	\$ -	\$ 171,685
Licenses and permits	-	-
Intergovernmental	47,057	5,689
Charges for services	-	-
Miscellaneous	48,000	-
Total Revenues	\$ 95,057	\$ 177,374
Expenditures		
Current:		
Highways and streets	\$ -	\$ -
Welfare	-	-
Economic development	3,937	58,942
Capital outlay:		
Highway and streets	-	-
Welfare	-	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Total Expenditures	\$ 3,937	\$ 58,942
Excess of Revenues Over (Under) Expenditures	\$ 91,120	\$ 118,432
Other Financing Sources (Uses)		
Operating transfers in	-	-
Operating transfers out	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 91,120	\$ 118,432
Fund Balance - January 1 - As Restated	172,897	316,069
Increase (decrease) in reserve for inventories	-	-
Fund Balance - December 31	\$ 264,017	\$ 434,501

<u>Community Development Block Grant</u>	<u>Northeast Minnesota Housing Consortium</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Total</u>
\$ -	\$ -	\$ 17,100,719	\$ 18,682,436	\$ 35,954,840
-	-	17,045	-	17,045
5,910,815	1,377,070	21,330,358	42,194,466	70,865,455
-	-	968,759	917,235	1,885,994
-	-	430,678	1,383,620	1,862,298
<u>\$ 5,910,815</u>	<u>\$ 1,377,070</u>	<u>\$ 39,847,559</u>	<u>\$ 63,177,757</u>	<u>\$ 110,585,632</u>
\$ -	\$ -	\$ 36,621,111	\$ -	\$ 36,621,111
-	-	-	61,499,155	61,499,155
5,910,815	1,377,070	-	-	7,350,764
-	-	3,177,789	-	3,177,789
-	-	-	97,059	97,059
-	-	-	247,668	247,668
-	-	-	81,955	81,955
<u>\$ 5,910,815</u>	<u>\$ 1,377,070</u>	<u>\$ 39,798,900</u>	<u>\$ 61,925,837</u>	<u>\$ 109,075,501</u>
\$ -	\$ -	\$ 48,659	\$ 1,251,920	\$ 1,510,131
-	-	-	10,000	10,000
-	-	(2,035,000)	(12,008)	(2,047,008)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,035,000)</u>	<u>\$ (2,008)</u>	<u>\$ (2,037,008)</u>
\$ -	\$ -	\$ (1,986,341)	\$ 1,249,912	\$ (526,877)
-	-	6,312,054	5,569,485	12,370,505
-	-	215,970	-	215,970
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,541,683</u>	<u>\$ 6,819,397</u>	<u>\$ 12,059,598</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
BABBITT FACILITY SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>		<u>Actual</u>		Variance Favorable (Unfavorable)
Revenues					
Intergovernmental	\$	-	\$	47,057	\$ 47,057
Miscellaneous		48,000		48,000	-
Total Revenues	\$	48,000	\$	95,057	\$ 47,057
			<u>Actual</u>		
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	Variance Favorable (Unfavorable)
Expenditures					
Current					
Economic development	\$ 5,000	\$ 3,937	\$ -	\$ 3,937	\$ 1,063
Excess of Revenues Over (Under) Expenditures	\$ 43,000			\$ 91,120	\$ 48,120
Fund Balance - January 1	172,897			172,897	-
Fund Balance - December 31	\$ 215,897			\$ 264,017	\$ 48,120

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
COUNTY HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>		<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>					
Revenues										
Taxes	\$	169,332	\$	171,685	\$ 2,353					
Intergovernmental		5,668		5,689	21					
Charges for services		79,750		-	(79,750)					
Total Revenues	\$	254,750	\$	177,374	\$ (77,376)					
			<u>Actual</u>							
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>					
Expenditures										
Current										
Economic development	\$	159,500	\$	43,942	\$	1,147	\$	45,089	\$	114,411
Excess of Revenues Over (Under) Expenditures	\$	95,250			\$	132,285	\$	37,035		
Adjustments - Note 1		-		(13,853)		(13,853)				
Fund Balance - January 1		316,069		316,069		-				
Fund Balance - December 31	\$	411,319		434,501	\$	23,182				

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>			<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues					
Intergovernmental	\$ 11,341,932			\$ 5,910,815	\$ (5,431,117)
	<u>Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Current Expenditures</u>	<u>Encumbrances</u>		
Expenditures					
Current					
Economic development	\$ 11,331,452	\$ 5,910,815	\$ 1,519	\$ 5,912,334	\$ 5,419,118
Excess of Revenues Over (Under) Expenditures	\$ 10,480			\$ (1,519)	\$ (11,999)
Adjustments - Note 1	-			1,519	1,519
Fund Balance - January 1	-			-	-
Fund Balance - December 31	\$ 10,480			\$ -	\$ (10,480)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
NORTHEAST MINNESOTA HOUSING CONSORTIUM SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>
Revenues				
Intergovernmental	\$ 3,177,249		\$ 1,377,070	\$ (1,800,179)
		<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>
Expenditures				
Current				
Economic development	\$ 3,151,047	\$ 1,377,070	\$ -	\$ 1,377,070
Excess of Revenues Over (Under) Expenditures	\$ 26,202		\$ -	\$ (26,202)
Fund Balance - January 1	-		-	-
Fund Balance - December 31	\$ 26,202		\$ -	\$ (26,202)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
ROAD AND BRIDGE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1995

	Budget		Actual		Variance Favorable (Unfavorable)
Revenues					
Taxes	\$ 16,984,351		\$ 17,100,719		\$ 116,368
Licenses and permits	15,000		17,045		2,045
Intergovernmental	21,823,660		21,330,358		(493,302)
Charges for services	447,108		968,759		521,651
Miscellaneous	241,946		430,678		188,732
Total Revenues	\$ 39,512,065		\$ 39,847,559		\$ 335,494
			Actual		
	Budget	Current Expenditures	Encumbrances	Total	Variance Favorable (Unfavorable)
Expenditures					
Current					
Highways and streets					
Administration	\$ 4,470,531	\$ 4,176,851	\$ 144,997	\$ 4,321,848	\$ 148,683
Road maintenance	11,149,699	10,944,270	20,011	10,964,281	185,418
Road construction	15,546,998	15,334,751	88,065	15,422,816	124,182
Equipment maintenance and shops	5,912,447	5,698,463	75,059	5,773,522	138,925
Other	43,500	8,255	-	8,255	35,245
Total Current Expenditures	\$ 37,123,175	\$ 36,162,590	\$ 328,132	\$ 36,490,722	\$ 632,453
Capital Outlay					
Administration	\$ 20,500	\$ 14,878	\$ -	14,878	\$ 5,622
Equipment maintenance and shops	2,872,429	2,598,154	334,315	2,932,469	(60,040)
Total Capital Outlay	\$ 2,892,929	\$ 2,613,032	\$ 334,315	\$ 2,947,347	\$ (54,418)
Total Expenditures	\$ 40,016,104	\$ 38,775,622	\$ 662,447	\$ 39,438,069	\$ 578,035
Excess of Revenues Over (Under) Expenditures					
	\$ (504,039)			\$ 409,490	\$ 913,529
Other Financing Sources (Uses)					
Operating transfers out	\$ (2,035,000)			\$ (2,035,000)	\$ -
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses					
	\$ (2,539,039)			\$ (1,625,510)	\$ 913,529
Adjustments - Note 1	-			(360,831)	(360,831)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses As Adjusted					
	\$ (2,539,039)			\$ (1,986,341)	\$ 552,698
Fund Balance - January 1	6,312,054			6,312,054	-
Increase (decrease) in reserve for inventories	-			215,970	215,970
Fund Balance - December 31	\$ 3,773,015			\$ 4,541,683	\$ 768,668

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
SOCIAL SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1995

	Budget	Actual		Variance Favorable (Unfavorable)	
		Actual			
Revenues					
Taxes	\$ 18,591,222	\$ 18,682,436		\$ 91,214	
Intergovernmental	42,122,114	42,194,466		72,352	
Charges for services	1,090,500	917,235		(173,265)	
Miscellaneous	1,276,690	1,383,620		106,930	
Total Revenues	\$ 63,080,526	\$ 63,177,757		\$ 97,231	
		Actual			
	Budget	Current Expenditures	Encumbrances	Total	Variance Favorable (Unfavorable)
Expenditures					
Current					
Welfare					
Income maintenance					
Child support enforcement	\$ 2,725,163	\$ 2,752,505	\$ 5,848	\$ 2,758,353	\$ (33,190)
General assistance maintenance	1,569,139	1,163,724	-	1,163,724	405,415
General assistance medical care	295,568	279,698	-	279,698	15,870
Work readiness	279,599	165,304	-	165,304	114,295
Minnesota supplemental aid	978,926	861,028	-	861,028	117,898
Aid to families with dependent children	3,533,186	2,899,881	-	2,899,881	633,305
Medical assistance	2,868,123	2,901,918	-	2,901,918	(33,795)
Food stamps	3,733,462	3,902,587	-	3,902,587	(169,125)
Other assistance programs	211,935	215,506	-	215,506	(3,571)
Social services					
Services to families with children	16,636,991	16,620,501	887	16,621,388	15,603
Stride/Child care	7,394,241	6,956,527	-	6,956,527	437,714
Chemical dependency	2,983,931	3,142,526	-	3,142,526	(158,595)
Mental health	10,676,875	10,309,845	-	10,309,845	367,030
Developmentally disabled	3,511,294	3,737,250	-	3,737,250	(225,956)
Services to adults/elderly	5,854,910	5,636,671	5,547	5,642,218	212,692
Total Current Expenditures	\$ 63,253,343	\$ 61,545,471	\$ 12,282	\$ 61,557,753	\$ 1,695,590
Capital Outlay	\$ 163,482	\$ 93,355	\$ 30,152	\$ 123,507	\$ 39,975
Debt Service					
Principal	\$ 247,668	\$ 247,668	\$ -	\$ 247,668	\$ -
Interest and fiscal charges	81,955	81,955	-	81,955	-
Total Debt Service	\$ 329,623	\$ 329,623	\$ -	\$ 329,623	\$ -
Total Expenditures	\$ 63,746,448	\$ 61,968,449	\$ 42,434	\$ 62,010,883	\$ 1,735,565
Excess of Revenues Over (Under) Expenditures	\$ (665,922)			\$ 1,166,874	\$ 1,832,796
Other Financing Sources (Uses)					
Operating transfer in	\$ 10,000			\$ 10,000	\$ -
Operating transfer out	(12,008)			(12,008)	-
Total Other Financing Sources (Uses)	\$ (2,008)			\$ (2,008)	\$ -
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ (667,930)			\$ 1,164,866	\$ 1,832,796
Adjustments - Note 1	-			85,046	85,046
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses as Adjusted	\$ (667,930)			\$ 1,249,912	\$ 1,917,842
Fund Balance - January 1 - As Restated	5,569,485			5,569,485	-
Fund Balance - December 31	\$ 4,901,555			\$ 6,819,397	\$ 1,917,842

Reader's notes:

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of long-term debt, principal, interest, and related costs.

Babbitt Facility Refunding

The Babbitt Facility Refunding Fund is used to account for 1989 bonds sold for the purpose of refunding a General Obligation Revenue Bond.

Capital Equipment Notes

The Capital Equipment Notes Fund is used to account for 1988, 1989, and 1990 notes for the purpose of financing the purchase of capital equipment.

Correctional Facilities Bond

The Correctional Facilities Bond Fund is used to account for 1989 and 1993 bonds sold by the County and County HRA, respectively, for the purpose of financing the costs of construction of a County jail.

AJC Construction Bond

The AJC Construction Bond Fund is used to account for 1995 bonds sold for the purpose of financing the costs of expansion at the Arrowhead Juvenile Center.

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
DECEMBER 31, 1995

	<u>Babbitt Facility Refunding</u>	<u>Correctional Facilities Bond</u>	<u>AJC Construction Bond</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 9,381	\$ 569,590	\$ 88,966	\$ 667,937
Receivables				
Taxes				
Unapportioned	1,872	15,193	-	17,065
Delinquent	5,294	33,268	-	38,562
Total Assets	<u>\$ 16,547</u>	<u>\$ 618,051</u>	<u>\$ 88,966</u>	<u>\$ 723,564</u>
Liabilities and Fund Balance				
Liabilities				
Deferred revenue	\$ 4,765	\$ 29,941	\$ -	\$ 34,706
Fund Balance				
Unreserved-undesignated	11,782	588,110	88,966	688,858
Total Liabilities and Fund Balance	<u>\$ 16,547</u>	<u>\$ 618,051</u>	<u>\$ 88,966</u>	<u>\$ 723,564</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 1995

	<u>Babbitt Facility Refunding</u>	<u>Capital Equipment Notes</u>	<u>Correctional Facilities Bond</u>	<u>AJC Construction Bond</u>	<u>Total</u>
Revenues					
Taxes	\$ 91,137	\$ 75,623	\$ 779,627	\$ -	\$ 946,387
Intergovernmental	29,740	21,016	255,800	-	306,556
Interest on investments	11	604	62	-	677
Total Revenues	<u>\$ 120,888</u>	<u>\$ 97,243</u>	<u>\$ 1,035,489</u>	<u>\$ -</u>	<u>\$ 1,253,620</u>
Expenditures					
Debt service					
Principal	\$ 30,000	\$ 2,035,000	\$ 770,000	\$ -	\$ 2,835,000
Interest and fiscal charges	84,680	120,065	692,113	-	896,858
Total Expenditures	<u>\$ 114,680</u>	<u>\$ 2,155,065</u>	<u>\$ 1,462,113</u>	<u>\$ -</u>	<u>\$ 3,731,858</u>
Excess of Revenues Over (Under) Expenditures	\$ 6,208	\$ (2,057,822)	\$ (426,624)	\$ -	\$ (2,478,238)
Other Financing Sources (Uses)					
Operating transfers in	\$ -	\$ 2,035,000	\$ 350,000	\$ -	\$ 2,385,000
Bond proceeds	-	-	-	88,966	88,966
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 2,035,000</u>	<u>\$ 350,000</u>	<u>\$ 88,966</u>	<u>\$ 2,473,966</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 6,208	\$ (22,822)	\$ (76,624)	\$ 88,966	\$ (4,272)
Fund Balance - January 1	5,574	22,822	664,734	-	693,130
Fund Balance - December 31	<u>\$ 11,782</u>	<u>\$ -</u>	<u>\$ 588,110</u>	<u>\$ 88,966</u>	<u>\$ 688,858</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
BABBITT FACILITY REFUNDING DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 93,016	\$ 91,137	\$ (1,879)
Intergovernmental	27,398	29,740	2,342
Interest	-	11	11
Total Revenues	<u>\$ 120,414</u>	<u>\$ 120,888</u>	<u>\$ 474</u>
Expenditures			
Debt service			
Principal	\$ 30,000	\$ 30,000	\$ -
Interest and fiscal charges	84,680	84,680	-
Total Expenditures	<u>\$ 114,680</u>	<u>\$ 114,680</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 5,734</u>	<u>\$ 6,208</u>	<u>\$ 474</u>
Fund Balance - January 1	<u>5,574</u>	<u>5,574</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 11,308</u></u>	<u><u>\$ 11,782</u></u>	<u><u>\$ 474</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
CAPITAL EQUIPMENT NOTES DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 99,568	\$ 75,623	\$ (23,945)
Intergovernmental	26,501	21,016	(5,485)
Interest	-	604	604
Total Revenues	<u>\$ 126,069</u>	<u>\$ 97,243</u>	<u>\$ (28,826)</u>
Expenditures			
Debt service			
Principal	\$ 2,035,000	\$ 2,035,000	\$ -
Interest and fiscal charges	120,065	120,065	-
Total Expenditures	<u>\$ 2,155,065</u>	<u>\$ 2,155,065</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (2,028,996)</u>	<u>\$ (2,057,822)</u>	<u>\$ (28,826)</u>
Other Financing Sources (Uses)			
Operating transfers in	<u>\$ 2,035,000</u>	<u>\$ 2,035,000</u>	<u>\$ -</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 6,004</u>	<u>\$ (22,822)</u>	<u>\$ (28,826)</u>
Fund Balance - January 1	<u>22,822</u>	<u>22,822</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 28,826</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (28,826)</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
CORRECTIONAL FACILITIES BOND DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 791,362	\$ 779,627	\$ (11,735)
Intergovernmental	243,857	255,800	11,943
Interest	-	62	62
Total Revenues	<u>\$ 1,035,219</u>	<u>\$ 1,035,489</u>	<u>\$ 270</u>
 Expenditures			
Debt service			
Principal	\$ 770,000	\$ 770,000	\$ -
Interest and fiscal charges	692,113	692,113	-
Total Expenditures	<u>\$ 1,462,113</u>	<u>\$ 1,462,113</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (426,894)</u>	<u>\$ (426,624)</u>	<u>\$ 270</u>
 Other Financing Sources (Uses)			
Operating transfers in	350,000	350,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (76,894)</u>	<u>\$ (76,624)</u>	<u>\$ 270</u>
 Fund Balance - January 1	<u>664,734</u>	<u>664,734</u>	<u>-</u>
 Fund Balance - December 31	<u>\$ 587,840</u>	<u>\$ 588,110</u>	<u>\$ 270</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
AJC CONSTRUCTION BOND DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other Financing Sources (Uses)			
Bond proceeds	\$ -	\$ 88,966	\$ 88,966
 Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	 \$ -	 \$ 88,966	 \$ 88,966
Fund Balance - January 1	-	-	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ 88,966</u>	<u>\$ 88,966</u>

Reader's notes:

**CAPITAL PROJECTS
FUNDS**

Capital Projects Funds

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

Buildings

The Buildings Fund is used to account for building and remodeling projects.

Jail Bond

The Jail Bond Fund is used to account for proceeds of a jail construction project.

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND
DECEMBER 31, 1995

	<u>Buildings</u>	<u>Jail Bond</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 424,484	\$ 434,385	\$ 858,869
Investments	56,420	-	56,420
Receivables			
Taxes			
Unapportioned	13,564	-	13,564
Delinquent	43,984	-	43,984
Total Assets	<u>\$ 538,452</u>	<u>\$ 434,385</u>	<u>\$ 972,837</u>
Liabilities and Fund Balance			
Liabilities			
Accounts payable	\$ 139,841	\$ 126,208	\$ 266,049
Due to other funds	-	19,565	19,565
Deferred revenue	39,585	-	39,585
Total Liabilities	<u>\$ 179,426</u>	<u>\$ 145,773</u>	<u>\$ 325,199</u>
Fund Balance			
Unreserved - undesignated	359,026	288,612	647,638
Total Liabilities and Fund Balance	<u>\$ 538,452</u>	<u>\$ 434,385</u>	<u>\$ 972,837</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 1995

	<u>Buildings</u>	<u>Jail Bond</u>	<u>Total</u>
Revenues			
Taxes	\$ 627,865	\$ -	\$ 627,865
Intergovernmental	204,463	-	204,463
Interest on investments	1,945	82,645	84,590
	<u>834,273</u>	<u>82,645</u>	<u>916,918</u>
Total Revenues	\$ 834,273	\$ 82,645	\$ 916,918
Expenditures			
Capital Outlay:			
General government	\$ 433,695	\$ -	\$ 433,695
Public safety	25,269	2,342,042	2,367,311
Highways and streets	595,500	-	595,500
Debt Service:			
Principal	30,000	-	30,000
	<u>1,084,464</u>	<u>2,342,042</u>	<u>3,426,506</u>
Total Expenditures	\$ 1,084,464	\$ 2,342,042	\$ 3,426,506
Excess of Revenues Over (Under) Expenditures	\$ (250,191)	\$ (2,259,397)	\$ (2,509,588)
Other Financing Sources (Uses)			
Operating transfers in	\$ 20,000	\$ -	\$ 20,000
Operating transfers out	(60,000)	(350,000)	(410,000)
	<u>(40,000)</u>	<u>(350,000)</u>	<u>(390,000)</u>
Total Other Financing Sources (Uses)	\$ (40,000)	\$ (350,000)	\$ (390,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (290,191)	\$ (2,609,397)	\$ (2,899,588)
Fund Balance - January 1	649,217	2,898,009	3,547,226
	<u>649,217</u>	<u>2,898,009</u>	<u>3,547,226</u>
Fund Balance - December 31	\$ 359,026	\$ 288,612	\$ 647,638

Reader's notes:

ENTERPRISE FUNDS

Enterprise Funds

Enterprise Funds are used 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.

Chris Jensen

The Chris Jensen Fund is used to account for providing nursing home facilities for the public.

Nopeming

The Nopeming Fund is used to account for providing nursing home facilities for the public.

Solid Waste Management

The Solid Waste Management Fund is used to account for the management and operations of solid waste activities in St. Louis County outside of the Western Lake Superior Sanitary District service area.

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1995

Assets	Chris Jensen	Nopeming	Solid Waste Management	Total
Current assets				
Cash and cash equivalents	\$ 780	\$ 810	\$ 5,250,150	\$ 5,251,740
Investments	-	-	4,250,000	4,250,000
Receivables				
Taxes				
Unapportioned	2,298	1,454	54,048	57,800
Delinquent	26,031	16,446	11,149	53,626
Accounts	2,280,072	1,296,129	324,589	3,900,790
Accrued interest	-	-	60,017	60,017
Due from other governments	-	-	32,575	32,575
Inventories	62,704	82,396	-	145,100
Total current assets	\$ 2,371,885	\$ 1,397,235	\$ 9,982,528	\$ 13,751,648
Restricted assets				
Improvement account				
Cash and cash equivalents	\$ -	\$ 71,055	\$ -	\$ 71,055
Debt service				
Cash and cash equivalents	3,359	3,155	363,805	370,319
Assets held by escrow agent	-	-	2,846,398	2,846,398
Receivables				
Taxes				
Unapportioned	-	-	24,305	24,305
Delinquent	-	-	53,090	53,090
Accrued interest	-	-	10,687	10,687
Financial assurance				
Cash and cash equivalents	-	-	1,212,173	1,212,173
Investments	-	-	587,417	587,417
Receivables				
Accrued interest	-	-	529	529
Total restricted assets	\$ 3,359	\$ 74,210	\$ 5,098,404	\$ 5,175,973
Fixed assets				
Land	\$ 130,656	\$ 132,086	\$ 209,734	\$ 472,476
Buildings and structures	5,126,521	3,798,445	2,498,965	11,423,931
Improvements other than buildings	32,469	53,798	5,689,181	5,775,448
Equipment, furniture and fixtures	613,211	537,204	-	1,150,415
Machinery and equipment	-	-	1,203,163	1,203,163
Vehicles	-	26,330	121,562	147,892
Construction in progress	-	825,441	-	825,441
Total fixed assets	\$ 5,902,857	\$ 5,373,304	\$ 9,722,605	\$ 20,998,766
Accumulated depreciation	\$ (1,415,109)	\$ (2,233,345)	\$ (2,248,083)	\$ (5,896,537)
Net fixed assets	\$ 4,487,748	\$ 3,139,959	\$ 7,474,522	\$ 15,102,229
Total Assets	\$ 6,862,992	\$ 4,611,404	\$ 22,555,454	\$ 34,029,850

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1995

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Liabilities and Fund Equity				
Liabilities				
Current liabilities (payable from current assets)				
Accounts payable	\$ 176,156	\$ 180,643	\$ 264,951	\$ 621,750
Salaries payable	306,858	232,557	17,559	556,974
Compensated absences payable	37,190	32,834	4,274	74,298
Interfund payable	2,009,524	1,552,938	789,541	4,352,003
Due to other governments	-	-	99,830	99,830
Deferred revenue	145,846	39,173	10,033	195,052
Total current liabilities (payable from current assets)	\$ 2,675,574	\$ 2,038,145	\$ 1,186,188	\$ 5,899,907
Current liabilities (payable from restricted assets)				
Due to other governments	\$ -	\$ -	\$ 1,212,515	\$ 1,212,515
Accrued interest payable	-	840	51,630	52,470
Deferred revenue	-	-	47,781	47,781
Bonds payable	-	35,000	1,030,000	1,065,000
Total current liabilities (payable from restricted assets)	\$ -	\$ 35,840	\$ 2,341,926	\$ 2,377,766
Long-term liabilities				
Compensated absences payable	\$ 1,779,070	\$ 1,331,675	\$ 142,363	\$ 3,253,108
General obligation revenue bonds payable	-	113,601	10,557,670	10,671,271
Customer deposits	-	-	23,550	23,550
Closure and post-closure liabilities	-	-	627,035	627,035
Total long-term liabilities	\$ 1,779,070	\$ 1,445,276	\$ 11,350,618	\$ 14,574,964
Total Liabilities	\$ 4,454,644	\$ 3,519,261	\$ 14,878,732	\$ 22,852,637
Fund Equity				
Contributed capital	\$ 2,000	\$ -	\$ 1,655,038	\$ 1,657,038
Retained earnings				
Reserved for improvements	\$ -	\$ 71,055	\$ -	\$ 71,055
Reserved for post-closure	-	-	587,604	587,604
Unreserved	2,406,348	1,021,088	5,434,080	8,861,516
Total retained earnings	\$ 2,406,348	\$ 1,092,143	\$ 6,021,684	\$ 9,520,175
Total Fund Equity	\$ 2,408,348	\$ 1,092,143	\$ 7,676,722	\$ 11,177,213
Total Liabilities and Fund Equity	\$ 6,862,992	\$ 4,611,404	\$ 22,555,454	\$ 34,029,850

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 1995

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Operating Revenues				
Charges for services	\$ 10,874,128	\$ 8,493,440	\$ 4,995,606	\$ 24,363,174
Licenses and permits	-	-	1,600	1,600
Other	185,999	80,188	16,557	282,744
Total Operating Revenues	\$ 11,060,127	\$ 8,573,628	\$ 5,013,763	\$ 24,647,518
Operating Expenses				
Personal services	\$ 8,289,854	\$ 7,125,248	\$ 721,326	\$ 16,136,428
Contractual services	1,980,067	1,385,025	3,602,519	6,967,611
Materials	1,173,937	776,921	90,342	2,041,200
Depreciation	127,590	108,421	1,054,792	1,290,803
Other	-	-	47,343	47,343
Total Operating Expenses	\$ 11,571,448	\$ 9,395,615	\$ 5,516,322	\$ 26,483,385
Operating Income (Loss)	\$ (511,321)	\$ (821,987)	\$ (502,559)	\$ (1,835,867)
Nonoperating Revenues (Expenses)				
Taxes	\$ 8,282	\$ 5,848	\$ 1,656,961	\$ 1,671,091
Grants	-	-	571,657	571,657
Interest on investments	6,124	5	547,082	553,211
Interest expense	(44,092)	(11,876)	(659,502)	(715,470)
Amortization of bond discount	(14,586)	(358)	(19,514)	(34,458)
Disposition of fixed assets	-	-	(1,518)	(1,518)
Total Nonoperating Revenues (Expenses)	\$ (44,272)	\$ (6,381)	\$ 2,095,166	\$ 2,044,513
Net Income (Loss)	\$ (555,593)	\$ (828,368)	\$ 1,592,607	\$ 208,646
Retained Earnings - January 1 - Restated	2,961,941	1,920,511	4,429,077	9,311,529
Retained Earnings - December 31	\$ 2,406,348	\$ 1,092,143	\$ 6,021,684	\$ 9,520,175

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 1995

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Cash Flows From Operating Activities				
Operating Income (Loss)	\$ (511,321)	\$ (821,987)	\$ (502,559)	\$ (1,835,867)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation	\$ 127,590	\$ 108,421	\$ 1,054,792	\$ 1,290,803
Changes in Assets and Liabilities				
(Increase) Decrease in accounts receivable	382,081	78,976	(10,076)	450,981
(Increase) Decrease in due from other governments	-	-	224,119	224,119
(Increase) Decrease in inventories	1,973	(2,557)	-	(584)
Increase (Decrease) in accounts payable	(28,518)	113,907	(121,868)	(36,479)
Increase (Decrease) in salaries payable	103,449	70,447	4,649	178,545
Increase (Decrease) in compensated absences payable	195,377	(42,580)	58,205	211,002
Increase (Decrease) in closure liabilities	-	-	260,895	260,895
Increase (Decrease) in due to other governments	-	-	(261,940)	(261,940)
Increase (Decrease) in deferred revenue	(67,827)	(14,066)	-	(81,893)
Increase (Decrease) in customer deposits	-	-	2,525	2,525
Net Cash Provided by Operating Activities	<u>\$ 202,804</u>	<u>\$ (509,439)</u>	<u>\$ 708,742</u>	<u>\$ 402,107</u>
Cash Flows From Noncapital Financing Activities				
Proceeds from taxes	\$ 8,282	\$ 5,848	\$ 1,638,663	\$ 1,652,793
Proceeds from grant	-	-	571,657	571,657
Payments of interfund loan	(1,518,686)	(129,572)	-	(1,648,258)
Proceeds from interfund loan	2,009,524	1,552,938	789,541	4,352,003
Net Cash Provided by Noncapital Financing Activities	<u>\$ 499,120</u>	<u>\$ 1,429,214</u>	<u>\$ 2,999,861</u>	<u>\$ 4,928,195</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	\$ (69,878)	\$ (886,281)	\$ (201,605)	\$ (1,157,764)
Principal paid on bonds	(740,000)	(30,000)	(990,000)	(1,760,000)
Interest paid on bonds	(48,100)	(12,040)	(663,133)	(723,273)
Proceeds from sale of equipment	4,196	8,547	-	12,743
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (853,782)</u>	<u>\$ (919,774)</u>	<u>\$ (1,854,738)</u>	<u>\$ (3,628,294)</u>
Cash Flows From Investing Activities				
Purchase of investments	\$ -	\$ -	\$ (52,003,266)	\$ (52,003,266)
Sale of investments	-	-	47,167,644	47,167,644
Interest on investments	6,649	5	486,542	493,196
Net Cash Provided by Investing Activities	<u>\$ 6,649</u>	<u>\$ 5</u>	<u>\$ (4,349,080)</u>	<u>\$ (4,342,426)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (145,209)	\$ 6	\$ (2,495,215)	\$ (2,640,418)
Cash and Cash Equivalents - January 1	149,348	75,014	9,321,343	9,545,705
Cash and Cash Equivalents - December 31	<u>\$ 4,139</u>	<u>\$ 75,020</u>	<u>\$ 6,826,128</u>	<u>\$ 6,905,287</u>

Reader's notes:

**INTERNAL SERVICE
FUNDS**

Internal Service Funds

Internal Service Funds are used 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

The Community Food Fund is used to account for providing meals for participants in various programs administered by the Social Services Department.

Laundry

The Laundry Fund is used to account for the costs of operating a laundry facility used by County departments and other agencies.

Supervised Living Facilities

The Supervised Living Facilities Fund is used to account for services that enable elderly and/or handicapped individuals to maintain a degree of independence.

Printing

The Printing Fund is used to account for providing office supplies, materials, printing and postage to County Departments.

County Garage

The County Garage Fund is used to account for the costs of operating a maintenance facility for automotive equipment and a fleet of vehicles for use by County departments.

Property, Casualty, Liability Insurance

The Property, Casualty, Liability Insurance Fund is used to account for coverage of claims and judgements against the County.

Workers' Compensation Insurance

The Workers' Compensation Insurance Fund is used to account for coverage of workers' compensation claims incurred by County employees.

Medical / Dental Insurance

The Medical / Dental Insurance Fund is used to account for coverage of medical and dental expenses incurred by County employees, dependents, and retirees.

Management Information Systems

The Management Information Systems Fund is used to account for computer services and programming services to County departments.

Telecommunications

The Telecommunications Fund is used to account for the County communications system.

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
DECEMBER 31, 1995

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 337,377	\$ 92,003	\$ 118,062	\$ 286,525
Investments	-	-	-	-
Receivables				
Taxes				
Unapportioned	-	-	52	-
Delinquent	-	-	394	-
Accounts	2,223	32,042	27,161	7,028
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	129,341	-	-	11,386
Inventories	31,592	29,994	-	66,439
Prepaid items	174,250	-	-	-
Total current assets	\$ 674,783	\$ 154,039	\$ 145,669	\$ 371,378
Fixed assets				
Land	\$ -	\$ -	\$ -	\$ -
Buildings and structures	-	970,719	-	-
Machinery and equipment	-	451,303	5,524	428,080
Linens	-	219,805	-	-
Vehicles	-	-	-	-
Total fixed assets	\$ -	\$ 1,641,827	\$ 5,524	\$ 428,080
Accumulated depreciation	-	(652,607)	(5,524)	(259,719)
Net fixed assets	\$ -	\$ 989,220	\$ -	\$ 168,361
Total Assets	\$ 674,783	\$ 1,143,259	\$ 145,669	\$ 539,739

<u>County Garage</u>	<u>Property, Casualty, Liability Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Medical/ Dental Insurance</u>	<u>Management Information Systems</u>	<u>Telecommu- nications</u>	<u>Total</u>
\$ 257,524	\$ 157,604	\$ 195,274	\$ 445,849	\$ 362,159	\$ 379,925	\$ 2,632,302
-	2,739,261	5,250,000	9,366,475	-	-	17,355,736
-	-	-	-	-	-	52
-	-	-	-	-	-	394
-	1,723	-	123,384	326	3,857	197,744
-	39,466	90,335	59,050	-	-	188,851
-	-	-	-	19,565	-	19,565
2,875	-	-	-	-	-	143,602
36,771	-	-	-	24,907	4,687	194,390
-	-	-	-	-	-	174,250
<u>\$ 297,170</u>	<u>\$ 2,938,054</u>	<u>\$ 5,535,609</u>	<u>\$ 9,994,758</u>	<u>\$ 406,957</u>	<u>\$ 388,469</u>	<u>\$ 20,906,886</u>
\$ 25,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,500
778,730	-	-	-	-	-	1,749,449
70,419	-	-	-	3,134,890	1,853,346	5,943,562
-	-	-	-	-	-	219,805
1,508,990	-	-	-	-	-	1,508,990
<u>\$ 2,383,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,134,890</u>	<u>\$ 1,853,346</u>	<u>\$ 9,447,306</u>
(1,442,652)	-	-	-	(1,877,008)	(1,274,691)	(5,512,201)
<u>\$ 940,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,257,882</u>	<u>\$ 578,655</u>	<u>\$ 3,935,105</u>
<u>\$ 1,238,157</u>	<u>\$ 2,938,054</u>	<u>\$ 5,535,609</u>	<u>\$ 9,994,758</u>	<u>\$ 1,664,839</u>	<u>\$ 967,124</u>	<u>\$ 24,841,991</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
DECEMBER 31, 1995

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Liabilities and Fund Equity				
Liabilities				
Current liabilities				
Accounts payable	\$ 34,911	\$ 51,760	\$ 792	\$ 77,599
Salaries payable	13,947	13,875	14,805	2,341
Compensated absences payable	2,790	4,803	2,456	829
Claims payable	-	-	-	-
Due to other governments	-	12,291	-	-
Deferred revenue	-	-	355	-
Capital leases payable	-	-	-	12,356
Total current liabilities	<u>\$ 51,648</u>	<u>\$ 82,729</u>	<u>\$ 18,408</u>	<u>\$ 93,125</u>
Long-term liabilities				
Compensated absences payable	\$ 136,818	\$ 246,323	\$ 122,159	\$ 75,254
Claims payable	-	-	-	-
Capital leases payable	-	-	-	21,622
Total long-term liabilities	<u>\$ 136,818</u>	<u>\$ 246,323</u>	<u>\$ 122,159</u>	<u>\$ 96,876</u>
Total Liabilities	<u>\$ 188,466</u>	<u>\$ 329,052</u>	<u>\$ 140,567</u>	<u>\$ 190,001</u>
Fund Equity				
Contributed capital	<u>\$ -</u>	<u>\$ 814,517</u>	<u>\$ 3,192</u>	<u>\$ 5,131</u>
Retained earnings				
Reserved for capital acquisition	\$ 174,250	\$ -	\$ -	\$ -
Unreserved	312,067	(310)	1,910	344,607
Total retained earnings	<u>\$ 486,317</u>	<u>\$ (310)</u>	<u>\$ 1,910</u>	<u>\$ 344,607</u>
Total Fund Equity	<u>\$ 486,317</u>	<u>\$ 814,207</u>	<u>\$ 5,102</u>	<u>\$ 349,738</u>
Total Liabilities and Fund Equity	<u>\$ 674,783</u>	<u>\$ 1,143,259</u>	<u>\$ 145,669</u>	<u>\$ 539,739</u>

County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance	Medical/ Dental Insurance	Management Information Systems	Telecommu- nications	Total
\$ 25,769	\$ 13,430	\$ 75,022	\$ 432	\$ 18,557	\$ 66,026	\$ 364,298
4,803	-	-	-	49,814	3,061	102,646
1,831	-	-	-	11,241	1,217	25,167
-	68,900	718,880	1,566,789	-	-	2,354,569
-	-	-	-	-	-	12,291
-	-	-	300,614	-	-	300,969
-	-	-	-	-	-	12,356
<u>\$ 32,403</u>	<u>\$ 82,330</u>	<u>\$ 793,902</u>	<u>\$ 1,867,835</u>	<u>\$ 79,612</u>	<u>\$ 70,304</u>	<u>\$ 3,172,296</u>
\$ 108,861	\$ -	\$ -	\$ -	\$ 579,379	\$ 9,887	\$ 1,278,681
-	-	2,370,778	-	-	-	2,370,778
-	-	-	-	-	-	21,622
<u>\$ 108,861</u>	<u>\$ -</u>	<u>\$ 2,370,778</u>	<u>\$ -</u>	<u>\$ 579,379</u>	<u>\$ 9,887</u>	<u>\$ 3,671,081</u>
\$ 141,264	\$ 82,330	\$ 3,164,680	\$ 1,867,835	\$ 658,991	\$ 80,191	\$ 6,843,377
\$ 1,120,249	\$ -	\$ -	\$ -	\$ 808,490	\$ 185,639	\$ 2,937,218
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,250
(23,356)	2,855,724	2,370,929	8,126,923	197,358	701,294	14,887,146
<u>\$ (23,356)</u>	<u>\$ 2,855,724</u>	<u>\$ 2,370,929</u>	<u>\$ 8,126,923</u>	<u>\$ 197,358</u>	<u>\$ 701,294</u>	<u>\$ 15,061,396</u>
\$ 1,096,893	\$ 2,855,724	\$ 2,370,929	\$ 8,126,923	\$ 1,005,848	\$ 886,933	\$ 17,998,614
<u>\$ 1,238,157</u>	<u>\$ 2,938,054</u>	<u>\$ 5,535,609</u>	<u>\$ 9,994,758</u>	<u>\$ 1,664,839</u>	<u>\$ 967,124</u>	<u>\$ 24,841,991</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 1995

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Operating Revenues				
15ECharges for serices	\$ 1,073,946	\$ 1,141,805	\$ 429,694	\$ 857,763
Other	3,529	370	-	-
Total Operating Revenues	<u>\$ 1,077,475</u>	<u>\$ 1,142,175</u>	<u>\$ 429,694</u>	<u>\$ 857,763</u>
Operating Expenses				
Personal serices	\$ 615,124	\$ 757,456	\$ 356,439	\$ 141,351
Contractual serices	84,661	91,798	28,904	289,403
Materials	495,035	253,110	4,979	334,256
Depreciat on	-	34,451	-	37,387
Total Operating Expenses	<u>\$ 1,194,820</u>	<u>\$ 1,136,815</u>	<u>\$ 390,322</u>	<u>\$ 802,397</u>
Operating Income (Loss)	<u>\$ (117,345)</u>	<u>\$ 5,360</u>	<u>\$ 39,372</u>	<u>\$ 55,366</u>
Nonoperating Revenues (Expenses)				
Taxes	\$ -	\$ -	\$ 180	\$ -
Interest on niestments	-	-	-	-
Disposit on of fixed assets	-	-	-	(2,033)
Total Nonoperating Revenues (Expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ (2,033)</u>
Net Income (Loss)	<u>\$ (117,345)</u>	<u>\$ 5,360</u>	<u>\$ 39,552</u>	<u>\$ 53,333</u>
Retained Earn ngs - January 1 - Restated	603,662	(5,670)	(37,642)	291,274
Residual equ ty transfer out	-	-	-	-
Retained Earnings - December 31	<u>\$ 486,317</u>	<u>\$ (310)</u>	<u>\$ 1,910</u>	<u>\$ 344,607</u>

<u>County Garage</u>	<u>Property, Casualty, Liability Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Medical/ Dental Insurance</u>	<u>Management Information Systems</u>	<u>Telecommu- nications</u>	<u>Total</u>
\$ 1,046,172 88	\$ 577,678 -	\$ 2,409,539 -	\$ 10,969,360 -	\$ 2,875,366 479,616	\$ 1,107,181 9,806	\$ 22,488,504 493,409
<u>\$ 1,046,260</u>	<u>\$ 577,678</u>	<u>\$ 2,409,539</u>	<u>\$ 10,969,360</u>	<u>\$ 3,354,982</u>	<u>\$ 1,116,987</u>	<u>\$ 22,981,913</u>
\$ 265,102 223,911 306,948 178,378	\$ - 307,959 - -	\$ - 1,274,837 1,798 -	\$ - 10,832,531 - -	\$ 1,567,429 882,808 163,968 420,057	\$ 131,892 752,110 26,320 221,371	\$ 3,834,793 14,768,922 1,586,414 891,644
<u>\$ 974,339</u>	<u>\$ 307,959</u>	<u>\$ 1,276,635</u>	<u>\$ 10,832,531</u>	<u>\$ 3,034,262</u>	<u>\$ 1,131,693</u>	<u>\$ 21,081,773</u>
\$ 71,921	\$ 269,719	\$ 1,132,904	\$ 136,829	\$ 320,720	\$ (14,706)	\$ 1,900,140
\$ - - 33,552	\$ - 133,985 -	\$ - 329,912 -	\$ - 541,849 -	\$ - - (42,009)	\$ - - (2,085)	\$ 180 1,005,746 (12,575)
<u>\$ 33,552</u>	<u>\$ 133,985</u>	<u>\$ 329,912</u>	<u>\$ 541,849</u>	<u>\$ (42,009)</u>	<u>\$ (2,085)</u>	<u>\$ 993,351</u>
\$ 105,473 (128,829) -	\$ 403,704 2,536,277 (84,257)	\$ 1,462,816 908,113 -	\$ 678,678 7,448,245 -	\$ 278,711 (81,353) -	\$ (16,791) 718,085 -	\$ 2,893,491 12,252,162 (84,257)
<u>\$ (23,356)</u>	<u>\$ 2,855,724</u>	<u>\$ 2,370,929</u>	<u>\$ 8,126,923</u>	<u>\$ 197,358</u>	<u>\$ 701,294</u>	<u>\$ 15,061,396</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 1995

	Community Food	Laundry	Supervised Living Facilities	Printing
Cash Flows From Operating Activities				
Operating Income (Loss)	\$ (117,345)	\$ 5,360	\$ 39,372	\$ 55,366
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation	\$ -	\$ 34,451	\$ -	\$ 37,387
Changes in Assets and Liabilities				
(Increase) Decrease in accounts receivable	98,910	(1,775)	(1,344)	(537)
(Increase) Decrease in due from other funds	-	-	-	14
(Increase) Decrease in due from other governments	(92,000)	-	-	(7,883)
(Increase) Decrease in inventories	(9,218)	79	-	(1,651)
(Increase) Decrease in prepaid items	(124,298)	-	-	-
Increase (Decrease) in accounts payable	8,494	5,396	(283)	40,975
Increase (Decrease) in salaries payable	(877)	(184)	3,355	97
Increase (Decrease) in compensated absences payable	50,265	33,423	(77,252)	1,119
Increase (Decrease) in claims payable	-	-	-	-
Increase (Decrease) in due to other governments	-	-	-	-
Increase (Decrease) in deferred revenue	-	-	-	-
Net Cash Provided by Operating Activities	<u>\$ (186,069)</u>	<u>\$ 76,750</u>	<u>\$ (36,152)</u>	<u>\$ 124,887</u>
Cash Flows From Noncapital Financing Activities				
Proceeds from taxes	\$ 171	\$ -	\$ 98	\$ -
Net Cash Provided by Noncapital Financing Activities	<u>\$ 171</u>	<u>\$ -</u>	<u>\$ 98</u>	<u>\$ -</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	\$ -	\$ (102,819)	\$ -	\$ (61,169)
Payments of capital leases	-	-	-	(14,689)
Proceeds from sale of equipment	-	-	-	-
Net Cash Provided by Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ (102,819)</u>	<u>\$ -</u>	<u>\$ (75,858)</u>
Cash Flows From Investing Activities				
Purchase of investments	\$ -	\$ -	\$ -	\$ -
Sale of investments	-	-	-	-
Interest on investments	-	-	-	-
Net Cash Provided by Investing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (185,898)</u>	<u>\$ (26,069)</u>	<u>\$ (36,054)</u>	<u>\$ 49,029</u>
Cash and Cash Equivalents - January 1	<u>523,275</u>	<u>118,072</u>	<u>154,116</u>	<u>237,496</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 337,377</u></u>	<u><u>\$ 92,003</u></u>	<u><u>\$ 118,062</u></u>	<u><u>\$ 286,525</u></u>

Non-Cash Activities

\$200,994 of assets previously classified as inventory in the Laundry Fund were reclassified as fixed assets.
\$1,329,611 of fixed assets in the County Garage Fund were transferred to the General Fixed Assets Account Group.
\$84,257 of retained earnings was shown as a residual equity transfer out of the Property, Casualty, Liability Fund to the General Fund.

County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance	Medical/ Dental Insurance	Management Information Systems	Telecommu- nications	Total
\$ 71,921	\$ 269,719	\$ 1,132,904	\$ 136,829	\$ 320,720	\$ (14,706)	\$ 1,900,140
\$ 178,378	\$ -	\$ -	\$ -	\$ 420,057	\$ 221,371	\$ 891,644
-	770	861	376,441	(326)	(3,857)	469,143
-	-	-	-	(19,565)	-	(19,551)
1,861	-	-	-	32	113	(97,877)
(6,849)	-	-	-	49,506	(3,951)	27,916
-	-	-	-	-	-	(124,298)
1,010	11,856	33,306	(11,797)	(182,962)	3,822	(90,183)
165	-	-	-	10,577	721	13,854
(5,677)	-	-	-	(137,907)	(274)	(136,303)
-	(28,562)	(360,002)	373,485	-	-	(15,079)
-	-	(98,269)	-	-	-	(98,269)
-	-	-	200,867	-	-	200,867
<u>\$ 240,809</u>	<u>\$ 253,783</u>	<u>\$ 708,800</u>	<u>\$ 1,075,825</u>	<u>\$ 460,132</u>	<u>\$ 203,239</u>	<u>\$ 2,922,004</u>
\$ -	\$ 265	\$ -	\$ -	\$ -	\$ -	\$ 534
\$ -	\$ 265	\$ -	\$ -	\$ -	\$ -	\$ 534
\$ (189,281)	\$ -	\$ -	\$ -	\$ (690,985)	\$ (19,980)	\$ (1,064,234)
-	-	-	-	-	-	(14,689)
<u>33,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,552</u>
<u>\$ (155,729)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (690,985)</u>	<u>\$ (19,980)</u>	<u>\$ (1,045,371)</u>
\$ -	\$ (6,230,327)	\$ (26,107,123)	\$ (47,129,390)	\$ -	\$ -	\$ (79,466,840)
-	5,880,677	25,103,201	45,509,487	-	-	76,493,365
-	125,119	283,942	575,784	-	-	984,845
<u>\$ -</u>	<u>\$ (224,531)</u>	<u>\$ (719,980)</u>	<u>\$ (1,044,119)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,988,630)</u>
\$ 85,080	\$ 29,517	\$ (11,180)	\$ 31,706	\$ (230,853)	\$ 183,259	\$ (111,463)
172,444	128,087	206,454	414,143	593,012	196,666	2,743,765
<u>\$ 257,524</u>	<u>\$ 157,604</u>	<u>\$ 195,274</u>	<u>\$ 445,849</u>	<u>\$ 362,159</u>	<u>\$ 379,925</u>	<u>\$ 2,632,302</u>

Reader's notes:

**TRUST AND AGENCY
FUNDS**

Trust and Agency Funds

Trust and Agency Funds are used to account for assets held by St. Louis County in a trustee capacity, or as an agent for individuals, private organizations, and any other governmental units.

EXPENDABLE TRUST FUNDS

Missing Heirs Fund

The Missing Heirs Fund is used to account for the receipt of unclaimed legacies deposited with the County pursuant to Minn. Stat. §524.3-914 (1994). 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

The Private Redemption Fund is 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

The 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.

Tax Certificate Assurance Fund

The 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 an error of the County Auditor or his deputy in issuing a tax certificate.

Forfeited Tax Sale Fund

The 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 (1994). 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 (1994). Title to the tax forfeited lands remains with the State until sold by the County.

Forest Resources Fund

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

Patients Escrow Fund

The Patients Escrow Fund is used to account for the deposit and subsequent return of nursing home resident's trust funds deposited with the County Auditor. The County acts only as the custodian of these funds and ownership rests with the nursing home patients.

Attorney Forfeitures Fund

The Attorney Forfeitures Fund is used to account for monies confiscated in drug-related crimes [Minn. Stat. §609.5311 (1994)] and contraband used in the commission of other crimes [Minn. Stat. §609.5312 (1994)]. The County Attorney is authorized by statute to use a share of such monies, and those expenditures are accounted for here.

Trust and Agency Funds

Sheriff Forfeitures Fund

The Sheriff Forfeitures Fund is used to account for the Sheriff's share of monies confiscated in drug-related crimes [Minn. Stat. §609.5311 (1994)] and contraband used in the commission of other crimes [Minn. Stat. §609.5312 (1994)].

Sheriff Fines Fund

The Sheriff Fines Fund is used to account for monies collected on fines imposed by Minn. Stat. ch. 152 and Minn. Stat. ch. 340A. The Sheriff is to use the money for the purpose of investigating and securing evidence of violations of these statutes.

AGENCY FUNDS

State of Minnesota Fund

The 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

The Beer-Auctioneer Licenses Fund is used to account for the funds collected on the issuance of intoxicating beer and auctioneer licenses by the County for beer licenses as well as payments to the State of Minnesota for auctioneer licenses.

Cities and Towns Fund

The 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

The Game and Fish License Fund is used to account for the collection of game and fish fees collected pursuant to Minn. Stat. ch. 97A (1994) and the payment to the State, County, and sub-agents for their respective share.

Bid Deposits Fund

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

Recorders Fees Escrow Fund

The Recorders Fee Escrow Fund is used to account for surcharges collected by the County Recorder and paid to the State.

Taxes and Penalties Fund

The 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

The Payroll Deductions Fund is used to account for the accumulation of funds from payroll deductions charged to all operating funds. Payment by a single check is made to the state and federal governments for tax deductions, and to any other organizations for deductions not covered in another agency fund.

Trust and Agency Funds

Series EE Savings Bond Fund

The 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 available to purchase the requested U.S. Savings Bond, Series EE.

Canceled Check Fund

The 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 unclaimed funds.

Agency Miscellaneous Fund

The Agency Miscellaneous Fund is used to account for activities not accounted for in another agency fund.

High Voltage Credit Fund

The 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 (1994).

Assault Fees Fund

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

Deferred Compensation Fund

The 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

The Arrowhead Regional Corrections Fund is used to account for transactions related to the Arrowhead Regional Corrections operation which contracts with St. Louis County for accounting services.

Community Health Services Fund

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

Regional Railroad Authority Fund

The Regional Railroad Authority Fund is used to account for the financial transactions of the Regional Railroad Authority for whom the County is the fiscal agent.

Northern Counties Land Use Board Fund

The Northern Counties Land Use Board Fund is used to account for the financial transactions of the Northern Counties Land Use Board for whom the County is the fiscal agent.

Home Owner Rehabilitation Recapture Fund

The Home Owner Rehabilitation Recapture Fund is used to account for repayment of loans through the HOME program.

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL EXPENDABLE TRUST AND AGENCY FUNDS
DECEMBER 31, 1995

	Expendable Trust Funds				
	Missing Heirs	Private Redemption	Exchange of Land	Tax Certificate Assurance	Forfeited Tax Sale
Assets					
Cash and cash equivalents	\$ 82,421	\$ 414	\$ 22,798	\$ 182,770	\$ 266,535
Investments	63,187	-	-	-	-
Invested employee contribution	-	-	-	-	-
Receivables					
Taxes					
Unapportioned	-	-	-	-	-
Delinquent	-	-	-	-	-
Accounts	-	-	-	-	7,211,930
Accrued interest	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	<u>\$ 145,608</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 182,770</u>	<u>\$ 7,478,465</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 126,399
Salaries payable	-	-	-	-	35,875
Compensated absences payable	-	-	-	-	13,042
Deferred compensation payable	-	-	-	-	-
Unapportioned taxes payable	-	-	-	-	-
Due to other governments	-	-	-	-	26,301
Deferred revenue	-	-	-	-	7,129,677
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,331,294</u>
Fund Balance					
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 41,717
Reserved for health and welfare	-	-	-	-	47,146
Reserved for veterans credit	-	-	-	-	15,000
Unreserved					
Designated for vested sick leave	-	-	-	-	37,071
Undesignated	145,608	414	22,798	182,770	6,237
Total Fund Balance	<u>\$ 145,608</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 182,770</u>	<u>\$ 147,171</u>
Total Liabilities and Fund Balance	<u>\$ 145,608</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 182,770</u>	<u>\$ 7,478,465</u>

<u>Forest Resources</u>	<u>Patients Escrow</u>	<u>Attorney Forfeitures</u>	<u>Sheriff Forfeitures</u>	<u>Sheriff Fines</u>	<u>All Agency Funds</u>	<u>Total</u>
\$ 3,190,933	\$ 36,967	\$ 114,839	\$ 53,512	\$ 17,456	\$ 8,961,148	\$ 12,929,793
-	75,000	-	-	-	15,674,718	15,812,905
-	-	-	-	-	35,547,725	35,547,725
-	-	-	-	-	6,721	6,721
-	-	-	-	-	18,421	18,421
-	-	-	-	-	2,120	7,214,050
-	844	-	-	-	18,156	19,000
-	-	-	-	-	1,426,891	1,426,891
<u>\$ 3,190,933</u>	<u>\$ 112,811</u>	<u>\$ 114,839</u>	<u>\$ 53,512</u>	<u>\$ 17,456</u>	<u>\$ 61,655,900</u>	<u>\$ 72,975,506</u>
\$ 22,721	\$ -	\$ 351	\$ -	\$ 11,367	\$ 917,918	\$ 1,078,756
-	-	-	-	-	144,186	180,061
-	-	-	-	-	981	14,023
-	-	-	-	-	35,547,725	35,547,725
-	-	-	-	-	1,425,940	1,425,940
-	-	-	-	1,089	23,619,150	23,646,540
41,083	-	-	-	-	-	7,170,760
<u>\$ 63,804</u>	<u>\$ -</u>	<u>\$ 351</u>	<u>\$ -</u>	<u>\$ 12,456</u>	<u>\$ 61,655,900</u>	<u>\$ 69,063,805</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,717
-	-	-	-	-	-	47,146
-	-	-	-	-	-	15,000
-	-	-	-	-	-	37,071
3,127,129	112,811	114,488	53,512	5,000	-	3,770,767
<u>\$ 3,127,129</u>	<u>\$ 112,811</u>	<u>\$ 114,488</u>	<u>\$ 53,512</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 3,911,701</u>
<u>\$ 3,190,933</u>	<u>\$ 112,811</u>	<u>\$ 114,839</u>	<u>\$ 53,512</u>	<u>\$ 17,456</u>	<u>\$ 61,655,900</u>	<u>\$ 72,975,506</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL EXPENDABLE TRUST FUNDS
YEAR ENDED DECEMBER 31, 1995

	Expendable Trust			
	Missing Heirs	Private Redemption	Exchange of Land	Tax Certificate Assurance
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	3,996
Interest on investments	1,713	-	-	-
Land and timber sales	-	-	-	-
Miscellaneous	412	-	-	-
Total Revenues	\$ 2,125	\$ -	\$ -	\$ 3,996
Expenditures				
General government	\$ 11,672	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Conservation of natural resources	-	-	-	-
Total Expenditures	\$ 11,672	\$ -	\$ -	\$ -
Excess of Revenues Over (Under) Expenditures	\$ (9,547)	\$ -	\$ -	\$ 3,996
Other Financing Sources (Uses)				
Operating transfer out	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (9,547)	\$ -	\$ -	\$ 3,996
Fund Balance - January 1	155,155	414	22,798	178,774
Fund Balance - December 31	\$ 145,608	\$ 414	\$ 22,798	\$ 182,770

<u>Forfeited Tax Sale</u>	<u>Forest Resources</u>	<u>Patients Escrow</u>	<u>Attorney Forfeitures</u>	<u>Sheriff Forfeitures</u>	<u>Sheriff Fines</u>	<u>Total</u>
\$ -	\$ 1,156,873	\$ -	\$ -	\$ -	\$ -	\$ 1,156,873
-	122,459	-	-	-	-	122,459
-	-	-	-	-	-	3,996
-	-	4,593	-	-	-	6,306
3,962,338	-	-	-	-	-	3,962,338
353,016	-	199,782	57,655	43,393	20,839	675,097
<u>\$ 4,315,354</u>	<u>\$ 1,279,332</u>	<u>\$ 204,375</u>	<u>\$ 57,655</u>	<u>\$ 43,393</u>	<u>\$ 20,839</u>	<u>\$ 5,927,069</u>
\$ -	\$ -	\$ 208,069	\$ 40,882	\$ -	\$ -	\$ 260,623
-	-	-	-	84,534	19,976	104,510
4,473,731	375,919	-	-	-	-	4,849,650
<u>\$ 4,473,731</u>	<u>\$ 375,919</u>	<u>\$ 208,069</u>	<u>\$ 40,882</u>	<u>\$ 84,534</u>	<u>\$ 19,976</u>	<u>\$ 5,214,783</u>
\$ (158,377)	\$ 903,413	\$ (3,694)	\$ 16,773	\$ (41,141)	\$ 863	\$ 712,286
-	-	-	-	-	(5,403)	(5,403)
\$ (158,377)	\$ 903,413	\$ (3,694)	\$ 16,773	\$ (41,141)	\$ (4,540)	\$ 706,883
305,548	2,223,716	116,505	97,715	94,653	9,540	3,204,818
<u>\$ 147,171</u>	<u>\$ 3,127,129</u>	<u>\$ 112,811</u>	<u>\$ 114,488</u>	<u>\$ 53,512</u>	<u>\$ 5,000</u>	<u>\$ 3,911,701</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1995

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
STATE OF MINNESOTA FUND				
Assets				
Cash and cash equivalents	\$ 360,735	\$ 79,911,176	\$ 79,996,118	\$ 275,793
Investments	13,794,016	24,788,230	22,907,528	15,674,718
Accrued interest receivable	198,672	18,156	198,672	18,156
Due from other governments	65,874	49,622	65,874	49,622
Total Assets	<u>\$ 14,419,297</u>	<u>\$ 104,767,184</u>	<u>\$ 103,168,192</u>	<u>\$ 16,018,289</u>
Liabilities				
Salaries payable	\$ 2,924	\$ 232,158	\$ 232,086	\$ 2,996
Due to other governments	14,416,373	104,535,026	102,936,106	16,015,293
Total Liabilities	<u>\$ 14,419,297</u>	<u>\$ 104,767,184</u>	<u>\$ 103,168,192</u>	<u>\$ 16,018,289</u>
BEER-AUCTIONEER LICENSES FUND				
Assets				
Cash and cash equivalents	\$ 75	\$ 3,465	\$ 3,540	\$ -
Liabilities				
Due to other governments	\$ 75	\$ 3,465	\$ 3,540	\$ -
CITIES AND TOWNS FUND				
Assets				
Cash and cash equivalents	\$ 74,896	\$ 1,240,024	\$ 1,236,167	\$ 78,753
Liabilities				
Due to other governments	\$ 74,896	\$ 1,240,024	\$ 1,236,167	\$ 78,753
GAME AND FISH LICENSE FUND				
Assets				
Cash and cash equivalents	\$ 138,869	\$ 2,898,955	\$ 2,897,657	\$ 140,167
Liabilities				
Due to other governments	\$ 138,869	\$ 2,898,955	\$ 2,897,657	\$ 140,167
BID DEPOSITS FUND				
Assets				
Cash and cash equivalents	\$ 12,850	\$ -	\$ -	\$ 12,850
Liabilities				
Accounts payable	\$ 12,850	\$ -	\$ -	\$ 12,850

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1995

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
RECORDERS FEE ESCROW FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 190,322	\$ 165,339	\$ 24,983
Liabilities				
Due to other governments	\$ -	\$ 190,322	\$ 165,339	\$ 24,983
TAXES AND PENALTIES FUND				
Assets				
Cash and cash equivalents	\$ 2,491,704	\$ 220,536,600	\$ 219,137,902	\$ 3,890,402
Liabilities				
Unapportioned taxes payable	\$ 1,020,191	\$ 1,425,940	\$ 1,020,191	\$ 1,425,940
Due to other governments	1,471,513	219,110,660	218,117,711	2,464,462
Total Liabilities	\$ 2,491,704	\$ 220,536,600	\$ 219,137,902	\$ 3,890,402
PAYROLL DEDUCTIONS FUND				
Assets				
Cash and cash equivalents	\$ 1,098,541	\$ 47,744,984	\$ 47,654,937	\$ 1,188,588
Liabilities				
Accounts payable	\$ 10,971	\$ 11,730	\$ 10,971	\$ 11,730
Due to other governments	1,087,570	47,733,254	47,643,966	1,176,858
Total Liabilities	\$ 1,098,541	\$ 47,744,984	\$ 47,654,937	\$ 1,188,588
SERIES EE SAVINGS BOND FUND				
Assets				
Cash and cash equivalents	\$ 6,122	\$ 209,265	\$ 201,420	\$ 13,967
Liabilities				
Due to other governments	\$ 6,122	\$ 209,265	\$ 201,420	\$ 13,967
CANCELED CHECK FUND				
Assets				
Cash and cash equivalents	\$ 36,031	\$ 17,257	\$ 17,649	\$ 35,639
Liabilities				
Accounts payable	\$ 36,031	\$ 17,257	\$ 17,649	\$ 35,639

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1995

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
AGENCY MISCELLANEOUS FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 211,768	\$ 211,768	\$ -
Liabilities				
Due to other governments	\$ -	\$ 211,768	\$ 211,768	\$ -
HIGH VOLTAGE CREDIT FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 105,531	\$ 105,531	\$ -
Liabilities				
Due to other governments	\$ -	\$ 105,531	\$ 105,531	\$ -
ASSAULT FEES FUND				
Assets				
Cash and cash equivalents	\$ 948	\$ 28,636	\$ 28,560	\$ 1,024
Liabilities				
Accounts payable	\$ 948	\$ 28,636	\$ 28,560	\$ 1,024
DEFERRED COMPENSATION FUND				
Assets				
Invested employee contribution	\$ 30,981,267	\$ 6,020,994	\$ 1,454,536	\$ 35,547,725
Liabilities				
Deferred compensation payable	\$ 30,981,267	\$ 6,020,994	\$ 1,454,536	\$ 35,547,725
ARROWHEAD REGIONAL CORRECTIONS FUND				
Assets				
Cash and cash equivalents	\$ 1,278,332	\$ 12,651,930	\$ 10,970,888	\$ 2,959,374
Accounts receivable	1,700	1,200	1,700	1,200
Due from other governments	173,559	663,200	173,559	663,200
Total Assets	<u>\$ 1,453,591</u>	<u>\$ 13,316,330</u>	<u>\$ 11,146,147</u>	<u>\$ 3,623,774</u>
Liabilities				
Accounts payable	\$ 124,263	\$ 557,885	\$ 124,263	\$ 557,885
Salaries payable	362,782	138,519	362,782	138,519
Due to other governments	966,546	12,619,926	10,659,102	2,927,370
Total Liabilities	<u>\$ 1,453,591</u>	<u>\$ 13,316,330</u>	<u>\$ 11,146,147</u>	<u>\$ 3,623,774</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1995

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
COMMUNITY HEALTH SERVICES FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 2,124,186	\$ 2,110,582	\$ 13,604
Due from other governments	447,850	82,178	293,913	236,115
Total Assets	<u>\$ 447,850</u>	<u>\$ 2,206,364</u>	<u>\$ 2,404,495</u>	<u>\$ 249,719</u>
Liabilities				
Accounts payable	\$ 47,792	\$ 7,993	\$ 47,792	\$ 7,993
Salaries payable	1,623	1,672	1,623	1,672
Compensated absences payable	-	981	-	981
Interfund payable	57,999	-	57,999	-
Due to other governments	340,436	2,195,718	2,297,081	239,073
Total Liabilities	<u>\$ 447,850</u>	<u>\$ 2,206,364</u>	<u>\$ 2,404,495</u>	<u>\$ 249,719</u>
REGIONAL RAILROAD AUTHORITY FUND				
Assets				
Cash and cash equivalents	\$ 363,507	\$ 754,232	\$ 795,933	\$ 321,806
Receivables				
Unapportioned taxes	3,962	6,721	3,962	6,721
Delinquent taxes	18,529	18,421	18,529	18,421
Accounts	11,660	920	11,660	920
Due from other governments	86,663	477,954	86,663	477,954
Total Assets	<u>\$ 484,321</u>	<u>\$ 1,258,248</u>	<u>\$ 916,747</u>	<u>\$ 825,822</u>
Liabilities				
Accounts payable	\$ 26,400	\$ 290,797	\$ 26,400	\$ 290,797
Salaries payable	1,003	999	1,003	999
Due to other governments	456,918	966,452	889,344	534,026
Total Liabilities	<u>\$ 484,321</u>	<u>\$ 1,258,248</u>	<u>\$ 916,747</u>	<u>\$ 825,822</u>
NORTHERN COUNTIES LAND USE BOARD FUND				
Assets				
Cash and cash equivalents	\$ 6,443	\$ 47,500	\$ 49,745	\$ 4,198
Liabilities				
Due to other governments	\$ 6,443	\$ 47,500	\$ 49,745	\$ 4,198
HOME OWNER REHABILITATION RECAPTURE FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 6,550	\$ 6,550	\$ -
Liabilities				
Due to other governments	\$ -	\$ 6,550	\$ 6,550	\$ -

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1995

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
TOTALS FOR ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 5,869,053	\$ 368,682,381	\$ 365,590,286	\$ 8,961,148
Investments	13,794,016	24,788,230	22,907,528	15,674,718
Invested employee contribution	30,981,267	6,020,994	1,454,536	35,547,725
Receivables				
Unapportioned taxes	3,962	6,721	3,962	6,721
Delinquent taxes	18,529	18,421	18,529	18,421
Accounts	13,360	2,120	13,360	2,120
Accrued interest	198,672	18,156	198,672	18,156
Due from other governments	773,946	1,272,954	620,009	1,426,891
Total Assets	<u>\$ 51,652,805</u>	<u>\$ 400,809,977</u>	<u>\$ 390,806,882</u>	<u>\$ 61,655,900</u>
Liabilities				
Accounts payable	\$ 259,255	\$ 914,298	\$ 255,635	\$ 917,918
Salaries payable	368,332	373,348	597,494	144,186
Compensated absences payable	-	981	-	981
Deferred compensation payable	30,981,267	6,020,994	1,454,536	35,547,725
Unapportioned taxes payable	1,020,191	1,425,940	1,020,191	1,425,940
Interfund payable	57,999	-	57,999	-
Due to other governments	18,965,761	392,074,416	387,421,027	23,619,150
Total Liabilities	<u>\$ 51,652,805</u>	<u>\$ 400,809,977</u>	<u>\$ 390,806,882</u>	<u>\$ 61,655,900</u>

**GENERAL
FIXED ASSETS**

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for 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.

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
DECEMBER 31, 1995

	1995
General Fixed Assets	
Land	\$ 1,179,979
Buildings	38,144,240
Machinery and equipment	10,801,936
Vehicles	31,629,757
Construction in progress	16,342,930
Total General Fixed Assets	\$ 98,098,842
Investment in General Fixed Assets By Source	
General fund	\$ 28,506,219
Special revenue funds	50,645,256
Capital projects funds	16,342,930
Trust funds	2,604,437
Total Investment in Fixed Assets	\$ 98,098,842

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 1995

	<u>Land</u>	<u>Buildings and Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
General Government					
Legislative	\$ -	\$ -	\$ 15,903	\$ -	\$ 15,903
Judicial and legal	-	1,257	350,938	-	352,195
Financial and other activities	-	-	901,099	140,110	1,041,209
Courthouses	649,190	17,183,134	134,748	78,324	18,045,396
Total General Government	<u>\$ 649,190</u>	<u>\$ 17,184,391</u>	<u>\$ 1,402,688</u>	<u>\$ 218,434</u>	<u>\$ 19,454,703</u>
Public Safety					
Police protection	\$ -	\$ 1,472,973	\$ 1,920,208	\$ 1,663,703	\$ 5,056,884
Civil defense	-	-	12,026	-	12,026
Other activities	-	-	32,512	-	32,512
Total Public Safety	<u>\$ -</u>	<u>\$ 1,472,973</u>	<u>\$ 1,964,746</u>	<u>\$ 1,663,703</u>	<u>\$ 5,101,422</u>
Highways	<u>\$ 417,086</u>	<u>\$ 9,975,105</u>	<u>\$ 3,211,113</u>	<u>\$ 28,747,271</u>	<u>\$ 42,350,575</u>
Health	<u>\$ -</u>	<u>\$ 779,040</u>	<u>\$ 178,308</u>	<u>\$ -</u>	<u>\$ 957,348</u>
Social Services	<u>\$ -</u>	<u>\$ 3,638,540</u>	<u>\$ 1,918,431</u>	<u>\$ 35,968</u>	<u>\$ 5,592,939</u>
Culture and Recreation	<u>\$ -</u>	<u>\$ 1,648,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,648,144</u>
Conservation of Natural Resources	<u>\$ 100,010</u>	<u>\$ 2,228,574</u>	<u>\$ 656,074</u>	<u>\$ 964,381</u>	<u>\$ 3,949,039</u>
Economic Development	<u>\$ 13,693</u>	<u>\$ 1,217,473</u>	<u>\$ 1,470,576</u>	<u>\$ -</u>	<u>\$ 2,701,742</u>
Construction-In-Progress	<u>\$ -</u>	<u>\$ 16,342,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,342,930</u>
Total General Fixed Assets	<u>\$ 1,179,979</u>	<u>\$ 54,487,170</u>	<u>\$ 10,801,936</u>	<u>\$ 31,629,757</u>	<u>\$ 98,098,842</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 1995

	General Fixed Assets Jan. 1, 1995 Restated	Additions	Deductions	General Fixed Assets Dec. 31, 1995
General Government				
Legislative	\$ 15,903	\$ -	\$ -	\$ 15,903
Judicial and legal	351,412	9,197	8,414	352,195
Financial and other activities	898,358	144,301	1,450	1,041,209
Courthouses	17,354,886	690,510	-	18,045,396
Total General Government	\$ 18,620,559	\$ 844,008	\$ 9,864	\$ 19,454,703
Public Safety				
Police protection	\$ 4,746,666	\$ 310,218	\$ -	\$ 5,056,884
Civil defense	12,026	-	-	12,026
Other activities	29,636	2,876	-	32,512
Total Public Safety	\$ 4,788,328	\$ 313,094	\$ -	\$ 5,101,422
Highways	\$ 39,770,349	\$ 3,788,289	\$ 1,208,063	\$ 42,350,575
Health	\$ 910,919	\$ 48,021	\$ 1,592	\$ 957,348
Social Services	\$ 5,549,695	\$ 97,058	\$ 53,814	\$ 5,592,939
Culture and Recreation	\$ 1,648,144	\$ -	\$ -	\$ 1,648,144
Conservation of Natural Resources	\$ 3,641,235	\$ 433,065	\$ 125,261	\$ 3,949,039
Economic Development	\$ 2,701,177	\$ 565	\$ -	\$ 2,701,742
Construction-In-Progress	\$ 14,254,701	\$ 3,346,461	\$ 1,258,232	\$ 16,342,930
Total	\$ 91,885,107	\$ 8,870,561	\$ 2,656,826	\$ 98,098,842

FINANCIAL -- Supplementary Information

Supplementary Schedules

**Schedule of Investments
(Schedule 32, Page 156)**

**Tax Capacity, Tax Rates, and Percentage of Collections
(Schedule 33, Page 157)**

**Schedule of Intergovernmental Revenue
(Schedule 34, Page 158)**

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INVESTMENTS
DECEMBER 31, 1995

	<u>Interest Rates</u>	<u>Par Value</u>	<u>Cost</u>
Pooled Investments			
Money market savings account	3.94%	\$ 62,344	\$ 62,344
FHLBs	1.83 - 8.28%	11,200,000	11,194,558
FHLMCs	4.35 - 7.62%	3,500,000	3,498,007
FNMA's	5.35 - 7.64%	4,000,000	3,932,851
FFCBs	7.13 - 7.61%	1,000,000	1,000,000
FICO	6.33%	1,000,000	961,596
Treasury notes	5.625%	<u>2,000,000</u>	<u>2,018,134</u>
Total Pooled Investments		\$ 22,762,344	\$ 22,667,490
Fund Investments			
Buildings Capital Projects Fund			
Money market savings account	3.94%	<u>\$ 56,420</u>	<u>\$ 56,420</u>
Solid Waste Management Enterprise Fund			
Certificates of deposit	5.00 - 5.67%	\$ 3,837,417	\$ 3,837,417
FHLBs	6.03 - 6.13%	<u>1,000,000</u>	<u>1,000,000</u>
Total Solid Waste Management Enterprise Fund		\$ 4,837,417	\$ 4,837,417
Property/Casualty/Liability Internal Service Fund			
Repurchase agreement	5.07%	\$ 400,000	\$ 400,000
HUD	8.75%	190,000	191,223
FFCBs	5.00%	500,000	492,094
FNMA's	5.21 - 7.29%	1,150,000	1,150,461
Treasury notes	4.25 - 6.25%	<u>500,000</u>	<u>505,483</u>
Total Property/Casualty/Liability Internal Service Fund		\$ 2,740,000	\$ 2,739,261
Worker's Compensation Internal Service Fund			
Certificates of deposit	5.00 - 6.26%	\$ 3,350,000	\$ 3,350,000
FHLBs	6.10 - 8.13%	1,000,000	1,000,000
FNMA's	5.21 - 7.29%	400,000	400,000
FHLMCs	7.86 - 8.12%	<u>500,000</u>	<u>500,000</u>
Total Worker's Compensation Internal Service Fund		\$ 5,250,000	\$ 5,250,000
Medical/Dental Internal Service Fund			
Certificates of deposit	5.00 - 6.26%	\$ 5,000,000	\$ 5,000,000
FHLBs	6.10 - 8.13%	1,000,000	1,000,164
FHLMCs	7.86 - 8.12%	750,000	757,645
REFCOs	6.91 - 7.13%	1,280,000	1,096,971
Treasury notes	4.25 - 6.25%	<u>1,500,000</u>	<u>1,511,695</u>
Total Medical/Dental Internal Service Fund		\$ 9,530,000	\$ 9,366,475
Missing Heirs Trust Fund			
Savings account	2.70%	<u>\$ 63,187</u>	<u>\$ 63,187</u>
Patients' Escrow Trust Fund			
Certificates of deposit	4.60 - 4.93%	<u>\$ 75,000</u>	<u>\$ 75,000</u>
State of Minnesota Agency Fund			
Certificates of deposit	5.00 - 5.28%	\$ 11,469,602	\$ 11,469,602
FHLBs	5.46%	<u>4,275,000</u>	<u>4,205,116</u>
Total State of Minnesota Agency Fund		\$ 15,744,602	\$ 15,674,718
Total Investments		\$ 61,058,970	\$ 60,729,968

ST. LOUIS COUNTY, MINNESOTA
TAX CAPACITY, TAX RATES, AND PERCENTAGE OF COLLECTIONS

	Taxes Payable in Year					
	1994		1995		1996	
	Amount	Base Tax Rate (%)	Amount	Base Tax Rate (%)	Amount	Base Tax Rate (%)
Tax Capacity						
Real property	\$ 77,605,647		\$ 82,154,814		\$ 87,019,121	
Personal property	6,518,351		7,738,817		8,055,285	
Total Tax Capacity	<u>\$ 84,123,998</u>		<u>\$ 89,893,631</u>		<u>\$ 95,074,406</u>	
Certified Tax Levy for County Purposes						
General fund	\$ 23,211,347	0.304822	\$ 23,925,698	0.289929	\$ 24,560,115	0.281813
Road and bridge	10,237,487	0.156248	12,028,719	0.145763	9,841,224	0.112922
Social services	22,648,909	0.296529	21,329,241	0.258466	19,767,824	0.226824
Debt service	1,048,704	0.013731	1,108,700	0.013434	901,298	0.049381
Capital improvements	2,112,537	0.005443	716,863	0.008687	4,303,518	0.010342
Total Certified County-Wide Levies	<u>\$ 59,258,984</u>	<u>0.776773</u>	<u>\$ 59,109,221</u>	<u>0.716279</u>	<u>\$ 59,373,979</u>	<u>0.681282</u>
Certified Tax Levy for Regional Purposes						
(1) Debt service	\$ 1,217,783	0.003937	\$ 1,383,344	0.041155	\$ 1,088,054	0.031076
(1) Library	277,999	0.009146	262,201	0.007804	292,733	0.008065
Total Certified Regional Levies	<u>\$ 1,495,782</u>		<u>\$ 1,645,545</u>		<u>\$ 1,380,787</u>	
Total Levy for County Purposes	\$ 60,754,766		\$ 60,754,766		\$ 60,754,766	
Less: Disparity reduction aid	7,801,994		7,799,083		7,775,788	
Less: Tax credits payable by taconite companies	2,712,035		2,583,997		2,459,191	
Net Levy for County Purposes	<u>\$ 50,240,737</u>		<u>\$ 50,371,686</u>		<u>\$ 50,519,787</u>	
Tax Capacity						
Light and Power						
Assessed at 43%	\$ 708,111		\$ 733,241		\$ 755,616	
Assessed at 5%	72,376		85,151		96,218	
Total Tax Capacity - Light and Power	<u>\$ 780,487</u>		<u>\$ 818,392</u>		<u>\$ 851,834</u>	
Light and Power Tax Levies (distributed pursuant to Minn. Stat. 273.42 as amended)						
Assessed at 43%	\$ 1,025,097		\$ 1,048,000		\$ 1,044,360	
Assessed at 5%	104,775		121,704		132,986	
Total Light and Power Tax Levies	<u>\$ 1,129,872</u>		<u>\$ 1,169,704</u>		<u>\$ 1,177,346</u>	
Special Assessments						
Liens and assessments	<u>\$ 1,054,449</u>		<u>\$ 1,101,846</u>		<u>\$ 1,420,075</u>	
Percentage of tax collections for all purposes	98.15%		98.70%			

(1) Levied on certain regions within the County.

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
YEAR ENDED DECEMBER 31, 1995

	Special Revenue Funds					
	General Fund	Babbitt Facility	County Housing Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium	Road and Bridge
Shared revenue						
State						
30 percent rental income	\$ 782	\$ -	\$ 3	\$ -	\$ -	\$ 370
HACA - real estate	3,774,291	-	5,668	-	-	1,882,455
HACA - manufactured home	31,930	-	18	-	-	15,981
Police aid	480,567	-	-	-	-	-
Highway users tax	-	-	-	-	-	16,942,677
Mineral rents and royalties	132,069	-	-	-	-	-
Human service aid	-	-	-	-	-	-
Disparity aid	3,104,988	-	-	-	-	1,548,634
911 communications	84,092	-	-	-	-	-
Minnesota petro fund	-	47,057	-	-	-	4,665
Unorganized town road and bridge aid	-	-	-	-	-	64,946
Total Shared Revenue	\$ 7,608,719	\$ 47,057	\$ 5,689	\$ -	\$ -	\$ 20,459,728
Grants						
State grants						
Family planning	\$ 26,662	\$ -	\$ -	\$ -	\$ -	\$ -
Special Indian health	30,690	-	-	-	-	-
Local water planning	7,079	-	-	-	-	-
CHS	719,564	-	-	-	-	-
Natural resources-boat & water	60,436	-	-	-	-	-
Criminal justice aid	398,299	-	-	-	-	-
Stream maintenance	1,250	-	-	-	-	-
Immunization action program	37,249	-	-	-	-	-
Cancer control	27,320	-	-	-	-	-
Vermilion River planning	36,212	-	-	-	-	-
Natural resources block grant	68,411	-	-	-	-	-
Children's trust fund	379	-	-	-	-	-
Home visiting	61,317	-	-	-	-	-
Long range planning	4,141	-	-	-	-	-
Special medical assistance	53,703	-	-	-	-	-
VSO computer	5,801	-	-	-	-	-
Flexible funding	42,422	-	-	-	-	-
State trail assistance grant	152,115	-	-	-	-	-
Inmate wages	17,797	-	-	-	-	-
General crime	13,993	-	-	-	-	-
Improved pregnancy statistics	4,812	-	-	-	-	-
BWSR Water plan	8,436	-	-	-	-	-
LCMR - health department	14,420	-	-	-	-	-
Radon detection	5,680	-	-	-	-	-
Forest road access	-	-	-	-	-	-
State SCORE grant	-	-	-	-	-	-
EPSDT	-	-	-	-	-	-
General assistance - medical care	-	-	-	-	-	-
AFDC child care	-	-	-	-	-	-
Medical assistance	-	-	-	-	-	-
Stride case management	-	-	-	-	-	-
Stride employment and training	-	-	-	-	-	-
Basic sliding fee-child care	-	-	-	-	-	-
Permanency planning	-	-	-	-	-	-
Collaboration implementation	-	-	-	-	-	-
MN innovation & cooperation	-	-	-	-	-	-
Subtotal	\$ 1,798,188	\$ -	\$ -	\$ -	\$ -	\$ -

Debt Service Funds							Total
Social Services	Babbitt Facility Refunding	Capital Equipment Notes	Correctional Facilities Bond	Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	
\$ 655	\$ 3	\$ 3	\$ 28	\$ 22	\$ -	\$ -	\$ 1,866
3,328,224	16,253	11,529	139,732	111,859	-	-	9,270,011
30,335	116	-	1,090	554	-	-	80,024
-	-	-	-	-	-	-	480,567
-	-	-	-	-	-	-	16,942,677
-	-	-	-	-	-	-	132,069
3,003,956	-	-	-	-	-	-	3,003,956
2,738,019	13,368	9,484	114,950	92,028	-	-	7,621,471
-	-	-	-	-	-	-	84,092
-	-	-	-	-	-	-	51,722
-	-	-	-	-	-	-	64,946
<u>\$ 9,101,189</u>	<u>\$ 29,740</u>	<u>\$ 21,016</u>	<u>\$ 255,800</u>	<u>\$ 204,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,733,401</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,662
-	-	-	-	-	-	-	30,690
-	-	-	-	-	-	-	7,079
-	-	-	-	-	-	-	719,564
-	-	-	-	-	-	-	60,436
-	-	-	-	-	-	-	398,299
-	-	-	-	-	-	-	1,250
-	-	-	-	-	-	-	37,249
-	-	-	-	-	-	-	27,320
-	-	-	-	-	-	-	36,212
-	-	-	-	-	-	-	68,411
-	-	-	-	-	-	-	379
-	-	-	-	-	-	-	61,317
-	-	-	-	-	-	-	4,141
-	-	-	-	-	-	-	53,703
-	-	-	-	-	-	-	5,801
-	-	-	-	-	-	-	42,422
-	-	-	-	-	-	-	152,115
-	-	-	-	-	-	-	17,797
-	-	-	-	-	-	-	13,993
-	-	-	-	-	-	-	4,812
-	-	-	-	-	-	-	8,436
-	-	-	-	-	-	-	14,420
-	-	-	-	-	-	-	5,680
-	-	-	-	-	-	112,459	112,459
-	-	-	-	-	571,657	-	571,657
167,031	-	-	-	-	-	-	167,031
64,492	-	-	-	-	-	-	64,492
771,902	-	-	-	-	-	-	771,902
147,044	-	-	-	-	-	-	147,044
4,065	-	-	-	-	-	-	4,065
522,438	-	-	-	-	-	-	522,438
1,284,005	-	-	-	-	-	-	1,284,005
99,786	-	-	-	-	-	-	99,786
57,621	-	-	-	-	-	-	57,621
47,922	-	-	-	-	-	-	47,922
<u>\$ 3,166,306</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571,657</u>	<u>\$ 112,459</u>	<u>\$ 5,648,610</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 YEAR ENDED DECEMBER 31, 1995

	Special Revenue Funds					
	General Fund	Babbitt Facility	County Housing Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium	Road and Bridge
Grants (continued)						
State grants (continued)						
Child support health inc. bonus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Child care resource & referral	-	-	-	-	-	-
Pre-certification fraud investigation	-	-	-	-	-	-
Worker's compensation	-	-	-	-	-	-
CSSA block grant	-	-	-	-	-	-
Consolidated CD fund admin	-	-	-	-	-	-
RSVP	-	-	-	-	-	-
Rule 12 adult res. M.H.	-	-	-	-	-	-
Rule 14 community support	-	-	-	-	-	-
MR family subsidy	-	-	-	-	-	-
Home delivered meals	-	-	-	-	-	-
WR admin	-	-	-	-	-	-
Detox transportation	-	-	-	-	-	-
MR waived services	-	-	-	-	-	-
ACG waived services	-	-	-	-	-	-
180 day ACG services	-	-	-	-	-	-
CAC/CADI waived services	-	-	-	-	-	-
Alternative community based services	-	-	-	-	-	-
Semi-independent living skills	-	-	-	-	-	-
Families first	-	-	-	-	-	-
Rule 78 case management	-	-	-	-	-	-
Traumatic brain injury	-	-	-	-	-	-
Enhanced waiver	-	-	-	-	-	-
Family choice options	-	-	-	-	-	-
MMIS II	-	-	-	-	-	-
American Legion forgotten children's fund	-	-	-	-	-	-
Moose Lake flexible funding	-	-	-	-	-	-
Moose Lake SOS	-	-	-	-	-	-
MI case management	-	-	-	-	-	-
Total State Grants	\$ 1,798,188	\$ -	\$ -	\$ -	\$ -	\$ -
Grants						
Federal grants						
WR admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WIC	415,373	-	-	-	-	-
Food stamps	136,739	-	-	-	-	-
National forest lands - schools and roads	304,324	-	-	-	-	-
National forest lands	-	-	-	-	-	151,482
CDBG	-	-	-	5,910,815	-	-
Emergency shelter grant	217,597	-	-	-	-	-
HOME	-	-	-	-	1,377,070	-
Victims of crime act	13,579	-	-	-	-	-
Criminal apprehension	231,000	-	-	-	-	-
Subtotal	\$ 1,318,612	\$ -	\$ -	\$ 5,910,815	\$ 1,377,070	\$ 151,482

Social Services	Debt Service Funds				Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	Total
	Babbitt Facility Refunding	Capital Equipment Notes	Correctional Facilities Bond					
\$ 121,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,175
8,661	-	-	-	-	-	-	-	8,661
100,670	-	-	-	-	-	-	-	100,670
34,400	-	-	-	-	-	-	-	34,400
4,020,404	-	-	-	-	-	-	-	4,020,404
59,978	-	-	-	-	-	-	-	59,978
12,190	-	-	-	-	-	-	-	12,190
1,074,399	-	-	-	-	-	-	-	1,074,399
714,876	-	-	-	-	-	-	-	714,876
60,212	-	-	-	-	-	-	-	60,212
43,394	-	-	-	-	-	-	-	43,394
292,758	-	-	-	-	-	-	-	292,758
8,656	-	-	-	-	-	-	-	8,656
131,742	-	-	-	-	-	-	-	131,742
239,313	-	-	-	-	-	-	-	239,313
415,742	-	-	-	-	-	-	-	415,742
49,159	-	-	-	-	-	-	-	49,159
1,752	-	-	-	-	-	-	-	1,752
450,091	-	-	-	-	-	-	-	450,091
168,349	-	-	-	-	-	-	-	168,349
111,984	-	-	-	-	-	-	-	111,984
1,311	-	-	-	-	-	-	-	1,311
94,413	-	-	-	-	-	-	-	94,413
2,108	-	-	-	-	-	-	-	2,108
3,406	-	-	-	-	-	-	-	3,406
80,343	-	-	-	-	-	-	-	80,343
973,083	-	-	-	-	-	-	-	973,083
829,710	-	-	-	-	-	-	-	829,710
72,440	-	-	-	-	-	-	-	72,440
<u>\$ 13,343,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571,657</u>	<u>\$ 112,459</u>	<u>\$ 15,825,329</u>	
\$ 163,274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,274	
-	-	-	-	-	-	-	415,373	
1,752,197	-	-	-	-	-	-	1,888,936	
-	-	-	-	-	-	-	304,324	
-	-	-	-	-	-	-	151,482	
-	-	-	-	-	-	-	5,910,815	
-	-	-	-	-	-	-	217,597	
-	-	-	-	-	-	-	1,377,070	
-	-	-	-	-	-	-	13,579	
-	-	-	-	-	-	-	231,000	
<u>\$ 1,915,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,673,450</u>	

(continued)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
YEAR ENDED DECEMBER 31, 1995

	Special Revenue Funds					
	General Fund	Babbitt Facility	County Housing Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium	Road and Bridge
Grants (continued)						
Federal						
Duluth area traffic safety	\$ 44,329	\$ -	\$ -	\$ -	\$ -	\$ -
Greater St. Louis County traffic safety	6,596	-	-	-	-	-
Project 55	9,746	-	-	-	-	-
Hazardous material training	1,250	-	-	-	-	-
Tree planting	-	-	-	-	-	-
RSVP	-	-	-	-	-	-
Emergency management	26,082	-	-	-	-	-
RACES packet radio	1,000	-	-	-	-	-
EMAN disaster relief	24,810	-	-	-	-	-
Family homelessness prevention and assistance program	37,400	-	-	-	-	-
Home delivered meals	-	-	-	-	-	-
HIV/Aids	5,958	-	-	-	-	-
Homeless MI	-	-	-	-	-	-
AFDC	66,243	-	-	-	-	-
Stride	3,679	-	-	-	-	-
Child support	44,524	-	-	-	-	-
Refugee assistance	72	-	-	-	-	-
Child care block grant	-	-	-	-	-	-
Permanency planning	-	-	-	-	-	-
Foster care IV - E	15,060	-	-	-	-	-
Title XX block grant	-	-	-	-	-	-
SELF	-	-	-	-	-	-
Medical assistance	80,873	-	-	-	-	-
CD case management	-	-	-	-	-	-
MCH	332,052	-	-	-	-	-
Construction	-	-	-	-	-	719,148
Total Federal grants	\$ 2,018,286	\$ -	\$ -	\$ 5,910,815	\$ 1,377,070	\$ 870,630
Other grants						
Local	\$ 51,065	\$ -	\$ -	\$ -	\$ -	\$ -
Total Grants	\$ 3,867,539	\$ -	\$ -	\$ 5,910,815	\$ 1,377,070	\$ 870,630
Total Intergovernmental Revenue	\$ 11,476,258	\$ 47,057	\$ 5,689	\$ 5,910,815	\$ 1,377,070	\$ 21,330,358

Social Services	Debt Service Funds				Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	Total
	Babbitt Facility Refunding	Capital Equipment Notes	Correctional Facilities Bond					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,329	
-	-	-	-	-	-	-	6,596	
-	-	-	-	-	-	-	9,746	
-	-	-	-	-	-	-	1,250	
-	-	-	-	-	-	10,000	10,000	
54,043	-	-	-	-	-	-	54,043	
-	-	-	-	-	-	-	26,082	
-	-	-	-	-	-	-	1,000	
-	-	-	-	-	-	-	24,810	
-	-	-	-	-	-	-	37,400	
155,527	-	-	-	-	-	-	155,527	
-	-	-	-	-	-	-	5,958	
79,582	-	-	-	-	-	-	79,582	
2,658,027	-	-	-	-	-	-	2,724,270	
1,246,511	-	-	-	-	-	-	1,250,190	
2,451,924	-	-	-	-	-	-	2,496,448	
15,760	-	-	-	-	-	-	15,832	
918,787	-	-	-	-	-	-	918,787	
114,350	-	-	-	-	-	-	114,350	
2,423,685	-	-	-	-	-	-	2,438,745	
2,595,039	-	-	-	-	-	-	2,595,039	
63,821	-	-	-	-	-	-	63,821	
5,005,770	-	-	-	-	-	-	5,086,643	
51,955	-	-	-	-	-	-	51,955	
-	-	-	-	-	-	-	332,052	
-	-	-	-	-	-	-	719,148	
<u>\$ 19,750,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 29,937,053</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,065</u>	
<u>\$ 33,093,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571,657</u>	<u>\$ 122,459</u>	<u>\$ 45,813,447</u>	
<u>\$ 42,194,466</u>	<u>\$ 29,740</u>	<u>\$ 21,016</u>	<u>\$ 255,800</u>	<u>\$ 204,463</u>	<u>\$ 571,657</u>	<u>\$ 122,459</u>	<u>\$ 83,546,848</u>	

Reader's notes:

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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	Sanitation (2)	Culture and Recreation	Conservation of Natural Resources	Economic Development	Miscellaneous	Total Expenditures
1986	14,251,298	8,663,086	27,187,818	3,052,508	80,735,122	1,046,349	342,001	5,090,124	187,590	222,381	140,778,277
1987	14,360,480	9,353,630	25,445,243	2,979,693	77,904,108	1,012,402	309,601	2,121,001	282,184	-	133,768,342
1988	14,853,258	11,257,966	31,227,895	3,946,695	81,091,684	1,129,704	318,613	1,866,995	142,803	-	145,835,613
1989	16,141,887	12,814,932	35,959,426	4,290,468	86,438,710	992,780	338,100	1,973,230	2,144,459	-	161,093,992
1990	17,586,959	13,958,343	28,935,781	4,684,825	89,317,104	2,327,531	337,940	1,832,978	1,687,020	-	160,668,481
1991	17,906,525	15,258,855	26,345,645	5,406,517	80,598,582	-	416,506	585,825	995,006	-	147,513,461
1992	16,948,356	16,546,693	31,596,937	5,928,570	68,650,116	-	385,607	523,778	530,482	-	141,110,539
1993	16,440,619	17,721,147	43,036,984	6,101,778	72,586,458	-	455,494	553,371	3,307,952	-	160,203,803
1994	17,613,630	18,130,198	35,540,578	6,963,147	73,188,202	-	648,506	589,164	6,898,773	-	159,572,198
1995	18,352,433	21,287,592	39,798,900	5,955,169	62,196,888	-	696,430	713,440	7,350,964	-	156,351,816

IN PERCENTAGES

Fiscal Year	General Government	Public Safety	Highways	Health	Welfare	Sanitation (2)	Culture and Recreation	Conservation of Natural Resources	Economic Development	Miscellaneous	Total Expenditures
1986	10.1%	6.2%	19.3%	2.2%	57.3%	0.7%	0.2%	3.6%	0.1%	0.2%	100.0%
1987	10.7%	7.0%	19.0%	2.2%	58.2%	0.8%	0.2%	1.6%	0.2%	0.0%	100.0%
1988	10.2%	7.7%	21.4%	2.7%	55.6%	0.8%	0.2%	1.3%	0.1%	0.0%	100.0%
1989	10.0%	8.0%	22.3%	2.7%	53.7%	0.6%	0.2%	1.2%	1.3%	0.0%	100.0%
1990	10.9%	8.7%	18.0%	2.9%	55.6%	1.4%	0.2%	1.1%	1.1%	0.0%	100.0%
1991	12.1%	10.3%	17.9%	3.7%	54.6%	0.0%	0.3%	0.4%	0.7%	0.0%	100.0%
1992	12.0%	11.7%	22.4%	4.2%	48.6%	0.0%	0.3%	0.4%	0.4%	0.0%	100.0%
1993	10.3%	11.1%	26.9%	3.8%	45.3%	0.0%	0.3%	0.3%	2.1%	0.0%	100.0%
1994	11.0%	11.4%	22.3%	4.4%	45.9%	0.0%	0.4%	0.4%	4.3%	0.0%	100.0%
1995	11.7%	13.6%	25.5%	3.8%	39.8%	0.0%	0.4%	0.5%	4.7%	0.0%	100.0%

**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	Fines and Forfeitures	Gifts and Contributions	Interest on Investments	Miscellaneous	Total Revenue
1986	46,340,868	119,822	78,436,145	5,337,581	515,278	-	2,104,015	3,546,505	136,400,214
1987	48,651,023	129,294	75,618,856	5,135,972	672,214	-	2,109,244	3,928,363	136,244,966
1988	48,186,293	127,397	82,061,159	5,389,669	617,918	16,366	2,883,195	4,861,083	144,143,080
1989	44,593,871	117,846	100,171,880	5,419,167	671,157	3,436	2,505,189	5,531,081	159,013,627
1990	50,570,451	113,776	93,506,136	5,533,559	770,349	50,849	2,235,853	5,693,798	158,474,771
1991	54,654,950	120,665	82,440,099	5,778,140	689,530	8,707	1,922,075	4,791,720	150,405,886
1992	56,159,786	127,058	75,009,649	7,152,949	691,775	20,506	1,853,826	2,069,150	143,084,699
1993	61,326,778	126,591	86,705,928	7,458,822	740,207	7,142	1,532,681	2,166,474	160,064,623
1994	63,886,712	125,148	87,810,426	6,962,013	743,043	24,160	2,082,043	2,915,987	164,549,532
1995	63,852,318	131,185	82,341,713	6,729,933	830,224	14,516	2,772,341	2,500,682	159,172,912

IN PERCENTAGES

Fiscal Year	Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeitures	Gifts and Contributions	Interest on Investments	Miscellaneous	Total
1986	34.0%	0.1%	57.5%	3.9%	0.4%	0.0%	1.5%	2.6%	100.00%
1987	35.7%	0.1%	55.5%	3.8%	0.5%	0.0%	1.5%	2.9%	100.00%
1988	33.4%	0.1%	56.9%	3.7%	0.4%	0.01%	2.0%	3.4%	100.00%
1989	28.0%	0.1%	63.0%	3.4%	0.4%	0.002%	1.6%	3.5%	100.00%
1990	31.9%	0.1%	59.0%	3.5%	0.5%	0.03%	1.4%	3.6%	100.00%
1991	36.3%	0.1%	54.8%	3.8%	0.5%	0.0%	1.3%	3.2%	100.00%
1992	39.2%	0.1%	52.4%	5.0%	0.5%	0.0%	1.3%	1.4%	100.00%
1993	38.3%	0.1%	54.2%	4.7%	0.5%	0.0%	1.0%	1.4%	100.00%
1994	38.8%	0.1%	53.4%	4.2%	0.5%	0.0%	1.3%	1.8%	100.00%
1995	40.1%	0.1%	51.7%	4.2%	0.5%	0.0%	1.8%	1.6%	100.00%

Unaudited

ST. LOUIS COUNTY, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

PROPERTY TAX LEVY				
Collection Year	Total Certified County Levy (1)	Less Tax Credits and Certain State Aids (2)	Net levy	
1986	\$ 48,551,804	\$ 14,348,657	\$ 34,203,147	
1987	53,486,602	15,571,629	37,914,973	
1988	53,541,139	15,959,653	37,581,486	
1989	59,023,406	25,548,899	33,474,507	
1990	65,388,125	27,510,966	37,877,159	
1991	62,571,880	20,204,078	42,367,802	
1992	62,571,880	17,819,911	44,751,969	
1993	67,546,282	18,929,546	48,616,736	
1994	60,754,766	10,514,029	50,240,737	
1995	60,754,766	10,383,080	50,371,686	

COLLECTIONS				
Collection Year	Current Tax Collections (3)	Delinquent Tax Collections	Total Tax Collections	Outstanding Delinquent Taxes
1986	\$ 32,835,021	\$ 275,580	\$ 33,110,601	\$ 3,546,505
1987	36,159,510	474,973	36,634,483	3,928,363
1988	36,386,395	557,970	36,944,365	4,861,083
1989	31,780,459	1,465,767	33,246,226	5,531,081
1990	35,959,730	1,514,779	37,474,509	5,693,798
1991	40,538,190	1,596,262	42,134,452	4,158,385
1992	42,993,432	1,598,486	44,591,918	3,901,497
1993	46,878,419	1,461,768	48,340,187	3,847,804
1994	48,419,832	1,374,253	49,794,085	3,969,531
1995	48,803,480	1,452,639	50,256,119	3,508,824

RATIOS				
Collection Year	Current Tax Collections as a Percent of Net Levy	Delinquent Tax Collections as a Percent of Net Levy	Total Tax Collections as a Percent of Net Levy	Outstanding Delinquent Taxes as a Percent of Net Levy
1986	96.00%	0.81%	96.81%	10.37%
1987	95.37%	1.25%	96.62%	10.36%
1988	96.82%	1.48%	98.30%	12.93%
1989	94.94%	4.38%	99.32%	16.52%
1990	94.94%	4.00%	98.94%	15.03%
1991	95.68%	3.77%	99.45%	9.81%
1992	96.07%	3.57%	99.64%	8.72%
1993	96.42%	3.01%	99.43%	7.91%
1994	96.38%	2.74%	99.11%	7.90%
1995	96.89%	2.88%	99.77%	6.97%

- (1) In 1994 and 1995, the homestead and agricultural credit aid (HACA) was deducted from the levy before the levy was certified. In 1993 and prior years, this aid was deducted from the levy after the levy certification. (HACA replaced the homestead credit and agricultural aid credit in 1990).
- (2) In 1994 and 1995, this amount includes disparity reduction aid, taconite relief, and other small credits. In 1990 through 1993, this amount includes HACA, disparity reduction aid, taconite relief, and other small credits. In 1989 this amount includes homestead credit, disparity reduction aid, taconite relief, and other small credits. In 1988 and prior years this amount includes homestead credit, taconite relief, and other small credits.
- (3) Collections include amounts that are not a part of the certified levy.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
ASSESSED VALUE/TAX CAPACITY (1) AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

ASSESSED VALUE/TAX CAPACITY (1) EXCLUDING CAPTURED INCREMENT

Collection Year	Property Outside the City of Duluth	Property Within the City of Duluth	Total
1986	\$ 477,208,439	\$ 278,147,064	\$ 755,355,503
1987	465,289,325	279,712,274	745,001,599
1988	437,161,106	271,338,379	708,499,485
1989	53,415,602	34,346,201	87,761,803
1990	39,727,779	24,039,791	63,767,570
1991	40,495,890	25,790,582	66,286,472
1992	41,555,702	27,155,413	68,711,115
1993	43,550,490	28,628,785	72,179,275
1994	45,692,320	30,687,784	76,380,104
1995	49,206,820	33,315,706	82,522,526

ESTIMATED MARKET VALUE INCLUDING CAPTURED INCREMENT (2)

Collection Year	Property Outside the City of Duluth	Property Within the City of Duluth	Total
1986	\$ 2,109,106,850	\$ 1,217,760,500	\$ 3,326,867,350
1987	2,066,149,750	1,226,207,000	3,292,356,750
1988	2,010,477,720	1,263,170,200	3,273,647,920
1989	1,999,076,320	1,285,919,700	3,284,996,020
1990	2,045,216,400	1,334,843,100	3,380,059,500
1991	2,144,508,400	1,453,370,300	3,597,878,700
1992	2,294,816,000	1,586,629,700	3,881,445,700
1993	2,462,872,000	1,750,550,500	4,213,422,500
1994	2,592,515,300	1,954,002,100	4,546,517,400
1995	2,802,893,700	2,003,659,200	4,806,552,900

RATIOS

Collection Year	Total Assessed Value/ Tax Capacity (1) as a Percent of Total Estimated Market Value	Percent of Total Assessed Value/Tax Capacity (1)	
		Property Outside the City of Duluth	Property Within the City of Duluth
1986	22.71%	63.18%	36.82%
1987	22.63%	62.45%	37.55%
1988	21.64%	61.70%	38.30%
1989	2.67%	60.86%	39.14%
1990	1.89%	62.30%	37.70%
1991	1.84%	61.09%	38.91%
1992	1.77%	60.48%	39.52%
1993	1.71%	60.34%	39.66%
1994	1.68%	59.82%	40.18%
1995	1.72%	59.63%	40.37%

(1) For 1989 and subsequent years, assessed value changed to tax capacity. Chapter 719, Laws of Minnesota, 1988.

(2) Captured increment is not calculated on market value. It is calculated on tax capacity.

Unaudited

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

TAX LEVIES (In Dollars)					
Tax Year	Cities / Towns	Special Districts	School Districts	County	Total Combined (1)
1986	30,892,170	1,221,228	40,693,156	48,551,804	121,358,358
1987	31,754,968	1,604,690	40,179,913	53,486,602	127,026,173
1988	32,308,340	1,649,269	39,950,358	53,541,139	127,449,106
1989	22,371,580	226,056	34,398,034	59,023,406	116,019,076
1990	33,906,485	2,977,044	36,962,837	65,388,125	139,234,491
1991	35,039,430	527,525	36,009,043	62,571,880	134,147,878
1992	36,450,326	739,760	38,883,379	62,571,880	138,645,345
1993	38,437,195	882,687	47,684,194	67,546,282	154,550,358
1994	21,826,610	1,362,639	52,889,759	60,574,766	136,653,774
1995	23,103,917	1,105,745	48,820,056	60,754,766	133,784,484

TAX RATES PER \$100 OF ASSESSED VALUATION/TAX CAPACITY (2)

Tax Year	Cities / Towns	Special Districts	School Districts	County	Total Combined (1)
1986	4.1532	0.0772	5.3873	6.2830	15.9007
1987	4.3297	0.0930	5.5431	6.9810	16.9468
1988	4.6307	0.1013	5.6370	7.3390	17.7080
1989	25.4912	0.2576	39.1948	54.1377	119.0813
1990	25.6977	0.3856	43.0184	62.1951	131.2968
1991	24.6399	0.9195	42.0500	68.2679	135.8773
1992	24.6397	0.9193	42.0499	68.2677	135.8766
1993	25.8227	1.0651	51.8283	70.2789	148.9950
1994	24.9441	1.2403	49.4225	69.4210	145.0279
1995	25.7234	1.2690	51.9731	64.1712	143.1367

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

(2) For 1989 and subsequent years, assessed value changed to tax capacity. Chapter 719, Laws of Minnesota, 1988

ST. LOUIS COUNTY, MINNESOTA
ESTIMATED MARKET VALUE BY PROPERTY TYPE
YEAR ENDED DECEMBER 31, 1995

	<u>Dollar Value</u>	<u>Percent of Total</u>
Real Estate		
Residential	\$ 3,253,770,950	67.70%
Multiple Dwelling	153,193,800	3.19%
Commercial/Industrial	582,678,850	12.12%
Timberlands	80,461,900	1.67%
Agricultural	58,154,000	1.21%
Public Utilities / Miscellaneous	132,698,100	2.76%
Seasonal Residential Recreational	350,081,300	7.28%
Seasonal Commercial Recreational	20,863,200	0.44%
Total Real Estate	\$ 4,631,902,100	96.37%
Personal Property	\$ 174,650,800	3.63%
Total Real Estate & Personal Property	\$ 4,806,552,900	100.00%
Exempt Real Estate	\$ 723,979,900	

Source: St. Louis County Assessor

Table 7

ST. LOUIS COUNTY, MINNESOTA
PRINCIPAL TAXPAYERS
YEAR ENDED DECEMBER 31, 1995

The ten largest tax parcels in St. Louis County are owned by the following taxpayers:

Taxpayer	Tax Capacity as of 1995 Tax Roll	Percentage of Total
Minnesota Power	\$ 2,044,176	2.27%
Lake Superior Paper Industries	1,937,318	2.16%
Great Lakes Gas Trans Ltd	960,003	1.07%
Northern States Power	947,899	1.05%
Minnesota Power	945,374	1.05%
Square Butte Electric Co-op	921,519	1.03%
Minnesota Power	766,599	0.85%
Miller Hill Mall Company	657,111	0.73%
Duluth Clinic	292,943	0.33%
Minnesota Power	292,137	0.32%
Total Tax Capacity of Ten Largest Taxpayers	\$ 9,765,079	10.86%
Total Tax Capacity of Other Taxpayers	\$ 80,128,552	89.14%
Total Tax Capacity of All Taxpayers	\$ 89,893,631	100.00%

Unaudited

ST. LOUIS COUNTY, MINNESOTA
COMPUTATION OF LEGAL DEBT MARGIN
YEAR ENDED DECEMBER 31, 1995

Market Value of Taxable Property		\$ 4,806,552,900
Debt Limit:		
Two Percent of Market Value of Taxable Property (1)		\$ 96,131,058
Amount of Debt Applicable to Debt Limit:		
General Obligation Debt (At Par)	\$ 28,225,000	
Less:		
Fund Balance in Debt Service Funds	688,858	
Restricted Assets in Applicable Enterprise Funds (2)	<u>3,204,548</u>	
Total Amount of Debt Applicable to Debt Limit		<u>24,331,594</u>
Legal Debt Margin		<u>\$ 71,799,464</u>

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

(2) Restricted assets related to the nursing home general obligation revenue bonds, solid waste general obligation revenue bonds, and solid waste full crossover advance refunding bonds of \$11,905,000 less \$168,729 unamortized discount are carried in the Enterprise Funds. These bonds are carried at par of \$11,905,000 and are included in the amount of debt applicable to the debt limit.

Note: The amount of debt applicable to the debt limit does not include the Northwest Airlines bond issue as it is a County liability on a contingency basis only.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
COMPUTATION OF DIRECT, OVERLAPPING AND UNDERLYING DEBT
GENERAL OBLIGATION AND GENERAL OBLIGATION REVENUE BONDS ONLY
YEAR ENDED DECEMBER 31, 1995

	<u>Total Debt Outstanding (1)</u>	<u>Percent Applicable to St. Louis County (2)</u>	<u>Amount</u>
Direct Debt			
St. Louis County	\$ 28,056,271	100.00%	\$ 28,056,271
Overlapping Debt			
School District #94	\$ 3,675,000	2.66%	\$ 97,755
School District #381	1,055,000	17.15%	180,933
School District #698	3,840,000	92.89%	3,566,976
School District #2142	2,840,000	99.79%	2,834,036
Western Lake Superior Sanitary District	33,223,720	80.49%	26,741,772
	<u>\$ 44,633,720</u>		<u>\$ 33,421,472</u>
Underlying Debt			
City of Babbitt	\$ 325,000	100.00%	\$ 325,000
City of Buhl	250,000	100.00%	250,000
City of Chisholm	3,284,338	100.00%	3,284,338
City of Cook	140,000	100.00%	140,000
City of Duluth	54,597,824	100.00%	54,597,824
City of Ely	1,192,178	100.00%	1,192,178
City of Eveleth	456,287	100.00%	456,287
City of Floodwood	195,000	100.00%	195,000
City of Hermantown	3,660,000	100.00%	3,660,000
City of Hibbing	6,770,000	100.00%	6,770,000
City of Hoyt Lakes	365,000	100.00%	365,000
City of Proctor	205,000	100.00%	205,000
City of Tower	366,000	100.00%	366,000
City of Virginia	17,600,000	100.00%	17,600,000
Town of Fayal	14,946	100.00%	14,946
Town of Greenwood	92,857	100.00%	92,857
Town of Rice Lake	2,590,000	100.00%	2,590,000
School District #695	440,025	100.00%	440,025
School District #696	705,000	100.00%	705,000
School District #700	7,440,000	100.00%	7,440,000
School District #701	3,320,000	100.00%	3,320,000
School District #704	4,840,000	100.00%	4,840,000
School District #706	11,630,000	100.00%	11,630,000
School District #709	49,925,000	100.00%	49,925,000
School District #712	2,635,000	100.00%	2,635,000
Duluth Airport Authority	125,000	100.00%	125,000
Seaway Port Authority	125,000	100.00%	125,000
	<u>\$ 173,289,455</u>		<u>\$ 173,289,455</u>
Total	<u>\$ 245,979,446</u>		<u>\$ 234,767,198</u>

(1) This figure does not take into account bond premium or discount, except for St. Louis County, which is net of unamortized discount of \$168,729.

(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
GENERAL OBLIGATION REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(IN DOLLARS)

CHRIS JENSEN ENTERPRISE FUND BOND

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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	0.64
1988	7,352,692	7,325,246	27,446	350,000	381,775	731,775	0.04
1989	9,470,362	8,544,276	926,086	375,000	324,434	699,434	1.32
1990	9,491,825	8,944,636	547,189	400,000	280,850	680,850	0.80
1991	10,447,317	9,037,907	1,409,410	475,000	231,029	706,029	2.00
1992	11,267,963	10,146,098	1,121,865	1,065,000	189,574	1,254,574	0.89
1993	11,306,154	10,439,039	867,115	635,000	131,623	766,623	1.13
1994	10,808,984	10,896,293	(87,309)	675,000	91,300	766,300	0.00
1995	11,074,533	11,443,858	(369,325)	740,000	48,100	788,100	0.00

NOPEMING ENTERPRISE FUND BOND

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1989	6,751,894	7,053,018	(301,124)	-	3,335	3,335	0.00
1990	7,613,198	7,748,439	(135,241)	20,000	21,854	41,854	0.00
1991	9,021,628	8,814,821	206,807	25,000	18,892	43,892	4.71
1992	9,178,610	8,700,357	478,253	25,000	17,268	42,268	11.31
1993	9,834,384	9,230,250	604,134	25,000	15,643	40,643	14.86
1994	9,185,561	9,222,118	(36,557)	30,000	14,005	44,005	0.00
1995	8,579,481	9,287,194	(707,713)	30,000	12,040	42,040	0.00

SOLID WASTE MANAGEMENT ENTERPRISE FUND BOND

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1991	4,214,733	6,220,548	(2,005,815)	205,000	309,785	514,785	0.00
1992	5,978,786	4,579,540	1,399,246	280,000	366,878	646,878	2.16
1993	7,899,444	4,298,988	3,600,456	300,000	415,153	715,153	5.03
1994	8,215,055	6,879,141	1,335,914	800,000	833,540	1,633,540	0.82
1995	7,789,463	4,461,530	3,327,933	990,000	663,133	1,653,133	2.01

(1) Includes operating and non-operating revenue.

(2) Excludes depreciation, interest expense on debt, and amortization of bond discount.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
BONDED DEBT AS A PERCENT OF MARKET VALUE AND
BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Bonded Debt	Market Value (1)	Bonded Debt As a Percent of Market Value	Population	Bonded Debt per Capita
1986	\$ 4,800,000	\$ 3,326,867,350	0.14%	203,069	\$ 23.64
1987	4,475,000	3,292,356,750	0.14%	200,646	22.30
1988	9,125,000	3,273,647,920	0.28%	200,027	45.62
1989	21,000,000	3,284,996,020	0.64%	200,027	104.99
1990	22,195,000	3,380,059,500	0.66%	198,213	111.98
1991	22,525,000	3,597,878,700	0.63%	198,213	113.64
1992	20,535,000	3,881,445,700	0.53%	199,209	103.08
1993	36,840,000	4,213,422,500	0.87%	198,212	185.86
1994	31,240,000	4,546,517,400	0.69%	198,533	157.35
1995	28,225,000	4,806,552,900	0.59%	198,866	141.93

(1) Includes captured increment.

Table 12

ST. LOUIS COUNTY, MINNESOTA
DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT (2)
LAST TEN FISCAL YEARS

Year	Principal	Interest	Total Debt Service Expenditures	Total General Expenditures (3)	Debt Service Expenditures As a Percent of General Expenditures
1986	\$ -	\$ -	\$ -	\$ 140,778,277	N/A
1987	-	-	-	133,768,342	N/A
1988	-	152,900	152,900	145,835,613	0.10%
1989	295,000	355,800	650,800	160,848,344	0.40%
1990	420,000	1,075,030	1,495,030	160,668,481	0.93%
1991	2,970,000 (4)	902,288	3,872,288	147,513,461	2.63%
1992	620,000	804,443	1,424,443	141,110,539	1.01%
1993	5,825,000 (5)	654,867	6,479,867	160,203,803	4.04%
1994	4,095,000	1,310,943	5,405,943	159,572,198	3.39%
1995	2,835,000	896,858	3,731,858	156,351,816	2.39%

(2) Does not include bonds that are in Table 8.

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

(4) \$200,000 of this figure was financed by a refunding issue.

(5) \$2,000,000 of this figure was financed by a refunding issue.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
BONDED DEBT PAYMENT SCHEDULE
NEXT FIFTEEN YEARS

Fiscal Year	Babbitt Facility		Jail Bond		Solid Waste		Nopeming Nursing Home		Arrowhead Juvenile Center		Total		Total Principal and Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
1996	\$ 30,000	\$ 82,055	\$ 795,000	\$ 655,923	\$ 1,030,000	\$ 619,560	\$ 35,000	\$ 10,075	\$ -	\$ 74,168	\$ 1,890,000	\$ 1,441,781	\$ 3,331,781
1997	35,000	79,415	830,000	618,557	1,095,000	571,020	35,000	7,765	50,000	74,168	2,045,000	1,350,925	3,395,925
1998	40,000	76,300	865,000	579,548	1,185,000	517,398	40,000	5,420	50,000	72,168	2,180,000	1,250,834	3,430,834
1999	40,000	72,700	905,000	538,892	880,000	270,600	40,000	2,720	60,000	70,117	1,925,000	955,029	2,880,029
2000	45,000	69,060	945,000	496,358	925,000	231,412	-	-	75,000	67,597	1,990,000	864,427	2,854,427
2001	50,000	64,920	990,000	451,942	970,000	188,567	-	-	90,000	64,410	2,100,000	769,839	2,869,839
2002	55,000	60,270	1,040,000	405,413	1,020,000	142,460	-	-	100,000	60,495	2,215,000	668,638	2,883,638
2003	60,000	55,100	1,095,000	356,012	1,080,000	92,255	-	-	110,000	56,095	2,345,000	559,462	2,904,462
2004	65,000	49,400	1,150,000	304,000	600,000	38,485	-	-	120,000	51,200	1,935,000	443,085	2,378,085
2005	75,000	43,225	1,210,000	249,375	130,000	8,125	-	-	130,000	45,740	1,545,000	346,465	1,891,465
2006	80,000	36,100	1,275,000	191,900	-	-	-	-	140,000	39,695	1,495,000	267,695	1,762,695
2007	90,000	28,500	1,345,000	131,338	-	-	-	-	150,000	33,045	1,585,000	192,883	1,777,883
2008	100,000	19,950	1,420,000	67,450	-	-	-	-	160,000	25,770	1,680,000	113,170	1,793,170
2009	110,000	10,450	-	-	-	-	-	-	170,000	17,770	280,000	28,220	308,220
2010	-	-	-	-	-	-	-	-	175,000	9,100	175,000	9,100	184,100
Total	\$ 875,000	\$ 747,445	\$ 13,865,000	\$ 5,046,708	\$ 8,915,000	\$ 2,679,882	\$ 150,000	\$ 25,980	\$ 1,580,000	\$ 761,538	\$ 25,385,000 (1)	\$ 9,261,553	\$ 34,646,553

(1) Principal does not include \$2,840,000 that will be paid by an escrow account.

ST. LOUIS COUNTY, MINNESOTA
DEPOSITS IN FINANCIAL INTERMEDIARIES
LAST TEN YEARS

<u>Fiscal Year</u>	<u>Commercial Banks (1)</u>	<u>Savings & Loan Associations (2)</u>	<u>Total</u>
1986	1,281,194,000	532,544,000	1,813,738,000
1987	1,295,582,000	532,719,000	1,828,301,000
1988	1,316,347,000	473,732,000	1,790,079,000
1989	1,172,302,000	474,366,000	1,646,668,000
1990	1,553,694,000	286,730,000	1,840,424,000
1991	1,591,264,000	359,722,000	1,950,986,000
1992	1,228,361,000	176,502,000	1,404,863,000
1993	1,133,937,000	345,832,000	1,479,769,000
1994	1,183,657,000	184,893,000	1,368,550,000
1995	1,282,441,000	113,818,000	1,396,259,000

(1) Thomson Bank Directory
(1) Thomson Saving Directory

Table 15

ST. LOUIS COUNTY, MINNESOTA
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Median Age (2)</u>	<u>Population (2)</u>	<u>K - 12 School Enrollment (3)</u>	<u>Per Capita Income (4)</u>
1986	30.7	203,069	34,428	11,801
1987	30.9	200,646	34,062	12,409
1988	31.0	200,027	38,692	13,070
1989	31.2	200,027	33,510	14,417
1990	35.7	198,213	33,710	15,590
1991	35.8	197,767	37,068	16,389
1992	35.9	199,260	31,607	17,263
1993	36.1	198,249	33,367	17,872
1994	36.2	198,866	33,186	Not Available
1995	36.3	198,850 (est.)	32,911	Not Available

(2) Minnesota State Planning Office, Office of State Demographer
(3) State Department of Education
(4) Minnesota Department of Economic Security Research and Planning Department
Amounts are the most up-to-date revisions available.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
LABOR STATISTICS
LAST TEN FISCAL YEARS

COUNTY LABOR STATISTICS

<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
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%
1989	89,686	84,394	5,292	5.9%
1990	93,812	88,226	5,586	6.0%
1991	96,182	89,945	6,237	6.5%
1992	96,115	89,091	7,024	7.3%
1993	96,129	89,037	7,092	7.4%
1994	99,060	93,035	6,025	6.1%
1995	99,928	94,263	5,665	5.7%

STATE AND FEDERAL LABOR STATISTICS

<u>Year</u>	<u>Average State Labor force</u>	<u>Average State Unemployment Rate</u>	<u>Average National Labor force</u>	<u>Average National Unemployment Rate</u>
1986	2,230,000	5.3%	119,540,000	6.9%
1987	2,259,000	5.4%	121,602,000	6.1%
1988	2,316,411	4.1%	121,669,000	5.5%
1989	2,343,000	4.4%	123,869,000	5.3%
1990	2,404,000	4.8%	124,787,000	5.5%
1991	2,431,000	5.1%	125,303,000	6.8%
1992	2,431,000	5.1%	126,982,000	7.4%
1993	2,466,000	5.1%	128,040,000	6.8%
1994	2,565,000	4.0%	131,056,000	6.1%
1995	2,588,882	3.7%	132,304,000	5.6%

Source: Minnesota Department of Economic Security

Unaudited

**ST. LOUIS COUNTY, MINNESOTA
CONSTRUCTION STATISTICS
LAST TEN YEARS**

NUMBER OF UNITS			
Fiscal Year	Commercial Units	Residential Units	Total Units
1986	681	2,400	3,081
1987	719	2,582	3,301
1988	329	1,745	2,074
1989	670	3,018	3,688
1990	635	2,800	3,435
1991	808	3,256	4,064
1992	770	3,133	3,903
1993	315	1,599	1,914
1994	407	1,646	2,053
1995	Not Available	Not Available	Not Available

VALUE OF NEW CONSTRUCTION			
Fiscal Year	Commercial Value	Residential Value	Total Value
1986	\$ 46,504,152	\$ 15,770,921	\$ 62,275,073
1987	42,178,960	24,297,453	66,476,413
1988	20,432,623	20,956,747	41,389,370
1989	34,935,772	37,836,846	72,772,618
1990	22,454,139	37,750,527	60,204,666
1991	36,169,000	45,547,000	81,716,000
1992	37,731,455	60,139,279	97,870,734
1993	9,688,458	38,086,739	47,775,197
1994	18,559,568	37,521,002	56,080,570
1995	Not Available	Not Available	Not Available

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

Unaudited

ST. LOUIS COUNTY, MINNESOTA
LAND STATISTICAL DATA
YEAR ENDED DECEMBER 31, 1995

AREA		
	Square Miles	Acres
Land	6,318.02	4,043,532
Water	<u>774.49</u>	<u>495,674</u>
Total area	<u>7,092.51</u>	<u>4,539,206</u>

LAND OWNERSHIP		
	Acres	Percentage
Public Ownership		
Federal Entitlement Lands		
Bureau of Land Management	243	0.01%
Forest Service	745,043	18.43%
National Park Service	92,926	2.30%
Other Federal Lands	<u>12</u>	<u>0.00%</u>
Total Federal Entitlement Lands	838,224	20.74%
State Tax-Forfeited Lands		
Estimated	898,803	22.23%
State Lands		
Department of Natural Resources / Department of Transportation	<u>822,905</u>	<u>20.35%</u>
Total Public Ownership	2,559,932	63.32%
Private Ownership / Other	<u>1,483,600</u>	<u>36.68%</u>
Total Land Ownership	<u>4,043,532</u>	<u>100.00%</u>

Unaudited

ST. LOUIS COUNTY, MINNESOTA
MISCELLANEOUS COUNTY STATISTICS
YEAR ENDED DECEMBER 31, 1995

AUTHORIZED FULL-TIME EQUIVALENT POSITIONS BY FUND

<u>Fund</u>	<u>Full Time Equivalent Positions</u>
General	916 *
Road and Bridge	335
Social Services Special Revenue	572
Other Special Revenue	55
Enterprise	514
Internal Service	<u>109</u>
Total	<u><u>2,501</u></u>

* Includes 174 employees of Arrowhead Regional Corrections

ROAD STATISTICS

<u>Road Type</u>	<u>Miles</u>
Concrete	2.90
Bituminous	211.56
Gravel	1,341.14
Unimproved	<u>49.40</u>
Total Miles of Road	<u><u>1,605.00</u></u>

BRIDGE STATISTICS

Number of Bridges	<u><u>594</u></u>
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Unaudited

ST. LOUIS COUNTY, MINNESOTA
REGISTERED VOTERS
LAST TEN ELECTIONS

PRIMARY ELECTIONS

<u>Date</u>	<u>Total Registered Voters</u>	<u>Percentage Voting</u>
September 14, 1976	126,315	45%
September 12, 1978	135,346	51%
September 9, 1980	139,386	36%
September 14, 1982	137,184	50%
September 11, 1984	138,591	46%
September 9, 1986	134,330	42%
September 13, 1988	128,413	23%
September 11, 1990	128,300	39%
September 15, 1992	128,981	29%
September 13, 1994	127,624	37%

GENERAL ELECTIONS

<u>Date</u>	<u>Total Registered Voters</u>	<u>Percentage Voting</u>
November 2, 1976	146,667	79%
November 7, 1978	142,022	68%
November 4, 1980	153,066	76%
November 2, 1982	145,775	72%
November 6, 1984	152,260	75%
November 4, 1986	137,492	59%
November 8, 1988	142,825	73%
November 6, 1990	134,668	63%
November 3, 1992	146,833	75%
November 8, 1994	134,702	63%

Source: St. Louis County Auditor's Office

Unaudited