

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 1996



St. Louis County, Minnesota
Gordon D. McFaul
County Auditor

St. Louis County Minnesota

**Comprehensive Annual Financial Report
for the Fiscal Year Ending
December 31, 1996**



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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 9, 1997

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, 1996. 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.

The County has an abundant, high quality workforce and has diversified its economy in the last ten years. It has many quality health care, government and education services and has gained status as a regional retail center. Tourists and residents alike appreciate the low crime rate, as well as the richness of the County's man-made and natural attractions.

The County experienced a population decline of 12.1% between 1980 and 1990; this decline appears to have leveled off somewhat. The population density is a low 33 per square mile and the County wealth indicators are below State and national averages. Although per capita retail sales have increased only 1.4%, the latest available figures indicate that per capita income has increased 20% over a five-year period ending in 1994. Historically, unemployment in the County is higher than in the State of Minnesota generally and is also higher than the national average.

Housing costs are low in the County (averaging around \$54,000 for two bedrooms or less with three bedrooms averaging around \$82,000).

The County has an aging population. Although new figures will not be available until the year 2000, between 1980 and 1990 the median age of County residents rose from 30 years to 35.7 years and estimates are that there has been a further increase since 1990. The kindergarten through twelfth grade enrollment figures have declined from 34,428 in 1986 to 32,657 in 1996.

Economic Condition and Outlook

A strong and stable local economy with opportunities for private sector growth is a necessary prerequisite for the local jurisdictions to perform their functions. Across the County such growth has occurred over the past year. We are pleased to present a sampling:

Iron Range (Virginia, Eveleth, Hibbing):

Mining

- ▶ Taconite pellet production for 1996 was 48 million tons and in 1997 is expected to reach the highest total production. Six of the seven northeastern Minnesota taconite plants plan to increase production over 1996 levels. More than 6,000 miners work in the taconite industry, with roughly \$85 million in taconite production taxes going to governments and schools, contributing to a vibrant economy. If pellet production at Iron Range mines continues at the current level through 2000, the 1990's will be the industry's best decade ever.

City of Mountain Iron

Manufacturing

- ▶ Spring Creek, Inc., a designer and manufacturer of canoe and kayak accessories, expanded its facility from 2,500 to 8,000 square feet. Sales have increased over 25% from 1995 to 1996.

City of Virginia

Health Care

- ▶ The Construction of the \$3,600,000 Washington Manor, an HRA - funded senior housing center, was completed in 1996.
- ▶ The Range Mental Health facility added to and remodeled its existing facility at a cost of \$500,000.

Construction

- ▶ During 1996 commercial building permits totaled \$6,768,000 while residential permits were \$929,073.

City of Tower

Manufacturing

- ▶ Husky Manufacturing, a maker of car wash assemblies, expanded its facilities by 13,500 square feet to accommodate its new wash assembly designed for semi-trucks. The cost involved in this growth was \$500,000 and boosted employees from eleven to twenty-two full-time workers. The firm has plans to expand again within the next 12-18 months and double its size. For 1996 Husky's gross sales were \$3,000,000 while its gross payroll was \$516,000.

City of Ely

Tourism

- ▶ The Holiday Inn Sunspree Resort opened in 1996 at a cost of \$4.5 million. It has 61 prebuilt modular rooms with the entrance, lobby and cathedral-domed pool area walls done in local timbers, thus making it one of only four or five of its kind in the world.

Apparel

- ▶ Steger Designs, a local firm which manufactures mukluks and other winter outerwear, has expanded its factory space to 8,000 square feet at a cost of approximately \$300,000. Its payroll consists of 35 employees and the firm has further plans to grow in size.

Service Industry

- ▶ Irresistible, Inc. of Minneapolis, a producer of custom-made handwritten mailings for large companies (primarily in the insurance industry), opened an 8,000 square foot facility in Ely's business park at a cost of \$250,000 - \$300,000. It employs 100 part-time individuals, including 40 full-time equivalents.

City of Aurora

Manufacturing

- ▶ B & S Machine increased its floor capacity by 5,500 square feet. The business makes lathes, mills and other machine shop equipment for electrical and industrial concerns. Cost for this expansion was \$125,000 and the firm increased its workers from 5 to 11 employees.

City of Hibbing

Health Care

- ▶ A \$5.5 million expansion and remodeling of the University Medical Center-Mesabi was completed in 1996 to increase the sizes of its hemodialysis and physical therapy units and initiate a \$3 million radiation therapy center.

City of Chisholm

Airline Industry

- ▶ In March of 1996, the \$9.7 million Northwest Airlines Reservation Center opened with a staff of about 300. Reservation agents earn \$19,000 to \$33,000 annually plus benefits. Clerks earn \$13,000 to \$24,000. Travelers who call Northwest for information or for purchase of a ticket will talk to workers in Chisholm.

City of Duluth

General

- ▶ In 1996 the City issued construction permits valued at nearly \$46 million.
- ▶ Through November of 1996, international trade was up 12% from 1995. Shipping tonnage on this, the largest port on Lake Superior, exceeded the five-year average of 33.6 million tons. The record was set in 1995; 40.6 million tons were shipped.
- ▶ Tourism increased 5% over 1995 with an estimated 3,500,000 visitors. The economic impact of the tourism industry was estimated at \$250,000,000. Predictions are for a 5-6% increase in 1997 to 3,600,000 with an economic boost to the City of \$262,000,000.
- ▶ The Duluth Entertainment and Convention Center hosted 45 business meetings which attracted 32,000 attendees.
- ▶ Employment grew at a 2.5% pace from March of 1995 to March of 1996 (the most recent period for which figures are available) or by 1,279 individuals.

- United HealthCare moved into its new processing center in West Duluth. United HealthCare serves more than 20,000 employers nationwide, including Alina Health System in Minnesota. 300 people are employed in Duluth, processing more than 10,000 health claims each workday.
- Lakehead Pipe Line, one of only a few publicly traded companies located in Duluth, has attracted a large number of local investors. Stock analysts rate the company a good buy, citing its prospects for future growth. The company plans to run a new pipeline to Chicago. This will increase the capacity from 720,000 barrels per day to 890,000 barrels per day. Permanent jobs will not be increased substantially; however, construction will draw temporary workers from the Twin Ports of Duluth and Superior.

Light Industry

- Cirrus Design Corporation, a plane manufacturer with 137 employees, has plans to create and fill 100 new positions as it begins to expand its production. The company has landed a \$4 million contract to produce parts of an unmanned aircraft to be used by the U.S. Military for surveillance.
- The November opening of the Northwest Airlines Airbus Maintenance Base brought 277 new jobs to the area. The airline expects the number of employees to increase to 350 by the year 2000 or sooner. The payroll is about \$23 million annually, with senior airframe mechanics earning between \$50,000 and \$80,000 annually. The work involves maintenance of Airbus jets, including everything from tune-ups to complete overhauls and rebuilds. Most positions are permanent, full-time and require high degrees of skill.

Education

- The College of St. Scholastica, a privately-owned institution, constructed a science building-measuring 159 x 195 feet at a cost exceeding \$2,000,000.

Tourism

- Construction began in December for the 103 room Hampton Inn, a three story hotel at a cost of over \$3,200,000. Completion is scheduled for the summer of 1997.

Service Industry

- Approximately 90 jobs were created with the opening of a branch of Associated Bureaus, a Twin Cities-based collection agency.
- U.S. West's new directory service center opened in 1996 with initial employment of 125 workers.
- Norwest Bank has plans to develop a new processing center and may need to hire more individuals.

Major Initiatives

In 1996 St. Louis County put special emphasis on its goals to update and modernize its services to respond to the needs of its citizens.

Administration

- ▶ The 1997 certified property tax levy of \$62,148,361 was held to a 2.29% increase over 1996; however, the average tax rate for the County portion of each property owner's tax bill for 1997 will decrease from 1996 by approximately 4% because the total market value for property in the County has increased by approximately 7%. The increase in valuation is attributed to new construction, as well as an increase in the valuation of other property. The taxable tax capacity for taxes payable in 1997 will be approximately \$6.1 million higher than the 1996 taxable tax capacity.
- ▶ The County developed several new means of communications with area residents in 1996. The County Board began airing live broadcasts of County Board meetings in January 1996. The meetings are replayed each week during prime time. A campaign "The Spirit of St. Louis" was developed to highlight County employees and services. A booth was created for use at County Fairs and conferences; it featured information about the County's budget and services. Hundreds of magnets featuring the County's toll free number were distributed. Educational packets were designed for students touring the courthouse and for use by those requesting information. The County was developing a Web Page by the end of 1996.

Planning

- ▶ In 1996, the County completed the centralization of all of its planning functions. The new Planning Department consolidates activities in the following areas: physical facilities' planning, zoning, administration of various grant program funds, and human services planning. Initially, the new Department will work to establish a zoning violation database, update zoning maps, collaborate with Management Information Systems and other County Departments to coordinate the development of a Geographical Information System, increase economic development activities and oversee planning efforts, among various County Departments.

Property Management

- ▶ During 1996, the County created a Property Management Department. A manager will be hired in 1997. Some of the Property Management duties are currently handled by Administration, while others are under the direction of Public Works. The new Department will focus on various building service functions, including routine facility maintenance, equipment replacement schedules, skilled apprenticeship trade training programs, centralized capital improvement project management and review, and reallocation of County leased and non-leased space.
- ▶ A study was completed to survey the condition of the electrical and mechanical systems of the three County courthouse facilities (Duluth, Hibbing and Virginia). The County retained experts to determine whether each facility was in compliance with current code as well as to assess future needs.

Public Health and Long Term Medical Care

- ▶ The Department closely scrutinized the financial structure of its two nursing homes. Historically, the nursing homes have required subsidization with property tax levy dollars each year to remain viable. In recent years, Chris Jensen and Nopeming were challenged to be self-supporting, and removed from the property tax levy. This resulted in a negative cash balance of more than \$3.5 million by the end of 1995.

The Department of Public Health and Long Term Medical Care worked closely with the County Auditor's Office to evaluate the financial administration of Nopeming and Chris Jensen. Collaboration between the St. Louis County Board, the Health Department, and the Auditor's Department resulted in a 1996 operating income of \$55,189 for the nursing homes, compared to an operating loss of \$1,333,308 for 1995. The improved operating results, as well as a more aggressive accounts receivable collection policy and faster billing to Medicare and Medicaid, resulted in a year-end negative cash balance of \$2,716,624 an improvement of more than \$800,000.

- ▶ In 1996 the Department adopted a Public Health Nursing Strategic Plan and began subsequent restructuring to implement the plan. Departmental staff have directed their efforts to improve the approach and increase the resources aimed at marketing and research. External changes in the financing of the national health care system and the state implementation of managed care for the Medicaid population have necessitated changes in order to ensure the maintenance of a strong public health infrastructure. These national and state changes have also precipitated a re-examination of the definition and commitment to the role of public health nursing.
- ▶ The Environmental Health Division facilitated an effort to develop alternative sewage treatment technologies and worked with the Minnesota Departments of Health and Agriculture to develop a state-wide food code.
- ▶ The Department is exploring new relationships with managed health care companies and the primary providers contracted to them.

Public Safety

- ▶ St. Louis County continued to implement its ten-year plan for public safety needs in Northeastern Minnesota in 1996. Planning continued for two 72-hour lockups on the Iron Range. County officials held public hearings, appeared on numerous radio and TV shows, and worked closely with the area's leading newspaper to disseminate information on the need for the lockups, to conform to state statute and to provide public safety at the most economical cost. In 1997 the County Housing and Redevelopment Authority expects to issue bonds to construct lockups and make handicapped accessibility and security improvements to the Virginia and Hibbing Courthouses.

The Duluth Courthouse's first floor was modified in 1996 to create a secure entry and lockup facility for prisoners transported from the St. Louis County Jail. The County sought, and received, permission from the National Register of Historical Places to make these renovations to its historic courthouse. The remodeling allows for increased security for judges, jury members and the public when prisoners are being transferred.

- ▶ The Sheriff's office, in a cooperative effort with local police departments, formed two Triad organizations with senior citizens in the southern portion of the County and the East Range area. Members of the department have regularly met with seniors in the area to discuss and resolve their safety concerns. The Sheriff plans to expand involvement in this area in 1997 by obtaining a grant to assign a deputy to the project.

Court Administration

- ▶ A screener/collector position was created to expedite the collection of unpaid and delinquent fines. Effective processes were developed for bringing delinquent accounts to the attention of the court at an earlier stage.
- ▶ The department is examining the staffing of various court functions.

County Auditor

- ▶ On January 1, 1996 the County Auditor began using the Minnesota Association of Governments Investing for Counties (M.A.G.I.C.) Fund for checking account services. This change from a depository's NOW account earned interest for the County for 1996 in the amount of more than \$200,000.
- ▶ The Auditor developed a Grant Management Policy to provide appropriate information to the County Board and Department managers sufficient to determine the desirability of a grant application and to advise the Board of short and long term implications and commitments involved in applying for and accepting various state and federal grants.
- ▶ The County became a member of Minnesota Counties Information Systems, a joint powers arrangement involving several counties. Through this association, the County acquired property tax software and support to replace its aging system. This will result in eventual savings of more than \$600,000 over a 10 year period, while providing a superior system, one which will mean operational efficiencies in the Auditor's Department as well as access to better and more timely information. The system will be compatible with that of neighboring counties.
- ▶ The Department plans to purchase and implement an imaging system for its accounts payable function. This project may be expanded to include the imaging of all archivable documents for the tax division, the official County Board files, and some of the other accounting division files.
- ▶ Because the state is moving towards a personal computer networked system for voter registration, the Auditor's Department has converted voter registration terminals to personal computers in compliance with the state mandate.

Social Services

- ▶ The Social Services Department continued its trend towards collaboration with other area service providers by opening its third Duluth-area Family Service Collaborative in the Washington School site in 1996. St. Louis County Social Services Department, along with the Public Health and Long-Term Care Department, partnered with the City of Duluth and ISD 709 to provide services and support to families in their own neighborhoods. There are also two collaboratives in the northern half of the County.

The Social Services Child Support Collections Unit utilized new methods to encourage prompt payment of child support in 1996. Non-compliant parents may have their drivers' license suspended, a lien placed on their motor vehicle, their earnings garnished, or their state or federal tax returns intercepted for failure to pay support. Additionally, the Department has worked to streamline the process to make the child support system more fair and accessible to both parents. The result is that St. Louis County's child support collection rate is one of the highest in the nation. In 1996, the County collected 74% of child support payments; Minnesota has the highest state average with a 69% success rate.

- ▶ An outside evaluation of the Social Services Department assessed the strengths and weaknesses of the administrative management and service delivery component of each program, identified and assessed interagency collaboration as well as consumer and family satisfaction, concerns and issues, clarified program outcomes, provided the framework for long range self-evaluation procedures and tools and recommended specific actions to strengthen and streamline existing programs and services. The results of this evaluation will guide the Department in 1997.
- ▶ A citizen review committee, which was established in 1995 to obtain public input, was expanded to include human services issues in order to achieve greater coordination of activities and cooperation among the County Public and Long-Term Care Department, the County Social Services Department, and Arrowhead Regional Corrections, a Joint Powers Board of which the County is a member.

Solid Waste

- ▶ The development of an updated comprehensive solid waste management plan was begun in order to establish goals and policies for County solid waste management abatement programs, resource recovery, waste stream flow and program budgeting.
- ▶ In 1996, the Solid Waste Department received a grant from the Minnesota Office of Environmental Assistance for a mobile Household Hazardous Waste (HHW) collection vehicle. This grant, along with another, will be awarded in early 1997 for design and construction of a HHW collection facility, and will allow the Department to operate a comprehensive HHW program in rural areas of the County. Currently, County residents in outlying areas must bring their household hazardous waste materials to Duluth.

Public Works

- ▶ The Public Works Department received a Project of the Year Award of Merit from the American Public Works Association for a Three Pin Timber Arch Bridge. The innovative structure was built on a horizontal curve, introduced full super elevation across the bridge, and the foundation was placed on a spread footing on soil, not bedrock. The unusual and aesthetically pleasing bridge was opened to traffic on July 24, 1996.

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 budget control is at the department level with the exception that no public aid assistance and/or personnel services budget authority 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 and insure proper policies and regulations have been followed. Encumbrances outstanding at year end are reported as reservations of fund balances. The capital project funds are appropriated by project and will continue in effect until the purpose for which it was made has been accomplished or abandoned. All other appropriations which are not expended or encumbered lapse at year-end.

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 1996 General and Special Revenue Funds' undesignated fund balances decreased \$7.4 million (55.2%). This decrease in the undesignated fund balances is offset by a \$7.2 million increase in "Designated for cash flow", a reclassification of the undesignated fund balances which reflects the County's conservative budgeting practices.

The following schedule presents a summary of General and Special Revenue Funds' revenues as shown on Exhibit II for the fiscal year ended December 31, 1996 and the dollar and percentage increase or decrease in relation to the prior year's revenues.

Revenues:	1996 Amount	% of Increase (Decrease)	Dollar Increase (Decrease)
Taxes	\$ 65,054,565	1.88	1,202,247
Licenses and permits	132,057	.66	872
Intergovernmental	86,612,746	5.19	4,271,033
Charges for service	7,138,403	6.07	408,470
Fines and Forfeitures	888,913	7.07	58,689
Interest on investments	2,622,288	(5.41)	(150,053)
Gifts and contributions	18,924	30.37	4,408
Miscellaneous	1,999,446	(20.04)	(501,236)
	\$164,467,342		5,294,430

Although the other categories of revenue show larger percentages of increase or decrease over 1995, the most significant dollar changes in revenue are the increase in the taxes category and the increase in the intergovernmental category.

1. Tax revenues increased \$1.2 million or 1.88 percent from 1995 tax revenues. Explanations of the major dollar increases and decreases are given below:

	Dollar Increase (Decrease) (in millions)
<u>General government -</u>	
Property taxes	.6
Forfeited property	.4
<u>Highways and streets -</u>	
Property taxes	1.4
<u>Welfare -</u>	
Property taxes	(1.2)

2. Intergovernmental revenues increased \$4.3 million or 5.19 percent from 1995 intergovernmental revenues. Explanations of the major dollar increases and decreases are given below:

<u>General Government -</u>	
State grants	.7
Federal grants	(.3)
<u>Highways and Streets -</u>	
Shared revenue - state	4.0
State construction grants	(.6)
Federal construction grants	2.4
<u>Welfare -</u>	
Shared revenue - state	1.4
State grants	1.2
Federal grants	(.4)

Economic Development -

Federal grant revenue for the Community Development Block grant program decreased because the City of Duluth, previously part of the St. Louis County grant, is no longer a participant. (3.9)

Federal grant revenue for the HOME program decreased because the City of Duluth, previously part of the St. Louis County grant, is no longer a participant. (.2)

3. Charges for services increased \$408,470 due to the following:

General Government -

Increased revenues due to various inspection fees charged to insure compliance in the areas of human health and the environment .8

Streets and highways -

Decrease in contributing revenue from joint governmental projects (.7)

Welfare -

Child welfare and adult care services .3

4. Interest on investments decreased by \$150,053 because of slightly lower balances available for investment.

5. Miscellaneous revenues went down by \$501,236 because of:

Welfare -

Income maintenance program recoveries (.5)

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, 1996, and the dollar and percentage increase or decrease in relation to the prior year's expenditures.

Expenditures:	1996 Amount	% of Increase (Decrease)	Dollar Increase (Decrease)
General government	\$ 20,079,314	9.41	1,726,881
Public safety	21,378,055	0.43	90,463
Highways and streets	44,679,228	12.27	4,880,328
Health	5,611,658	(5.77)	(343,511)
Welfare	65,129,489	4.72	2,932,601
Culture and recreation	898,492	29.02	202,062
Conservation of natural resources	818,803	14.77	105,363
Economic development	3,401,781	(53.73)	(3,949,183)
	\$161,996,820		5,645,004

Note: Debt Service of \$125,906 and \$305,889, and Intergovernmental of \$6,127,021 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
Increase in Planning and Zoning	.6
Increase in County Recorder	.1
Increase in Data Processing	.1
Increase in Elections	.1
Increase due to inception of First Witness Program	.1
<u>Public Safety</u> -	
Increase (cost of living) in various Departments	.1
<u>Highways and streets</u> -	
Road Construction	4.0
Road Maintenance	.5
Equipment Maintenance and Shops including capital improvements	.2
Increase (cost of living) in various Departments	.2
<u>Health</u> -	
Decrease in Nursing	(.1)
Decrease in Environmental health	(.2)

Welfare -

Increase in Medical Assistance, primarily for the disabled and elderly	4.4
Decrease in General Assistance	(.4)
Decrease in Minnesota Supplemental Aid	(.3)
Decrease in Work Readiness (program deleted)	(.2)
Decrease in Aid to Families with Dependent Children	(.6)

Culture and Recreation -

Historical Society	.05
Arrowhead Library System	.05
St. Louis County 4-H Camp	.05
Trail Assistance	.05

Conservation of Natural Resources -

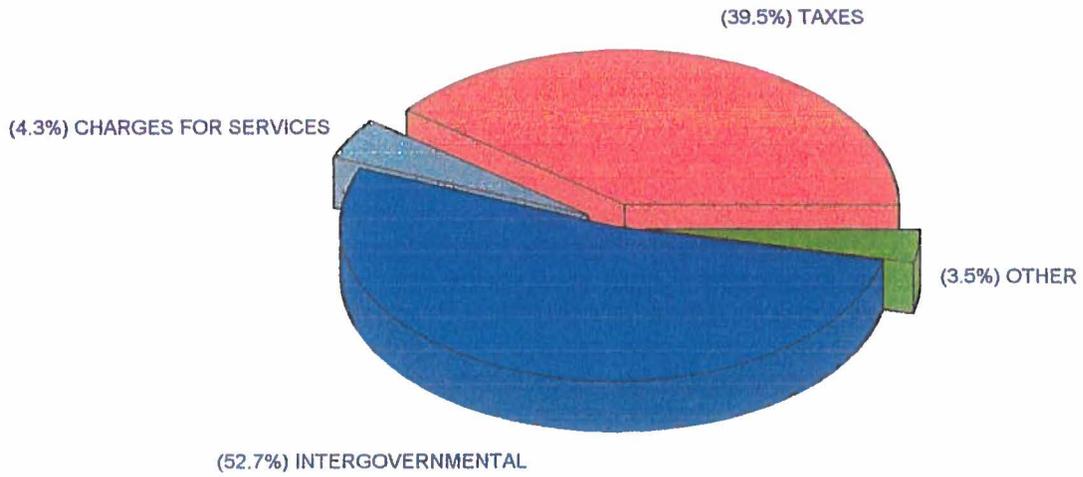
Inception of Hartley Nature Center	.1
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Economic Development -

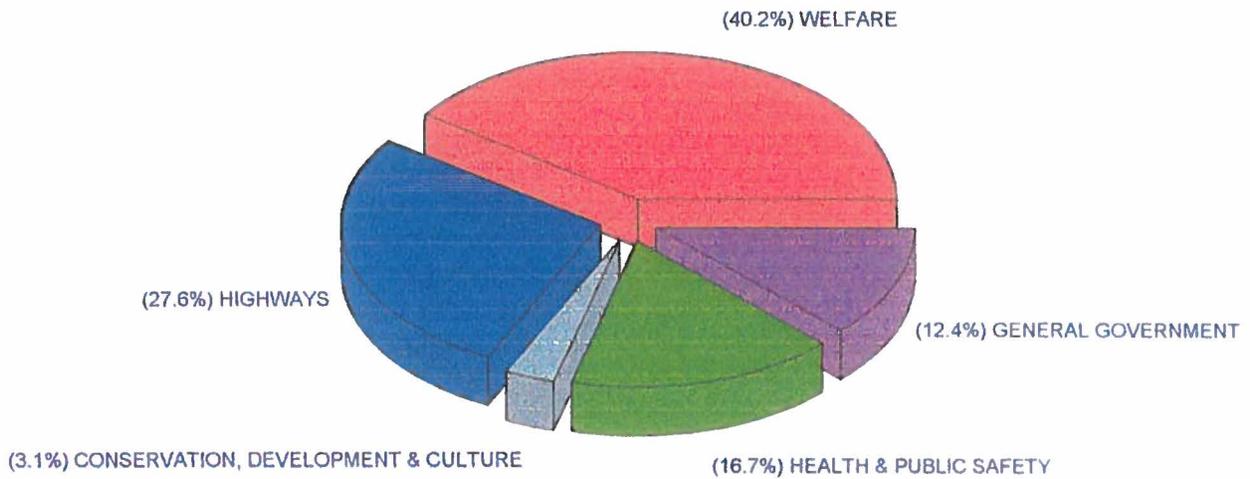
Decrease in Community Development Block Grant expenditures as the City of Duluth is no longer a participant.	(3.9)
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Graphics for revenue and expenditures are shown on the following page.

1996 COUNTY REVENUES BY SOURCE
INCLUDES GENERAL & SPECIAL REVENUE FUNDS



1996 COUNTY SPENDING BY FUNCTION
INCLUDES GENERAL & SPECIAL REVENUE FUNDS



Cash Management - In 1996, the average investment yield was 5.71%. Demand deposits averaged no more than 2% of the total cash, while 98% of all funds were invested in U.S. Government securities, Government agency securities, certificates of deposit in Minnesota banks and in overnight investments with the Minnesota Association of Governments Investing for Counties (MAGIC), a Minnesota joint powers investment trust.

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 net income of \$80,428 for 1996, while the Nopeming Fund had a net loss of \$24,480 and the net income for the Solid Waste Management Fund was \$3,327,352.

Internal Service Funds - The County has ten Internal Service Funds. The funds, along with their respective 1996 net income or loss are as follows:

Fund	Net Income (Loss)
Community Food	\$ (75,066)
Laundry	17,199
Supervised Living Facilities	(20,131)
Printing	91,551
County Garage (Motor Pool)	(20,173)
Property, Casualty, Liability Insurance	322,259
Workers' Compensation	927,802
Medical/Dental Insurance	(997,443)
Management Information Systems	283,545
Telecommunications	(49,000)

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 fees, fines and payroll deductions and disbursing those funds to third parties. The County participates in the 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, 1996 St. Louis County had nine bond issues outstanding: \$115,000 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; \$7,805,000 General Obligation Solid Waste Bonds (4 issues); \$845,000 General Obligation Recycling Facility Refunding Bonds; \$13,070,000 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 1996 was \$5,078,155,264. The amount of general obligation debt applicable to the debt limit is \$22,935,585 (\$26,335,000 principal outstanding less \$453,667 fund balance in debt service funds and \$2,945,748 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 1996 consisted of improvements to courthouses and other County buildings. The Capital Project Fund for construction of the new County jail facility was closed in 1996.

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, 1995.

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 eight 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 1995 annual approved budget. In order to qualify for the Distinguished Budget Presentation Award, the County' 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 the 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.

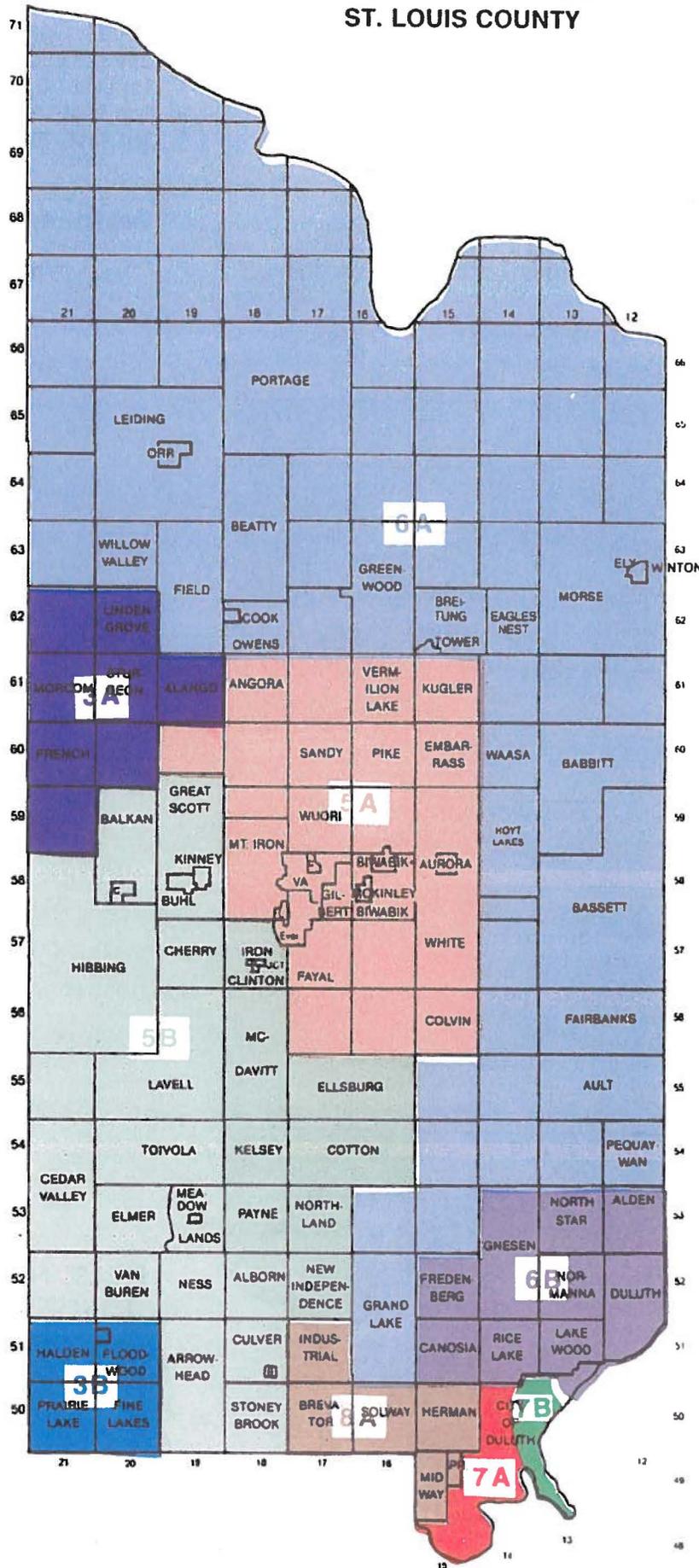
Sincerely,



Gordon D. McFaul
County Auditor

Reader's notes:

LEGISLATIVE DISTRICTS ST. LOUIS COUNTY



House Legislative Dist
 City of Duluth Precincts
 6B - 1-6, 9-11, 16
 7A - 27, 29-42
 7B - 7, 8, 12-15, 17-26, 28

Senate Legislative Dist
 City of Duluth Precincts
 Dist 6 - same as House 6B
 Dist 7 - House Dist 7A and 7B

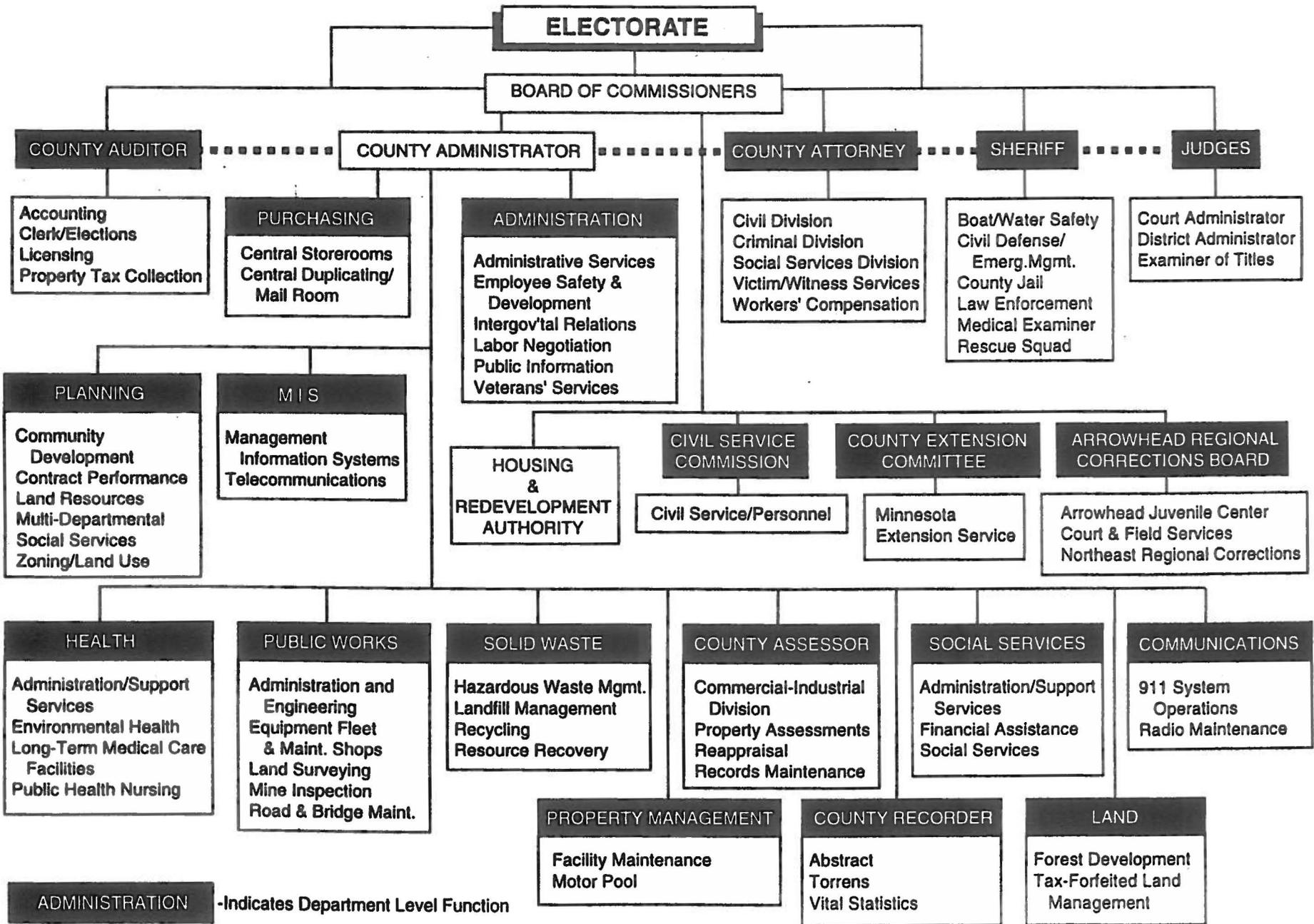
- District #:**
- 3A
 - 3B
 - 5A
 - 5B
 - 6A
 - 6B
 - 7A
 - 7B
 - 8A

**St. Louis County
Elected and Appointed Officials
as of December 31, 1996**

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
Commissioners to begin terms in January 1997:		
1st District	Peg Sweeney	Jan 1997 Jan 2001
3rd District	William Kron	Jan 1997 Jan 2001
5th District	Dennis Fink	Jan 1997 Jan 2001
7th District	Steve Raukar	Jan 1997 Jan 2001
Elected Officers:		
Attorney	Alan L. Mitchell	Jan. 1995 Jan. 1999
Auditor	Gordon D. McFaul	Jan. 1995 Jan. 1999
Sheriff	Gary Waller	Jan. 1995 Jan. 1999
Judges:		
District Court	David E. Ackerson	Jan. 1991 Jan. 2003
District Court	Robert F. Berger	Jan. 1991 Jan. 2003
District Court	Donovan W. Frank	Jan. 1987 Jan. 1999
District Court	Terry C. Hallenbeck	Mar. 1995 Jan. 2003
District Court	Robert E. Macaulay	Mar. 1995 Jan. 2003
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. 2003
District Court	Carol Person	Nov. 1993 Jan. 2003
District Court	Jeffry S. Rantala	Jan. 1995 Jan. 2001
District Court	Ken Sandvik	Jan. 1987 Jan. 1999
District Court	David P. Sullivan	Jan. 1997 Jan. 1999
District Court	Heather Sweetland	Feb. 1996 Jan. 1999
District Court	Galen C. Wilson	Jan. 1987 Jan. 1999
District Court	Dale Wolf	Jan. 1991 Jan. 2003
Appointed Officers:		
Administrator	Julie Brunner	
Assessor	Mary Durward	
Civil Service Director	Anthony Bruno, Jr.	
Court Administrator	Gloria Pothast	
Emergency Communications Director	Paul Kent	New appointment in 1997
Examiner of Titles	Robert C. Brown	
Health and Long-Term Care Director	Carol Thibault	
Highway Engineer	Richard Hansen	
Land Commissioner	John J. Vogel	
Management Information Systems Director	Martin Buscombe	
Planning Director	Mark Flaherty	
Purchasing Agent	John Valentine	New appointment in 1997
Recorder	Mark Monacelli	
Social Services Director	Linda Anderson	
Solid Waste Director	Theodore Troolin	

St. Louis County Organizational Summary

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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, 1995

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.



Arthur R. Lynch
President

Jeffrey L. Esler
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, 1996, 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, 1996, 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 9, 1997, on our consideration of St. Louis County's internal control structure and a report dated May 9, 1997, on its compliance with laws and regulations.



JUDITH H. DUTCHER
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

May 9, 1997

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 - Budgetary Basis - 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, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Buildings Capital Projects
Assets and Other Debits				
Cash and cash equivalents	\$ 14,154,745	\$ 9,400,012	\$ 434,461	\$ 702,728
Assets held by escrow agent	271,000	-	-	-
Investments	-	-	-	-
Invested employee contribution	-	-	-	-
Receivables				
Taxes				
Unapportioned	586,901	524,059	14,770	64,332
Delinquent	1,379,929	1,999,219	44,358	44,095
Accounts (net of allowance for uncollectibles)	140,944	689,401	-	-
Accrued interest	289,742	-	-	-
Loans	1,241,874	125,000	-	-
Due from other funds	-	137,409	-	-
Interfund receivable	2,868,507	-	-	-
Due from other governments	403,002	12,703,452	-	707,488
Inventories	-	1,351,857	-	-
Prepaid items	425	-	-	-
Restricted assets				
Improvement account				
Cash and cash equivalents	-	-	-	-
Debt service				
Cash and cash equivalents	-	-	-	-
Assets held by escrow agent	-	-	-	-
Receivables				
Taxes				
Unapportioned	-	-	-	-
Delinquent	-	-	-	-
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	\$ 21,337,069	\$ 26,930,409	\$ 493,589	\$ 1,518,643

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	
\$ 1,433,279	\$ 10,755,219	\$ 10,873,608	\$ -	\$ -	\$ 47,754,052
-	-	-	-	-	271,000
9,346,249	9,622,347	18,171,027	-	-	37,139,623
-	-	39,422,187	-	-	39,422,187
48,622	-	6,657	-	-	1,245,341
36,679	-	20,592	-	-	3,524,872
2,985,810	126,153	7,672,984	-	-	11,615,292
73,748	240,737	93,641	-	-	697,868
93,379	-	-	-	-	1,460,253
-	-	-	-	-	137,409
-	-	-	-	-	2,868,507
19,264	134,406	1,770,529	-	-	15,738,141
121,690	191,164	-	-	-	1,664,711
-	115,583	-	-	-	116,008
72,353	-	-	-	-	72,353
125,532	-	-	-	-	125,532
2,844,537	-	-	-	-	2,844,537
18,159	-	-	-	-	18,159
57,530	-	-	-	-	57,530
69,258	-	-	-	-	69,258
830,405	-	-	-	-	830,405
13,719	-	-	-	-	13,719
14,791,350	4,116,075	-	101,972,737	-	120,880,162
-	-	-	-	507,216	507,216
-	-	-	-	1,029,607	1,029,607
-	-	-	-	453,667	453,667
-	-	-	-	59,730	59,730
-	-	-	-	18,264,723	18,264,723
-	-	-	-	21,172,382	21,172,382
<u>\$ 32,981,563</u>	<u>\$ 25,301,684</u>	<u>\$ 78,031,225</u>	<u>\$ 101,972,737</u>	<u>\$ 41,487,325</u>	<u>\$ 330,054,244</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Buildings Capital Projects
Liabilities, Equity and Other Credits				
Liabilities				
Accounts payable	\$ 742,867	\$ 3,954,544	\$ -	\$ 491,606
Salaries payable	1,215,325	1,115,590	-	-
Compensated absences payable	260,352	323,596	-	-
Deferred compensation payable	-	-	-	-
Claims payable	-	-	-	-
Unapportioned taxes payable	-	-	-	-
Due to other funds	-	-	-	137,409
Interfund payable	-	66,180	-	-
Due to other governments	310,722	1,568,202	-	40,310
Deferred revenue	2,149,806	6,535,480	39,922	39,686
Capital leases payable	-	-	-	-
Payable from restricted assets				
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	\$ 4,679,072	\$ 13,563,592	\$ 39,922	\$ 709,011

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	
\$ 786,309	\$ 479,544	\$ 912,593	\$ -	\$ -	\$ 7,367,463
466,454	126,929	292,020	-	-	3,216,318
81,468	30,425	16,401	-	-	712,242
-	-	39,422,187	-	-	39,422,187
-	2,549,504	-	-	-	2,549,504
-	-	1,263,500	-	-	1,263,500
-	-	-	-	-	137,409
2,716,624	-	85,703	-	-	2,868,507
37,640	19,544	24,501,636	-	-	26,478,054
141,145	130,978	7,413,489	-	-	16,450,506
-	13,595	-	-	-	13,595
48,232	-	-	-	-	48,232
51,778	-	-	-	-	51,778
1,130,000	-	-	-	-	1,130,000
2,907,349	1,362,472	-	-	22,768,935	27,038,756
-	-	-	-	15,748	15,748
-	2,147,486	-	-	-	2,147,486
-	12,366	-	-	3,207,642	3,220,008
-	-	-	-	2,425,000	2,425,000
9,561,142	-	-	-	-	9,561,142
4,115	-	-	-	-	4,115
438,478	-	-	-	-	438,478
-	-	-	-	13,070,000	13,070,000
\$ 18,370,734	\$ 6,872,843	\$ 73,907,529	\$ -	\$ 41,487,325	\$ 159,630,028

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Buildings 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 closure and post-closure	-	-	-	-
Unreserved	-	-	-	-
Fund Balance				
Reserved for change funds	20,580	16,000	-	-
Reserved for noncurrent loans	525,084	125,000	-	-
Reserved for conference fund	-	18,907	-	-
Reserved for economic development	430,268	-	-	-
Reserved for inventories	-	1,351,857	-	-
Reserved for encumbrances	116,233	1,134,564	-	-
Reserved for health and welfare	1,030,981	663,876	-	-
Reserved for law library	50,107	-	-	-
Reserved for foster care insurance	-	6,000	-	-
Reserved for senior citizens transportation	-	48,261	-	-
Reserved for unorganized town roads	-	214,205	-	-
Reserved for veterans credit	-	-	-	-
Reserved for contingent liability	271,000	-	-	-
Reserved for communications	151,252	-	-	-
Reserved for prepaid items	425	-	-	-
Unreserved				
Designated for parking	202,757	-	-	-
Designated for medical care facilities	1,443,701	-	-	-
Designated for nursing home cash deficit	1,272,923	-	-	-
Designated for vested sick leave	507,216	1,029,607	-	-
Designated for cash flow	6,218,085	7,138,351	-	-
Undesignated	4,417,385	1,620,189	453,667	809,632
Total Equity and Other Credits	\$ 16,657,997	\$ 13,366,817	\$ 453,667	\$ 809,632
Total Liabilities, Equity, and Other Credits	\$ 21,337,069	\$ 26,930,409	\$ 493,589	\$ 1,518,643

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	
\$ 1,707,354	\$ 2,886,902	\$ -	\$ -	\$ -	\$ 4,594,256
-	-	-	101,972,737	-	101,972,737
72,353	-	-	-	-	72,353
-	115,583	-	-	-	115,583
902,701	-	-	-	-	902,701
11,928,421	15,426,356	-	-	-	27,354,777
-	-	-	-	-	36,580
-	-	-	-	-	650,084
-	-	-	-	-	18,907
-	-	-	-	-	430,268
-	-	-	-	-	1,351,857
-	-	8,747	-	-	1,259,544
-	-	40,126	-	-	1,734,983
-	-	-	-	-	50,107
-	-	-	-	-	6,000
-	-	-	-	-	48,261
-	-	-	-	-	214,205
-	-	15,000	-	-	15,000
-	-	-	-	-	271,000
-	-	-	-	-	151,252
-	-	-	-	-	425
-	-	-	-	-	202,757
-	-	-	-	-	1,443,701
-	-	-	-	-	1,272,923
-	-	59,730	-	-	1,596,553
-	-	-	-	-	13,356,436
-	-	4,000,093	-	-	11,300,966
<u>\$ 14,610,829</u>	<u>\$ 18,428,841</u>	<u>\$ 4,123,696</u>	<u>\$ 101,972,737</u>	<u>\$ -</u>	<u>\$ 170,424,216</u>
<u>\$ 32,981,563</u>	<u>\$ 25,301,684</u>	<u>\$ 78,031,225</u>	<u>\$ 101,972,737</u>	<u>\$ 41,487,325</u>	<u>\$ 330,054,244</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, 1996

	Governmental Fund Types	
	General	Special Revenue
Revenues		
Taxes	\$ 28,901,945	\$ 36,152,620
Licenses and permits	115,187	16,870
Intergovernmental	11,830,236	74,782,510
Charges for services	5,698,047	1,440,356
Fines and forfeits	888,913	-
Interest on investments	2,622,288	-
Gifts and contributions	18,924	-
Land and timber sales	-	-
Miscellaneous	661,878	1,337,568
Total Revenues	\$ 50,737,418	\$ 113,729,924
Expenditures		
Current		
General government	\$ 19,877,651	\$ -
Public safety	14,474,734	-
Highways and streets	-	41,537,019
Health	5,483,507	-
Welfare	438,691	63,999,109
Culture and recreation	898,492	-
Conservation of natural resources	812,063	-
Economic development	103,516	3,292,490
Total Current	\$ 42,088,654	\$ 108,828,618
Capital outlay		
General government	\$ 201,663	\$ -
Public safety	776,300	-
Highways and streets	-	3,142,209
Health	2,245	-
Welfare	-	385,800
Conservation of natural resources	6,740	-
Economic development	-	5,775
Total Capital Outlay	\$ 986,948	\$ 3,533,784
Debt service		
Principal	\$ 97,174	\$ 236,826
Interest and fiscal charges	28,732	69,063
Total Debt Service	\$ 125,906	\$ 305,889
Intergovernmental		
Public safety	\$ 6,127,021	\$ -
Total Expenditures	\$ 49,328,529	\$ 112,668,291
Excess of Revenues Over (Under) Expenditures	\$ 1,408,889	\$ 1,061,633
Other Financing Sources (Uses)		
Loan proceeds	\$ -	\$ -
Operating transfers in	-	612,572
Operating transfers out	(912,572)	(114,415)
Total Other Financing Sources (Uses)	\$ (912,572)	\$ 498,157
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 496,317	\$ 1,559,790
Fund Balance - January 1	16,161,680	12,059,598
Increase (decrease) in reserved for inventories	-	(252,571)
Fund Balance - December 31	\$ 16,657,997	\$ 13,366,817

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

Debt Service	Capital Projects	Fiduciary Fund Type Expendable Trust	Total (Memorandum Only)
\$ 789,922	\$ 704,952	\$ 457,793	\$ 67,007,232
-	-	-	132,057
245,502	219,043	76,721	87,154,012
-	-	3,325	7,141,728
-	-	-	888,913
1,732	3,460	5,389	2,632,869
-	-	-	18,924
-	-	4,500,500	4,500,500
-	507	902,984	2,902,937
<u>\$ 1,037,156</u>	<u>\$ 927,962</u>	<u>\$ 5,946,712</u>	<u>\$ 172,379,172</u>
\$ -	\$ -	\$ 245,769	\$ 20,123,420
-	-	66,478	14,541,212
-	-	-	41,537,019
-	-	-	5,483,507
-	-	-	64,437,800
-	-	-	898,492
-	-	4,811,020	5,623,083
-	-	-	3,396,006
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,123,267</u>	<u>\$ 156,040,539</u>
\$ -	\$ 385,592	\$ -	\$ 587,255
-	312,908	-	1,089,208
-	315,047	-	3,457,256
-	-	-	2,245
-	-	-	385,800
-	-	611,450	618,190
-	-	-	5,775
<u>\$ -</u>	<u>\$ 1,013,547</u>	<u>\$ 611,450</u>	<u>\$ 6,145,729</u>
\$ 825,000	\$ 27,033	\$ -	\$ 1,186,033
812,145	-	-	909,940
<u>\$ 1,637,145</u>	<u>\$ 27,033</u>	<u>\$ -</u>	<u>\$ 2,095,973</u>
\$ -	\$ -	\$ -	\$ 6,127,021
<u>\$ 1,637,145</u>	<u>\$ 1,040,580</u>	<u>\$ 5,734,717</u>	<u>\$ 170,409,262</u>
\$ (599,989)	\$ (112,618)	\$ 211,995	\$ 1,969,910
\$ -	\$ 224,995	\$ -	\$ 224,995
364,798	300,000	-	1,277,370
-	(250,383)	-	(1,277,370)
<u>\$ 364,798</u>	<u>\$ 274,612</u>	<u>\$ -</u>	<u>\$ 224,995</u>
\$ (235,191)	\$ 161,994	\$ 211,995	\$ 2,194,905
688,858	647,638	3,911,701	33,469,475
-	-	-	(252,571)
<u>\$ 453,667</u>	<u>\$ 809,632</u>	<u>\$ 4,123,696</u>	<u>\$ 35,411,809</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPES
YEAR ENDED DECEMBER 31, 1996

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 28,563,326	\$ 28,901,945	\$ 338,619
Licenses and permits	109,230	115,187	5,957
Intergovernmental	12,230,529	11,830,236	(400,293)
Charges for services	5,539,550	5,698,047	158,497
Fines and forfeits	813,531	888,913	75,382
Interest on investments	2,007,797	2,622,288	614,491
Gifts and contributions	20,402	18,924	(1,478)
Miscellaneous	528,111	661,878	133,767
Total Revenues	\$ 49,812,476	\$ 50,737,418	\$ 924,942
Expenditures			
General government	\$ 20,670,459	\$ 20,065,473	\$ 604,986
Public safety	21,337,269	20,986,374	350,895
Highways and streets	-	-	-
Health	6,048,112	5,573,094	475,018
Welfare	718,588	438,691	279,897
Culture and recreation	979,332	899,493	79,839
Conservation of natural resources	962,954	825,194	137,760
Economic development	190,517	103,516	87,001
Debt service	-	-	-
Total Expenditures	\$ 50,907,231	\$ 48,891,835	\$ 2,015,396
Excess of Revenues Over (Under) Expenditures	\$ (1,094,755)	\$ 1,845,583	\$ 2,940,338
Other Financing Sources (Uses)			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	(912,572)	(912,572)	-
Total Other Financing Sources (Uses)	\$ (912,572)	\$ (912,572)	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (2,007,327)	\$ 933,011	\$ 2,940,338
Adjustments-Note 1	-	(436,694)	(436,694)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses as Adjusted	\$ (2,007,327)	\$ 496,317	\$ 2,503,644
Fund Balance - January 1	16,161,680	16,161,680	-
Increase (decrease) in reserved for inventories	-	-	-
Fund Balance - December 31	\$ 14,154,353	\$ 16,657,997	\$ 2,503,644

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)
\$ 35,603,824	\$ 36,152,620	\$ 548,796	\$ 785,944	\$ 789,922	\$ 3,978
15,000	16,870	1,870	-	-	-
79,346,269	74,782,510	(4,563,759)	244,283	245,502	1,219
1,348,000	1,440,356	92,356	-	-	-
-	-	-	-	1,732	1,732
-	-	-	-	-	-
1,406,321	1,337,568	(68,753)	-	-	-
<u>\$ 117,719,414</u>	<u>\$ 113,729,924</u>	<u>\$ (3,989,490)</u>	<u>\$ 1,030,227</u>	<u>\$ 1,037,156</u>	<u>\$ 6,929</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
45,875,416	45,137,654	737,762	-	-	-
-	-	-	-	-	-
65,521,898	64,783,007	738,891	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,469,759	3,300,637	4,169,122	-	-	-
-	-	-	1,637,146	1,637,145	1
<u>\$ 118,867,073</u>	<u>\$ 113,221,298</u>	<u>\$ 5,645,775</u>	<u>\$ 1,637,146</u>	<u>\$ 1,637,145</u>	<u>\$ 1</u>
\$ (1,147,659)	\$ 508,626	\$ 1,656,285	\$ (606,919)	\$ (599,989)	\$ 6,930
\$ 612,572	\$ 612,572	\$ -	\$ 363,952	\$ 364,798	\$ 846
(114,415)	(114,415)	-	-	-	-
<u>\$ 498,157</u>	<u>\$ 498,157</u>	<u>\$ -</u>	<u>\$ 363,952</u>	<u>\$ 364,798</u>	<u>\$ 846</u>
\$ (649,502)	\$ 1,006,783	\$ 1,656,285	\$ (242,967)	\$ (235,191)	\$ 7,776
-	553,007	553,007	-	-	-
\$ (649,502)	\$ 1,559,790	\$ 2,209,292	\$ (242,967)	\$ (235,191)	\$ 7,776
12,059,598	12,059,598	-	688,858	688,858	-
-	(252,571)	(252,571)	-	-	-
<u>\$ 11,410,096</u>	<u>\$ 13,366,817</u>	<u>\$ 1,956,721</u>	<u>\$ 445,891</u>	<u>\$ 453,667</u>	<u>\$ 7,776</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY TYPE FUNDS
YEAR ENDED DECEMBER 31, 1996

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
Operating Revenues			
Charges for services	\$ 24,279,076	\$ 21,987,285	\$ 46,266,361
Licenses and permits	1,625	-	1,625
Other	415,934	430,927	846,861
Total Operating Revenues	\$ 24,696,635	\$ 22,418,212	\$ 47,114,847
Operating Expenses			
Personal services	\$ 14,566,588	\$ 4,191,618	\$ 18,758,206
Contractual services	6,196,790	16,290,008	22,486,798
Materials	1,926,668	1,393,479	3,320,147
Depreciation	499,029	892,886	1,391,915
Total Operating Expenses	\$ 23,189,075	\$ 22,767,991	\$ 45,957,066
Operating Income (Loss)	\$ 1,507,560	\$ (349,779)	\$ 1,157,781
Nonoperating Revenues (Expenses)			
Taxes	\$ 1,302,978	\$ -	\$ 1,302,978
Grants	565,291	-	565,291
Interest on investments	652,742	907,771	1,560,513
Interest expense	(625,400)	-	(625,400)
Amortization of bond discount	(19,871)	-	(19,871)
Disposition of fixed assets	-	(77,449)	(77,449)
Total Nonoperating Revenues (Expenses)	\$ 1,875,740	\$ 830,322	\$ 2,706,062
Net Income (Loss)	\$ 3,383,300	\$ 480,543	\$ 3,863,843
Retained Earnings - January 1	9,520,175	15,061,396	24,581,571
Retained Earnings - December 31	\$ 12,903,475	\$ 15,541,939	\$ 28,445,414

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, 1996

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
Cash Flows From Operating Activities			
Operating Income (Loss)	\$ 1,507,560	\$ (349,779)	\$ 1,157,781
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation	499,029	892,886	1,391,915
Changes in Assets and Liabilities			
(Increase) Decrease in accounts receivable	914,980	70,153	985,133
(Increase) Decrease in loans receivable	(93,379)	-	(93,379)
(Increase) Decrease in due from other funds	-	19,565	19,565
(Increase) Decrease in due from other governments	13,311	10,634	23,945
(Increase) Decrease in inventories	23,411	3,226	26,637
(Increase) Decrease in prepaid items	-	58,667	58,667
Increase (Decrease) in accounts payable	164,559	124,975	289,534
Increase (Decrease) in salaries payable	(90,520)	24,283	(66,237)
Increase (Decrease) in compensated absences payable	(338,589)	89,049	(249,540)
Increase (Decrease) in claims payable	-	(28,357)	(28,357)
Increase (Decrease) in closure and post-closure liabilities	(188,557)	-	(188,557)
Increase (Decrease) in due to other governments	(1,274,705)	(2,476)	(1,277,181)
Increase (Decrease) in deferred revenue	(66,715)	(169,636)	(236,351)
Increase (Decrease) in customer deposits	(19,435)	-	(19,435)
Net Cash Provided by Operating Activities	<u>\$ 1,050,950</u>	<u>\$ 743,190</u>	<u>\$ 1,794,140</u>
Cash Flows From Noncapital Financing Activities			
Proceeds from taxes	\$ 1,347,614	\$ 91	\$ 1,347,705
Proceeds from grants	565,291	-	565,291
Payments of interfund loan	(4,352,003)	-	(4,352,003)
Proceeds from interfund loan	2,716,624	-	2,716,624
Net Cash Provided by Noncapital Financing Activities	<u>\$ 277,526</u>	<u>\$ 91</u>	<u>\$ 277,617</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	\$ (142,346)	\$ (1,306,484)	\$ (1,448,830)
Principal paid on bonds	(1,065,000)	-	(1,065,000)
Interest paid on bonds	(629,636)	-	(629,636)
Payments of capital leases	-	(8,017)	(8,017)
Proceeds from sale of fixed assets	4,509	104,863	109,372
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (1,832,473)</u>	<u>\$ (1,209,638)</u>	<u>\$ (3,042,111)</u>
Cash Flows From Investing Activities			
Purchase of investments	\$ (61,465,060)	\$ (75,009,072)	\$ (136,474,132)
Sale of investments	56,125,823	82,742,461	138,868,284
Interest on investments	638,369	855,885	1,494,254
Net Cash Provided by Investing Activities	<u>\$ (4,700,868)</u>	<u>\$ 8,589,274</u>	<u>\$ 3,888,406</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (5,204,865)</u>	<u>\$ 8,122,917</u>	<u>\$ 2,918,052</u>
Cash and Cash Equivalents - January 1	6,905,287	2,632,302	9,537,589
Cash and Cash Equivalents - December 31	<u>\$ 1,700,422</u>	<u>\$ 10,755,219</u>	<u>\$ 12,455,641</u>

Non-Cash Activities

The Laundry Internal Service Fund contributed linens to Chris Jensen and Nopeming Enterprise Funds valued at \$26,823 and \$23,493, respectively.

The Chris Jensen, Nopeming and Solid Waste Management Enterprise Funds disposed of fixed assets with book values of \$1,860, \$4,228, and \$4,510, respectively.

The Laundry, Printing, County Garage, Management Information Systems, and Telecommunications Internal Service Funds disposed of fixed assets with book values of \$43,399, \$8,815, \$1,440, \$118,419, and \$10,239, respectively.

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
Notes to the Financial Statements
 December 31, 1996

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St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

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 (1996). 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. 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.

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

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.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

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 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

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

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.

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.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

Ad valorem property tax revenue is recognized in compliance with the National Council on Governmental Accounting (NCGA) Interpretation 3, Revenue Recognition-Property Taxes, adopted by the Government Accounting Standards Board (GASB). This interpretation states that "property tax revenue is recorded when it becomes available. Available means when due, or past due and receivable within the current period and collected within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 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 County 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 (1996), 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 County Board recognizes the need to provide discretion to department heads in spending their budget allocations. The County Board therefore authorizes departmental spending within the department's total budget with the exception that no public aid assistance and/or personnel services budget authority be used for operations.

The County Board also authorizes Department Heads to add and delete positions within their personnel complement so long as the total full-time equivalent personnel complement does not exceed the total number of authorized positions approved by the County Board.

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Each appropriation, except an appropriation for a capital expenditure, lapses at the close of the fiscal year to the extent that it has not been expended or encumbered. Amounts in funds unexpended at the end of the fiscal year may be carried over from one fiscal year to the next in accordance with generally accepted accounting principles.

An appropriation for a capital expenditure continues in force until the purpose for which it was made has been accomplished or abandoned. The purpose of a capital expenditure appropriation is abandoned if three years pass without a disbursement from or encumbrance of the appropriation. Capital Project appropriations will continue in effect for up to five years unless otherwise adjusted by the County Board. 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.

Budgets can be amended during the year by the County Board. Supplemental appropriations or budget reductions 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 as budget revisions. 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. Budget revisions were necessary during the year. The effect of these amendments was a decrease in budgeted County funds of \$2,257,523.

Procedure for Preparing the Annual Budget

1. Early each year, the County Administrator meets with budget staff to discuss preparations for next year's budget. A basic budget strategy is developed at that time, based on guidelines and policies

established by the County Board.

2. 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 anticipated revenues by the end of May. These figures are used to determine the amount of tax levy that would be required to meet departmental requests, and the amount of budget adjustments that the County Administrator will need to make during 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. The County Board will certify by resolution to the County Auditor a maximum proposed property tax levy by September 15th, which will be used to comply with the Truth-in-Taxation provisions of state law.
6. The County Board holds formal public hearings on the proposed budget, and adopts by resolution the final budget and tax levy on or before December 28.

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

St. Louis County, Minnesota
Notes to the Financial Statements
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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.

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.

Budget Basis of Accounting

Budgets for the General, Special Revenue

Reconciliation of Budget Basis to GAAP Basis

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 12-31-96	Expenditures in 1996 from 1995 Encumbrances	Total Exhibit III Adjustment	Exhibit III Expenditures	Exhibit II Expenditures
General Fund	(116,233)	552,927	436,694	48,891,835	49,328,529
Special Revenue					
Babbitt Facility	-	-	-	1,892	1,892
County Housing Authority	(3,519)	1,147	(2,372)	77,594	75,222
Community - Development Block Grant	-	-	-	2,034,266	2,034,266
Northeast Minnesota Housing Consortium	-	-	-	1,186,885	1,186,885
Road and Bridge	(984,763)	526,337	(458,426)	45,137,654	44,679,228
Social Services	(146,282)	54,073	(92,209)	64,783,007	64,690,798
Total Special Revenue Funds	(1,134,564)	581,557	(553,007)	113,221,298	112,668,291

St. Louis County, Minnesota
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F. Account Reclassifications

Several account balances were reclassified as of and for the year ended December 31, 1995, 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, 1996. Although comparative statements for 1995 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.

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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 \$9,412,228 at December 31, 1996, 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 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 \$438,478 for the open area reported on the Solid Waste Management Enterprise Fund Balance Sheet as landfill closure and postclosure liability at December 31, 1996 represents the following:

Postclosure liability	\$219,080
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This is the liability for postclosure costs for the Regional Landfill. It is based on the use of 35.29% of the existing open area.

Closure liability	\$219,398
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This is the liability for closure costs for the Regional Landfill. It is based on the use of 35.29% of the existing open area.

The County will recognize the remaining \$804,021 in costs of closure and postclosure care of the open area as the remaining estimated capacity of the 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 1996.

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The County expects the open area to be closed in 1999 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, 1996 restricted assets of \$902,701 are included in the amounts shown on the Solid Waste Management Enterprise Fund balance sheet as Financial Assurance Restricted Assets - Cash and cash equivalents, Investments, and accrued interest.

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 deposited 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, 1996; 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, 1996:

Supervised Living Facilities Internal Service Fund	\$ 18,221
County Garage Internal Service Fund	43,529

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

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, 1996, County deposits totaled \$24,478,107, of which \$369,381 were cash deposits and \$24,108,726 was invested in certificates of deposit.

Following is a summary of the deposits covered by insurance or collateral at December 31, 1996:

	(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	1,974,546	1,974,482
Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name	22,494,245	22,503,625
Uncollateralized	-	-
Total Deposits	24,468,791	24,478,107

St. Louis County, Minnesota
Notes to the Financial Statements
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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;

St. Louis County, Minnesota
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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.

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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, 1996.

(Amounts in Dollars)					
	(1)	Category (2)	(3)	Carrying Amount	Market Value
Investments					
U.S. Government securities	-	52,864,721	3,115,537	55,980,258	56,065,012
Add:					
Investments held by Trustees for deferred compensation				39,422,187	39,422,187
Minnesota Assn of Govn'ts investing for Counties (Magic) Fund				7,777,489	7,777,489
Deposits				24,478,107	24,478,107
Cash on hand				870,906	870,906
Total				128,528,947	128,613,701

Detail as shown on Combined Balance Sheet:

Current Assets:	
Cash and cash equivalents	47,754,052
Assets held by escrow agent	271,000
Investments	37,139,623
Employee contributions	39,422,187
Restricted assets:	
Improvements	
Cash and cash equivalents	72,353
Debt Service:	
Cash and cash equivalents	125,532
Assets held by escrow agent	2,844,537
Financial Assurance:	
Cash and Cash Equivalents	69,258
Investments	830,405
Total	128,528,947

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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	17,023,252	
Special Revenue Funds		
Babbitt Facility	200,889	
County Housing Authority	408,161	
Community Development Block Grant		(66,180)
Northeast Minnesota Housing Consortium	13,649	
Road & Bridge	5,001,512	
Social Services	3,775,801	
Debt Service Funds	434,461	
Capital Projects Funds	702,728	
Enterprise Funds		
Chris Jensen	780	(1,298,312)
Nopeming	76,344	(1,418,312)
Solid Waste Management	1,623,298	
Internal Service Funds	10,755,219	
Trust and Agency Funds		
Missing Heirs	86,426	
Private Redemption	414	
Exchange of Land	22,798	
Tax Certificate Assurance	186,095	
Forfeited Tax Sale		(85,703)
Forest Resources	3,370,086	
Patients Escrow	44,450	
Attorney Forfeitures	139,440	
Sheriff Forfeitures	85,283	
Sheriff Fines	6,579	
Agency Funds	6,932,037	
Total Equity	50,889,702	
Less: Advances		(2,868,507)
Total	48,021,195	

St. Louis County, Minnesota
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 \$3,804,694. The amount of unrecorded revenues due the County at December 31, 1996, 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 1996) 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 \$525,084 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 and is interest-free. The repayment schedule calls for \$15,000 annual payments.

The noncurrent portion of a loan receivable from the Duluth Lighthouse for the Blind is \$23,839 and is equally offset by deferred revenue. The receivable arises from a State of Minnesota grant and loan to St. Louis County. The funds were passed on to the Lighthouse for the Blind as a loan from the County. In 1996, the Lighthouse declared Chapter 11 bankruptcy. Under the reorganization plan, the County will receive prorated distributions through the year 2001. The loan is accounted for in the General Fund and is valued at the amount expected to

be received under the reorganization plan.

The noncurrent portion of a second loan receivable from the Duluth Lighthouse for the Blind is \$96,875 and is equally offset by deferred revenue. The receivable arises from a State of Minnesota grant to St. Louis County. The funds were passed on to the Lighthouse as a loan from the County. The first \$100,000 plus interest which the County receives is retained and must be used for economic development. The subsequent payments must be passed on to the State. In 1996, the Lighthouse for the Blind filed Chapter 11 bankruptcy. Under the reorganization plan, the County will receive prorated distributions through the year 2001. The loan is accounted for in the General Fund and is valued at the amount expected to be received under the reorganization plan.

The noncurrent portion of a loan receivable from Luigino's, Inc. is \$52,311 and is equally offset by deferred revenue. The repayment schedule calls for monthly payments of \$5,952 through September 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 to the State.

The noncurrent portion of a loan receivable from Improvement Limited Partnership is \$95,382 plus accrued interest of \$1,590 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

St. Louis County, Minnesota
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Improvement Limited Partnership must be repaid to the State.

The noncurrent portion of a second loan receivable from Improvement Limited Partnership is \$105,350 plus accrued interest of \$1,756 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 Pitman Engineering and Manufacturing Company (PEMCO) is \$238,759 plus accrued interest of \$597 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 \$99,991 plus accrued interest of \$340 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. 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 noncurrent loans. Each year until 2009, interest of 2.33% accrues and is added to the principal. In December 2009 and annually thereafter, interest on the balance of the loan (principal and accrued interest to date) will be due. The balance of the loan is due December 3, 2023. The receivable is valued at its discounted amount and is accounted for in the County Housing Authority Special Revenue Fund.

The noncurrent portion of a loan receivable from the City of Chisholm, made to allow the City to purchase a garbage truck, is \$93,379. The five-year interest free loan calls for monthly payments of \$1,610 beginning December 1996. The loan is accounted for in the Solid Waste Management Enterprise Fund.

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Due From Other Governments

The following amounts were due from other governments at December 31, 1996:

	(Amounts in Dollars)			
	Federal	State	Local - Other	Total
General Fund	27,131	260,224	115,647	403,002
Special Revenue Funds				
Babbitt Facility	-	2,189	-	2,189
Community Development Block Grant	371,394	-	1,301	372,695
Northeast Minnesota Housing Consortium	99,420	-	-	99,420
Road and Bridge	-	6,411,864	82,384	6,494,248
Social Services	3,879,901	1,842,455	12,544	5,734,900
Total Special Revenue Funds	4,350,715	8,256,508	96,229	12,703,452
Capital Projects Fund				
Buildings	-	215,354	492,134	707,488
Enterprise Funds				
Solid Waste Management	-	-	19,264	19,264
Internal Service Funds				
Community Foods	-	-	122,955	122,955
Printing	-	-	7,138	7,138
County Garage	-	-	4,313	4,313
Total Internal Service Funds	-	-	134,406	134,406
Agency Funds				
State of Minnesota	-	-	15,936	15,936
Arrowhead Regional Corrections	-	1,267,550	120,696	1,388,246
Community Health Services	-	216,426	-	216,426
Regional Railroad Authority	-	-	149,921	149,921
Total Agency Funds	-	1,483,976	286,553	1,770,529
Total	4,377,846	10,216,062	1,144,233	15,738,141

St. Louis County, Minnesota
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Proprietary Fund Fixed Assets

A summary of proprietary fund fixed assets at December 31, 1996, 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	5,814,344	-
Machinery and equipment	2,439,123	6,560,117
Linens	50,316	126,090
Vehicles	147,892	1,567,759
Construction-in-progress	824,541	59,896
Total	21,172,623	10,088,811
Less accumulated depreciation	(6,381,273)	(5,972,736)
Net Fixed Assets	14,791,350	4,116,075

Summary of Changes in General Fixed Assets

	(Amounts in Dollars)				
	Balance 1-1-96	Additions	Retirements	Assets Reclassified	Balance 12-31-96
Land	1,179,979	-	-	-	1,179,979
Buildings and structures	38,144,240	403,495	-	13,879,465	52,427,200
Machinery and equipment	10,801,936	1,347,677	(271,609)	1,610,685	13,488,689
Vehicles	31,629,757	3,418,277	(1,166,929)	61,107	33,942,212
Construction-in-progress	16,342,930	1,027,597	(884,613)	(15,551,257)	934,657
Total	98,098,842	6,197,046	(2,323,151)	-	101,972,737

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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	1,186,739	353,383	-	609,684	2,149,806
Special Revenue Funds					
County Housing Authority	9,604	-	-	-	9,604
Northeast Minnesota Housing Consortium	-	15,000	-	-	15,000
Road and Bridge	630,001	4,179,984	-	34,068	4,844,053
Social Services	1,159,692	507,131	-	-	1,666,823
Total Special Revenue Funds	1,799,297	4,702,115	-	34,068	6,535,480
Debt Service Funds					
Babbitt Facility Refunding	5,241	-	-	-	5,241
Jail Bond	34,681	-	-	-	34,681
Total Debt Service Funds	39,922	-	-	-	39,922
Capital Projects Fund					
Buildings	39,686	-	-	-	39,686
Enterprise Funds					
Chris Jensen	16,366	-	53,757	-	70,123
Nopeming	10,375	-	27,620	-	37,995
Solid Waste Management	58,049	26,756	-	-	84,805
Total Enterprise Funds	84,790	26,756	81,377	-	192,923
Internal Service Funds					
Medical / Dental Insurance	-	-	130,978	-	130,978
Trust Funds					
Forfeited Tax Sale	-	-	-	7,320,777	7,320,777
Forest Resources	-	92,712	-	-	92,712
Total Trust Funds	-	92,712	-	7,320,777	7,413,489
Total All Funds	3,150,434	5,174,966	212,355	7,964,529	16,502,284

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1996

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 (1996), 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, 1996:

	(Amounts in Dollars)	
	Current Year Contributions	Balance
Great West Life Assurance Company	1,726,219	23,608,038
IDS Life Insurance Company	522,903	5,119,572
International City Management Association	76,585	592,166
Lincoln National Life Insurance Company	421,752	8,036,190
Lutheran Brotherhood	61,212	1,006,689
Minnesota Mutual Life - Northwestern National Life	93,096	478,282
Minnesota State Retirement System	123,473	581,250
Total	3,025,240	39,422,187

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

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, 1996:

(Amounts in Dollars)			
Bonds Payable			
	Nopeming Enterprise Fund	Solid Waste Management Enterprise Fund	Total
Payable, January 1	148,601	11,587,670	11,736,271
Payment on Principal	(35,000)	(1,030,000)	(1,065,000)
Amortization of discount	358	19,513	19,871
Payable, December 31	113,959	10,577,183	10,691,142

(Amounts in Dollars)

Bonds payable at December 31, 1996, 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, 1996 the bond issue is net of unamortized bond discount of \$1,041). 113,959

\$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, 1996 the bond issue is net of the unamortized bond discount of \$25,051). 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. 2,269,949

\$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, 1996 the bond issue is net of the unamortized bond discount of \$10,432). 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. 844,568

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1996

(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, 1996 the bond issue is net of the unamortized bond discount of \$11,190).</p>	908,810
<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, 1996 the bonds issue is net of the unamortized bond discount of \$54,249).</p>	3,680,751
<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, 1996 the bond issue is net of the unamortized bond discount of \$46,895).</p>	2,873,105

The annual requirements to service the debt outstanding as of December 31, 1996, including interest of \$2,076,228 and unamortized discounts of \$148,858 on the bonds, are as follows:

Year Ended December 31	Bonds Payable
1997	\$ 1,708,785
1998	4,587,818
1999	1,193,320
2000	1,156,413
2001	1,158,568
2002 - 2005	3,111,324
	\$12,916,228

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

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, 1996. 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.

	(Amounts in Dollars)			
	<u>Balance 1-1-96</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-96</u>
General Obligation Bond	2,455,000	-	30,000	2,425,000
Tax Lease Obligations	<u>13,865,000</u>	-	<u>795,000</u>	<u>13,070,000</u>
Total Bonded Debt	<u>16,320,000</u>	<u>- 0 -</u>	<u>825,000</u>	<u>15,495,000</u>
Due to Other				
Governments	30,000	-	30,000	-
Loans Payable	19,685	-	3,937	15,748
Compensated Absences	21,637,183	1,131,752	-	22,768,935
Capital Leases	<u>3,561,553</u>	-	<u>353,911</u>	<u>3,207,642</u>
Total General Long-Term Debt	<u>41,568,421</u>	<u>1,131,752</u>	<u>1,212,848</u>	<u>41,487,325</u>

(Amounts in Dollars)

General obligation bonds payable at December 31, 1996 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.	845,000
\$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, 1996

(Amounts in Dollars)

Tax lease obligations payable at December 31, 1996 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.

13,070,000

The annual requirements to service the bonded debt outstanding as of December 31, 1996 including interest of \$5,743,545 are as follows:

(Amounts in Dollars)

Year Ended December 31	General Obligation Bonds	Tax Lease Obligations	Total Debt Service
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	269,330	1,441,942	1,711,272
2002 - 2011	2,531,905	10,240,488	12,772,393
	<u>3,777,760</u>	<u>17,460,785</u>	<u>21,238,545</u>

(Amounts in Dollars)

Loans payable at December 31, 1996 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.

15,748

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

The annual requirements to service loans payable as of December 31, 1996 including interest of \$3,138 for the loans are as follows:

	(Amounts in Dollars)
Year Ended December 31	Loans Payable
1997	5,185
1998	4,882
1999	4,567
2000	4,252
	18,886

The County's proportionate shares of general obligation debt and general obligation revenue debt at December 31, 1996, 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	26,186,142	100.00	26,186,142
Overlapping Debt			
School Districts	16,328,814	55.72	9,099,175
Western Lake Superior Sanitary District	34,015,220	81.05	27,569,336
Underlying Debt			
Cities	86,395,256	100.00	86,395,256
School Districts	77,176,835	100.00	77,176,835
Towns	2,596,500	100.00	2,596,500
Virginia Housing & Redevelopment Authority	1,835,000	100.00	1,835,000
Total	244,533,767		230,858,244

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1996

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 1996:

Type of Property	Amount
Rental of office space and parking facilities	\$ 1,289,570
Data processing software	288,373
Vehicles	8,435
Total rental expense	\$ 1,586,378

Future minimum payments under operating leases, which are not reflected in these financial statements, consist of the following at December 31, 1996:

Year Ended	Amount
1997	\$ 1,611,092
1998	1,611,092
1999	1,611,092
2000	1,611,092
2001	1,606,592
Total future minimum lease payments	\$ 8,050,960

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

Capital Leases

Capitalized leases of the County at December 31, 1996, 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	70,739	99,449
Office space	4,371,071	-	4,371,071
Less: Accumulated depreciation	-	(38,863)	(38,863)
Carrying value	4,399,781	31,876	4,431,657

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, 1996:

(Amounts in Dollars)			
December 31	General Long-Term Debt	Printing Internal Service Fund	Total
1997	455,566	13,595	469,161
1998	450,841	10,506	461,347
1999	450,841	1,240	452,081
2000	450,841	620	451,461
2001	450,841	-	450,841
2002 - 2004	1,352,523	-	1,352,523
Total minimum lease payments	3,611,453	25,961	3,637,414
Less: Amount representing interest	403,811	-	403,811
Present value of future minimum lease payments	3,207,642	25,961	3,233,603

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1996

Construction Commitments

At December 31, 1996, the County had construction commitments as follows:

	(Amounts in Dollars)			
	Authorized Projects	Expended To Date	Commitment	Required Further Financing
Hibbing maintenance facility	(1) 3,663,765	930,479	2,733,286	1,313,494
Cook salt storage building	84,220	-	84,220	-
Hibbing/Virginia jail lockups	400,000	287,874	112,126	-
Courthouse improvements	403,077	344,202	58,875	-
Total	4,551,062	1,562,555	2,988,507	1,313,494

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

(1) This is the total project cost of a joint effort between St. Louis County (20%), the State of Minnesota (20%) and the City of Hibbing (60%).

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 \$271,000 remitted by St. Louis County. The

reserve is to be used only in case of default in the payment of lease payments by the Airlines. The cash interest earned on the deposit is remitted to the County each year and the deposit 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

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

\$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 defeased, 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 \$237,925 at December 31, 1996 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 \$1,040,000 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 (1996) in excess of the \$1,040,000 retention limit. The County has increased that limit to \$1,050,000 for 1997. The estimated liability for workers' compensation reported in the Fund is based on a case-by-case examination of claims filed through December 31, 1996 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 \$1,583,000 are designated for catastrophic

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

losses. This designation is not reflected in the financial statements.

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 \$4,800,000 are designated for catastrophic losses. This designation is not reflected in the financial statements.

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

Changes in the funds' claims liability amounts during 1996 were:

	(Amounts in Dollars)		
	Property, Casualty, Liability Insurance Fund	Workers' Compensation Insurance Fund	Medical/Dental Insurance Fund
Beginning of fiscal year liability for claims	68,900	3,089,658	1,566,789
Current year claims and changes in estimates	312,744	682,748	11,497,559
Claim payments	308,915	992,450	11,220,043
Balance of claims payable at fiscal year end	72,729	2,779,956	1,844,305

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

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. chs. 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, 1996, was \$72,509,445 and \$5,799,492 respectively; the County's total payroll was \$79,719,852.

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, 1996

Contributions Required and Contributions Made

Minn. Stat. ch. 353 (1996) 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, subd. 4g (1996), 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			9.60%
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 1996 contributions as reported in the July 1, 1995, actuarial valuation report.

Total contributions made by St. Louis County during fiscal year 1996 were:

	Amounts		Percentage of Covered Payroll	
	Employees	Employer	Employees	Employer
Public Employees Retirement Fund	\$3,085,031	\$3,299,983	4.32%	4.62%
Public Employees Police and Fire Fund	446,100	669,148	7.60%	11.40%
Total	\$3,531,131	\$3,969,131		

The County's contribution for the year ended June 30, 1996, to the Public Employees Retirement Fund represented 2.36 percent of total contributions required of all participating entities. For the Public Employees Police and Fire Fund, contributions for the year ended June 30, 1996, represented 2.14 percent of total contributions required of all participating entities.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

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, page 76. 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, 1996, are shown below (in thousands):

	Public Employees Retirement Fund	Public Employees Police and Fire Fund
Total pension benefit obligation	\$6,608,646	\$1,243,429
Net assets available for benefits, at cost	5,702,248	1,592,671
Unfunded (assets in excess of) pension benefit obligation	\$ 906,398	\$ (349,242)
Net asset available for benefits at market	\$5,954,697	\$1,713,687

The pension benefit obligation was determined as part of an actuarial valuation at July 1, 1996.

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

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

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

Changes in Actuarial Assumptions and Methods

Since the July 1, 1995, 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 1997, will significantly impact the July 1, 1997, actuarial valuation of the Public Employees Police and Fire Fund.

Changes in Benefit Provisions

The 1996 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, 1996. 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, 1996, 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, 1996

Interfund Assets/Liabilities

Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue - Road and Bridge	Capital Projects - Buildings	<u>\$ 137,409</u>

Interfund Receivable/Payable

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue - Community Development Block Grant	\$ 66,180
	Enterprise - Chris Jensen	1,298,312
	Nopeming	1,418,312
	Trust - Forfeited Tax Sale	<u>85,703</u>
	Total	<u>\$ 2,868,507</u>

Transfers Between Funds

Transfers between individual funds during December 31, 1996, are as follows:

<u>Operating Transfers Out</u>	<u>Operating Transfers In</u>	<u>Debit</u>	<u>Credit</u>
General		\$ 912,572	
	Special Revenue - Social Services		\$ 612,572
	Capital Projects - Buildings		300,000
Special Revenue - Babbitt Facility		114,415	
	Debt Service - Babbitt Facility Refunding		114,415
Capital Projects - Jail Bond		250,383	
	Debt Service - Jail Bond		<u>250,383</u>
	Total	<u>\$ 1,277,370</u>	<u>\$ 1,277,370</u>

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

Fund Equity

Contributed Capital - Enterprise Funds

The following is a summary of the changes in contributed capital for the Enterprise Funds for the year ended December 31, 1996:

	(Amounts in Dollars)			
	Contributions 1-1-96	Additions	Deletions	Contributions 12-31-96
Chris Jensen	2,000	26,823	-	28,823
Nopeming	-	23,493	-	23,493
Solid Waste Management	1,655,038	-	-	1,655,038
Total Enterprise Funds	<u>1,657,038</u>	<u>50,316</u>	<u>-</u>	<u>1,707,354</u>

Contributed Capital - Internal Service Funds

The following is a summary of the changes in contributed capital for the Internal Service Funds for the year ended December 31, 1996:

	(Amounts in Dollars)			
	Contributions 1-1-96	Additions	Deletions	Contributions 12-31-96
Community Foods	-	-	-	-
Laundry	814,517	-	(50,316)	764,201
Supervised Living Facilities	3,192	-	-	3,192
Printing	5,131	-	-	5,131
County Garage	1,120,249	-	-	1,120,249
Property, Casualty, Liability Insurance	-	-	-	-
Workers' Compensation Insurance	-	-	-	-
Medical/Dental Insurance	-	-	-	-
Management Information Systems	808,490	-	-	808,490
Telecommunications	185,639	-	-	185,639
Total Internal Service Funds	<u>2,937,218</u>	<u>-</u>	<u>(50,316)</u>	<u>2,886,902</u>

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

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, 1996, for these three services are:

	(Amounts in Dollars)			
	Chris Jensen	Nopeming	Solid Waste Management	Total Enterprise Funds
Operating revenues	11,315,115	8,578,646	4,802,874	24,696,635
Depreciation	136,775	116,956	245,298	499,029
Operating income (loss)	74,972	(19,783)	1,452,371	1,507,560
Taxes	5,349	4,220	1,293,409	1,302,978
Grants	-	-	565,291	565,291
Net income (loss)	80,428	(24,480)	3,327,352	3,383,300
Capital Contributions	26,823	23,493	-	50,316
Property, plant, and equipment -				
Additions	82,605	75,539	40,604	198,748
Deletions	5,178	6,158	13,555	24,891
Net working capital	(336,926)	(755,428)	11,021,434	9,929,080
Total assets	6,157,016	4,324,010	22,500,537	32,981,563
Long-term liabilities payable from operating revenues	1,579,193	1,287,617	9,605,796	12,472,606
payable from other sources	-	-	438,478	438,478
Total equity	2,515,599	1,091,156	11,004,074	14,610,829

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1996

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 1996, county contributions were in the following proportion:

Carlton County	8.93%
Cook County	.88%
Koochiching County	2.21%
Lake County	2.99%
St. Louis County	84.99%
Total	<u><u>100.00%</u></u>

St. Louis county provided \$6,127,021 in funding during 1996. 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, 1995, (the most recent available), excluding general fixed assets of

\$3,898,177, and general long-term debt of \$2,598,879 was:

Total Assets	\$ 3,794,730
Total Liabilities	2,555,559
Total Fund Equity	1,239,171
Total Revenues	10,771,678
Total Expenditures	10,551,444
Increase (decrease) in Fund Balance	223,514

Community Health Services Board

Carlton, Cook, Lake and St. Louis Counties entered into a joint powers agreement, creating and operating the Carlton, Cook, Lake and St. Louis County Community Health Services Board. This agreement is entered into under the authority of the Community Health Services Act and is pursuant to the provisions of Minn. Stat. §471.59. 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 1996.

A summary of the financial information of the Community Health Services Board for December 31, 1995, (the most recent available) excluding general fixed assets of \$12,133, and general long-term debt of \$7,536, is:

Total Assets	\$ 389,756
Total Liabilities	365,191
Total Fund Equity	24,565
Total Revenues	2,185,366
Total Expenditures	2,185,366
Increase (decrease) in Fund Balance	-

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

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. §471.59 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, 1996, excluding general fixed assets of \$356,284 and general long-term debt of \$428,441 was:

Total Assets	\$ 933,008
Total Liabilities	537,022
Total Fund Equity	395,986
Total Revenues	4,101,906
Total Expenditures/ Expenses	4,033,877
Increase (decrease) in Fund Balance	70,100

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. §471.59 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, 1996 is:

Total Assets	\$ 39,516
Total Liabilities	5,793
Total Fund Equity	33,723
Total Revenues	97,731
Total Expenditures	66,769
Increase (decrease) in Fund Balance	30,962

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

Minnesota Counties Information Systems

The County entered into a joint powers agreement pursuant to Minn. Stat. §471.59, creating and operating Minnesota Counties Information Systems (MCIS). MCIS operates and maintains data processing facilities and

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1996

management information systems for the benefit of members of this agreement.

MCIS is governed by an eleven-member board, composed of a member appointed by each of the participating counties' boards of commissioners. Financing is obtained through users charges to the members. Cass County is the fiscal agent for MCIS.

Each county's share of the assets and liabilities cannot be accurately determined since it will depend on the number of counties that are members when the agreement is dissolved.

Separate financial information is not yet available.

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, 1996.

Courts	\$ 733,856
Sheriff	21,791
Social Services	
Social Welfare	1,021,113
Support and	
Collections (IV-D)	428,928
Estate	317,986
Total	<u><u>\$ 2,523,674</u></u>

Settlements held by the court for minors

The Court Administrator, at December 31, 1996, held investments for individuals who have not reached the age of majority. These investments have a combined face value of \$4,393,270 and are not included in the County's financial statements.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1996

Conduit Debt

On August 1, 1979 the County issued \$6 million in Pollution Control Revenue Bonds and \$1 million in Industrial Development Revenue Bonds to aid in the financing of certain pollution control, solid waste disposal and industrial facilities to be used in conjunction with Potlatch Corporation's plant located in the County. Potlatch is sole owner of the facilities and the County lent the par value of the bonds to Potlatch to be repaid in installments which correspond to the debt service payments on the bonds. The payments are to be made by Potlatch to First Trust of St. Paul, as Trustee, under terms of notes executed in favor of First Trust, as Trustee. The Trust Indenture from St. Louis County to First Trust of St. Paul as Trustee clearly states that the bonds are not an obligation of the County and do not constitute a pledge of the full faith and credit or taxing power of the County. The Pollution Control Revenue Bonds mature on August 1, 2005 through August 1, 2009 and bear interest at the rate of 6.7% per year. The Industrial Development Revenue Bonds mature on August 1, 2005 through August 1, 2009 and bear interest at the rate of 6.58% per year. The \$6 million Pollution Control Revenue Bonds were defeased in 1996 with revenue refunding bonds issued by a governmental entity other than St. Louis County.

On May 1, 1992 the St. Louis County Housing and Redevelopment Authority (HRA), a blended component unit of St. Louis County, issued \$540,000 in Fire Hall Lease Certificates of Participation to finance the construction of a fire hall in the Town of Rice Lake, Minnesota. The St. Louis County HRA holds title to the land; the Township makes rental payments equal to debt service on the Certificates to Western National Bank of Duluth, as escrow agent, pursuant to a lease purchase agreement for the project, with the St. Louis County HRA as Lessor and the Township as Lessee. The Certificates mature on May 1, 1993 through May 1, 2007

and bear interest of 4.50% to 7.00%. The County has no obligation for debt service on Certificates, which do not constitute a pledge of the full faith and credit or taxing power of the County. The principal balance outstanding for the debt is \$440,000.

Note 7. Subsequent Events

On May 6, 1997 the St. Louis County Housing and Redevelopment Authority, a blended component unit of St. Louis County, issued Law Enforcement Facility Revenue bonds in the amount of \$5,275,000. The interest rate is 5.1814% the Bonds are dated May 1, 1997 and mature serially on December 1, 1998, through 2012. The Bonds will finance lock-up facilities at Hibbing and Virginia and are backed by a lease of the facilities to St. Louis County. The lease is a general obligation of the County to which its full faith and credit and unlimited taxing powers are pledged. The lease payments are calculated in an amount sufficient to pay the principal and interest on the Bonds.

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1996

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St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1996

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Reader's notes:

**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, 1996

Assets	
Cash and cash equivalents	\$ 14,154,745
Assets held by escrow agent	271,000
Receivables	
Taxes	
Unapportioned	586,901
Delinquent	1,379,929
Accounts	140,944
Accrued interest	289,742
Loans	1,241,874
Interfund receivable	2,868,507
Due from other governments	403,002
Prepaid items	425
	<hr/>
Total Assets	\$ 21,337,069
	<hr/>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 742,867
Salaries payable	1,215,325
Compensated absences payable	260,352
Due to other governments	310,722
Deferred revenue	2,149,806
	<hr/>
Total Liabilities	\$ 4,679,072
	<hr/>
Fund Balance	
Reserved for change funds	\$ 20,580
Reserved for noncurrent loans	525,084
Reserved for economic development	430,268
Reserved for encumbrances	116,233
Reserved for health and welfare	1,030,981
Reserved for law library	50,107
Reserved for contingent liability	271,000
Reserved for communications	151,252
Reserved for prepaid items	425
Unreserved	
Designated for parking	202,757
Designated for medical care	1,443,701
Designated for nursing home cash deficit	1,272,923
Designated for vested sick leave	507,216
Designated for cash flow	6,218,085
Undesignated	4,417,385
	<hr/>
Total Fund Balance	\$ 16,657,997
	<hr/>
Total Liabilities and Fund Balance	\$ 21,337,069
	<hr/>

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1996

Revenues	
Taxes	\$ 28,901,945
Licenses and permits	115,187
Intergovernmental	11,830,236
Charges for services	5,698,047
Fines and forfeits	888,913
Interest on investments	2,622,288
Gifts and contributions	18,924
Miscellaneous	661,878
Total Revenues	\$ 50,737,418
Expenditures	
Current	
General government	\$ 19,877,651
Public safety	14,474,734
Health	5,483,507
Welfare	438,691
Culture and recreation	898,492
Conservation of natural resources	812,063
Economic development	103,516
Total Current	\$ 42,088,654
Capital outlay	
General government	\$ 201,663
Public safety	776,300
Health	2,245
Conservation of natural resources	6,740
Total Capital Outlay	\$ 986,948
Debt service	
Principal	\$ 97,174
Interest and fiscal charges	28,732
Total Debt Service	\$ 125,906
Intergovernmental	
Public safety	\$ 6,127,021
Total Expenditures	\$ 49,328,529
Excess of Revenues Over (Under) Expenditures	\$ 1,408,889
Other Financing Sources (Uses)	
Operating transfers out	\$ (912,572)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	\$ 496,317
Fund Balance - January 1	16,161,680
Fund Balance - December 31	\$ 16,657,997

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL-BUDGETARY BASIS
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 1996

Revenues	Budget	Actual		Variance
				Favorable (Unfavorable)
Taxes	\$ 28,563,326	\$ 28,901,945		\$ 338,619
Licenses and permits	109,230	115,187		5,957
Intergovernmental	12,230,529	11,830,236		(400,293)
Charges for services	5,539,550	5,698,047		158,497
Fines and forfeitures	813,531	888,913		75,382
Interest on investments	2,007,797	2,622,288		614,491
Gifts and contributions	20,402	18,924		(1,478)
Miscellaneous	528,111	661,878		133,767
Total Revenues	\$ 49,812,476	\$ 50,737,418		\$ 924,942

Expenditures	Budget	Actual			Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances	Total	
General government					
Commissioners					
Personnel services	\$ 548,830	\$ 525,211	\$ -	\$ 525,211	\$ 23,619
Other operating	102,650	100,222	-	100,222	2,428
Total commissioners	\$ 651,480	\$ 625,433	\$ -	\$ 625,433	\$ 26,047
County administrator					
Personnel services	\$ 178,528	\$ 178,527	\$ -	\$ 178,527	\$ 1
Other operating	162,887	148,737	773	149,510	13,377
Capital outlay	97,425	59,191	-	59,191	38,234
Total county administrator	\$ 438,840	\$ 386,455	\$ 773	\$ 387,228	\$ 51,612
Intergovernmental affairs					
Personnel services	\$ 109,832	\$ 109,832	\$ -	\$ 109,832	\$ -
Other operating	172,613	158,310	-	158,310	14,303
Total intergovernmental affairs	\$ 282,445	\$ 268,142	\$ -	\$ 268,142	\$ 14,303
Planning and research					
Personnel services	\$ 271,964	\$ 205,924	\$ -	\$ 205,924	\$ 66,040
Other operating	60,720	48,813	-	48,813	11,907
Capital outlay	900	-	-	-	900
Total planning and research	\$ 333,584	\$ 254,737	\$ -	\$ 254,737	\$ 78,847
Labor relations					
Other operating	\$ 44,190	\$ 44,190	\$ -	\$ 44,190	\$ -
Planning and zoning					
Personnel services	\$ 491,638	\$ 491,638	\$ -	\$ 491,638	\$ -
Other operating	301,513	219,484	1,052	220,536	80,977
Capital outlay	46,837	46,837	-	46,837	-
Total planning and zoning	\$ 839,988	\$ 757,959	\$ 1,052	\$ 759,011	\$ 80,977
Public defenders					
Other operating	\$ 54,000	\$ 46,720	\$ -	\$ 46,720	\$ 7,280
Court administrator					
Personnel services	\$ 2,899,711	\$ 2,898,424	\$ -	\$ 2,898,424	\$ 1,287
Other operating	721,980	720,334	1,523	721,857	123
Capital outlay	3,701	3,701	-	3,701	-
Total court administrator	\$ 3,625,392	\$ 3,622,459	\$ 1,523	\$ 3,623,982	\$ 1,410
Examiner of titles					
Personnel services	\$ 118,615	\$ 118,615	\$ -	\$ 118,615	\$ -
Other operating	9,600	9,548	-	9,548	52
Total examiner of titles	\$ 128,215	\$ 128,163	\$ -	\$ 128,163	\$ 52
County attorney					
Personnel services	\$ 1,879,248	\$ 1,879,247	\$ -	\$ 1,879,247	\$ 1
Other operating	300,188	289,384	10,670	300,054	134
Total county attorney	\$ 2,179,436	\$ 2,168,631	\$ 10,670	\$ 2,179,301	\$ 135
Subtotal	\$ 8,577,570	\$ 8,302,889	\$ 14,018	\$ 8,316,907	\$ 260,663

(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, 1996

Expenditures (Continued)	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
General government					
Law library					
Other operating	\$ 129,795	\$ 129,795	\$ -	\$ 129,795	\$ -
County auditor					
Personnel services	\$ 2,361,959	\$ 2,361,949	\$ -	\$ 2,361,949	\$ 10
Other operating	637,631	583,741	10,992	594,733	42,898
Capital outlay	16,410	12,464	-	12,464	3,946
Debt service					
Principal	5,133	5,133	-	5,133	-
Interest and fiscal charges	1,497	1,497	-	1,497	-
Total county auditor	\$ 3,022,630	\$ 2,964,784	\$ 10,992	\$ 2,975,776	\$ 46,854
Data processing					
Other operating	\$ 1,297,108	\$ 1,297,108	\$ -	\$ 1,297,108	\$ -
County assessor					
Personnel services	\$ 1,234,981	\$ 1,224,773	\$ -	\$ 1,224,773	\$ 10,208
Other operating	235,046	235,046	-	235,046	-
Capital outlay	1,150	1,116	-	1,116	34
Total county assessor	\$ 1,471,177	\$ 1,460,935	\$ -	\$ 1,460,935	\$ 10,242
Purchasing					
Personnel services	\$ 344,692	\$ 327,049	\$ -	\$ 327,049	\$ 17,643
Other operating	59,596	49,768	263	50,031	9,565
Capital outlay	8,861	5,524	-	5,524	3,337
Debt service					
Principal	2,722	2,722	-	2,722	-
Interest and fiscal charges	794	794	-	794	-
Total purchasing	\$ 416,665	\$ 385,857	\$ 263	\$ 386,120	\$ 30,545
Microfilming					
Personnel services	\$ 135,704	\$ 135,704	\$ -	\$ 135,704	\$ -
Other operating	22,814	19,958	278	20,236	2,578
Total microfilming	\$ 158,518	\$ 155,662	\$ 278	\$ 155,940	\$ 2,578
Recorder					
Personnel services	\$ 735,646	\$ 735,642	\$ -	\$ 735,642	\$ 4
Other operating	275,979	268,798	2,044	270,842	5,137
Capital outlay	5,160	4,730	429	5,159	1
Total recorder	\$ 1,016,785	\$ 1,009,170	\$ 2,473	\$ 1,011,643	\$ 5,142
Surveyor					
Personnel services	\$ 590,951	\$ 590,951	\$ -	\$ 590,951	\$ -
Other operating	72,861	54,111	1,362	55,473	17,388
Capital outlay	26,686	9,235	-	9,235	17,451
Total surveyor	\$ 690,498	\$ 654,297	\$ 1,362	\$ 655,659	\$ 34,839
Civil service					
Personnel services	\$ 743,607	\$ 718,060	\$ -	\$ 718,060	\$ 25,547
Other operating	235,268	193,465	1,063	194,528	40,740
Capital outlay	4,846	4,846	-	4,846	-
Total civil service	\$ 983,721	\$ 916,371	\$ 1,063	\$ 917,434	\$ 66,287
Veteran's service					
Personnel services	\$ 436,066	\$ 436,066	\$ -	\$ 436,066	\$ -
Other operating	31,459	31,458	-	31,458	1
Total veteran's service	\$ 467,525	\$ 467,524	\$ -	\$ 467,524	\$ 1
Port authority					
Other operating	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -
Elections					
Other operating	\$ 146,303	\$ 135,229	\$ 820	\$ 136,049	\$ 10,254
Capital outlay	9,812	6,429	-	6,429	3,383
Total elections	\$ 156,115	\$ 141,658	\$ 820	\$ 142,478	\$ 13,637
Subtotal	\$ 9,860,537	\$ 9,633,161	\$ 17,251	\$ 9,650,412	\$ 210,125

(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, 1996

Expenditures (Continued)	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
General government					
Courthouses					
Personnel services	\$ 1,229,525	\$ 1,176,776	\$ -	\$ 1,176,776	\$ 52,749
Other operating	693,131	642,692	3,339	646,031	47,100
Capital outlay	15,368	5,274	768	6,042	9,326
Debt service					
Principal	11,771	3,937	-	3,937	7,834
Interest and fiscal charges	1,829	1,543	-	1,543	286
Total courthouses	\$ 1,951,624	\$ 1,830,222	\$ 4,107	\$ 1,834,329	\$ 117,295
Employee training					
Personnel services	\$ 93,964	\$ 88,252	\$ -	\$ 88,252	\$ 5,712
Other operating	61,333	50,142	-	50,142	11,191
Total employee training	\$ 155,297	\$ 138,394	\$ -	\$ 138,394	\$ 16,903
Parking ramp					
Other operating	\$ 57,814	\$ 57,814	\$ -	\$ 57,814	\$ -
Capital outlay	117	117	-	117	-
Total parking ramp	\$ 57,931	\$ 57,931	\$ -	\$ 57,931	\$ -
Town aid					
Other operating	\$ 5,500	\$ 5,500	\$ -	\$ 5,500	\$ -
First witness					
Other operating	\$ 62,000	\$ 62,000	\$ -	\$ 62,000	\$ -
Total General Government	\$ 20,670,459	\$ 20,030,097	\$ 35,376	\$ 20,065,473	\$ 604,986
Public safety					
Jail building					
Personnel services	\$ 235,563	\$ 235,563	\$ -	\$ 235,563	\$ -
Other operating	93,783	93,783	-	93,783	-
Total jail building	\$ 329,346	\$ 329,346	\$ -	\$ 329,346	\$ -
Sheriff					
Personnel services	\$ 5,571,522	\$ 5,554,458	\$ -	\$ 5,554,458	\$ 17,064
Other operating	1,236,288	1,193,643	690	1,194,333	41,955
Capital outlay	174,000	73,691	-	73,691	100,309
Total sheriff	\$ 6,981,810	\$ 6,821,792	\$ 690	\$ 6,822,482	\$ 159,328
Boat and water safety					
Other operating	\$ 108,977	\$ 97,107	\$ -	\$ 97,107	\$ 11,870
Capital outlay	17,978	17,977	-	17,977	1
Total boat and water safety	\$ 126,955	\$ 115,084	\$ -	\$ 115,084	\$ 11,871
Medical examiner					
Other operating	\$ 194,099	\$ 146,812	\$ -	\$ 146,812	\$ 47,287
Rescue squad					
Other operating	\$ 48,822	\$ 48,821	\$ -	\$ 48,821	\$ 1
Capital outlay	111,097	85,209	25,888	111,097	-
Total rescue squad	\$ 159,919	\$ 134,030	\$ 25,888	\$ 159,918	\$ 1
Emergency management					
Personnel services	\$ 124,292	\$ 123,431	\$ -	\$ 123,431	\$ 861
Other operating	14,394	13,974	-	13,974	420
Total emergency management	\$ 138,686	\$ 137,405	\$ -	\$ 137,405	\$ 1,281
Radio maintenance					
Personnel services	\$ 246,651	\$ 246,650	\$ -	\$ 246,650	\$ 1
Other operating	121,835	112,948	-	112,948	8,887
Capital outlay	39,432	30,800	-	30,800	8,632
Total radio maintenance	\$ 407,918	\$ 390,398	\$ -	\$ 390,398	\$ 17,520
Emergency communication					
Personnel services	\$ 1,403,186	\$ 1,401,395	\$ -	\$ 1,401,395	\$ 1,791
Other operating	214,754	206,942	1,144	208,086	6,668
Capital outlay	36,167	1,166	34,047	35,213	954
Total emergency communication	\$ 1,654,107	\$ 1,609,503	\$ 35,191	\$ 1,644,694	\$ 9,413
Subtotal	\$ 9,992,840	\$ 9,684,370	\$ 61,769	\$ 9,746,139	\$ 246,701

(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, 1996

Expenditures (Continued)	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
Public safety					
Jail prisoners					
Personnel services	\$ 2,951,424	\$ 2,951,423	\$ -	\$ 2,951,423	\$ 1
Other operating	1,107,380	1,102,471	4,909	1,107,380	-
Capital outlay	90,830	90,830	-	90,830	-
Total jail prisoners	\$ 4,149,634	\$ 4,144,724	\$ 4,909	\$ 4,149,633	\$ 1
Mine inspector					
Personnel services	\$ 201,340	\$ 148,076	\$ -	\$ 148,076	\$ 53,264
Other operating	25,107	13,732	-	13,732	11,375
Total mine inspector	\$ 226,447	\$ 161,808	\$ -	\$ 161,808	\$ 64,639
Safety council					
Other operating	\$ 900	\$ 119	\$ -	\$ 119	\$ 781
Ambulance service					
Other operating	\$ 50,234	\$ 50,234	\$ -	\$ 50,234	\$ -
Virginia lock-up					
Other operating	\$ 120,000	\$ 120,000	\$ -	\$ 120,000	\$ -
Hibbing lock-up					
Other operating	\$ 33,000	\$ 33,000	\$ -	\$ 33,000	\$ -
Law enforcement service					
Personnel services	\$ 500,023	\$ 479,751	\$ -	\$ 479,751	\$ 20,272
Other operating	75,263	73,722	1,540	75,262	1
Capital outlay	18,500	-	-	-	18,500
Total law enforcement service	\$ 593,786	\$ 553,473	\$ 1,540	\$ 555,013	\$ 38,773
Enhanced 9-1-1					
Other operating	\$ 3,593	\$ 3,593	\$ -	\$ 3,593	\$ -
Capital outlay	29,629	29,629	-	29,629	-
Total enhanced 9-1-1	\$ 33,222	\$ 33,222	\$ -	\$ 33,222	\$ -
City/County antenna site					
Other operating	\$ 10,185	\$ 10,185	\$ -	\$ 10,185	\$ -
Arrowhead Regional Corrections					
Intergovernmental	\$ 6,127,021	\$ 6,127,021	\$ -	\$ 6,127,021	\$ -
Total Public Safety	\$ 21,337,269	\$ 20,918,156	\$ 68,218	\$ 20,986,374	\$ 350,895
Health					
Administration					
Personnel services	\$ 435,492	\$ 435,491	\$ -	\$ 435,491	\$ 1
Other operating	677,683	628,781	166	628,947	48,736
Capital outlay	12,000	-	-	-	12,000
Debt service					
Principal	71,283	71,283	-	71,283	-
Interest and fiscal charges	20,787	20,787	-	20,787	-
Total administration	\$ 1,217,245	\$ 1,156,342	\$ 166	\$ 1,156,508	\$ 60,737
Nursing					
Personnel services	\$ 2,626,758	\$ 2,546,067	\$ -	\$ 2,546,067	\$ 80,691
Other operating	610,378	458,957	10,342	469,299	141,079
Capital outlay	18,993	2,245	-	2,245	16,748
Total nursing	\$ 3,256,129	\$ 3,007,269	\$ 10,342	\$ 3,017,611	\$ 238,518
Environmental health					
Personnel services	\$ 1,103,452	\$ 1,089,858	\$ -	\$ 1,089,858	\$ 13,594
Other operating	229,191	112,547	1,083	113,630	115,561
Total environmental health	\$ 1,332,643	\$ 1,202,405	\$ 1,083	\$ 1,203,488	\$ 129,155
Subtotal	\$ 5,806,017	\$ 5,366,016	\$ 11,591	\$ 5,377,607	\$ 428,410

(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, 1996

Expenditures (Continued)	Budget	Current Expenditures	Actual		Variance Favorable (Unfavorable)
			Encumbrances	Total	
Health					
Duluth Community Health Center					
Other operating	\$ 30,000	\$ 25,000	\$ -	\$ 25,000	\$ 5,000
American Indian Fellowship Association					
Other operating	\$ 29,250	\$ -	\$ -	\$ -	\$ 29,250
MN Compulsive Gambling Council					
Other operating	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -
Occupational safety					
Personnel services	\$ 138,798	\$ 136,536	\$ -	\$ 136,536	\$ 2,262
Other operating	40,347	32,951	-	32,951	7,396
Capital outlay	2,700	-	-	-	2,700
Total occupational safety	\$ 181,845	\$ 169,487	\$ -	\$ 169,487	\$ 12,358
Total Health	\$ 6,048,112	\$ 5,561,503	\$ 11,591	\$ 5,573,094	\$ 475,018
Welfare					
School lunch					
Other operating	\$ 15,000	\$ 15,000	\$ -	\$ 15,000	\$ -
Emergency shelter program					
Other operating	\$ 300,803	\$ 209,048	\$ -	\$ 209,048	\$ 91,755
Veterans' travel					
Other operating	\$ 4,000	\$ 2,108	\$ -	\$ 2,108	\$ 1,892
Bethany Center					
Other operating	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ -
Family homelessness prevention and assistance program					
Personnel services	\$ 1,185	\$ 1,184	\$ -	\$ 1,184	\$ 1
Other operating	372,600	186,351	-	186,351	186,249
Total family homelessness prevention and assistance program	\$ 373,785	\$ 187,535	\$ -	\$ 187,535	\$ 186,250
Total Welfare	\$ 718,588	\$ 438,691	\$ -	\$ 438,691	\$ 279,897
Culture and recreation					
Memorial Day observance					
Other operating	\$ 2,400	\$ 2,400	\$ -	\$ 2,400	\$ -
Historical Society					
Other operating	\$ 222,468	\$ 222,468	\$ -	\$ 222,468	\$ -
Arrowhead Library System					
Other operating	\$ 334,608	\$ 334,608	\$ -	\$ 334,608	\$ -
Community fairs					
Other operating	\$ 1,120	\$ 800	\$ -	\$ 800	\$ 320
Depot					
Other operating	\$ 7,000	\$ 7,000	\$ -	\$ 7,000	\$ -
Tourism promotion					
Other operating	\$ 55,882	\$ 55,882	\$ -	\$ 55,882	\$ -
St. Louis County 4-H Camp					
Other operating	\$ 140,000	\$ 59,480	\$ 1,001	\$ 60,481	\$ 79,519
Trail assistance					
Other operating	\$ 215,854	\$ 215,854	\$ -	\$ 215,854	\$ -
Total Culture and Recreation	\$ 979,332	\$ 898,492	\$ 1,001	\$ 899,493	\$ 79,839

(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, 1996

Expenditures (Continued)	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
Conservation of natural resources					
County agent					
Personnel services	\$ 152,494	\$ 150,012	\$ -	\$ 150,012	\$ 2,482
Other operating	345,152	306,186	362	306,548	38,604
Capital outlay	19,604	-	-	-	19,604
Debt service					
Principal	14,099	14,099	-	14,099	-
Interest and fiscal charges	4,111	4,111	-	4,111	-
Total county agent	<u>\$ 535,460</u>	<u>\$ 474,408</u>	<u>\$ 362</u>	<u>\$ 474,770</u>	<u>\$ 60,690</u>
Youth task force					
Personnel services	\$ 9,134	\$ 9,134	\$ -	\$ 9,134	\$ -
Other operating	149,763	80,693	-	80,693	69,070
Total youth task force	<u>\$ 158,897</u>	<u>\$ 89,827</u>	<u>\$ -</u>	<u>\$ 89,827</u>	<u>\$ 69,070</u>
County fair - north					
Other operating	\$ 15,300	\$ 15,300	\$ -	\$ 15,300	\$ -
County fair - south					
Other operating	\$ 15,300	\$ 15,300	\$ -	\$ 15,300	\$ -
Soil conservation - north					
Other operating	\$ 53,000	\$ 53,000	\$ -	\$ 53,000	\$ -
Soil conservation - south					
Other operating	\$ 65,000	\$ 65,000	\$ -	\$ 65,000	\$ -
Northern Counties Land Use Board					
Other operating	\$ 5,486	\$ 5,486	\$ -	\$ 5,486	\$ -
Crane Lake wastewater disposal					
Other operating	\$ 6,511	\$ 6,511	\$ -	\$ 6,511	\$ -
Hartley Nature Center					
Other operating	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
Wetland bank					
Other operating	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000
Total Conservation of Natural Resources	<u>\$ 962,954</u>	<u>\$ 824,832</u>	<u>\$ 362</u>	<u>\$ 825,194</u>	<u>\$ 137,760</u>
Economic development					
Schott Power Systems, Inc.					
Other operating	\$ 21,095	\$ 21,095	\$ -	\$ 21,095	\$ -
Duluth Northwest Airlines					
Other operating	\$ 82,422	\$ 82,421	\$ -	\$ 82,421	\$ 1
Intermodal surface transport					
Other operating	\$ 87,000	\$ -	\$ -	\$ -	\$ 87,000
Total Economic Development	<u>\$ 190,517</u>	<u>\$ 103,516</u>	<u>\$ -</u>	<u>\$ 103,516</u>	<u>\$ 87,001</u>

(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, 1996

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Current Expenditures</u>	<u>Encumbrances</u>		
Total Expenditures	\$ 50,907,231	\$ 48,775,287	\$ 116,548	\$ 48,891,835	\$ 2,015,396
Excess of Revenues Over (Under) Expenditures	\$ (1,094,755)			\$ 1,845,583	\$ 2,940,338
Other Financing Sources (Uses)					
Operating transfers out	\$ (912,572)			\$ (912,572)	\$ -
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ (2,007,327)			\$ 933,011	\$ 2,940,338
Adjustments - Note 1	-			(436,694)	(436,694)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses as Adjusted	\$ (2,007,327)			\$ 496,317	\$ 2,503,644
Fund Balance - January 1	16,161,680			16,161,680	-
Fund Balance - December 31	\$ 14,154,353			\$ 16,657,997	\$ 2,503,644

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 includes Cook, Itasca, Koochiching, Lake and St. Louis Counties and the City of Duluth. It is not an entity separate from St. Louis County. It 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 Services Fund is used to account for the operations and financial activities of the Social Services Department.

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 1996

	Babbitt Facility	County Housing Authority
Assets		
Cash and cash equivalents	\$ 200,889	\$ 408,161
Receivables		
Taxes		
Unapportioned	-	3,268
Delinquent	-	10,671
Accounts (net of allowance for uncollectibles)	-	-
Loans	-	125,000
Due from other funds	-	-
Due from other governments	2,189	-
Inventories	-	-
Total Assets	\$ 203,078	\$ 547,100
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ -	\$ 66
Salaries payable	-	1,211
Compensated absences payable	-	146
Interfund payable	-	-
Due to other governments	-	-
Deferred revenue	-	9,604
Total Liabilities	\$ -	\$ 11,027
Fund Balance		
Reserved for change funds	\$ -	\$ -
Reserved for noncurrent loans	-	125,000
Reserved for conference fund	-	-
Reserved for inventories	-	-
Reserved for encumbrances	-	3,519
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	203,078	407,554
Total Fund Balance	\$ 203,078	\$ 536,073
Total Liabilities and Fund Balance	\$ 203,078	\$ 547,100

Community Development Block Grant	Northeast Minnesota Housing Consortium	Road and Bridge	Social Services	Total
\$ -	\$ 13,649	\$ 5,001,512	\$ 3,775,801	\$ 9,400,012
-	-	174,653	346,138	524,059
-	-	700,001	1,288,547	1,999,219
-	-	29,586	659,815	689,401
-	-	-	-	125,000
-	-	137,409	-	137,409
372,695	99,420	6,494,248	5,734,900	12,703,452
-	-	1,351,857	-	1,351,857
<u>\$ 372,695</u>	<u>\$ 113,069</u>	<u>\$ 13,889,266</u>	<u>\$ 11,805,201</u>	<u>\$ 26,930,409</u>
\$ 249,369	\$ 61,480	\$ 2,291,650	\$ 1,351,979	\$ 3,954,544
-	-	557,460	556,919	1,115,590
-	-	118,674	204,776	323,596
66,180	-	-	-	66,180
57,146	36,589	90,407	1,384,060	1,568,202
-	15,000	4,844,053	1,666,823	6,535,480
<u>\$ 372,695</u>	<u>\$ 113,069</u>	<u>\$ 7,902,244</u>	<u>\$ 5,164,557</u>	<u>\$ 13,563,592</u>
\$ -	\$ -	\$ 1,000	\$ 15,000	\$ 16,000
-	-	-	-	125,000
-	-	-	18,907	18,907
-	-	1,351,857	-	1,351,857
-	-	984,763	146,282	1,134,564
-	-	268,246	395,630	663,876
-	-	-	6,000	6,000
-	-	-	48,261	48,261
-	-	214,205	-	214,205
-	-	388,562	641,045	1,029,607
-	-	2,540,388	4,597,963	7,138,351
-	-	238,001	771,556	1,620,189
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,987,022</u>	<u>\$ 6,640,644</u>	<u>\$ 13,366,817</u>
<u>\$ 372,695</u>	<u>\$ 113,069</u>	<u>\$ 13,889,266</u>	<u>\$ 11,805,201</u>	<u>\$ 26,930,409</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 1996

	Babbitt Facility	County Housing Authority
Revenues		
Taxes	\$ -	\$ 171,942
Licenses and permits	-	-
Intergovernmental	7,222	4,493
Charges for services	-	-
Miscellaneous	48,146	359
Total Revenues	\$ 55,368	\$ 176,794
Expenditures		
Current		
Highways and streets	\$ -	\$ -
Welfare	-	-
Economic development	1,892	69,447
Total Current	\$ 1,892	\$ 69,447
Capital outlay		
Highway and streets	\$ -	\$ -
Welfare	-	-
Economic development	-	5,775
Total Capital Outlay	\$ -	\$ 5,775
Debt service		
Principal	\$ -	\$ -
Interest and fiscal charges	-	-
Total Debt Service	\$ -	\$ -
Total Expenditures	\$ 1,892	\$ 75,222
Excess of Revenues Over (Under) Expenditures	\$ 53,476	\$ 101,572
Other Financing Sources (Uses)		
Operating transfers in	-	-
Operating transfers out	(114,415)	-
Total Other Financing Sources (Uses)	\$ (114,415)	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (60,939)	\$ 101,572
Fund Balance - January 1	264,017	434,501
Increase (decrease) in reserved for inventories	-	-
Fund Balance - December 31	\$ 203,078	\$ 536,073

Community Development Block Grant	Northeast Minnesota Housing Consortium	Road and Bridge	Social Services	Total
\$ -	\$ -	\$ 18,493,326	\$ 17,487,352	\$ 36,152,620
-	-	16,870	-	16,870
2,034,266	1,178,999	27,174,519	44,383,011	74,782,510
-	-	227,230	1,213,126	1,440,356
-	7,886	465,193	815,984	1,337,568
<u>\$ 2,034,266</u>	<u>\$ 1,186,885</u>	<u>\$ 46,377,138</u>	<u>\$ 63,899,473</u>	<u>\$ 113,729,924</u>
\$ -	\$ -	\$ 41,537,019	\$ -	\$ 41,537,019
-	-	-	63,999,109	63,999,109
2,034,266	1,186,885	-	-	3,292,490
<u>\$ 2,034,266</u>	<u>\$ 1,186,885</u>	<u>\$ 41,537,019</u>	<u>\$ 63,999,109</u>	<u>\$ 108,828,618</u>
\$ -	\$ -	\$ 3,142,209	\$ -	\$ 3,142,209
-	-	-	385,800	385,800
-	-	-	-	5,775
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,142,209</u>	<u>\$ 385,800</u>	<u>\$ 3,533,784</u>
\$ -	\$ -	\$ -	\$ 236,826	\$ 236,826
-	-	-	69,063	69,063
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305,889</u>	<u>\$ 305,889</u>
<u>\$ 2,034,266</u>	<u>\$ 1,186,885</u>	<u>\$ 44,679,228</u>	<u>\$ 64,690,798</u>	<u>\$ 112,668,291</u>
\$ -	\$ -	\$ 1,697,910	\$ (791,325)	\$ 1,061,633
-	-	-	612,572	612,572
-	-	-	-	(114,415)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 612,572</u>	<u>\$ 498,157</u>
\$ -	\$ -	\$ 1,697,910	\$ (178,753)	\$ 1,559,790
-	-	4,541,683	6,819,397	12,059,598
-	-	(252,571)	-	(252,571)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,987,022</u>	<u>\$ 6,640,644</u>	<u>\$ 13,366,817</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, 1996

	Budget		Actual		Variance Favorable (Unfavorable)
Revenues					
Intergovernmental	\$	5,033	\$	7,222	\$ 2,189
Miscellaneous		48,000		48,146	146
Total Revenues	\$	53,033	\$	55,368	\$ 2,335
			Actual		
	Budget	Current Expenditures	Encumbrances	Total	Variance Favorable (Unfavorable)
Expenditures					
Economic development					
Other operating	\$	5,000	\$ 1,892	\$ -	\$ 1,892
					\$ 3,108
Excess of Revenues Over (Under) Expenditures	\$	48,033		\$ 53,476	\$ 5,443
Other Financing Sources (Uses)					
Operating transfers out		(114,415)		(114,415)	
Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Uses	\$	(66,382)		\$ (60,939)	\$ 5,443
Fund Balance - January 1		264,017		264,017	-
Fund Balance - December 31	\$	197,635		\$ 203,078	\$ 5,443

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, 1996

	<u>Budget</u>		<u>Actual</u>		<u>Variance</u>
					<u>Favorable</u> <u>(Unfavorable)</u>
Revenues					
Taxes	\$ 166,033		\$ 171,942		\$ 5,909
Intergovernmental	84,243		4,493		(79,750)
Miscellaneous	-		359		359
Total Revenues	\$ 250,276		\$ 176,794		\$ (73,482)
			<u>Actual</u>		
	<u>Budget</u>	<u>Current</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Variance</u>
Expenditures		<u>Expenditures</u>			<u>Favorable</u> <u>(Unfavorable)</u>
Economic development					
Personnel services	\$ 94,650	\$ 24,378	\$ -	\$ 24,378	\$ 70,272
Other operating	94,900	43,922	-	43,922	50,978
Capital outlay	9,500	5,775	3,519	9,294	206
Total Economic Development	\$ 199,050	\$ 74,075	\$ 3,519	\$ 77,594	\$ 121,456
Excess of Revenues					
Over (Under)					
Expenditures	\$ 51,226			\$ 99,200	\$ 47,974
Adjustments - Note 1	-			2,372	2,372
Excess of Revenues					
Over (Under)					
Expenditures as Adjusted	\$ 51,226			\$ 101,572	\$ 50,346
Fund Balance - January 1	434,501			434,501	-
Fund Balance - December 31	\$ 485,727			\$ 536,073	\$ 50,346

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, 1996

	<u>Budget</u>	<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>	
Revenues					
Intergovernmental	\$ 4,833,530		\$ 2,034,266	\$ (2,799,264)	
		<u>Actual</u>			
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures					
Economic development					
Other operating	\$ 4,833,530	\$ 2,034,266	\$ -	\$ 2,034,266	\$ 2,799,264
Excess of Revenues Over (Under) Expenditures	\$ -			\$ -	\$ -
Fund Balance - January 1	-			-	-
Fund Balance - December 31	\$ -			\$ -	\$ -

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, 1996

	<u>Budget</u>		<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
Revenues					
Intergovernmental	\$ 2,432,179	\$ 1,178,999	\$ (1,253,180)		
Miscellaneous	-	7,886	7,886		
Total Revenues	<u>\$ 2,432,179</u>	<u>\$ 1,186,885</u>	<u>\$ (1,245,294)</u>		
		<u>Actual</u>			
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures					
Economic development					
Other operating	\$ 2,432,179	\$ 1,186,885	\$ -	\$ 1,186,885	\$ 1,245,294
Excess of Revenues Over (Under) Expenditures	\$ -			\$ -	\$ -
Fund Balance - January 1	-			-	-
Fund Balance - December 31	<u>\$ -</u>			<u>\$ -</u>	<u>\$ -</u>

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, 1996

Revenues	Budget		Actual		Variance Favorable (Unfavorable)
Taxes	\$ 18,226,724		\$ 18,493,326		\$ 266,602
Licenses and permits	15,000		16,870		1,870
Intergovernmental	27,444,794		27,174,519		(270,275)
Charges for services	210,000		227,230		17,230
Miscellaneous	364,321		465,193		100,872
Total Revenues	\$ 46,260,839		\$ 46,377,138		\$ 116,299
Expenditures					
	Budget	Current Expenditures	Encumbrances	Total	Variance Favorable (Unfavorable)
Highways and streets					
Administration					
Personnel services	\$ 3,343,395	\$ 3,312,841	\$ -	\$ 3,312,841	\$ 30,554
Other operating	994,705	990,196	9,585	999,781	(5,076)
Capital outlay	11,793	11,793	-	11,793	-
Total administration	\$ 4,349,893	\$ 4,314,830	\$ 9,585	\$ 4,324,415	\$ 25,478
Road maintenance					
Personnel services	\$ 9,203,152	\$ 9,203,152	\$ -	\$ 9,203,152	\$ -
Other operating	2,380,398	2,379,503	4,104	2,383,607	(3,209)
Total road maintenance	\$ 11,583,550	\$ 11,582,655	\$ 4,104	\$ 11,586,759	\$ (3,209)
Road construction					
Other operating	\$ 20,585,976	\$ 19,319,631	\$ 535,915	\$ 19,855,546	\$ 730,430
Equipment maintenance and shops					
Personnel services	\$ 2,429,303	\$ 2,429,303	\$ -	\$ 2,429,303	\$ -
Other operating	3,728,316	3,705,367	35,542	3,740,909	(12,593)
Capital outlay	3,198,378	2,800,991	399,731	3,200,722	(2,344)
Total equipment maintenance and shops	\$ 9,355,997	\$ 8,935,661	\$ 435,273	\$ 9,370,934	\$ (14,937)
Total Expenditures	\$ 45,875,416	\$ 44,152,777	\$ 984,877	\$ 45,137,654	\$ 737,762
Excess of Revenues Over (Under) Expenditures	\$ 385,423			\$ 1,239,484	\$ 854,061
Adjustments - Note 1	-			458,426	458,426
Excess of Revenues Over (Under) Expenditures as Adjusted	\$ 385,423			\$ 1,697,910	\$ 1,312,487
Fund Balance - January 1	4,541,683			4,541,683	-
Increase (decrease) in reserved for inventories	-			(252,571)	(252,571)
Fund Balance - December 31	\$ 4,927,106			\$ 5,987,022	\$ 1,059,916

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, 1996

Revenues	Budget		Actual		Variance
					Favorable (Unfavorable)
Taxes	\$ 17,211,067		\$ 17,487,352		\$ 276,285
Intergovernmental	44,546,490		44,383,011		(163,479)
Charges for services	1,138,000		1,213,126		75,126
Miscellaneous	994,000		815,984		(178,016)
Total Revenues	\$ 63,889,557		\$ 63,899,473		\$ 9,916
Actual					
Expenditures	Budget	Current Expenditures	Encumbrances	Total	Variance
					Favorable (Unfavorable)
Welfare					
Administration					
Personnel services	\$ 3,109,301	\$ 3,109,301	\$ -	\$ 3,109,301	\$ -
Other operating	3,269,573	3,123,403	146,164	3,269,567	6
Capital outlay	348,653	348,653	-	348,653	-
Debt service					
Principal	236,826	236,826	-	236,826	-
Interest and fiscal charges	69,063	69,063	-	69,063	-
Total administration	\$ 7,033,416	\$ 6,887,246	\$ 146,164	\$ 7,033,410	\$ 6
Income maintenance					
Child support enforcement					
Personnel services	\$ 1,690,830	\$ 1,690,830	\$ -	\$ 1,690,830	\$ -
Other operating	700,014	699,947	-	699,947	67
Total child support enforcement	\$ 2,390,844	\$ 2,390,777	\$ -	\$ 2,390,777	\$ 67
Admin/eligibility determination					
Personnel services	\$ 5,773,092	\$ 5,772,869	\$ -	\$ 5,772,869	\$ 223
Other operating	1,027,023	1,026,820	-	1,026,820	203
Capital outlay	2,574	2,574	-	2,574	-
Total admin/eligibility determination	\$ 6,802,689	\$ 6,802,263	\$ -	\$ 6,802,263	\$ 426
General assistance maintenance					
Public aid assistance	\$ 405,692	\$ 405,692	\$ -	\$ 405,692	\$ -
General assistance medical care					
Public aid assistance	\$ 297,869	\$ 297,867	\$ -	\$ 297,867	\$ 2
Minnesota supplemental aid					
Public aid assistance	\$ 309,737	\$ 309,736	\$ -	\$ 309,736	\$ 1
Aid to families with dependent children					
Public aid assistance	\$ 556,029	\$ 518,861	\$ -	\$ 518,861	\$ 37,168
Medical assistance					
Public aid assistance	\$ 4,088,442	\$ 4,088,171	\$ -	\$ 4,088,171	\$ 271
Other assistance programs					
Public aid assistance	\$ 540,725	\$ 509,411	\$ -	\$ 509,411	\$ 31,314
Child care program					
Personnel services	\$ 243,221	\$ 243,221	\$ -	\$ 243,221	\$ -
Other operating	214	214	-	214	-
Public aid assistance	5,210,045	5,200,023	-	5,200,023	10,022
Total child care program	\$ 5,453,480	\$ 5,443,458	\$ -	\$ 5,443,458	\$ 10,022
Total income maintenance	\$ 20,845,507	\$ 20,766,236	\$ -	\$ 20,766,236	\$ 79,271
Social services					
Social services administration					
Personnel services	\$ 1,491,840	\$ 1,491,840	\$ -	\$ 1,491,840	\$ -
Other operating	1,106,164	1,105,958	20	1,105,978	186
Total social services administration	\$ 2,598,004	\$ 2,597,798	\$ 20	\$ 2,597,818	\$ 186
Services to families with children					
Personnel services	\$ 4,890,165	\$ 4,889,752	\$ -	\$ 4,889,752	\$ 413
Other operating	45,190	44,871	-	44,871	319
Public aid assistance	8,784,511	8,781,354	-	8,781,354	3,157
Capital outlay	6,746	6,746	-	6,746	-
Total services to families with children	\$ 13,726,612	\$ 13,722,723	\$ -	\$ 13,722,723	\$ 3,889
Subtotal	\$ 16,324,616	\$ 16,320,521	\$ 20	\$ 16,320,541	\$ 4,075

(continued)

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, 1996

Expenditures (Continued)	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
Welfare					
Social services					
Stride/child care					
Personnel services	\$ 392,986	\$ 392,135	\$ -	\$ 392,135	\$ 851
Other operating	93,480	93,100	-	93,100	380
Public aid assistance	202,000	194,615	-	194,615	7,385
Total stride/child care	\$ 688,466	\$ 679,850	\$ -	\$ 679,850	\$ 8,616
Services to chemically dependent					
Personnel services	\$ 631,250	\$ 630,882	\$ -	\$ 630,882	\$ 368
Public aid assistance	1,906,155	1,680,632	-	1,680,632	225,523
Total services to chemically dependent	\$ 2,537,405	\$ 2,311,514	\$ -	\$ 2,311,514	\$ 225,891
Services to mentally ill					
Personnel services	\$ 771,574	\$ 771,573	\$ -	\$ 771,573	\$ 1
Public aid assistance	8,284,153	8,102,014	-	8,102,014	182,139
Total services to mentally ill	\$ 9,055,727	\$ 8,873,587	\$ -	\$ 8,873,587	\$ 182,140
Services to developmentally disabled					
Personnel services	\$ 959,822	\$ 959,822	\$ -	\$ 959,822	\$ -
Other operating	5,500	2,800	-	2,800	2,700
Public aid assistance	2,300,414	2,296,295	-	2,296,295	4,119
Total services to developmentally disabled	\$ 3,265,736	\$ 3,258,917	\$ -	\$ 3,258,917	\$ 6,819
Services to adults and elderly					
Personnel services	\$ 1,779,679	\$ 1,779,679	\$ -	\$ 1,779,679	\$ -
Other operating	160,178	159,355	98	159,453	725
Public aid assistance	2,147,941	1,923,305	-	1,923,305	224,636
Total services to adults and elderly	\$ 4,087,798	\$ 3,862,339	\$ 98	\$ 3,862,437	\$ 225,361
Services to other persons					
Personnel services	\$ 901,024	\$ 901,024	\$ -	\$ 901,024	\$ -
Other operating	174,631	174,544	-	174,544	87
Public aid assistance	607,572	600,947	-	600,947	6,625
Total services to other persons	\$ 1,683,227	\$ 1,676,515	\$ -	\$ 1,676,515	\$ 6,712
Total social services	\$ 37,642,975	\$ 36,983,243	\$ 118	\$ 36,983,361	\$ 659,614
Total Expenditures	\$ 65,521,898	\$ 64,636,725	\$ 146,282	\$ 64,783,007	\$ 738,891
Excess of Revenues Over (Under) Expenditures	\$ (1,632,341)			\$ (883,534)	\$ 748,807
Other Financing Sources (Uses)					
Operating transfers in	\$ 612,572			\$ 612,572	\$ -
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ (1,019,769)			\$ (270,962)	\$ 748,807
Adjustments - Note 1	-			92,209	92,209
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses as Adjusted	\$ (1,019,769)			\$ (178,753)	\$ 841,016
Fund Balance - January 1	6,819,397			6,819,397	-
Fund Balance - December 31	\$ 5,799,628			\$ 6,640,644	\$ 841,016

DEBT SERVICE FUNDS

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.

Jail Bond

The Jail 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, 1996

	<u>Babbitt Facility Refunding</u>	<u>Jail Bond</u>	<u>AJC Construction Bond</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 122,364	\$ 297,299	\$ 14,798	\$ 434,461
Receivables				
Taxes				
Unapportioned	1,646	13,124	-	14,770
Delinquent	5,823	38,535	-	44,358
Total Assets	<u>\$ 129,833</u>	<u>\$ 348,958</u>	<u>\$ 14,798</u>	<u>\$ 493,589</u>
Liabilities and Fund Balance				
Liabilities				
Deferred revenue	\$ 5,241	\$ 34,681	\$ -	\$ 39,922
Fund Balance				
Unreserved-undesignated	<u>124,592</u>	<u>314,277</u>	<u>14,798</u>	<u>453,667</u>
Total Liabilities and Fund Balance	<u>\$ 129,833</u>	<u>\$ 348,958</u>	<u>\$ 14,798</u>	<u>\$ 493,589</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 1996

	Babbitt Facility Refunding	Jail Bond	AJC Construction Bond	Total
Revenues				
Taxes	\$ 84,225	\$ 705,697	\$ -	\$ 789,922
Intergovernmental	26,036	219,466	-	245,502
Interest on investments	189	1,543	-	1,732
Total Revenues	\$ 110,450	\$ 926,706	\$ -	\$ 1,037,156
Expenditures				
Debt service				
Principal	\$ 30,000	\$ 795,000	\$ -	\$ 825,000
Interest and fiscal charges	82,055	655,922	74,168	812,145
Total Expenditures	\$ 112,055	\$ 1,450,922	\$ 74,168	\$ 1,637,145
Excess of Revenues Over (Under) Expenditures	\$ (1,605)	\$ (524,216)	\$ (74,168)	\$ (599,989)
Other Financing Sources (Uses)				
Operating transfers in	114,415	250,383	-	364,798
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 112,810	\$ (273,833)	\$ (74,168)	\$ (235,191)
Fund Balance - January 1	11,782	588,110	88,966	688,858
Fund Balance - December 31	\$ 124,592	\$ 314,277	\$ 14,798	\$ 453,667

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, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 83,352	\$ 84,225	\$ 873
Intergovernmental	25,906	26,036	130
Interest on investments	-	189	189
Total Revenues	<u>\$ 109,258</u>	<u>\$ 110,450</u>	<u>\$ 1,192</u>
Expenditures			
Debt service			
Principal	\$ 30,000	\$ 30,000	\$ -
Interest and fiscal charges	82,055	82,055	-
Total Expenditures	<u>\$ 112,055</u>	<u>\$ 112,055</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (2,797)</u>	<u>\$ (1,605)</u>	<u>\$ 1,192</u>
Other Financing Sources (Uses)			
Operating transfers in	<u>114,415</u>	<u>114,415</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 111,618</u>	<u>\$ 112,810</u>	<u>\$ 1,192</u>
Fund Balance - January 1	<u>11,782</u>	<u>11,782</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 123,400</u></u>	<u><u>\$ 124,592</u></u>	<u><u>\$ 1,192</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
JAIL BOND DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 702,592	\$ 705,697	\$ 3,105
Intergovernmental	218,377	219,466	1,089
Interest on investments	-	1,543	1,543
Total Revenues	<u>\$ 920,969</u>	<u>\$ 926,706</u>	<u>\$ 5,737</u>
Expenditures			
Debt service			
Principal	\$ 795,000	\$ 795,000	\$ -
Interest and fiscal charges	655,923	655,922	1
Total Expenditures	<u>\$ 1,450,923</u>	<u>\$ 1,450,922</u>	<u>\$ 1</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (529,954)</u>	<u>\$ (524,216)</u>	<u>\$ 5,738</u>
Other Financing Sources (Uses)			
Operating transfers in	<u>249,537</u>	<u>250,383</u>	<u>846</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (280,417)</u>	<u>\$ (273,833)</u>	<u>\$ 6,584</u>
Fund Balance - January 1	<u>588,110</u>	<u>588,110</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 307,693</u></u>	<u><u>\$ 314,277</u></u>	<u><u>\$ 6,584</u></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, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures			
Debt service			
Interest and fiscal charges	\$ 74,168	\$ 74,168	\$ -
Excess of Revenues Over (Under) Expenditures	\$ (74,168)	\$ (74,168)	\$ -
Fund Balance - January 1	<u>88,966</u>	<u>88,966</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 14,798</u>	<u>\$ 14,798</u>	<u>\$ -</u>

**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 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 1996

	<u>Buildings</u>	<u>Jail Bond</u>	<u>Total</u>
Revenues			
Taxes	\$ 704,952	\$ -	\$ 704,952
Intergovernmental	219,043	-	219,043
Interest on investments	-	3,460	3,460
Miscellaneous	507	-	507
Total Revenues	<u>\$ 924,502</u>	<u>\$ 3,460</u>	<u>\$ 927,962</u>
Expenditures			
Capital outlay			
General government	\$ 385,592	\$ -	\$ 385,592
Public safety	271,219	41,689	312,908
Highways and streets	315,047	-	315,047
Total Capital Outlay	<u>\$ 971,858</u>	<u>\$ 41,689</u>	<u>\$ 1,013,547</u>
Debt service			
Principal	\$ 27,033	\$ -	\$ 27,033
Total Expenditures	<u>\$ 998,891</u>	<u>\$ 41,689</u>	<u>\$ 1,040,580</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (74,389)</u>	<u>\$ (38,229)</u>	<u>\$ (112,618)</u>
Other Financing Sources (Uses)			
Loan proceeds	\$ 224,995	\$ -	\$ 224,995
Operating transfers in	300,000	-	300,000
Operating transfers out	-	(250,383)	(250,383)
Total Other Financing Sources (Uses)	<u>\$ 524,995</u>	<u>\$ (250,383)</u>	<u>\$ 274,612</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 450,606</u>	<u>\$ (288,612)</u>	<u>\$ 161,994</u>
Fund Balance - January 1	<u>359,026</u>	<u>288,612</u>	<u>647,638</u>
Fund Balance - December 31	<u>\$ 809,632</u>	<u>\$ -</u>	<u>\$ 809,632</u>

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, 1996

Assets	Chris Jensen	Nopeming	Solid Waste Management	Total
Current assets				
Cash and cash equivalents	\$ 780	\$ 810	\$ 1,431,689	\$ 1,433,279
Investments	-	-	9,346,249	9,346,249
Receivables				
Taxes				
Unapportioned	1,279	806	46,537	48,622
Delinquent	18,184	11,528	6,967	36,679
Accounts (net of allowance for uncollectibles)	1,632,511	1,091,872	261,427	2,985,810
Accrued interest	-	-	73,748	73,748
Loans	-	-	93,379	93,379
Due from other governments	-	-	19,264	19,264
Inventories	72,544	49,146	-	121,690
Total current assets	\$ 1,725,298	\$ 1,154,162	\$ 11,279,260	\$ 14,158,720
Restricted assets				
Improvement account				
Cash and cash equivalents	\$ -	\$ 72,353	\$ -	\$ 72,353
Debt service				
Cash and cash equivalents	-	3,181	122,351	125,532
Assets held by escrow agent	-	-	2,844,537	2,844,537
Receivables				
Taxes				
Unapportioned	-	-	18,159	18,159
Delinquent	-	-	57,530	57,530
Financial assurance				
Cash and cash equivalents	-	-	69,258	69,258
Investments	-	-	830,405	830,405
Receivables				
Accrued interest	-	-	13,719	13,719
Total restricted assets	\$ -	\$ 75,534	\$ 3,955,959	\$ 4,031,493
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	5,728,077	5,814,344
Machinery and equipment	662,315	585,492	1,191,316	2,439,123
Linens	26,823	23,493	-	50,316
Vehicles	-	26,330	121,562	147,892
Construction in progress	1,500	823,041	-	824,541
Total fixed assets	\$ 5,980,284	\$ 5,442,685	\$ 9,749,654	\$ 21,172,623
Accumulated depreciation	\$ (1,548,566)	\$ (2,348,371)	\$ (2,484,336)	\$ (6,381,273)
Net fixed assets	\$ 4,431,718	\$ 3,094,314	\$ 7,265,318	\$ 14,791,350
Total Assets	\$ 6,157,016	\$ 4,324,010	\$ 22,500,537	\$ 32,981,563

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1996

	Chris Jensen	Nopeming	Solid Waste Management	Total
Liabilities and Fund Equity				
Liabilities				
Current liabilities (payable from current assets)				
Accounts payable	\$ 405,345	\$ 228,649	\$ 152,315	\$ 786,309
Salaries payable	247,975	189,168	29,311	466,454
Compensated absences payable	40,469	35,466	5,533	81,468
Interfund payable	1,298,312	1,418,312	-	2,716,624
Due to other governments	-	-	37,640	37,640
Deferred revenue	70,123	37,995	33,027	141,145
Total current liabilities (payable from current assets)	\$ 2,062,224	\$ 1,909,590	\$ 257,826	\$ 4,229,640
Current liabilities (payable from restricted assets)				
Accrued interest payable	\$ -	\$ 647	\$ 47,585	\$ 48,232
Deferred revenue	-	-	51,778	51,778
Bonds payable	-	35,000	1,095,000	1,130,000
Total current liabilities (payable from restricted assets)	\$ -	\$ 35,647	\$ 1,194,363	\$ 1,230,010
Long-term liabilities				
Compensated absences payable	\$ 1,579,193	\$ 1,208,658	\$ 119,498	\$ 2,907,349
General obligation revenue bonds payable	-	78,959	9,482,183	9,561,142
Customer deposits	-	-	4,115	4,115
Closure and post-closure liabilities	-	-	438,478	438,478
Total long-term liabilities	\$ 1,579,193	\$ 1,287,617	\$ 10,044,274	\$ 12,911,084
Total Liabilities	\$ 3,641,417	\$ 3,232,854	\$ 11,496,463	\$ 18,370,734
Fund Equity				
Contributed capital	\$ 28,823	\$ 23,493	\$ 1,655,038	\$ 1,707,354
Retained earnings				
Reserved for improvements	\$ -	\$ 72,353	\$ -	\$ 72,353
Reserved for closure and post-closure	-	-	902,701	902,701
Unreserved	2,486,776	995,310	8,446,335	11,928,421
Total retained earnings	\$ 2,486,776	\$ 1,067,663	\$ 9,349,036	\$ 12,903,475
Total Fund Equity	\$ 2,515,599	\$ 1,091,156	\$ 11,004,074	\$ 14,610,829
Total Liabilities and Fund Equity	\$ 6,157,016	\$ 4,324,010	\$ 22,500,537	\$ 32,981,563

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 1996

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Operating Revenues				
Charges for services	\$ 11,120,232	\$ 8,530,099	\$ 4,628,745	\$ 24,279,076
Licenses and permits	-	-	1,625	1,625
Other	194,883	48,547	172,504	415,934
Total Operating Revenues	\$ 11,315,115	\$ 8,578,646	\$ 4,802,874	\$ 24,696,635
Operating Expenses				
Personal services	\$ 7,466,336	\$ 6,357,922	\$ 742,330	\$ 14,566,588
Contractual services	2,400,071	1,433,844	2,362,875	6,196,790
Materials	1,236,961	689,707	-	1,926,668
Depreciation	136,775	116,956	245,298	499,029
Total Operating Expenses	\$ 11,240,143	\$ 8,598,429	\$ 3,350,503	\$ 23,189,075
Operating Income (Loss)	\$ 74,972	\$ (19,783)	\$ 1,452,371	\$ 1,507,560
Nonoperating Revenues (Expenses)				
Taxes	\$ 5,349	\$ 4,220	\$ 1,293,409	\$ 1,302,978
Grants	-	-	565,291	565,291
Interest on investments	107	1,324	651,311	652,742
Interest expense	-	(9,883)	(615,517)	(625,400)
Amortization of bond discount	-	(358)	(19,513)	(19,871)
Total Nonoperating Revenues (Expenses)	\$ 5,456	\$ (4,697)	\$ 1,874,981	\$ 1,875,740
Net Income (Loss)	\$ 80,428	\$ (24,480)	\$ 3,327,352	\$ 3,383,300
Retained Earnings - January 1	2,406,348	1,092,143	6,021,684	9,520,175
Retained Earnings - December 31	\$ 2,486,776	\$ 1,067,663	\$ 9,349,036	\$ 12,903,475

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 1996

	Chris Jensen	Nopeming	Solid Waste Management	Total
Cash Flows From Operating Activities				
Operating Income (Loss)	\$ 74,972	\$ (19,783)	\$ 1,452,371	\$ 1,507,560
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation	\$ 136,775	\$ 116,956	\$ 245,298	\$ 499,029
Changes in Assets and Liabilities				
(Increase) Decrease in accounts receivable	647,561	204,257	63,162	914,980
(Increase) Decrease in loans receivable	-	-	(93,379)	(93,379)
(Increase) Decrease in due from other governments	-	-	13,311	13,311
(Increase) Decrease in inventories	(9,839)	33,250	-	23,411
Increase (Decrease) in accounts payable	229,189	48,006	(112,636)	164,559
Increase (Decrease) in salaries payable	(58,883)	(43,389)	11,752	(90,520)
Increase (Decrease) in compensated absences payable	(196,598)	(120,385)	(21,606)	(338,589)
Increase (Decrease) in closure and and post-closure liabilities	-	-	(188,557)	(188,557)
Increase (Decrease) in due to other governments	-	-	(1,274,705)	(1,274,705)
Increase (Decrease) in deferred revenue	(69,963)	3,248	-	(66,715)
Increase (Decrease) in customer deposits	-	-	(19,435)	(19,435)
Net Cash Provided by Operating Activities	<u>\$ 753,214</u>	<u>\$ 222,160</u>	<u>\$ 75,576</u>	<u>\$ 1,050,950</u>
Cash Flows From Noncapital Financing Activities				
Proceeds from taxes	\$ 8,455	\$ 5,360	\$ 1,333,799	\$ 1,347,614
Proceeds from grant	-	-	565,291	565,291
Payments of interfund loan	(2,009,524)	(1,552,938)	(789,541)	(4,352,003)
Proceeds from interfund loan	1,298,312	1,418,312	-	2,716,624
Net Cash Provided by Noncapital Financing Activities	<u>\$ (702,757)</u>	<u>\$ (129,266)</u>	<u>\$ 1,109,549</u>	<u>\$ 277,526</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	\$ (53,923)	\$ (47,819)	\$ (40,604)	\$ (142,346)
Principal paid on bonds	-	(35,000)	(1,030,000)	(1,065,000)
Interest paid on bonds	-	(10,075)	(619,561)	(629,636)
Proceeds from sale of fixed assets	-	-	4,509	4,509
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (53,923)</u>	<u>\$ (92,894)</u>	<u>\$ (1,685,656)</u>	<u>\$ (1,832,473)</u>
Cash Flows From Investing Activities				
Purchase of investments	\$ -	\$ -	\$ (61,465,060)	\$ (61,465,060)
Sale of investments	-	-	56,125,823	56,125,823
Interest on investments	107	1,324	636,938	638,369
Net Cash Provided by Investing Activities	<u>\$ 107</u>	<u>\$ 1,324</u>	<u>\$ (4,702,299)</u>	<u>\$ (4,700,868)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (3,359)</u>	<u>\$ 1,324</u>	<u>\$ (5,202,830)</u>	<u>\$ (5,204,865)</u>
Cash and Cash Equivalents - January 1	<u>4,139</u>	<u>75,020</u>	<u>6,826,128</u>	<u>6,905,287</u>
Cash and Cash Equivalents - December 31	<u>\$ 780</u>	<u>\$ 76,344</u>	<u>\$ 1,623,298</u>	<u>\$ 1,700,422</u>

Non-Cash Activities

The Laundry Internal Service Fund contributed linens valued at \$26,823 to Chris Jensen Enterprise Fund.

The Laundry Internal Service Fund contributed linens valued at \$23,493 to Nopeming Enterprise Fund.

The Chris Jensen, Nopeming, and Solid Waste Management Enterprise Funds disposed of fixed assets with book values of \$1,860, \$4,228, and \$4,510, respectively.

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, 1996

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 336,416	\$ 109,477	\$ 139,743	\$ 324,485
Investments	-	-	-	-
Receivables				
Accounts	-	54,122	21,106	3,516
Accrued interest	-	-	-	-
Due from other governments	122,955	-	-	7,138
Inventories	21,722	29,059	-	88,675
Prepaid items	115,583	-	-	-
Total current assets	<u>\$ 596,676</u>	<u>\$ 192,658</u>	<u>\$ 160,849</u>	<u>\$ 423,814</u>
Fixed assets				
Land	\$ -	\$ -	\$ -	\$ -
Buildings and structures	-	970,719	-	-
Machinery and equipment	-	412,787	5,524	439,568
Linens	-	126,090	-	-
Vehicles	-	1,778	-	-
Construction in progress	-	59,896	-	-
Total fixed assets	<u>\$ -</u>	<u>\$ 1,571,270</u>	<u>\$ 5,524</u>	<u>\$ 439,568</u>
Accumulated depreciation	<u>-</u>	<u>(687,172)</u>	<u>(5,524)</u>	<u>(275,185)</u>
Net fixed assets	<u>\$ -</u>	<u>\$ 884,098</u>	<u>\$ -</u>	<u>\$ 164,383</u>
Total Assets	<u>\$ 596,676</u>	<u>\$ 1,076,756</u>	<u>\$ 160,849</u>	<u>\$ 588,197</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>
\$ 191,398	\$ 257,219	\$ 1,995,299	\$ 6,404,393	\$ 847,721	\$ 149,068	\$ 10,755,219
-	2,956,229	4,142,133	2,523,985	-	-	9,622,347
-	6,856	-	38,281	700	1,572	126,153
-	33,283	68,469	138,985	-	-	240,737
4,313	-	-	-	-	-	134,406
25,445	-	-	-	13,114	13,149	191,164
-	-	-	-	-	-	115,583
<u>\$ 221,156</u>	<u>\$ 3,253,587</u>	<u>\$ 6,205,901</u>	<u>\$ 9,105,644</u>	<u>\$ 861,535</u>	<u>\$ 163,789</u>	<u>\$ 21,185,609</u>
\$ 25,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,500
778,730	-	-	-	-	-	1,749,449
78,005	-	-	-	3,330,815	2,293,418	6,560,117
-	-	-	-	-	-	126,090
1,565,981	-	-	-	-	-	1,567,759
-	-	-	-	-	-	59,896
<u>\$ 2,448,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,330,815</u>	<u>\$ 2,293,418</u>	<u>\$ 10,088,811</u>
<u>(1,450,158)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,076,484)</u>	<u>(1,478,213)</u>	<u>(5,972,736)</u>
<u>\$ 998,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,254,331</u>	<u>\$ 815,205</u>	<u>\$ 4,116,075</u>
<u>\$ 1,219,214</u>	<u>\$ 3,253,587</u>	<u>\$ 6,205,901</u>	<u>\$ 9,105,644</u>	<u>\$ 2,115,866</u>	<u>\$ 978,994</u>	<u>\$ 25,301,684</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
DECEMBER 31, 1996

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Liabilities and Fund Equity				
Liabilities				
Current liabilities				
Accounts payable	\$ 32,085	\$ 13,450	\$ 1,006	\$ 36,314
Salaries payable	15,540	16,976	17,911	4,559
Compensated absences payable	3,741	5,443	2,273	1,104
Claims payable	-	-	-	-
Due to other governments	684	8,883	248	-
Deferred revenue	-	-	-	-
Capital leases payable	-	-	-	13,595
Total current liabilities	\$ 52,050	\$ 44,752	\$ 21,438	\$ 55,572
Long-term liabilities				
Compensated absences payable	\$ 133,375	\$ 250,914	\$ 154,440	\$ 78,970
Claims payable	-	-	-	-
Capital leases payable	-	-	-	12,366
Total long-term liabilities	\$ 133,375	\$ 250,914	\$ 154,440	\$ 91,336
Total Liabilities	\$ 185,425	\$ 295,666	\$ 175,878	\$ 146,908
Fund Equity				
Contributed capital	\$ -	\$ 764,201	\$ 3,192	\$ 5,131
Retained earnings				
Reserved for capital acquisition	\$ 115,583	\$ -	\$ -	\$ -
Unreserved	295,668	16,889	(18,221)	436,158
Total retained earnings	\$ 411,251	\$ 16,889	\$ (18,221)	\$ 436,158
Total Fund Equity	\$ 411,251	\$ 781,090	\$ (15,029)	\$ 441,289
Total Liabilities and Fund Equity	\$ 596,676	\$ 1,076,756	\$ 160,849	\$ 588,197

<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>
\$ 11,210	\$ 2,875	\$ 127,214	\$ 881	\$ 172,889	\$ 81,620	\$ 479,544
9,388	-	-	-	55,769	6,786	126,929
1,943	-	-	-	14,251	1,670	30,425
-	72,729	632,470	1,844,305	-	-	2,549,504
-	-	-	-	-	9,729	19,544
-	-	-	130,978	-	-	130,978
-	-	-	-	-	-	13,595
<u>\$ 22,541</u>	<u>\$ 75,604</u>	<u>\$ 759,684</u>	<u>\$ 1,976,164</u>	<u>\$ 242,909</u>	<u>\$ 99,805</u>	<u>\$ 3,350,519</u>
\$ 119,953	\$ -	\$ -	\$ -	\$ 583,564	\$ 41,256	\$ 1,362,472
-	-	2,147,486	-	-	-	2,147,486
-	-	-	-	-	-	12,366
<u>\$ 119,953</u>	<u>\$ -</u>	<u>\$ 2,147,486</u>	<u>\$ -</u>	<u>\$ 583,564</u>	<u>\$ 41,256</u>	<u>\$ 3,522,324</u>
\$ 142,494	\$ 75,604	\$ 2,907,170	\$ 1,976,164	\$ 826,473	\$ 141,061	\$ 6,872,843
\$ 1,120,249	\$ -	\$ -	\$ -	\$ 808,490	\$ 185,639	\$ 2,886,902
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,583
(43,529)	3,177,983	3,298,731	7,129,480	480,903	652,294	15,426,356
<u>\$ (43,529)</u>	<u>\$ 3,177,983</u>	<u>\$ 3,298,731</u>	<u>\$ 7,129,480</u>	<u>\$ 480,903</u>	<u>\$ 652,294</u>	<u>\$ 15,541,939</u>
\$ 1,076,720	\$ 3,177,983	\$ 3,298,731	\$ 7,129,480	\$ 1,289,393	\$ 837,933	\$ 18,428,841
<u>\$ 1,219,214</u>	<u>\$ 3,253,587</u>	<u>\$ 6,205,901</u>	<u>\$ 9,105,644</u>	<u>\$ 2,115,866</u>	<u>\$ 978,994</u>	<u>\$ 25,301,684</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 1996

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Operating Revenues				
Charges for services	\$ 1,150,726	\$ 1,061,596	\$ 521,902	\$ 951,692
Other	3,652	1,822	120	-
Total Operating Revenues	<u>\$ 1,154,378</u>	<u>\$ 1,063,418</u>	<u>\$ 522,022</u>	<u>\$ 951,692</u>
Operating Expenses				
Personal services	\$ 578,251	\$ 688,874	\$ 496,046	\$ 148,816
Contractual services	253,077	155,794	35,325	306,201
Materials	398,116	123,587	10,782	353,872
Depreciation	-	34,565	-	42,437
Total Operating Expenses	<u>\$ 1,229,444</u>	<u>\$ 1,002,820</u>	<u>\$ 542,153</u>	<u>\$ 851,326</u>
Operating Income (Loss)	<u>\$ (75,066)</u>	<u>\$ 60,598</u>	<u>\$ (20,131)</u>	<u>\$ 100,366</u>
Nonoperating Revenues (Expenses)				
Interest on investments	\$ -	\$ -	\$ -	\$ -
Disposition of fixed assets	-	(43,399)	-	(8,815)
Total Nonoperating Revenues (Expenses)	<u>\$ -</u>	<u>\$ (43,399)</u>	<u>\$ -</u>	<u>\$ (8,815)</u>
Net Income (Loss)	<u>\$ (75,066)</u>	<u>\$ 17,199</u>	<u>\$ (20,131)</u>	<u>\$ 91,551</u>
Retained Earnings - January 1	486,317	(310)	1,910	344,607
Retained Earnings - December 31	<u>\$ 411,251</u>	<u>\$ 16,889</u>	<u>\$ (18,221)</u>	<u>\$ 436,158</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>
\$ 974,227	\$ 494,569	\$ 1,914,407	\$ 10,652,240	\$ 3,080,606	\$ 1,185,320	\$ 21,987,285
451	-	-	-	424,882	-	430,927
<u>\$ 974,678</u>	<u>\$ 494,569</u>	<u>\$ 1,914,407</u>	<u>\$ 10,652,240</u>	<u>\$ 3,505,488</u>	<u>\$ 1,185,320</u>	<u>\$ 22,418,212</u>
\$ 296,008	\$ -	\$ -	\$ -	\$ 1,786,215	\$ 197,408	\$ 4,191,618
248,278	316,039	1,282,801	12,115,319	828,750	748,424	16,290,008
336,864	-	2,210	-	101,579	66,469	1,393,479
206,780	-	-	-	390,424	218,680	892,886
<u>\$ 1,087,930</u>	<u>\$ 316,039</u>	<u>\$ 1,285,011</u>	<u>\$ 12,115,319</u>	<u>\$ 3,106,968</u>	<u>\$ 1,230,981</u>	<u>\$ 22,767,991</u>
\$ (113,252)	\$ 178,530	\$ 629,396	\$ (1,463,079)	\$ 398,520	\$ (45,661)	\$ (349,779)
\$ -	\$ 143,729	\$ 298,406	\$ 465,636	\$ -	\$ -	\$ 907,771
93,079	-	-	-	(114,975)	(3,339)	(77,449)
<u>\$ 93,079</u>	<u>\$ 143,729</u>	<u>\$ 298,406</u>	<u>\$ 465,636</u>	<u>\$ (114,975)</u>	<u>\$ (3,339)</u>	<u>\$ 830,322</u>
\$ (20,173)	\$ 322,259	\$ 927,802	\$ (997,443)	\$ 283,545	\$ (49,000)	\$ 480,543
(23,356)	2,855,724	2,370,929	8,126,923	197,358	701,294	15,061,396
<u>\$ (43,529)</u>	<u>\$ 3,177,983</u>	<u>\$ 3,298,731</u>	<u>\$ 7,129,480</u>	<u>\$ 480,903</u>	<u>\$ 652,294</u>	<u>\$ 15,541,939</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 1996

	Community Food	Laundry	Supervised Living Facilities	Printing
Cash Flows From Operating Activities				
Operating Income (Loss)	\$ (75,066)	\$ 60,598	\$ (20,131)	\$ 100,366
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation	\$ -	\$ 34,565	\$ -	\$ 42,437
Changes in Assets and Liabilities				
(Increase) Decrease in accounts receivable	2,223	(22,080)	6,055	3,512
(Increase) Decrease in due from other funds	-	-	-	-
(Increase) Decrease in due from other governments	6,386	-	-	4,248
(Increase) Decrease in inventories	9,870	935	-	(22,236)
(Increase) Decrease in prepaid items	58,667	-	-	-
Increase (Decrease) in accounts payable	(2,826)	(38,310)	214	(41,285)
Increase (Decrease) in salaries payable	1,593	3,101	3,106	2,218
Increase (Decrease) in compensated absences payable	(2,492)	5,231	32,098	3,991
Increase (Decrease) in claims payable	-	-	-	-
Increase (Decrease) in due to other governments	684	(3,408)	248	-
Increase (Decrease) in deferred revenue	-	-	-	-
Net Cash Provided by Operating Activities	<u>\$ (961)</u>	<u>\$ 40,632</u>	<u>\$ 21,590</u>	<u>\$ 93,251</u>
Cash Flows From Noncapital Financing Activities				
Proceeds from taxes	\$ -	\$ -	\$ 91	\$ -
Net Cash Provided by Noncapital Financing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ -</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	\$ -	\$ (23,158)	\$ -	\$ (47,274)
Payments of capital leases	-	-	-	(8,017)
Proceeds from sale of fixed assets	-	-	-	-
Net Cash Provided by Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ (23,158)</u>	<u>\$ -</u>	<u>\$ (55,291)</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>\$ (961)</u>	<u>\$ 17,474</u>	<u>\$ 21,681</u>	<u>\$ 37,960</u>
Cash and Cash Equivalents - January 1	<u>337,377</u>	<u>92,003</u>	<u>118,062</u>	<u>286,525</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 336,416</u></u>	<u><u>\$ 109,477</u></u>	<u><u>\$ 139,743</u></u>	<u><u>\$ 324,485</u></u>

Non-Cash Activities

Laundry Internal Service Fund contributed linens to Chris Jensen and Nopeming Enterprise Funds valued at \$26,823 and \$23,493, respectively.

The Laundry, Printing, County Garage, Management Information Systems, and Telecommunications Internal Service Funds disposed of fixed assets with book values of \$43,399, \$8,815, \$1,440, \$118,419, and \$10,239, respectively.

County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance	Medical/ Dental Insurance	Management Information Systems	Telecommu- nications	Total
\$ (113,252)	\$ 178,530	\$ 629,396	\$ (1,463,079)	\$ 398,520	\$ (45,661)	\$ (349,779)
\$ 206,780	\$ -	\$ -	\$ -	\$ 390,424	\$ 218,680	\$ 892,886
(1,438)	(5,133)	-	85,103	(374)	2,285	70,153
-	-	-	-	19,565	-	19,565
-	-	-	-	-	-	10,634
11,326	-	-	-	11,793	(8,462)	3,226
-	-	-	-	-	-	58,667
(14,559)	(10,555)	52,192	449	154,332	25,323	124,975
4,585	-	-	-	5,955	3,725	24,283
11,204	-	-	-	7,195	31,822	89,049
-	3,829	(309,702)	277,516	-	-	(28,357)
-	-	-	-	-	-	(2,476)
-	-	-	(169,636)	-	-	(169,636)
<u>\$ 104,646</u>	<u>\$ 166,671</u>	<u>\$ 371,886</u>	<u>\$ (1,269,647)</u>	<u>\$ 987,410</u>	<u>\$ 227,712</u>	<u>\$ 743,190</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91
\$ (265,291)	\$ -	\$ -	\$ -	\$ (505,292)	\$ (465,469)	\$ (1,306,484)
-	-	-	-	-	-	(8,017)
94,519	-	-	-	3,444	6,900	104,863
<u>\$ (170,772)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (501,848)</u>	<u>\$ (458,569)</u>	<u>\$ (1,209,638)</u>
\$ -	\$ (7,797,399)	\$ (33,198,816)	\$ (34,012,857)	\$ -	\$ -	\$ (75,009,072)
-	7,580,431	34,306,683	40,855,347	-	-	82,742,461
-	149,912	320,272	385,701	-	-	855,885
<u>\$ -</u>	<u>\$ (67,056)</u>	<u>\$ 1,428,139</u>	<u>\$ 7,228,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,589,274</u>
\$ (66,126)	\$ 99,615	\$ 1,800,025	\$ 5,958,544	\$ 485,562	\$ (230,857)	\$ 8,122,917
257,524	157,604	195,274	445,849	362,159	379,925	2,632,302
<u>\$ 191,398</u>	<u>\$ 257,219</u>	<u>\$ 1,995,299</u>	<u>\$ 6,404,393</u>	<u>\$ 847,721</u>	<u>\$ 149,068</u>	<u>\$ 10,755,219</u>

Reader's notes:

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 (1996). 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 (1996). 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 (1996). 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 (1996)] and contraband used in the commission of other crimes [Minn. Stat. §609.5312 (1996)]. 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 (1996)] and contraband used in the commission of other crimes [Minn. Stat. §609.5312 (1996)].

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 (1996) 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.

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 (1996).

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.

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL EXPENDABLE TRUST AND AGENCY FUNDS
 DECEMBER 31, 1996

	Expendable Trust Funds				
	Missing Heirs	Private Redemption	Exchange of Land	Tax Certificate Assurance	Forfeited Tax Sale
Assets					
Cash and cash equivalents	\$ 86,426	\$ 414	\$ 22,798	\$ 186,095	\$ -
Investments	64,730	-	-	-	-
Invested employee contribution	-	-	-	-	-
Receivables					
Taxes					
Unapportioned	-	-	-	-	-
Delinquent	-	-	-	-	-
Accounts	-	-	-	-	7,672,288
Accrued interest	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	<u>\$ 151,156</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 186,095</u>	<u>\$ 7,672,288</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 39,430
Salaries payable	-	-	-	-	62,415
Compensated absences payable	-	-	-	-	16,401
Deferred compensation payable	-	-	-	-	-
Unapportioned taxes payable	-	-	-	-	-
Interfund payable	-	-	-	-	85,703
Due to other governments	-	-	-	-	9,959
Deferred revenue	-	-	-	-	7,320,777
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,534,685</u>
Fund Balance					
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 7,278
Reserved for health and welfare	-	-	-	-	40,126
Reserved for veterans credit	-	-	-	-	15,000
Unreserved					
Designated for vested sick leave	-	-	-	-	59,730
Undesignated	151,156	414	22,798	186,095	15,469
Total Fund Balance	<u>\$ 151,156</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 186,095</u>	<u>\$ 137,603</u>
Total Liabilities and Fund Balance	<u>\$ 151,156</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 186,095</u>	<u>\$ 7,672,288</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>
\$ 3,370,086	\$ 44,450	\$ 139,440	\$ 85,283	\$ 6,579	\$ 6,932,037	\$ 10,873,608
-	75,000	-	-	-	18,031,297	18,171,027
-	-	-	-	-	39,422,187	39,422,187
-	-	-	-	-	6,657	6,657
-	-	-	-	-	20,592	20,592
-	-	-	-	-	696	7,672,984
-	1,350	-	-	-	92,291	93,641
-	-	-	-	-	1,770,529	1,770,529
<u>\$ 3,370,086</u>	<u>\$ 120,800</u>	<u>\$ 139,440</u>	<u>\$ 85,283</u>	<u>\$ 6,579</u>	<u>\$ 66,276,286</u>	<u>\$ 78,031,225</u>
\$ 2,500	\$ -	\$ 30	\$ 707	\$ 609	\$ 869,317	\$ 912,593
-	-	-	-	-	229,605	292,020
-	-	-	-	-	-	16,401
-	-	-	-	-	39,422,187	39,422,187
-	-	-	-	-	1,263,500	1,263,500
-	-	-	-	-	-	85,703
-	-	-	-	-	24,491,677	24,501,636
92,712	-	-	-	-	-	7,413,489
<u>\$ 95,212</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 707</u>	<u>\$ 609</u>	<u>\$ 66,276,286</u>	<u>\$ 73,907,529</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,469	\$ -	\$ 8,747
-	-	-	-	-	-	40,126
-	-	-	-	-	-	15,000
-	-	-	-	-	-	59,730
<u>3,274,874</u>	<u>120,800</u>	<u>139,410</u>	<u>84,576</u>	<u>4,501</u>	<u>-</u>	<u>4,000,093</u>
<u>\$ 3,274,874</u>	<u>\$ 120,800</u>	<u>\$ 139,410</u>	<u>\$ 84,576</u>	<u>\$ 5,970</u>	<u>\$ -</u>	<u>\$ 4,123,696</u>
<u>\$ 3,370,086</u>	<u>\$ 120,800</u>	<u>\$ 139,440</u>	<u>\$ 85,283</u>	<u>\$ 6,579</u>	<u>\$ 66,276,286</u>	<u>\$ 78,031,225</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS
YEAR ENDED DECEMBER 31, 1996

	<u>Missing Heirs</u>	<u>Private Redemption</u>	<u>Exchange of Land</u>	<u>Tax Certificate Assurance</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	3,325
Interest on investments	1,543	-	-	-
Land and timber sales	-	-	-	-
Miscellaneous	15,111	-	-	-
Total Revenues	\$ 16,654	\$ -	\$ -	\$ 3,325
Expenditures				
Current				
General government	\$ 11,106	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Conservation of natural resources	-	-	-	-
Total Current	\$ 11,106	\$ -	\$ -	\$ -
Capital outlay				
Conservation of natural resources	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 11,106	\$ -	\$ -	\$ -
Excess of Revenues Over (Under) Expenditures	\$ 5,548	\$ -	\$ -	\$ 3,325
Fund Balance - January 1	145,608	414	22,798	182,770
Fund Balance - December 31	\$ 151,156	\$ 414	\$ 22,798	\$ 186,095

<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>
\$ -	\$ 457,793	\$ -	\$ -	\$ -	\$ -	\$ 457,793
-	76,721	-	-	-	-	76,721
-	-	-	-	-	-	3,325
-	-	3,846	-	-	-	5,389
4,500,500	-	-	-	-	-	4,500,500
<u>525,633</u>	<u>-</u>	<u>183,764</u>	<u>79,964</u>	<u>77,159</u>	<u>21,353</u>	<u>902,984</u>
<u>\$ 5,026,133</u>	<u>\$ 534,514</u>	<u>\$ 187,610</u>	<u>\$ 79,964</u>	<u>\$ 77,159</u>	<u>\$ 21,353</u>	<u>\$ 5,946,712</u>
\$ -	\$ -	\$ 179,621	\$ 55,042	\$ -	\$ -	\$ 245,769
-	-	-	-	46,095	20,383	66,478
<u>4,426,360</u>	<u>384,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,811,020</u>
<u>\$ 4,426,360</u>	<u>\$ 384,660</u>	<u>\$ 179,621</u>	<u>\$ 55,042</u>	<u>\$ 46,095</u>	<u>\$ 20,383</u>	<u>\$ 5,123,267</u>
<u>\$ 609,341</u>	<u>\$ 2,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 611,450</u>
<u>\$ 5,035,701</u>	<u>\$ 386,769</u>	<u>\$ 179,621</u>	<u>\$ 55,042</u>	<u>\$ 46,095</u>	<u>\$ 20,383</u>	<u>\$ 5,734,717</u>
\$ (9,568)	\$ 147,745	\$ 7,989	\$ 24,922	\$ 31,064	\$ 970	\$ 211,995
<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>
<u>\$ 137,603</u>	<u>\$ 3,274,874</u>	<u>\$ 120,800</u>	<u>\$ 139,410</u>	<u>\$ 84,576</u>	<u>\$ 5,970</u>	<u>\$ 4,123,696</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1996

	<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	\$ 275,793	\$ 84,816,465	\$ 84,774,835	\$ 317,423
Investments	15,674,718	35,339,005	32,982,426	18,031,297
Unapportioned taxes receivable	-	386	-	386
Accrued interest receivable	18,156	92,291	18,156	92,291
Due from other governments	49,622	15,936	49,622	15,936
Total Assets	<u>\$ 16,018,289</u>	<u>\$ 120,264,083</u>	<u>\$ 117,825,039</u>	<u>\$ 18,457,333</u>
Liabilities				
Salaries payable	\$ 2,996	\$ 190,801	\$ 192,369	\$ 1,428
Due to other governments	16,015,293	120,073,282	117,632,670	18,455,905
Total Liabilities	<u>\$ 16,018,289</u>	<u>\$ 120,264,083</u>	<u>\$ 117,825,039</u>	<u>\$ 18,457,333</u>
BEER-AUCTIONEER LICENSES FUND				
Assets				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 3,446</u>	<u>\$ 3,446</u>	<u>\$ -</u>
Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 3,446</u>	<u>\$ 3,446</u>	<u>\$ -</u>
CITIES AND TOWNS FUND				
Assets				
Cash and cash equivalents	<u>\$ 78,753</u>	<u>\$ 1,319,320</u>	<u>\$ 1,321,952</u>	<u>\$ 76,121</u>
Liabilities				
Due to other governments	<u>\$ 78,753</u>	<u>\$ 1,319,320</u>	<u>\$ 1,321,952</u>	<u>\$ 76,121</u>
GAME AND FISH LICENSE FUND				
Assets				
Cash and cash equivalents	<u>\$ 140,167</u>	<u>\$ 2,787,556</u>	<u>\$ 2,786,931</u>	<u>\$ 140,792</u>
Liabilities				
Due to other governments	<u>\$ 140,167</u>	<u>\$ 2,787,556</u>	<u>\$ 2,786,931</u>	<u>\$ 140,792</u>
BID DEPOSITS FUND				
Assets				
Cash and cash equivalents	<u>\$ 12,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,850</u>
Liabilities				
Accounts payable	<u>\$ 12,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,850</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1996

	<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	\$ 24,983	\$ -	\$ 24,983	\$ -
Liabilities				
Due to other governments	\$ 24,983	\$ -	\$ 24,983	\$ -
TAXES AND PENALTIES FUND				
Assets				
Cash and cash equivalents	\$ 3,890,402	\$ 226,271,374	\$ 225,944,296	\$ 4,217,480
Liabilities				
Unapportioned taxes payable	\$ 1,425,940	\$ 1,263,500	\$ 1,425,940	\$ 1,263,500
Due to other governments	2,464,462	225,007,874	224,518,356	2,953,980
Total Liabilities	\$ 3,890,402	\$ 226,271,374	\$ 225,944,296	\$ 4,217,480
PAYROLL DEDUCTIONS FUND				
Assets				
Cash and cash equivalents	\$ 1,188,588	\$ 50,671,633	\$ 51,498,684	\$ 361,537
Liabilities				
Accounts payable	\$ 11,730	\$ 69,911	\$ 11,730	\$ 69,911
Due to other governments	1,176,858	50,601,722	51,486,954	291,626
Total Liabilities	\$ 1,188,588	\$ 50,671,633	\$ 51,498,684	\$ 361,537
SERIES EE SAVINGS BOND FUND				
Assets				
Cash and cash equivalents	\$ 13,967	\$ 187,009	\$ 195,039	\$ 5,937
Liabilities				
Due to other governments	\$ 13,967	\$ 187,009	\$ 195,039	\$ 5,937
CANCELED CHECK FUND				
Assets				
Cash and cash equivalents	\$ 35,639	\$ 35,266	\$ 43,910	\$ 26,995
Liabilities				
Accounts payable	\$ 35,639	\$ 35,266	\$ 43,910	\$ 26,995

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1996

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
HIGH VOLTAGE CREDIT FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 105,249	\$ 105,249	\$ -
Liabilities				
Due to other governments	\$ -	\$ 105,249	\$ 105,249	\$ -
ASSAULT FEES FUND				
Assets				
Cash and cash equivalents	\$ 1,024	\$ 33,153	\$ 33,093	\$ 1,084
Liabilities				
Accounts payable	\$ 1,024	\$ 33,153	\$ 33,093	\$ 1,084
DEFERRED COMPENSATION FUND				
Assets				
Invested employee contribution	\$ 35,547,725	\$ 6,076,330	\$ 2,201,868	\$ 39,422,187
Liabilities				
Deferred compensation payable	\$ 35,547,725	\$ 6,076,330	\$ 2,201,868	\$ 39,422,187
ARROWHEAD REGIONAL CORRECTIONS FUND				
Assets				
Cash and cash equivalents	\$ 2,959,374	\$ 12,275,278	\$ 14,220,060	\$ 1,014,592
Accounts receivable	1,200	696	1,200	696
Due from other governments	663,200	1,388,246	663,200	1,388,246
Total Assets	<u>\$ 3,623,774</u>	<u>\$ 13,664,220</u>	<u>\$ 14,884,460</u>	<u>\$ 2,403,534</u>
Liabilities				
Accounts payable	\$ 557,885	\$ 610,783	\$ 557,885	\$ 610,783
Salaries payable	138,519	224,126	138,519	224,126
Due to other governments	2,927,370	12,829,311	14,188,056	1,568,625
Total Liabilities	<u>\$ 3,623,774</u>	<u>\$ 13,664,220</u>	<u>\$ 14,884,460</u>	<u>\$ 2,403,534</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1996

	<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	\$ 13,604	\$ 2,233,136	\$ 2,126,941	\$ 119,799
Due from other governments	236,115	216,426	236,115	216,426
Total Assets	<u>\$ 249,719</u>	<u>\$ 2,449,562</u>	<u>\$ 2,363,056</u>	<u>\$ 336,225</u>
Liabilities				
Accounts payable	\$ 7,993	\$ 3,711	\$ 7,993	\$ 3,711
Compensated absences payable	981	-	981	-
Salaries payable	1,672	2,485	1,672	2,485
Due to other governments	239,073	2,443,366	2,352,410	330,029
Total Liabilities	<u>\$ 249,719</u>	<u>\$ 2,449,562</u>	<u>\$ 2,363,056</u>	<u>\$ 336,225</u>
REGIONAL RAILROAD AUTHORITY FUND				
Assets				
Cash and cash equivalents	\$ 321,806	\$ 1,285,590	\$ 1,005,651	\$ 601,745
Receivables				
Unapportioned taxes	6,721	6,271	6,721	6,271
Delinquent taxes	18,421	20,592	18,421	20,592
Accounts	920	-	920	-
Due from other governments	477,954	149,921	477,954	149,921
Total Assets	<u>\$ 825,822</u>	<u>\$ 1,462,374</u>	<u>\$ 1,509,667</u>	<u>\$ 778,529</u>
Liabilities				
Accounts payable	\$ 290,797	\$ 143,983	\$ 290,797	\$ 143,983
Salaries payable	999	1,566	999	1,566
Due to other governments	534,026	1,316,825	1,217,871	632,980
Total Liabilities	<u>\$ 825,822</u>	<u>\$ 1,462,374</u>	<u>\$ 1,509,667</u>	<u>\$ 778,529</u>
NORTHERN COUNTIES LAND USE BOARD FUND				
Assets				
Cash and cash equivalents	<u>\$ 4,198</u>	<u>\$ 93,897</u>	<u>\$ 62,413</u>	<u>\$ 35,682</u>
Liabilities				
Due to other governments	<u>\$ 4,198</u>	<u>\$ 93,897</u>	<u>\$ 62,413</u>	<u>\$ 35,682</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1996

	<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	\$ 8,961,148	\$ 382,118,372	\$ 384,147,483	\$ 6,932,037
Investments	15,674,718	35,339,005	32,982,426	18,031,297
Invested employee contribution	35,547,725	6,076,330	2,201,868	39,422,187
Receivables				
Unapportioned taxes	6,721	6,657	6,721	6,657
Delinquent taxes	18,421	20,592	18,421	20,592
Accounts	2,120	696	2,120	696
Accrued interest	18,156	92,291	18,156	92,291
Due from other governments	1,426,891	1,770,529	1,426,891	1,770,529
Total Assets	<u>\$ 61,655,900</u>	<u>\$ 425,424,472</u>	<u>\$ 420,804,086</u>	<u>\$ 66,276,286</u>
Liabilities				
Accounts payable	\$ 917,918	\$ 896,807	\$ 945,408	\$ 869,317
Salaries payable	144,186	418,978	333,559	229,605
Compensated absences payable	981	-	981	-
Deferred compensation payable	35,547,725	6,076,330	2,201,868	39,422,187
Unapportioned taxes payable	1,425,940	1,263,500	1,425,940	1,263,500
Due to other governments	23,619,150	416,768,857	415,896,330	24,491,677
Total Liabilities	<u>\$ 61,655,900</u>	<u>\$ 425,424,472</u>	<u>\$ 420,804,086</u>	<u>\$ 66,276,286</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, 1996

	<u>1996</u>
General Fixed Assets	
Land	\$ 1,179,979
Buildings	52,427,200
Machinery and equipment	13,488,689
Vehicles	33,942,212
Construction in progress	<u>934,657</u>
Total General Fixed Assets	<u><u>\$ 101,972,737</u></u>
Investment In General Fixed Assets By Source	
General fund	\$ 44,638,547
Special revenue funds	53,199,242
Capital projects funds	934,657
Trust funds	<u>3,200,291</u>
Total Investment In Fixed Assets	<u><u>\$ 101,972,737</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 1996

	<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	353,088	-	354,345
Financial and other activities	-	-	1,036,138	155,028	1,191,166
Courthouses	<u>649,190</u>	<u>17,190,006</u>	<u>145,620</u>	<u>80,832</u>	<u>18,065,648</u>
Total General Government	<u>\$ 649,190</u>	<u>\$ 17,191,263</u>	<u>\$ 1,550,749</u>	<u>\$ 235,860</u>	<u>\$ 19,627,062</u>
Public Safety					
Police protection	\$ -	\$ 15,345,553	\$ 3,615,746	\$ 2,077,424	\$ 21,038,723
Civil defense	-	-	12,026	-	12,026
Other activities	-	-	31,982	-	31,982
Total Public Safety	<u>\$ -</u>	<u>\$ 15,345,553</u>	<u>\$ 3,659,754</u>	<u>\$ 2,077,424</u>	<u>\$ 21,082,731</u>
Highways	<u>\$ 417,086</u>	<u>\$ 10,078,798</u>	<u>\$ 3,753,379</u>	<u>\$ 30,408,061</u>	<u>\$ 44,657,324</u>
Health	<u>\$ -</u>	<u>\$ 779,040</u>	<u>\$ 160,059</u>	<u>\$ -</u>	<u>\$ 939,099</u>
Social Services	<u>\$ -</u>	<u>\$ 3,638,540</u>	<u>\$ 2,162,010</u>	<u>\$ 35,968</u>	<u>\$ 5,836,518</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>\$ 2,528,389</u>	<u>\$ 728,504</u>	<u>\$ 1,184,899</u>	<u>\$ 4,541,802</u>
Economic Development	<u>\$ 13,693</u>	<u>\$ 1,217,473</u>	<u>\$ 1,474,234</u>	<u>\$ -</u>	<u>\$ 2,705,400</u>
Construction-In-Progress	<u>\$ -</u>	<u>\$ 934,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 934,657</u>
Total General Fixed Assets	<u>\$ 1,179,879</u>	<u>\$ 53,361,857</u>	<u>\$ 13,488,689</u>	<u>\$ 33,942,212</u>	<u>\$ 101,972,737</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 1996

	General Fixed Assets Jan. 1, 1996	Additions	Deductions	General Fixed Assets Dec. 31, 1996
General Government				
Legislative	\$ 15,903	\$ -	\$ -	\$ 15,903
Judicial and legal	352,195	3,701	1,551	354,345
Financial and other activities	1,041,209	180,386	30,429	1,191,166
Courthouses	18,045,396	21,221	969	18,065,648
Total General Government	\$ 19,454,703	\$ 205,308	\$ 32,949	\$ 19,627,062
Public Safety				
Police protection	\$ 5,056,884	\$ 16,251,936	\$ 270,097	\$ 21,038,723
Civil defense	12,026	-	-	12,026
Other activities	32,512	-	530	31,982
Total Public Safety	\$ 5,101,422	\$ 16,251,936	\$ 270,627	\$ 21,082,731
Highways	\$ 42,350,575	\$ 3,220,322	\$ 913,573	\$ 44,657,324
Health	\$ 957,348	\$ 2,068	\$ 20,317	\$ 939,099
Social Services	\$ 5,592,939	\$ 385,800	\$ 142,221	\$ 5,836,518
Culture and Recreation	\$ 1,648,144	\$ -	\$ -	\$ 1,648,144
Conservation of Natural Resources	\$ 3,949,039	\$ 649,497	\$ 56,734	\$ 4,541,802
Economic Development	\$ 2,701,742	\$ 5,775	\$ 2,117	\$ 2,705,400
Construction-In-Progress	\$ 16,342,930	\$ 1,027,597	\$ 16,435,870	\$ 934,657
Total	\$ 98,098,842	\$ 21,748,303	\$ 17,874,408	\$ 101,972,737

Supplementary Schedules

Schedule of Investments
(Schedule 30)

Schedule of Intergovernmental Revenue
(Schedule 31)

Reader's notes:

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INVESTMENTS
DECEMBER 31, 1996

	<u>Interest Rates</u>	<u>Par Value</u>	<u>Cost</u>
Pooled Investments			
Money market savings account	3.94%	\$ 92,460	\$ 92,460
Certificates of deposit	4.93 - 5.67%	6,500,000	6,500,000
FHLBs	2.77 - 7.87%	12,683,091	12,663,665
FNMA's	5.35 - 7.34%	1,464,604	1,464,604
FFCB's	5.56 - 6.30%	3,500,000	3,492,480
REFCO's	6.25%	4,180,380	4,180,380
Treasury notes	5.625%	2,000,000	2,021,561
Total Pooled Investments		\$ 30,420,535	\$ 30,415,150
Solid Waste Management Enterprise Fund			
Certificates of deposit	5.42 - 5.72%	\$ 830,405	\$ 830,405
FHLBs	6.03%	500,000	500,000
FFCB's	5.22%	6,615,000	6,615,000
SLMA's	5.95%	1,000,000	1,001,249
Treasury notes	6.875%	1,230,000	1,230,000
Total Solid Waste Management Enterprise Fund		\$ 10,175,405	\$ 10,176,654
Property, Casualty, Liability Insurance			
Internal Service Fund			
Certificates of deposit	5.52 - 5.65%	\$ 800,000	\$ 800,000
FHLBs	5.43%	520,000	507,663
FNMA's	4.50 - 5.40%	1,150,000	1,150,000
FFCB's	6.00%	500,000	498,566
Total Property, Casualty, Liability Insurance			
Internal Service Fund		\$ 2,970,000	\$ 2,956,229
Worker's Compensation Insurance			
Internal Service Fund			
Certificates of deposit	5.47 - 5.62%	\$ 500,000	\$ 494,724
FHLMA's	6.375 - 7.86%	1,765,000	1,750,675
FNMA's	5.50 - 7.29%	1,900,000	1,896,734
Total Worker's Compensation Insurance			
Internal Service Fund		\$ 4,165,000	\$ 4,142,133
Medical/Dental Insurance Internal Service Fund			
FNMA's	5.44%	\$ 1,385,000	\$ 1,347,553
REFCO's	6.46 - 7.51%	1,176,432	1,176,432
Total Medical/Dental Insurance			
Internal Service Fund		\$ 2,561,432	\$ 2,523,985
Missing Heirs Trust Fund			
Savings account	2.37%	\$ 64,730	\$ 64,730
Patients' Escrow Trust Fund			
Certificates of deposit	4.59 - 5.20%	\$ 75,000	\$ 75,000
State of Minnesota Agency Fund			
Certificates of deposit	4.93 - 5.72%	\$ 8,158,597	\$ 8,158,597
REFCO's	5.22%	1,043,833	1,043,833
Treasury strip	5.33%	8,828,867	8,828,867
Total State of Minnesota Agency Fund		\$ 18,031,297	\$ 18,031,297
Total Investments		\$ 68,463,399	\$ 68,385,178

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 YEAR ENDED DECEMBER 31, 1996

	Special Revenue Funds				
	General Fund	Babbitt Facility	County Housing Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium
Shared revenue					
State					
30 percent rental income	\$ 102	\$ -	\$ 1	\$ -	\$ -
HACA - real estate	3,555,169	-	4,474	-	-
HACA - manufactured home	33,513	-	18	-	-
Police aid	621,615	-	-	-	-
Highway users tax	-	-	-	-	-
Mineral rents and royalties	84,061	-	-	-	-
Human service aid	-	-	-	-	-
Disparity aid	3,180,838	-	-	-	-
911 communications	87,131	-	-	-	-
Minnesota petro fund	-	7,222	-	-	-
State parks	-	-	-	-	-
Unorganized town road and bridge aid	-	-	-	-	-
Total Shared Revenue	\$ 7,562,429	\$ 7,222	\$ 4,493	\$ -	\$ -
Grants					
State grants					
Training reimbursement	\$ 30,631	\$ -	\$ -	\$ -	\$ -
4-H camp improvement	59,480	-	-	-	-
Crane Lake waste water	4,011	-	-	-	-
Special Indian health	31,998	-	-	-	-
Local water planning	8,733	-	-	-	-
CHS	716,570	-	-	-	-
Natural resources-boat & water	79,549	-	-	-	-
Criminal justice aid	787,741	-	-	-	-
Stream maintenance	250	-	-	-	-
Immunization action program	49,951	-	-	-	-
Cancer control	45,562	-	-	-	-
Natural resources block grant	45,910	-	-	-	-
Children's trust fund	453	-	-	-	-
Home visiting	37,940	-	-	-	-
Special medical assistance	53,703	-	-	-	-
Flexible funding	41,684	-	-	-	-
BWSR water plan	21,956	-	-	-	-
LCMR - health department	20,732	-	-	-	-
V.S.O. computer	2,199	-	-	-	-
Drug abuse resistance education	4,017	-	-	-	-
MN healthy communities	5,595	-	-	-	-
Northwest Airlines DTED	82,421	-	-	-	-
Americorps	8,585	-	-	-	-
Brown community dry hydrants	-	-	-	-	-
State trail assistance grant	215,854	-	-	-	-
Family homelessness prevention and assistance program	174,931	-	-	-	-
Forest road access	-	-	-	-	-
DNR wind storm	-	-	-	-	-
State SCORE grant	-	-	-	-	-
General assistance - medical care	-	-	-	-	-
AFDC child care	-	-	-	-	-
Medical assistance	-	-	-	-	-
Stride employment and training	-	-	-	-	-
Basic sliding fee-child care	-	-	-	-	-
Family preservation block grant	-	-	-	-	-
Family preservation aid	-	-	-	-	-
Collaborative implementation	-	-	-	-	-
Subtotal	\$ 2,530,456	\$ -	\$ -	\$ -	\$ -

		Debt Service Funds		Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	Total
Road and Bridge	Social Services	Babbitt Facility Refunding	Correctional Facilities Bond				
\$ 39	\$ 79	\$ 1	\$ 3	\$ 17	\$ -	\$ -	\$ 242
1,908,362	2,827,763	13,673	115,256	115,026	-	-	8,539,723
17,990	26,656	129	1,087	1,085	-	-	80,478
-	-	-	-	-	-	-	621,615
18,269,530	-	-	-	-	-	-	18,269,530
-	-	-	-	-	-	-	84,061
-	5,085,624	-	-	-	-	-	5,085,624
1,707,427	2,530,022	12,233	103,120	102,915	-	-	7,636,555
-	-	-	-	-	-	-	87,131
257,636	-	-	-	-	-	-	264,858
95,524	-	-	-	-	-	-	95,524
11,413	-	-	-	-	-	-	11,413
<u>\$ 22,267,921</u>	<u>\$ 10,470,144</u>	<u>\$ 26,036</u>	<u>\$ 219,466</u>	<u>\$ 219,043</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,776,754</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,631
-	-	-	-	-	-	-	59,480
-	-	-	-	-	-	-	4,011
-	-	-	-	-	-	-	31,998
-	-	-	-	-	-	-	8,733
-	-	-	-	-	-	-	716,570
-	-	-	-	-	-	-	79,549
-	-	-	-	-	-	-	787,741
-	-	-	-	-	-	-	250
-	-	-	-	-	-	-	49,951
-	-	-	-	-	-	-	45,562
-	-	-	-	-	-	-	45,910
-	-	-	-	-	-	-	453
-	-	-	-	-	-	-	37,940
-	-	-	-	-	-	-	53,703
-	-	-	-	-	-	-	41,684
-	-	-	-	-	-	-	21,956
-	-	-	-	-	-	-	20,732
-	-	-	-	-	-	-	2,199
-	-	-	-	-	-	-	4,017
-	-	-	-	-	-	-	5,595
-	-	-	-	-	-	-	82,421
-	-	-	-	-	-	-	8,585
3,985	-	-	-	-	-	-	3,985
-	-	-	-	-	-	-	215,854
-	-	-	-	-	-	-	174,931
-	-	-	-	-	-	35,021	35,021
-	-	-	-	-	-	41,700	41,700
-	-	-	-	-	565,291	-	565,291
-	34,920	-	-	-	-	-	34,920
-	659,613	-	-	-	-	-	659,613
-	489,499	-	-	-	-	-	489,499
-	647,604	-	-	-	-	-	647,604
-	1,383,607	-	-	-	-	-	1,383,607
-	361,010	-	-	-	-	-	361,010
-	109,922	-	-	-	-	-	109,922
-	187,242	-	-	-	-	-	187,242
<u>\$ 3,985</u>	<u>\$ 3,873,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 565,291</u>	<u>\$ 76,721</u>	<u>\$ 7,049,870</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 YEAR ENDED DECEMBER 31, 1996

	Special Revenue Funds				
	General Fund	Babbitt Facility	County Housing Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium
Grants (continued)					
State grants (continued)					
Child support health inc. bonus	\$ -	\$ -	\$ -	\$ -	\$ -
Children's mental health-TEFRA	-	-	-	-	-
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	-	-	-	-	-
MMIS II	-	-	-	-	-
Moose Lake flexible funding	-	-	-	-	-
Moose Lake SOS	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Duluth family services collaborative - library	-	-	-	-	-
MI case management	-	-	-	-	-
Construction	-	-	-	-	-
Total State Grants	\$ 2,530,456	\$ -	\$ -	\$ -	\$ -
Grants					
Federal grants					
WIC	\$ 416,219	\$ -	\$ -	\$ -	\$ -
Food stamps	35,997	-	-	-	-
National forest lands - schools and roads	-	-	-	-	-
National forest lands	304,324	-	-	-	-
CDBG	-	-	-	2,034,266	-
Emergency shelter grant	209,048	-	-	-	-
HOME	-	-	-	-	1,178,999
Criminal apprehension	241,000	-	-	-	-
Subtotal	\$ 1,206,588	\$ -	\$ -	\$ 2,034,266	\$ 1,178,999

		Debt Service Funds		Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	Total
Road and Bridge	Social Services	Babbitt Facility Refunding	Correctional Facilities Bond				
\$ -	\$ 13,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,750
-	10,439	-	-	-	-	-	10,439
-	17,551	-	-	-	-	-	17,551
-	48,396	-	-	-	-	-	48,396
-	37,278	-	-	-	-	-	37,278
-	3,904,578	-	-	-	-	-	3,904,578
-	70,898	-	-	-	-	-	70,898
-	15,357	-	-	-	-	-	15,357
-	1,116,998	-	-	-	-	-	1,116,998
-	766,166	-	-	-	-	-	766,166
-	83,286	-	-	-	-	-	83,286
-	43,394	-	-	-	-	-	43,394
-	222,548	-	-	-	-	-	222,548
-	8,731	-	-	-	-	-	8,731
-	148,365	-	-	-	-	-	148,365
-	187,043	-	-	-	-	-	187,043
-	548,288	-	-	-	-	-	548,288
-	42,725	-	-	-	-	-	42,725
-	3,437	-	-	-	-	-	3,437
-	440,075	-	-	-	-	-	440,075
-	6,671	-	-	-	-	-	6,671
-	113,244	-	-	-	-	-	113,244
-	1,446	-	-	-	-	-	1,446
-	5,715	-	-	-	-	-	5,715
-	4,577	-	-	-	-	-	4,577
-	1,093,627	-	-	-	-	-	1,093,627
-	1,659,420	-	-	-	-	-	1,659,420
-	5,500	-	-	-	-	-	5,500
-	2,983	-	-	-	-	-	2,983
-	87,398	-	-	-	-	-	87,398
1,624,482	-	-	-	-	-	-	1,624,482
\$ 1,628,467	\$ 14,583,301	\$ -	\$ -	\$ -	\$ 565,291	\$ 76,721	\$ 19,384,236
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 416,219
-	1,965,990	-	-	-	-	-	2,001,987
178,409	-	-	-	-	-	-	178,409
-	-	-	-	-	-	-	304,324
-	-	-	-	-	-	-	2,034,266
-	-	-	-	-	-	-	209,048
-	-	-	-	-	-	-	1,178,999
-	-	-	-	-	-	-	241,000
\$ 178,409	\$ 1,965,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,564,252

(continued)

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 YEAR ENDED DECEMBER 31, 1996

	Special Revenue Funds				
	General Fund	Babbitt Facility	County Housing Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium
Grants (continued)					
Federal					
Duluth area traffic safety	\$ 27,594	\$ -	\$ -	\$ -	\$ -
Greater St. Louis County traffic safety	42,086	-	-	-	-
Hazardous material training	2,500	-	-	-	-
RSVP	-	-	-	-	-
Emergency management	34,450	-	-	-	-
Home delivered meals	-	-	-	-	-
HIV/Aids	4,936	-	-	-	-
Homeless MI	-	-	-	-	-
AFDC	28,561	-	-	-	-
AFDC - child care	-	-	-	-	-
Stride	519	-	-	-	-
Child support	68,432	-	-	-	-
Refugee assistance	-	-	-	-	-
Child care block grant	-	-	-	-	-
Family preservation block grant	-	-	-	-	-
Foster care IV - E	13,495	-	-	-	-
Title XX block grant	-	-	-	-	-
SELF	-	-	-	-	-
Medical assistance	27,166	-	-	-	-
CD case management	-	-	-	-	-
Children's mental health block grant	-	-	-	-	-
MCH	243,175	-	-	-	-
Construction	-	-	-	-	-
Total Federal grants	\$ 1,699,502	\$ -	\$ -	\$ 2,034,266	\$ 1,178,999
Other grants					
Local	\$ 37,849	\$ -	\$ -	\$ -	\$ -
Total Grants	\$ 4,267,807	\$ -	\$ -	\$ 2,034,266	\$ 1,178,999
Total Intergovernmental Revenue	\$ 11,830,236	\$ 7,222	\$ 4,493	\$ 2,034,266	\$ 1,178,999

		Debt Service Funds		Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	Total
Road and Bridge	Social Services	Babbitt Facility Refunding	Correctional Facilities Bond				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,594
-	-	-	-	-	-	-	42,086
-	-	-	-	-	-	-	2,500
-	54,043	-	-	-	-	-	54,043
-	-	-	-	-	-	-	34,450
-	156,909	-	-	-	-	-	156,909
-	-	-	-	-	-	-	4,936
-	25,199	-	-	-	-	-	25,199
-	1,516,346	-	-	-	-	-	1,544,907
-	1,332,077	-	-	-	-	-	1,332,077
-	510,260	-	-	-	-	-	510,779
-	2,452,966	-	-	-	-	-	2,521,398
-	8,247	-	-	-	-	-	8,247
-	837,365	-	-	-	-	-	837,365
-	161,092	-	-	-	-	-	161,092
-	2,798,386	-	-	-	-	-	2,811,881
-	2,137,889	-	-	-	-	-	2,137,889
-	23,426	-	-	-	-	-	23,426
-	5,248,910	-	-	-	-	-	5,276,076
-	64,220	-	-	-	-	-	64,220
-	36,241	-	-	-	-	-	36,241
-	-	-	-	-	-	-	243,175
3,078,183	-	-	-	-	-	-	3,078,183
<u>\$ 3,256,592</u>	<u>\$ 19,329,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,498,925</u>
<u>\$ 21,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,388</u>
<u>\$ 4,906,598</u>	<u>\$ 33,912,867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 565,291</u>	<u>\$ 76,721</u>	<u>\$ 46,942,549</u>
<u>\$ 27,174,519</u>	<u>\$ 44,383,011</u>	<u>\$ 26,036</u>	<u>\$ 219,466</u>	<u>\$ 219,043</u>	<u>\$ 565,291</u>	<u>\$ 76,721</u>	<u>\$ 87,719,303</u>

Reader's notes:

STATISTICAL SECTION

Statistical Section

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

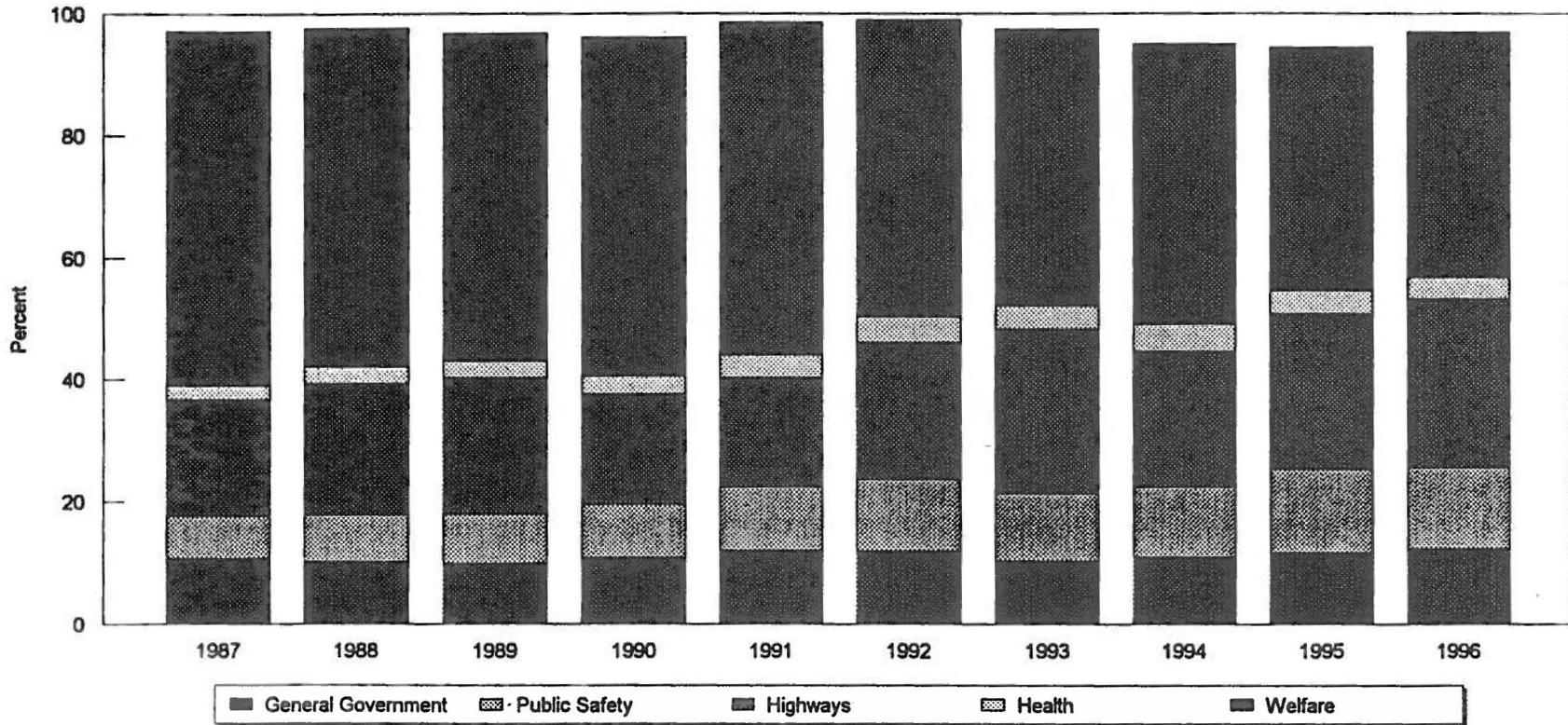
IN DOLLARS										
Fiscal Year	General Government	Public Safety	Highways	Health	Welfare	Sanitation (2)	Culture and Recreation	Conservation of Natural Resources	Economic Development	Total Expenditures
1987	14,360,480	9,353,630	25,445,243	2,979,693	77,904,108	1,012,402	309,601	2,121,001	282,184	133,768,342
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
1996	20,079,314	21,378,055	44,679,228	5,611,658	65,129,489	-	898,492	818,803	3,401,781	161,996,820

IN PERCENTAGES										
Fiscal Year	General Government	Public Safety	Highways	Health	Welfare	Sanitation (2)	Culture and Recreation	Conservation of Natural Resources	Economic Development	Total Expenditures
1987	10.7%	7.0%	19.0%	2.2%	58.2%	0.8%	0.2%	1.6%	0.2%	100.0%
1988	10.2%	7.7%	21.4%	2.7%	55.6%	0.8%	0.2%	1.3%	0.1%	100.0%
1989	10.0%	8.0%	22.3%	2.7%	53.7%	0.6%	0.2%	1.2%	1.3%	100.0%
1990	10.9%	8.7%	18.0%	2.9%	55.6%	1.4%	0.2%	1.1%	1.1%	100.0%
1991	12.1%	10.3%	17.9%	3.7%	54.6%	0.0%	0.3%	0.4%	0.7%	100.0%
1992	12.0%	11.7%	22.4%	4.2%	48.6%	0.0%	0.3%	0.4%	0.4%	100.0%
1993	10.3%	11.1%	26.9%	3.8%	45.3%	0.0%	0.3%	0.3%	2.1%	100.0%
1994	11.0%	11.4%	22.3%	4.4%	45.9%	0.0%	0.4%	0.4%	4.3%	100.0%
1995	11.7%	13.6%	25.5%	3.8%	39.8%	0.0%	0.4%	0.5%	4.7%	100.0%
1996	12.4%	13.2%	27.6%	3.5%	40.2%	0.0%	0.6%	0.5%	2.0%	100.0%

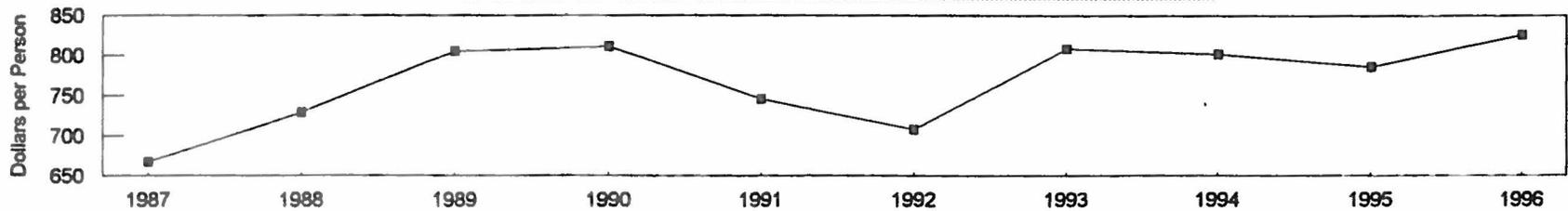
(1) Includes the General Fund and Special Revenue Funds.
(2) Reclassified as Enterprise Fund in 1991.

Unaudited

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
Major Categories Only



GENERAL GOVERNMENTAL EXPENDITURES PER CAPITA



Unaudited

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 Forfeits	Gifts and Contributions	Interest on Investments	Miscellaneous	Total Revenue
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
1996	65,054,565	132,057	86,612,746	7,138,403	888,913	18,924	2,622,288	1,999,446	164,467,342

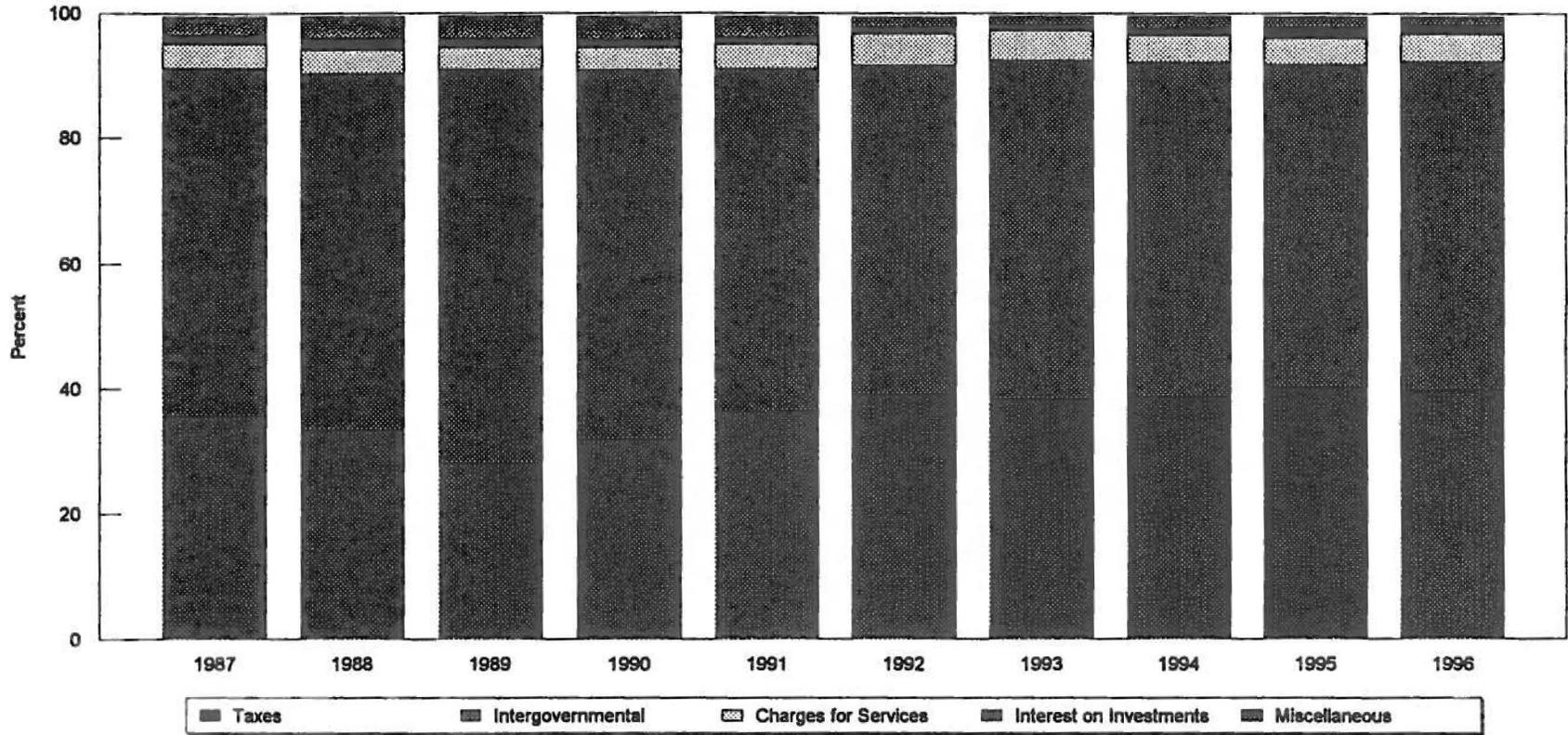
IN PERCENTAGES

Fiscal Year	Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeits	Gifts and Contributions	Interest on Investments	Miscellaneous	Total
1987	35.7%	0.1%	55.5%	3.8%	0.5%	0.0%	1.5%	2.9%	100.0%
1988	33.4%	0.1%	56.9%	3.7%	0.4%	0.0%	2.0%	3.4%	100.0%
1989	28.0%	0.1%	63.0%	3.4%	0.4%	0.0%	1.6%	3.5%	100.0%
1990	31.9%	0.1%	59.0%	3.5%	0.5%	0.0%	1.4%	3.6%	100.0%
1991	36.3%	0.1%	54.8%	3.8%	0.5%	0.0%	1.3%	3.2%	100.0%
1992	39.2%	0.1%	52.4%	5.0%	0.5%	0.0%	1.3%	1.4%	100.0%
1993	38.3%	0.1%	54.2%	4.7%	0.5%	0.0%	1.0%	1.4%	100.0%
1994	38.8%	0.1%	53.4%	4.2%	0.5%	0.0%	1.3%	1.8%	100.0%
1995	40.1%	0.1%	51.7%	4.2%	0.5%	0.0%	1.8%	1.6%	100.0%
1996	39.6%	0.1%	52.7%	4.3%	0.5%	0.0%	1.6%	1.2%	100.0%

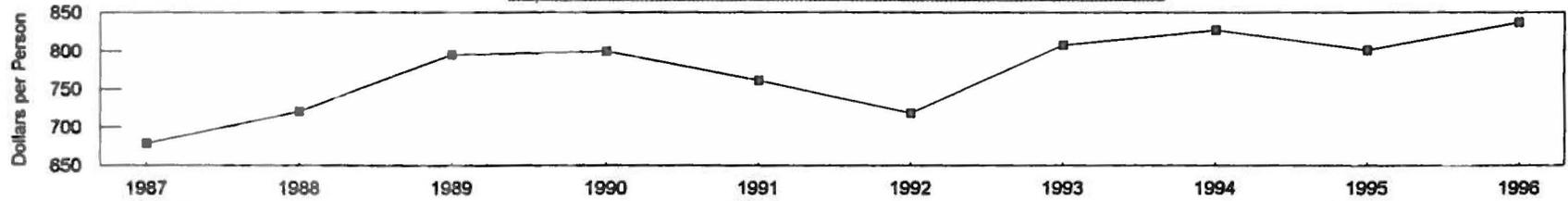
(1) Includes the General Fund and Special Revenue Funds.

Unaudited

GENERAL GOVERNMENTAL REVENUES BY SOURCE
Major Categories Only



GENERAL GOVERNMENTAL REVENUES PER CAPITA



Unaudited

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

PROPERTY TAX LEVY (COUNTY ONLY)

Collection Year	Certified County Levy (1)	Less Tax Credits and Certain State Aids (2)	Net levy
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
1996	60,754,766	10,234,979	50,519,787

COLLECTIONS

Collection Year	Current Tax Collections (3)	Delinquent Tax Collections	Total Tax Collections	Outstanding Delinquent Taxes
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
1996	49,036,725	1,316,271	50,352,996	3,551,464

RATIOS

Collection Year	Current Tax Collections (3) 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
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%
1996	97.06%	2.61%	99.67%	7.03%

- (1) In 1994 through 1996 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 through 1996 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
ESTIMATED MARKET VALUE AND ASSESSED VALUE/TAX CAPACITY (1) OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

ESTIMATED MARKET VALUE INCLUDING CAPTURED INCREMENT (2)

Collection Year	Property Outside the City of Duluth	Property Within the City of Duluth	Total
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
1996	2,981,904,564	2,096,250,700	5,078,155,264

ASSESSED VALUE/TAXABLE TAX CAPACITY (1) EXCLUDING CAPTURED INCREMENT

Collection Year	Property Outside the City of Duluth	Property Within the City of Duluth	Total
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
1996	52,344,691	34,805,732	87,150,423

RATIOS

Collection Year	Total Assessed Value/ Tax Capacity (1) as a Percent of Total Estimated Market Value (2)	Percent of Total Assessed Value/Tax Capacity (1)	
		Property Outside the City of Duluth	Property Within the City of Duluth
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%
1996	1.72%	60.06%	39.94%

(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 Year	TAX LEVIES (2) (In Dollars)				
	Cities/Towns Including TIF	Special Districts	School Districts	County	Total Combined
Tax levies before deducting State paid credits.					
1987	36,301,168	1,604,690	40,128,936	53,487,409	131,522,203
1988	40,630,080	1,649,269	39,950,607	53,528,877	135,758,833
1989	27,787,832	226,056	34,398,034	47,512,237	109,924,159
Tax levies after State aid and State paid credits. Disparity reduction aid has not been deducted.					
1990	24,891,061	247,060	27,565,185	39,853,212	92,556,518
1991	24,521,748	528,769	26,261,927	44,484,344	95,796,788
1992	25,729,718	631,770	28,893,039	46,907,625	102,162,152
1993	29,536,666	768,772	37,684,644	50,726,792	118,716,874
1994	30,423,557	947,303	39,766,456	53,023,791	124,161,107
1995	31,492,754	1,047,256	45,075,285	52,955,665	130,570,960
1996	33,347,763	1,105,749	46,376,479	52,979,021	133,809,012

TAX RATES PER \$100 OF ASSESSED VALUATION/TAX CAPACITY (3)

Tax Year	Cities / Towns	Special Districts	School Districts	County	Total Combined (1)
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
1996	25.8270	1.2678	50.3091	60.7425	138.1464

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

(2) Power line levies are not included.

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

Unaudited

ST. LOUIS COUNTY, MINNESOTA
LIMITED MARKET VALUE AND TAX CAPACITY BY PROPERTY TYPE
YEAR ENDED DECEMBER 31, 1996

	Limited Market Value		Tax Capacity	
	Dollar Value	Percent of Total	Dollar Value	Percent of Total
Real Estate				
Residential	\$ 3,452,366,800	67.97%	\$ 41,020,509	43.15%
Multiple Dwelling	161,904,600	3.19%	4,803,144	5.05%
Commercial/Industrial	601,387,600	11.84%	24,920,176	26.21%
Timberlands	79,494,300	1.57%	1,196,109	1.26%
Agricultural	60,457,400	1.19%	500,163	0.53%
Public Utilities / Miscellaneous	138,443,900	2.73%	6,359,794	6.69%
Seasonal Residential Recreational	380,774,200	7.50%	7,912,355	8.32%
Seasonal Residential				
Recreational- Commercial	21,627,700	0.43%	306,871	0.32%
Total Real Estate	\$ 4,896,456,500	96.42%	\$ 87,019,121	91.53%
Personal Property	\$ 181,907,000	3.58%	\$ 8,055,285	8.47%
Total Real Estate & Personal Property	\$ 5,078,363,500	100.00%	\$ 95,074,406	100.00%
Exempt Real Estate	\$ 723,979,900			

Source: St. Louis County Assessor

ST. LOUIS COUNTY, MINNESOTA
PRINCIPAL TAXPAYERS

The ten largest tax payers in St. Louis County are as follows:

Taxpayer	Taxable Tax Capacity as of 1997 Tax Roll (1)	Percentage of Total
Minnesota Power	\$ 8,022,247	8.65%
Lake Superior Paper Industries	1,974,532	2.13%
Great Lakes Gas Trans Ltd	1,466,679	1.58%
Northern State Power	1,297,196	1.40%
Square Butte Electric Co-op	1,017,541	1.10%
DW&P Railroad	1,070,816	1.16%
United Power Association	831,189	0.90%
Miller Hill Mall Company	814,864	0.88%
Duluth Clinic	660,285	0.71%
DM&IR Railway	595,692	0.64%
Total Taxable Tax Capacity of Ten Largest Taxpayers	\$ 17,751,041	19.15%
Total Taxable Tax Capacity of Other Taxpayers	\$ 74,938,058	80.85%
Total Taxable Tax Capacity of All Taxpayers	\$ 92,689,099	100.00%

(1) Taxable tax capacity does not include tax capacity for power lines or tax increment financing.

Unaudited

**ST. LOUIS COUNTY, MINNESOTA
COMPUTATION OF LEGAL DEBT MARGIN
YEAR ENDED DECEMBER 31, 1996**

Market Value of Taxable Property		\$ 5,078,155,264
Debt Limit:		
Two Percent of Market Value of Taxable Property (1)		\$ 101,563,105
Amount of Debt Applicable to Debt Limit:		
General Obligation Debt (At Par)	\$ 26,335,000	
Less:		
Fund Balance in Debt Service Funds	453,667	
Restricted Assets in Applicable Enterprise Funds (2)	<u>2,945,748</u>	
Total Amount of Debt Applicable to Debt Limit		<u>22,935,585</u>
Legal Debt Margin		<u>\$ 78,627,520</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 \$10,840,000 less \$148,858 unamortized discount are carried in the Enterprise Funds. These bonds are carried at par of \$10,840,000 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 1995 State of Minnesota Duluth Airport Lease Revenue Bonds Series 1995E as it is a County liability on a contingency basis only.

ST. LOUIS COUNTY, MINNESOTA
COMPUTATION OF DIRECT, OVERLAPPING AND UNDERLYING DEBT
GENERAL OBLIGATION AND GENERAL OBLIGATION REVENUE BONDS ONLY
YEAR ENDED DECEMBER 31, 1996

	Total Debt Outstanding (1)	Percent Applicable to St. Louis County (2)	Amount
Direct Debt			
St. Louis County (3)	\$ 26,186,142	100.00%	\$ 26,186,142
Overlapping Debt			
School District #94	\$ 6,350,000	2.79%	\$ 177,165
School District #381	933,814	17.84%	166,592
School District #698	3,975,000	92.97%	3,695,558
School District #2142	5,070,000	99.80%	5,059,860
Western Lake Superior Sanitary District	34,015,220	81.05%	27,569,336
	<u>\$ 50,344,034</u>		<u>\$ 36,668,511</u>
Underlying Debt			
City of Buhl	\$ 220,000	100.00%	\$ 220,000
City of Chisholm	3,119,633	100.00%	3,119,633
City of Cook	135,000	100.00%	135,000
City of Duluth	47,520,582	100.00%	47,520,582
City of Ely	930,000	100.00%	930,000
City of Eveleth	2,439,041	100.00%	2,439,041
City of Floodwood	185,000	100.00%	185,000
City of Hermantown	3,505,000	100.00%	3,505,000
City of Hibbing	6,125,000	100.00%	6,125,000
City of Hoyt Lakes	635,000	100.00%	635,000
City of Proctor	140,000	100.00%	140,000
City of Tower	341,000	100.00%	341,000
City of Virginia	21,100,000	100.00%	21,100,000
Town of Greenwood	81,500	100.00%	81,500
Town of Rice Lake	2,515,000	100.00%	2,515,000
School District #695	385,968	100.00%	385,968
School District #696	605,000	100.00%	605,000
School District #700	7,000,000	100.00%	7,000,000
School District #701	5,140,000	100.00%	5,140,000
School District #704	4,210,000	100.00%	4,210,000
School District #706	11,220,000	100.00%	11,220,000
School District #709	45,795,000	100.00%	45,795,000
School District #712	2,025,000	100.00%	2,025,000
School District #2154	795,867	100.00%	795,867
Virginia Housing and Redevelopment Authority	1,835,000	100.00%	1,835,000
	<u>\$ 168,003,591</u>		<u>\$ 168,003,591</u>
Total	<u>\$ 244,533,767</u>		<u>\$ 230,858,244</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 \$148,858.
- (2) The percentage reflects the portion of the general obligation debt which is secured by taxable real estate located within the County.
- (3) This figure does not include the 1995 State of Minnesota Duluth Airport Lease Revenue Bonds Series 1995E for which the County is contingently liable.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
DEBT PAYMENTS
NEXT FIFTEEN YEARS

Fiscal Year	General Long Term Bonded Debt (1)		Fund Long Term Bonded Debt (2)		Capital Leases (3)		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
1997	\$ 915,000	\$ 772,140	\$ 1,130,000	\$ 448,700	\$ 364,295	\$ 91,271	\$ 3,721,406
1998	955,000	728,016	1,225,000	326,830	370,608	80,233	3,685,687
1999	1,005,000	681,709	920,000	273,322	381,880	68,961	3,330,872
2000	1,065,000	633,015	925,000	231,412	393,496	57,345	3,305,268
2001	1,130,000	581,272	970,000	188,567	405,464	45,377	3,320,680
2002	1,195,000	526,178	1,020,000	142,460	417,797	33,044	3,334,479
2003	1,265,000	467,207	1,080,000	92,255	430,504	20,337	3,355,303
2004	1,335,000	404,600	600,000	38,485	443,598	7,243	2,828,926
2005	1,415,000	338,340	130,000	8,125	-	-	1,891,465
2006	1,495,000	267,695	-	-	-	-	1,762,695
2007	1,585,000	192,883	-	-	-	-	1,777,883
2008	1,680,000	113,170	-	-	-	-	1,793,170
2009	280,000	28,220	-	-	-	-	308,220
2010	175,000	9,100	-	-	-	-	184,100
2011	-	-	-	-	-	-	-
Total	\$ 15,495,000	\$ 5,743,545	\$ 8,000,000	\$ 1,750,156	\$ 3,207,642	\$ 403,811	\$34,600,154

(1) Does not include the \$2,710,000 1995 State of Minnesota Duluth Airport Lease Revenue Bonds Series 1995E for which St. Louis County is contingently liable. See Table 12 for more detail.

(2) Does not include \$2,840,000 in refunded Solid Waste Bonds not yet callable and held in an escrow account. See Table 12 for more detail.

(3) Includes rental of Northland Building and office equipment. See Table 11 for more detail.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
LEASE OBLIGATIONS
YEAR ENDED DECEMBER 31, 1996

CAPITAL LEASES

Year Ended	Northland Office Building		Office Equipment	
	Principal	Interest	Principal	Interest
1997	\$ 359,668	\$ 91,173	\$ 4,627	\$ 98
1998	370,608	80,233	-	-
1999	381,880	68,961	-	-
2000	393,496	57,345	-	-
2001	405,464	45,377	-	-
2002	417,797	33,044	-	-
2003	430,504	20,337	-	-
2004	443,598	7,243	-	-
Total	\$ 3,203,015	\$ 403,713	\$ 4,627	\$ 98

OPERATING LEASES

Year Ended	Future Minimum Lease Payments			
	Office and Parking Space	Data Processing Software	Vehicles	Total
1997	\$ 1,307,483	\$ 295,174	\$ 8,435	\$ 1,611,092
1998	1,307,483	295,174	8,435	1,611,092
1999	1,307,483	295,174	8,435	1,611,092
2000	1,307,483	295,174	8,435	1,611,092
2001	1,302,983	295,174	8,435	1,606,592
Total	\$ 6,532,915	\$ 1,475,870	\$ 42,175	\$ 8,050,960
Current year expenditures	\$ 1,289,570	\$ 288,373	\$ 8,435	\$ 1,586,378

Unaudited

ST. LOUIS COUNTY, MINNESOTA
BONDED DEBT PAYMENT SCHEDULE (1)
NEXT FIFTEEN YEARS

Fiscal Year	General Long Term Bonded Debt					
	Babbitt Facility (2)		Jail Bond (3)		Arrowhead Juvenile Center (4)	
	Principal	Interest	Principal	Interest	Principal	Interest
1997	\$ 35,000	\$ 79,415	\$ 830,000	\$ 618,557	\$ 50,000	\$ 74,168
1998	40,000	76,300	865,000	579,548	50,000	72,168
1999	40,000	72,700	905,000	538,892	60,000	70,117
2000	45,000	69,060	945,000	496,358	75,000	67,597
2001	50,000	64,920	990,000	451,942	90,000	64,410
2002	55,000	60,270	1,040,000	405,413	100,000	60,495
2003	60,000	55,100	1,095,000	356,012	110,000	56,095
2004	65,000	49,400	1,150,000	304,000	120,000	51,200
2005	75,000	43,225	1,210,000	249,375	130,000	45,740
2006	80,000	36,100	1,275,000	191,900	140,000	39,695
2007	90,000	28,500	1,345,000	131,338	150,000	33,045
2008	100,000	19,950	1,420,000	67,450	160,000	25,770
2009	110,000	10,450	-	-	170,000	17,770
2010	-	-	-	-	175,000	9,100
2011	-	-	-	-	-	-
Total	\$ 845,000	\$ 665,390	\$ 13,070,000	\$ 4,390,785	\$ 1,580,000	\$ 687,370

(1) Does not include \$2,840,000 in refunded Solid Waste Bonds not yet callable and held in an escrow account, or the \$2,710,000 1995 State of Minnesota Duluth Airport Lease Revenue Bonds Series 1995E for which St. Louis County is contingently liable.

(2) 1989 General Obligation Babbitt Recycling Facility Refunding Bonds, original issue of \$1,015,000, interest rates of 8.5 to 9.5%, taxable, call date of 12-01-2000.

(3) Jail Revenue Bonds (St. Louis County Unlimited Tax Lease Obligations) of the Housing and Redevelopment Authority, original issue of \$14,635,000, interest rates of 4.7 to 4.75%, tax-exempt, call date of 12-01-2002.

(4) 1995 General Obligation Bonds for remodeling, original issue of \$1,580,000, interest rates of 4.0 to 5.2%, tax-exempt, call date of 12-01-2003.

Unaudited

Fund Long Term Bonded Debt						
Solid Waste (5)		Nopeming Nursing Home (6)		Total		Total Principal and Interest
Principal	Interest	Principal	Interest	Principal	Interest	
\$ 1,095,000	\$ 440,935	\$ 35,000	\$ 7,765	\$ 2,045,000	\$ 1,220,840	\$ 3,265,840
1,185,000	321,410	40,000	5,420	2,180,000	1,054,846	3,234,846
880,000	270,602	40,000	2,720	1,925,000	955,031	2,880,031
925,000	231,412	-	-	1,990,000	864,427	2,854,427
970,000	188,567	-	-	2,100,000	769,839	2,869,839
1,020,000	142,460	-	-	2,215,000	668,638	2,883,638
1,080,000	92,255	-	-	2,345,000	559,462	2,904,462
600,000	38,485	-	-	1,935,000	443,085	2,378,085
130,000	8,125	-	-	1,545,000	346,465	1,891,465
-	-	-	-	1,495,000	267,695	1,762,695
-	-	-	-	1,585,000	192,883	1,777,883
-	-	-	-	1,680,000	113,170	1,793,170
-	-	-	-	280,000	28,220	308,220
-	-	-	-	175,000	9,100	184,100
-	-	-	-	-	-	-
\$ 7,885,000	\$ 1,734,251	\$ 115,000	\$ 15,905	\$ 23,495,000	\$ 7,493,701	\$ 30,988,701

- (5) a) 1989 General Obligation Solid Waste Bonds for closure costs and transfer station construction, original issue of \$3,510,000, interest rates of 6.4 to 7.1%, tax-exempt, not callable, partially refunded by 1993 Full Crossover Advance Refunding Bonds, legal defeasance occurs on 12-01-98 crossover date.
- b) 1989 General Obligation Solid Waste Bonds for closure costs and transfer station construction, original issue of \$1,310,000, interest rates of 5.9 to 6.9%, tax-exempt, not callable, partially refunded by 1993 Full Crossover Advance Refunding Bonds, legal defeasance occurs on 12-01-98 crossover date.
- c) 1991 General Obligation Solid Waste Bonds for transfer station construction, original issue of \$1,255,000, interest rates of 4.0 to 6.25%, tax-exempt, call date of 06-01-2000.
- d) 1993 General Obligation Solid Waste Bonds for regional landfill construction, original issue of \$5,535,000, interest rates of 3.0 to 5.0%, tax-exempt, call date of 12-01-2000.
- e) 1993 General Obligation Full Crossover Advance Refunding Bonds Series 1993A for partial refunding of 5a) and 5b) above, original issue of \$2,290,000, interest rates of 4.0 to 4.8%, tax-exempt, call date of 12-01-2001.
- (6) 1989 General Obligation New Money Issue Bonds for building improvements, original issue of \$305,000, interest rates of 6.4 to 6.8%, tax-exempt, call date of 12-01-97.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
GENERAL OBLIGATION REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(IN DOLLARS)

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
1996	8,584,190	8,481,473	102,717	35,000	10,075	45,075	2.28

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
1996	7,312,885	3,105,205	4,207,680	1,030,000	619,561	1,649,561	2.55

(1) Includes operating and non-operating revenue.

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

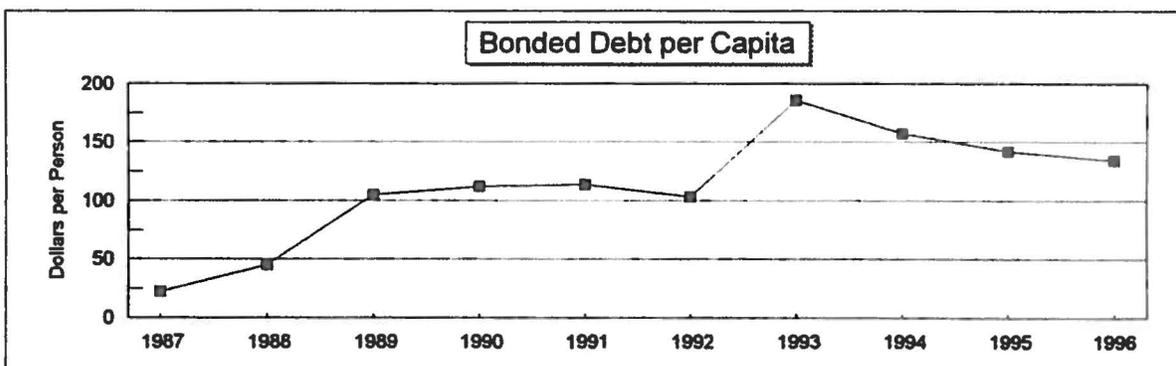
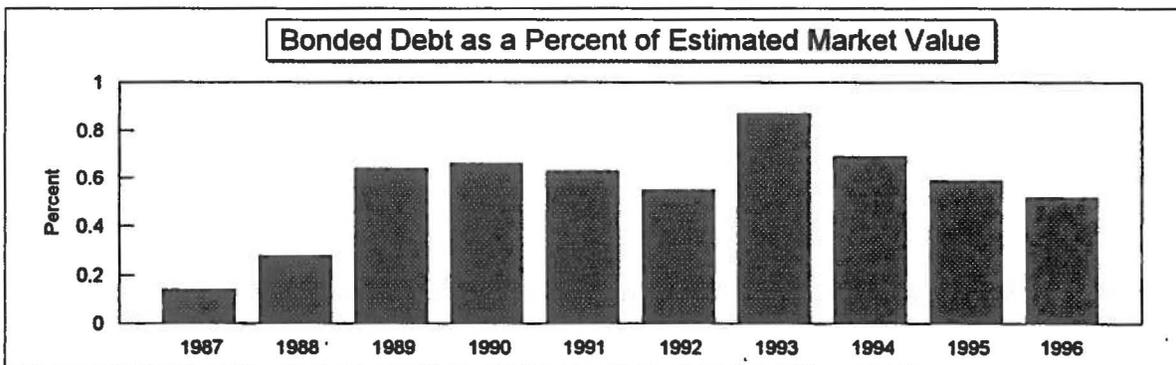
Unaudited

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
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	3,743,207,450	0.55%	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 (2)	4,806,552,900	0.59%	198,866	141.93
1996	26,335,000 (2)	5,078,155,264	0.52%	196,414	134.08

(1) Includes captured increment.

(2) Excludes 1995 State of Minnesota Duluth Airport Lease Revenue Bonds Series 1995E.

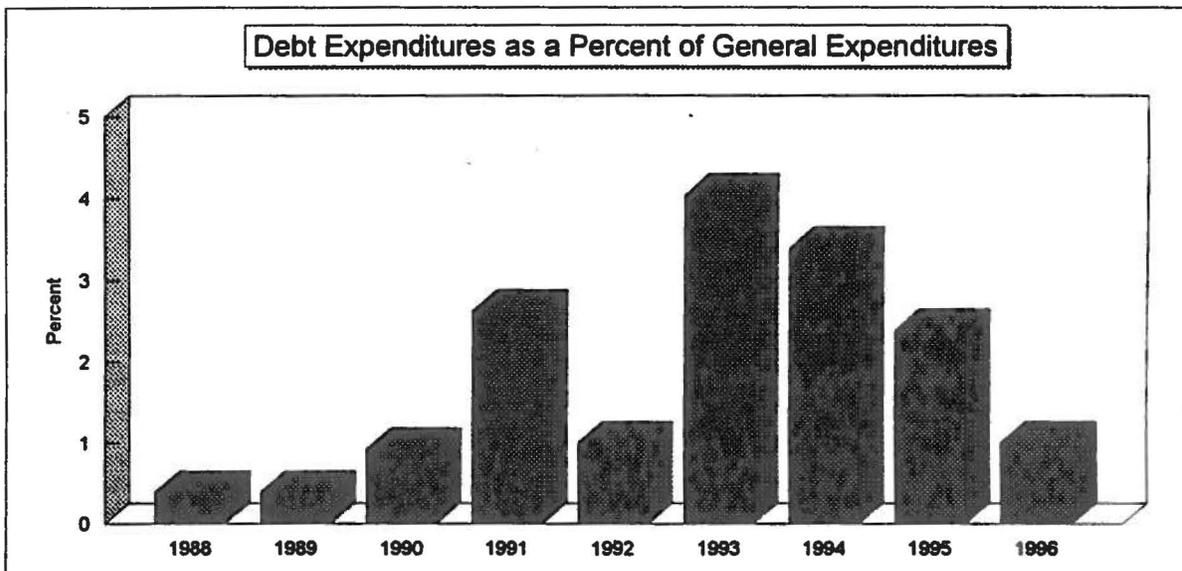


Unaudited

ST. LOUIS COUNTY, MINNESOTA
DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT (1)
LAST TEN FISCAL YEARS

Year	Principal	Interest	Total Debt Service Expenditures	Total General Expenditures (2)	Debt Service Expenditures As a Percent of General Expenditures
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 (3)	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 (4)	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%
1996	825,000	812,145	1,637,145	161,996,820	1.01%

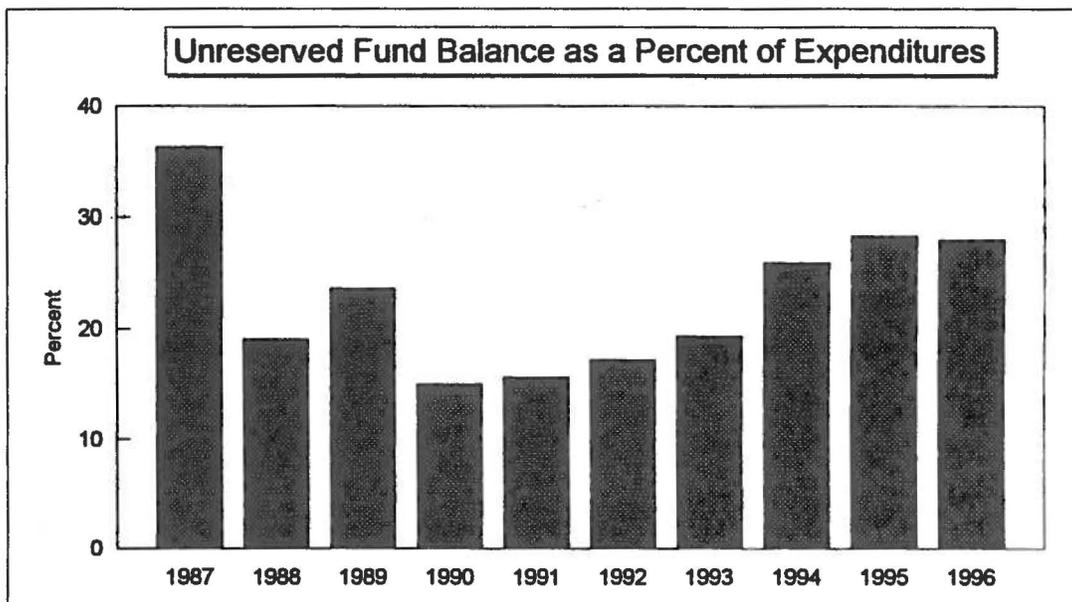
- (1) Does not include bonds that are paid from Enterprise Funds. See Table 13.
(2) Includes the General Fund and Special Revenue Funds.
(3) \$2,000,000 of this figure was financed by a refunding issue.
(4) \$2,000,000 of this figure was financed by a refunding issue.



Unaudited

**ST. LOUIS COUNTY, MINNESOTA
GENERAL FUND UNRESERVED FUND BALANCE
COMPARED TO ANNUAL EXPENDITURES INCLUDING TRANSFERS
LAST TEN FISCAL YEARS**

Fiscal Year	Unreserved Fund Balance	Annual Expenditures Including Transfers	Balance as a Percent of Expenditures
1987	\$ 7,736,900	\$ 21,327,354	36.28%
1988	5,964,452	31,283,351	19.07%
1989	8,243,843	34,900,513	23.62%
1990	5,723,877	38,092,119	15.03%
1991	6,257,175	39,974,162	15.65%
1992	6,987,455	40,655,374	17.19%
1993	8,138,288	42,046,732	19.36%
1994	11,528,060	44,523,892	25.89%
1995	13,395,121	47,296,315	28.32%
1996	14,062,067	50,241,101	27.99%



Unaudited

ST. LOUIS COUNTY, MINNESOTA
COMPENSATED ABSENCES AND FUND BALANCE RESERVED FOR HEALTH AND WELFARE
YEAR ENDED DECEMBER 31, 1996

COMPENSATED ABSENCES						
	Liability of Governmental Funds	Liability of Proprietary Funds	Liability of General Long-Term Debt Account Group (1)	Financial Statement Notes	Total	Hours
Vacation						
Short term (2)	\$ 600,349	\$ 111,893	\$ -	\$ -	\$ 712,242	
Long term	-	788,252	4,229,464	-	5,017,716	
Total Vacation	\$ 600,349	\$ 900,145	\$ 4,229,464	\$ -	\$ 5,729,958	318,085
Sick Leave						
Vested (3)	\$ -	\$ 785,216	\$ 4,789,656	\$ -	\$ 5,574,872	
Vesting (4)	-	2,373,610	13,749,815	-	16,123,425	
Non-vesting (5)	-	-	-	9,412,228	9,412,228	
Total Sick Leave	\$ -	\$ 3,158,826	\$ 18,539,471	\$ 9,412,228	\$ 31,110,525	1,718,245
Retired Employees' Health Insurance Balance (6)	\$ -	\$ 322,743	\$ -	\$ -	\$ 322,743	n/a
Total Compensated Absences Payable	\$ 600,349	\$ 4,381,714	\$ 22,768,935	\$ 9,412,228	\$ 37,163,226	2,036,330

FUND BALANCE RESERVED FOR HEALTH AND WELFARE (7)

	Governmental Funds
General County Board policy retirees	\$ 1,463,406
Special statutory option retirees	111,896
Law enforcement-special County Board policy retirees	159,681
Total Fund Balance Reserved for Health and Welfare	\$ 1,734,983

(1) A portion of the General Long Term Debt Account Group liability for vested sick leave is supported by fund balances designated for that purpose in the following funds: General Fund \$507,216; Special Revenue Funds \$1,029,607; and Trust and Agency Funds \$59,730.

These amounts are also shown as assets in the General Long Term Debt Account Group.

(2) Cash value of vacation expected to be paid within a six-week period of the end of the fiscal year.

(3) Cash value of accrued sick leave balances belonging to employees eligible to retire at the end of the fiscal year and receive an immediate PERA pension.

(4) Cash value of the portion of sick leave balances belonging to those employees expected to retire from St. Louis County, but not eligible for retirement at the end of the fiscal year.

(5) Cash value of the portion of sick leave balances belonging to employees not expected to retire from St. Louis County. These amounts are not a liability and thus are listed only in the Financial Statement Notes.

(6) Cash value of sick leave balances available to pay medical/dental insurance premiums of those employees who have already retired.

(7) Amount reserved for payment of medical/dental insurance premiums of employees retired under options listed.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
AUTHORIZED FULL-TIME EQUIVALENT POSITIONS BY FUND
LAST TEN YEARS

Fiscal Year	General Fund	Road and Bridge Fund	Social Services Fund	Other Special Revenue Funds	Enterprise Funds	Internal Service Funds	Total
1987	637.50	331.00	574.50	48.00	416.50	102.00	2,109.50
1988	616.00	377.00	573.50	49.00	407.35	116.25	2,139.10
1989	636.00	385.00	577.00	49.00	416.35	121.75	2,185.10
1990	640.00	385.00	565.00	53.00	426.35	118.75	2,188.10
1991	637.50	392.00	556.00	42.00	427.35	113.17	2,168.02
1992	616.15	384.10	556.50	42.00	457.05	114.17	2,169.97
1993	636.45	385.10	564.50	45.00	471.35	116.30	2,218.70
1994	709.80	335.00	570.00	50.00	489.61	110.68	2,265.09
1995	742.03	335.00	572.00	55.00	514.11	109.18	2,327.32
1996	749.70	336.00	552.50	55.00	494.76	110.18	2,298.14

Table 19

ST. LOUIS COUNTY, MINNESOTA
LABOR CONTRACT AGREEMENTS
YEAR ENDED DECEMBER 31, 1996

Bargaining Unit	Number of Employees Represented	Contract Expiration Date
Civil Service Basic	947	12/31/97
Radio/Lead Dispatcher	34	12/31/97
Corrections Counselors	4	12/31/97
Health Care Basic Group 1	492	12/31/97
Health Care Basic Group 2	5	12/31/97
Health Care Supervisors	16	12/31/97
Civil Service Supervisors	109	12/31/97
Merit System Supervisors	46	12/31/97
Civil Service Confidential	21	12/31/97
Teamsters	219	12/31/97
Merit System Basic	189	12/31/97
Deputy Sheriff's Association	136	12/31/95 (1)
Sheriff Supervisory	12	12/31/96

(1) This contract is currently under negotiation.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
INSURANCE COVERAGE
YEAR ENDED DECEMBER 31, 1996

Type of Insurance	Insurer	Deductible	Coverage Limit	Purpose
Boiler/machinery	Otis-Magie Gustafson Travelers	\$ 2,500	\$ 2,500,000	Property damage
Property/ general liability	Otis-Magie Gustafson Travelers	10,000	92,172,381	Commercial property-building
		10,000	22,141,679	Commercial property-personal property
		10,000	10,620,300	Commercial property-personal property-stocks
		10,000	3,000,000	Commercial property-amended contents
		10,000	1,000,000	Off-premises power interruption
		10,000	50,000	Plate glass and sign
		-	10,000	Electric data processing
		-	5,000	Radio and television
		10,000	5,000,000	Commercial property-flood
		50,000	5,000,000	Commercial property-earthquake
		10,000	250,000	Commercial property-special loss-vacant building
	250	50,000	Commercial crime-destruction-inside \$50,000; outside \$10,000	
Volunteer services	CIMA Companies, Inc.	-	2,500	RSVP volunteers-accident, liability and automobile
		-	2,500	SLC volunteers-accident, liability and automobile
		-	1,000,000	Volunteers-personal injury and property damage
Radio and television towers	Otis-Magie Gustafson Travelers	1,000	263,000	Property-towers
		1,000	241,000	Property-transmitting equipment and buildings
Surety bonds	Otis-Magie Gustafson Travelers	-	500,000	County Auditor
		-	100,000	Other persons-\$100,000 per individual Number of employees covered:
				Arrowhead Regional Corrections 18
				Attorney 36
				Auditor 75
				Court Administrator 40
				Court Reporter 6
				Health Department 26
				Land Department 27
				Mine Inspector 4
				Planning Department 3
				Public Works 3
				Purchasing Department 8
				Sheriff 27
				Social Services 45
				Solid Waste 33
				Surveyor 2
				Administration 4
				Number of others covered:
				Commissioners 7
				Court Reporter 1
				Solid Waste Resale Agent 2
Medical/dental insurance for employees	Self insurance			Administered by Blue Cross/Blue Shield
Workers' compensation	Self insurance			Workers' Compensation Reinsurance Association for claims greater than \$1,040,000
Personal injury and property damage	Self insurance			
Motor vehicles and authorized portable equipment	Self insurance			

Unaudited

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

<u>Fiscal Year</u>	<u>Commercial Banks (1)</u>	<u>Savings & Loan Associations (2)</u>	<u>Total</u>
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
1996	1,328,453,000	111,795,000	1,440,248,000

- (1) Thomson Bank Directory
(2) Thomson Saving Directory

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

<u>Year</u>	<u>Median Age (3)</u>	<u>Population (4)</u>	<u>K - 12 School Enrollment (5)</u>	<u>Per Capita Personal Income (6)</u>
1987	30.0	200,646	34,062	\$ 12,409
1988	30.0	200,027	38,692	13,070
1989	30.0	200,027	33,510	14,417
1990	35.7	198,213	33,710	15,590
1991	35.7	197,767	37,068	16,389
1992	35.7	199,260	31,607	17,280
1993	35.7	198,249	33,367	17,748
1994	35.7	198,866	33,186	18,721
1995	35.7	198,879	32,911	Not Available
1996	35.7	196,414 (est.)	32,657	Not Available

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

Unaudited

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

NUMBER OF UNITS			
Fiscal Year	Commercial Units	Residential Units	Total Units
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 (1)	453 (2)	453
1996	Not Available (1)	442 (2)	442

VALUE OF NEW CONSTRUCTION			
Fiscal Year	Commercial Value	Residential Value	Total Value
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 (1)	42,722,981 (2)	42,722,981
1996	Not Available (1)	47,129,475 (2)	47,129,475

(1) As of 1995, the Bureau of Census does not collect information on commercial construction.

(2) As of 1995, residential additions, alterations and conversions statistics are not available.

However, previous years include those categories in both residential units and residential value.
Source: U. S. Department of Commerce, Bureau of Census.

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>
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%
1996	100,740	94,993	5,747	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>
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%
1996	2,608,526	4.0%	133,943,000	5.4%

Source: Minnesota Department of Economic Security

Unaudited

ST. LOUIS COUNTY, MINNESOTA
LAND STATISTICAL DATA
YEAR ENDED DECEMBER 31, 1996

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

LAND OWNERSHIP		
	Acres	Percentage
Public Ownership		
Federal Entitlement Lands		
Bureau of Land Management	262	0.01%
Forest Service	760,157	18.80%
National Park Service	<u>121,253</u>	<u>3.00%</u>
Total Federal Entitlement Lands	881,672	21.81%
State Lands		
Department of Natural Resources	551,851	13.65%
Department of Transportation	<u>12,006</u>	<u>0.30%</u>
Total State Lands	563,857	13.95%
State Tax-Forfeited Lands		
Estimated	<u>901,777</u>	<u>22.30%</u>
Total Public Ownership	2,347,306	58.06%
Private Ownership / Other	<u>1,696,226</u>	<u>41.94%</u>
Total Land Ownership	<u><u>4,043,532</u></u>	<u><u>100.00%</u></u>

Unaudited

ST. LOUIS COUNTY, MINNESOTA
MISCELLANEOUS COUNTY STATISTICS
YEAR ENDED DECEMBER 31, 1996

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

<u>Bridge Type</u>	<u>Number of Bridges</u>
Concrete structures	65
Steel beam structures	196
Steel truss structures	28
Timber structures	41
Culverts with spans greater than ten feet	<u>269</u>
Total Number of Bridges	<u><u>599</u></u>

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 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%
September 10, 1996	125,959	24%

GENERAL ELECTIONS

<u>Date</u>	<u>Total Registered Voters</u>	<u>Percentage Voting</u>
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%
November 5, 1996	127,905	79%

Source: St. Louis County Auditor's Office

Unaudited