

COMPREHENSIVE
**ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999



ST. LOUIS COUNTY
MINNESOTA
Gordon D. McFaul
County Auditor

St. Louis County Minnesota

Comprehensive Annual Financial Report
for the Fiscal Year Ending
December 31, 1999



**Gordon D. McFaul
County Auditor**

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

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May 9, 2000

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, 1999. 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 main 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.
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 (HRA) 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.

Copies of this report will be sent to elected officials, county management, bond rating agencies, nationally recognized municipal securities information repositories, financial institutions, governmental agencies and others that have expressed an interest in St. Louis County's financial affairs.

Governmental Organization and Services

The St. Louis County Board of Commissioners consists of seven commissioners elected from the seven districts in the County. All commissioners serve overlapping four-year terms of office. Each member of the County Board serves on various committees. The major committees are Health and Social Services, Environment and Natural Resources, Public Works and Transportation, Finance and Budget, Central Management and Inter-Governmental, Public Safety and Corrections.

The Board appoints the County Administrator who is the chief administrative officer of the County and is responsible for the administration of Board policy and for the management of various County divisions and

departments. The County Attorney, the County Auditor, and the Sheriff are elected officials and the Court Administrator is appointed by the Judiciary.

The County provides a full range of services contemplated by statute. These services include public safety, public works; health, judicial, cultural, and human services; maintenance of property records; vital statistics; issuance of various permits and licenses; and the administration of property tax assessment, collection and distribution for local governments within the County.

Economic Condition and Outlook

Located in Northeastern Minnesota, St. Louis County is the largest county east of the Mississippi, covering 7,092 square miles from Orr to Duluth and from Hibbing to Ely. St. Louis County is known for its spectacular natural beauty, including a national forest and a national park, the Boundary Waters Canoe Area, four state parks and 500 lakes. This County is the home of nearly 200,000 people scattered throughout the area in small mining towns, farm communities and in busy cities which serve as regional hubs. The major industries in the County are mining, wood and paper products, shipping and transportation, health care, and tourism.

Duluth is the County Seat of St. Louis County and is the largest city within the northern two-thirds of Minnesota, with its city limits encompassing 67 square miles of land and nearly fifty square miles of water. The major industries in Duluth are its port trade, its healthcare facilities, tourism and aviation.

The Iron Range is the northern portion of the County, and includes the Cities of Virginia, Hibbing, Ely, Tower, Chisholm, Babbitt, Eveleth and others. Although tourism has been increasing dramatically over the past few years, the main industry on the Range is the production of taconite pellets which are shipped by the taconite plants to steel plants where the pellets are turned into steel. The taconite companies produce two-thirds of the ore used to make steel in the United States.

St. Louis County has museums, libraries, theaters, a waterfront boardwalk, and limitless recreation including boating, fishing, skiing, scholastic sports and arts presentations. Education is a top priority, with excellent public and private schools and opportunities for higher education at several public and private colleges.

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

St. Louis County has three large health care delivery systems. CareNorth Health System, St. Mary's/Duluth Clinic Health System (SMDC) and Fairview Range Regional Health Services.

CareNorth Health System is a full-service network of independent healthcare providers. Formed in 1997, CareNorth's independent entities - Northstar Physicians, Northland Medical Associates and St. Luke's Hospital and Regional Trauma Center - each provides a different level of health care for Duluth and Northeastern Minnesota.

SMDC was also formed in 1997 by combining the resources of the region's largest multi-specialty clinic with those of the region's largest and most specialized hospital. SMDC has a medical staff of over 300 physicians and 4200 skilled employees serving Duluth, Northeastern Minnesota, Northwestern Wisconsin and Upper Michigan.

The Fairview Range Regional Health Services is an umbrella health organization with three divisions which operate in the Iron Range area: the Mesabi Clinic (Hibbing, Chisholm, Naashwauk and Mountain Iron), University Medical Center-Mesabi and HealthLine's home health care services. The University Medical Center-Mesabi Radiation Therapy Center allows northern Minnesotans access to state-of-the-art cancer care treatment, and serves patients within a 120-mile radius of Hibbing.

The Lakewalk Surgery Center (LSC), an independently owned, multi-surgery facility for adults and children, opened in Duluth in April of 1999. The Center offers area residents a comfortable alternative to many hospital-based outpatient procedures. Currently, the Center averages 50 ambulatory surgical procedures a week. Eighty percent of the patients are in and out the door in a couple of hours. Nearby LSC, Duluth Openscan MRI Center opened in July of 1999, and offers the Northland's only open scan technology as an alternative to traditional, tunnel-like MRIs. Duluth Openscan's affiliated radiologists are currently reading more than 500 MRIs per month.

The County experienced a population decline of 12.1% between 1980 and 1990; this decline appears to have reversed itself. In 1993, however, the decline leveled off with an estimated population of 198,249. The 1997 estimate (state demographer) was 199,454, and the 1998 and 1999 estimates dropped a few hundred to 199,080. The population density is a low 33 per square mile. The latest available figures indicate that the per capita income in the County has increased 29.4% percent over a six-year period ending in 1997 (the most current estimate available), when it reached \$22,357. The March 2000 unemployment rate was 4.57% for the County, compared to 3.1% for the State of Minnesota and 4.3% for the nation.

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 in the median age since 1990. The kindergarten through twelfth grade enrollment figures have decreased since the 1990 figure of 33,710. Enrollment for 1999, however, is 33,588 which is an increase over the 1998 figure of 31,664.

A strong and stable local economy with opportunities for private sector growth is a necessary pre-requisite for the local jurisdictions to perform their functions. Across the County such growth has occurred over the past year and is expected to continue in 2000. We are pleased to present a sampling:

Iron Range Economy:

Though there have been moderately successful efforts to diversify the economy in the region, the Iron Range is very heavily dependent upon taconite production. The industry employs some 5,000 steelworkers, contributing roughly \$93 million per year in taconite production taxes to governments and schools. The Iron Mining Association of Minnesota reports that the industry contributes more than \$1 billion a year to the economy and buys more than \$876 million worth of goods and services, most of them in Minnesota. The 1990's saw dry taconite production at very high levels, although in the past two years, levels have dropped somewhat. 1997 dry taconite production was 44.8 million tons, as reported by the Minnesota Department of Revenue, which also supplied production figures of 44.3 million tons in 1998 and 41.3 million tons in 1999.

The downward trend from 1997 was the result of huge amounts of foreign steel that were being sold below fair market price. That situation has subsided a bit, resulting in Department of Revenue estimates that in the year 2000, dry taconite production will be 42.5 million tons. The estimated increase in production is widespread; almost all of the taconite companies anticipate increased production in 2000; however, the increases are not expected to affect the workforce, which lost more than 140 workers due to the downturn in 1999.

The industry, according to statistics from the Iron Mining Association of Minnesota, generally spends roughly \$1 billion every 10 years, just to maintain existing equipment and stay competitive. Throughout the 1990's, the steel companies invested heavily in their Iron Range taconite plants. 1994 through 1999 spending for capital improvements totaled more than \$768.5 million; 1999 spending alone was more than \$149.2 million (one company had capital spending for the year, but did not wish to report it). The capital expenditures provide work for outside vendors and suppliers, having a multiplier effect on the Iron Range's economy.

Minnesota Iron and Steel has some new ideas for a direct reduced iron process and steel production via an electric mini-mill. This would bring increased demand for taconite from plants located here. The company

is optimistic about the \$300 million in equity that has been pledged by numerous investors, including the State of Minnesota, and is conducting a feasibility study which should soon be completed.

The Iron Range is attracting businesses in record numbers. New and expanding companies are drawn to the area for a number of reasons. The cost of labor and land is far less than that of urban areas. Airports with daily flights to Minneapolis/St. Paul and outstanding highways make it easy to travel to and from the area. Modern technology has allowed companies the ability to eliminate geographical restrictions and run their business from any location. A collaboration of area educational institutions, governments, communities and businesses are working together to keep the economy improving. The area does not have a commute problem; work, home and recreation can be minutes apart. And finally, the Iron Range people are a highly skilled people known for their work ethic.

Ely:

The Piragis Northwoods Company located in a two-story building with 10,000 square feet of space offers everything an outdoor enthusiast could want, including gear, clothing, books, prints. Today Piragis Northwoods has more than 40 full-time employees and includes a mail-order business and outlet store. The company catalog is sent twice a year to 250,000 consumers throughout the world and accounts for about 45 percent of sales.

Babbitt:

Kasson Manufacturing is the third largest pool table manufacturer in the world. The business sold 532 tables in 1986. This year Kasson will make between 13,000 and 14,000 pool tables that range from \$1,000 to \$3,000 in price. The plant employs 61 people and runs 20 hours a day, 4 days a week.

Virginia, Eveleth:

The result of a joint effort between Virginia and Eveleth, Progress Park is 240 acres of land strategically located in the two communities. In the first phase of development, 10 buildable sites have been located on 50 acres near the middle of the park. A 30,000 square foot office/manufacturing center has been constructed. Currently Entronix International, an electronics manufacturing service, is located in the Park. Sykes Enterprises, an information technology company, is planning to move into a custom-built facility that will have 432 seats for technicians.

Chisholm:

Minnesota Twist Drill has doubled its work force since 1998 and now employs 187. The company manufactures drill bits.

Eveleth:

The Iron Range Resources and Rehabilitation Board has given tentative approval to a \$1.4 million project at EVTAC Mining Co. that potentially could represent a technological leap forward for the taconite industry.

Hibbing, Chisholm:

Work began in the spring on a project at the Chisholm-Hibbing Airport that will add infrastructure of electrical and gas distribution systems to the area, opening up 110 acres near the airport as an aviation industrial site. Officials would like to see it developed for aviation-oriented or aviation-dependent businesses.

Biwabik:

A second 18-hole golf course at Giants Ridge has been given tentative approval by the IRRRB. The \$8 million project is slated for the Lake Mine area, the course would take 2 ½ -3 years to prepare if construction started this spring. The course on former iron mine lands would employ another 40 employees.

Hibbing:

K-Byte Hibbing Manufacturing, a circuit board and electronic component manufacturer, has grown by over 200 employee positions in the past three years and will continue to expand.

City of Duluth:

The City of Duluth is St. Louis County's seat and is the largest city in the northern two-thirds of Minnesota. Located at the western tip of Lake Superior, its population is approximately 85,000. With its Wisconsin neighbor, the City of Superior, it shares the Great Lakes' largest port and the world's largest freshwater harbor.

The area economy was at somewhat of a standstill until 1998, when leading indicators began improving. 1999 saw a considerable increase in the numbers.

International trade shipping, including coal shipments to Canada and unexpectedly strong worldwide grain shipments, totaled 12.1 million metric tons, three percent above the 1978 record of 11.8 million metric tons and eight percent above 1998's 11.2 million metric tons. This offset a decline in domestic shipping. Domestic cargoes totaled 27.3 million metric tons, a decline of two percent, attributable primarily to reduced iron ore demand and a drop in Great Lakes water levels. Iron ore represented 40 percent of port commerce, coal 37 percent and grain 14 percent.

Home sales in the area increased 5.2% over 1998 with an average price of \$95,200. Retail sales were up 5.4%, with restaurant sales up 4.6%. Hotel room revenues were up 7.2%. The local unemployment rate for the Duluth-Superior area is 3.6%, which is down from the 1998 rate of 4%. This is higher than the State rate of 2.5%, but lower than the national rate of 4.2%. Job growth rate in the area was .3%, lower than the State's rate of 2.7% and lower than the national rate of 1.5%.

Manufacturing jobs were up 1.5%, and 279 new business licenses were issued by the Duluth Treasurer's Office. The health-care industry has grown between 2 and 4 percent annual over the past few years; a faster pace than the rate at which the national economy has grown. Local health-care institutions added 540 jobs last year.

2000 projects include the following:

Minnesota Power, one of Duluth's largest employers, will launch some new and interesting ventures:

Steam from an area paper plant will be used to generate electricity. This will require a \$10 million investment by Minnesota Power in a new turbine generator that would turn the steam into power that can serve customers. The turbine is expected to generate enough steam to provide electricity for about 2,400 households.

The company will launch Electric Odyssey, which will include renaming an existing retail store in Duluth, as well as new retail stores in other areas, and an internet site to which the Company expects to allow other utilities to link their own Web sites so that they can market Electric Odyssey as it is their own.

Minnesota Power is investing \$1 million in a firm that manufactures zero-pollution zinc-air fuel cells. These fuel cells yield 10 times more energy than similar weight traditional batteries. Applications range from motorized vehicles to power backup systems. The Company believes that the nation will depend on new technologies to help supply its future energy needs.

The company will offer a wind-power option to its customers by the end of 2000.. It has signed a 15-year contract to purchase power generated by three new windmills under construction at the Chandler Hills Wind Farm near Worthington, Minnesota.

The \$30 million Duluth Technology Village is expected to attract computer software and technology companies from around the world. Early tenants include Saturn Systems, which builds software to the specifications of its customers; SoftCenter, a European software consortium; the University of Minnesota; Lake Superior College, and UnitedHealth Group, the largest tenant so far. UnitedHealth, which is the one of the largest health-care management organizations in the country, and which already employs 660 people in Duluth, planned to lease 187,000 square feet and bringing bring 135 jobs to the facility. Recently, however, the City of Duluth announced that UnitedHealth may instead expand into a new \$15 million facility here, which would double its Duluth office size and add 340 jobs over the next several years. The new facility would consolidate existing operations including the planned one for the Technology Village.

Cirrus Design Corporation, a manufacturer of general aviation aircraft, has doubled its work force since last July 2000, to 478 employees. It continues to hire new workers as production increases. Cirrus has orders currently for 572 planes; its goal is to produce 20 planes per month at a selling price of about \$190,000 each.

Retail projects at the Miller Hill Mall include a \$1 million face-lift for the J. C. Penney Store and a major renovation and expansion at Sears, as well as new stores Whitehall & Company Jewelers and Children's Place. Target Corporation plans to expand its Duluth Store and Office Depot will open a store in downtown Duluth.

America's only all fresh water aquarium will be opening in Duluth in the summer of 2000. The \$33 million Great Lakes Aquarium will have a 62,383 square foot building to house aquarium exhibits, a natural history center, a science center, and various cultural exhibits.

Labor Ready, an 11-year old company that trades on the New York Stock Exchange, and has been ranked as the seventh-fastest-growing company in the nation by Fortune Magazine, opened an office in Duluth in January of 2000 to provide a service to employers and to workers who wish to work immediately and get paid at the end of the day. Some popular temporary employment services send people to work for a week or more; Labor Ready generally works on a shorter time line.

Completion of the Duluth Entertainment and Convention Center \$10 million addition and parking ramp.

Completion of the University of Minnesota 25.8 million library, along with a \$1.5 million field and track replacement.

Completion of the Western Lake Superior Sanitary Districts new \$1.5 transfer station, opening of the Westwood Apartment \$6 million senior housing complex, completion of the Gramercy Park Cooperative \$6 million project, and the Mount Royal Pines \$2 million project.

Manufacturing jobs were up 1.5%, and 279 new business licenses were issued by the Duluth Treasurer's Office. The health-care industry has grown between 2 and 4 percent annual over the past few years; a faster

pace than the rate at which the national economy has grown. Local health-care institutions added 540 jobs last year.

A survey by Manpower, Inc. indicates that 53 percent of employers surveyed expect to recruit more workers during the second quarter of 2000 and only 7 percent expect to cut back; the new jobs would be in the mining, construction, manufacturing, trade and finance industries. However, the declining population in the area and possible slower national growth will present some future challenges to the City of Duluth, even as it enjoys the best regional economy in perhaps 40 years.

Major Initiatives for the Year:

The County's 2000 property tax levy is \$68,686,166 which represents a 4.34% increase over the 1999 levy. It includes capital and operating expenses, as well as debt service on existing obligations, including a 1999 Capital Equipment Note of \$4,000,000 but does not include any provision for borrowing additional funds.

The taxable market value for property within the County for taxes payable 1999 was \$6,090,275,600 for payable 1999 and rose to \$_____ for payable 2000.

1999 was notable for the following::

David Twa was hired as the new County Administrator. He is an attorney and a Certified Public Accountant, who was most recently the County Administrator for Blue Earth County, Minnesota.

A two-year budget process developed and implemented, beginning with the 2000-2001 budget. While the process needs further refinement, the necessary steps have now been taken to facilitate the incorporation of long range plans into the budget process.

Operations of the County's two nursing homes, which have been and continue to lose money, were evaluated extensively by the County Board, Administration and County Department Heads. The homes are owned and staffed (except for a Benedictine Health Dimensions administrator at each facility) by the County, but operated by Benedictine Health Dimensions. Short and long-term strategies were studied, with ownership options (County vs. transfer to a non-profit community corporation) being considered. No definite plan was launched and the issue continues to be a critical, but difficult one to resolve. Much attention will continue to be focused on the Homes in 2000. The financial problems of nursing homes are not limited to the two homes owned by the County; nationwide, many nursing homes are in a state of financial crisis and homes throughout the Minnesota according to a study by the Minnesota Hospital and Housing Alliance, a trade association representing Minnesota's 250 nonprofit nursing homes.

The County Auditor's licensing operation, which is a State of Minnesota function, not a core function of the Auditor's Department, sold motor vehicle licenses at the Duluth Courthouse and since 1994 at the Auditor's License Center. Because the total operation was losing over \$100,000 per year, and because the public preferred the License Center for doing business, the Auditor closed the Courthouse license operation on December 30, 1999. Since that time, motor vehicle licenses can only be obtained at the License Center. The operation now is a break-even one and may even show a small profit.

The Solid Waste Department constructed a new \$1 million 2.5 acre landfill cell at the County's Regional Landfill. The construction included the development of the new cell, a new leachate spray irrigation system, upgrade of the existing leachate spray irrigation system, and installation of a programmable logic circuitry landfill monitoring system.

The Social Services Department, in keeping with the current Federal Government and State of Minnesota guidelines, was able to locate living facilities for developmentally disabled residents of the County without placing any of them in Regional Treatment

Centers. The Minnesota Families Investment Program (MFIP) which replaced several earlier social services programs including Aid to Families with Dependent Children, now has 45% of St. Louis County's single eligible MFIP clients employed, as well as 65% of its two-parent MFIP clients employed.

Many public information initiatives were launched or enhanced on the internet, including:

County Board current agenda, current year and several previous years' minutes

St. Louis County's Comprehensive Annual Financial Report

Property tax files for professionals (subscription based)

Civil Service employment opportunities

Victim Witness Program information

Tax Forfeited Land sales - Frequently Asked Questions

Planning and Zoning Department maps and applications for building permits, variances and conditional use plans, as well as current projects of the Planning Department, public hearing and Board of Adjustment agendas and summaries

Public health information, including fact sheets on various diseases and health issues

Bid information and vendor guide to doing business with the County

Various other informational items of use to citizens and other interested parties

Major Initiatives for the Future: The County faces a substantial financial challenge in 2000 and ensuing years. The State of Minnesota has imposed levy limits on counties since 1998 and may again do so for 2001 and future years. In the past, St. Louis County rarely came close to its levy limit. However, for the 2000 budget, the County Board levied up to the maximum allowable by the State. Several factors drove the levy 4.34% higher than the previous year's levy, an increase of \$2,855,844:

The levy for providing health insurance to the County's employees rose by **\$2 million**

The use of General Fund's fund balance decreased by **\$2 million**

The debt service increased by **\$600,000** due to the bonding for capital equipment

Public Works Road Reclamation projects increased the levy by **\$800,000**

The cost of step increases for County salaries increased the levy for salaries by **\$600,000**

The inflation of the cost of purchased goods and services increased the levy by **\$100,000**

The above cost increases were offset by the following, which reduced dependence on levy dollars:

An increase in State Aids (Homestead and Agricultural Aid of **\$.5 million** and Family Preservation Aid of **1.3 million**)

Bonding to fund capital equipment purchases in the amount of \$4 million. The levy

for those kinds of purchases was **\$1.5 million** in 1999 and the levy was zero for 2000.

Additional factors which substantially affect the County's future financial condition are:

Two County-owned nursing homes that are projected to lose nearly \$1 million in the year 2000. The loss was not levied for in the 2000 budget and any such loss will necessarily be financed from the County's fund balances or from 2001 levy dollars.

Land parcels that have been and continue to be removed from the property tax rolls by the federal and state government agencies without those agencies replacing lost property tax with commensurate amounts of payments in lieu of property taxes. This places an undue burden on the property tax payer.

Future space needs for County offices which have not been addressed sufficiently.

In order to address the possibility of 2001 levy limits and to keep any levy increase to a minimum, County Departments will be assisting the County Board and County Administration by identifying core functions which form the basis for their operations. State of Minnesota mandated services will be identified as one element of those functions, with another being those functions that the public is adamant that the County retain. The County will consider eliminating some services and will be extremely cautious about providing any new functions.

The County will be continuing to work on a two-year budget process. It will explore opportunities for cooperation with other governmental units in the area in order to improve existing services to the public and thereby reduce the overall cost of government.

The County will negotiate the acquisition of the Government Services Building from the State of Minnesota, or the adopt an alternative plan for housing County offices. Cost will be a major consideration. It will develop a formal County-wide Risk Management program to minimize potential labor and asset losses to the County.

The County Auditor plans to recruit and assist a private individual to open a motor vehicle licensing operation in the City of Duluth to replace the Courthouse operation that was closed in 1999. The Auditor has participated in a statewide lobbying effort to convince the Minnesota legislature that the State must increase the share of the motor vehicle fees that go to support the licensing operation, whether the operation is public or private.

A pilot employee telecommuting project will be implemented in order to allow County staff to spend more time in the community. Social workers in particular will be involved in this project. As well as enabling the County to provide an increased level of service to its residents, the telecommuting project may reduce the need for office space.

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 the County are protected from fraud, errors, and misuse through the institution of internal controls. Internal controls are designed to safeguard assets, as well as 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. County department budgets are sub-divided into agency budgets; agency budgets can be spent on any line item within that agency so long as the total agency budget is not overspent. However, no public aid assistance and/or personnel services budget authority may be used for operations; also, 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 to 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 of the project has been either 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 Fund - At December 31, 1999 the fund balance was \$25.1 million, of which

\$3.9 million is legally reserved for specific purposes

\$21.2 million (equal to 40 percent of the County's current expenditures) is unreserved, of which

\$16.4 million is designated for cash flow (includes designation for the medical care facilities)

\$ 2.0 million is designated for vested sick leave (to fund part of the County's obligation to its employees who are eligible to retire)

\$.2 million is designated for parking improvements

\$.5 million is designated for the construction of a fairground at Hibbing

\$ 1.5 million is designated for the 2000 budget

\$.6 million is undesignated and available for appropriation for future expenditures

Special Revenue Funds - Includes Road and Bridge, Social Services, Community Development Block Grant and some smaller funds.

Fund balance for all special revenue funds combined at December 31, 1999 was **\$26.4 million**, of which

\$ 6.2 million is legally reserved for specific purposes

\$20.2 million is unreserved, of which:

\$13.2 million is designated for cash flow

\$ 3.4 million is designated for vested sick leave (to fund part of the County's obligation to employees who are eligible to retire)

\$ 1.6 million is designated for the 2000 budget

\$ 1.1 million is designated for emergency contingency

\$.9 million is undesignated and can be appropriated for future expenditures

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, 1999 along with the dollar and percentage increases or decreases in relation to the prior year's revenues:

Revenues:	1999 Amount	% of Increase (Decrease)	Dollar Increase (Decrease)
Taxes	\$ 72,214,386	7.48	\$ 5,026,845
Licenses and permits	160,899	3.46	5,382
Intergovernmental	87,219,274	7.84	6,344,482
Charges for service	8,191,021	1.56	126,027
Fines and forfeitures	1,518,384	16.39	213,844
Interest on investments	4,287,083	19.91	711,944
Gifts and contributions	16,019	(41.36)	(11,299)
Miscellaneous	2,213,469	(22.86)	(655,973)
Total	<u>\$175,820,535</u>		<u>\$ 11,761,252</u>

Although other categories of revenue show larger percentages of increase or decrease over 1998, the most significant dollar changes in revenue are the increases in the taxes and the intergovernmental revenue categories. Explanations of the major dollar increases and decreases are presented below:

1. Tax revenues increased \$5.0 million, with increases (decreases) as follows:

General Fund - property taxes	\$ 3.2 million
Road and Bridge Special Revenue Fund - property taxes	.7 million
Social Services Special Revenue Fund - property taxes	\$ 1.1 million

2. Interest on investments increased \$.7 million; with the entire increase occurring in the General Fund.

3. Intergovernmental revenues increased \$ 6.3 million, with increases (decreases), as follows:

General Fund:	
State shared revenue	\$.4 million
Federal grants	\$ (.3 million)

Road and Bridge Special Revenue Fund -	
State shared revenue	\$2.0 million
Federal grants	\$1.1 million

Social Services Special Revenue Fund -	
State shared revenue	\$ (.2 million)

State reimbursements for services	\$1.2 million
Federal grants	\$1.9 million

Northeast Minnesota Housing Consortium
Special Revenue Fund -
Federal Grant Revenues \$.2 million

The following schedule is a summary of General and Special Revenue Fund expenditures as shown on Exhibit II for the fiscal year ended December 31, 1999. The dollar and percentage increase or decrease is in relation to the prior year's expenditures.

Expenditures:	1999 Amount	% of Increase (Decrease)	Dollar Increase (Decrease)
General government	\$ 24,236,863	6.89	\$1,562,923
Public safety	26,713,735	7.82	1,938,120
Highways and streets	41,330,098	10.50	3,929,351
Health	5,917,312	3.65	208,493
Welfare	65,951,192	5.08	3,194,035
Culture and recreation	1,494,552	72.62	628,766
Conservation of natural resources	782,214	(1.44)	(11,486)
Economic development	4,169,249	13.83	506,838
Total	\$170,595,215		\$11,957,040

Note: Debt service of \$120,426 and \$326,047 as well as Intergovernmental of \$8,336,192 has been reclassified here as Health, Welfare and Public Safety, respectively.

Explanations for the major dollar increases and decreases are presented below:

1. General government expenditures increased \$1.6 million. The following General Fund departments or agencies within departments had increases (decreases) of more than \$100,000:

Commissioners	\$119,281
Planning & Zoning	\$106,623
Court Administrator	\$191,197
County Attorney	\$269,252
County Auditor	\$183,415
Data Processing	\$168,142
County Assessor	\$192,345
County Recorder	\$142,843
County Surveyor	\$200,297
Elections	(\$153,976)
Courthouses	\$131,575
Parking Ramp	(\$293,554)

Other increases and decreases were less than \$100,000 and are not detailed here.

2. Public safety expenditures increased \$1.9 million. These General Fund departments or agencies within departments increased more than \$100,000 as follows:

Sheriff	\$249,115
Jail Building	\$182,509
Emergency communication	\$168,606
Aid to Other Agencies - Volunteer Fire Dept.	\$302,584

Arrowhead Regional Corrections \$925,121

3. Highways and streets expenditures increased \$3.9 million, as follows:

Road and Bridge Special Revenue Fund - These activities increased (decreased) expenditures more than \$100,000:

Administration	\$ 281,316
Road Maintenance	\$1,300,483
Road Construction	\$1,621,238
Equipment Maintenance and Shops	\$ 726,314

4. Welfare expenditures increased \$3.2 million; the Social Services Special Revenue Fund and the Welfare category of the General Fund had these activities which increased (decreased) more than \$100,000:

Income Maintenance	\$ 258,312
Social Services	\$3,276,378
McKinney Homeless Grant	\$ (288,236)

5. Economic development expenditures increased \$.5 million, with these increases (decreases) over \$100,000:

Housing and Redevelopment Authority Special Revenue Fund -	\$ 226,281
Community Development Block Grant Special Revenue Fund -	\$ 256,188

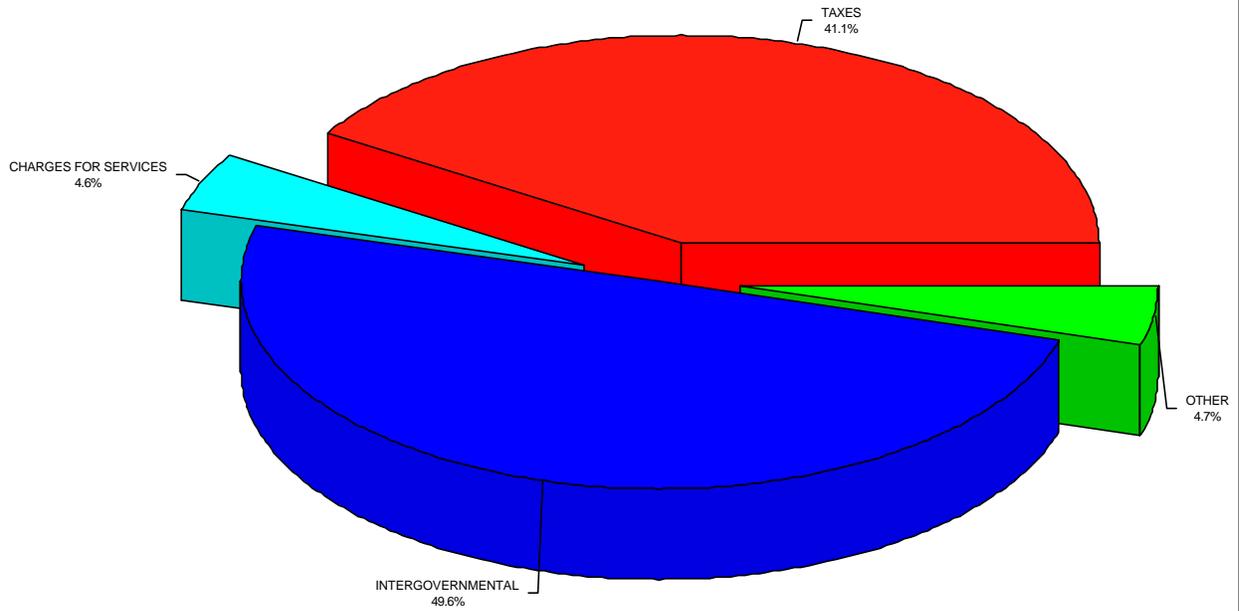
Graphics for revenue and expenditures are shown on the following page.

Cash Management - In 1999, the average investment yield was 5.30%. 100% of the County's funds were invested in U.S. government securities, Government agency securities, Commercial Paper, Bankers' Acceptances, Certificates of Deposit, and in overnight investments with the Minnesota Association of Governments Investing for Counties (MAGIC), a Minnesota joint powers investment trust.

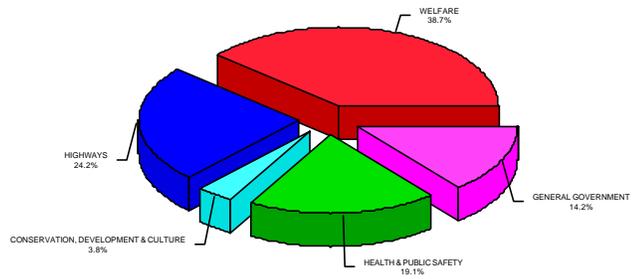
The County, in 1995, recognizing that it would be prudent to set aside a cash reserve to meet unexpected cash flow shortages began to designate some of its fund balances for cash flow. A formal policy is in place to guide the designation of these funds. The County's goal for the General Fund, the Road and Bridge Special Revenue Fund, and the Social Services Special Revenue Fund, which are the major operating funds that are supported in part by direct property tax levy, is to designate a portion of the available fund balances equal to 5/12 of the certified levy for each fund, plus its proportional share of the homestead and agricultural aid paid to the County by the State of Minnesota. At December 31, 1999 the goal was 100% accomplished for the General Fund and the Road and Bridge Fund, and was 61.8 % accomplished for the Social Services Fund.

Recognizing the need to pre-fund retirees' health insurance premiums which are set aside for the retired employee from his sick leave balance at retirement, the County began in 1994 to designate 1/9 per year of the amount estimated to be paid from the General Fund and Special Revenue Funds for those employees who are eligible to retire immediately. 100% of the estimated amount needed was funded at December 31, 1999.

1999 COUNTY REVENUES BY SOURCE
INCLUDES GENERAL & SPECIAL REVENUE FUNDS



1999 COUNTY SPENDING BY FUNCTION
INCLUDES GENERAL & SPECIAL REVENUE FUNDS



Enterprise Operations - Includes Chris Jensen and Nopeming Funds and the Solid Waste. Management Fund. These funds are meant to be self-supporting and to earn their revenue through charges to users.

Combined net income for 1999 for the funds was \$ 2.8 million, with the separate funds showing net income (net loss) as follows:

Chris Jensen Nursing Home	\$ (457,085)
Nopeming Nursing Home	\$ 35,143
Solid Waste Management	\$ 3,212,882

The Nursing Homes are expected to have net losses from operations in 2000 and future years. The County Board is studying the issue to determine the best course for future action.

There has been in the past and is currently, a property tax levy for debt service in the Solid Waste Management Fund. This levy does not extend to property in the Western Lake Superior Sanitary District. All other expenses are paid from charges for services and interest earnings on cash balances.

Internal Service Funds - Includes ten separate funds, with a combined net income of \$931,877 for 1999. The separate funds show net income (net loss) as follows:

Community Food	\$ (54,6582)
Laundry	\$ 20,972
Supervised Living Facilities	\$ (1,019)
Printing	\$ 31,804
County Garage	\$ 158,082
Property, Casualty, Liability Insurance	\$ 92,598
Workers' Compensation Insurance	\$ (873,011)
Medical/Dental Insurance	\$ 466,994
Management Information Systems	\$ 198,845
Telecommunications	\$ 113,077

The Community Food Fund and the supervised Living Facilities Fund each experienced a loss because of one-time payouts for retiring personnel. These funds are taking action to provide for such payouts in the future.

The Workers' Compensation Fund had a net loss because of an intentional spend-down of cash and retained earnings. The Workers' Compensation Fund at December 31, 1999 had a combined cash and investment balance of \$5,843,208 and a retained earnings of \$585,361.

Fiduciary Operations - The County collects and distributes all property taxes for the taxing authorities within the County, including cities, townships and school districts. It is responsible for collecting numerous fees, fines and payroll deductions and for 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, 1999 St. Louis County had seven bond issues and one note outstanding; the total outstanding principal balance as of that date was \$25,669,900 as follows:

<u>Type of Issue</u>	<u>Outstanding Balance at December 31, 1999</u>
----------------------	---

General Obligation Capital Equipment Bond	\$ 4,000,000
General Obligation Taxable Issue for Tire Recycling Facility	\$ 730,000
General Obligation Solid Waste Bond (2 separate issues)	\$ 4,060,000
Corrections, Jail and Law Enforcement Center Bonds (3 separate issues)	\$16,655,000
General Obligation Revenue Note for the Septic Loan Program	\$ 224,900

The most recent bond issue sold, the 1999 \$4,000,000 General Obligation Capital Equipment issue, carries an "A-2" rating by Moody's Investor Service. The rest of the County's bonds also carry Moody's "A-2" rating. Under current State law, the County's General Obligation Bond issuance is limited to two percent of the market value of taxable property in the County. Market value in 1999 was \$6,090,275,600. This market value establishes a debt limit of \$121,805,512 for the County. The amount of general obligation debt applicable to the debt limit was \$24,984,318 (\$25,669,900 in principal outstanding, less \$674,677 in debt service funds and \$10,905 in restricted assets in applicable enterprise funds for payment of principal on debt).

Capital Improvements - Capital projects in 1999 included construction of a 4-H building at the South St. Louis County Fairgrounds, construction of two pole buildings and a dome salt storage building for use by the Public Works Department and various projects at the three County courthouses.

Risk Management - the County's exposure is as follows:

Tort and Liability risk - the County purchases insurance on its major buildings and buys surety bonds to cover the risk of employee theft. The County bears the risk for other torts and liability, including no-fault auto insurance. The Property, Casualty, Liability Insurance Internal Service Fund at December 31, 1999 had a balance of \$4,268,051 in its retained earnings account. The fund liability includes claims for which the County Attorney's Office deems payment is "probable" but does not include \$420,953 for various cases for which the County Attorney's Office deems payment to be "reasonably possible". The balance in retained earnings provides for any reasonably possible claims, as well as for any claims that have been incurred, but not reported.

Workers' Compensation risk - The County assumes all of the risk for single loss occurrences to \$1,120,000. The Workers' Compensation Reinsurance Association insures the County for claims above that amount. The Workers' Compensation Insurance Internal Service Fund at December 31, 1998 had a balance of \$1,109,442 in its retained earnings account. The fund liabilities include probable claims that will be paid, but do not include any amount for claims that are incurred by not reported.

Medical and Dental risk - The County assumes the risk for its share of medical and dental insurance coverage for its employees, except that it purchases stop-loss coverage for claims over \$200,000 and for transplant coverage. The Medical/Dental Insurance Internal Service Fund at December 31, 1998 had a balance of \$2,575,260 in its retained earnings account. The fund liabilities include a provision for claims incurred but not reported, but do not include a provision for catastrophic losses.

Unemployment Compensation Risk - The County assumes all risk for unemployment compensation and is billed on a reimbursement basis by the State of Minnesota for claims paid. The claims are paid from departmental budgets and are not reported in an Internal Service Fund. No liability is recorded for incurred by not reported claims.

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, 1997.

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. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The County also received the GFOA Award for Distinguished Budget Presentation for the 1998 approved budget document. In order to qualify for this award, the document was required 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, as required by state statutes. This requirement has been complied with and the Auditor's Report is included in this report.

The Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations also establishes audit requirements for the County.

The State Auditor will issue management and compliance letters covering the review made as a 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-133.

Acknowledgments - I would like to express my appreciation to the employees of the Accounting and Financial Division staff, the Social Services Department and the Public Works Department for their dedication and cooperation during the preparation of this report. I am grateful to the County Board of Commissioners and to the Department of Administration 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 assistance and cooperation to my office during this time and I thank them also.

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

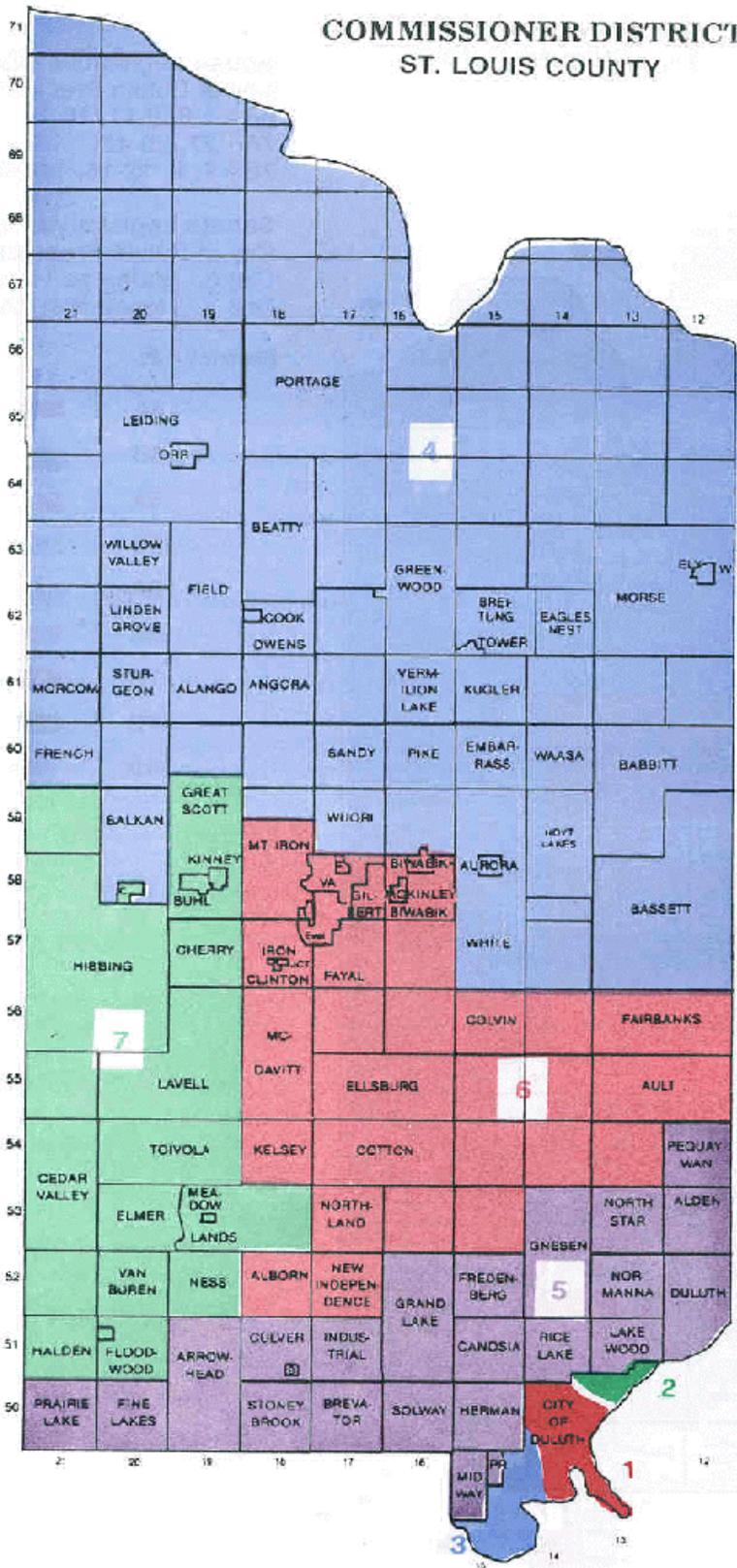
Sincerely,

GORDON D. MCFAUL

County Auditor

COMMISSIONER DISTRICTS ST. LOUIS COUNTY

County Commissioner Districts
City of Duluth Precincts
1st Dist - 6, 7, 14, 18-27
2nd Dist - 1-5, 8-13, 15-17
3rd Dist - 28-42



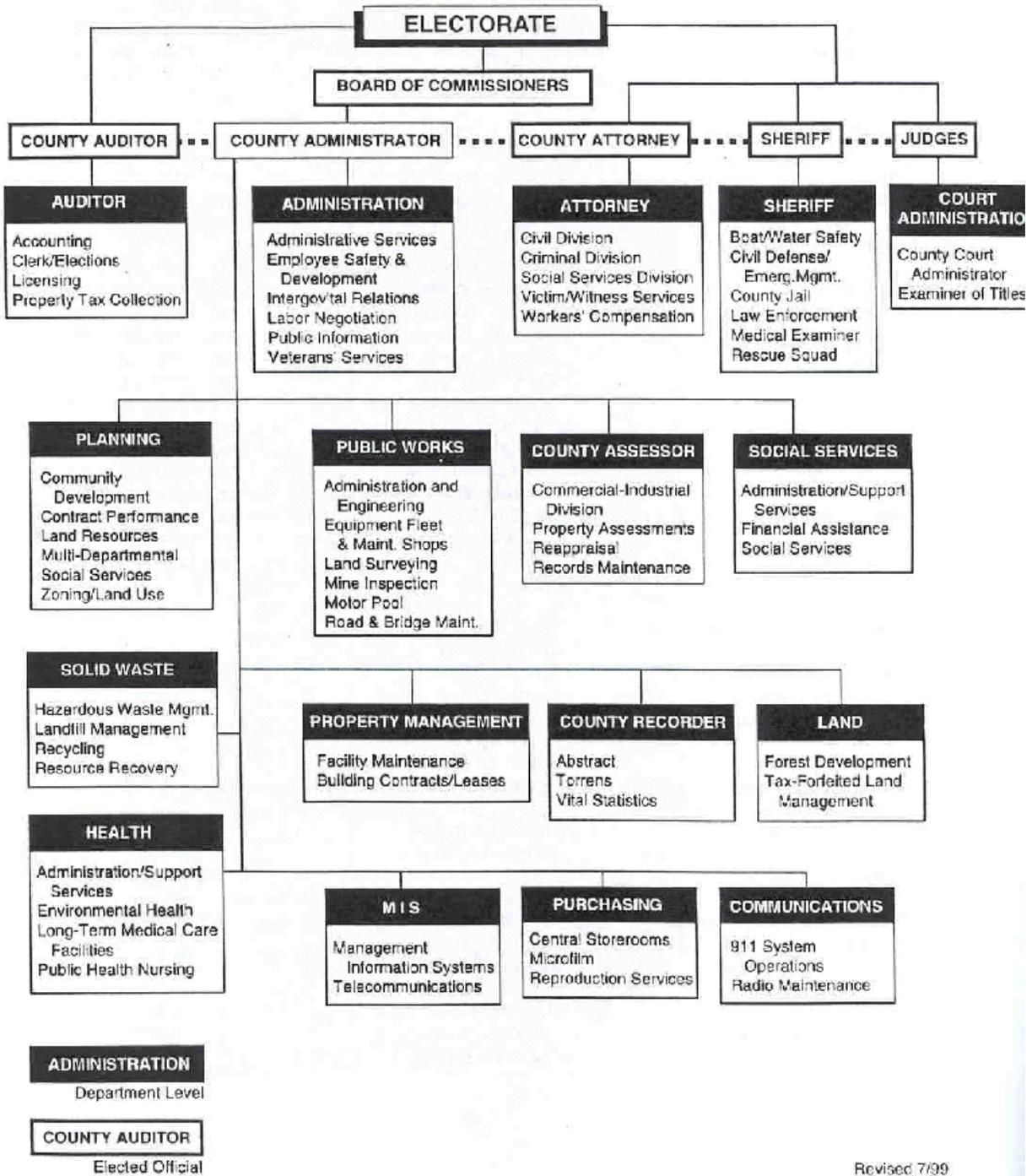
District #:

- 1 ■
- 2 ■
- 3 ■
- 4 ■
- 5 ■
- 6 ■
- 7 ■

St. Louis County
Elected and Appointed Officials
as of December 31, 1999

Office	Name	Term
Commissioners:		
1st District	Dennis Fink	Jan. 1997 Jan. 2001
2nd District	Joanne Fay	Jan. 1999 Jan. 2003
3rd District	William Kron	Jan. 1997 Jan. 2001
4th District	Mike Forsman	Jan. 1999 Jan. 2003
5th District	Peg Sweeney	Jan. 1997 Jan. 2001
6th District	Liz Prebich	Jan. 1999 Jan. 2003
7th District	Steve Raukar	Jan. 1997 Jan. 2001
Elected Officers:		
Attorney	Alan L. Mitchell	Jan. 1999 Jan. 2003
Auditor	Gordon D. McFaul	Jan. 1999 Jan. 2003
Sheriff	Gary Waller	Jan. 1999 Jan. 2003
Judges:		
District Court	David E. Ackerson	Jan. 1997 Jan. 2003
District Court	Robert F. Berger	Jan. 1997 Jan. 2003
District Court	Terry C. Hallenbeck	Jan. 1997 Jan. 2003
District Court	Robert E. Macaulay	Jan. 1997 Jan. 2003
District Court	Gerald C. Martin	Jan. 1999 Jan. 2005
District Court	Mark A. Munger	Jan. 1999 Jan. 2005
District Court	John T. Oswald	Jan. 1999 Jan. 2005
District Court	Gary J. Pagliaccetti	Jan. 1997 Jan. 2003
District Court	Carol Person	Jan. 1997 Jan. 2003
District Court	Jeffry S. Rantala	Jan. 1995 Jan. 2001
District Court	Ken Sandvik	Jan. 1999 Jan. 2005
District Court	David P. Sullivan	Jan. 1999 Jan. 2005
District Court	Heather Sweetland	Jan. 1999 Jan. 2005
District Court	Dale Wolf	Jan. 1997 Jan. 2003
Appointed Officers:		
Administrator	David Twa	
Assessor	Mary Durward	
Civil Service Director	Anthony Bruno, Jr.	
Court Administrator	Gloria Pothast	
Emergency Communications Director	Paul Kent	
Examiner of Titles	Robert C. Brown	
Land Commissioner	David Epperly	
Management Information Systems Director	Martin Buscombe	
Planning Director	Barbara Hayden	
Property Management Director	Tony Mancuso	
Public Health and Long-Term Care Director	Carol Thibault	
Public Works Director	Richard Hansen	
Purchasing Agent	Richard Florey	
Recorder	Mark Monacelli	
Social Services Director	Linda Anderson	
Solid Waste Director	Theodore Troolin	

St. Louis County Organizational Summary



Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. Louis County,
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1998

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.



Cary Brueckner
President

Jeffrey L. Esdall
Executive Director

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)



JUDITH H. DUTCHEK
STATE AUDITOR

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

SUITE 400
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
stateauditor@osa.state.mn.us (E-Mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
St. Louis County

We have audited the general purpose financial statements of St. Louis County, Minnesota, as of and for the year ended December 31, 1999, 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 the standards applicable to financial audits contained in *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, 1999, 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, supplementary schedules, and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of St. Louis County. Such information, except for that portion marked "unaudited," on which we express no opinion, 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, 2000, on our consideration of St. Louis County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


JUDITH H. DUTCHER
STATE AUDITOR


GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

May 9, 2000

ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1999

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)	Total -- Memorandum Only		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt		1997	Dollar Increase (Decrease)	Percent Increase (Decrease)
Assets and Other Debits													
Cash and cash equivalents	\$ 24,169,142	\$ 25,603,774	\$ 613,790	\$ 1,448,016	\$ 1,830,867	\$ 6,733,815	\$ 14,981,644	\$ -	\$ -	\$ 75,381,048	\$ 51,461,937	23,919,111	46.48%
Assets held by escrow agent	271,000	-	-	-	-	-	-	-	-	271,000	271,000	-	-
Investments	-	-	-	-	11,796,303	13,398,420	27,237,745	-	-	52,432,468	48,742,534	3,689,934	7.57%
Receivables													
Unapportioned	781,919	647,711	39,800	12,810	41,421	-	11,240	-	-	1,534,901	1,335,100	199,801	14.97%
Delinquent	1,441,586	2,013,836	103,675	44,513	3,184	-	23,838	-	-	3,630,632	3,425,341	205,291	5.99%
Accounts (net of allowance for uncollectibles)	37,496	441,574	-	-	2,597,575	412,714	10,047,481	-	-	13,536,840	11,208,924	2,327,916	20.77%
Accrued interest	769,199	-	-	-	129,313	203,196	196,938	-	-	1,298,646	642,226	656,420	102.21%
Loans	799,906	265,778	-	-	35,420	-	-	-	-	1,101,104	1,229,963	(128,859)	-10.48%
Due from other funds	-	-	-	-	5,000	-	969	-	-	5,969	369,021	(363,052)	-98.38%
Interfund receivable	293,702	-	-	-	-	-	-	-	-	293,702	99,455	194,247	195.31%
Due from other governments	1,153,792	14,388,710	-	-	1,192,009	19,054	1,420,806	-	-	18,174,371	15,555,664	2,618,707	16.83%
Inventories	-	1,854,051	-	-	95,017	181,520	-	-	-	2,130,588	1,789,972	340,616	19.03%
Prepaid items	-	-	-	-	-	71,593	-	-	-	71,593	58,568	13,025	22.24%
Restricted assets													
Debt service													
Receivables													
Taxes													
Unapportioned	-	-	-	-	16,517	-	-	-	-	16,517	21,869	(5,352)	-24.47%
Delinquent	-	-	-	-	65,188	-	-	-	-	65,188	58,091	7,097	12.22%
Financial assurance													
Cash and cash equivalents	-	-	-	-	55,820	-	-	-	-	55,820	271,000	(215,180)	-79.40%
Investments	-	-	-	-	1,878,070	-	-	-	-	1,878,070	1,231,055	647,015	52.56%
Receivables													
Accrued interest	-	-	-	-	106	-	-	-	-	106	6,351	(6,245)	-98.33%
Fixed assets (net)	-	-	-	-	15,347,987	3,898,894	-	113,498,029	-	132,744,910	126,036,742	6,708,168	5.32%
Amount available in general fund	-	-	-	-	-	-	-	-	1,952,600	1,952,600	734,816	1,217,784	165.73%
Amount available in special revenue funds	-	-	-	-	-	-	-	-	3,421,632	3,421,632	1,377,952	2,043,680	148.31%
Amount available in debt service funds	-	-	-	-	-	-	-	-	674,677	674,677	182,928	491,749	268.82%
Amount available in trust fund	-	-	-	-	-	-	-	-	106,159	106,159	111,184	(5,025)	-4.52%
Amount to be provided for retirement of long-term debt	-	-	-	-	-	-	-	-	23,444,763	23,444,763	23,388,917	55,846	0.24%
Amount to be provided for compensated absences	-	-	-	-	-	-	-	-	22,125,815	22,125,815	21,422,683	703,132	3.28%
Total Assets and Other Debits	\$ 29,717,742	\$ 45,215,434	\$ 757,265	\$ 1,505,339	\$ 35,089,797	\$ 24,919,206	\$ 53,920,661	\$ 113,498,029	\$ 51,725,646	\$ 356,349,119	\$ 311,033,293	\$ 45,315,826	14.57%

(continued)

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

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

DECEMBER 31, 1999

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Type	Account Groups		Total (Memorandum Only)	Total -- Memorandum Only			
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt		1997	Dollar Change	Percent Change	
Liabilities, Equity and Other Credits														
Liabilities														
Accounts payable	\$ 943,655	\$ 5,313,733	\$ -	\$ 158,603	\$ 1,220,321	\$ 476,670	\$ 1,100,192	\$ -	\$ -	\$ 9,213,174	\$ 6,657,470	2,555,704	38.39%	
Contracts payable	-	499,768	-	-	-	-	-	-	-	499,768	490,263	9,505	1.94%	
Salaries payable	1,565,914	1,513,533	-	-	742,141	183,922	500,339	-	-	4,505,849	3,243,655	1,262,194	38.91%	
Compensated absences payable	333,519	372,840	-	-	79,948	37,226	18,297	-	-	841,830	855,049	(13,219)	-1.55%	
Claims payable	-	-	-	-	-	3,303,275	-	-	-	3,303,275	2,438,802	864,473	35.45%	
Unapportioned taxes payable	-	-	-	-	-	-	1,551,418	-	-	1,551,418	1,356,969	194,449	14.33%	
Due to other funds	-	-	-	-	969	-	5,000	-	-	5,969	369,021	(363,052)	-98.38%	
Interfund payable	-	76,974	2,235	-	-	-	214,493	-	-	293,702	99,455	194,247	195.31%	
Due to other governments	112,361	1,234,943	-	286	14,441	144,677	37,249,825	-	-	38,756,533	29,586,297	9,170,236	30.99%	
Deferred revenue	1,677,381	9,751,294	80,353	37,732	92,362	390,130	9,204,771	-	-	21,234,023	14,212,903	7,021,120	49.40%	
Capital leases payable	-	-	-	-	-	1,987	-	-	-	1,987	11,873	(9,886)	-83.26%	
Payable from restricted assets														
Accrued interest payable	-	-	-	-	15,972	-	-	-	-	15,972	27,236	(11,264)	-41.36%	
Deferred revenue	-	-	-	-	54,828	-	-	-	-	54,828	52,282	2,546	4.87%	
Bonds payable	-	-	-	-	830,000	-	-	-	-	830,000	1,225,000	(395,000)	-32.24%	
Compensated absences payable - long term	-	-	-	-	1,773,527	1,566,336	-	-	27,606,206	30,946,069	27,530,972	3,415,097	12.40%	
Loans payable	-	-	-	-	-	-	-	-	3,937	3,937	11,811	(7,874)	-66.67%	
Claims payable - long term	-	-	-	-	-	4,207,886	-	-	-	4,207,886	3,078,621	1,129,265	36.68%	
Capital leases payable - long term	-	-	-	-	-	1,026	-	-	2,505,603	2,506,629	3,710,655	(1,204,026)	-32.45%	
General obligation bonds payable	-	-	-	-	-	-	-	-	2,150,000	2,150,000	2,340,000	(190,000)	-8.12%	
General obligation revenue bonds payable	-	-	-	-	3,170,184	-	-	-	-	3,170,184	5,547,014	(2,376,830)	-42.85%	
General obligation revenue notes payable	-	-	-	-	-	-	-	-	224,900	224,900	-	-	-	
Tax lease obligations payable	-	-	-	-	-	-	-	-	15,235,000	15,235,000	17,515,000	(2,280,000)	-13.02%	
General obligation capital equipment notes payable	-	-	-	-	-	-	-	-	4,000,000	4,000,000	271,000	3,729,000	1376.01%	
Customer deposits	-	-	-	-	8,090	-	-	-	-	8,090	6,640	1,450	21.84%	
Closure and post-closure liabilities	-	-	-	-	878,542	-	-	-	-	878,542	579,180	299,362	51.69%	
Total Liabilities	\$ 4,632,830	\$ 18,763,085	\$ 82,588	\$ 196,621	\$ 8,881,325	\$ 10,313,135	\$ 49,844,335	\$ -	\$ 51,725,646	\$ 144,439,565	\$ 121,217,168	\$ 22,997,497	18.97%	

(continued)

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

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

DECEMBER 31, 1999

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)	Total -- Memorandum Only			
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets		General Long-Term Debt	1997	Dollar Change	Percent Change
Liabilities, Equity and Other Credits													
(continued)													
Equity and Other Credits													
Contributed capital	\$ -	\$ -	\$ -	\$ -	\$ 3,151,055	\$ 2,886,902	\$ -	\$ -	\$ -	\$ 6,037,957	\$ 6,037,957	-	-
Investment in general fixed assets	-	-	-	-	-	-	-	113,498,029	-	113,498,029	107,556,274	5,941,755	5.52%
Retained earnings													
Reserved for capital acquisition	-	-	-	-	-	71,593	-	-	-	71,593	128,572	(56,979)	-44.32%
Reserved for improvements	-	-	-	-	67,519	-	-	-	-	67,519	-	-	-
Reserved for closure and post-closure	-	-	-	-	1,911,768	-	-	-	-	1,911,768	1,237,406	674,362	54.50%
Reserved for Year 2000	-	-	-	-	-	56,327	-	-	-	56,327	350,092	(293,765)	-83.91%
Unreserved	-	-	-	-	21,078,130	11,591,249	-	-	-	32,669,379	29,431,508	3,237,871	11.00%
Fund Balance													
Reserved for change funds	23,055	16,000	-	-	-	-	-	-	-	39,055	36,855	2,200	5.97%
Reserved for noncurrent loans	480,084	265,778	-	-	-	-	-	-	-	745,862	635,084	110,778	17.44%
Reserved for future loans	-	84,122	-	-	-	-	-	-	-	84,122	-	-	-
Reserved for conference fund	-	18,512	-	-	-	-	-	-	-	18,512	23,261	(4,749)	-20.42%
Reserved for economic development	416,112	-	-	-	-	-	-	-	-	416,112	362,526	53,586	14.78%
Reserved for inventories	-	1,854,051	-	-	-	-	-	-	-	1,854,051	1,491,302	362,749	24.32%
Reserved for encumbrances	157,027	903,123	-	-	-	-	240,348	-	-	1,300,498	1,970,151	(669,653)	-33.99%
Reserved for health and welfare	1,109,069	910,374	-	-	-	-	76,979	-	-	2,096,422	2,035,565	60,857	2.99%
Reserved for recorder's equipment	31,757	-	-	-	-	-	-	-	-	31,757	31,732	25	0.08%
Reserved for foster care insurance	-	6,000	-	-	-	-	-	-	-	6,000	6,000	-	-
Reserved for senior citizens' transportation	-	4,808	-	-	-	-	-	-	-	4,808	56,762	(51,954)	-91.53%
Reserved for unorganized town roads	-	466,428	-	-	-	-	-	-	-	466,428	418,556	47,872	11.44%
Reserved for veterans' credit	-	-	-	-	-	-	15,000	-	-	15,000	15,000	-	-
Reserved for communications	361,475	-	-	-	-	-	-	-	-	361,475	205,392	156,083	75.99%
Reserved for extension service	85,664	-	-	-	-	-	-	-	-	85,664	101,376	(15,712)	-15.50%
Reserved for Lakewood Township	17,505	-	-	-	-	-	-	-	-	17,505	271,000	(253,495)	-93.54%
Reserved for escrow cash	271,000	-	-	-	-	-	-	-	-	271,000	271,000	-	-
Reserved for soil erosion	3,300	-	-	-	-	-	-	-	-	3,300	271,000	(267,700)	-98.78%
Reserved for capital aquisition	922,426	1,698,603	-	-	-	-	-	-	-	2,621,029	271,000	2,350,029	867.17%
Unreserved													
Designated for parking	180,559	-	-	-	-	-	-	-	-	180,559	243,788	(63,229)	-25.94%
Designated for Hibbing Fairgrounds	542,062	-	-	-	-	-	-	-	-	542,062	2,223,952	(1,681,890)	-75.63%
Designated for vested sick leave	1,952,600	3,421,632	-	-	-	-	106,159	-	-	5,480,391	-	-	-
Designated for cash flow	15,577,645	13,208,926	-	-	-	-	-	-	-	28,786,571	21,043,684	7,742,887	36.79%
Designated for emergency contingency	5,942	1,100,616	-	-	-	-	23,969	-	-	1,130,527	271,000	859,527	317.17%
Designated for cash flow - Medical Care Facilities	777,979	-	-	-	-	-	-	-	-	777,979	271,000	506,979	187.08%
Designated for 2000 budget	665,196	1,273,776	-	-	-	-	-	-	-	1,938,972	271,000	1,667,972	615.49%
Designated for 2000 budget - supplemental	833,338	336,868	-	-	-	-	-	-	-	1,170,206	271,000	899,206	331.81%
Designated for Promotional Bureau	24,161	-	-	-	-	-	-	-	-	24,161	271,000	(246,839)	-91.08%
Undesignated	646,956	882,732	674,677	1,308,718	-	-	3,613,871	-	-	7,126,954	13,788,680	(6,661,726)	-48.31%
Total Equity and Other Credits	\$ 25,084,912	\$ 26,452,349	\$ 674,677	\$ 1,308,718	\$ 26,208,472	\$ 14,606,071	\$ 4,076,326	\$ 113,498,029	\$ -	\$ 211,909,554	\$ 191,870,475	\$ 14,407,047	7.51%
Total Liabilities, Equity, and Other Credits													
	\$ 29,717,742	\$ 45,215,434	\$ 757,265	\$ 1,505,339	\$ 35,089,797	\$ 24,919,206	\$ 53,920,661	\$ 113,498,029	\$ 51,725,646	\$ 356,349,119	\$ 313,087,643	\$ 37,404,544	11.95%

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

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, 1999

	Governmental Fund Types				Fiduciary Fund Type Expensible Trust	Total (Memorandum Only)	Total -- Memorandum Only		
	General	Special Revenue	Debt Service	Capital Projects			1998	Dollar Increase (Decrease)	Percent Increase (Decrease)
Revenues									
Taxes	\$ 34,297,248	\$ 37,917,138	\$ 2,041,322	\$ 583,008	\$ 919,125	\$ 75,757,841	\$ 70,681,506	\$ 5,076,335	7.18%
Licenses and permits	137,817	23,082	-	-	-	160,899	155,517	5,382	3.46%
Intergovernmental	15,050,333	72,168,941	222,885	178,672	188,038	87,808,869	81,547,903	6,260,966	7.68%
Charges for services	6,262,129	1,928,892	-	-	-	8,191,021	8,068,279	122,742	1.52%
Fines and forfeits	1,518,384	-	-	-	-	1,518,384	1,304,540	213,844	16.39%
Earnings on investments	4,281,779	5,304	-	1,790	6,073	4,294,946	3,646,887	648,059	17.77%
Gifts and contributions	16,019	-	-	-	-	16,019	27,318	(11,299)	-41.36%
Land and timber sales	-	-	-	-	6,133,384	6,133,384	5,748,891	384,493	6.69%
Miscellaneous	786,804	1,426,665	-	160,731	683,615	3,057,815	3,887,477	(829,662)	-21.34%
Total Revenues	\$ 62,350,513	\$ 113,470,022	\$ 2,264,207	\$ 924,201	\$ 7,930,235	\$ 186,939,178	\$ 175,068,318	\$ 11,870,860	6.78%
Expenditures									
Current									
General government	\$ 24,135,233	\$ -	\$ -	\$ -	\$ 194,488	\$ 24,329,721	\$ 22,589,849	\$ 1,739,872	7.70%
Public safety	17,857,693	-	-	-	90,245	17,947,938	16,714,863	1,233,075	7.38%
Highways and streets	-	39,047,314	-	-	-	39,047,314	35,568,624	3,478,690	9.78%
Health	5,778,632	-	-	-	-	5,778,632	5,586,413	192,219	3.44%
Welfare	582,026	64,886,973	-	-	-	65,468,999	62,057,460	3,411,539	5.50%
Culture and recreation	1,494,552	-	-	-	-	1,494,552	865,786	628,766	72.62%
Conservation of natural resources	782,214	-	-	-	7,461,802	8,244,016	7,973,576	270,440	3.39%
Economic development	20,000	4,149,249	-	-	-	4,169,249	3,662,411	506,838	13.84%
Total Current	\$ 50,650,350	\$ 108,083,536	\$ -	\$ -	\$ 7,746,535	\$ 166,480,421	\$ 155,018,982	\$ 11,461,439	7.39%
Capital outlay									
General government	\$ 101,630	\$ -	\$ -	\$ 781,175	\$ -	\$ 882,805	\$ 883,068	\$ (263)	-0.03%
Public safety	519,850	-	-	-	-	519,850	2,688,615	(2,168,765)	-80.66%
Highways and streets	-	2,282,784	-	520,638	-	2,803,422	2,223,058	580,364	26.11%
Health	18,254	-	-	-	-	18,254	1,980	16,274	821.92%
Welfare	-	156,146	-	-	-	156,146	393,808	(237,662)	-60.35%
Conservation of natural resources	-	-	-	-	403,277	403,277	328,034	75,243	22.94%
Total Capital Outlay	\$ 639,734	\$ 2,438,930	\$ -	\$ 1,301,813	\$ 403,277	\$ 4,783,754	\$ 6,518,563	\$ (1,734,809)	-26.61%
Debt service									
Principal	\$ 102,007	\$ 276,720	\$ 1,304,600	\$ -	\$ -	\$ 1,683,327	\$ 1,621,314	\$ 62,013	3.82%
Interest and fiscal charges	18,419	49,327	980,677	-	-	1,048,423	1,093,168	(44,745)	-4.09%
Total Debt Service	\$ 120,426	\$ 326,047	\$ 2,285,277	\$ -	\$ -	\$ 2,731,750	\$ 2,714,482	\$ 17,268	0.64%
Intergovernmental									
Public safety	\$ 8,336,192	\$ -	\$ -	\$ -	\$ -	\$ 8,336,192	\$ 7,411,071	\$ 925,121	12.48%
Total Expenditures	\$ 59,746,702	\$ 110,848,513	\$ 2,285,277	\$ 1,301,813	\$ 8,149,812	\$ 182,332,117	\$ 171,663,098	\$ 10,669,019	6.22%
Excess of Revenues Over (Under) Expenditures	\$ 2,603,811	\$ 2,621,509	\$ (21,070)	\$ (377,612)	\$ (219,577)	\$ 4,607,061	\$ 3,405,220	\$ 1,201,841	35.29%
Other Financing Sources (Uses)									
Bond proceeds	\$ 1,154,326	\$ 2,845,674	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 328,685	\$ 3,671,315	1116.97%
Loan proceeds	-	7,000	-	-	-	7,000	-	7,000	ERR
Capital leases	-	14,046	-	-	-	14,046	96,156	(82,110)	-85.39%
Operating transfers in	-	52,007	120,764	170,000	-	342,771	1,408,390	(1,065,619)	-75.66%
Operating transfers out	(508,661)	(114,060)	-	-	-	(622,721)	(1,408,390)	785,669	-55.78%
Total Other Financing Sources (Uses)	\$ 645,665	\$ 2,804,667	\$ 120,764	\$ 170,000	\$ -	\$ 3,741,096	\$ 424,841	\$ 3,316,255	780.59%
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 3,249,476	\$ 5,426,176	\$ 99,694	\$ (207,612)	\$ (219,577)	\$ 8,348,157	\$ 3,830,061	\$ 4,518,096	117.96%
Fund Balance - January 1	21,835,436	20,773,672	571,671	1,519,642	4,295,903	48,996,324	45,056,015	3,940,309	8.75%
Equity transfer in	-	-	3,312	-	-	3,312	-	3,312	ERR
Equity transfer out	-	-	-	(3,312)	-	(3,312)	-	(3,312)	ERR
Increase (decrease) in reserved for inventories	-	252,501	-	-	-	252,501	110,248	142,253	129.03%
Fund Balance - December 31	\$ 25,084,912	\$ 26,452,349	\$ 674,677	\$ 1,308,718	\$ 4,076,326	\$ 57,596,982	\$ 48,996,324	\$ 8,600,658	17.55%

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

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, 1999

	General Fund			Special Revenue Funds			Debt Service Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$ 33,297,598	\$ 34,297,248	\$ 999,650	\$ 37,104,099	\$ 37,917,138	\$ 813,039	\$ 1,998,968	\$ 2,041,322	\$ 42,354
Licenses and permits	128,170	137,817	9,647	18,000	23,082	5,082	-	-	-
Intergovernmental	14,655,797	15,050,333	394,536	73,867,185	72,168,941	(1,698,244)	222,885	222,885	-
Charges for services	5,970,067	6,262,129	292,062	1,840,156	1,928,892	88,736	-	-	-
Fines and forfeits	1,386,719	1,518,384	131,665	-	-	-	-	-	-
Earnings on investments	3,005,072	4,281,779	1,276,707	-	5,304	5,304	-	-	-
Gifts and contributions	39,278	16,019	(23,259)	-	-	-	-	-	-
Miscellaneous	569,808	786,804	216,996	1,217,189	1,426,665	209,476	-	-	-
Total Revenues	\$ 59,052,509	\$ 62,350,513	\$ 3,298,004	\$ 114,046,629	\$ 113,470,022	\$ (576,607)	\$ 2,221,853	\$ 2,264,207	\$ 42,354
Expenditures									
General government	\$ 25,399,952	\$ 24,226,909	\$ 1,173,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	27,121,864	26,590,748	531,116	-	-	-	-	-	-
Highways and streets	-	-	-	45,903,360	40,849,278	5,054,082	-	-	-
Health	6,994,947	6,073,245	921,702	-	-	-	-	-	-
Sanitation	-	-	-	156,755	-	156,755	-	-	-
Welfare	719,822	585,053	134,769	66,090,832	65,373,625	717,207	-	-	-
Culture and recreation	1,527,793	1,494,887	32,906	-	-	-	-	-	-
Conservation of natural resources	943,633	802,675	140,958	-	-	-	-	-	-
Economic development	20,000	20,000	-	4,284,434	4,149,249	135,185	-	-	-
Debt service	-	-	-	-	-	-	2,285,277	2,285,277	-
Total Expenditures	\$ 62,728,011	\$ 59,793,517	\$ 2,934,494	\$ 116,435,381	\$ 110,372,152	\$ 6,063,229	\$ 2,285,277	\$ 2,285,277	\$ -
Excess of Revenues Over (Under) Expenditures	\$ (3,675,502)	\$ 2,556,996	\$ 6,232,498	\$ (2,388,752)	\$ 3,097,870	\$ 5,486,622	\$ (63,424)	\$ (21,070)	\$ 42,354
Other Financing Sources (Uses)									
Bond proceeds	\$ 1,084,326	\$ 1,154,326	\$ 70,000	\$ 2,845,674	\$ 2,845,674	\$ -	\$ -	\$ -	\$ -
Loan proceeds	-	-	-	32,100	7,000	(25,100)	-	-	-
Capital leases	-	-	-	14,046	14,046	-	-	-	-
Operating transfers in	-	-	-	-	52,007	52,007	120,764	120,764	-
Operating transfers out	(523,457)	(508,661)	14,796	(114,060)	(114,060)	-	-	-	-
Total Other Financing Sources (Uses)	\$ 560,869	\$ 645,665	\$ 84,796	\$ 2,777,760	\$ 2,804,667	\$ 26,907	\$ 120,764	\$ 120,764	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (3,114,633)	\$ 3,202,661	\$ 6,317,294	\$ 389,008	\$ 5,902,537	\$ 5,513,529	\$ 57,340	\$ 99,694	\$ 42,354
Adjustments-Note 1	-	46,815	46,815	-	(476,361)	(476,361)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses as Adjusted	\$ (3,114,633)	\$ 3,249,476	\$ 6,364,109	\$ 389,008	\$ 5,426,176	\$ 5,037,168	\$ 57,340	\$ 99,694	\$ 42,354
Fund Balance - January 1	21,835,436	21,835,436	-	20,773,672	20,773,672	-	571,671	571,671	-
Equity transfer in	-	-	-	-	-	-	3,312	3,312	-
Increase (decrease) in reserved for inventories	-	-	-	-	252,501	252,501	-	-	-
Fund Balance - December 31	\$ 18,720,803	\$ 25,084,912	\$ 6,364,109	\$ 21,162,680	\$ 26,452,349	\$ 5,289,669	\$ 632,323	\$ 674,677	\$ 42,354

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

ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY TYPE FUNDS
 YEAR ENDED DECEMBER 31, 1999

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
Operating Revenues			
Charges for services	\$ 23,623,965	\$ 26,561,945	\$ 50,185,910
Licenses and permits	1,800	-	1,800
Other	263,838	718,645	982,483
Total Operating Revenues	<u>\$ 23,889,603</u>	<u>\$ 27,280,590</u>	<u>\$ 51,170,193</u>
Operating Expenses			
Personal services	\$ 14,048,379	\$ 4,764,705	\$ 18,813,084
Contractual services	7,802,321	20,007,433	27,809,754
Materials	1,738,759	1,350,570	3,089,329
Depreciation	1,016,641	1,004,198	2,020,839
Total Operating Expenses	<u>\$ 24,606,100</u>	<u>\$ 27,126,906</u>	<u>\$ 51,733,006</u>
Operating Income (Loss)	<u>\$ (716,497)</u>	<u>\$ 153,684</u>	<u>\$ (562,813)</u>
Nonoperating Revenues (Expenses)			
Taxes	\$ 1,025,999	\$ -	\$ 1,025,999
Grants	1,833,241	-	1,833,241
Earnings on investments	667,864	755,392	1,423,256
Interest expense	(266,515)	-	(266,515)
Amortization of bond discount	(22,781)	-	(22,781)
Loss or gain on asset disposal	(10,321)	(1,295)	(11,616)
Disposition of fixed assets	-	24,096	24,096
Total Nonoperating Revenues (Expenses)	<u>\$ 3,227,487</u>	<u>\$ 778,193</u>	<u>\$ 4,005,680</u>
Income (Loss) Before Transfers	2,510,990	931,877	3,442,867
Operating Transfers In (Out)	<u>279,950</u>	<u>-</u>	<u>279,950</u>
Net Income (Loss)	<u>\$ 2,790,940</u>	<u>\$ 931,877</u>	<u>\$ 3,722,817</u>
Retained Earnings - January 1 - Restated	<u>20,266,477</u>	<u>10,787,292</u>	<u>31,053,769</u>
Retained Earnings - December 31	<u>\$ 23,057,417</u>	<u>\$ 11,719,169</u>	<u>\$ 34,776,586</u>

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

ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 1999

	Enterprise	Internal Service	Total (Memorandum Only)
Cash Flows From Operating Activities			
Operating Income (Loss)	\$ (716,497)	\$ 153,684	\$ (562,813)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation	1,016,641	1,004,198	2,020,839
Changes in Assets and Liabilities			
(Increase) Decrease in accounts receivable	(111,826)	(56,243)	(168,069)
(Increase) Decrease in loans receivable	19,320	-	19,320
(Increase) Decrease in due from other governments	(1,154,656)	15,689	(1,138,967)
(Increase) Decrease in due from other funds	155,954	(160,954)	(5,000)
(Increase) Decrease in inventories	(8,393)	(6,080)	(14,473)
(Increase) Decrease in prepaid items	-	(164)	(164)
Increase (Decrease) in accounts payable	313,527	68,532	382,059
Increase (Decrease) in salaries payable	226,274	1,510	227,784
Increase (Decrease) in compensated absences payable	(309,937)	28,055	(281,882)
Increase (Decrease) in claims payable	-	(229,165)	(229,165)
Increase (Decrease) in due to other funds	(4,767)	-	(4,767)
Increase (Decrease) in due to other governments	(70,899)	9,502	(61,397)
Increase (Decrease) in deferred revenue	(27,131)	(20,212)	(47,343)
Increase (Decrease) in customer deposits	600	-	600
Increase (Decrease) in closure and post-closure liabilities	143,015	-	143,015
Net Cash Provided by Operating Activities	\$ (528,775)	\$ 808,352	\$ 279,577
Cash Flows From Noncapital Financing Activities			
Proceeds from taxes	\$ 1,017,073	\$ -	\$ 1,017,073
Proceeds from grants	1,833,241	-	1,833,241
Payment of interfund loan	(28,646)	-	(28,646)
Proceeds from operating transfer	279,950	-	279,950
Net Cash Provided by Noncapital Financing Activities	\$ 3,101,618	\$ -	\$ 3,101,618
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	\$ (2,610,293)	\$ (894,878)	\$ (3,505,171)
Principal paid on bonds	(1,585,000)	-	(1,585,000)
Interest paid on bonds	(273,319)	-	(273,319)
Payments of capital leases	-	(2,607)	(2,607)
Proceeds from sale of fixed assets	-	24,096	24,096
Disposal of capital assets	10,345	-	10,345
Net Cash Provided by Capital and Related Financing Activities	\$ (4,458,267)	\$ (873,389)	\$ (5,331,656)
Cash Flows From Investing Activities			
Purchase of investments	\$ (26,938,880)	\$ (48,108,331)	\$ (75,047,211)
Sale of investments	28,801,571	46,305,820	75,107,391
Earnings on investments	701,022	689,314	1,390,336
Net Cash Provided by Investing Activities	\$ 2,563,713	\$ (1,113,197)	\$ 1,450,516
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 678,289	\$ (1,178,234)	\$ (499,945)
Cash and Cash Equivalents - January 1	1,208,398	7,912,049	9,120,447
Cash and Cash Equivalents - December 31	\$ 1,886,687	\$ 6,733,815	\$ 8,620,502

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

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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. Ch. 373 (1998). 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 comprised of 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.

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

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

proprietary funds and trust funds.

Proprietary Funds

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

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

Fiduciary Funds

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

Account Groups

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for the County's fixed assets, other than

those accounted for in the proprietary funds. General fixed assets of a public domain or an "infrastructure" nature are not capitalized.

General Long-Term Debt Account Group -

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

C. Measurement Focus

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds and expendable trust funds are accounted for on a spending or "current financial resources flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources."

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including

roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

Purchased fixed assets are valued at historical

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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

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

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

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

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

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

decreases (expenses) in net total assets.

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 - 7 years

D. Basis of Accounting

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

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

Ad valorem property tax revenue is recognized in compliance with Governmental Accounting Standards Board (GASB) Interpretation 5. This interpretation states that "property tax revenues are recognized when they become available. Available means collected within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days."

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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. Ch. 383C (1998), to adopt an annual budget for the General, Special Revenue, and Debt Service Funds. These budgets are prepared on the modified accrual basis of accounting plus encumbrances.

The County is also required to adopt a budget for the Capital Projects Funds. An appropriation for expenditures from the capital project funds 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 or at the discretion of the County Administrator. 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.

The County Board has established the legal level of control for County departments to be at the agency level. County departments are comprised of one or more sub-departments (agencies). Each department can spend its agency level budgets on any line item within that agency so long as the total agency budget is not overspent. However, no public aid assistance and/or personal services budget authority may be used for any other purpose without Board approval.

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.

Each appropriation, except an appropriation within the Capital Project Funds, 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

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

carried over from one fiscal year to the next in accordance with generally accepted accounting principles.

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, including the awarding of state and federal grants during the year and the providing for funding for unanticipated program requirements. Budget revisions were necessary during the year. The effect of these amendments was an increase in budgeted County funds of \$4,975,287.

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 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.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

Budget Basis of Accounting

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

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 12-31-99	Expenditures in 1999 from 1998 Encumbrances	Total Exhibit III Adjustment	Exhibit III Expenditures	Exhibit II Expenditures
General Fund	(157,027)	110,212	(46,815)	59,793,517	59,746,702
Special Revenue					
Road and Bridge	(860,086)	1,340,906	480,820	40,849,278	41,330,098
Social Services	(43,037)	38,578	(4,459)	65,373,625	65,369,166
Babbitt Facility	-	-	-	-	-
Housing and Redevelopment Authority	-	-	-	318,310	318,310
Community Development Block Grant	-	-	-	3,097,889	3,097,889
Northeast Minnesota Housing Consortium	-	-	-	733,050	733,050
Septic Loan	-	-	-	-	-
Total Special Revenue Fund	(903,123)	1,379,484	476,361	110,372,152	110,848,513

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

F. Accounting Changes

Fund Restatements

As of January 1, 1999, the County determined that the retained earnings in the Chris Jensen and Nopeming Enterprise Funds were understated while the retained earnings in the Telecommunications Internal Service Fund were overstated. This was caused by the payment of phone expenses twice. The retained earnings as of January 1, 1999, were restated to reflect these corrections.

	(Amounts in Dollars)		
	Retained Earnings January 1, 1999 As Previously Reported	Restatement	Retained Earnings January 1, 1999 As Restated
Enterprise Funds			
Chris Jensen	3,575,302	94,234	3,669,536
Nopeming	1,642,311	66,720	1,709,031
Solid Waste Management	14,887,910		14,887,910
	<u>20,105,523</u>	<u>160,954</u>	<u>20,266,477</u>
Internal Service Funds			
Community Food	556,220		556,220
Laundry	83,431		83,431
Supervised Living Facilities	119,298		119,298
Printing	512,645		512,645
County Garage	(39,413)		(39,413)
Property, Casualty, Liability Insurance	4,018,077		4,018,077
Workers' Compensation Insurance	1,109,442		1,109,442
Medical/Dental Insurance	2,575,260		2,575,260
Management Information Systems	1,138,981		1,138,981
Telecommunications	874,305	(160,954)	713,351
	<u>10,948,246</u>	<u>(160,954)</u>	<u>10,787,292</u>

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

Account Reclassifications

Several account balances were reclassified as of and for the year ended December 31, 1998, 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, 1999. Although comparative statements for 1998 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. Cash balances and pooled investments are at fair value.

Pursuant to Minn. Stat. § 385.07, investment earnings on cash balances and pooled investments are credited to the General Fund. Pooled investment earnings for 1999 were \$4,281,779. 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 three months or less when purchased, are considered to be cash equivalents.

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 60 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.

Liabilities

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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 \$10,397,163 at December 31, 1999, 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 \$878,542 for the open area reported on the Solid Waste Management Enterprise Fund Balance Sheet as landfill closure and postclosure liability at December 31, 1999, represents the following:

Postclosure liability	\$299,212
This is the liability for postclosure costs for the Regional Landfill. It is based on the use of 70.72% of the existing open area.	
Closure liability	\$579,330
This is the liability for closure costs for the Regional Landfill. It is based on the use of 70.72% of the existing open area.	

The County will recognize the remaining \$363,809 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 1999. The County expects the open area to be closed in 2000 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

St. Louis County, Minnesota
Notes to the Financial Statements
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postclosure care of the last cell that will be accepting waste. The County is in compliance with these requirements, and at December 31, 1999, restricted assets of \$1,933,996 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 Amendments of 1996 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, 1999; the auditor's reports on compliance and internal accounting control will be issued separately.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

Note 2. Detailed Notes on all Funds and Account Groups

A. Assets

Deposits

Minn. Stat. §§ 118A.002 and 118A.004 (1998) authorize the County to deposit its cash and to invest in certificates of deposit in financial institutions designated by the County Board. At December 31, 1999, County deposits totaled \$3,667,776, of which \$401,959 were cash deposits and \$3,265,817 was invested in certificates of deposit.

Following is a summary of the deposits covered by insurance or collateral at December 31, 1999:

	(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	3,515,958	3,518,196
Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name	149,580	149,580
Uncollateralized	-	-
Total Deposits	3,665,538	3,667,776

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

Investments

Minn. Stat. Ch. 118A (1998) 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 having its principal executive office in Minnesota, licensed under Chapter 80A, or an affiliate of it, and regulated by the Securities and Exchange Commission; provided that the government entity's ownership of all securities is evidenced by written acknowledgments identifying the securities by the names of the issuers, maturity dates, interest rates, CUSIP number, or other distinguishing marks.

Type of securities available to the County for investment:

1. governmental bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or

organizations created by an act of Congress;

2. any security which is (a) a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, (b) a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service, or (c) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency;
3. commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less;
4. time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United States banks;
5. repurchase agreements consisting of collateral allowable in section 118A.04 and reverse repurchase agreements with (a) a financial institution qualified as a "depository" of public funds of the government entity, (b) any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000, (c) a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or (d) a securities broker-dealer licensed pursuant to Chapter 80A, or an affiliate of it, and regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt;

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

6. agreements or contracts for (a) shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in subdivision 2 and section 118A.04, (b) units of a short-term investment fund established and administered pursuant to regulation 9 of the Office of the Comptroller of the

Currency, in which investments are restricted to securities described in this section and section 118A.04; (c) shares of an investment company which is registered under the Federal Investment Company Act of 1940 and which holds itself out as a money market fund meeting the conditions of rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized statistical rating organization; or (d) shares of an investment company which is registered under the Federal Investment Company Act of 1940, and whose shares are registered under the Federal Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization and is invested in financial instruments with a final maturity no longer than 13 months;

7. agreements or contracts for guaranteed investment contracts if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries with the credit quality of the issuer's or guarantor's short and long term unsecured debt rated in one of the two highest categories by a nationally recognized rating agency, and with the provision that should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights;

8. general obligation temporary bonds of the same governmental entity issued under

section 429.091, subdivision 7, 469.178, subdivision 5, or 475.61, subdivision 6.

Funds held in a debt service 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 by the governmental entity at any time, but the money so received remains 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.

The County has a formal investment policy which provides guidelines which meet statutory requirements and which in some instances may be more restrictive.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

Following is a summary of the County's securities, categorized into the aforementioned levels of risk, at December 31, 1999.

(Amounts in Dollars)				
	(1)	Category (2)	(3)	Fair Value
Investments				
U.S. Government securities	-	58,045,895	271,000	58,316,895
Bankers Acceptances	-	19,174,767	-	19,174,767
Commercial Paper	-	40,130,329	-	40,130,329
 Add:				
Minnesota Association of Governments Investing for Counties (Magic) Fund				7,846,593
Deposits				3,667,776
Cash on Hand				882,046
Total				130,018,406

Detail as shown on Combined Balance Sheet:

Current Assets:	
Cash and cash equivalents	75,381,048
Assets held by escrow agent	271,000
Investments	52,432,468
Financial Assurance:	
Cash and cash equivalents	55,820
Investments	1,878,070
Total	130,018,406

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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	24,462,844	
Special Revenue Funds		
Road & Bridge	18,443,736	
Social Services	6,357,268	
Babbitt Facility	251,967	
Housing and Redevelopment Authority	461,876	
Community Development Block Grant		(62,587)
Northeast Minnesota Housing Consortium	1,285	(14,387)
Septic Loan	87,642	
Debt Service Funds		
Babbitt Facility Refunding	127,163	
Jail Bond	132,506	
AJC Construction Bond	14,229	
Law Enforcement Bond	333,188	
Hibbing Public Works Bond		(2,235)
Capital Equipment Note	6,704	
Capital Projects Fund	1,448,016	
Enterprise Funds	1,886,687	
Internal Service Funds	6,733,815	
Trust Funds		
Missing Heirs	87,947	
Private Redemption	414	
Exchange of Land	22,798	
Tax Certificate Assurance	193,097	
Forfeited Tax Sale		(214,493)
Forest Resources	3,105,076	
Patients' Escrow	31,004	
Attorney Forfeitures	186,743	
Sheriff Forfeitures	80,516	
Sheriff Fines	37,227	
Agency Funds	11,236,822	
Total Equity	75,730,570	
Less: Advances	(293,702)	

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

Total	<u>75,436,868</u>	<u>(293,702)</u>
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St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

Loans Receivable

The long-term loan receivable from the St. Louis County Heritage and Arts Center is \$480,084 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 interest free loan for the construction of a performing arts center is accounted for in the General Fund and the payments are up-to-date through December 1999. The repayment schedule calls for \$15,000 annual payments.

The Duluth Lighthouse for the Blind, which had filed Chapter 11 bankruptcy in 1996, discontinued all paper converting operations and commenced liquidation of its industrial assets. St. Louis County released the Lighthouse for the Blind from all claims on December 27, 1999.

The long-term receivable from Improvement Limited Partnership is \$57,382 plus accrued interest of \$454 and is equally offset by deferred revenue. The loan was renegotiated as of October 1, 1999, and is valued at its discounted amount. New terms call for monthly payments of \$750 for three years, with a balloon payment of \$46,635 due October 1, 2002. The interest rate is 9.5 percent over ten years. The receivable arises from a State of Minnesota grant and loan to St. Louis County for the purpose of remodeling the Regency Kahler Hotel in Hibbing, now known as the Hibbing Park Hotel. The loan is accounted for in the General Fund and payments are up-to-date through December 1999. Under the renegotiated terms, the State was repaid in full. All payments received by the County will be retained and used for economic development.

The second long-term receivable from Improvement Limited Partnership is \$82,524 plus accrued interest of \$653 and is equally offset by a fund balance reserved for economic development. The loan was renegotiated as of October 1, 1999, and is valued at its discounted amount. New terms call for monthly payments of \$1,079 for three years, with a balloon payment of \$67,069

due October 1, 2002. The interest rate is 9.5 percent over ten years. The purpose of the loan is to fund remodeling of the Regency Kahler Hotel in Hibbing, now known as the Hibbing Park Hotel. The loan is accounted for in the General Fund and payments are up-to-date through December 1999. The repayment to the County will be used for economic development.

The long-term loan receivable from Pitman Engineering and Manufacturing Company (PEMCO) is \$77,701 plus accrued interest of \$777 and is equally offset by deferred revenue. The loan bears interest at three percent and is valued at its discounted amount. The loan is accounted for in the General Fund. PEMCO has requested new loan terms, and negotiations are in progress. The receivable arises from a State of Minnesota grant and loan to St. Louis County. Loan proceeds were used to purchase equipment allowing PEMCO to retain manufacturing jobs in Duluth. 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 long-term 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 purpose of the loan is to fund equipment purchases, resulting in increased manufacturing capacity and additional jobs for the low to moderate income population. The loan bears interest at four percent and is valued at its discounted amount. It is accounted for in the General Fund and the payments are up-to-date through December 1999. 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

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

Schott Power Systems, Inc. must be repaid by the County to the State.

The long-term loan receivable from Meadowlands Affordable Housing Limited Partnership is \$125,000 and is equally offset by a reserve for noncurrent loans. The purpose of the loan was the construction of a 12-unit affordable housing project. 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 Housing and Redevelopment Authority Special Revenue Fund.

The County has entered into an agreement with the Minnesota Department of Agriculture to administer the Agricultural Best Management Loan Program. This program was established to make loans to individuals to implement projects that prevent or mitigate nonpoint source water pollution. It is accounted for in the Septic Loan Special Revenue Fund. The following information is presented to comply with the agreement:

Loans made during year	\$66,675
Number of loans made	10
Payments made on loans	\$19,205
Loans outstanding at December 31, 1999, including interest	\$140,778
Loan amounts past due	-0-

The long-term loan receivable from the City of Chisholm is \$35,420. Loan proceeds were used to purchase a garbage truck. 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 and payments are up-to-date through December 1999.

Due From Other Governments

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

The following amounts were due from other governments at December 31, 1999:

	(Amounts in Dollars)			
	Federal	State	Local - Other	Total
General Fund	326,723	716,325	110,744	1,153,792
Special Revenue Funds				
Road and Bridge	370	7,287,016	118,610	7,405,996
Social Services	1,925,865	4,395,989	2,258	6,324,112
Housing and Redevelopment Authority	-	-	6,370	6,370
Community Development Block Grant	554,279	-	-	554,279
Northeast Minnesota Housing Consortium	97,953	-	-	97,953
Total Special Revenue Funds	2,578,467	11,683,005	127,238	14,388,710
Enterprise Fund				
Solid Waste Management	-	1,179,519	12,490	1,192,009
Internal Service Funds				
Printing	-	-	14,367	14,367
Telecommunications	-	3,454	1,233	4,687
Total Internal Service Funds	-	3,454	15,600	19,054
Trust Funds				
Forfeited Tax Sale	-	26,972	-	26,972
Forest Resources	-	8,845	-	8,845
Total Trust Funds	-	35,817	-	35,817
Agency Funds				
State of Minnesota	-	18,336	-	18,336
Arrowhead Regional Corrections	-	526,809	105,427	632,236
Community Health Services	142,278	50,389	-	192,667
Regional Railroad Authority	6,179	450,686	84,755	541,620
Northern Counties Land Use Board	-	-	130	130
Total Agency Funds	148,457	1,046,220	190,312	1,384,989
Total	3,053,647	14,664,340	456,384	18,174,371

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

Proprietary Fund Fixed Assets

A summary of proprietary fund fixed assets at December 31, 1999, is:

	(Amounts in Dollars)	
	Enterprise	Internal Service
Land	476,764	25,500
Buildings and structures	12,624,606	1,809,384
Improvements other than buildings	5,885,041	-
Machinery and equipment	2,635,885	8,388,187
Linens	29,440	174,964
Vehicles	278,851	1,598,809
Construction in progress	2,245,065	-
Total	24,175,652	11,996,844
Less accumulated depreciation	(8,827,665)	(8,097,950)
Net Fixed Assets	15,347,987	3,898,894

Summary of Changes in General Fixed Assets

	(Amounts in Dollars)				
	Balance 1-1-99	Additions	Retirements	Assets Reclassified	Balance 12-31-99
Land	1,465,040	7,132	-	69,900	1,542,072
Buildings and structures	58,958,554	188,434	(797,432)	677,046	59,026,602
Machinery and equipment	14,350,630	1,312,162	(123,361)	5,874	15,545,305
Vehicles	36,492,739	2,155,040	(1,509,341)	-	37,138,438
Construction-in-progress	15,648	988,904	(6,120)	(752,820)	245,612
Total	111,282,611	4,651,672	(2,436,254)	-	113,498,029

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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 and aids received but not yet earned, credit accounts receivable balances, and long-term receivables.

	(Amounts in Dollars)				
	Taxes	Aids and Grants	Accounts Receivable	Long-Term Receivables	Total
General Fund	1,132,591	308,145	-	236,645	1,677,381
Special Revenue Funds					
Road and Bridge	672,251	7,947,744		12,659	8,632,654
Social Services	977,550	124,332	-	-	1,101,882
Housing and Redevelopment Authority	8,425	-	-	-	-
Community Development Block Grant	-	8,333	-	-	8,333
Total Special Revenue Funds	1,658,226	8,080,409	-	12,659	9,751,294
Debt Service Funds					
Babbitt Facility Refunding	1,333	-	-	-	1,333
Jail Bond	59,579	-	-	-	59,579
AJC Construction Bond	4,375	-	-	-	4,375
Law Enforcement Bond	12,820	-	-	-	12,820
Hibbing Public Works Bond	2,246	-	-	-	2,246
Total Debt Service Funds	80,353	-	-	-	80,353
Capital Projects Fund					
Buildings	37,732	-	-	-	37,732
Enterprise Funds					
Chris Jensen	1,878	17,888	36,555	-	56,321
Nopeming	1,271	13,416	18,033	-	32,720
Solid Waste Management	54,828	3,321	-	-	58,149
Total Enterprise Funds	57,977	34,625	54,588	-	147,190
Internal Service Funds					
Community Food	-	1,580	-	-	1,580
Laundry	-	1,687	-	-	1,687
Supervised Living Facilities	-	1,178	-	-	1,178
Printing	-	428	-	-	428
County Garage	-	964	-	-	964
Medical / Dental Insurance	-	-	377,867	-	377,867
Management Information Systems	-	5,837	-	-	5,837
Telecommunications	-	589	-	-	589
Total Internal Service Funds	-	12,263	377,867	-	390,130
Trust Funds					
Forfeited Tax Sale	-	7,016	-	9,139,289	9,146,305
Forest Resources	-	58,466	-	-	58,466
Total Trust Funds	-	65,482	-	9,139,289	9,204,771
Total All Funds	2,966,879	8,500,924	432,455	9,388,593	21,288,851

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1999

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, 1999:

	<u>(Amounts in Dollars)</u>		
	<u>Bonds Payable</u>		
	Nopeming Enterprise Fund	Solid Waste Management Enterprise Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Payable, January 1	39,675	5,522,728	5,562,403
Payment on Principal	(40,000)	(1,545,000)	(1,585,000)
Amortization of discount	325	22,456	22,781
Payable, December 31	<u> </u> -	<u> </u> 4,000,184	<u> </u> 4,000,184

(Amounts in Dollars)

Bonds payable at December 31, 1999, consist of the following issues:

\$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, 1999, the bonds issue is net of the unamortized bond discount of \$30,705). This bond was issued to finance the construction of a regional landfill.

1,844,295

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1999

\$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 produced resources for escrow that were sufficient to pay the new debt's interest until the December 1, 1997, crossover date when the amount held in escrow was used to retire the old debt. Annual installments of \$360,000 to \$480,000 on December 1, 1998, through 2004; interest at 4.0 to 4.8 percent resulted 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, 1999, the bond issue is net of the unamortized bond discount of \$29,111). The original bonds were issued to finance landfill closures and transfer station construction and to construct transfer stations, respectively.

2,155,889

The annual requirements to service the debt outstanding as of December 31, 1999, including interest of \$552,755 and unamortized discounts of \$59,816 on the bonds, are as follows:

<u>Year Ended December 31</u>	<u>Bonds Payable</u>
2000	\$ 1,021,658
2001	1,024,227
2002	1,028,920
2003	1,034,910
2004	503,040
	<u>\$ 4,612,755</u>

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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, 1999. 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)			
	Balance 1-1-99	Additions	Deletions	Balance 12-31-99
General obligation bonds payable	2,250,000	-	100,000	2,150,000
General obligation revenue notes payable	217,900	7,000	-	224,900
Tax lease obligations payable	16,400,000	-	1,165,000	15,235,000
General obligation capital equipment notes payable	-	4,000,000	-	4,000,000
Total Bonded Debt	18,867,900	4,007,000	1,265,000	21,609,900
Compensated absences payable	26,019,925	1,586,281	-	27,606,206
Loans payable	7,874	-	3,937	3,937
Capital leases payable	3,374,096	14,046	882,539	2,505,603
Total General Long-Term Debt	48,269,795	5,607,327	2,151,476	51,725,646

Capital leases payable deletions shown above include a write down of total leases payable of \$443,599.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

(Amounts in Dollars)

General obligation bonds payable at December 31, 1999, consist of the following issues:

\$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. This bond was issued to refund bonds that were used to construct and equip a Solid Waste Resource Recovery Facility. 730,000

\$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. 1,420,000

General obligation revenue notes payable at December 31, 1999, consists of the following issues:

\$50,000 1998 General Obligation Revenue Note Payable to the Minnesota Department of Agriculture (Department) to provide the initial funds for the septic system improvement loan program under the Agricultural Best Management Loan Program. The terms require repayment to the Department after ten years an amount equal to the principal repaid by the individual borrowers plus interest on idle funds. After year ten, principal amounts plus interest on idle funds must be repaid semi-annually. 24,900

\$200,000 1998 General Obligation Revenue Note payable to the Minnesota Department of Agriculture (Department) to provide the initial funds for the septic system improvement loan program under the Agricultural Best Management Loan Program. The terms require repayment to the Department after ten years an amount equal to the principal repaid by the individual borrowers plus interest on idle funds. After year ten, principal amounts plus interest on idle funds must be repaid semi-annually. 200,000

Tax lease obligations payable at December 31, 1999, consists of the following issue:

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

(Amounts in Dollars)

\$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.

10,470,000

\$5,275,000 Law Enforcement Facilities Revenue Bonds (St. Louis County Unlimited Tax Lease Obligation) of the Housing and Redevelopment Authority of St. Louis County, Minnesota due in annual installments of \$250,000 to \$490,000 on December 1, 1998, through 2012; interest at 4.875 to 5.1 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.

4,765,000

General obligation capital equipment notes payable at December 31, 1999, consists of the following issue:

\$4,000,000 General Obligation Capital Equipment Notes due in annual installments of \$740,000 to \$870,000 on December 1, 2000, through 2004; interest at 4.15 to 4.35 percent. This bond was issued to finance capital equipment purchases.

4,000,000

The annual requirements to service the bonded debt outstanding as of December 31, 1999, including interest of \$5,938,242 are as follows:

(Amounts in Dollars)

Year Ended December 31	General Obligation Bonds	General Obligation Revenue Notes	Tax Lease Obligations	General Obligation Capital Equipment Notes	Total Debt Service
2000	256,657	-	1,950,226	911,740	3,118,623
2001	269,330	-	1,952,647	906,030	3,128,007
2002	275,765	-	1,951,868	903,135	3,130,768
2003	281,195	-	1,957,717	903,950	3,142,862
2004	285,600	-	1,960,205	907,845	3,153,650
2005 - 2012	1,689,345	224,900	9,959,987	-	11,874,232
	<u>3,057,892</u>	<u>224,900</u>	<u>19,732,650</u>	<u>4,532,700</u>	<u>27,548,142</u>

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

(Amounts in Dollars)

Loans payable at December 31, 1999, 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.

3,937

The annual requirements to service loans payable as of December 31, 1999, including interest of \$315 for the loans are as follows:

<u>Year Ended December 31</u>	<u>(Amounts in Dollars)</u>
2000	<u><u>\$4,252</u></u>

St. Louis County, Minnesota
Notes to the Financial Statements
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The County's proportionate shares of general obligation debt and general obligation revenue debt at December 31, 1999, 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	25,610,084	100.00	25,610,084
Overlapping Debt			
School Districts	13,665,000	53.33	7,287,270
Arrowhead Regional Development Commission	625,305	52.55	328,598
Western Lake Superior Sanitary District	37,625,910	80.86	30,424,311
Underlying Debt			
Cities	109,522,856	100.00	109,522,856
School Districts	71,044,626	100.00	71,044,626
Towns	850,000	100.00	850,000
Virginia Housing & Redevelopment Authority	1,730,000	100.00	1,730,000
Total	260,673,781		246,797,745

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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 1999:

<u>Type of Property</u>	<u>Amount</u>
Rental of office space and parking facilities	\$ 1,585,150
Data processing software	431,099
Vehicles	9,944
	<hr/>
Total rental expense	<u>\$ 2,026,193</u>

Future minimum payments under operating leases, which are not reflected in these financial statements, consist of the following at December 31, 1999:

<u>Year Ended</u>	<u>Amount</u>
2000	\$1,955,565
2001	1,956,879
2002	1,957,208
2003	1,957,208
2004	1,957,208
	<hr/>
Total future minimum lease payments	<u>\$ 9,784,068</u>

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

Capital Leases

Capitalized leases of the County at December 31, 1999, consist of office equipment and office space as shown below:

Type of Property	(Amounts in Dollars)		
	General Fixed Assets	Printing Internal Service Fund	Total
Office equipment	114,892	11,392	126,284
Office space	4,371,071	-	4,371,071
Maintenance facility	1,337,796		1,337,796
Less: Accumulated depreciation	-	(6,297)	(6,297)
Carrying value	5,823,759	5,095	5,828,854

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, 1999:

December 31	(Amounts in Dollars)		
	General Long-Term Debt	Printing Internal Service Fund	Total
2000	559,210	1,987	561,197
2001	559,153	1,026	560,179
2002	560,047	-	560,047
2003	566,858	-	566,858
2004	88,044	-	88,044
2005 - 2012	683,590	-	683,590
Total minimum lease payments	3,016,902	3,013	3,019,915
Less: Amount representing interest	511,299	-	511,299
Present value of future minimum lease payments	2,505,603	3,013	2,508,616

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1999

Construction Commitments

At December 31, 1999, the County had construction commitments as follows:

	(Amounts in Dollars)			
	Authorized Projects	Expended to Date	Commitments	Required Further Financing
St. Louis County Fairgrounds 4-H building	302,948	213,367	74,921	0
Virginia recyclables processing facility	2,218,760	1,222,896	995,864	0
Virginia landfill Cell II	1,107,506	1,019,717	87,789	0
Total	3,629,214	2,455,980	1,158,574	0

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 Trustee is also holding in the Bond Redemption Account approximately \$1.3 million in unspent construction funds which will be used to retire the debt. The bonds are not callable.

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

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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 judgments 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 \$420,953 at December 31, 1999, 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 \$1,160,000 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 (1998) in excess of the \$1,160,000 retention limit. The County has increased that limit to \$1,240,000

for 2000. The estimated liability for workers' compensation reported in the Fund is based on a case-by-case examination of claims filed through December 31, 1999, 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 5.9%. 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.

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 include a provision for stop-loss insurance and administrative expenses and are based on anticipated claims and available retained earnings. 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

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1999

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.

Changes in the funds' claims liability amounts during 1998 were:

	(Amounts in Dollars)		
	Property, Casualty, Liability Insurance Fund	Workers' Compensation Insurance Fund	Medical/Dental Insurance Fund
Beginning of fiscal year liability for claims	124,260	3,777,332	1,615,831
Current year claims and changes in estimates	311,390	3,250,145	14,447,817
Claim payments	243,425	1,519,087	14,023,937
Balance of claims payable at fiscal year end	192,225	5,508,390	2,039,711

Changes in the funds' claims liability amounts during 1999 were:

	(Amounts in Dollars)		
	Property, Casualty, Liability Insurance Fund	Workers' Compensation Insurance Fund	Medical/Dental Insurance Fund
Beginning of fiscal year liability for claims	192,225	5,508,390	2,039,711
Current year claims and changes in estimates	415,924	1,154,985	14,734,014
Claim payments	456,059	1,527,376	14,550,653
Balance of claims payable at fiscal year end	152,090	5,135,999	2,223,072

pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA administers the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Local Government Correctional Service Retirement Fund which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356.

Retirement Plan

Plan Description

All full-time and certain part-time employees of St. Louis County are covered by defined benefit

Public Employees Retirement Fund members belong to either the Coordinated or Basic Plan. Coordinated Plan members are

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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. Members who are employed by county-administered jails or correctional facilities administered by multiple counties and who spend at least 95 percent of their time in direct contact with inmates are members of the Local Government Correctional Service Retirement Fund.

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 highest 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 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. For a Coordinated Plan member the annuity accrual rate is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each remaining year. Using Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members. For the Public Employees Police and Fire Fund members, the annuity accrual rate is 3 percent. For Public Employees Retirement Fund members whose annuity is calculated using Method 1, and for all Public Employees 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. The annuity accrual rate is 1.9

percent for each year of service for Local Government Correctional Service Retirement Fund members.

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.

The PERA issues a publicly available financial report that includes financial statements and required supplementary information for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund. That report may be obtained by writing to PERA, 514 St. Peter Street, #200, Saint Paul, Minnesota 55102, or by calling (651) 296-7460 or 1-800-652-9026.

Funding Policy

Minn. Stat. ch. 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The County makes annual contributions to the pension plans equal to the amount required by state statutes.

St. Louis County, Minnesota
Notes to the Financial Statements
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Public Employees Retirement Fund Basic Plan members and Coordinated Plan members are required to contribute 8.75 and 4.75 percent, respectively, of their annual covered salary.

Public Employees Police and Fire Fund members are required to contribute 7.6 percent of their annual covered salary through June 30, 1999, and 6.2 percent of their annual salary after that.

Effective July 1, 1998, a group of Coordinated Plan members called correctional service employees were given an additional disability benefit. To pay for that benefit, their member rates increased to 4.96 percent and the employer rates increased to 5.49 percent. On July 1, 1999, most of the correctional service employees were moved into the new Local Government Correctional Service Retirement Fund and received enhanced benefits. The member rates increased to 5.83 percent.

As of December 31, 1999, the County is required to contribute the following percentages of annual covered payroll:

Public Employees Retirement Fund	
Basic Plan Members	11.43%
Coordinated Plan Members	5.18%
Public Employees Police and Fire Fund	9.3%
Local Government Correctional Service Retirement Fund	8.75%

The County's contributions for the years ending December 31, 1999, 1998, and 1997, for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund and the 1999 contributions for the Local Government Correctional Service Retirement Fund were:

	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Local Government Correctional Service Retirement Fund
1999	\$ 4,154,678	\$ 694,761	\$ 227,524
1998	3,676,118	735,651	
1997	3,412,297	662,714	

These contributions amounts are equal to the contractually required contributions for each year as set by state statute.

Interfund Assets/Liabilities

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
-----------------	--------------	--------

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

Enterprise - Chris Jensen	Trust - Patients' Escrow	\$ 5,000
Trust - Patients' Escrow	Enterprise - Nopeming	969
	Total	\$ 5,969

Interfund Receivable/Payable

Receivable Fund	Payable Fund	Amount
General	Special Revenue - Community Development Block Grant	\$ 62,587
	Northeast Minnesota Housing Consortium	14,387
	Debt Service - Hibbing Public Works Bond	2,235
	Trust - Forfeited Tax Sale	214,493
	Total	\$ 293,702

Transfers Between Funds

Operating Transfers Out	Operating Transfers In	Debit	Credit
General		\$ 508,661	
	Special Revenue - Social Services		\$ 52,007
	Debt Service - Capital Equipment Note		6,704
	Capital Project - Buildings		170,000
	Enterprise - Nopeming		279,950
Special Revenue - Babbitt Facility		114,060	
	Debt Service - Babbitt Facility Refunding		114,060
	Total	\$ 622,721	\$ 622,721

Equity Transfer Out	Equity Transfer In	Debit	Credit
Capital Projects - Law Enforcement Centers		\$ 3,312	
	Debt Service - Law Enforcement Bond		\$ 3,312
	Total	\$ 3,312	\$ 3,312

Fund Equity

Contributed Capital - Enterprise Funds

St. Louis County, Minnesota
Notes to the Financial Statements
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There were no changes in the contributed capital accounts of the Enterprise Funds during the year ended December 31, 1999.

Contributed Capital - Internal Service Funds

There were no changes in the contributed capital accounts of the Internal Service Funds during the year ended December 31, 1999.

Note 3. Segments of Enterprise Activities

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

Chris Jensen - Chris Jensen is a nursing home and rehabilitation 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, 1999, for these three services are:

	(Amounts in Dollars)			
	Chris Jensen	Nopeming	Solid Waste Management	Total Enterprise Funds
Operating revenues	11,098,537	8,177,384	4,613,682	23,889,603
Depreciation	147,814	180,485	688,342	1,016,641
Operating income (loss)	(458,401)	(241,542)	(16,554)	(716,497)
Taxes	1,316	1,053	1,023,630	1,025,999
Grants	-	-	1,833,241	1,833,241
Operating transfer in	-	279,950	-	279,950
Net income (loss)	(457,085)	35,143	3,212,882	2,790,940
Property, plant and equipment				
Additions	45,076	48,980	2,530,919	2,624,975
Deletions	14,682	15,345	101,788	131,815
Net working capital	632,009	413,661	14,530,257	15,575,927
Total assets	5,632,684	3,931,639	25,525,474	35,089,797
Long-term liabilities				
payable from operating revenues	819,009	786,121	3,346,671	4,951,801
payable from other sources	-	-	878,542	878,542
Total equity	3,934,251	2,518,391	19,755,830	26,208,472

Note 4. Joint Ventures

St. Louis County, Minnesota
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 December 31, 1999

Arrowhead Regional Corrections

Arrowhead Regional Corrections is governed by an eight-member board, composed of a member appointed from each of the participating counties' boards of commissioners, except for St. Louis County, which has three members from its board. In addition, the right to have an additional member is annually rotated among Carlton, Cook, Koochiching, and Lake Counties. The County records 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 1998, (the most recent available), county contributions were in the following proportion:

Carlton County	9.04%
Cook County	1.14%
Koochiching County	2.03%
Lake County	2.47%
St. Louis County	85.32%
Total	100.00%

St. Louis County provided \$8,336,192 in funding during 1999. 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, 1998, (the most recent available), excluding general fixed assets of

\$8,773,468, and general long-term debt of \$2,707,615 was:

Total Assets	\$ 1,898,557
Total Liabilities	1,184,491
Total Fund Equity	714,066
Total Revenues	14,212,690
Total Expenditures	14,416,433
Increase (decrease) in Fund Balance	(203,270)

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 1999.

A summary of the financial information of the Community Health Services Board for December 31, 1998, (the most recent available) excluding general fixed assets of \$11,508, and general long-term debt of \$7,996, is:

Total Assets	\$ 348,669
Total Liabilities	304,569
Total Fund Equity	44,100
Total Revenues	2,289,883
Total Expenditures	2,286,888
Increase (decrease) in Fund Balance	2,995

Separate financial information can be obtained from:

St. Louis County, Minnesota
Notes to the Financial Statements
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Carlton, Cook, Lake, and St. Louis Counties
 Community Health Board
 325 South Lake Avenue
 Duluth, Minnesota 55802

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.

Regional Railroad Authority

The St. Louis and Lake Counties Regional Railroad Authority was established under the Regional Railroad Authorities Act, Minn. Stat. § 398A.03. It is governed by a Board composed of three members from the St. Louis County Board of Commissioners and two members from the Lake County Board of Commissioners. St. Louis County is the fiscal agent for the Railroad Authority and all of its financial transactions are recorded in the County Regional Railroad Authority Agency Fund. Financing is obtained through a tax levy, and federal, state and local grants or participation. St. Louis County provided \$11,499 in funding during 1999.

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 the Regional Railroad Authority for the year ended December 31, 1998, (the most recent available) excluding general fixed assets of \$1,641,317, and general long-term debt of \$38,710, is:

A summary of the financial information of Northeast Minnesota Office of Job Training's funds for the fiscal year ended June 30, 1999, excluding general fixed assets of \$487,590 and general long-term debt of \$484,705 was:

Total Assets	\$ 926,916
Total Liabilities	141,304
Total Fund Equity	785,612
Total Revenues	1,237,909
Total Expenditures	1,162,765
Increase (decrease) in Fund Balance	75,144

Total Assets	\$ 1,286,964
Total Liabilities	393,365
Total Fund Equity	893,599
Total Revenues	5,163,313
Total Expenditures/ Expenses	4,878,126
Increase (decrease) in Fund Balance	285,187

Separate financial information can be obtained from:

Separate financial information can be obtained from:

St. Louis & Lake Counties Regional Railroad Authority
 Northland Office Center
 307 South First Street, Room 113
 Virginia, Minnesota 55792

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

Northeast Minnesota Office of Job Training

Northern Counties Land Use Board

The Counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis entered into a

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

St. Louis County, Minnesota
Notes to the Financial Statements
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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. St. Louis County provided \$7,500 in funding during 1999. A summary of the financial information of Northern Counties Land Use Board for the fiscal year ended December 31, 1998, (the most recent available) is:

Total Assets	\$ 18,667
Total Liabilities	1,901
Total Fund Equity	16,766
Total Revenues	52,630
Total Expenditures	58,870
Increase (decrease) in Fund Balance	(6,240)

Separate financial information can be obtained from:

Northern-Counties Land Use Board
 Room 607 Government Services Center
 320 West Second Street
 Duluth, Minnesota 55802

Minnesota Counties Information Systems

The Counties of Aitkin, Carlton, Cass, Chippewa, Cook, Itasca, Koochiching, Lac qui Parle, Lake, Sherburne, and St. Louis entered into a joint powers agreement pursuant to Minnesota Stat. §471.59, for the purpose of operating and maintaining data processing facilities and management information systems for use by its members.

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 member. Cass County is the fiscal agent for

MCIS.

A summary of the financial information of Minnesota Counties Information System's funds for the fiscal year ended December 31, 1998, excluding general fixed assets of \$398,995 and general long-term debt of \$92,292 was:

Total Assets	\$ 273,622
Total Liabilities	94,336
Total Fund Equity	179,286
Total Revenues	710,517
Total Expenditures	643,168
Increase (decrease) in Fund Balance	67,349

Separate financial information can be obtained from:

Minnesota Counties Information Systems
 413 Southeast 7th Avenue
 Grand Rapids, MN 55744

Duluth Area Family Service Collaborative

The Duluth Area Family Service Collaborative was established pursuant to Minn. Stat. § 124D.23. The Collaborative includes St. Louis County, Independent School District No. 709, Arrowhead Regional Corrections, and the City of Duluth. The purpose of the Collaborative is to improve the lives of families and children through efforts focused on prevention and early intervention. The Collaborative seeks to empower parents and families to solve their own problems through support, information, skill building, and advocacy.

Control of the Collaborative is vested in a Board of Directors. The County has one member on the Board. Financing is provided by state and federal grants, appropriations from the Collaborative members, and miscellaneous revenues. St. Louis County provided no funding to the Collaborative during 1999. St. Louis County is the fiscal agent for the Collaborative which is accounted for in the Duluth Area Family Service Collaborative Agency Fund. A summary of financial information of the Collaborative for the year ended December 31, 1999, is:

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1999

		from the St. Louis County Auditor's Office.
Total Assets	\$ 169,191	
Total Liabilities	-	
Total Fund Equity	169,191	
Total Revenues	1,057,860	
Total Expenditures	1,735,542	
Increase (decrease) in Fund Balance	(677,682)	

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

Northern St. Louis County Family Service Collaborative

The Northern St. Louis County Family Service Collaborative was established pursuant to Minn. Stat. § 124D.23. The Collaborative includes St. Louis County and Independent School District No. 2142. The purpose of the Collaborative is to improve the lives of families and children through efforts focused on prevention and early intervention. The Collaborative seeks to empower parents and families to solve their own problems through support, information, skill building, and advocacy.

Control of the Collaborative is vested in a Board of Directors. Financing is provided by state and federal grants, appropriations from the Collaborative members, and miscellaneous revenues. St. Louis County provided no funding to the Collaborative during 1999. St. Louis County is the fiscal agent for the Collaborative which is accounted for in the Northern St. Louis County Family Service Collaborative Agency Fund. A summary of financial information of the Collaborative for the year ended December 31, 1999, is:

Total Assets	\$ 110,920
Total Liabilities	-
Total Fund Equity	110,920
Total Revenues	935,567
Total Expenditures	1,885,949
Increase (decrease) in Fund Balance	(950,382)

Separate financial information can be obtained

St. Louis County, Minnesota
Notes to the Financial Statements
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Note 5. 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, 1999:

Courts	\$ 321,517
Sheriff	26,716
Social Services	
Social Welfare	1,164,366
SSI Dedicated	13,756
Estate	404,412
Total	<u>\$ 1,930,767</u>

Settlements Held By the Court for Minors

The Court Administrator, at December 31, 1999, held investments for individuals who have not reached the age of majority. These investments have a combined face value of \$6,274,134 and are

not included in the County's financial statements.

Conduit Debt

On August 1, 1979, the County issued \$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 bonds mature on August 1, 2005, through August 1, 2009, and bear interest at the rate of 6.58% per year.

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 \$350,000.

Financial Condition

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

During 1999, both the Chris Jensen Health and Rehabilitation Center and Nopeming Nursing Home had operating losses of \$458,401 and \$241,542, respectively. Nopeming Nursing Home also had an operating loss (after restatement) of \$31,461, for the year ended December 31, 1998.

St. Louis County provided cash to Nopeming through an operating transfer of \$279,950, from the General Fund during 1999. The Nursing Home was also downsized from 192 beds to 159 beds in April, 1999. This was done to obtain a new property rate which was then expected to generate increased revenues. Revenues actually decreased from 1998 to 1999.

The nursing home management firm, Health Dimensions Inc., submitted a report to the St. Louis County Board identifying various scenarios for future operation of the Home. These include continued downsizing, with remodeling to provide for assisted living opportunities. Management has also looked at decreasing operating expenses through various cost cutting measures.

The 2000 budget for both the Chris Jensen Health and Rehabilitation Center and Nopeming Nursing Home include operating losses of \$532,970 and \$220,857, respectively. The County Board determined that these losses would be financed through transfers from the General Fund in lieu of a levy for the Medical Care Facilities. Operating losses proposed for 2001 for the Chris Jensen Health and Rehabilitation Center and Nopeming Nursing Home are \$922,270 and \$520,735, respectively. These conditions indicate that additional taxpayer support may be needed to continue operations as presently structured.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1999

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December 31, 1999

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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, 1999

Assets	
Cash and cash equivalents	\$ 24,169,142
Assets held by escrow agent	271,000
Receivables	
Taxes	
Unapportioned	781,919
Delinquent	1,441,586
Accounts	37,496
Accrued interest	769,199
Loans	799,906
Interfund receivable	293,702
Due from other governments	1,153,792
	<hr/>
Total Assets	\$ 29,717,742
	<hr/> <hr/>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 943,655
Salaries payable	1,565,914
Compensated absences payable	333,519
Due to other governments	112,361
Deferred revenue	1,677,381
	<hr/>
Total Liabilities	\$ 4,632,830
	<hr/> <hr/>
Fund Balance	
Reserved for change funds	\$ 23,055
Reserved for noncurrent loans	480,084
Reserved for economic development	416,112
Reserved for encumbrances	157,027
Reserved for health and welfare	1,109,069
Reserved for recorder's equipment	31,757
Reserved for communications	361,475
Reserved for extension service	85,664
Reserved for Lakewood Township	17,505
Reserved for escrow cash	271,000
Reserved for soil erosion	3,300
Reserved for capital acquisition	922,426
Unreserved	
Designated for parking	180,559
Designated for Hibbing Fairgrounds	542,062
Designated for vested sick leave	1,952,600
Designated for cash flow	15,577,645
Designated for emergency contingency	5,942
Designated for cash flow - Medical Care Facilities	777,979
Designated for 2000 budget	665,196
Designated for 2000 budget - supplemental	833,338
Designated for Promotional Bureau	24,161
Undesignated	646,956
	<hr/>
Total Fund Balance	\$ 25,084,912
	<hr/> <hr/>
Total Liabilities and Fund Balance	\$ 29,717,742
	<hr/> <hr/>

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1999

Revenues	
Taxes	\$ 34,297,248
Licenses and permits	137,817
Intergovernmental	15,050,333
Charges for services	6,262,129
Fines and forfeits	1,518,384
Earnings on investments	4,281,779
Gifts and contributions	16,019
Miscellaneous	786,804
Total Revenues	\$ 62,350,513
Expenditures	
Current	
General government	\$ 24,135,233
Public safety	17,857,693
Health	5,778,632
Welfare	582,026
Culture and recreation	1,494,552
Conservation of natural resources	782,214
Economic development	20,000
Total Current	\$ 50,650,350
Capital outlay	
General government	\$ 101,630
Public safety	519,850
Health	18,254
Total Capital Outlay	\$ 639,734
Debt service	
Principal	\$ 102,007
Interest and fiscal charges	18,419
Total Debt Service	\$ 120,426
Intergovernmental	
Public safety	\$ 8,336,192
Total Expenditures	\$ 59,746,702
Excess of Revenues Over (Under) Expenditures	\$ 2,603,811
Other Financing Sources (Uses)	
Bond proceeds	\$ 1,154,326
Operating transfers out	(508,661)
Total Other Financing Sources (Uses)	\$ 645,665
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	\$ 3,249,476
Fund Balance - January 1	21,835,436
Fund Balance - December 31	\$ 25,084,912

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
 YEAR ENDED DECEMBER 31, 1999

	Original Budget	Final Budget	Actual		Variance Favorable (Unfavorable)
			Current Expenditures	Encumbrances	
Revenues					
Taxes	\$ 32,990,064	\$ 33,297,598			\$ 999,650
Licenses and permits	128,170	128,170			9,647
Intergovernmental	13,799,820	14,655,797			394,536
Charges for services	5,666,028	5,970,067			292,062
Fines and forfeitures	1,226,710	1,386,719			131,665
Earnings on investments	2,401,000	3,005,072			1,276,707
Gifts and contributions	-	39,278			(23,259)
Miscellaneous	321,231	569,808			216,996
Total Revenues	\$ 56,533,023	\$ 59,052,509			\$ 3,298,004
Expenditures					
General government					
Commissioners					
Personnel services	\$ 604,316	\$ 611,551	\$ 604,246	\$ -	\$ 7,305
Other operating	108,062	104,200	101,964	60	2,176
Total commissioners	<u>\$ 712,378</u>	<u>\$ 715,751</u>	<u>\$ 706,210</u>	<u>\$ 60</u>	<u>\$ 9,481</u>
County administrator					
Personnel services	\$ 177,829	\$ 218,963	\$ 218,942	\$ -	\$ 21
Other operating	188,239	193,189	192,467	692	30
Capital outlay	12,500	44,600	34,737	9,773	90
Total county administrator	<u>\$ 378,568</u>	<u>\$ 456,752</u>	<u>\$ 446,146</u>	<u>\$ 10,465</u>	<u>\$ 141</u>
Intergovernmental affairs					
Personnel services	\$ 106,067	\$ 99,556	\$ 99,469	\$ -	\$ 87
Other operating	162,936	188,200	172,676	15,500	24
Total intergovernmental affairs	<u>\$ 269,003</u>	<u>\$ 287,756</u>	<u>\$ 272,145</u>	<u>\$ 15,500</u>	<u>\$ 111</u>
Planning and research					
Personnel services	\$ 246,572	\$ 215,573	\$ 198,666	\$ -	\$ 16,907
Other operating	140,951	65,235	64,644	-	591
Capital outlay	4,000	-	-	-	-
Total planning and research	<u>\$ 391,523</u>	<u>\$ 280,808</u>	<u>\$ 263,310</u>	<u>\$ -</u>	<u>\$ 17,498</u>
Labor relations					
Other operating	\$ 42,760	\$ 49,460	\$ 49,433	\$ -	\$ 27
Planning and zoning					
Personnel services	\$ 672,907	\$ 706,916	\$ 700,906	\$ -	\$ 6,010
Other operating	272,652	380,813	368,085	171	12,557
Capital outlay	78,333	22,951	18,741	-	4,210
Total planning and zoning	<u>\$ 1,023,892</u>	<u>\$ 1,110,680</u>	<u>\$ 1,087,732</u>	<u>\$ 171</u>	<u>\$ 22,777</u>
Public defenders					
Other operating	\$ 57,459	\$ 57,459	\$ 48,977	\$ -	\$ 8,482
Court administrator					
Personnel services	\$ 3,720,252	\$ 3,777,314	\$ 3,639,138	\$ -	\$ 138,176
Other operating	734,414	746,568	741,318	5,184	66
Capital outlay	36,500	26,700	6,766	-	19,934
Total court administrator	<u>\$ 4,491,166</u>	<u>\$ 4,550,582</u>	<u>\$ 4,387,222</u>	<u>\$ 5,184</u>	<u>\$ 158,176</u>
Examiner of titles					
Personnel services	\$ 131,278	\$ 133,270	\$ 132,452	\$ -	\$ 818
Other operating	9,464	8,125	7,330	21	774
Capital outlay	2,240	2,240	1,704	-	536
Total examiner of titles	<u>\$ 142,982</u>	<u>\$ 143,635</u>	<u>\$ 141,486</u>	<u>\$ 21</u>	<u>\$ 2,128</u>
County attorney					
Personnel services	\$ 2,432,197	\$ 2,489,423	\$ 2,434,982	\$ -	\$ 54,441
Other operating	462,465	428,660	268,447	1,196	159,017
Capital outlay	13,900	13,900	-	3,668	10,232
Total county attorney	<u>\$ 2,908,562</u>	<u>\$ 2,931,983</u>	<u>\$ 2,703,429</u>	<u>\$ 4,864</u>	<u>\$ 223,690</u>
Subtotal	<u>\$ 10,418,293</u>	<u>\$ 10,584,866</u>	<u>\$ 10,106,090</u>	<u>\$ 36,265</u>	<u>\$ 442,511</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, 1999

Expenditures (Continued)	Original Budget	Final Budget	Actual			Variance Favorable (Unfavorable)
			Current Expenditures	Encumbrances	Total	
General government						
Law library						
Other operating	\$ -	\$ 143,371	\$ 143,371	\$ -	\$ 143,371	\$ -
Capital outlay	-	1,458	1,458	-	1,458	-
Total law library	\$ -	\$ 144,829	\$ 144,829	\$ -	\$ 144,829	\$ -
County auditor						
Personnel services	\$ 2,862,081	\$ 2,906,958	\$ 2,801,658	\$ -	\$ 2,801,658	\$ 105,300
Other operating	708,144	758,371	646,065	3,003	649,068	109,303
Capital outlay	8,000	8,000	1,175	-	1,175	6,825
Debt service						
Principal	-	5,616	5,616	-	5,616	-
Interest and fiscal charges	-	1,014	1,014	-	1,014	-
Total county auditor	\$ 3,578,225	\$ 3,679,959	\$ 3,455,528	\$ 3,003	\$ 3,458,531	\$ 221,428
Data processing						
Other operating	\$ 1,576,774	\$ 1,580,090	\$ 1,580,090	\$ -	\$ 1,580,090	\$ -
County assessor						
Personnel services	\$ 1,451,165	\$ 1,482,989	\$ 1,482,966	\$ -	\$ 1,482,966	\$ 23
Other operating	343,345	330,433	330,394	-	330,394	39
Total county assessor	\$ 1,794,510	\$ 1,813,422	\$ 1,813,360	\$ -	\$ 1,813,360	\$ 62
Purchasing						
Personnel services	\$ 397,249	\$ 393,856	\$ 393,819	\$ -	\$ 393,819	\$ 37
Other operating	57,681	90,442	88,332	2,058	90,390	52
Capital outlay	-	3,450	3,444	-	3,444	6
Debt service						
Principal	-	2,978	2,978	-	2,978	-
Interest and fiscal charges	-	538	538	-	538	-
Total purchasing	\$ 454,930	\$ 491,264	\$ 489,111	\$ 2,058	\$ 491,169	\$ 95
Microfilming						
Personnel services	\$ 158,002	\$ 160,228	\$ 159,877	\$ -	\$ 159,877	\$ 351
Other operating	31,043	29,567	21,869	60	21,929	7,638
Total microfilming	\$ 189,045	\$ 189,795	\$ 181,746	\$ 60	\$ 181,806	\$ 7,989
Recorder						
Personnel services	\$ 1,056,806	\$ 1,068,585	\$ 1,035,575	\$ -	\$ 1,035,575	\$ 33,010
Other operating	186,867	241,567	241,153	414	241,567	-
Capital outlay	74,189	72,189	59,497	-	59,497	12,692
Total recorder	\$ 1,317,862	\$ 1,382,341	\$ 1,336,225	\$ 414	\$ 1,336,639	\$ 45,702
Surveyor						
Personnel services	\$ 656,450	\$ 666,432	\$ 596,666	\$ -	\$ 596,666	\$ 69,766
Other operating	102,938	90,425	74,140	521	74,661	15,764
Capital outlay	44,000	47,000	46,967	-	46,967	33
Total surveyor	\$ 803,388	\$ 803,857	\$ 717,773	\$ 521	\$ 718,294	\$ 85,563
Civil service						
Personnel services	\$ 843,872	\$ 850,340	\$ 850,321	\$ -	\$ 850,321	\$ 19
Other operating	288,117	296,096	248,812	17,954	266,766	29,330
Capital outlay	20,000	20,000	-	-	-	20,000
Total civil service	\$ 1,151,989	\$ 1,166,436	\$ 1,099,133	\$ 17,954	\$ 1,117,087	\$ 49,349
Veteran's service						
Personnel services	\$ 493,885	\$ 518,028	\$ 517,903	\$ -	\$ 517,903	\$ 125
Other operating	52,980	41,589	41,589	-	41,589	-
Capital outlay	-	-	-	-	-	-
Total veteran's service	\$ 546,865	\$ 559,617	\$ 559,492	\$ -	\$ 559,492	\$ 125
Port authority						
Other operating	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -
Elections						
Other operating	\$ 22,400	\$ 15,200	\$ 8,342	\$ -	\$ 8,342	\$ 6,858
Capital outlay	-	7,200	-	7,104	7,104	96
Total elections	\$ 22,400	\$ 22,400	\$ 8,342	\$ 7,104	\$ 15,446	\$ 6,954
Subtotal	\$ 11,485,988	\$ 11,884,010	\$ 11,435,629	\$ 31,114	\$ 11,466,743	\$ 417,267

(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, 1999

Expenditures (Continued)	Original Budget	Final Budget	Current Expenditures	Actual		Variance Favorable (Unfavorable)
				Encumbrances	Total	
General government						
Courthouses						
Personnel services	\$ 1,574,810	\$ 1,614,315	\$ 1,601,464	\$ -	\$ 1,601,464	\$ 12,851
Other operating	899,219	954,448	751,973	6,330	758,303	196,145
Capital outlay	-	16,050	10,776	-	10,776	5,274
Total courthouses	<u>\$ 2,474,029</u>	<u>\$ 2,584,813</u>	<u>\$ 2,364,213</u>	<u>\$ 6,330</u>	<u>\$ 2,370,543</u>	<u>\$ 214,270</u>
Employee training						
Personnel services	\$ 98,498	\$ 99,043	\$ 58,229	\$ -	\$ 58,229	\$ 40,814
Other operating	175,146	162,380	140,574	2,450	143,024	19,356
Capital outlay	-	4,400	4,346	-	4,346	54
Total employee training	<u>\$ 273,644</u>	<u>\$ 265,823</u>	<u>\$ 203,149</u>	<u>\$ 2,450</u>	<u>\$ 205,599</u>	<u>\$ 60,224</u>
Parking ramp						
Personnel services	\$ 3,500	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ -
Other operating	55,570	67,940	33,169	-	33,169	34,771
Capital outlay	4,000	4,000	-	-	-	4,000
Total parking ramp	<u>\$ 63,070</u>	<u>\$ 74,940</u>	<u>\$ 36,169</u>	<u>\$ -</u>	<u>\$ 36,169</u>	<u>\$ 38,771</u>
Town aid						
Other operating	\$ 5,500	\$ 5,500	\$ 5,500	\$ -	\$ 5,500	\$ -
Total General Government	<u>\$ 24,720,524</u>	<u>\$ 25,399,952</u>	<u>\$ 24,150,750</u>	<u>\$ 76,159</u>	<u>\$ 24,226,909</u>	<u>\$ 1,173,043</u>
Public safety						
Jail building						
Personnel services	\$ 263,734	\$ 266,198	\$ 266,198	\$ -	\$ 266,198	\$ -
Other operating	283,189	281,395	247,892	495	248,387	33,008
Capital outlay	-	1,000	111	-	111	889
Total jail building	<u>\$ 546,923</u>	<u>\$ 548,593</u>	<u>\$ 514,201</u>	<u>\$ 495</u>	<u>\$ 514,696</u>	<u>\$ 33,897</u>
Sheriff						
Personnel services	\$ 6,482,340	\$ 6,565,355	\$ 6,492,949	\$ -	\$ 6,492,949	\$ 72,406
Other operating	1,091,288	1,617,908	1,513,906	3,129	1,517,035	100,873
Capital outlay	299,950	368,095	338,402	20,990	359,392	8,703
Total sheriff	<u>\$ 7,873,578</u>	<u>\$ 8,551,358</u>	<u>\$ 8,345,257</u>	<u>\$ 24,119</u>	<u>\$ 8,369,376</u>	<u>\$ 181,982</u>
Boat and water safety						
Other operating	\$ 109,870	\$ 76,470	\$ 74,027	\$ 431	\$ 74,458	\$ 2,012
Capital outlay	13,382	52,879	39,919	-	39,919	12,960
Total boat and water safety	<u>\$ 123,252</u>	<u>\$ 129,349</u>	<u>\$ 113,946</u>	<u>\$ 431</u>	<u>\$ 114,377</u>	<u>\$ 14,972</u>
Medical examiner						
Other operating	\$ 242,170	\$ 272,170	\$ 271,240	\$ -	\$ 271,240	\$ 930
Rescue squad						
Other operating	\$ 61,185	\$ 78,085	\$ 77,541	\$ 517	\$ 78,058	\$ 27
Capital outlay	40,000	38,600	38,580	-	38,580	20
Total rescue squad	<u>\$ 101,185</u>	<u>\$ 116,685</u>	<u>\$ 116,121</u>	<u>\$ 517</u>	<u>\$ 116,638</u>	<u>\$ 47</u>
Emergency management						
Personnel services	\$ 139,428	\$ 141,938	\$ 141,916	\$ -	\$ 141,916	\$ 22
Other operating	17,077	13,624	11,422	1,637	13,059	565
Capital outlay	3,500	4,368	4,354	-	4,354	14
Total emergency management	<u>\$ 160,005</u>	<u>\$ 159,930</u>	<u>\$ 157,692</u>	<u>\$ 1,637</u>	<u>\$ 159,329</u>	<u>\$ 601</u>
Radio maintenance						
Personnel services	\$ 260,964	\$ 266,333	\$ 266,285	\$ -	\$ 266,285	\$ 48
Other operating	140,760	152,861	152,221	559	152,780	81
Capital outlay	87,000	68,200	38,184	25,894	64,078	4,122
Total radio maintenance	<u>\$ 488,724</u>	<u>\$ 487,394</u>	<u>\$ 456,690</u>	<u>\$ 26,453</u>	<u>\$ 483,143</u>	<u>\$ 4,251</u>
Emergency communication						
Personnel services	\$ 1,781,838	\$ 1,859,561	\$ 1,859,514	\$ -	\$ 1,859,514	\$ 47
Other operating	276,523	193,758	193,589	14	193,603	155
Capital outlay	-	4,850	4,824	-	4,824	26
Total emergency communication	<u>\$ 2,058,361</u>	<u>\$ 2,058,169</u>	<u>\$ 2,057,927</u>	<u>\$ 14</u>	<u>\$ 2,057,941</u>	<u>\$ 228</u>
Subtotal	<u>\$ 11,594,198</u>	<u>\$ 12,323,648</u>	<u>\$ 12,033,074</u>	<u>\$ 53,666</u>	<u>\$ 12,086,740</u>	<u>\$ 236,908</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, 1999

Expenditures (Continued)	Original Budget	Final Budget	Current Expenditures	Actual		Variance Favorable (Unfavorable)
				Encumbrances	Total	
Public safety						
Jail prisoners						
Personnel services	\$ 3,711,053	\$ 3,757,604	\$ 3,666,751	\$ -	\$ 3,666,751	\$ 90,853
Other operating	1,311,791	1,275,595	1,141,320	3,014	1,144,334	131,261
Capital outlay	35,000	37,900	35,080	-	35,080	2,820
Total jail prisoners	<u>\$ 5,057,844</u>	<u>\$ 5,071,099</u>	<u>\$ 4,843,151</u>	<u>\$ 3,014</u>	<u>\$ 4,846,165</u>	<u>\$ 224,934</u>
Mine inspector						
Personnel services	\$ 201,047	\$ 204,009	\$ 203,655	\$ -	\$ 203,655	\$ 354
Other operating	30,106	28,115	19,897	192	20,089	8,026
Total mine inspector	<u>\$ 231,153</u>	<u>\$ 232,124</u>	<u>\$ 223,552</u>	<u>\$ 192</u>	<u>\$ 223,744</u>	<u>\$ 8,380</u>
Safety council						
Other operating	\$ 1,972	\$ -	\$ -	\$ -	\$ -	\$ -
Ambulance service						
Other operating	\$ -	\$ 58,135	\$ 58,135	\$ -	\$ 58,135	\$ -
Law enforcement service						
Personnel services	\$ 572,987	\$ 578,872	\$ 535,843	\$ -	\$ 535,843	\$ 43,029
Other operating	105,116	94,820	72,233	4,899	77,132	17,688
Capital outlay	26,500	12,400	12,224	-	12,224	176
Total law enforcement service	<u>\$ 704,603</u>	<u>\$ 686,092</u>	<u>\$ 620,300</u>	<u>\$ 4,899</u>	<u>\$ 625,199</u>	<u>\$ 60,893</u>
Enhanced 9-1-1						
Personnel services	\$ -	\$ 14,709	\$ 14,709	\$ -	\$ 14,709	\$ -
Other operating	-	72,397	58,055	14,342	72,397	-
Total enhanced 9-1-1	<u>\$ -</u>	<u>\$ 87,106</u>	<u>\$ 72,764</u>	<u>\$ 14,342</u>	<u>\$ 87,106</u>	<u>\$ -</u>
City/County antenna site						
Other operating	\$ -	\$ 24,883	\$ 24,883	\$ -	\$ 24,883	\$ -
Volunteer fire department						
Other operating	\$ -	\$ 302,585	\$ 302,584	\$ -	\$ 302,584	\$ 1
Arrowhead Regional Corrections						
Intergovernmental	\$ 8,336,192	\$ 8,336,192	\$ 8,336,192	\$ -	\$ 8,336,192	\$ -
Total Public Safety	<u>\$ 25,925,962</u>	<u>\$ 27,121,864</u>	<u>\$ 26,514,635</u>	<u>\$ 76,113</u>	<u>\$ 26,590,748</u>	<u>\$ 531,116</u>
Health						
Administration						
Personnel services	\$ 556,088	\$ 542,876	\$ 537,023	\$ -	\$ 537,023	\$ 5,853
Other operating	769,988	640,333	612,104	3,146	615,250	25,083
Capital outlay	12,000	30,000	18,124	-	18,124	11,876
Debt service						
Principal	-	77,988	77,988	-	77,988	-
Interest and fiscal charges	-	14,082	14,082	-	14,082	-
Total administration	<u>\$ 1,338,076</u>	<u>\$ 1,305,279</u>	<u>\$ 1,259,321</u>	<u>\$ 3,146</u>	<u>\$ 1,262,467</u>	<u>\$ 42,812</u>
Nursing						
Personnel services	\$ 2,944,441	\$ 3,115,356	\$ 2,780,298	\$ -	\$ 2,780,298	\$ 335,058
Other operating	588,935	732,861	486,985	-	486,985	245,876
Capital outlay	-	5,000	-	-	-	5,000
Total nursing	<u>\$ 3,533,376</u>	<u>\$ 3,853,217</u>	<u>\$ 3,267,283</u>	<u>\$ -</u>	<u>\$ 3,267,283</u>	<u>\$ 585,934</u>
Environmental health						
Personnel services	\$ 1,219,166	\$ 1,238,729	\$ 1,186,688	\$ -	\$ 1,186,688	\$ 52,041
Other operating	181,097	308,561	148,783	5,161	153,944	154,617
Capital outlay	8,200	8,200	129	6,411	6,540	1,660
Total environmental health	<u>\$ 1,408,463</u>	<u>\$ 1,555,490</u>	<u>\$ 1,335,600</u>	<u>\$ 11,572</u>	<u>\$ 1,347,172</u>	<u>\$ 208,318</u>
Subtotal	<u>\$ 6,279,915</u>	<u>\$ 6,713,986</u>	<u>\$ 5,862,204</u>	<u>\$ 14,718</u>	<u>\$ 5,876,922</u>	<u>\$ 837,064</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, 1999

Expenditures (Continued)	Original Budget	Final Budget	Actual		Total	Variance Favorable (Unfavorable)
			Current Expenditures	Encumbrances		
Health						
Duluth Community Health Center						
Other operating	\$ -	\$ 20,000	\$ 18,333	\$ 1,667	\$ 20,000	\$ -
American Indian Fellowship Association						
Other operating	\$ -	\$ 29,250	\$ -	\$ -	\$ -	\$ 29,250
Occupational safety						
Personnel services	\$ 122,615	\$ 145,276	\$ 138,410	\$ -	\$ 138,410	\$ 6,866
Other operating	32,602	79,885	36,638	-	36,638	43,247
Capital outlay	2,500	6,550	1,275	-	1,275	5,275
Total occupational safety	\$ 157,717	\$ 231,711	\$ 176,323	\$ -	\$ 176,323	\$ 55,388
Total Health	\$ 6,437,632	\$ 6,994,947	\$ 6,056,860	\$ 16,385	\$ 6,073,245	\$ 921,702
Welfare						
School lunch						
Other operating	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	\$ 2,000	\$ -
Emergency shelter program						
Other operating	\$ 121,000	\$ 178,732	\$ 124,331	\$ -	\$ 124,331	\$ 54,401
Veterans' travel						
Other operating	\$ 2,400	\$ 2,400	\$ 2,108	\$ -	\$ 2,108	\$ 292
Family homelessness prevention and assistance program						
Other operating	\$ 450,000	\$ 362,248	\$ 279,145	\$ 3,027	\$ 282,172	\$ 80,076
McKinney homeless grant						
Other operating	\$ 463,344	\$ 174,442	\$ 174,442	\$ -	\$ 174,442	\$ -
Total Welfare	\$ 1,038,744	\$ 719,822	\$ 582,026	\$ 3,027	\$ 585,053	\$ 134,769
Culture and recreation						
Memorial Day observance						
Other operating	\$ 3,000	\$ 3,000	\$ 2,885	\$ -	\$ 2,885	\$ 115
Historical Society						
Other operating	\$ 219,468	\$ 259,468	\$ 259,468	\$ -	\$ 259,468	\$ -
Arrowhead Library System						
Other operating	\$ 368,837	\$ 368,837	\$ 368,837	\$ -	\$ 368,837	\$ -
Community fairs						
Other operating	\$ 1,120	\$ 1,120	\$ 800	\$ -	\$ 800	\$ 320
Depot						
Other operating	\$ 115,109	\$ 7,000	\$ 7,000	\$ -	\$ 7,000	\$ -
Tourism promotion						
Other operating	\$ 98,858	\$ 73,858	\$ 73,858	\$ -	\$ 73,858	\$ -
Trail assistance						
Other operating	\$ -	\$ 241,600	\$ 241,600	\$ -	\$ 241,600	\$ -
Proctor Area Sports Arena						
Capital outlay	\$ -	\$ 34,200	\$ 34,200	\$ -	\$ 34,200	\$ -
World War II book						
Other operating	\$ -	\$ 8,310	\$ -	\$ -	\$ -	\$ 8,310
4-H CLUB						
Other operating	\$ -	\$ 25,000	\$ 839	\$ -	\$ 839	\$ 24,161
Hibbing Raceway						
Capital outlay	\$ -	\$ 5,400	\$ 5,400	\$ -	\$ 5,400	\$ -
IRRRB fairground						
Other operating	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
Total Culture and Recreation	\$ 806,392	\$ 1,527,793	\$ 1,494,887	\$ -	\$ 1,494,887	\$ 32,906

(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, 1999

	Original Budget	Final Budget	Actual			Variance Favorable (Unfavorable)
			Current Expenditures	Encumbrances	Total	
Expenditures (Continued)						
Conservation of natural resources						
County agent						
Personnel services	\$ 193,589	\$ 231,559	\$ 184,396	\$ -	\$ 184,396	\$ 47,163
Other operating	354,219	330,409	297,191	154	297,345	33,064
Capital outlay	12,695	28,295	28,295	-	28,295	-
Debt service						
Principal	-	15,425	15,425	-	15,425	-
Interest and fiscal charges	-	2,785	2,785	-	2,785	-
Total county agent	<u>\$ 560,503</u>	<u>\$ 608,473</u>	<u>\$ 528,092</u>	<u>\$ 154</u>	<u>\$ 528,246</u>	<u>\$ 80,227</u>
Youth task force						
Personnel services	\$ 3,500	\$ 6,300	\$ 6,243	\$ -	\$ 6,243	\$ 57
Other operating	165,560	187,260	127,781	2,097	129,878	57,382
Capital outlay	-	5,000	1,708	-	1,708	3,292
Total youth task force	<u>\$ 169,060</u>	<u>\$ 198,560</u>	<u>\$ 135,732</u>	<u>\$ 2,097</u>	<u>\$ 137,829</u>	<u>\$ 60,731</u>
County fair - north						
Other operating	\$ 15,300	\$ 15,300	\$ 15,300	\$ -	\$ 15,300	\$ -
County fair - south						
Other operating	\$ 15,300	\$ 15,300	\$ 15,300	\$ -	\$ 15,300	\$ -
Soil conservation - north						
Other operating	\$ 53,000	\$ 53,000	\$ 53,000	\$ -	\$ 53,000	\$ -
Soil conservation - south						
Other operating	\$ 53,000	\$ 53,000	\$ 53,000	\$ -	\$ 53,000	\$ -
Total Conservation of Natural Resources	<u>\$ 866,163</u>	<u>\$ 943,633</u>	<u>\$ 800,424</u>	<u>\$ 2,251</u>	<u>\$ 802,675</u>	<u>\$ 140,958</u>
Economic development						
Northspan						
Other operating	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	\$ -
Total Economic Development	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 59,815,417</u>	<u>\$ 62,728,011</u>	<u>\$ 59,619,582</u>	<u>\$ 173,935</u>	<u>\$ 59,793,517</u>	<u>\$ 2,934,494</u>
Excess of Revenues Over (Under) Expenditures	\$ (3,282,394)	\$ (3,675,502)			\$ 2,556,996	\$ 6,232,498
Other Financing Sources (Uses)						
Bond proceeds	\$ -	\$ 1,084,326			\$ 1,154,326	70,000
Operating transfers out	-	(523,457)			(508,661)	14,796
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 560,869</u>			<u>\$ 645,665</u>	<u>84,796</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ (3,282,394)	\$ (3,114,633)			\$ 3,202,661	\$ 6,317,294
Adjustments - Note 1	-	-			46,815	46,815
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses as Adjusted	<u>\$ (3,282,394)</u>	<u>\$ (3,114,633)</u>			<u>\$ 3,249,476</u>	<u>\$ 6,364,109</u>
Fund Balance - January 1	21,835,436	21,835,436			21,835,436	-
Fund Balance - December 31	<u>\$ 18,553,042</u>	<u>\$ 18,720,803</u>			<u>\$ 25,084,912</u>	<u>\$ 6,364,109</u>

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.

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.

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.

Housing and Redevelopment Authority

The Housing and Redevelopment Authority Fund is used to provide funds for housing and 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.

Septic Loan

The Septic Loan Fund is used to account for the Agricultural Best Management Loan Program.

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 1999

	Road and Bridge	Social Services	Babbitt Facility	Housing and Redevelopment Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium	Septic Loan	Total
Assets								
Cash and cash equivalents	\$ 18,443,736	\$ 6,357,268	\$ 251,967	\$ 461,876	\$ -	\$ 1,285	\$ 87,642	\$ 25,603,774
Receivables								
Taxes								
Unapportioned	270,577	373,736	-	3,398	-	-	-	647,711
Delinquent	821,393	1,182,102	-	10,341	-	-	-	2,013,836
Accounts (net of allowance for uncollectibles)	17,129	424,445	-	-	-	-	-	441,574
Loans	-	-	-	125,000	-	-	140,778	265,778
Due from other governments	7,405,996	6,324,112	-	6,370	554,279	97,953	-	14,388,710
Inventories	1,854,051	-	-	-	-	-	-	1,854,051
Total Assets	\$ 28,812,882	\$ 14,661,663	\$ 251,967	\$ 606,985	\$ 554,279	\$ 99,238	\$ 228,420	\$ 45,215,434
Liabilities and Fund Balance								
Liabilities								
Accounts payable	\$ 2,189,761	\$ 2,609,125	\$ -	\$ 458	\$ 429,538	\$ 84,851	\$ -	\$ 5,313,733
Contracts payable	499,768	-	-	-	-	-	-	499,768
Salaries payable	662,261	841,166	-	10,106	-	-	-	1,513,533
Compensated absences payable	135,173	236,702	-	965	-	-	-	372,840
Interfund payable	-	-	-	-	62,587	14,387	-	76,974
Due to other governments	62,295	1,118,827	-	-	53,821	-	-	1,234,943
Deferred revenue	8,632,654	1,101,882	-	8,425	8,333	-	-	9,751,294
Total Liabilities	\$ 12,181,912	\$ 5,907,702	\$ -	\$ 19,954	\$ 554,279	\$ 99,238	\$ -	\$ 18,763,085
Fund Balance								
Reserved for change funds	\$ 1,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,000
Reserved for noncurrent loans	-	-	-	125,000	-	-	140,778	265,778
Reserved for future loans	-	-	-	-	-	-	84,122	84,122
Reserved for conference fund	-	18,512	-	-	-	-	-	18,512
Reserved for inventories	1,854,051	-	-	-	-	-	-	1,854,051
Reserved for encumbrances	860,086	43,037	-	-	-	-	-	903,123
Reserved for health and welfare	269,220	641,154	-	-	-	-	-	910,374
Reserved for foster care insurance	-	6,000	-	-	-	-	-	6,000
Reserved for senior citizens transportation	-	4,808	-	-	-	-	-	4,808
Reserved for unorganized town roads	466,428	-	-	-	-	-	-	466,428
Reserved for capital acquisition	1,698,603	-	-	-	-	-	-	1,698,603
Unreserved								
Designated for vested sick leave	1,099,968	2,321,664	-	-	-	-	-	3,421,632
Designated for cash flow	7,505,140	5,703,786	-	-	-	-	-	13,208,926
Designated for emergency contingency	1,100,616	-	-	-	-	-	-	1,100,616
Designated for 2000 budget	1,273,776	-	-	-	-	-	-	1,273,776
Designated for 2000 budget - supplemental	336,868	-	-	-	-	-	-	336,868
Undesignated	165,214	-	251,967	462,031	-	-	3,520	882,732
Total Fund Balance	\$ 16,630,970	\$ 8,753,961	\$ 251,967	\$ 587,031	\$ -	\$ -	\$ 228,420	\$ 26,452,349
Total Liabilities and Fund Balance	\$ 28,812,882	\$ 14,661,663	\$ 251,967	\$ 606,985	\$ 554,279	\$ 99,238	\$ 228,420	\$ 45,215,434

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
 YEAR ENDED DECEMBER 31, 1999

	Road and Bridge	Social Services	Babbitt Facility	Housing and Redevelopment Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium	Septic Loan	Total
Revenues								
Taxes	\$ 19,888,256	\$ 17,861,531	\$ -	\$ 167,351	\$ -	\$ -	\$ -	\$ 37,917,138
Licenses and permits	23,082	-	-	-	-	-	-	23,082
Intergovernmental	22,641,048	45,719,466	-	12,717	3,095,714	699,996	-	72,168,941
Charges for services	127,086	1,801,806	-	-	-	-	-	1,928,892
Earnings on investments	-	-	-	-	2,175	-	3,129	5,304
Miscellaneous	826,430	471,232	95,949	-	-	33,054	-	1,426,665
Total Revenues	\$ 43,505,902	\$ 65,854,035	\$ 95,949	\$ 180,068	\$ 3,097,889	\$ 733,050	\$ 3,129	\$ 113,470,022
Expenditures								
Current								
Highways and streets	\$ 39,047,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,047,314
Welfare	-	64,886,973	-	-	-	-	-	64,886,973
Economic development	-	-	-	318,310	3,097,889	733,050	-	4,149,249
Total Current	\$ 39,047,314	\$ 64,886,973	\$ -	\$ 318,310	\$ 3,097,889	\$ 733,050	\$ -	\$ 108,083,536
Capital outlay								
Highway and streets	\$ 2,282,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,282,784
Welfare	-	156,146	-	-	-	-	-	156,146
Total Capital Outlay	\$ 2,282,784	\$ 156,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,438,930
Debt service								
Principal	\$ -	\$ 276,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 276,720
Interest and fiscal charges	-	49,327	-	-	-	-	-	49,327
Total Debt Service	\$ -	\$ 326,047	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 326,047
Total Expenditures	\$ 41,330,098	\$ 65,369,166	\$ -	\$ 318,310	\$ 3,097,889	\$ 733,050	\$ -	\$ 110,848,513
Excess of Revenues Over (Under) Expenditures	\$ 2,175,804	\$ 484,869	\$ 95,949	\$ (138,242)	\$ -	\$ -	\$ 3,129	\$ 2,621,509
Other Financing Sources (Uses)								
Bond proceeds	\$ 2,845,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,845,674
Loan proceeds	-	-	-	-	-	-	7,000	7,000
Capital leases	-	14,046	-	-	-	-	-	14,046
Operating transfers in	-	52,007	-	-	-	-	-	52,007
Operating transfers out	-	-	(114,060)	-	-	-	-	(114,060)
Total Other Financing Sources (Uses)	\$ 2,845,674	\$ 66,053	\$ (114,060)	\$ -	\$ -	\$ -	\$ 7,000	\$ 2,804,667
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 5,021,478	\$ 550,922	\$ (18,111)	\$ (138,242)	\$ -	\$ -	\$ 10,129	\$ 5,426,176
Fund Balance - January 1	11,356,991	8,203,039	270,078	725,273	-	-	218,291	20,773,672
Increase (decrease) in reserved for inventories	252,501	-	-	-	-	-	-	252,501
Fund Balance - December 31	\$ 16,630,970	\$ 8,753,961	\$ 251,967	\$ 587,031	\$ -	\$ -	\$ 228,420	\$ 26,452,349

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, 1999

	<u>Budget</u>			<u>Actual</u>	Variance
					<u>(Unfavorable)</u>
Revenues					
Taxes	\$ 19,536,670			\$ 19,888,256	\$ 351,586
Licenses and permits	18,000			23,082	5,082
Intergovernmental	25,188,963			22,641,048	(2,547,915)
Charges for services	195,000			127,086	(67,914)
Miscellaneous	604,300			826,430	222,130
Total Revenues	<u>\$ 45,542,933</u>			<u>\$ 43,505,902</u>	<u>\$ (2,037,031)</u>
		<u>Actual</u>			Variance
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Favorable (Unfavorable)</u>
Expenditures					
Highways and streets					
Administration					
Personnel services	\$ 3,594,578	\$ 2,957,761	\$ -	\$ 2,957,761	\$ 636,817
Other operating	1,498,571	1,195,058	31,168	1,226,226	272,345
Capital outlay	201,355	105,702	-	105,702	95,653
Total administration	<u>\$ 5,294,504</u>	<u>\$ 4,258,521</u>	<u>\$ 31,168</u>	<u>\$ 4,289,689</u>	<u>\$ 1,004,815</u>
Road maintenance					
Personnel services	\$ 10,201,509	\$ 10,168,751	\$ -	\$ 10,168,751	\$ 32,758
Other operating	3,609,396	3,211,378	20,536	3,231,914	377,482
Total road maintenance	<u>\$ 13,810,905</u>	<u>\$ 13,380,129</u>	<u>\$ 20,536</u>	<u>\$ 13,400,665</u>	<u>\$ 410,240</u>
Road construction					
Other operating	\$ 18,942,860	\$ 14,997,320	\$ 306,494	\$ 15,303,814	\$ 3,639,046
Equipment maintenance and shops					
Personnel services	\$ 2,875,453	\$ 2,875,388	\$ -	\$ 2,875,388	\$ 65
Other operating	3,620,790	3,605,740	15,461	3,621,201	(411)
Capital outlay	1,358,848	1,037,768	320,753	1,358,521	327
Total equipment maintenance and shops	<u>\$ 7,855,091</u>	<u>\$ 7,518,896</u>	<u>\$ 336,214</u>	<u>\$ 7,855,110</u>	<u>\$ (19)</u>
Total Expenditures	<u>\$ 45,903,360</u>	<u>\$ 40,154,866</u>	<u>\$ 694,412</u>	<u>\$ 40,849,278</u>	<u>\$ 5,054,082</u>
Excess of Revenues Over (Under) Expenditures	\$ (360,427)			\$ 2,656,624	\$ 3,017,051
Other Financing Sources (Uses)					
Bond proceeds	<u>2,845,674</u>			<u>2,845,674</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Uses	\$ 2,485,247			\$ 5,502,298	\$ 3,017,051
Adjustments - Note 1	<u>-</u>			<u>(480,820)</u>	<u>(480,820)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Uses as Adjusted	<u>\$ 2,485,247</u>			<u>\$ 5,021,478</u>	<u>\$ 2,536,231</u>
Fund Balance - January 1	11,356,991			11,356,991	-
Increase (decrease) in reserved for inventories	<u>-</u>			<u>252,501</u>	<u>252,501</u>
Fund Balance - December 31	<u>\$ 13,842,238</u>			<u>\$ 16,630,970</u>	<u>\$ 2,788,732</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, 1999

	<u>Budget</u>	<u>Actual</u>			<u>Variance Favorable (Unfavorable)</u>
Revenues					
Miscellaneous	\$ 8,000			\$ 95,949	\$ 87,949
		<u>Actual</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	
Expenditures					
Economic development					
Other operating	\$ -	\$ -	\$ -	\$ -	\$ -
Excess of Revenues Over (Under) Expenditures	\$ 8,000			\$ 95,949	\$ 87,949
Other Financing Sources (Uses)					
Operating transfers out	(114,060)			(114,060)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Uses	\$ (106,060)			\$ (18,111)	\$ 87,949
Fund Balance - January 1	270,078			270,078	-
Fund Balance - December 31	<u>\$ 164,018</u>			<u>\$ 251,967</u>	<u>\$ 87,949</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
HOUSING AND REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>		<u>Actual</u>		<u>Variance</u>
					<u>Favorable</u> <u>(Unfavorable)</u>
Revenues					
Taxes	\$	162,366	\$	167,351	\$ 4,985
Intergovernmental		<u>12,634</u>		<u>12,717</u>	<u>83</u>
Total Revenues	\$	<u>175,000</u>	\$	<u>180,068</u>	\$ <u>5,068</u>
			<u>Actual</u>		
			<u>Current</u>		
	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Expenditures					
Economic development					
Personnel services	\$	58,214	\$ 67,991	\$ 67,991	\$ (9,777)
Other operating		<u>295,800</u>	<u>250,319</u>	<u>250,319</u>	<u>45,481</u>
Total Expenditures	\$	<u>354,014</u>	\$ <u>318,310</u>	\$ <u>318,310</u>	\$ <u>35,704</u>
Excess of Revenues Over (Under) Expenditures	\$	(179,014)		\$ (138,242)	\$ 40,772
Fund Balance - January 1		<u>725,273</u>		<u>725,273</u>	<u>-</u>
Fund Balance - December 31	\$	<u>546,259</u>		<u>587,031</u>	\$ <u>40,772</u>

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, 1999

	<u>Budget</u>		<u>Actual</u>		<u>Variance</u>
					<u>Favorable</u> <u>(Unfavorable)</u>
Revenues					
Intergovernmental	\$	3,085,000	\$	3,095,714	\$ 10,714
Earnings on investments		-		2,175	2,175
Total Revenues	\$	<u>3,085,000</u>	\$	<u>3,097,889</u>	\$ <u>12,889</u>
			<u>Actual</u>		
			<u>Current</u>		
			<u>Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>
					<u>Variance</u>
					<u>Favorable</u>
					<u>(Unfavorable)</u>
Expenditures					
Economic development					
Other operating	\$	3,158,930	\$	3,097,889	\$ -
					\$ 61,041
Excess of Revenues					
Over (Under)					
Expenditures	\$	(73,930)	\$	-	\$ 73,930
Fund Balance - January 1		-		-	-
Fund Balance - December 31	\$	<u>(73,930)</u>	\$	<u>-</u>	\$ <u>73,930</u>

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, 1999

	<u>Budget</u>	<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>(Unfavorable)</u>	
Revenues				
Intergovernmental	\$ 693,000	\$ 699,996	\$ 6,996	
Miscellaneous	-	33,054	33,054	
Total Revenues	<u>\$ 693,000</u>	<u>\$ 733,050</u>	<u>\$ 40,050</u>	
	<u>Budget</u>	<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>
Expenditures				
Economic development				
Other operating	\$ 771,490	\$ 733,050	\$ -	\$ 733,050
Excess of Revenues Over (Under) Expenditures	\$ (78,490)			\$ 78,490
Fund Balance - January 1	-			-
Fund Balance - December 31	<u>\$ (78,490)</u>			<u>\$ 78,490</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
SEPTIC LOAN SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>			<u>Variance Favorable (Unfavorable)</u>
Revenues					
Earnings on investments	\$ -			\$ 3,129	\$ 3,129
		<u>Actual</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	
Expenditures					
Sanitation					
Other operating	\$ 156,755	\$ -	\$ -	\$ -	\$ 156,755
Excess of Revenues Over (Under) Expenditures	\$ (156,755)			\$ 3,129	\$ 159,884
Other Financing Sources (Uses)					
Loan proceeds	32,100			7,000	(25,100)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Uses	\$ (124,655)			\$ 10,129	\$ 134,784
Fund Balance - January 1	218,291			218,291	-
Fund Balance - December 31	<u>\$ 93,636</u>			<u>\$ 228,420</u>	<u>\$ 134,784</u>

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 Housing and Redevelopment Authority, 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.

Law Enforcement Bond

The Law Enforcement Bond Fund is used to account for 1997 bonds sold by the Housing and Redevelopment Authority for the purpose of financing the costs of construction of law enforcement centers.

Hibbing Public Works Bond

The Hibbing Public Works Bond Fund is used to account for 1997 bonds sold by the Hibbing EDA for the purpose of financing the costs of construction of a jointly owned maintenance facility.

Capital Equipment Note

The Capital Equipment Note Fund is used to account for the 1999 bonds sold for the purpose of financing capital equipment purchases.

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ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL DEBT SERVICE FUNDS
 DECEMBER 31, 1999

	<u>Babbitt Facility Refunding</u>	<u>Jail Bond</u>	<u>AJC Construction Bond</u>	<u>Law Enforcement Bond</u>	<u>Hibbing Public Works Bond</u>	<u>Capital Equipment Note</u>	<u>Total</u>	
Assets								
Cash and cash equivalents	\$ 127,163	\$ 132,506	\$ 14,229	\$ 333,188	\$ -	\$ 6,704	\$ 613,790	
Receivables								
Taxes								
Unapportioned	111	26,726	3,173	8,303	1,487	-	39,800	
Delinquent	1,339	75,462	5,851	17,869	3,154	-	103,675	
Total Assets	<u>\$ 128,613</u>	<u>\$ 234,694</u>	<u>\$ 23,253</u>	<u>\$ 359,360</u>	<u>\$ 4,641</u>	<u>\$ 6,704</u>	<u>\$ 757,265</u>	
Liabilities and Fund Balance								
Liabilities								
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ 2,235	\$ -	\$ 2,235	
Deferred revenue	1,333	59,579	4,375	12,820	2,246	-	80,353	
Total Liabilities	<u>\$ 1,333</u>	<u>\$ 59,579</u>	<u>\$ 4,375</u>	<u>\$ 12,820</u>	<u>\$ 4,481</u>	<u>\$ -</u>	<u>\$ 82,588</u>	82588
Fund Balance								
Unreserved-undesignated	127,280	175,115	18,878	346,540	160	6,704	674,677	674677
Total Liabilities and Fund Balance	<u>\$ 128,613</u>	<u>\$ 234,694</u>	<u>\$ 23,253</u>	<u>\$ 359,360</u>	<u>\$ 4,641</u>	<u>\$ 6,704</u>	<u>\$ 757,265</u>	757265

ST. LOUIS COUNTY, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 ALL DEBT SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 1999

	Babbitt Facility Refunding	Jail Bond	AJC Construction Bond	Law Enforcement Bond	Hibbing Public Works Bond	Capital Equipment Note	Total
Revenues							
Taxes	\$ 405	\$ 1,389,678	\$ 129,069	\$ 442,603	\$ 79,567	\$ -	\$ 2,041,322
Intergovernmental	-	152,087	13,705	48,364	8,729	-	222,885
Total Revenues	<u>\$ 405</u>	<u>\$ 1,541,765</u>	<u>\$ 142,774</u>	<u>\$ 490,967</u>	<u>\$ 88,296</u>	<u>\$ -</u>	<u>\$ 2,264,207</u>
Expenditures							
Debt service							
Principal	\$ 40,000	\$ 905,000	\$ 60,000	\$ 260,000	\$ 39,600	\$ -	\$ 1,304,600
Interest and fiscal charges	72,700	538,893	70,117	251,543	47,424	-	980,677
Total Expenditures	<u>\$ 112,700</u>	<u>\$ 1,443,893</u>	<u>\$ 130,117</u>	<u>\$ 511,543</u>	<u>\$ 87,024</u>	<u>\$ -</u>	<u>\$ 2,285,277</u>
Excess of Revenues Over (Under) Expenditures	\$ (112,295)	\$ 97,872	\$ 12,657	\$ (20,576)	\$ 1,272	\$ -	\$ (21,070)
Other Financing Sources (Uses)							
Operating transfers in	114,060	-	-	-	-	6,704	120,764
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 1,765	\$ 97,872	\$ 12,657	\$ (20,576)	\$ 1,272	\$ 6,704	\$ 99,694
Fund Balance - January 1	125,515	77,243	6,221	363,804	(1,112)	-	571,671
Equity transfer in	-	-	-	3,312	-	-	3,312
Fund Balance - December 31	<u>\$ 127,280</u>	<u>\$ 175,115</u>	<u>\$ 18,878</u>	<u>\$ 346,540</u>	<u>\$ 160</u>	<u>\$ 6,704</u>	<u>\$ 674,677</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
BABBITT FACILITY REFUNDING DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ -	\$ 405	\$ 405
Expenditures			
Debt service			
Principal	\$ 40,000	\$ 40,000	\$ -
Interest and fiscal charges	72,700	72,700	-
Total Expenditures	<u>\$ 112,700</u>	<u>\$ 112,700</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	\$ (112,700)	\$ (112,295)	\$ 405
Other Financing Sources (Uses)			
Operating transfers in	<u>114,060</u>	<u>114,060</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 1,360	\$ 1,765	\$ 405
Fund Balance - January 1	<u>125,515</u>	<u>125,515</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 126,875</u></u>	<u><u>\$ 127,280</u></u>	<u><u>\$ 405</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, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 1,364,000	\$ 1,389,678	\$ 25,678
Intergovernmental	152,087	152,087	-
Total Revenues	<u>\$ 1,516,087</u>	<u>\$ 1,541,765</u>	<u>\$ 25,678</u>
 Expenditures			
Debt service			
Principal	\$ 905,000	\$ 905,000	\$ -
Interest and fiscal charges	538,893	538,893	-
Total Expenditures	<u>\$ 1,443,893</u>	<u>\$ 1,443,893</u>	<u>\$ -</u>
 Excess of Revenues Over (Under) Expenditures	 \$ 72,194	 \$ 97,872	 \$ 25,678
 Fund Balance - January 1	 <u>77,243</u>	 <u>77,243</u>	 <u>-</u>
 Fund Balance - December 31	 <u><u>\$ 149,437</u></u>	 <u><u>\$ 175,115</u></u>	 <u><u>\$ 25,678</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, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 122,917	\$ 129,069	\$ 6,152
Intergovernmental	13,705	13,705	-
Total Revenues	<u>\$ 136,622</u>	<u>\$ 142,774</u>	<u>\$ 6,152</u>
 Expenditures			
Debt service			
Principal	\$ 60,000	\$ 60,000	\$ -
Interest and fiscal charges	70,117	70,117	-
Total Expenditures	<u>\$ 130,117</u>	<u>\$ 130,117</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 6,505</u>	<u>\$ 12,657</u>	<u>\$ 6,152</u>
Fund Balance - January 1	<u>6,221</u>	<u>6,221</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 12,726</u></u>	<u><u>\$ 18,878</u></u>	<u><u>\$ 6,152</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
LAW ENFORCEMENT BOND DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 433,756	\$ 442,603	\$ 8,847
Intergovernmental	48,364	48,364	-
Total Revenues	<u>\$ 482,120</u>	<u>\$ 490,967</u>	<u>\$ 8,847</u>
Expenditures			
Debt service			
Principal	\$ 260,000	\$ 260,000	\$ -
Interest and fiscal charges	251,543	251,543	-
Total Expenditures	<u>\$ 511,543</u>	<u>\$ 511,543</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (29,423)</u>	<u>\$ (20,576)</u>	<u>\$ 8,847</u>
Fund Balance - January 1	363,804	363,804	-
Equity transfers in	<u>3,312</u>	<u>3,312</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 337,693</u></u>	<u><u>\$ 346,540</u></u>	<u><u>\$ 8,847</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
HIBBING PUBLIC WORKS BOND DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 78,295	\$ 79,567	\$ 1,272
Intergovernmental	8,729	8,729	-
Total Revenues	<u>\$ 87,024</u>	<u>\$ 88,296</u>	<u>\$ 1,272</u>
Expenditures			
Debt service			
Principal	\$ 39,600	\$ 39,600	\$ -
Interest and fiscal charges	47,424	47,424	-
Total Expenditures	<u>\$ 87,024</u>	<u>\$ 87,024</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	\$ -	\$ 1,272	\$ 1,272
 Fund Balance - January 1	 <u>(1,112)</u>	 <u>(1,112)</u>	 <u>-</u>
Fund Balance - December 31	<u><u>\$ (1,112)</u></u>	<u><u>\$ 160</u></u>	<u><u>\$ 1,272</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
CAPITAL EQUIPMENT NOTE DEBT SERVICE FUND
 YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other Financing Sources (Uses)			
Operating transfers in	\$ 6,704	\$ 6,704	\$ -
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 6,704</u>	<u>\$ 6,704</u>	<u>\$ -</u>

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.

Law Enforcement Centers

The Law Enforcement Centers Fund is used to account for construction of the law enforcement centers.
This fund was closed during 1999.

ST. LOUIS COUNTY, MINNESOTA

BALANCE SHEET
CAPITAL PROJECTS FUND

DECEMBER 31, 1999

	<u>Buildings</u>
Assets	
Cash and cash equivalents	\$ 1,448,016
Receivables	
Taxes	
Unapportioned	12,810
Delinquent	44,513
Total Assets	<u>\$ 1,505,339</u>
 Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 158,603
Due to other governments	286
Deferred revenue	37,732
Total Liabilities	<u>\$ 196,621</u>
 Fund Balance	
Unreserved-undesignated	<u>1,308,718</u>
Total Liabilities and Fund Balance	<u>\$ 1,505,339</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 1999

	Buildings	Law Enforcement Centers	Total
Revenues			
Taxes	\$ 583,008	\$ -	\$ 583,008
Intergovernmental	178,672	-	178,672
Earnings on investments	-	1,790	1,790
Miscellaneous	160,731	-	160,731
Total Revenues	\$ 922,411	\$ 1,790	\$ 924,201
Expenditures			
Capital outlay			
General government	\$ 781,175	\$ -	\$ 781,175
Highways and streets	520,638	-	520,638
Total Expenditures	\$ 1,301,813	\$ -	\$ 1,301,813
Excess of Revenues Over (Under) Expenditures	\$ (379,402)	\$ 1,790	\$ (377,612)
Other Financing Sources (Uses)			
Operating transfer in	\$ 170,000	\$ -	\$ 170,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (209,402)	\$ 1,790	\$ (207,612)
Fund Balance - January 1	1,518,120	1,522	1,519,642
Equity transfer out	-	(3,312)	(3,312)
Fund Balance - December 31	\$ 1,308,718	\$ -	\$ 1,308,718

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, health, and rehabilitation 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, 1999

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 87,771	\$ 3,991	\$ 1,739,105	\$ 1,830,867
Investments	-	-	11,796,303	11,796,303
Receivables				
Taxes				
Unapportioned	284	263	40,874	41,421
Delinquent	1,897	1,287	-	3,184
Accounts (net of allowance for uncollectibles)	1,364,943	991,768	240,864	2,597,575
Accrued interest	-	-	129,313	129,313
Loans	-	-	35,420	35,420
Due from other funds	5,000	-	-	5,000
Due from other governments	-	-	1,192,009	1,192,009
Inventories	51,538	43,479	-	95,017
Total current assets	\$ 1,511,433	\$ 1,040,788	\$ 15,173,888	\$ 17,726,109
Restricted assets				
Debt service				
Receivables				
Taxes				
Unapportioned	\$ -	\$ -	\$ 16,517	\$ 16,517
Delinquent	-	-	65,188	65,188
Financial assurance				
Cash and cash equivalents	-	-	55,820	55,820
Investments	-	-	1,878,070	1,878,070
Receivables				
Accrued interest	-	-	106	106
Total restricted assets	\$ -	\$ -	\$ 2,015,701	\$ 2,015,701
Fixed assets				
Land	\$ 130,656	\$ 132,086	\$ 214,022	\$ 476,764
Buildings and structures	5,148,877	4,688,004	2,787,725	12,624,606
Improvements other than buildings	32,469	116,137	5,736,435	5,885,041
Machinery and equipment	757,290	670,064	1,208,531	2,635,885
Linens	16,114	13,326	-	29,440
Vehicles	17,297	94,945	166,609	278,851
Construction in progress	-	-	2,245,065	2,245,065
Total fixed assets	\$ 6,102,703	\$ 5,714,562	\$ 12,358,387	\$ 24,175,652
Accumulated depreciation	\$ (1,981,452)	\$ (2,823,711)	\$ (4,022,502)	\$ (8,827,665)
Net fixed assets	\$ 4,121,251	\$ 2,890,851	\$ 8,335,885	\$ 15,347,987
Total Assets	\$ 5,632,684	\$ 3,931,639	\$ 25,525,474	\$ 35,089,797

(continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS

DECEMBER 31, 1999

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 87,771	\$ 3,991	\$ 1,739,105	\$ 1,830,867
Investments	-	-	11,796,303	11,796,303
Receivables				
Taxes				
Unapportioned	284	263	40,874	41,421
Delinquent	1,897	1,287	-	3,184
Accounts (net of allowance for uncollectibles)	1,364,943	991,768	240,864	2,597,575
Accrued interest	-	-	129,313	129,313
Loans	-	-	35,420	35,420
Due from other funds	5,000	-	-	5,000
Due from other governments	-	-	1,192,009	1,192,009
Inventories	51,538	43,479	-	95,017
Total current assets	\$ 1,511,433	\$ 1,040,788	\$ 15,173,888	\$ 17,726,109
Restricted assets				
Debt service				
Receivables				
Taxes				
Unapportioned	\$ -	\$ -	\$ 16,517	\$ 16,517
Delinquent	-	-	65,188	65,188
Financial assurance				
Cash and cash equivalents	-	-	55,820	55,820
Investments	-	-	1,878,070	1,878,070
Receivables				
Accrued interest	-	-	106	106
Total restricted assets	\$ -	\$ -	\$ 2,015,701	\$ 2,015,701
Fixed assets				
Land	\$ 130,656	\$ 132,086	\$ 214,022	\$ 476,764
Buildings and structures	5,148,877	4,688,004	2,787,725	12,624,606
Improvements other than buildings	32,469	116,137	5,736,435	5,885,041
Machinery and equipment	757,290	670,064	1,208,531	2,635,885
Linens	16,114	13,326	-	29,440
Vehicles	17,297	94,945	166,609	278,851
Construction in progress	-	-	2,245,065	2,245,065
Total fixed assets	\$ 6,102,703	\$ 5,714,562	\$ 12,358,387	\$ 24,175,652
Accumulated depreciation	\$ (1,981,452)	\$ (2,823,711)	\$ (4,022,502)	\$ (8,827,665)
Net fixed assets	\$ 4,121,251	\$ 2,890,851	\$ 8,335,885	\$ 15,347,987
Total Assets	\$ 5,632,684	\$ 3,931,639	\$ 25,525,474	\$ 35,089,797

(continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS

DECEMBER 31, 1999

	Chris Jensen	Nopeming	Solid Waste Management	Total
Liabilities and Fund Equity				
Liabilities				
Current liabilities (payable from current assets)				
Accounts payable	\$ 367,271	\$ 286,266	\$ 566,784	\$ 1,220,321
Salaries payable	416,333	278,591	47,217	742,141
Compensated absences payable	39,499	28,581	11,868	79,948
Due to other funds	-	969	-	969
Due to other governments	-	-	14,441	14,441
Deferred revenue	56,321	32,720	3,321	92,362
Total current liabilities (payable from current assets)	\$ 879,424	\$ 627,127	\$ 643,631	\$ 2,150,182
Current liabilities (payable from restricted assets)				
Accrued interest payable	\$ -	\$ -	\$ 15,972	\$ 15,972
Deferred revenue	-	-	54,828	54,828
Bonds payable	-	-	830,000	830,000
Total current liabilities (payable from restricted assets)	\$ -	\$ -	\$ 900,800	\$ 900,800
Long-term liabilities				
Compensated absences payable	\$ 819,009	\$ 786,121	\$ 168,397	\$ 1,773,527
General obligation revenue bonds payable	-	-	3,170,184	3,170,184
Customer deposits	-	-	8,090	8,090
Closure and post-closure liabilities	-	-	878,542	878,542
Total long-term liabilities	\$ 819,009	\$ 786,121	\$ 4,225,213	\$ 5,830,343
Total Liabilities	\$ 1,698,433	\$ 1,413,248	\$ 5,769,644	\$ 8,881,325
Fund Equity				
Contributed capital	\$ 721,800	\$ 774,217	\$ 1,655,038	\$ 3,151,055
Retained earnings				
Reserved for improvements	\$ -	\$ 67,519	\$ -	\$ 67,519
Reserved for closure and post-closure	-	-	1,911,768	1,911,768
Unreserved	3,212,451	1,676,655	16,189,024	21,078,130
Total retained earnings	\$ 3,212,451	\$ 1,744,174	\$ 18,100,792	\$ 23,057,417
Total Fund Equity	\$ 3,934,251	\$ 2,518,391	\$ 19,755,830	\$ 26,208,472
Total Liabilities and Fund Equity	\$ 5,632,684	\$ 3,931,639	\$ 25,525,474	\$ 35,089,797

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1999

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Liabilities and Fund Equity				
Liabilities				
Current liabilities (payable from current assets)				
Accounts payable	\$ 367,271	\$ 286,266	\$ 566,784	\$ 1,220,321
Salaries payable	416,333	278,591	47,217	742,141
Compensated absences payable	39,499	28,581	11,868	79,948
Due to other funds	-	969	-	969
Due to other governments	-	-	14,441	14,441
Deferred revenue	56,321	32,720	3,321	92,362
Total current liabilities (payable from current assets)	<u>\$ 879,424</u>	<u>\$ 627,127</u>	<u>\$ 643,631</u>	<u>\$ 2,150,182</u>
Current liabilities (payable from restricted assets)				
Accrued interest payable	\$ -	\$ -	\$ 15,972	\$ 15,972
Deferred revenue	-	-	54,828	54,828
Bonds payable	-	-	830,000	830,000
Total current liabilities (payable from restricted assets)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 900,800</u>	<u>\$ 900,800</u>
Long-term liabilities				
Compensated absences payable	\$ 819,009	\$ 786,121	\$ 168,397	\$ 1,773,527
General obligation revenue bonds payable	-	-	3,170,184	3,170,184
Customer deposits	-	-	8,090	8,090
Closure and post-closure liabilities	-	-	878,542	878,542
Total long-term liabilities	<u>\$ 819,009</u>	<u>\$ 786,121</u>	<u>\$ 4,225,213</u>	<u>\$ 5,830,343</u>
Total Liabilities	<u>\$ 1,698,433</u>	<u>\$ 1,413,248</u>	<u>\$ 5,769,644</u>	<u>\$ 8,881,325</u>
Fund Equity				
Contributed capital	\$ 721,800	\$ 774,217	\$ 1,655,038	\$ 3,151,055
Retained earnings				
Reserved for improvements	\$ -	\$ 67,519	\$ -	\$ 67,519
Reserved for closure and post-closure	-	-	1,911,768	1,911,768
Unreserved	3,212,451	1,676,655	16,189,024	21,078,130
Total retained earnings	<u>\$ 3,212,451</u>	<u>\$ 1,744,174</u>	<u>\$ 18,100,792</u>	<u>\$ 23,057,417</u>
Total Fund Equity	<u>\$ 3,934,251</u>	<u>\$ 2,518,391</u>	<u>\$ 19,755,830</u>	<u>\$ 26,208,472</u>
Total Liabilities and Fund Equity	<u>\$ 5,632,684</u>	<u>\$ 3,931,639</u>	<u>\$ 25,525,474</u>	<u>\$ 35,089,797</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 1999

	Chris Jensen	Nopeming	Solid Waste Management	Total
Operating Revenues				
Charges for services	\$ 10,989,202	\$ 8,114,555	\$ 4,520,208	\$ 23,623,965
Licenses and permits	-	-	1,800	1,800
Other	109,335	62,829	91,674	263,838
Total Operating Revenues	<u>\$ 11,098,537</u>	<u>\$ 8,177,384</u>	<u>\$ 4,613,682</u>	<u>\$ 23,889,603</u>
Operating Expenses				
Personal services	\$ 7,334,651	\$ 5,464,056	\$ 1,249,672	\$ 14,048,379
Contractual services	3,079,347	2,131,019	2,591,955	7,802,321
Materials	995,126	643,366	100,267	1,738,759
Depreciation	147,814	180,485	688,342	1,016,641
Total Operating Expenses	<u>\$ 11,556,938</u>	<u>\$ 8,418,926</u>	<u>\$ 4,630,236</u>	<u>\$ 24,606,100</u>
Operating Income (Loss)	<u>\$ (458,401)</u>	<u>\$ (241,542)</u>	<u>\$ (16,554)</u>	<u>\$ (716,497)</u>
Nonoperating Revenues (Expenses)				
Taxes	\$ 1,316	\$ 1,053	\$ 1,023,630	\$ 1,025,999
Grants	-	-	1,833,241	1,833,241
Earnings on investments	-	-	667,864	667,864
Interest expense	-	(2,493)	(264,022)	(266,515)
Amortization of bond discount	-	(325)	(22,456)	(22,781)
Loss or gain on asset disposal	-	(1,500)	(8,821)	(10,321)
Total Nonoperating Revenues (Expenses)	<u>\$ 1,316</u>	<u>\$ (3,265)</u>	<u>\$ 3,229,436</u>	<u>\$ 3,227,487</u>
Income (Loss) Before Transfers	<u>\$ (457,085)</u>	<u>\$ (244,807)</u>	<u>\$ 3,212,882</u>	<u>\$ 2,510,990</u>
Operating Transfers In (Out)	<u>-</u>	<u>279,950</u>	<u>-</u>	<u>279,950</u>
Net Income (Loss)	<u>\$ (457,085)</u>	<u>\$ 35,143</u>	<u>\$ 3,212,882</u>	<u>\$ 2,790,940</u>
Retained Earnings - January 1- Restated	<u>3,669,536</u>	<u>1,709,031</u>	<u>14,887,910</u>	<u>20,266,477</u>
Retained Earnings - December 31	<u>\$ 3,212,451</u>	<u>\$ 1,744,174</u>	<u>\$ 18,100,792</u>	<u>\$ 23,057,417</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 1999

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Cash Flows From Operating Activities				
Operating Income (Loss)	\$ (458,401)	\$ (241,542)	\$ (16,554)	\$ (716,497)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation	\$ 147,814	\$ 180,485	\$ 688,342	\$ 1,016,641
Changes in Assets and Liabilities				
(Increase) Decrease in accounts receivable	25,516	(161,064)	23,722	(111,826)
(Increase) Decrease in loans receivable	-	-	19,320	19,320
(Increase) Decrease in due from other governments	-	-	(1,154,656)	(1,154,656)
(Increase) Decrease in due from other funds	89,234	66,720	-	155,954
(Increase) Decrease in inventories	17	(8,410)	-	(8,393)
Increase (Decrease) in accounts payable	36,596	44,005	232,926	313,527
Increase (Decrease) in salaries payable	154,893	65,914	5,467	226,274
Increase (Decrease) in compensated absences payable	(186,646)	(115,056)	(8,235)	(309,937)
Increase (Decrease) in due to other funds	(4,202)	(565)	-	(4,767)
Increase (Decrease) in due to other governments	-	-	(70,899)	(70,899)
Increase (Decrease) in deferred revenue	(23,875)	(3,256)	-	(27,131)
Increase (Decrease) in customer deposits	-	-	600	600
Increase (Decrease) in closure and and post-closure liabilities	-	-	143,015	143,015
Net Cash Provided by Operating Activities	<u>\$ (219,054)</u>	<u>\$ (172,769)</u>	<u>\$ (136,952)</u>	<u>\$ (528,775)</u>
Cash Flows From Noncapital Financing Activities				
Proceeds from taxes	\$ 4,729	\$ 2,820	\$ 1,009,524	\$ 1,017,073
Proceeds from grant	-	-	1,833,241	1,833,241
Payment of interfund loan	-	(28,646)	-	(28,646)
Proceeds from operating transfer	-	279,950	-	279,950
Net Cash Provided by Noncapital Financing Activities	<u>\$ 4,729</u>	<u>\$ 254,124</u>	<u>\$ 2,842,765</u>	<u>\$ 3,101,618</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	\$ (30,394)	\$ (48,980)	\$ (2,530,919)	\$ (2,610,293)
Principal paid on bonds	-	(40,000)	(1,545,000)	(1,585,000)
Interest paid on bonds	-	(2,720)	(270,599)	(273,319)
Disposal of capital assets	-	10,345	-	10,345
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (30,394)</u>	<u>\$ (81,355)</u>	<u>\$ (4,346,518)</u>	<u>\$ (4,458,267)</u>
Cash Flows From Investing Activities				
Purchase of investments	\$ -	\$ -	\$ (26,938,880)	\$ (26,938,880)
Sale of investments	-	-	28,801,571	28,801,571
Earnings on investments	-	-	701,022	701,022
Net Cash Provided by Investing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,563,713</u>	<u>\$ 2,563,713</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (244,719)	\$ -	\$ 923,008	\$ 678,289
Cash and Cash Equivalents - January 1	<u>332,490</u>	<u>3,991</u>	<u>871,917</u>	<u>1,208,398</u>
Cash and Cash Equivalents - December 31	<u>\$ 87,771</u>	<u>\$ 3,991</u>	<u>\$ 1,794,925</u>	<u>\$ 1,886,687</u>

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 to other departments or agencies of St. Louis County or to other governments 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 judgments 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, 1999

	Community Food	Laundry	Supervised Living Facilities	Printing	County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance	Medical/ Dental Insurance	Management Information Systems	Telecommu- nications	Total
Assets											
Current assets											
Cash and cash equivalents	\$ 500,536	\$ 226,569	\$ 352,731	\$ 483,514	\$ 561,904	\$ 1,541,086	\$ 306,512	\$ 551,308	\$ 1,693,514	\$ 516,141	\$ 6,733,815
Investments	-	-	-	-	-	2,855,148	5,536,696	5,006,576	-	-	13,398,420
Receivables											
Accounts	72,347	48,580	6,681	4,943	160	-	-	280,000	-	3	412,714
Accrued interest	-	-	-	-	-	23,907	123,982	55,307	-	-	203,196
Due from other governments	-	-	-	14,367	-	-	-	-	-	4,687	19,054
Inventories	18,285	36,449	-	62,505	46,812	-	-	-	11,807	5,662	181,520
Prepaid items	71,593	-	-	-	-	-	-	-	-	-	71,593
Total current assets	\$ 662,761	\$ 311,598	\$ 359,412	\$ 565,329	\$ 608,876	\$ 4,420,141	\$ 5,967,190	\$ 5,893,191	\$ 1,705,321	\$ 526,493	\$ 21,020,312
Fixed assets											
Land	\$ -	\$ -	\$ -	\$ -	\$ 25,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,500
Buildings and structures	-	1,030,654	-	-	778,730	-	-	-	-	-	1,809,384
Machinery and equipment	-	383,175	14,524	354,108	85,696	-	-	-	4,766,996	2,783,688	8,388,187
Linens	-	174,964	-	-	-	-	-	-	-	-	174,964
Vehicles	-	33,095	-	-	1,565,714	-	-	-	-	-	1,598,809
Total fixed assets	\$ -	\$ 1,621,888	\$ 14,524	\$ 354,108	\$ 2,455,640	\$ -	\$ -	\$ -	\$ 4,766,996	\$ 2,783,688	\$ 11,996,844
Accumulated depreciation	-	(789,461)	(6,424)	(217,525)	(1,642,244)	-	-	-	(3,300,102)	(2,142,194)	(8,097,950)
Net fixed assets	\$ -	\$ 832,427	\$ 8,100	\$ 136,583	\$ 813,396	\$ -	\$ -	\$ -	\$ 1,466,894	\$ 641,494	\$ 3,898,894
Total Assets	\$ 662,761	\$ 1,144,025	\$ 367,512	\$ 701,912	\$ 1,422,272	\$ 4,420,141	\$ 5,967,190	\$ 5,893,191	\$ 3,172,215	\$ 1,167,987	\$ 24,919,206

(continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS

DECEMBER 31, 1999

	Community Food	Laundry	Supervised Living Facilities	Printing	County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance	Medical/ Dental Insurance	Management Information Systems	Telecommu- nications	Total
Liabilities and Fund Equity											
Liabilities											
Current liabilities											
Accounts payable	\$ 31,258	\$ 16,029	\$ 874	\$ 42,051	\$ 40,543	\$ -	\$ 102,529	\$ 912	\$ 153,732	\$ 88,742	\$ 476,670
Salaries payable	23,188	27,739	26,246	5,473	11,909	-	-	-	80,523	8,844	183,922
Compensated absences payable	4,301	6,030	3,192	1,808	2,331	-	-	-	16,845	2,719	37,226
Claims payable	-	-	-	-	-	152,090	928,113	2,223,072	-	-	3,303,275
Due to other governments	-	-	-	-	1,376	-	143,301	-	-	-	144,677
Deferred revenue	1,580	1,687	1,178	428	964	-	-	377,867	5,837	589	390,130
Capital leases payable	-	-	-	1,987	-	-	-	-	-	-	1,987
Total current liabilities	\$ 60,327	\$ 51,485	\$ 31,490	\$ 51,747	\$ 57,123	\$ 152,090	\$ 1,173,943	\$ 2,601,851	\$ 256,937	\$ 100,894	\$ 4,537,887
Long-term liabilities											
Compensated absences payable	\$ 100,872	\$ 223,936	\$ 214,551	\$ 99,559	\$ 102,435	\$ -	\$ -	\$ -	\$ 769,957	\$ 55,026	\$ 1,566,336
Claims payable	-	-	-	-	-	-	4,207,886	-	-	-	4,207,886
Capital leases payable	-	-	-	1,026	-	-	-	-	-	-	1,026
Total long-term liabilities	\$ 100,872	\$ 223,936	\$ 214,551	\$ 100,585	\$ 102,435	\$ -	\$ 4,207,886	\$ -	\$ 769,957	\$ 55,026	\$ 5,775,248
Total Liabilities	\$ 161,199	\$ 275,421	\$ 246,041	\$ 152,332	\$ 159,558	\$ 152,090	\$ 5,381,829	\$ 2,601,851	\$ 1,026,894	\$ 155,920	\$ 10,313,135
Fund Equity											
Contributed capital											
	\$ -	\$ 764,201	\$ 3,192	\$ 5,131	\$ 1,120,249	\$ -	\$ -	\$ -	\$ 808,490	\$ 185,639	\$ 2,886,902
Retained earnings											
Reserved for capital acquisition	\$ 71,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,593
Reserved for Year 2000	-	-	-	-	-	-	-	-	56,327	-	56,327
Unreserved	429,969	104,403	118,279	544,449	142,465	4,268,051	585,361	3,291,340	1,280,504	826,428	11,591,249
Total retained earnings	\$ 501,562	\$ 104,403	\$ 118,279	\$ 544,449	\$ 142,465	\$ 4,268,051	\$ 585,361	\$ 3,291,340	\$ 1,336,831	\$ 826,428	\$ 11,719,169
Total Fund Equity	\$ 501,562	\$ 868,604	\$ 121,471	\$ 549,580	\$ 1,262,714	\$ 4,268,051	\$ 585,361	\$ 3,291,340	\$ 2,145,321	\$ 1,012,067	\$ 14,606,071
Total Liabilities and Fund Equity	\$ 662,761	\$ 1,144,025	\$ 367,512	\$ 701,912	\$ 1,422,272	\$ 4,420,141	\$ 5,967,190	\$ 5,893,191	\$ 3,172,215	\$ 1,167,987	\$ 24,919,206

ST. LOUIS COUNTY, MINNESOTA
**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS**
YEAR ENDED DECEMBER 31, 1999

	Community Food	Laundry	Supervised Living Facilities	Printing	County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance	Medical/ Dental Insurance	Management Information Systems	Telecommu- nications	Total
Operating Revenues											
Charges for services	\$ 1,165,210	\$ 1,046,399	\$ 536,159	\$ 1,002,873	\$ 1,276,140	\$ 537,362	\$ 775,785	\$ 15,398,639	\$ 3,453,692	\$ 1,369,686	\$ 26,561,945
Other	8,370	3,429	2,553	2,829	3,632	-	180,126	6,646	511,060	-	718,645
Total Operating Revenues	<u>\$ 1,173,580</u>	<u>\$ 1,049,828</u>	<u>\$ 538,712</u>	<u>\$ 1,005,702</u>	<u>\$ 1,279,772</u>	<u>\$ 537,362</u>	<u>\$ 955,911</u>	<u>\$ 15,405,285</u>	<u>\$ 3,964,752</u>	<u>\$ 1,369,686</u>	<u>\$ 27,280,590</u>
Operating Expenses											
Personal services	\$ 679,950	\$ 727,784	\$ 496,851	\$ 179,881	\$ 336,409	\$ -	\$ -	\$ -	\$ 2,115,350	\$ 228,480	\$ 4,764,705
Contractual services	159,707	144,719	33,732	424,679	229,676	444,764	1,828,500	14,938,291	1,005,457	797,908	20,007,433
Materials	388,581	123,144	8,248	342,102	362,386	-	422	-	74,207	51,480	1,350,570
Depreciation	-	33,209	900	27,236	193,219	-	-	-	570,893	178,741	1,004,198
Total Operating Expenses	<u>\$ 1,228,238</u>	<u>\$ 1,028,856</u>	<u>\$ 539,731</u>	<u>\$ 973,898</u>	<u>\$ 1,121,690</u>	<u>\$ 444,764</u>	<u>\$ 1,828,922</u>	<u>\$ 14,938,291</u>	<u>\$ 3,765,907</u>	<u>\$ 1,256,609</u>	<u>\$ 27,126,906</u>
Operating Income (Loss)	<u>\$ (54,658)</u>	<u>\$ 20,972</u>	<u>\$ (1,019)</u>	<u>\$ 31,804</u>	<u>\$ 158,082</u>	<u>\$ 92,598</u>	<u>\$ (873,011)</u>	<u>\$ 466,994</u>	<u>\$ 198,845</u>	<u>\$ 113,077</u>	<u>\$ 153,684</u>
Nonoperating Revenues (Expenses)											
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,376	\$ 348,930	\$ 249,086	\$ -	\$ -	\$ 755,392
Loss or gain on asset disposal	-	-	-	-	(300)	-	-	-	(995)	-	(1,295)
Disposition of fixed assets	-	-	-	-	24,096	-	-	-	-	-	24,096
Total Nonoperating Revenues (Expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,796</u>	<u>\$ 157,376</u>	<u>\$ 348,930</u>	<u>\$ 249,086</u>	<u>\$ (995)</u>	<u>\$ -</u>	<u>\$ 778,193</u>
Net Income (Loss)	<u>\$ (54,658)</u>	<u>\$ 20,972</u>	<u>\$ (1,019)</u>	<u>\$ 31,804</u>	<u>\$ 181,878</u>	<u>\$ 249,974</u>	<u>\$ (524,081)</u>	<u>\$ 716,080</u>	<u>\$ 197,850</u>	<u>\$ 113,077</u>	<u>\$ 931,877</u>
Retained Earnings - January 1 - Restated	556,220	83,431	119,298	512,645	(39,413)	4,018,077	1,109,442	2,575,260	1,138,981	713,351	10,787,292
Retained Earnings - December 31	<u>\$ 501,562</u>	<u>\$ 104,403</u>	<u>\$ 118,279</u>	<u>\$ 544,449</u>	<u>\$ 142,465</u>	<u>\$ 4,268,051</u>	<u>\$ 585,361</u>	<u>\$ 3,291,340</u>	<u>\$ 1,336,831</u>	<u>\$ 826,428</u>	<u>\$ 11,719,169</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 1999

	Community Food	Laundry	Supervised Living Facilities	Printing	County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance	Medical/ Dental Insurance	Management Information Systems	Telecommu- nications	Total
Cash Flows From Operating Activities											
Operating Income (Loss)	\$ (54,658)	\$ 20,972	\$ (1,019)	\$ 31,804	\$ 158,082	\$ 92,598	\$ (873,011)	\$ 466,994	\$ 198,845	\$ 113,077	\$ 153,684
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities											
Depreciation	\$ -	\$ 33,209	\$ 900	\$ 27,236	\$ 193,219	\$ -	\$ -	\$ -	\$ 570,893	\$ 178,741	\$ 1,004,198
Changes in Assets and Liabilities											
(Increase) Decrease in accounts receivable	(2,351)	17,241	3,396	(935)	(123)	-	-	(73,468)	-	(3)	(56,243)
(Increase) Decrease in due from other governments	10,776	-	-	(9,972)	1,438	-	17,324	810	-	(4,687)	15,689
(Increase) Decrease in due from other funds	-	-	-	-	-	-	-	-	-	(160,954)	(160,954)
(Increase) Decrease in inventories	956	(7,577)	-	3,442	(10,182)	-	-	-	427	6,854	(6,080)
(Increase) Decrease in prepaid items	(164)	-	-	-	-	-	-	-	-	-	(164)
Increase (Decrease) in accounts payable	(37,325)	6,755	(2,301)	(46,654)	(5,884)	(3,697)	15,807	(198)	117,877	24,152	68,532
Increase (Decrease) in salaries payable	4,297	1,645	3,098	(471)	(1,636)	-	-	-	(6,591)	1,168	1,510
Increase (Decrease) in compensated absences payable	2,251	16,494	(6,121)	12,018	(53,730)	-	-	-	51,796	5,347	28,055
Increase (Decrease) in claims payable	-	-	-	-	-	(40,135)	(372,391)	183,361	-	-	(229,165)
Increase (Decrease) in due to other governments	(2,613)	(8,996)	(12)	-	386	-	30,713	-	-	(9,976)	9,502
Increase (Decrease) in deferred revenue	126	57	63	15	50	-	-	(20,898)	328	47	(20,212)
Net Cash Provided by Operating Activities	\$ (78,705)	\$ 79,800	\$ (1,996)	\$ 16,483	\$ 281,620	\$ 48,766	\$ (1,181,558)	\$ 556,601	\$ 933,575	\$ 153,766	\$ 808,352
Cash Flows From Capital and Related Financing Activities											
Acquisition of capital assets	\$ -	\$ (17,953)	\$ -	\$ (11,210)	\$ (154,922)	\$ -	\$ -	\$ -	\$ (565,481)	\$ (145,312)	\$ (894,878)
Payments of capital leases	-	-	-	(2,607)	-	-	-	-	-	-	(2,607)
Proceeds from sale of fixed assets	-	-	-	-	24,096	-	-	-	-	-	24,096
Net Cash Provided by Capital and Related Financing Activities	\$ -	\$ (17,953)	\$ -	\$ (13,817)	\$ (130,826)	\$ -	\$ -	\$ -	\$ (565,481)	\$ (145,312)	\$ (873,389)
Cash Flows From Investing Activities											
Purchase of investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,602,056)	\$ (19,577,260)	\$ (23,929,015)	\$ -	\$ -	\$ (48,108,331)
Sale of investments	-	-	-	-	-	5,334,450	18,831,507	22,139,863	-	-	46,305,820
Earnings on investments	-	-	-	-	-	201,745	259,747	227,822	-	-	689,314
Net Cash Provided by Investing Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 934,139	\$ (486,006)	\$ (1,561,330)	\$ -	\$ -	\$ (1,113,197)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (78,705)	\$ 61,847	\$ (1,996)	\$ 2,666	\$ 150,794	\$ 982,905	\$ (1,667,564)	\$ (1,004,729)	\$ 368,094	\$ 8,454	\$ (1,178,234)
Cash and Cash Equivalents - January 1	579,241	164,722	354,727	480,848	411,110	558,181	1,974,076	1,556,037	1,325,420	507,687	7,912,049
Cash and Cash Equivalents - December 31	\$ 500,536	\$ 226,569	\$ 352,731	\$ 483,514	\$ 561,904	\$ 1,541,086	\$ 306,512	\$ 551,308	\$ 1,693,514	\$ 516,141	\$ 6,733,815

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 (1998). 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 (1998). 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 (1998). 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 residents' 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 (1998)] and contraband used in the commission of other crimes [Minn. Stat. §609.5312 (1998)]. 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 (1998)] and contraband used in the commission of other crimes [Minn. Stat. §609.5312 (1998)].

Sheriff Fines Fund

The Sheriff Fines Fund is used to account for monies collected from fines imposed by Minn. Stat. ch. 152 and Minn. Stat. ch. 340A (1998). 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 from the sale of intoxicating beer and auctioneer licenses by the County and payments to the County and State of Minnesota for these licenses.

Cities and Towns Fines Fund

The Cities and Towns Fines 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 (1998) 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.

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.

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.

Trust and Agency Funds

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 (1998).

Assault Fees Fund

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

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.

Duluth Area Family Service Collaborative Fund

The Duluth Area Family Service Collaborative Fund is used to account for the financial transactions of the Duluth Area Family Service Collaborative for whom the County is the fiscal agent.

Local Collaborative Time Study Fund

The Local Collaborative Time Study Fund is used to account for the time study funds received from the State to be remitted to the local collaboratives as requested.

Northern St. Louis County Family Service Collaborative Fund

The Northern St. Louis County Family Service Collaborative Fund is used to account for the financial transactions of the Northern St. Louis County Family Service Collaborative Fund for whom the County is the fiscal agent.

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, 1999

	Expendable Trust Funds										All Agency Funds	Total
	Missing Heirs	Private Redemption	Exchange of Land	Tax Certificate Assurance	Forfeited Tax Sale	Forest Resources	Patients' Escrow	Attorney Forfeitures	Sheriff Forfeitures	Sheriff Fines		
Assets												
Cash and cash equivalents	\$ 87,947	\$ 414	\$ 22,798	\$ 193,097	\$ -	\$ 3,105,076	\$ 31,004	\$ 186,743	\$ 80,516	\$ 37,227	\$ 11,236,822	\$ 14,981,644
Investments	93,414	-	-	-	-	-	70,000	-	-	-	27,074,331	27,237,745
Receivables												
Taxes												
Unapportioned	-	-	-	-	-	-	-	-	-	-	11,240	11,240
Delinquent	-	-	-	-	-	-	-	-	-	-	23,838	23,838
Accounts	-	-	-	-	9,941,792	-	428	-	-	-	105,261	10,047,481
Accrued interest	-	-	-	-	-	-	1,164	-	-	-	195,774	196,938
Due from other funds	-	-	-	-	-	-	969	-	-	-	-	969
Due from other governments	-	-	-	-	26,972	8,845	-	-	-	-	1,384,989	1,420,806
Total Assets	\$ 181,361	\$ 414	\$ 22,798	\$ 193,097	\$ 9,968,764	\$ 3,113,921	\$ 103,565	\$ 186,743	\$ 80,516	\$ 37,227	\$ 40,032,255	\$ 53,920,661
Liabilities												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 190,042	\$ 41,530	\$ -	\$ 1,000	\$ 1,855	\$ 4,976	\$ 860,789	\$ 1,100,192
Salaries payable	-	-	-	-	99,393	-	-	-	-	-	400,946	500,339
Compensated absences payable	-	-	-	-	18,297	-	-	-	-	-	-	18,297
Unapportioned taxes payable	-	-	-	-	-	-	-	-	-	-	1,551,418	1,551,418
Due to other funds	-	-	-	-	-	-	5,000	-	-	-	-	5,000
Interfund payable	-	-	-	-	214,493	-	-	-	-	-	-	214,493
Due to other governments	-	-	-	-	30,723	-	-	-	-	-	37,219,102	37,249,825
Deferred revenue	-	-	-	-	9,146,305	58,466	-	-	-	-	-	9,204,771
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 9,699,253	\$ 99,996	\$ 5,000	\$ 1,000	\$ 1,855	\$ 4,976	\$ 40,032,255	\$ 49,844,335
Fund Balance												
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 15,227	\$ 171,820	\$ -	\$ -	\$ 24,883	\$ 28,418	\$ -	\$ 240,348
Reserved for health and welfare	-	-	-	-	76,979	-	-	-	-	-	-	76,979
Reserved for veterans' credit	-	-	-	-	15,000	-	-	-	-	-	-	15,000
Unreserved												
Designated for vested sick leave	-	-	-	-	106,159	-	-	-	-	-	-	106,159
Designated for emergency contingency	-	-	-	-	23,969	-	-	-	-	-	-	23,969
Undesignated	181,361	414	22,798	193,097	32,177	2,842,105	98,565	185,743	53,778	3,833	-	3,613,871
Total Fund Balance	\$ 181,361	\$ 414	\$ 22,798	\$ 193,097	\$ 269,511	\$ 3,013,925	\$ 98,565	\$ 185,743	\$ 78,661	\$ 32,251	\$ -	\$ 4,076,326
Total Liabilities and Fund Balance	\$ 181,361	\$ 414	\$ 22,798	\$ 193,097	\$ 9,968,764	\$ 3,113,921	\$ 103,565	\$ 186,743	\$ 80,516	\$ 37,227	\$ 40,032,255	\$ 53,920,661

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS

YEAR ENDED DECEMBER 31, 1999

	Missing Heirs	Private Redemption	Exchange of Land	Tax Certificate Assurance	Forfeited Tax Sale	Forest Resources	Patients' Escrow	Attorney Forfeitures	Sheriff Forfeitures	Sheriff Fines	Total
Revenues											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 919,125	\$ -	\$ -	\$ -	\$ -	\$ 919,125
Intergovernmental	-	-	-	-	37,364	150,674	-	-	-	-	188,038
Earnings on investments	2,640	-	-	-	-	-	3,433	-	-	-	6,073
Land and timber sales	-	-	-	-	6,133,384	-	-	-	-	-	6,133,384
Miscellaneous	17,310	-	-	586	382,470	-	166,035	41,041	39,304	36,869	683,615
Total Revenues	\$ 19,950	\$ -	\$ -	\$ 586	\$ 6,553,218	\$ 1,069,799	\$ 169,468	\$ 41,041	\$ 39,304	\$ 36,869	\$ 7,930,235
Expenditures											
Current											
General government	\$ 1,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,673	\$ 22,712	\$ -	\$ -	\$ 194,488
Public safety	-	-	-	-	-	-	-	-	50,863	39,382	90,245
Conservation of natural resources	-	-	-	-	6,780,007	681,795	-	-	-	-	7,461,802
Total Current	\$ 1,103	\$ -	\$ -	\$ -	\$ 6,780,007	\$ 681,795	\$ 170,673	\$ 22,712	\$ 50,863	\$ 39,382	\$ 7,746,535
Capital outlay											
Conservation of natural resources	\$ -	\$ -	\$ -	\$ -	\$ 325,429	\$ 77,848	\$ -	\$ -	\$ -	\$ -	\$ 403,277
Total Expenditures	\$ 1,103	\$ -	\$ -	\$ -	\$ 7,105,436	\$ 759,643	\$ 170,673	\$ 22,712	\$ 50,863	\$ 39,382	\$ 8,149,812
Excess of Revenues Over (Under) Expenditures	\$ 18,847	\$ -	\$ -	\$ 586	\$ (552,218)	\$ 310,156	\$ (1,205)	\$ 18,329	\$ (11,559)	\$ (2,513)	\$ (219,577)
Fund Balance - January 1	162,514	414	22,798	192,511	821,729	2,703,769	99,770	167,414	90,220	34,764	4,295,903
Fund Balance - December 31	\$ 181,361	\$ 414	\$ 22,798	\$ 193,097	\$ 269,511	\$ 3,013,925	\$ 98,565	\$ 185,743	\$ 78,661	\$ 32,251	\$ 4,076,326

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 1999

	Balance January 1	Additions	Deductions	Balance December 31
STATE OF MINNESOTA FUND				
Assets				
Cash and cash equivalents	\$ 594,839	\$ 128,412,412	\$ 128,463,596	\$ 543,655
Investments	24,365,603	51,076,181	48,367,453	27,074,331
Unapportioned taxes receivable	931	3,235	931	3,235
Accrued interest receivable	198,950	195,774	198,950	195,774
Due from other governments	26,168	18,336	26,168	18,336
Total Assets	\$ 25,186,491	\$ 179,705,938	\$ 177,057,098	\$ 27,835,331
Liabilities				
Salaries payable	\$ 3,896	\$ 2,657	\$ 3,896	\$ 2,657
Due to other governments	25,182,595	179,703,281	177,053,202	27,832,674
Total Liabilities	\$ 25,186,491	\$ 179,705,938	\$ 177,057,098	\$ 27,835,331
BEER-AUCTIONEER LICENSES FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 3,125	\$ 3,125	\$ -
Liabilities				
Due to other governments	\$ -	\$ 3,125	\$ 3,125	\$ -
CITIES AND TOWNS FINES FUND				
Assets				
Cash and cash equivalents	\$ 88,990	\$ 1,590,320	\$ 1,587,081	\$ 92,229
Accounts receivable	-	28,861	-	28,861
	<u>\$ 88,990</u>	<u>\$ 1,619,181</u>	<u>\$ 1,587,081</u>	<u>\$ 121,090</u>
Liabilities				
Due to other governments	\$ 88,990	\$ 1,619,181	\$ 1,587,081	\$ 121,090
GAME AND FISH LICENSE FUND				
Assets				
Cash and cash equivalents	\$ 272,563	\$ 3,233,135	\$ 3,249,201	\$ 256,497
Accounts receivable	4,012	50	4,012	50
	<u>\$ 276,575</u>	<u>\$ 3,233,185</u>	<u>\$ 3,253,213</u>	<u>\$ 256,547</u>
Liabilities				
Due to other governments	\$ 276,575	\$ 3,233,185	\$ 3,253,213	\$ 256,547
BID DEPOSITS FUND				
Assets				
Cash and cash equivalents	\$ 12,850	\$ -	\$ -	\$ 12,850
Liabilities				
Accounts payable	\$ 12,850	\$ -	\$ -	\$ 12,850

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 1999

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
TAXES AND PENALTIES FUND				
Assets				
Cash and cash equivalents	\$ 4,629,151	\$ 221,175,871	\$ 221,009,562	\$ 4,795,460
Liabilities				
Unapportioned taxes payable	\$ 1,243,488	\$ 1,551,418	\$ 1,243,488	\$ 1,551,418
Due to other governments	3,385,663	219,624,453	219,766,074	3,244,042
Total Liabilities	<u>\$ 4,629,151</u>	<u>\$ 221,175,871</u>	<u>\$ 221,009,562</u>	<u>\$ 4,795,460</u>
PAYROLL DEDUCTIONS FUND				
Assets				
Cash and cash equivalents	\$ 417,807	\$ 59,944,189	\$ 59,927,759	\$ 434,237
Liabilities				
Accounts payable	\$ 58,914	-	\$ 5,427	\$ 53,487
Due to other governments	358,893	59,944,189	59,922,332	380,750
Total Liabilities	<u>\$ 417,807</u>	<u>\$ 59,944,189</u>	<u>\$ 59,927,759</u>	<u>\$ 434,237</u>
SERIES EE SAVINGS BOND FUND				
Assets				
Cash and cash equivalents	\$ 3,355	\$ 142,069	\$ 143,761	\$ 1,663
Liabilities				
Due to other governments	\$ 3,355	\$ 142,069	\$ 143,761	\$ 1,663
CANCELED CHECK FUND				
Assets				
Cash and cash equivalents	\$ 45,028	\$ 53,184	\$ 48,839	\$ 49,373
Liabilities				
Accounts payable	\$ 45,028	\$ 53,184	\$ 48,839	\$ 49,373
HIGH VOLTAGE CREDIT FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 78,610	\$ -	\$ 78,610
Liabilities				
Due to other governments	\$ -	\$ 78,610	\$ -	\$ 78,610
ASSAULT FEES FUND				
Assets				
Cash and cash equivalents	\$ 881	\$ 36,140	\$ 36,312	\$ 709
Liabilities				
Accounts payable	\$ 881	\$ 36,140	\$ 36,312	\$ 709

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 1999

	Balance January 1	Additions	Deductions	Balance December 31
ARROWHEAD REGIONAL CORRECTIONS FUND				
Assets				
Cash and cash equivalents	\$ 1,166,734	\$ 16,402,436	\$ 15,789,042	\$ 1,780,128
Accounts receivable	-	76,322	-	76,322
Due from other governments	562,755	658,145	588,664	632,236
Total Assets	<u>\$ 1,729,489</u>	<u>\$ 17,136,903</u>	<u>\$ 16,377,706</u>	<u>\$ 2,488,686</u>
Liabilities				
Accounts payable	\$ 429,002	\$ 3,832,601	\$ 3,773,345	\$ 488,258
Salaries payable	531,991	391,402	531,991	391,402
Due to other governments	768,496	12,912,900	12,072,370	1,609,026
Total Liabilities	<u>\$ 1,729,489</u>	<u>\$ 17,136,903</u>	<u>\$ 16,377,706</u>	<u>\$ 2,488,686</u>
COMMUNITY HEALTH SERVICES FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 2,349,089	\$ 2,122,954	\$ 226,135
Due from other governments	279,793	192,667	279,793	192,667
Total Assets	<u>\$ 279,793</u>	<u>\$ 2,541,756</u>	<u>\$ 2,402,747</u>	<u>\$ 418,802</u>
Liabilities				
Accounts payable	\$ 2,517	\$ 487,355	\$ 487,215	\$ 2,657
Salaries payable	3,344	3,806	3,344	3,806
Due to other governments	273,932	2,050,595	1,912,188	412,339
Total Liabilities	<u>\$ 279,793</u>	<u>\$ 2,541,756</u>	<u>\$ 2,402,747</u>	<u>\$ 418,802</u>
DULUTH AREA FAMILY SERVICE COLLABORATIVE FUND				
Assets				
Cash and cash equivalents	\$ 901,871	\$ 1,057,860	\$ 1,790,540	\$ 169,191
Liabilities				
Accounts payable	\$ 54,999	\$ 918,213	\$ 973,212	\$ -
Due to other governments	846,872	139,647	817,328	169,191
Total Liabilities	<u>\$ 901,871</u>	<u>\$ 1,057,860</u>	<u>\$ 1,790,540</u>	<u>\$ 169,191</u>
LOCAL COLLABORATIVE TIME STUDY FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 2,191,613	\$ -	\$ 2,191,613
Liabilities				
Accounts payable	\$ -	\$ 112,364	\$ -	\$ 112,364
Due to other governments	-	2,079,249	-	2,079,249
Total Liabilities	<u>\$ -</u>	<u>\$ 2,191,613</u>	<u>\$ -</u>	<u>\$ 2,191,613</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 1999

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
NORTHERN ST. LOUIS COUNTY FAMILY SERVICE COLLABORATIVE FUND				
Assets				
Cash and cash equivalents	\$ 1,164,841	\$ 935,567	\$ 1,989,488	\$ 110,920
Liabilities				
Accounts payable	\$ 92,383	\$ 619,822	\$ 712,205	\$ -
Due to other governments	1,072,458	315,745	1,277,283	110,920
	<u>\$ 1,164,841</u>	<u>\$ 935,567</u>	<u>\$ 1,989,488</u>	<u>\$ 110,920</u>
REGIONAL RAILROAD AUTHORITY FUND				
Assets				
Cash and cash equivalents	\$ 83,667	\$ 1,465,438	\$ 1,082,464	\$ 466,641
Receivables				
Unapportioned taxes	6,432	8,005	6,432	8,005
Delinquent taxes	27,444	23,838	27,444	23,838
Accounts	5,980	28	5,980	28
Due from other governments	784,690	560,323	803,393	541,620
Total Assets	<u>\$ 908,213</u>	<u>\$ 2,057,632</u>	<u>\$ 1,925,713</u>	<u>\$ 1,040,132</u>
Liabilities				
Accounts payable	\$ 86,708	\$ 941,251	\$ 886,868	\$ 141,091
Salaries payable	2,297	3,081	2,297	3,081
Due to other governments	819,208	1,113,300	1,036,548	895,960
Total Liabilities	<u>\$ 908,213</u>	<u>\$ 2,057,632</u>	<u>\$ 1,925,713</u>	<u>\$ 1,040,132</u>
NORTHERN COUNTIES LAND USE BOARD FUND				
Assets				
Cash and cash equivalents	\$ 18,537	\$ 52,740	\$ 44,366	\$ 26,911
Due from other governments	130	-	-	130
Total Assets	<u>\$ 18,667</u>	<u>\$ 52,740</u>	<u>\$ 44,366</u>	<u>\$ 27,041</u>
Liabilities				
Due to other governments	<u>\$ 18,667</u>	<u>\$ 52,740</u>	<u>\$ 44,366</u>	<u>\$ 27,041</u>
TOTALS FOR ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 9,401,114	\$ 439,123,798	\$ 437,288,090	\$ 11,236,822
Investments	24,365,603	51,076,181	48,367,453	27,074,331
Receivables				
Unapportioned taxes	7,363	11,240	7,363	11,240
Delinquent taxes	27,444	23,838	27,444	23,838
Accounts	9,992	105,261	9,992	105,261
Accrued interest	198,950	195,774	198,950	195,774
Due from other governments	1,653,536	1,429,471	1,698,018	1,384,989
Total Assets	<u>\$ 35,664,002</u>	<u>\$ 491,965,563</u>	<u>\$ 487,597,310</u>	<u>\$ 40,032,255</u>

Liabilities

Accounts payable	\$ 783,282	\$ 7,000,930	\$ 6,923,423	\$ 860,789
Salaries payable	541,528	400,946	541,528	400,946
Unapportioned taxes payable	1,243,488	1,551,418	1,243,488	1,551,418
Due to other governments	<u>33,095,704</u>	<u>483,012,269</u>	<u>478,888,871</u>	<u>37,219,102</u>
Total Liabilities	<u>\$ 35,664,002</u>	<u>\$ 491,965,563</u>	<u>\$ 487,597,310</u>	<u>\$ 40,032,255</u>

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, 1999

	<u>1999</u>
General Fixed Assets	
Land	\$ 1,542,072
Buildings and structures	59,026,602
Machinery and equipment	15,545,305
Vehicles	37,138,438
Construction in progress	<u>245,612</u>
Total General Fixed Assets	<u>\$ 113,498,029</u>
Investment In General Fixed Assets By Source	
General fund	\$ 51,757,265
Special revenue funds	57,676,398
Capital projects funds	245,612
Trust funds	<u>3,818,754</u>
Total Investment In General Fixed Assets	<u>\$ 113,498,029</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
 DECEMBER 31, 1999

	Land	Buildings and Structures	Machinery and Equipment	Vehicles	Total
General Government					
Legislative	\$ -	\$ -	\$ 15,903	\$ -	\$ 15,903
Judicial and legal	-	1,257	455,146	-	456,403
Financial and other activities	5,998	-	1,354,388	183,790	1,544,176
Courthouses	994,090	22,768,181	167,345	105,454	24,035,070
Total General Government	\$ 1,000,088	\$ 22,769,438	\$ 1,992,782	\$ 289,244	\$ 26,051,552
Public Safety					
Police protection	\$ -	\$ 15,435,611	\$ 4,108,175	\$ 2,658,987	\$ 22,202,773
Civil defense	-	-	20,373	-	20,373
Other activities	-	-	29,215	-	29,215
Total Public Safety	\$ -	\$ 15,435,611	\$ 4,157,763	\$ 2,658,987	\$ 22,252,361
Highways	\$ 416,149	\$ 11,268,571	\$ 4,664,828	\$ 32,425,885	\$ 48,775,433
Health	\$ -	\$ 779,040	\$ 174,614	\$ -	\$ 953,654
Social Services	\$ -	\$ 3,638,540	\$ 2,636,879	\$ 72,886	\$ 6,348,305
Culture and Recreation	\$ -	\$ 1,663,214	\$ -	\$ 7,123	\$ 1,670,337
Conservation of Natural Resources	\$ 112,142	\$ 2,254,715	\$ 644,710	\$ 1,684,313	\$ 4,695,880
Economic Development	\$ 13,693	\$ 1,217,473	\$ 1,273,729	\$ -	\$ 2,504,895
Construction-In-Progress	\$ -	\$ 245,612	\$ -	\$ -	\$ 245,612
Total General Fixed Assets	\$ 1,542,072	\$ 59,272,214	\$ 15,545,305	\$ 37,138,438	\$ 113,498,029

Supplementary Schedules

Schedule of Investments
(Schedule 35)

Schedule of Intergovernmental Revenue
(Schedule 36)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 1999

	General Fixed Assets Jan. 1, 1999	Additions	Deductions	General Fixed Assets Dec. 31, 1999
General Government				
Legislative	\$ 15,903	\$ -	\$ -	\$ 15,903
Judicial and legal	438,453	17,950	-	456,403
Financial and other activities	1,407,990	167,273	31,087	1,544,176
Courthouses	23,866,007	186,565	17,502	24,035,070
Total General Government	\$ 25,728,353	\$ 371,788	\$ 48,589	\$ 26,051,552
Public Safety				
Police protection	\$ 21,793,704	\$ 595,119	\$ 186,050	\$ 22,202,773
Civil defense	16,019	4,354	-	20,373
Other activities	27,940	1,275	-	29,215
Total Public Safety	\$ 21,837,663	\$ 600,748	\$ 186,050	\$ 22,252,361
Highways	\$ 48,047,367	\$ 2,797,763	\$ 2,069,697	\$ 48,775,433
Health	\$ 935,401	\$ 18,253	\$ -	\$ 953,654
Social Services	\$ 6,186,886	\$ 197,387	\$ 35,968	\$ 6,348,305
Culture and Recreation	\$ 1,670,337	\$ -	\$ -	\$ 1,670,337
Conservation of Natural Resources	\$ 4,356,061	\$ 429,649	\$ 89,830	\$ 4,695,880
Economic Development	\$ 2,504,895	\$ -	\$ -	\$ 2,504,895
Construction-In-Progress	\$ 15,648	\$ 988,904	\$ 758,940	\$ 245,612
Total	\$ 111,282,611	\$ 5,404,492	\$ 3,189,074	\$ 113,498,029

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INVESTMENTS AND INTEREST EARNING DEPOSITS
 DECEMBER 31, 1999

	<u>Interest Rates</u>	<u>Par Value</u>	<u>Market</u>
Pooled Investments			
Money market savings account	4.00%	\$ 249,580	\$ 249,580
Certificates of deposit	5.10 - 6.95%	1,192,000	1,192,000
Bankers acceptances	5.55 - 5.90%	16,315,627	16,181,859
Commercial paper	6.00 - 6.95%	25,169,000	25,034,191
MAGIC	Varies	7,846,593	7,846,593
FHLBs	4.79 - 5.93%	6,500,000	6,483,513
FNMAAs	5.64%	4,000,000	3,963,600
FHLMC	5.47 - 5.56%	11,745,000	11,634,138
Total Pooled Investments		<u>\$ 73,017,800</u>	<u>\$ 72,585,474</u>
Solid Waste Management Enterprise Fund			
Certificates of deposit	5.10 - 5.438%	\$ 400,000	\$ 400,000
Commercial Paper	5.93 - 6.15%	3,086,000	3,066,353
FHLB	4.875 - 5.00%	5,000,000	4,941,100
FHLMC	6.05%	316,000	313,433
FNMAAs	5.89 - 6.195%	3,200,000	3,188,700
Treasury note	6.75%	2,750,000	2,759,453
Total Solid Waste Management Enterprise Fund		<u>\$ 14,752,000</u>	<u>\$ 14,669,039</u>
Property, Casualty, Liability Insurance			
Internal Service Fund			
Certificates of deposit	6.43%	\$ 100,000	\$ 100,000
Commercial Paper	5.73 - 6.40%	1,700,000	1,664,318
FHLB	4.875%	700,000	688,844
FNMAAs	5.89%	1,300,000	1,293,886
Total Property, Casualty, Liability Insurance Internal Service Fund		<u>\$ 3,800,000</u>	<u>\$ 3,747,048</u>
Worker's Compensation Insurance			
Internal Service Fund			
Bankers acceptance	5.38%	\$ 1,000,000	\$ 997,636
Certificates of deposit	5.91 - 6.50%	1,500,000	1,480,000
Commercial Paper	5.55 - 5.95%	1,820,000	1,797,618
FHLMC	6.375%	1,265,000	1,261,442
Total Workers' Compensation Insurance Internal Service Fund		<u>\$ 5,585,000</u>	<u>\$ 5,536,696</u>
Medical/Dental Insurance Internal Service Fund			
Internal Service Fund			
Bankers acceptance	5.38%	\$ 2,000,000	\$ 1,995,272
Commercial Paper	5.70 - 5.78%	3,136,000	3,011,304
Total Medical/Dental Insurance Internal Service Fund		<u>\$ 5,136,000</u>	<u>\$ 5,006,576</u>
Missing Heirs Trust Fund			
Savings account	2.60%	\$ 69,597	\$ 69,597
Certificate of deposit	4.73 - 4.76%	23,820	23,817
Total Missing Heirs Trust Fund		<u>\$ 93,417</u>	<u>\$ 93,414</u>
Patients' Escrow Trust Fund			
Certificates of deposit	4.455 - 5.25%	\$ 70,000	\$ 70,000
State of Minnesota Agency Fund			
Money Market	4.666 - 4.94%	\$ 29,742	\$ 29,742
Commercial Paper	5.82 - 6.05%	5,584,000	5,556,545
FHLB	6.022%	1,000,000	996,250
FHLMC	6.25 - 6.76%	5,000,000	4,959,465
FNMA	5.33 - 7.10%	14,800,000	14,564,258
Treasury note	6.13%	1,000,000	997,813
Total State of Minnesota Agency Fund		<u>\$ 27,413,742</u>	<u>\$ 27,104,073</u>
Total Investments		<u>\$ 129,867,959</u>	<u>\$ 128,812,320</u>

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 YEAR ENDED DECEMBER 31, 1999

	Special Revenue Funds					Debt Service Funds	Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Trust Funds		Total
	General Fund	Road and Bridge	Social Services	Other	Forfeited Tax Sale				Forest Resources		
Shared revenue											
State											
Department of Intertechnologies											
911 communications	\$ 136,796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,796
Department of Natural Resources											
Mineral rents and royalties	475,882	-	-	-	-	-	-	-	-	-	475,882
Department of Revenue											
Community development block grant	-	-	5,957	-	-	-	-	-	-	-	5,957
Disparity aid	2,841,540	1,416,675	1,937,422	-	222,549 *	62,414	-	-	-	-	6,480,600
Homestead and agricultural credit aid (HACA) - real estate	5,105,625	1,908,362	2,827,763	12,634	-	115,026	-	-	-	-	9,969,410
HACA - manufactured home	50,320	18,872	27,965	53	-	1,138	-	-	-	-	98,348
PERA aid	155,416	89,067	127,284	-	-	-	-	13,395	-	-	385,162
State fire aid	21,203	-	-	-	-	-	-	-	-	-	21,203
Police aid	548,194	-	-	-	-	-	-	-	-	-	548,194
Local government aid	5,573	-	-	-	-	-	-	-	-	-	5,573
Department of Transportation											
30 percent rental income	4,310	2,143	2,930	30	336 **	94	-	-	-	-	9,843
Highway users tax	-	16,975,102	-	-	-	-	-	-	-	-	16,975,102
State parks	-	460,996	-	-	-	-	-	-	-	-	460,996
Unorganized town road and bridge aid	-	12,500	-	-	-	-	-	-	-	-	12,500
Total Shared Revenue	\$ 9,344,859	\$ 20,883,717	\$ 4,929,321	\$ 12,717	\$ 222,885	\$ 178,672	\$ -	\$ 13,395	\$ -	\$ 35,585,566	
Reimbursement for Services											
State											
Department of Human Services											
Child teen checkups	\$ -	\$ -	\$ 207,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207,285
Child support	69,887	-	2,755,462	-	-	-	-	-	-	-	2,825,349
Child welfare targeted case management	-	-	2,179,265	-	-	-	-	-	-	-	2,179,265
Community alternatives for disabled individuals											
waivered services	-	-	96,934	-	-	-	-	-	-	-	96,934
Elderly waivered services	-	-	270,525	-	-	-	-	-	-	-	270,525
Food stamps	37,721	-	1,602,114	-	-	-	-	-	-	-	1,639,835
Foster care	24,899	-	12,966	-	-	-	-	-	-	-	37,865
Medical assistance	36,709	-	2,994,219	-	-	-	-	-	-	-	3,030,928
Mentally ill case management waivered services	-	-	194,302	-	-	-	-	-	-	-	194,302
Mentally retarded waivered services	-	-	256,608	-	-	-	-	-	-	-	256,608
Traumatic brain injury	-	-	10,855	-	-	-	-	-	-	-	10,855
Temporary aid for needy families	21,245	-	746,303	-	-	-	-	-	-	-	767,548
Total Reimbursement for Services Revenue	\$ 190,461	\$ -	\$ 11,326,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,517,299	
Grants											
State grants											
Area Agency on Aging											
Home delivered meals	\$ -	\$ -	\$ 32,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,929
Board of Water and Soil Resources											
Natural resources block grant	109,849	-	-	-	-	-	-	-	-	-	109,849
Department of Corrections											
Sex offender assessment reimbursement	5,564	-	-	-	-	-	-	-	-	-	5,564
Department of Environmental Assistance											
Hazardous household waste	-	-	-	-	-	-	112,500	-	-	-	112,500
SCORE recycling grant	-	-	-	-	-	-	546,590	-	-	-	546,590
Solid waste capital	-	-	-	-	-	-	1,162,710	-	-	-	1,162,710

Department of Finance												
Forest road access	-	-	-	-	-	-	-	-	-	115,254	115,254	
Proctor area sports arena	34,200	-	-	-	-	-	-	-	-	-	34,200	
Department of Health												
Community health services	901,779	-	-	-	-	-	-	-	-	-	901,779	
Fetal/infant mortality	27,376	-	-	-	-	-	-	-	-	-	27,376	
Early childhood tracking	18,841	-	-	-	-	-	-	-	-	-	18,841	
Home visiting	5,000	-	-	-	-	-	-	-	-	-	5,000	
Subtotal	<u>\$ 1,102,609</u>	<u>\$ -</u>	<u>\$ 32,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,821,800</u>	<u>\$ -</u>	<u>\$ 115,254</u>	<u>\$ 3,072,592</u>	

(Continued)

* Consists of Jail Bond of \$151,857; AJC Construction Bond of \$13,685; Law Enforcement Bond of \$48,291 and Hibbing Public Works Bond of \$8,716.

** Consists of Jail Bond of \$230; AJC Construction Bond of \$20; Law Enforcement Bond of \$73 and Hibbing Public Works Bond of \$13.

Criminal justice aid	1,143,157	-	-	-	-	-	-	-	-	1,143,157
Local performance aid	234,122	-	-	-	-	-	-	-	-	234,122
Minnesota Board on Aging Retired seniors volunteer program	-	-	12,190	-	-	-	-	-	-	12,190
University of Minnesota Food and nutrition program	22,522	-	-	-	-	-	-	-	-	22,522
Total State Grants	<u>\$ 3,482,252</u>	<u>\$ -</u>	<u>\$ 19,045,295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,821,800</u>	<u>\$ -</u>	<u>\$ 150,674</u>	<u>\$ 24,500,021</u>

(Continued)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
YEAR ENDED DECEMBER 31, 1999

	Special Revenue Funds					Trust Funds				Total
	General Fund	Road and Bridge	Social Services	Other	Debt Service Funds	Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forfeited Tax Sale	Forest Resources	
Grants (continued)										
Federal grants										
Area Agency on Aging										
Retired seniors volunteer program	\$ -	\$ -	\$ 70,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,075
Department of Agriculture										
Food stamps	-	-	152,366	-	-	-	-	-	-	152,366
National forest lands	585,007	-	-	-	-	-	-	-	-	585,007
National forest lands - schools and roads	-	180,446	-	-	-	-	-	-	-	180,446
Women, infants and children	336,689	-	-	-	-	-	-	-	-	336,689
Department of Corrections										
Carl Perkins grant	6,388	-	-	-	-	-	-	-	-	6,388
Department of Health and Human Services										
Adoption incentives	-	-	26,176	-	-	-	-	-	-	26,176
Cancer control	8,550	-	-	-	-	-	-	-	-	8,550
Chemically dependency block grant	37,534	-	-	-	-	-	-	-	-	37,534
Child care	-	-	2,184,422	-	-	-	-	-	-	2,184,422
Childrens justice act	-	-	5,365	-	-	-	-	-	-	5,365
Family preservation block grant	-	-	546,486	-	-	-	-	-	-	546,486
Foster care	-	-	1,943,749	-	-	-	-	-	-	1,943,749
HIV/Aids	9,800	-	-	-	-	-	-	-	-	9,800
Home delivered meals	-	-	178,379	-	-	-	-	-	-	178,379
Immunization action	12,480	-	-	-	-	-	-	-	-	12,480
Maternal child health	245,014	-	-	-	-	-	-	-	-	245,014
Mental health block grant	-	-	16,927	-	-	-	-	-	-	16,927
MN family investment project employment services- temporary aid for needy families	-	-	2,361,600	-	-	-	-	-	-	2,361,600
MN healthy communities	6,760	-	-	-	-	-	-	-	-	6,760
Radon detection	6,925	-	-	-	-	-	-	-	-	6,925
Refugee assistance	-	-	7,382	-	-	-	-	-	-	7,382
Support for emancipation and living functionally	-	-	24,326	-	-	-	-	-	-	24,326
Title XX block grant	-	-	2,900,759	-	-	-	-	-	-	2,900,759
Department of Housing and Urban Development										
Community development block grants	-	-	-	3,095,714	-	-	-	-	-	3,095,714
Emergency shelter grant	124,331	-	-	-	-	-	-	-	-	124,331
Home investment in affordable housing	-	-	-	699,996	-	-	-	-	-	699,996
Supportive housing	156,890	-	-	-	-	-	-	-	-	156,890
Shelter plus care	17,552	-	-	-	-	-	-	-	-	17,552
Department of Justice										
C.O.P.S.	31,297	-	-	-	-	-	-	-	-	31,297
Criminal apprehension	255,000	-	-	-	-	-	-	-	-	255,000
Domestic abuse intervention	104,624	-	-	-	-	-	-	-	-	104,624
Law enforcement block grant	26,821	-	-	-	-	-	-	-	-	26,821
Operation NightCAP	3,743	-	-	-	-	-	-	-	-	3,743
Department of Transportation										
Area traffic safety / speed enforcement	24,969	-	-	-	-	-	-	-	-	24,969
Boating safety	-	63,345	-	-	-	-	-	-	-	63,345
Federal Emergency Management Agency										
Disaster relief	5,942	1,100,616	-	-	-	-	11,441	23,969	-	1,141,968
Emergency management	26,445	-	-	-	-	-	-	-	-	26,445
Total Federal grants	\$ 2,032,761	\$ 1,344,407	\$ 10,418,012	\$ 3,795,710	\$ -	\$ -	\$ 11,441	\$ 23,969	\$ -	\$ 17,626,300

Other grants

Local										
Construction	\$ -	\$ 412,924	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 412,924
Total Grants	<u>\$ 5,515,013</u>	<u>\$ 1,757,331</u>	<u>\$ 29,463,307</u>	<u>\$ 3,795,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,833,241</u>	<u>\$ 23,969</u>	<u>\$ 150,674</u>	<u>\$ 42,539,245</u>
Total Intergovernmental Revenue	<u>\$ 15,050,333</u>	<u>\$ 22,641,048</u>	<u>\$ 45,719,466</u>	<u>\$ 3,808,427</u>	<u>\$ 222,885</u>	<u>\$ 178,672</u>	<u>\$ 1,833,241</u>	<u>\$ 37,364</u>	<u>\$ 150,674</u>	<u>\$ 89,642,110</u>

Statistical Section

General Governmental Expenditures
By Function
(Table 1, Page 170, 171)

General Governmental Revenues by Source
(Table 2, Page 172, 173)

Property Tax Levies and Collections
(Table 3, Page 174)

Taxable Market Value and Tax
Capacity of Taxable Property
(Table 4, Page 175)

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Reader's notes:

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

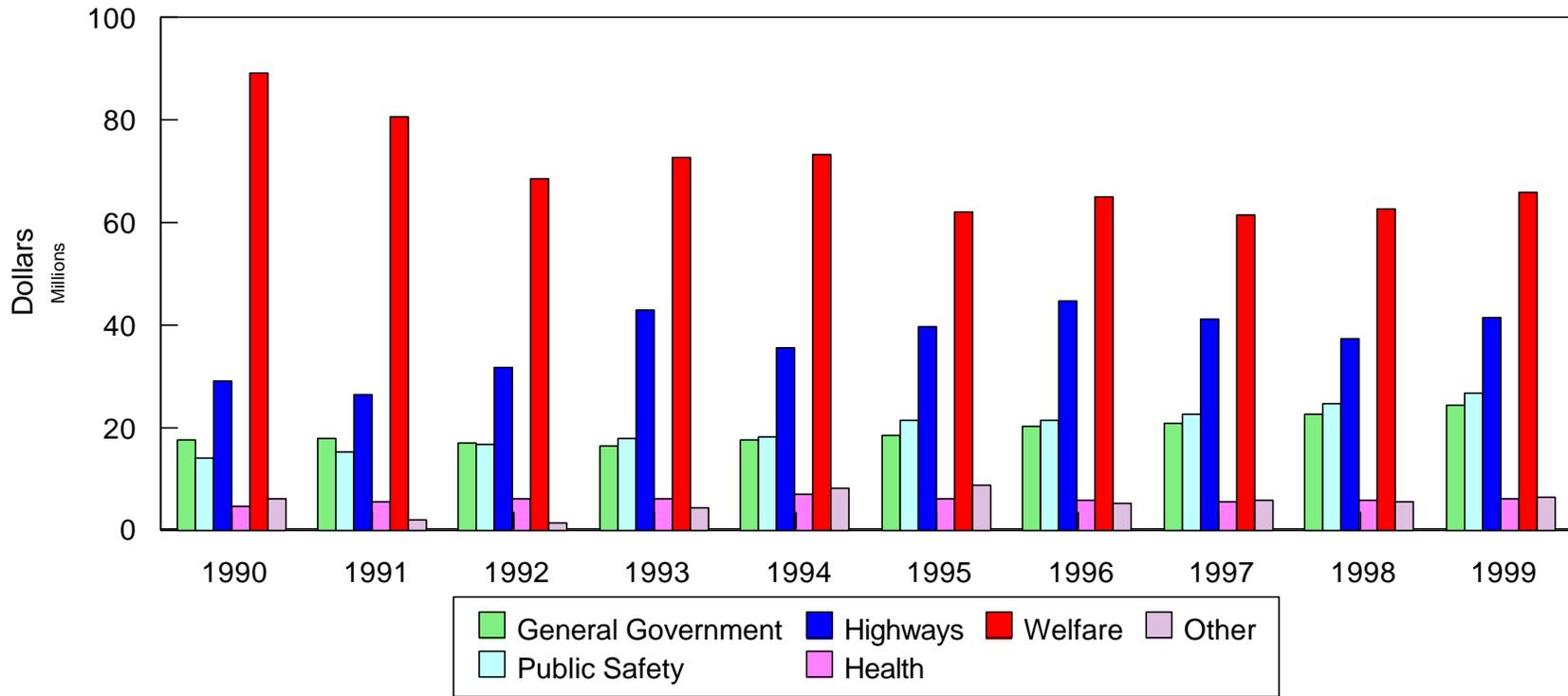
Fiscal Year	General Government	Public Safety	Highways	Health	Welfare	Sanitation (2)	Culture and Recreation	Conservation of Natural Resources	Economic Development	Total Expenditures
1990	\$ 17,586,959	\$ 13,958,343	\$ 28,935,781	\$ 4,684,825	\$ 89,317,104	\$ 2,327,531	\$ 337,940	\$ 1,832,978	\$ 1,687,020	\$ 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
1997	\$ 20,763,204	\$ 22,481,719	\$ 41,033,305	\$ 5,471,404	\$ 61,470,525	\$ -	\$ 990,931	\$ 728,122	\$ 4,045,476	\$ 156,984,686
1998	\$ 22,673,940	\$ 24,775,615	\$ 37,400,747	\$ 5,708,819	\$ 62,757,157	\$ -	\$ 865,786	\$ 793,700	\$ 3,662,411	\$ 158,638,175
1999	\$ 24,236,863	\$ 26,713,735	\$ 41,330,098	\$ 5,917,312	\$ 65,951,192	\$ -	\$ 1,494,552	\$ 782,214	\$ 4,169,249	\$ 170,595,215

Fiscal Year	General Government	Public Safety	Highways	Health	Welfare	Sanitation (2)	Culture and Recreation	Conservation of Natural Resources	Economic Development	Total Expenditures
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%
1997	13.2%	14.3%	26.1%	3.5%	39.2%	0.0%	0.6%	0.5%	2.6%	100.0%
1998	14.3%	15.6%	23.6%	3.6%	39.6%	0.0%	0.5%	0.5%	2.3%	100.0%
1999	14.2%	15.7%	24.2%	3.5%	38.6%	0.0%	0.9%	0.5%	2.4%	100.0%

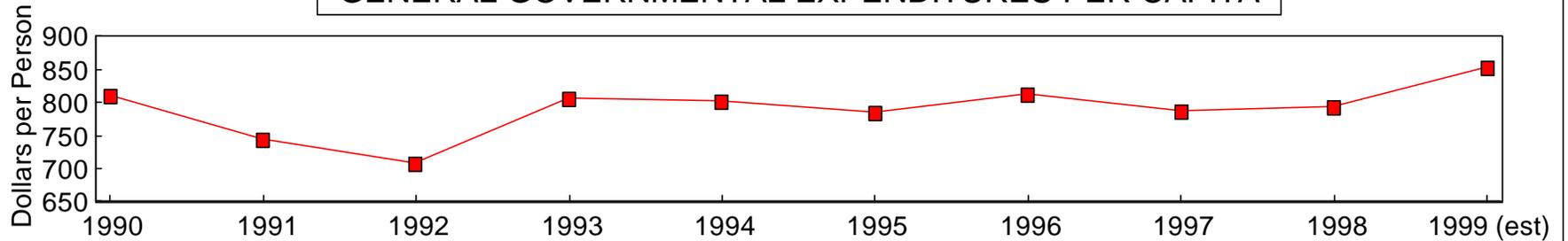
(1) Includes the General Fund and Special Revenue Funds.

(2) Reclassified as Enterprise Fund in 1991.

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION



GENERAL GOVERNMENTAL EXPENDITURES PER CAPITA



Unaudited

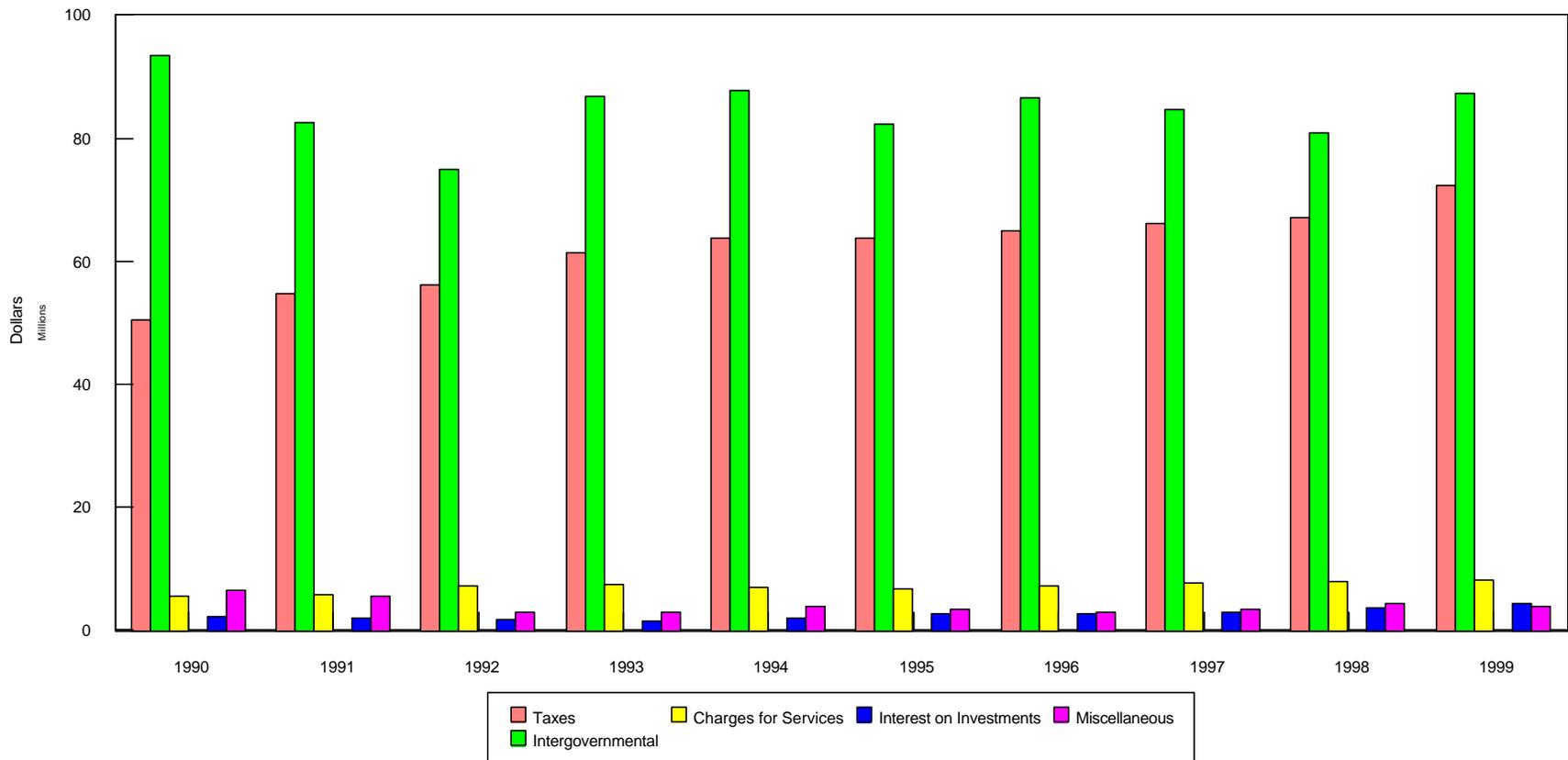
ST. LOUIS COUNTY, MINNESOTA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
 LAST TEN FISCAL YEARS

Fiscal Year	Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeits	Gifts and Contributions	Earnings on Investments	Miscellaneous	Total Revenue
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
1997	\$ 66,268,481	\$ 138,169	\$ 84,589,884	\$ 7,742,466	\$ 941,739	\$ 35,767	\$ 2,905,559	\$ 2,401,141	\$ 165,023,206
1998	\$ 67,187,541	\$ 155,517	\$ 80,874,792	\$ 8,064,994	\$ 1,304,540	\$ 27,318	\$ 3,575,139	\$ 2,869,442	\$ 164,059,283
1999	\$ 72,214,386	\$ 160,899	\$ 87,219,274	\$ 8,191,021	\$ 1,518,384	\$ 16,019	\$ 4,287,083	\$ 2,213,469	\$ 175,820,535

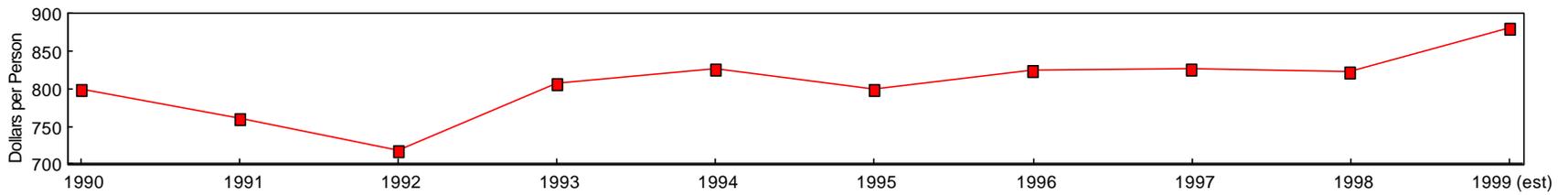
Fiscal Year	Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeits	Gifts and Contributions	Interest on Investments	Miscellaneous	Total
1990	31.9%	0.1%	59.0%	3.5%	0.5%	0.0%	1.4%	3.6%	100.0%
1991	36.3%	0.1%	54.8%	3.8%	0.5%	0.0%	1.3%	3.2%	100.0%
1992	39.2%	0.1%	52.4%	5.0%	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%
1997	40.2%	0.1%	51.3%	4.7%	0.6%	0.0%	1.7%	1.4%	100.0%
1998	41.0%	0.1%	49.3%	4.9%	0.8%	0.0%	2.1%	1.8%	100.0%
1999	41.1%	0.1%	49.6%	4.7%	0.9%	0.0%	2.3%	1.3%	100.0%

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

GENERAL GOVERNMENTAL REVENUES BY SOURCE



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 Effective Levy
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
1997	62,148,361	10,171,479	51,976,882
1998	63,510,765	9,593,532	53,917,233
1999	65,630,322	10,500,191	55,130,131

COLLECTIONS

Collection Year	Current Tax Collections (3)	Delinquent Tax Collections	Total Tax Collections	Outstanding Delinquent Taxes
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
1997	50,413,050	1,360,754	51,773,804	3,386,413
1998	51,803,156	1,202,089	53,005,245	4,249,435
1999	53,599,933	1,970,242	55,570,175	3,661,644

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
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%
1997	96.99%	2.62%	99.61%	6.52%
1998	96.08%	2.23%	98.31%	7.88%
1999	97.22%	3.57%	100.79%	6.64%

(1) In 1994 through 1997 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 1997 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.

(3) Collections include amounts that are not a part of the certified levy.

ST. LOUIS COUNTY, MINNESOTA
TAXABLE MARKET VALUE AND TAX CAPACITY OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

TAXABLE MARKET VALUE (INCLUDES CAPTURED INCREMENT)

Collection Year	Property Outside the City of Duluth	Property Within the City of Duluth	Total
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
1997	3,201,837,900	2,225,427,350	5,427,265,250
1998	3,430,885,300	2,310,692,030	5,741,577,330
1999	3,709,574,800	2,380,700,800	6,090,275,600

TAXABLE TAX CAPACITY (EXCLUDES CAPTURED INCREMENT)

Collection Year	Property Outside the City of Duluth	Property Within the City of Duluth	Total
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
1997	55,548,845	37,140,254	92,689,099
1998	53,483,926	34,810,262	88,294,188
1999	53,465,283	33,272,621	86,737,904

RATIOS

Collection Year	Total Tax Capacity as a Percent of Total Taxable Market Value	Percent of Total Tax Capacity	
		Property Outside the City of Duluth	Property Within the City of Duluth
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%
1997	1.71%	59.93%	40.07%
1998	1.54%	60.57%	39.43%
1999	1.42%	61.64%	38.36%

Unaudited

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

TAX LEVIES (2) (In Dollars)					
Tax Year	Cities/Towns Including Tax Increment Districts	Special Districts	School Districts	County	Total Combined
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
1997	35,217,798	1,798,882	47,068,888	54,391,144	138,476,712
1998	36,147,311	1,177,255	44,468,246	56,350,560	138,143,372
1999	36,488,118	1,237,589	44,572,116	58,854,341	141,152,164

TAX RATES PER \$100 OF TAX CAPACITY					
Tax Year	Cities / Towns	Special Districts	School Districts	County	Total Combined (1)
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
1997	34.7370	1.7740	46.4260	53.6480	136.5850
1998	37.3368	1.2160	45.9315	58.2048	142.6891
1999	38.6383	1.3105	47.1987	62.3226	149.4701

TAX RATES PER \$100 OF TAXABLE MARKET VALUE					
Tax Year	Cities / Towns	Special Districts	School Districts	County	Total Combined (1)
1990	0.7364	0.0073	0.8155	1.1791	2.7383
1991	0.6816	0.0147	0.7299	1.2364	2.6626
1992	0.6629	0.0163	0.7444	1.2085	2.6321
1993	0.7010	0.0182	0.8944	1.2039	2.8176
1994	0.6692	0.0208	0.8747	1.1663	2.7309
1995	0.6552	0.0218	0.9378	1.1017	2.7165
1996	0.6567	0.0218	0.9133	1.0433	2.6350
1997	0.6489	0.0331	0.8673	1.0022	2.5515
1998	0.6296	0.0205	0.7745	0.9814	2.4060
1999	0.5991	0.0203	0.7319	0.9664	2.3177

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

(2) Power line levies are not included.

ST. LOUIS COUNTY, MINNESOTA
TAX CAPACITY BY PROPERTY TYPE
 YEAR ENDED DECEMBER 31, 1999

	Dollar Value	Percent of Total
Real Estate		
Residential	\$ 48,099,810	49.39%
Multiple Dwelling	5,276,816	5.42%
Commercial/Industrial	22,092,432	22.69%
Timberlands	1,262,905	1.30%
Agricultural	666,626	0.68%
Public Utilities / Miscellaneous	6,867,459	7.05%
Seasonal Residential Recreational	6,708,915	6.89%
Seasonal Residential Recreational- Commercial	379,050	0.39%
Total Real Estate	\$ 91,354,013	93.81%
Personal Property	\$ 6,030,957	6.19%
Total Real Estate & Personal Property	\$ 97,384,970	100.00%

Source: St. Louis County Assessor

ST. LOUIS COUNTY, MINNESOTA
PRINCIPAL TAXPAYERS
 YEAR ENDED DECEMBER 31, 1999

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

Payee	Taxable Tax Capacity as of 1999 Tax Roll (1)	Percentage of Total
Minnesota Power	\$ 5,421,588	6.25%
Consolidated Papers, Inc.	1,662,654	1.92%
Great Lakes Gas Trans Ltd	1,128,019	1.30%
DM&IR Railway	1,127,790	1.30%
Northern States Power	967,883	1.12%
DW&P Railroad	938,314	1.08%
Square Butte Electric Co-op	788,604	0.91%
Miller Hill Mall Company	709,564	0.82%
United Power Association	665,296	0.77%
BN&SF Railroad	511,489	0.59%
Total Taxable Tax Capacity of Ten Largest Taxpayers	\$ 13,921,201	16.05%
Total Taxable Tax Capacity of Other Taxpayers	\$ 72,816,703	83.95%
Total Taxable Tax Capacity of All Taxpayers	\$ 86,737,904	100.00%

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

Collection of Taconite Production Tax in 1999

EVTAC	\$ 5,551,811
Hibbing Taconite	8,731,827
Ispat Inland Mining	2,844,232
LTV Steel	7,999,609
National Steel	5,766,811
Northshore Mining	4,688,938
USX Corporation	14,688,584
	<u>\$ 50,271,812</u>

Distribution of Taconite Production Tax in 1999

Counties other than St. Louis:	\$ 6,760,847
Property Tax Credits	
St. Louis county and its Political Subdivisions:	
Property Tax Credits - County Share	\$ 3,671,955
County General Fund	4,345,509
County Road and Bridge Fund	6,609,796
Property Tax Credit - Cities', Towns' and School Districts' Share	4,509,370
School Districts	15,209,648
Cities and Towns	7,819,499
	\$ 42,165,777
Retained by County as Agent for State, for Future Property Tax Credits	\$ 1,345,188
Total Distribution	<u>\$ 50,271,812</u>

ST. LOUIS COUNTY, MINNESOTA
COMPUTATION OF LEGAL DEBT MARGIN
 YEAR ENDED DECEMBER 31, 1999

Market Value of Taxable Property		\$ 6,090,275,600
Debt Limit:		
Two Percent of Market Value of Taxable Property (1)		\$ 121,805,512
Amount of Debt Applicable to Debt Limit:		
General Obligation Debt (At Par)	\$ 25,669,900	
Less:		
Fund Balance in Debt Service Funds	674,677	
Net Restricted Assets in Applicable Enterprise Funds (2)	10,905	
Total Amount of Debt Applicable to Debt Limit		24,984,318
Legal Debt Margin		\$ 96,821,194

(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 solid waste general obligation revenue bonds and the solid waste full crossover advance refunding bonds of \$4,060,000 less \$59,816 unamortized discount are carried in the Enterprise Funds. These bonds are carried at par of \$4,060,000 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, 1999

	<u>Total Debt Outstanding (1)</u>	<u>FOR F/S</u>	<u>Percent Applicable to St. Louis County (2)</u>	<u>Amount</u>
Direct Debt				
St. Louis County (3)	\$ 25,610,084	25,610,084	100.00%	\$ 25,610,084
Overlapping Debt				
School District #94	\$ 5,900,000	13,665,000	3.72%	\$ 219,480
School District #381	600,000		17.79%	106,740
School District #698	3,505,000		94.39%	3,308,370
School District #2142	3,660,000		99.80%	3,652,680
Arrowhead Regional Development Commission	625,305	625,305	52.55%	328,598
Western Lake Superior Sanitary District	37,625,910	37,625,910	80.86%	30,424,311
	<u>\$ 51,916,215</u>			<u>\$ 38,040,179</u>
Underlying Debt				
City of Biwabik	\$ 630,000	109,522,856	100.00%	\$ 630,000
City of Buhl	275,000		100.00%	275,000
City of Chisholm	780,000		100.00%	780,000
City of Cook	125,000		100.00%	125,000
City of Duluth	58,488,190		100.00%	58,488,190
City of Ely	750,000		100.00%	750,000
City of Eveleth	2,332,189		100.00%	2,332,189
City of Hermantown	2,830,000		100.00%	2,830,000
City of Hibbing	10,525,600		100.00%	10,525,600
City of Hoyt Lakes	260,000		100.00%	260,000
City of Iron Junction	4,537		100.00%	4,537
City of Mountain Iron	1,015,000		100.00%	1,015,000
City of Tower	63,000		100.00%	63,000
City of Virginia	31,444,340		100.00%	31,444,340
Town of Rice Lake	850,000	850,000	100.00%	850,000
School District #695	245,656	71,044,626	100.00%	245,656
School District #696	1,250,000		100.00%	1,250,000
School District #700	10,490,000		100.00%	10,490,000
School District #701	3,465,000		100.00%	3,465,000
School District #704	2,070,000		100.00%	2,070,000
School District #706	14,980,000		100.00%	14,980,000
School District #709	31,185,000		100.00%	31,185,000
School District #712	5,300,000		100.00%	5,300,000
School District #2154	1,333,970		100.00%	1,333,970
School District #2711	725,000		100.00%	725,000
Virginia Housing and Redevelopment Authority	1,730,000	1,730,000	100.00%	1,730,000
	<u>\$ 183,147,482</u>			<u>\$ 183,147,482</u>
Total	<u>\$ 260,673,781</u>	<u>260,673,781</u>		<u>\$ 246,797,745</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 \$59,816.
- (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 of \$1,820,000 for which the County is contingently liable.

ST. LOUIS COUNTY, MINNESOTA
DEBT PAYMENTS
PAST SIX YEARS AND ALL FUTURE YEARS

Fiscal Year	General Long Term		Fund Long Term		Capital Leases (2)		Total
	Bonded Debt (1)		Bonded Debt		Principal	Interest	
	Principal	Interest	Principal	Interest	Principal	Interest	
1994	\$ 6,095,000	\$ 1,355,161	\$ 1,505,000	\$ 808,762	\$ 338,468	\$ 112,983	\$ 10,215,374
1995	2,835,000	896,858	1,760,000	593,188	352,839	111,103	6,548,988
1996	825,000	737,978	1,065,000	499,550	347,367	96,458	3,571,353
1997	915,000	772,140	1,130,000	448,700	372,599	110,478	3,748,917
1998	1,205,000	991,745	1,225,000	326,830	412,009	130,383	4,290,967
1999	1,265,000	933,253	1,585,000	273,320	415,905	107,099	4,579,577
2000	\$ 2,075,000	\$ 1,043,623	\$ 830,000	\$ 191,658	\$ 454,320	\$ 104,890	\$ 4,699,491
2001	2,180,000	948,007	870,000	154,228	469,100	90,053	4,711,388
2002	2,285,000	845,768	915,000	113,920	485,364	74,683	4,719,735
2003	2,405,000	737,862	965,000	69,910	506,935	59,923	4,744,630
2004	2,530,000	623,650	480,000	23,039	52,827	35,217	3,744,733
2005	1,755,000	503,294	-	-	53,900	32,002	2,344,196
2006	1,855,000	415,650	-	-	57,200	28,613	2,356,463
2007	1,960,000	322,838	-	-	60,500	25,024	2,368,362
2008	2,299,900	224,375	-	-	64,900	21,199	2,610,374
2009	695,000	119,675	-	-	68,200	17,037	899,912
2010	615,000	79,805	-	-	72,600	12,531	779,936
2011	465,000	48,705	-	-	77,000	7,744	598,449
2012	490,000	24,990	-	-	82,500	2,640	600,130
Total for							
2000-2012	<u>\$ 21,609,900</u>	<u>\$ 5,938,242</u>	<u>\$ 4,060,000</u>	<u>\$ 552,755</u>	<u>\$ 2,505,346</u>	<u>\$ 511,556</u>	<u>\$ 35,177,799</u>

(1) Does not include the \$2,710,000 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) See Table 11 for more detail.

ST. LOUIS COUNTY, MINNESOTA
LEASE OBLIGATIONS
 PAST SIX YEARS AND ALL FUTURE YEARS

OPERATING LEASE PAYMENTS

Year Ended	Office and Parking Space	Data Processing Software	Office Equipment	Vehicles	Total
1994	\$ 1,125,735	\$ 288,111	\$ 30,132	\$ 8,471	\$ 1,452,449
1995	1,244,267	311,328	25,113	8,478	1,589,186
1996	1,289,570	288,373	-	8,435	1,586,378
1997	1,369,587	291,072	-	8,537	1,669,196
1998	1,382,470	468,831	-	9,251	1,860,552
1999	1,585,150	431,099	-	9,944	2,026,193
Future Minimum Lease Payments					
2000	\$ 1,504,666	\$ 440,955	\$ -	\$ 9,944	\$ 1,955,565
2001	1,505,980	440,955	-	9,944	1,956,879
2002	1,506,309	440,955	-	9,944	1,957,208
2003	1,506,309	440,955	-	9,944	1,957,208
2004	1,506,309	440,955	-	9,944	1,957,208
Total for 2000-2004	<u>\$ 7,529,573</u>	<u>\$ 2,204,775</u>	<u>\$ -</u>	<u>\$ 49,720</u>	<u>\$ 9,784,068</u>

CAPITAL LEASE PAYMENTS

Year Ended	Northland Office Building		Hibbing Maintenance Facility		Office Equipment	
	Principal	Interest	Principal	Interest	Principal	Interest
1994	\$ 302,489	\$ 112,342	\$ -	\$ -	\$ 35,979	\$ 1,651
1995	334,555	110,709	-	-	18,284	641
1996	330,061	96,253	-	-	17,306	394
1997	354,336	89,818	-	20,582	18,263	205
1998	365,113	80,707	41,800	49,622	5,096	78
1999	359,118	56,702	39,600	47,425	17,187	2,972
2000	\$ 393,496	\$ 57,345	\$ 40,700	\$ 45,256	\$ 20,134	\$ 2,279
2001	405,464	45,377	42,900	42,999	20,746	1,667
2002	417,797	33,044	46,200	40,593	21,377	1,036
2003	430,504	20,337	48,400	38,039	28,257	1,322
2004	-	-	50,600	35,189	2,227	28
2005	-	-	53,900	32,002	-	-
2006	-	-	57,200	28,613	-	-
2007	-	-	60,500	25,024	-	-
2008	-	-	64,900	21,199	-	-
2009	-	-	68,200	17,037	-	-
2010	-	-	72,600	12,531	-	-
2011	-	-	77,000	7,744	-	-
2012	-	-	82,500	2,640	-	-
Total for 2000-2012	<u>\$ 1,647,261</u>	<u>\$ 156,103</u>	<u>\$ 765,600</u>	<u>\$ 348,866</u>	<u>\$ 92,741</u>	<u>\$ 6,332</u>

Unaudited

ST. LOUIS COUNTY, MINNESOTA
BONDED DEBT PAYMENT SCHEDULE (1)
 PAST SEVEN YEARS AND ALL FUTURE YEARS

Fiscal Year	General Long Term Bonded Debt										Fund Long Term Bonded Debt						Total Principal and Interest		
	Babbitt Facility (2)		Jail Bond (3)		Capital Equipment Notes (4)		Arrowhead Juvenile Center (5)		Septic Revenue Notes (6)		Law Enforcement Facilities (7)		Solid Waste (8)		Nursing Homes (9)			Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		Principal	Interest
1993	\$ 25,000	\$ 89,017	\$ -	\$ 88,000	\$ 3,800,000	\$ 490,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 350,478	\$ 660,000	\$ 147,265	\$ 4,785,000	\$ 1,164,966	\$ 5,949,966	
1994	25,000	86,855	2,000,000	895,901	4,070,000	372,405	-	-	-	-	-	800,000	703,457	705,000	105,305	7,600,000	2,163,923	9,763,923	
1995	30,000	84,680	770,000	692,113	2,035,000	120,065	-	-	-	-	-	990,000	533,048	770,000	60,140	4,595,000	1,490,046	6,085,046	
1996	30,000	82,055	795,000	655,923	-	-	-	-	-	-	-	1,030,000	489,475	35,000	10,075	1,890,000	1,237,528	3,127,528	
1997	35,000	79,415	830,000	618,557	-	-	50,000	74,168	-	-	-	1,095,000	440,935	35,000	7,765	2,045,000	1,220,840	3,265,840	
1998	40,000	76,300	865,000	579,548	-	-	50,000	72,167	-	-	250,000	263,730	1,185,000	321,410	40,000	5,420	2,430,000	1,318,575	3,748,575
1999	40,000	72,700	905,000	538,892	-	-	60,000	70,118	-	-	260,000	251,543	1,545,000	270,600	40,000	2,720	2,850,000	1,206,573	4,056,573
2000	45,000	69,060	945,000	496,358	740,000	171,740	75,000	67,598	-	-	270,000	238,867	830,000	191,658	-	-	2,905,000	1,235,281	4,140,281
2001	50,000	64,920	990,000	451,942	765,000	141,030	90,000	64,410	-	-	285,000	225,705	870,000	154,228	-	-	3,050,000	1,102,235	4,152,235
2002	55,000	60,270	1,040,000	405,413	795,000	108,135	100,000	60,495	-	-	295,000	211,455	915,000	113,920	-	-	3,200,000	959,688	4,159,688
2003	60,000	55,100	1,095,000	356,012	830,000	73,950	110,000	56,095	-	-	310,000	196,705	965,000	69,910	-	-	3,370,000	807,772	4,177,772
2004	65,000	49,400	1,150,000	304,000	870,000	37,845	120,000	51,200	-	-	325,000	181,205	480,000	23,039	-	-	3,010,000	646,689	3,656,689
2005	75,000	43,225	1,210,000	249,375	-	-	130,000	45,740	-	-	340,000	164,954	-	-	-	-	1,755,000	503,294	2,258,294
2006	80,000	36,100	1,275,000	191,900	-	-	140,000	39,695	-	-	360,000	147,955	-	-	-	-	1,855,000	415,650	2,270,650
2007	90,000	28,500	1,345,000	131,338	-	-	150,000	33,045	-	-	375,000	129,955	-	-	-	-	1,960,000	322,838	2,282,838
2008	100,000	19,950	1,420,000	67,450	-	-	160,000	25,770	224,900	-	395,000	111,205	-	-	-	-	2,299,900	224,375	2,524,275
2009	110,000	10,450	-	-	-	-	170,000	17,770	-	-	415,000	91,455	-	-	-	-	695,000	119,675	814,675
2010	-	-	-	-	-	-	175,000	9,100	-	-	440,000	70,705	-	-	-	-	615,000	79,805	694,805
2011	-	-	-	-	-	-	-	-	-	-	465,000	48,705	-	-	-	-	465,000	48,705	513,705
2012	-	-	-	-	-	-	-	-	-	-	490,000	24,990	-	-	-	-	490,000	24,990	514,990
Total for 2000-2012	<u>730,000</u>	<u>436,975</u>	<u>10,470,000</u>	<u>2,653,788</u>	<u>4,000,000</u>	<u>532,700</u>	<u>1,420,000</u>	<u>470,918</u>	<u>224,900</u>	<u>4,765,000</u>	<u>1,843,861</u>	<u>4,060,000</u>	<u>552,755</u>	<u>-</u>	<u>-</u>	<u>25,669,900</u>	<u>6,490,997</u>	<u>32,160,897</u>	

- (1) Does not include \$2,840,000 in refunded Solid Waste Bonds (for which payments were made by escrow agent) or the \$2,710,000 State of Minnesota Duluth Airport Lease Revenue Bonds Series 1995E, for which the County is contingently liable.
- (2) General Obligation Taxable Revenue Refunding Bonds Series 1989B for the Babbitt Tirecycle recycling facility, original issue of \$1,015,000, interest rates of 8.5 to 9.5%, obligations may be prepaid in part or in whole on 12-01-99 or any interest date thereafter.
- (3) a) General Obligation Correctional Facilities Refunding Bond Anticipation Notes Series 1991 for jail construction, original issue of \$2,000,000, interest rates of 4.4% tax-exempt, legally defeased in 1993 by 3b) below.
 b) Jail Revenue Bonds Series 1993A, St. Louis County Unlimited Tax Lease Obligation of the Housing and Redevelopment Authority for jail construction, original issue of \$14,635,000, interest rates of 4.7 to 4.75%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-02 or any interest date thereafter.
- (4) a) General Obligation Capital Equipment Notes Series 1988, original issue \$5,000,000, interest rate 6.34%, tax-exempt, not callable, defeased in 1993
 b) General Obligation Capital Equipment Notes Series 1989, original issue \$4,070,000, interest rate 6.3%, tax-exempt, not callable, defeased in 1994
 c) General Obligation Capital Equipment Notes Series 1990, original issue of \$2,035,000, interest rate of 5.9%, tax-exempt, not callable, legally defeased in 1995.
 d) General Obligation Capital Equipment Notes Series 1999, original issue of \$4,000,000, interest rate of 4.48%, tax-exempt, not callable
- (5) General Obligation Bonds Series 1995 for expansion of Arrowhead Juvenile Center, original issue of \$1,580,000, interest rates of 4.0 to 5.2%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-03 or any day thereafter.
- (6) General Obligation Notes issued in 1998 for the septic system improvement loan program under the Agricultural Best Management Loan Program. Repayment is required after ten years. Principal includes \$200,000 for one note and \$24,900 for a second note. Interest on idle funds for the \$24,900 note will be added to principal.
- (7) Law Enforcement Facilities Revenue Bonds Series 1997, St. Louis County Unlimited Tax Lease Obligation of the Housing and Redevelopment Authority for acquisition and betterment of law enforcement facilities in the Hibbing and Virginia County courthouses, original issue of \$5,275,000, interest rates of 4.875 to 5.1%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-05 or upon 30 days notice thereafter.
- (8) a) General Obligation Solid Waste Bonds Series 1989 for closure costs and transfer station construction, original issue of \$3,510,000, interest rates of 6.4 to 7.1%, tax-exempt, partially refunded by Full Crossover Advance Refunding Bonds Series 1993A, legally defeased on 12-01-97 crossover date.
 b) General Obligation Solid Waste Bonds Series 1989E for closure costs and transfer station construction, original issue of \$1,310,000, interest rates of 5.9 to 6.9%, tax-exempt, partially refunded by Full Crossover Advance Refunding Bonds Series 1993A, legally defeased on 12-01-97 crossover date.
 c) General Obligation Solid Waste Bonds Series 1991 for transfer station construction, original issue of \$1,255,000, interest rates of 4.0 to 6.25%, tax-exempt, obligations, legally defeased on first call date of 12-01-99.
 d) General Obligation Solid Waste Bonds 1993 for Regional Landfill construction, original issue of \$5,535,000; interest rate of 3.0 to 5.0%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-00 or any interest date thereafter.
 e) General Obligation Full Crossover Advance Refunding Bonds Series 1993A, partial refunding of 8a) and 8b) above, original issue \$2,920,000 (unescrowed portion), interest rates 4.0 to 4.8%, tax-exempt, prepayable in part or whole 12-01-00 or any date thereafter.
- (9) a) General Obligation Nursing Home Revenue Refunding Bonds Series 1989C for Chris Jensen Nursing Home, original issue of \$2,665,000, interest rates of 6.2 to 6.5%, tax-exempt, legally defeased in 1995.
 b) General Obligation Nursing Home Revenue Bonds(Nopeming Home) Series 1989A, original issue of \$305,000, interest rates of 6.4 to 6.8%, tax-exempt, obligations, legally defeased in 1999.

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	
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
1997	8,990,190	8,259,589	730,601	35,000	7,765	42,765	17.08
1998	8,257,726	8,113,778	143,948	40,000	5,420	45,420	3.17
1999	8,178,437	8,238,441	(60,004)	40,000	2,720	42,720	0.00

SOLID WASTE MANAGEMENT ENTERPRISE FUND BOND

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
1997	7,425,438	3,545,369	3,880,069	3,935,000	571,020	4,506,020	0.86
1998	7,538,512	3,998,263	3,540,249	1,185,000	321,410	1,506,410	2.35
1999	8,138,417	3,941,894	4,196,523	1,545,000	270,599	1,815,599	2.31

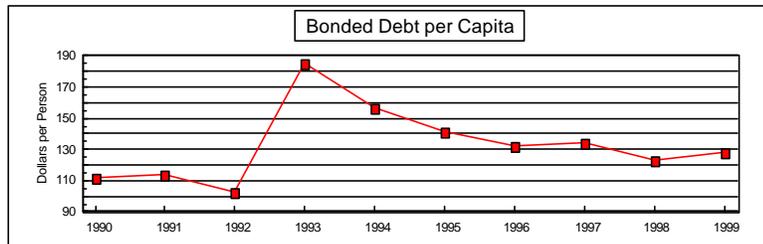
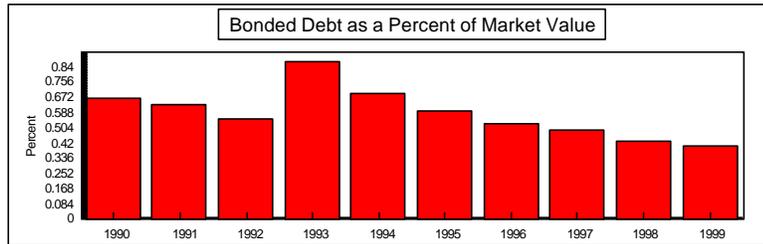
(1) Includes operating and non-operating revenue.

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

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(1)	Market Value (2)	Bonded Debt As a Percent of Market Value	Population	Bonded Debt per Capita	Fiscal Year	Bonded Debt as a Percent of Market Value	Fiscal Year	Bonded Debt per Capita
1990	\$ 22,195,000	\$ 3,380,059,500	0.66%	198,213	\$ 111.98	1990	0.66	1990	111.98
1991	22,525,000	3,597,878,700	0.63%	197,767	113.90	1991	0.63	1991	113.90
1992	20,535,000	3,743,207,450	0.55%	199,260	103.06	1992	0.55	1992	103.06
1993	36,840,000	4,213,422,500	0.87%	198,249	185.83	1993	0.87	1993	185.83
1994	31,240,000	4,546,517,400	0.69%	198,866	157.09	1994	0.69	1994	157.09
1995	28,225,000 (3)	4,806,552,900	0.59%	198,879	141.92	1995	0.59	1995	141.92
1996	26,335,000 (3)	5,078,155,264	0.52%	199,103	132.27	1996	0.52	1996	132.27
1997	26,725,000 (3)	5,427,265,250	0.49%	199,454	133.99	1997	0.49	1997	133.99
1998	24,512,900 (3)	5,730,753,400	0.43%	199,454	122.90	1998	0.43	1998	122.90
1999	25,669,900 (3)	6,090,275,600	0.42%	199,080	128.94	1999	0.40	1999	128.70

- (1) All bonded debt, including fund debt, is general obligation, which can be paid from property taxes.
- (2) Includes captured increment.
- (3) Excludes 1995 State of Minnesota Duluth Airport Lease Revenue Bonds Series 1995E.



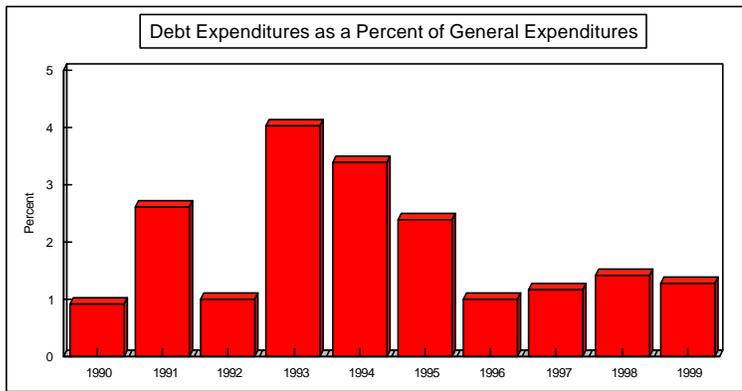
ST. LOUIS COUNTY, MINNESOTA
DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT (1)
 LAST TEN FISCAL YEARS

Year	Principal	Interest	Total Debt Service Expenditures	Total General Expenditures (2)	Debt Service Expenditures As a Percent of General Expenditures	Year	
1990	\$ 420,000	\$ 1,075,030	\$ 1,495,030	\$ 160,668,481	0.90%	1990	0.93
1991	2,970,000	902,288	3,872,288	147,513,461	2.63%	1991	2.63
1992	620,000 (3)	804,443	1,424,443	141,110,539	1.01%	1992	1.01
1993	5,825,000	654,867	6,479,867	160,203,803	4.04%	1993	4.04
1994	4,095,000 (3)	1,310,943	5,405,943	159,572,198	3.39%	1994	3.39
1995	2,835,000	896,858	3,731,858	156,351,816	2.39%	1995	2.39
1996	825,000	812,145	1,637,145	161,996,820	1.01%	1996	1.01
1997	915,000	946,566	1,861,566	156,984,686	1.19%	1997	1.19
1998	1,272,175	1,015,992	2,288,167	158,638,175	1.44%	1998	1.44
1999	1,265,000	933,253	2,198,253	170,595,215	1.29%	1999	1.29

(1) Does not include bonds that are paid from Enterprise Funds. See Table 13.

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

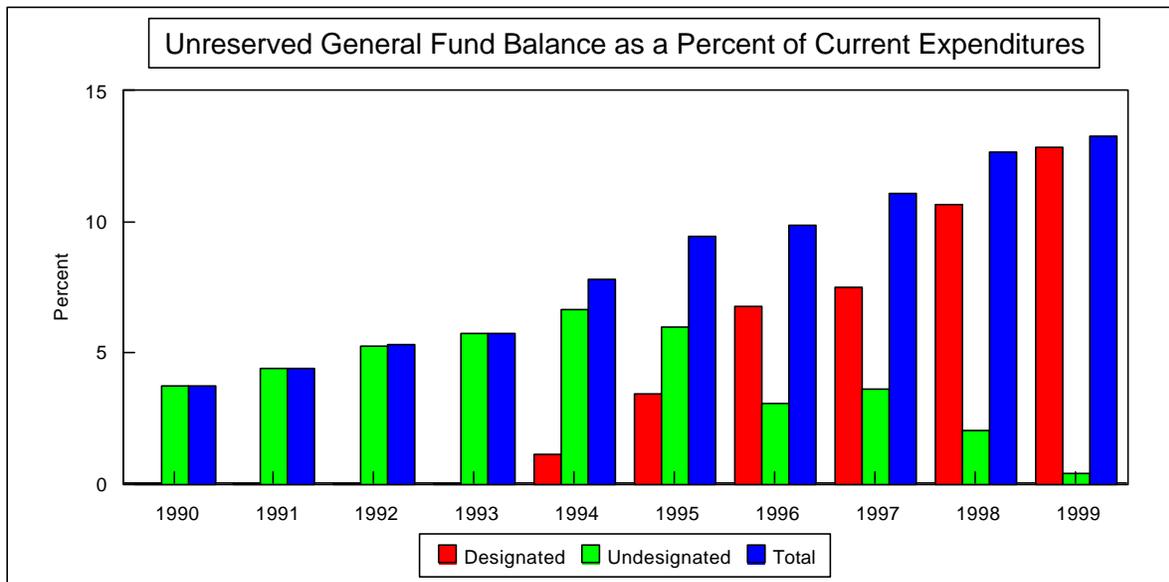
(3) \$2,000,000 of this figure was financed by a refunding issue.



ST. LOUIS COUNTY, MINNESOTA
**UNRESERVED GENERAL FUND BALANCE
 COMPARED TO TOTAL CURRENT EXPENDITURES**
 LAST TEN FISCAL YEARS

Fiscal Year	Total Current Expenditures (1)	Unreserved Designated		Unreserved Undesignated		Total Unreserved	
		General Fund Balance	Balance as a Percent of Expenditures	General Fund Balance	Balance as a Percent of Expenditures	General Fund Balance	Balance as a Percent of Expenditures
1990	\$ 153,623,453	\$ 0	0.00%	\$ 5,723,877	3.73%	\$ 5,723,877	3.73%
1991	142,919,740	0	0.00%	6,257,175	4.38%	6,257,175	4.38%
1992	132,097,394	75,842	0.06%	6,911,613	5.23%	6,987,455	5.29%
1993	142,445,694	0	0.00%	8,138,288	5.71%	8,138,288	5.71%
1994	148,080,004	1,684,740	1.14%	9,843,320	6.65%	11,528,060	7.79%
1995	141,864,687	4,868,941	3.43%	8,526,180	6.01%	13,395,121	9.44%
1996	142,847,929	9,644,682	6.75%	4,417,385	3.09%	14,062,067	9.84%
1997	142,520,559	10,688,555	7.50%	5,131,428	3.60%	15,819,983	11.10%
1998	149,051,153	15,924,894	10.68%	2,992,945	2.01%	18,917,839	12.69%
1999	159,819,293	20,559,482	12.86%	646,956	0.40%	21,206,438	13.27%

(1) Road construction expenditures are excluded; intergovernmental public safety expenditures are included.



Unaudited

ST. LOUIS COUNTY, MINNESOTA
COMPENSATED ABSENCES AND FUND BALANCE RESERVED FOR HEALTH AND WELFARE
 YEAR ENDED DECEMBER 31, 1999

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)	\$ 724,656	\$ 117,174	\$ -	\$ -	\$ 841,830	
Long term	-	753,359	4,659,129	-	5,412,488	
Total Vacation	<u>\$ 724,656</u>	<u>\$ 870,533</u>	<u>\$ 4,659,129</u>	<u>\$ -</u>	<u>\$ 6,254,318</u>	310,724
Sick Leave						
Vested (3)	\$ -	\$ 911,782	\$ 5,480,391	\$ -	\$ 6,392,173	
Vesting (4)	-	1,391,754	17,466,686	-	18,858,440	
Non-vesting (5)	-	-	-	10,397,163	10,397,163	
Total Sick Leave	<u>\$ -</u>	<u>\$ 2,303,536</u>	<u>\$ 22,947,077</u>	<u>\$ 10,397,163</u>	<u>\$ 35,647,776</u>	1,779,206
Retired Employees' Health Insurance Balance (6)	<u>\$ -</u>	<u>\$ 282,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,968</u>	n/a
Total Compensated Absences Payable	<u>\$ 724,656</u>	<u>\$ 3,457,037</u>	<u>\$ 27,606,206</u>	<u>\$ 10,397,163</u>	<u>\$ 42,185,062</u>	<u>2,089,930</u>

FUND BALANCE RESERVED FOR HEALTH AND WELFARE (7)

	Governmental Funds
General County Board policy retirees	\$ 1,779,286
Special statutory option retirees	132,248
Law enforcement-special County Board policy retirees	<u>184,888</u>
Total Fund Balance Reserved for Health and Welfare	<u>\$ 2,096,422</u>

(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 \$1,952,600; Special Revenue Funds \$3,421,632; and Trust Funds \$106,159. 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	Trust and Agency Funds	Enterprise Funds	Internal Service Funds	Total
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
1997	771.65	337.00	542.00	57.00	495.80	107.68	2,311.13
1998	790.15	342.00	531.70	57.00	475.88	112.68	2,309.41
1999	796.75	342.00	538.10	59.00	447.30	114.68	2,297.83

Table 19

ST. LOUIS COUNTY, MINNESOTA
LABOR CONTRACT AGREEMENTS
 YEAR ENDED DECEMBER 31, 1999

Bargaining Unit	Number of Employees Represented	Contract Expiration Date (1)
Civil Service Basic	963	12/31/01 (2)
Corrections Counselors	5	12/31/01 (2)
Health Care Basic	455	06/30/01 (3)
Health Care Supervisors	17	06/30/98
Civil Service Supervisors	123	12/31/99
Merit System Supervisors	43	12/31/99
Civil Service Confidential	23	12/31/99
Teamsters	222	12/31/01 (2)
Merit System Basic	194	12/31/99
Jail Corrections Officers/ 911 Dispatchers	97	12/31/99
Deputy Sheriff's Association	93	12/31/99
Sheriff Supervisory	11	12/31/99

(1) Unless otherwise indicated, contracts are under negotiation.

(2) This contract was settled in February 2000.

(3) This contract was settled in January 2000.

ST. LOUIS COUNTY, MINNESOTA

INSURANCE COVERAGE

YEAR ENDED DECEMBER 31, 1999

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	141,841,315	Commercial property-blanket building and business personal property
		10,000	500,000	Commercial property-business income
		10,000	50,000	Commercial property-personal property of others
		10,000	250,000	Commercial property-personal property at undescribed premises
		10,000	50,000	Commercial property-property in transit
		10,000	3,000,000	Commercial property-amended contents
		1,000	250,000	Commercial property-electronic data and media
		10,000	1,000,000	Commercial property-off-premises power interruption
		10,000	5,000,000	Commercial property-flood
		50,000	5,000,000	Commercial property-earthquake
		48 hour	1,000,000	Commercial property-off-premises services
		250	50,000	Commercial crime-money & securities: inside \$50,000; outside \$10,000
		250	50,000	Commercial crime-forgery/alteration
		10,000	2,009,000	Commercial property-computers
10,000	235,000	Commercial property-other: miscellaneous electronic equipment \$135,000; valuable papers \$100,000		
Volunteer services	CIMA Companies, Inc.	-	25,000	Excess accident medical coverage
		-	2,500	Accidental death and dismemberment
		-	1,000,000	Volunteers-personal injury and property damage
Radio and television towers	Otis-Magie Gustafson Travelers	1,000	350,000	Property-towers
		1,000	241,000	Property-transmitting equipment and buildings
		1,000	100,000	Property-building and generator
	Liscomb-Hood-Mason Co.	5,000	205,000	Outside equipment
Railroad	Otis-Magie Gustafson	-	1,000,000	General liability
Surety bonds	Otis-Magie Gustafson	-	500,000	County Auditor
		-	100,000	Other persons-\$100,000 per individual Number of employees covered:
				Arrowhead Regional Corrections 18
				Attorney 37
				Auditor 74.5
				Court Administrator 40
				Court Reporter 6
				Health Department 25
				Land Department 27
				Mine Inspector 4
				Planning Department 3
				Public Works 7
				Purchasing Department 8
				County Recorder 1
				Sheriff 38
				Social Services 45
				Solid Waste 36
				Surveyor 2
				Administration 4
				Number of others covered:
				Commissioners 7
				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 \$1,120,000
Personal injury and property damage	Self insurance			
Motor vehicles and authorized portable equipment	Self insurance			
	Liscomb-Hood-Mason Co.	25,000	19,338,811	Contractors/miscellaneous equipment floater

Unaudited

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

Fiscal Year	Commercial Banks (1)	Savings & Loan Associations (2)	Total
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
1997	1,375,168,000	103,692,000	1,478,860,000
1998	1,662,278,000	107,708,000	1,769,986,000
1999	1,619,317,000	112,145,000	1,731,462,000

(1) Thomson Bank Directory

(2) Thomson Saving Directory

ST. LOUIS COUNTY, MINNESOTA
DEMOGRAPHIC STATISTICS
 LAST TEN YEARS

Year	Median Age (3)	Population (4)	K - 12 School Enrollment (5)	Per Capita Personal Income (6)
1990	35.7	198,213	33,710	\$ 16,252
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	18,344
1994	35.7	198,866	33,186	19,281
1995	35.7	198,879	32,911	20,535
1996	35.7	199,103	32,657	21,687
1997	35.7	199,454	32,501	22,357
1998	35.7	199,454	31,664	Not Available
1999	35.7	199,080	33,588	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.

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

Fiscal Year	Residential Units (1)	Residential Value (1)
1990	2,800	37,750,527
1991	3,256	45,547,000
1992	3,133	60,139,279
1993	1,599	38,086,739
1994	1,646	37,521,002
1995	453	42,722,981
1996	442	47,129,475
1997	703	66,886,593
1998	818	51,018,840
1999	756	74,694,659

(1) 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

Year	COUNTY LABOR STATISTICS			State	National	
	Annual Average	Employment	Unemployment	Average	Average	
	Labor Force			Unemployment	Unemployment	
				Rate	Rate	
1990	93,245	87,097	6,148	6.6%	4.9%	5.5%
1991	96,186	89,469	6,714	7.0%	5.1%	6.7%
1992	96,428	88,976	7,451	7.7%	5.2%	7.4%
1993	97,124	89,569	7,555	7.8%	5.1%	6.8%
1994	100,062	93,655	6,408	6.4%	4.0%	6.1%
1995	100,583	94,883	5,700	5.7%	3.7%	5.6%
1996	100,117	94,389	5,728	5.7%	4.0%	5.4%
1997	100,567	95,590	4,976	4.9%	3.3%	4.9%
1998	102,485	98,556	3,929	3.8%	2.5%	4.5%
1999	101,828	97,713	4,116	4.0%	2.8%	4.2%

Source: Minnesota Department of Economic Security

Unaudited

ST. LOUIS COUNTY, MINNESOTA

LAND STATISTICAL DATA

YEAR ENDED DECEMBER 31, 1999

AREA		
	Square <u>Miles</u>	<u>Acres</u>
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		
	<u>Acres</u>	<u>Percentage</u>
Public Ownership		
Federal Entitlement Lands		
Bureau of Land Management	262	0.01%
Forest Service	760,157	18.80%
National Park Service	<u>122,967</u>	<u>3.04%</u>
Total Federal Entitlement Lands	883,386	21.85%
State Lands		
Department of Natural Resources	573,191	14.18%
Department of Transportation	<u>12,006</u>	<u>0.29%</u>
Total State Lands	585,197	14.47%
State Tax-Forfeited Lands		
Estimated	<u>901,620</u>	<u>22.30%</u>
Total Public Ownership	2,370,203	58.62%
Private Ownership / Other	<u>1,673,329</u>	<u>41.38%</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, 1999

ROAD STATISTICS

<u>Road Type</u>	Miles Within Municipalities Over 5,000 Population	Miles Within Municipalities Under 5,000 Population	Nonmunicipal Miles	Total Miles
Interstate trunk	11.630	1.066	3.323	16.019
U. S. trunk	35.276	16.833	167.809	219.918
Minnesota trunk	59.628	14.418	227.012	301.058
County state aid	115.560	82.522	1,378.880	1,576.962
Municipal state aid	169.539	-	-	169.539
County	47.383	52.736	1,518.776	1,618.895
Township	0.860	-	789.742	790.602
Unorganized township	-	-	133.267	133.267
National forest development	-	17.725	121.269	138.994
Indian reservation	-	-	1.196	1.196
State forest	-	-	98.030	98.030
State park	-	-	4.540	4.540
Municipal streets	584.602	183.068	-	767.670
Total	<u>1,024.478</u>	<u>368.368</u>	<u>4,443.844</u>	<u>5,836.690</u>

BRIDGE STATISTICS

<u>Bridge Type</u>	Number of Bridges
Concrete structures	65
Steel beam structures	195
Steel truss structures	28
Timber structures	41
Culverts with spans greater than ten feet	270
Total	<u>599</u>

Unaudited

ST. LOUIS COUNTY, MINNESOTA

REGISTERED VOTERS

LAST TEN ELECTIONS

PRIMARY ELECTIONS

Date	Total Registered Voters	Percentage Voting
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%
September 15, 1998	120,229	39%

GENERAL ELECTIONS

Date	Total Registered Voters	Percentage Voting
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%
November 3, 1998	121,640	73%

Source: St. Louis County Auditor's Office

Unaudited

ADDENDUM: Management and Compliance Report from the Office of the State Auditor.

ST. LOUIS COUNTY
DULUTH, MINNESOTA

Schedule 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1999

I. SUMMARY OF AUDITOR'S RESULTS

- A. Our report expresses an unqualified opinion on the general purpose financial statements of St. Louis County.
- B. Reportable conditions in internal control were disclosed by the audit of financial statements of St. Louis County and are reported in the "Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." None were material weaknesses.
- C. No instances of noncompliance material to the financial statements of St. Louis County were disclosed during the audit.
- D. No matters involving internal control over compliance relating to the audit of the major federal award programs were reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133."
- E. The Auditor's Report on Compliance for the major federal award programs for St. Louis County expresses an unqualified opinion.
- F. No findings were disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- G. The major programs are:

Community Development Block Grant	CFDA #14.218
Home Investment in Affordable Housing	CFDA #14.239
Disaster Assistance Grant	CFDA #83.544
Social Services Block Grant Title XX	CFDA #93.667
- H. The threshold for distinguishing between Types A and B programs was \$584,073.

I. St. Louis County was determined to be a low-risk auditee.

II. FINANCIAL STATEMENT AUDIT--INTERNAL CONTROLS

PREVIOUSLY REPORTED ITEMS NOT RESOLVED

96-10 Departmental Internal Accounting Controls

Due to the limited number of office personnel within the various County departments, the proper segregation of the accounting functions necessary to ensure adequate internal accounting control is not possible. The departments and accounts include the Duluth Sheriff's Office, the Hibbing Courts Office, the Hibbing Sheriff's Office, and the Nopeming Nursing Home Resident Trust Fund. Although this is not unusual in small departmental situations, management should constantly be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from an internal control point of view.

We recommend that County management be aware of the lack of segregation of the accounting functions and, if possible, implement oversight procedures to ensure that the internal control policies and procedures are being implemented by staff.

Client's Response:

The Auditor's office will contact the departments involved and request that they implement procedures to ensure segregation of duties for the various departments listed.

96-12 Chris Jensen Health and Rehabilitation Center Inventory

The Chris Jensen Health and Rehabilitation Center has a perpetual inventory system in place, but purchases and usage are not posted timely. Also, the Center has no method to compare inventory usage to the meals prepared. These weaknesses in internal control could allow significant pilferage or waste to occur without detection.

We recommend the Chris Jensen Health and Rehabilitation Center Administrator require timely posting of inventory purchases and usage and establish a method to match usage to meals prepared.

Client's Response:

The facility will assure posting of purchases and usage in a timely manner to maintain

perpetual inventory. Storekeeper is researching a simpler system with Dietary.

The meal census maintained by Dietary will be provided to the Storekeeper. That information will be compared with usage to determine and pinpoint potential pilferage or excessive waste.

98-1 Nursing Homes Patients Escrow Fund

The Chris Jensen Health and Rehabilitation Center and Nopeming Nursing Home Patients Escrow checking accounts and escrow fund balances for the year ended December 31, 1999, were not reconciled until March, 2000. The Chris Jensen checking account reconciliation included undeposited amounts totaling \$25,554, part of which dated back to October, 1999. Both escrow fund balance reconciliations had unidentified variances. The reconciliations and underlying transactions are the basis for recording the Patients Escrow Trust Fund activity on the County financial system each year. There were unidentified variances between the underlying transactions, and amounts actually posted to the County Trust Fund. Checking account and escrow fund balance reconciliations should be performed monthly to detect and correct both book and bank errors.

We recommend that the nursing home accounting personnel reconcile the Patients' Escrow checking accounts at both facilities monthly on a timely basis. These reconciliations should then be used as the basis to post activity to the County Patients Escrow Trust Fund throughout the year.

Client's Response:

Policies have been implemented by Nursing Home management that require the Trust Funds be reconciled monthly and a copy of such reconciliation be provided to the Homes' Administrators for review. Trust Fund reconciliation includes reconciling the Trust Fund checking accounts, cash accounts and investments. All variances are required to be resolved within thirty (30) days by Nursing Home accounting staff.

The monthly reconciliations will be used by the Fiscal Manager to post Trust Fund transactions to LGFS monthly. Additionally, deposits are required to be made according to the St. Louis County policy, but no less than once per week.

99-1 County Recorder's Attorney Deposit Account

The attorney deposit checking account has not been reconciled to the detail attorney deposit ledger since March, 1998. The Attorney Deposit ledger is used to record amounts received from various attorneys in advance of services provided by the

County Recorder. The checking account balance should be reconciled to the corresponding accounting records monthly to detect and correct both book and bank errors.

We recommend the Recorder's Office investigate all variances and prepare monthly bank to ledger reconciliations. If variances are determined to have been caused by computer problems, these problems should be fixed or the Recorder's Office should maintain supplementary manual records until an appropriate fix can be done.

Client's Response:

The Recorder's entire computer system is being rewritten and it is anticipated that the computer problems will be eliminated once the new system is on line. The checkbook and the ledger deposit account balances are now being reconciled to the monthly bank statement.

99-2 Court Accounting Procedures

Our review of the Duluth Courts Office accounting procedures disclosed:

- (a) Records of funds held in trust by the Courts for various individuals included on the Trial Court Information System (TCIS) were not kept current. One account indicated a \$25,000 certificate of deposit for an individual, but the audit review disclosed two \$25,000 certificates of deposit , one each for two separate individuals. In another case, the year end balance shown on the TCIS reports was \$2,328, but the bank confirmed that this had been cashed in 1997. In a third case, TCIS records showed a balance of \$28,702 for an individual, but there was no physical evidence in the file that the investment existed.

We recommend that all funds held in trust records be reviewed in detail at least annually to determine proper balances on the TCIS reports.

- (b) The TCIS recording system will allow a clerk to credit payments received from an individual on a special account without that amount being included in the daily total of collections. This is done by selecting the "NO JRNL" coding when prompted by the input screen. The payer is credited with the amount paid and receives a receipt form without a corresponding receipt number. The payer is not likely to notice the form is not a valid receipt because of the missing receipt number. The amount so coded could then be removed from the cash drawer before daily collections are balanced to the TCIS reports.

We recommend the Court Administrator obtain a daily report of all "NO JRNL"

Schedule 1
(Continued)

entry transactions for review by the supervisor. This would disclose any discrepancies between collections and deposits.

- (c) Our cash count of current parking ticket collections did not agree with the computer report of total receipts. Cash was short by \$12. Review of procedures disclosed that clerks are allowed to reduce parking tickets amounts at their discretion. The total ticket amount could be collected from the customer, the receipt amount reduced on the system, and the difference pocketed by the clerk.

We recommend the Court Administrator review these procedures and develop sufficient internal controls.

Client's Response:

(a) The Court Administrator holds minor settlement funds for safekeeping by court order. When the minor reaches the age of majority and provides proof of age to the court, the certificate of deposit or annuity is released. A copy of the most recent bank statement is filed in the court file and a receipt is signed acknowledging receipt of the certificate or annuity.

Some banking institutions have recently gone to a paperless certificate of deposit format, issuing just a receipt acknowledging existence of an account. In many cases we no longer have possession of the actual certificate. In that instance, the court administrator's office opens a special account and files the supporting information from the bank (the bank's receipt). With this new process the banks are not requiring an original certificate of deposit to be released from the court, so the court records still reflect a balance in the TCIS special account.

There are occasions when a bank will release funds directly to the person reaching age of majority and does not require or obtain the original certificate of deposit being held in the court file. An audit of all minor trust records would resolve this issue.

A Court Clerk Supervisor will audit minor accounts by requesting a TCIS report of all open non-cash trust accounts. The report will be compared against the actual certificates of deposit and annuities held in our office for safekeeping. By the end of January of each year interest statements received from the bank will be compared with the certificates held. Follow up with the banking institution will occur on any interest statement that does not have a companion certificate or annuity.

(b) TCIS no journal entries (UJOU transactions) were designed to allow users to make bookkeeping adjustments within the financial component of TCIS. The function is mainly used to back out NSF payments or to adjust an occasional misapplication of payment from the wrong debtor to the right one. Copies of each UJOU transaction are maintained with monthly financial reports.

The Court Administrator has requested a site-specific monthly no journal entry (UJOU) report listing all no journal transactions. The report will be reviewed each month by the supervisor.

(c) Written policy clearly outlines when staff has the discretion to forgive a parking penalty amount. The policy is based on Minnesota Rules of Court that considers documents and fees received by mail to be timely if received within three days of the actual due date. Parking employees are allowed to accept original fine amounts (i.e. waive the late fee) on parking tickets within that policy. Volume is clearly an issue. We simply do not have staff resources to send late notices on every ticket not arriving in our office on the due date, nor would it be cost effective. The possibility of supervisory approval on each waiver as it is granted is also impractical due to volume.

The Court Administrator will require that staff retain the hard copy of each ticket on which a penalty waiver is granted, noting on the face of the ticket the amount receipted. Supervisory staff will review these hard copies daily and initial to indicate approval of the waiver. Supervisors will be directed to conduct occasional, random spot checks, comparing the daily receipt records with the amount noted on the face of the hard copy.

III. MINNESOTA LEGAL COMPLIANCE

ITEM ARISING THIS YEAR

99-3 Electronic Fund Transfers (EFT)

The County Auditor's office does not have an overall electronic funds transfer policy. Minn. Stat. § 385.071 allows a county to make electronic funds transfers for

investment and all other county expenditures, but it requires the County Board to establish policies and procedures governing such transfers.

We recommend the County Board establish and overall electronic funds transfer policy.

Client's Response:

An electronic funds transfer policy will be established by the Auditor's office for approval by the County Board.

99-4 Disposal of Surplus Equipment

During 1999, the County Purchasing Agent contracted with the Salvation Army to dispose of surplus obsolete equipment. The contract calls for the Salvation Army to pick up surplus equipment at various County sites and sell it at their stores throughout the County. The Salvation Army then remits to the County a portion of the proceeds. This is not in compliance with Minn. Stat. § 383C.333g which makes the purchasing agent responsible for "disposal by sale, after receipt of competitive bids, of supplies, materials and equipment which are obsolete and unusable."

We recommend the County Purchasing Agent review current procedures and make appropriate changes to comply with the applicable law.

Client's Response:

The Director of Purchasing will be taking this issue to the County Board.

99-5 Purchase of Heavy Equipment

During September, 1998, the County Purchasing Agent purchased two road patchers for \$127,747 each based upon a bid. The specifications of the bid were written to include brand and model number and listed that model's special features as requirements to meet bid specifications. Minn. Stat. § 471.35 states that "specifications shall not be so prepared as to exclude all but one type or kind..." In February, 1999, the County purchased an additional road patcher based upon the September, 1998 bid. This is not in compliance with Minn. Stat. § 471.345 Subd. 3. which requires sealed bids to be solicited if the contract amount is expected to exceed \$25,000.

We recommend the County Purchasing Agent review current procedures and make

appropriate changes to comply with the applicable laws.

Client's Response:

The Director of Purchasing and/or the Senior Buyer will review all purchases of heavy equipment for compliance with applicable laws.

IV. MANAGEMENT PRACTICES

PREVIOUSLY REPORTED ITEMS NOT RESOLVED

96-27 Management Information Systems (MIS) Department

Our review of the various MIS Department operations disclosed that its disaster recovery plan has some deficiencies. These include lack of off-site storage of the written plan, specific recovery procedures, critical applications/user contingency report, and a formalized alternative site processing agreement. To effectively deal with a disaster affecting computer operations, the County must have a complete, detailed plan in place.

We recommend the MIS Director review the disaster recovery plan and expand it to address the noted deficiencies.

Client's Response:

A subgroup of the MIS Users' Group will be formed to address disaster recovery planning for the enterprise. The subgroup will include representatives from the Attorney, Sheriff, MIS, 911 Communications, Purchasing, Employee Safety and Development, Property Management, Administration, and Social Services. This group will be assigned the task of reviewing the existing MIS Disaster Recovery Plan and updating it to reflect the changes in the County computer environment. The existing plan, which was written several years ago, highlights the need to provide mainframe type computer services from an off-site location in the event of a disaster. However, we recognize that the County's Local and Wide Area Network environment and capabilities have become a much more important strategic asset in the day to day operations of the County. So the Disaster Recovery Plan must be adjusted to reflect this change in priority and the support and backup functions must also be planned accordingly.

Both the MIS Users' Group Strategic Plan 2000 Action Items and the MIS Tactical Plan

contain the goal of beginning work on the Disaster Recovery Plan at the beginning of the third quarter of 2000. The MIS Tactical Plan for 2000 also identifies the goal of identifying locations with a similar computing environment and formalizing backup agreements with those sites to facilitate movement of the County's main computing capability if required.

99-6 Social Services Fund Waivered Services Receivable

At December 31, 1999, the Social Services accounts receivable staff manually reviewed and accrued a large receivable for unbilled waivered services. This was a time-consuming undertaking but was necessary because many of the recipients upon which this accrual was based did not have an assigned PMI (recipient identification number) included on the computerized billing system. Without a PMI for each recipient, no automated billings can be prepared.

We recommend the Social Services Fiscal Management Supervisor consider making inclusion of the PMI a mandatory field on the computer billing system. Another possibility is to make one person responsible for monitoring and including PMI's for all recipients on the billing software.

Client's Response:

The absence of PMI numbers was one issue that resulted in the need to manually generate a supplement billing for waivered services. The migration of case management functions to the Statewide SSIS system created confusion and required double entry of many data elements. The absence, not incompleteness, of time reporting records is the greatest problem in generating complete, timely and accurate billing.

The Department will submit a system request to allow for automated pickup of time records entered after the initial billing is run. Also, as part of a comprehensive revenue enhancement initiative, supervisors will receive more frequent and detailed feedback on time reporting activities by their workers.

Given the geographic dispersion of the Department, it is not feasible to have a single person enter PMI's for all cases opened, and designation of the field as mandatory without validity checks on data entered would not serve a purpose.

99-7 Monitoring of Collateral Pledged to Secure Deposits

Schedule 1
(Continued)

The County is required by Minn. Stat. § 118A.03 to secure deposits in all banks used by the County at 110% of the bank balance. Our review of collateral records and correspondence with financial institutions used by the County confirmed that collateral was sufficient to cover deposits, however, collateral monitoring procedures were not sufficient. Two collateral assignment pledge sheets could not be located and periodic monitoring reports were not available.

We recommend the County Auditor establish written collateral monitoring procedures and perform such procedures routinely throughout the year.

Client's Response:

The recommendation will be implemented.

99-8 Septic Loan Special Revenue Fund

The St. Louis County Health and Long Term Medical Care Department is responsible for properly posting and monitoring activity of the Septic Loan Special Revenue Fund as well as preparing and mailing monthly billings for outstanding loans. There were numerous errors in coding that were analyzed and corrected by the County Auditor's staff prior to year end. The outstanding loan balance on one monthly billing does not equal the loan balance from the previous monthly billing.

Part of the funding for these loans was from the Federal government passed through the State. Federal regulations require that interest on idle funds be accrued and repaid to the State. Complete and accurate records are necessary to determine any liability required to be accrued.

We recommend the St. Louis County Health and Long Term Medical Care Director review these concerns and establish procedures to insure proper coding and posting. Also, the billing system should be reviewed and revised so correct billings are sent monthly.

Client's Response:

The Health Department's Septic Loan accounts receivable system was created with the assistance of the County Management Information staff. Health Department staff have worked with the Management Information staff to correct the errors in posting the

prior month's loan balance. In our research of this computerized system, we discovered the history files were accurate, but the invoice printed with the wrong prior month's balance only if no payment was made for the previous month. This programming error has been corrected starting with the May 1, 2000 invoice.

Health Department staff will reconcile monthly the Septic Loan accounts receivable system to the Auditor LGFS statements starting with the February reports.

99-9 Virginia Social Welfare Fund Procedures

In the Virginia Social Services office, the Rep Payee Transmittal Forms (RPT-19) are not being signed by the social worker responsible for authorizing social welfare disbursements. The clerk responsible for processing these payments does not file all of the RPT-19 forms. Only the RPT-19 forms documenting large or unusual payments are kept on file. These forms are the basis for disbursements both to and for social welfare clients. The forms should include the authorizing signature, and be kept on file to document disbursements.

We recommend the Virginia Social Services office be instructed to follow established departmental office procedures; RPT-19 forms are signed by the responsible social worker, and kept on file by the social welfare clerk.

Client's Response:

The recommendations will be implemented.

V. **OTHER ITEMS FOR CONSIDERATION**

Governmental Accounting Standards Board Statements

In June, 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments* which will significantly change how your financial position and operations are reported in the future. Based on St. Louis County's 1999 revenues of \$202,898,546, the new financial reporting requirements will be effective for your County for your fiscal year ending December 31, 2002.

Some of the significant changes required by Statement 34, include but are not limited

to the following:

- A. Management's Discussion and Analysis Letter (MD&A) is a new section within the annual financial report, which provides an introduction to the financial statements and an analysis of the governments activities and financial position. Management annually will need to review and report on certain key financial activities. This letter is placed in front of the financial statements.
- B. Government-Wide Financial Statements are now required as part of the basic financial statements of a governmental entity. The purpose of the government-wide financial statements is to present the overall financial condition of the reporting entity. Two new financial statements provide data on governmental-type activities, business-type activities and component units. The statement of net assets will provide information on the overall financial condition. The new statement of activities will be prepared using a net cost format that identifies how the various activities and functions are funded. These financial statements will be reported on the full accrual basis of accounting. Infrastructure (roads, bridges, drainage systems, street lights, etc.) are required to be accounted for in the government-wide financial statements. The related depreciation will have to be recorded in the statement of activity, unless the County uses the modified approach for infrastructure reporting.
- C. Fund-Level Financial Statements are similar to current reporting except that the emphasis will be on the individual major funds rather than aggregated data by fund type. Governmental, proprietary, and fiduciary funds will be reported in separate statements. Governmental fund statements as is the case now, will be prepared on the modified accrual basis, and reconciled with the Government-Wide Financial Statements. Proprietary fund statements will continue to be on the accrual basis. Fiduciary statements will only present activities for other entities or individuals and will not be reported in the government-wide statements.
- D. Additional Notes to the Financial Statements are required to provide additional information about the financial statements. Some of these additional items will disclose the various policies adopted to prepare the financial statements.
- E. Budgetary Reporting will change in that these statements only need be presented as Required Supplementary Information (RSI). Budgetary comparison statements are only required for the General Fund and all major Special Revenue Funds. Budgetary statements must include columns for original budget, final amended budget, and actual amounts. Variance columns are optional.

Effective for the year ended December 31, 2001, GASB Statement No. 33, *Accounting*

Schedule 1
(Continued)

and Financial Reporting for Nonexchange Transactions, was issued December, 1998. This statement establishes accounting and reporting requirements as to when (in which year) to report nonexchange transactions (both cash and noncash types) or basically when certain types of transactions will be recorded as revenue in the financial statements. A nonexchange transaction is when a government receives or gives value without directly giving or receiving equal value in return. There are four types of nonexchange transactions:

- A. Derived tax revenues, such as income and sale taxes.
- B. Imposed nonexchange revenues, such as property taxes and fines.
- C. Government-mandated nonexchange transactions, such as certain mandated federal and state programs.
- D. Voluntary nonexchange transactions, such as certain nonmandated federal and state programs and private donations.

The county should become knowledgeable on how these accounting pronouncements will affect its annual financial reporting. With the number of changes required, the County should evaluate the procedures necessary to implement the statements. Some items to consider include:

- 1. Determining how the financial statements will be prepared. For example, will the final statements be prepared using spreadsheets or other means or will adjustments be made on the general ledger system.
- 2. Establishing and documenting key financial accounting policies. These policies should include capitalization levels for capital assets, depreciation methods, estimated useful lives, whether the modified approach will be used, and if so, the policy on condition levels, the policy for eliminating internal activity in the statement of activities, the policy for defining operating versus non-operating revenues for proprietary funds and the policy on how to apply expenses to restricted or unrestricted net assets. These policies can be accumulated in the County accounting policies manual.
- 3. Assigning someone to be responsible for preparing the Management's Discussion and Analysis.

Schedule 1
(Continued)

4. Establishing which systems of infrastructure assets will be accounted for separately.
5. Determining how retroactive information for infrastructure capital assets will be accumulated or determined.
6. Determining what information must be accumulated to determine beginning balances for the year of implementation and to reconcile the fund level statements to the government-wide statements.
7. Reviewing the activities of the County's current funds to determine how they will be reported under the new requirements.